



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM


OCT 09 2001

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Sais na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature
Suite 200
130 Aspal Street
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:


Enclosed please find Substitute Bill No. 144 (COR) entitled: "AN ACT TO ADD § 26505 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND, AND TO CITE THIS ACT AS 'THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001'" which was **vetoed** and subsequently overridden by the Legislature. This legislation is now designated as **Public Law No. 26-48**.

Very truly yours,


Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco
Speaker

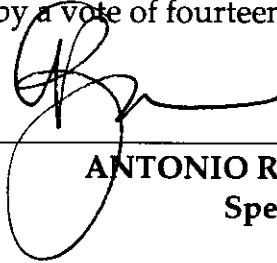
OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	10:26 a.m.
Date	9 Oct 2001

0511

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Substitute Bill No. 144 (COR), "AN ACT TO ADD § 26505 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND, AND TO CITE THIS ACT AS "THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001," returned without approval of *I Maga'lahaen Guåhan*, was reconsidered by *I Liheslaturan Guåhan* and after such consideration, did agree, on the 6th day of October, 2001, to pass said bill notwithstanding the veto of *I Maga'lahaen Guåhan* by a vote of fourteen (14) members.



ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 6 day of October,
2001, at 10:00 o'clock A.M.



Assistant Staff Officer
Maga'lahaen's Office

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 144 (COR)

As substituted by the Committee on
Ways and Means and amended on the Floor.

Introduced by:

F. P. Camacho
J. F. Ada
L. F. Kasperbauer
J. T. Won Pat
T. C. Ada
F. B. Aguon, Jr.
J. M.S. Brown
E. B. Calvo
M. C. Charfauros
Mark Forbes
L. A. Leon Guerrero
K. S. Moylan
V. C. Pangelinan
A. L.G. Santos
A. R. Unpingco

**AN ACT TO ADD § 26505 TO TITLE 11 OF THE
GUAM CODE ANNOTATED, RELATIVE TO THE
CREATION OF THE UNIVERSITY OF GUAM
CAPITAL IMPROVEMENTS FUND, AND TO CITE
THIS ACT AS "THE UNIVERSITY OF GUAM
CAPITAL IMPROVEMENT ACT OF 2001."**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*
3 finds that the lack of safe and modern facilities for the College of Business and
4 Public Administration at the University of Guam ("UOG") hinders the
5 development of the professional workforce needed to serve Guam's needs.

1 Although generous contributions have been received from members of our
2 business community, it is insufficient to cover the cost of the construction of
3 the replacement buildings for the College.

4 *I Liheslaturan Guåhan* also finds that there is a need to replace the roof of
5 the UOG's Fine Arts Building, which has been deteriorating for some time
6 now.

7 It is the intent of *I Liheslaturan Guåhan* to provide supplemental funding
8 for the construction of the College of Business and Public Administration
9 building and collateral equipment, and for the replacement of the roof of the
10 Fine Arts Building by obligating a modest fraction of the liquid fuel tax set
11 aside for the Guam Mass Transit Authority ("GMTA") to pay for a loan to
12 construct the College of Business and Public Administration building and
13 replace the roof of the Fine Arts Building.

14 *However*, at this time our government is facing a severe financial crisis.
15 As such, *I Liheslaturan Guåhan* finds that UOG must ensure that the funding
16 obtained is the best value for UOG and the People of Guam. To ensure that
17 this is done, *I Liheslaturan Guåhan* requests that UOG first look toward a low-
18 interest Federal government loan for the construction of the building.

19 **Section 2. Title.** This Act shall be cited as "*The University of Guam*
20 *Capital Improvement Act of 2001.*"

21 **Section 3.** Section 26505 is hereby *added* to Article 5, Chapter 26,
22 Division 2 of Title 11 of the Guam Code Annotated to read as follows:

23 "Section 26505. **Creation of the University of Guam Capital**
24 **Improvements Fund.**

1 (a) There is hereby created, separate and apart from other
2 funds of the government of Guam, a fund known as the
3 '*University of Guam Capital Improvements Fund.*' The University of
4 Guam Capital Improvements Fund shall *not* be commingled with
5 either the General Fund, the Current Fund of the University of
6 Guam, or any other fund of the government of Guam. The
7 University of Guam Capital Improvements Fund shall be held in
8 an account, or accounts, at a Guam financial institution, or
9 institutions, separate and apart from all other accounts and funds
10 of the government of Guam account. The University of Guam
11 Capital Improvements Fund shall be expended *exclusively* for the
12 payment of debt service incurred for the design, construction and
13 collateral equipment of the College of Business and Public
14 Administration, and for the replacement of the roof of the Fine
15 Arts Building.

16 The Director of the Department of Administration shall
17 deposit on the last day of each month into the University of Guam
18 Capital Improvements Fund a portion of the Mass Transit
19 Automotive Surcharge funds collected pursuant to § 26503 of Title
20 11 of the Guam Code Annotated. The portion deposited into the
21 University of Guam Capital Improvements Fund shall be *no less*
22 *than* Five Hundred Thousand Dollars (\$500,000.00) annually.
23 These funds shall be collected monthly until debt service incurred
24 for the design, construction and collateral equipment of the
25 College of Business and Public Administration of the University of

1 Guam and the replacement of the roof of the Fine Arts Building is
2 fully paid. The portion of the Mass Transit Automotive Surcharge
3 deposited into the University of Guam Capital Improvements
4 Fund shall be taken from the portion of the Mass Transit
5 Automotive Surcharge set aside for the Guam Mass Transit
6 Authority.

