



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

Office of the Speaker  
ANTONIO R. UNPINGCO  
Date: 5/15/97  
Time: 1518  
Rec'd by: [Signature]  
Print Name: Charlene Duems

**Refer to  
Legislative Secretary**

**MAY 15 1997**

The Honorable Antonio R. Unpingco  
Speaker  
Twenty-Fourth Guam Legislature  
Guam Legislature Temporary Building  
155 Hesler Street  
Agana, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY  
ACKNOWLEDGMENT RECEIPT  
Received By [Signature]  
Time 4:37pm  
Date 5-15-97

Dear Speaker Unpingco:

Enclosed please find a copy of Substitute Bill No. 178 (COR), "AN ACT TO AMEND SECTIONS 22425 AND 22430 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE USE OF SCHOOL BOND FUNDS FOR THE CONSTRUCTION OF ADDITIONAL ELEMENTARY SCHOOLS, COMPLETION OF DESIGN PLANS FOR THE NORTHERN HIGH SCHOOL, AND AUTHORIZING THE GOVERNOR TO TRANSFER FUNDS BETWEEN SCHOOL CONSTRUCTION PROJECTS.", which I have signed into law today as **Public Law No. 24-25**.

I want to thank Senator Larry Kasperbauer for introducing this legislation and working with the Executive Branch in coming up with a solution to a problem. This proves that cooperation will result in the betterment of Guam for all of our residents.

This legislation adds new projects which may be financed from the interest on bond proceeds. These new projects are:


- 1) construction of additional elementary schools in northern Guam,
- 2) needed infrastructure improvement for schools, and
- 3) completion of design plans for the Northern High School.

The improvement of Guam's schools by building new schools to alleviate crowding is very important. This legislation will allow any remaining bond

proceeds to be utilized for repairing existing schools as well as building new schools where the school population of Guam is increasing and there is already a crowded situation within the school environment. These additional projects will be undertaken after the previous projects already slotted for completion under the bonds are undertaken.

On a technical matter, it is noted that in Section 1 of the legislation the additional projects listed are cited as being added to §22425 of Title 5, Guam Code Annotated. Public Law No. 22-19 added a new §22430 to Title 5, Guam Code Annotated, relative to educational bonds, and this is the code number that appears in the Session Laws. The code number of §22430 was changed to §22425 when the same section was reprinted in the Guam Code Annotated. §22430 and §22425 are the same code section, however Public Law No. 22-19 was superseded by Public Law No. 23-14 on the same subject. Public Law No. 23-14 also utilizes the same code section number as does Public Law No. 22-19, which is §22430. Presumably, when Public Law No. 23-14 is codified in the Guam Code Annotated, as well as this Public Law No. 24-25, the code sections will appear under the same number so there will be no confusion.

Very truly yours,

  
Carl T. C. Gutierrez  
Governor of Guam

Attachment


00208

cc: The Honorable Joanne M. S. Brown  
Legislative Secretary

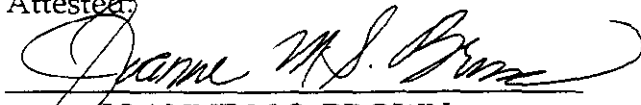
TWENTY-FOURTH GUAM LEGISLATURE  
1997 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 178 (COR), "AN ACT TO AMEND SECTIONS 22425 AND 22430 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE USE OF SCHOOL BOND FUNDS FOR THE CONSTRUCTION OF ADDITIONAL ELEMENTARY SCHOOLS, COMPLETION OF DESIGN PLANS FOR THE NORTHERN HIGH SCHOOL AND AUTHORIZING THE GOVERNOR TO TRANSFER FUNDS BETWEEN SCHOOL CONSTRUCTION PROJECTS," was on the 3rd day of May, 1997, duly and regularly passed.

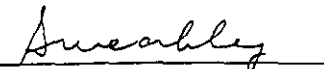
  
\_\_\_\_\_  
ANTONIO R. UNPINGCO  
Speaker

Attested:

  
\_\_\_\_\_  
JOANNE M.S. BROWN  
Senator and Legislative Secretary

.....

This Act was received by the Governor this 3 day of May, 1997, at  
12:45 o'clock P.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
Governor's Office

APPROVED:

  
\_\_\_\_\_  
CARL T. C. GUTIERREZ  
Governor of Guam

Date: 5-15-97

Public Law No. 24-25

TWENTY-FOURTH GUAM LEGISLATURE  
1997 (FIRST) Regular Session

**Bill No. 178 (COR)**

As substituted by the Committee  
on Finance and Taxation  
and as further substituted on the floor and  
amended.

Introduced by:

L. F. Kasperbauer

J. C. Salas

E. I. Cruz

T. C. Ada

F. B. Aguon, Jr.

E. Barrett-Anderson

A. C. Blaz

J. M.S. Brown

Felix. P. Camacho

Francisco P. Camacho

M. C. Charfauros

W. B.S.M. Flores

Mark Forbes

A. C. Lamorena, V

C. A. Leon Guerrero

L. Leon Guerrero

V. C. Pangelinan

A. L. G. Santos

F. E. Santos

A. R. Unpingco

J. WonPat-Borja

AN ACT TO AMEND SECTIONS 22425 AND 22430 OF  
TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO  
AUTHORIZING THE USE OF SCHOOL BOND FUNDS  
FOR THE CONSTRUCTION OF ADDITIONAL  
ELEMENTARY SCHOOLS, COMPLETION OF DESIGN  
PLANS FOR THE NORTHERN HIGH SCHOOL AND  
AUTHORIZING THE GOVERNOR TO TRANSFER

FUNDS BETWEEN SCHOOL CONSTRUCTION  
PROJECTS.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. Item 7 of Subsection (m) of §22425 of Title 5, Guam Code  
3 Annotated is repealed and re-enacted to read:

4 “(7) To the extent of any bond proceeds not required for the  
5 projects listed in Items (1) through (6) of this Subsection (m), any  
6 remaining balance, other than the portions designated to be used  
7 for the Northern High School or to pay general fund expenses,  
8 may be applied to the costs of (i) repairing or reconstructing the  
9 Inarajan Elementary School, (ii) repairing or reconstructing the  
10 earthquake damaged Ordot-Chalan Pago Elementary School, (iii)  
11 reconstructing the earthquake damaged gymnasium and  
12 classrooms at Inarajan High School, (iv) repairing or  
13 reconstructing Upi Elementary School, (v) repairing or  
14 reconstructing earthquake damage at any other school, (vi)  
15 construction of additional elementary schools in northern Guam,  
16 subject to subsection (n) of this Section, (vii) needed  
17 infrastructure improvements for schools, (viii) the completion of  
18 design plans for the Northern High School, or (ix) other projects  
19 approved by subsequent legislation.”

20 Section 2. A new Subsection (r) is added to Section 22430 of Title 5,  
21 Guam Code Annotated, to read:

22 “(r) It is the policy of this Legislature to ensure that the projects  
23 enumerated in Subsection (m) of this Section are completed. In

1       this respect, the Guam Legislature gives its consent and  
2       authorization to allow the transfer of funds between projects  
3       contained in Subsection (m), Items 1, 2, 3, 4, 6 and 7. The Guam  
4       Legislature shall be notified in writing prior to any transfer or  
5       adjustment. This Subsection shall take effect immediately.”

6       **Section 3. A new Subsection (s) is added to §22430 of Title 5,**  
7       **Guam Code Annotated, to read:**

8       “(s) Interest earned on the bonds authorized by this Section shall  
9       be used exclusively for the projects enumerated in Subsection (m)  
10      of this Section.”

Blaz 24-25



TWENTY-FOURTH GUAM LEGISLATURE

# Office of the Vice-Speaker

ANTHONY C. BLAZ

April 11, 1997

APR 11 1997

79 899

**LEGISLATIVE  
COMMITTEE  
MEMBERSHIP**

Chairman  
Finance & Taxation

Vice-Chairman  
Rules,  
Government Reform  
& Federal Affairs

Education

Natural Resources

Health &  
Human Services

Tourism, Economic  
Development & Cultural  
Affairs

Judiciary,  
Public Safety &  
Consumer Protection

Transportation,  
Telecommunications, &  
Micronesian Affairs

**MEMBERSHIP**

Guam Finance  
Commission

Commission on Self  
Determination

The Honorable Speaker Antonio R. Unpingco  
24<sup>th</sup> Guam Legislature  
155 Hesler Street  
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Finance and Taxation, to which was referred Bill No. 178(COR), "AN ACT TO AMEND §22425 AND §22430 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE USE OF SCHOOL BOND FUNDS FOR THE CONSTRUCTION OF ADDITIONAL ELEMENTARY SCHOOLS AND AUTHORIZING THE GOVERNOR TO TRANSFER FUNDS BETWEEN SCHOOL CONSTRUCTION PROJECTS," was subsequently substituted by the Committee, and herein reports back with the recommendation **TO DO PASS.**

Votes of the committee members are as follows:

  11   To Pass

       Not To Pass


       To Place in Inactive File

       Abstained

       Off-Island

       Not Available

Sincerely,

  
Anthony C. Blaz

Attachments



April 11, 1997

**LEGISLATIVE  
COMMITTEE  
MEMBERSHIP**

**Chairman  
Finance & Taxation**

**Vice-Chairman  
Rules,  
Government Reform  
& Federal Affairs**

**Education**

**Natural Resources**

**Health &  
Human Services**

**Tourism, Economic  
Development & Cultural  
Affairs**

**Judiciary,  
Public Safety &  
Consumer Protection**

**Transportation,  
Telecommunications, &  
Micronesia Affairs**

**MEMBERSHIP**

**Guam Finance  
Commission**

**Commission on Self  
Determination**

**TO:** Senator Mark Forbes, Vice Chairperson  
Speaker Antonio R. Unpingco, Ex-Officio Member  
Senator Elizabeth Barrett-Anderson, Member  
Senator Joanne M.S. Brown, Member  
Senator Edwardo J. Cruz, Member  
Senator Lawrence F. Kasperbauer, Member  
Senator Alberto A.C. Lamorena, V., Member  
Senator Carlotta A. Leon Guerrero, Member  
Senator John C. Salas, Member  
Senator Thomas C. Ada, Member  
Senator Mark C. Charfaurous, Member  
Senator William B.S.M. Flores, Member  
Senator Francis E. Santos, Member

**FR:** Vice Speaker Anthony C. Blaz, Chairperson  
Committee on Finance and Taxation

**RE:** Voting Sheet on Bill No. 178 (COR)

Transmitted herewith is the voting sheet and Committee Report on Bill No.178 (COR), which was subsequently substituted by the Committee on Finance and Taxation, for your review and signature.

Your attention to this matter is greatly appreciated.

Sincerely,

  
**Anthony C. Blaz**

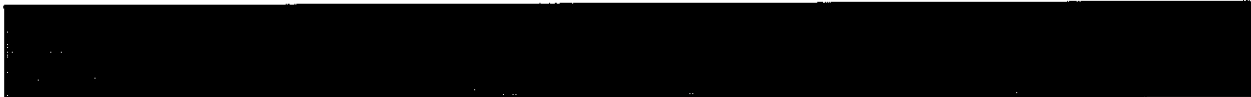







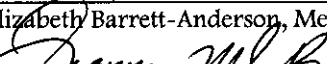

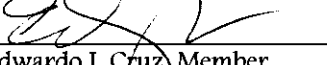
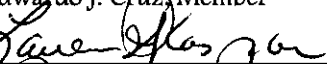

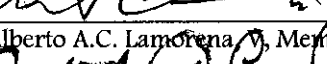
# Committee on Finance and Taxation

## Voting Sheet on Bill No. 178

### As Substituted by the Committee on Finance and Taxation

“AN ACT TO AMEND § 22425 AND §22430 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE USE OF SCHOOL BOND FUNDS FOR THE CONSTRUCTION OF ADDITIONAL ELEMENTARY SCHOOLS, THE COMPLETION OF DESIGN PLANS FOR THE NORTHERN HIGH SCHOOL, AND AUTHORIZING THE GOVERNOR TO TRANSFER FUNDS BETWEEN SCHOOL CONSTRUCTION PROJECTS.”



 Anthony C. Blaz, Chairperson	✓			
 Mark Forrester, Vice Chairperson	✓			
 Antonio R. Unpingco, Ex-Officio	✓			
 Elizabeth Barrett-Anderson, Member	✓			
 Joanne M.S. Brown, Member	✓			
 Edwardo J. Cruz, Member	✓			
 Lawrence F. Kasperbauer, Member	x			
 Alberto A.C. Lamorena, Member	✓			
 Carlotta A. Leon Guerrero, Member	✓			
 John C. Salas, Member	✓			
 Thomas C. Ada, Member	✓			
Mark C. Charfauros, Member				
William B.S.M. Flores, Member				
Francis E. Santos, Member				

**Committee on Finance and Taxation  
Report on Bill No. 178**

AN ACT TO AMEND §22425 AND §22430 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE USE OF SCHOOL BOND FUNDS FOR THE CONSTRUCTION OF ADDITIONAL ELEMENTARY SCHOOLS AND AUTHORIZING THE GOVERNOR TO TRANSFER FUNDS BETWEEN SCHOOL CONSTRUCTION PROJECTS.

**PUBLIC NOTICE:**

Pursuant to the requirements of the Standing Rules, notice of the Public Hearing on Bill No. 178 was published in the Pacific Daily News on March 20<sup>th</sup> and 24<sup>th</sup>.

**PUBLIC HEARING:**

The Committee on Finance and Taxation conducted a public hearing on Monday, March 24, 1997 to hear testimonies on Bill No. 178, "An act to authorize the use of school bond funds for the construction of additional elementary schools and authorizing the transfer of funds between projects." The public hearing was held in the Legislative Public Hearing Room.

**MEMBERS PRESENT:**

The hearing was called to order by the Chairperson of the Committee on Finance and Taxation, Vice Speaker Anthony C. Blaz. Committee members present were:

Senator Elizabeth Barrett-Anderson  
Senator Edwardo J. Cruz  
Senator Joanne M.S. Brown  
Senator Alberto A.C. Lamorena, V.

Other Senators present were:

Senator Vicente C. Pangelinan  
Senator Frank B. Aguon, Jr.

**BACKGROUND:**

Before any testimony was provided, the Chairman requested that the author of the bill, Senator Lawrence F. Kasperbauer, give a brief overview on Bill No. 178. Senator Kasperbauer proceeded by addressing the initial appropriation given to the Astumbo Elementary School. The school was initially funded for 15 million dollars. However, since the school will only cost 7.3 million to build, there will be a remainder of 7.7 million left in the bond proceeds. Bill No. 178 will allow for these remaining funds to be used to build an additional elementary school in the north. There is currently an excess of enrollment at Finegayan Elementary. In addition, approximately 100 students from the Agafa Gumas area are being transported to Upi Elementary. Senator Kasperbauer suggested that the remaining funds from the Astumbo project be used to build another elementary school in the Agafa Gumas area to compensate for the over crowding. The remaining funds, however, can also be used to cover any shortfalls of any existing projects of the specified six schools.

The only witness present to provide testimony was Mr. Sabino Flores. Mr. Flores, Acting Deputy Director of the Department of Public Works provided oral testimony in support of Bill No.178. Mr. Flores expressed that the intent of the bill is to “free up money existing in the bond proceeds to build additional elementary schools and also to cover any shortfalls in existing projects by allowing for the transfer of funds within the bond.” Mr. Flores also stated with the scaling back of the Astumbo design, the remaining funds can be used to build an additional elementary school and also cover any shortfalls in existing projects such as the Tamuning Elementary School. In order for this project to be completed by this summer, temporary classrooms and restroom facilities must be relocated. The transfer of some funds to this project will allow for its completion.

Senator Edwardo J. Cruz, expressed his concerns and inquired about the status of the interest on the bonds. Mr. Flores responded by stating that the interest, which is otherwise known as the “unreserved appropriation,” is being utilized to fund any change orders to existing projects of the second set of schools that did not have specific amounts allocated to them. These schools include UPI Elementary, Ordot-Chalan Pago, Inarajan High School and Inarajan Elementary School. Mr. Flores further added that the current law restricts the use of bond proceeds, whether they’re interest earning or not, for use by the schools specified. It was also noted that Senator Cruz would like to see an amendment so that the balance on accrued interest in whatever form be directed toward the project of this bill.

Senator Joanne Brown, noted that the amendment to this particular bill would eliminate funding for the Northern High School. Senator Brown also suggested that when the government goes out to get contracts for specific projects, that we narrow down as close to the bottom dollar as we can how much something is going to cost, in order to avoid taking any funding out of existing projects which could result in a number of shortfalls.

Senator Frank B. Aguon, Jr. expressed his concerns regarding the Inarajan Elementary School. Apparently the school did not contain a cafeteria facility and this was a primary concern voiced by both parents and teachers alike. Senator Aguon also expressed his concerns regarding the ongoing projects at several other schools and noted that funding be identified to complete these ongoing projects before the additional 7.7 million dollars be allocated to the construction of a new school when such funds may not be sufficient or possibly even unavailable. Sabino Flores responded to the Senator’s concerns by stating that the money that will be used to fund these ongoing projects will be funded by the unreserved appropriation. Mr. Flores further added that the decision to not include a full kitchen to the Inarajan Elementary School was a school decision. The lack of staff and the fact that there is a full kitchen facility right up the street were reasons given for not including a full kitchen. Mr. Flores noted that the principal was fully aware of this decision to not include the full kitchen. In fact, the original bid included a full kitchen, but it was the principal who decided that there was no need for such a facility. The school however, does contain a cafeteria and a serving area.

Senator Alberto A.C. Lamorena, V. further added to Senator Brown’s comment about keeping the Northern High School in the bill. The Senator recognized that we should not neglect the commitment to our high school students in the northern district. He also emphasized the need to obtain input from the Department of Education insofar as where we need schools and so forth. The Senator also stressed the Territorial Board

of Education and the Department of Education's need to be present when we start planning the construction of new schools so that we ensure that it is consistent with their existing plans. Senator Lamorena's final request was that exact figures of how much money is left in the bond issue as well as the interest be submitted to the Committee for review. Mr. Sabino Flores responded by stating that such information can be obtained from the Department of Administration.

Senator Lawrence F. Kasperbauer, responded to comments made regarding the Northern High School. The Senator stated that there was no money in the bonds appropriated to the Northern High School in the first place, however he was more than willing to leave the Northern High School in the bill.

The Chairperson stated that written testimony will be solicited from the Department of Education and the Territorial Board of Education. There being no further witnesses present to testify, the Chairperson adjourned the public hearing on Bill No. 178.

#### **FINDINGS:**

The Committee finds that:

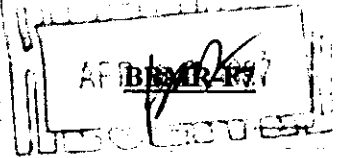
- the intent of Bill No. 178 to allow for the construction of an additional elementary school in the north will reduce the overcrowding at Finegayan Elementary School, as well provide room for students in the Agafa Gumas area, who are currently traveling an estimated twenty miles round trip to attend school at UPI Elementary.
- Discussions between the Department of Administration and the Department of Education indicate agreement on the need for two additional elementary schools for northern Guam. Upon enactment of Bill No. 178, plans will immediately be implemented to build a temporary elementary school for use during the design and construction period of the first permanent school. Failure to pass Bill No. 178 during the April session would preclude this from happening due to time constraints.
- the flexibility of the Governor to transfer funds between school projects is a critical one. Such flexibility will allow for the timely completion of the projects enumerated in the current school bond statute.
- the completion of the design plans for the Northern High School is a necessity.

#### **COMMITTEE RECOMMENDATION:**

The Committee, having reviewed the testimonies presented at the hearing, does hereby recommend to the Legislature the following:

- that amended Bill No 178 " AN ACT TO AMEND §22425 AND §22430 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE USE OF SCHOOL BOND FUNDS FOR THE CONSTRUCTION OF ADDITIONAL ELEMENTARY SCHOOLS, CPLETETION OF DESIGN PLANS FOR THE NORTHERN HIGH SCHOOL, AND AUTHORIZING THE GOVERNOR TO TRANSFER FUNDS BETWEEN SCHOOL CONSTRUCTION PROJECTS," be passed as substituted by the Committee on Finance & Taxation.

**FISCAL NOTE**  
**BUREAU OF BUDGET AND MANAGEMENT RESEARCH**



Bill Number: 178(COR)  
 Amendatory Bill: Yes

Date Received: 3/20/97  
 Date Reviewed: 3/24/97

Department/Agency Affected: Department of Education  
 Department/Agency Head: Roland Taimanglo  
 Total FY Appropriation to Date: \$160,000,000 (As per P.L. 23-128)

**Bill Title (preamble):** AN ACT TO AMEND SECTIONS 22425 AND 22430 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE USE OF SCHOOL BOND FUNDS FOR THE CONSTRUCTION OF ADDITIONAL ELEMENTARY SCHOOL AND AUTHORIZING THE GOVERNOR TO TRANSFER FUNDS BETWEEN SCHOOL CONSTRUCTION PROJECTS.

**Change in Law:** Amends subsections 22425 and 22430 of Title 5, GCA.

**Bill's Impact on Present Program Funding:**  
 Increase \_\_\_\_\_ Decrease \_\_\_\_\_ Reallocation \_\_\_\_\_ No Change XX

**Bill is for:**  
 Operations \_\_\_\_\_ Capital Improvement XX Other \_\_\_\_\_

**FINANCIAL/PROGRAM IMPACT**

ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)			
PROGRAM CATEGORY	GENERAL FUND	OTHER	TOTAL
Education		See Comments	

ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL						
OTHER						
TOTAL						

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? 1/ -- IF NO, ADD'L AMOUNT REQUIRED \$ \_\_\_\_\_  
 AGENCY/PERSON/DATE CONTACTED: \_\_\_\_\_

ESTIMATED POTENTIAL MULTI-YEAR REVENUES						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND						
OTHER						
TOTAL	See	Comments				

ANALYST Stephen J. Guerrero DATE 3/24/97 DIRECTOR Joseph E. Rivera, Acting DATE 3/27/97

FOOTNOTES: See attached. 1/

Bureau of Budget and Management Research  
Comments on Bill No. 178(COR)

*Bill 178 (COR) as proposed, will have no fiscal impact on the General Fund. The bill identifies the School Bond Funds as the fund source for both the proposed construction of the additional elementary schools and the transferring of funds between other school projects. The Bureau supports the intent of Bill 178(COR) as proposed.*

*Joseph E. Rivera  
Acting*