7 (b) The Board of Regents of the University of Guam is
8 hereby authorized to enter into a loan agreement with the United
9 States Department of Agriculture *not to exceed* Thirteen Million
10 Five Hundred Thousand Dollars (\$13,500,000) for the design,
11 construction and collateral equipment of the College of Business
12 and Public Administration, and for the replacement of the roof of
13 the Fine Arts Building, for a term *not to exceed* forty (40) years
14 under terms and conditions deemed in the best interest of UOG,
15 pledged by the proceeds of the University of Guam Capital
16 Improvements Fund.

17 (c) UOG shall be required to establish and maintain
18 reserves sufficient to assure that loan installments will be paid on
19 time, for emergency maintenance, for extensions to facilities and
20 for replacement of short-lived assets which have a useful life
21 significantly less than the repayment period of the loan. It is
22 expected that ordinarily such reserve will be accumulated at the
23 rate of *at least* one-tenth (1/10th) of the total each year until the
24 desired level is reached.

1 (d) Any money reimbursed for expenses incurred on
2 behalf of the University of Guam for the design and construction
3 of the College of Business and Public Administration building
4 shall be used *specifically* for capital improvement projects at the
5 University of Guam.

6 (e) Notwithstanding any other provision of law, the
7 building to be constructed as set forth in this Section shall be
8 named, '*The Jesus and Eugenia Leon Guerrero College of Business and*
9 *Public Administration.*' The University of Guam shall place on the
10 front of the building, in a prominent location, the building's name
11 as identified herein."

12 **Section 4. Severability.** *If* any provision of this Law or its
13 application to any person or circumstance is found to be invalid or contrary to
14 law, such invalidity shall *not* affect other provisions or applications of this
15 Law which can be given effect without the invalid provisions or application,
16 and to this end the provisions of this Law are severable.

Oversight

I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2001 (FIRST) Regular Session

Date: 10/6/01
1:31 am

VOTING SHEET

Vetoed
Bill No. 144

Resolution No. _____

Question: _____ 26-48

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.		✓			
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

14 1 _____

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

OCT 01 2001

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Sais na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature
Suite 200
130 Aspinal Street
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:

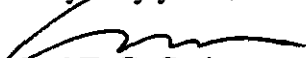
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This legislation cannot be utilized at this time. The University of Guam received a contingent gift of \$2 Million from a private donor. The donor has withdrawn the gift because the conditions have not been met.

This legislation attempts to divert at least \$500,000 from the Automotive Surcharge of the Territorial Highway Funds to the University in order to enable the University to obtain a loan of more than \$13 Million to fund a new building. The highway funds are already appropriated out to existing government obligations, and these obligations are underfunded for this coming fiscal year, based on the revenue projected to come into this fund. In other words, there will not be \$500,000 to divert to the University.

Since the private donor has withdrawn the gift, and there are no funds, which can be diverted to the University in the funds identified, this legislation cannot be implemented at this time.

Very truly yours,


Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco
Speaker

0490

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>8</u>
Time	<u>12:08 pm</u>
Date	<u>10/01/01</u>

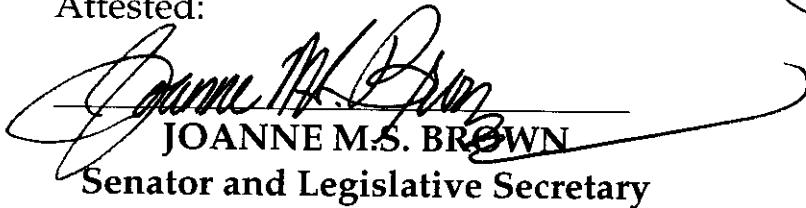
MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

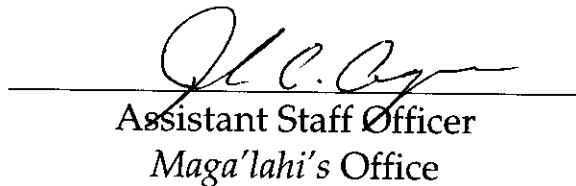
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ANTONIO R. UNPINGCO
Speaker

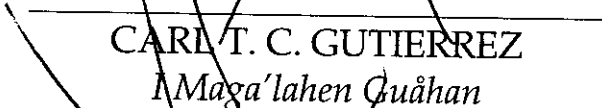
Attested:


JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guåhan this 19 day of Sep., 2001,
at 5:45 o'clock P.M.


Assistant Staff Officer
Maga'lahaen's Office

APPROVED:


CARL T. C. GUTIERREZ
I Maga'lahaen Guåhan

Date: _____

Public Law No. _____

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 144 (COR)

As substituted by the Committee on
Ways and Means and amended on the Floor.

Introduced by:

F. P. Camacho
J. F. Ada
L. F. Kasperbauer
J. T. Won Pat
T. C. Ada
F. B. Aguon, Jr.
J. M.S. Brown
E. B. Calvo
M. C. Charfauros
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L. A. Leon Guerrero
K. S. Moylan
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A. L.G. Santos
A. R. Unpingco

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21 significantly less than the repayment period of the loan. It is
22 expected that ordinarily such reserve will be accumulated at the
23 rate of *at least* one-tenth (1/10th) of the total each year until the
24 desired level is reached.

6

I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2001 (FIRST) Regular Session

Date: 9/14/01

VOTING SHEET

Bill No. 144 (cor)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.	2 ✓	✓			
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

14 1 0 0 0

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature

September 4, 2001

Honorable Antonio R. Unpingco
Speaker
Mina'Bente Sais Na Liheslaturan Guåhan
Hagåtña, Guam 96910

VIA: Chairperson, Committee on Rules, General Government Operations, Reorganization
and Reform and Federal, Foreign and General Affairs

Dear Mr. Speaker:

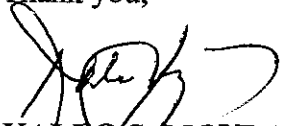
The Committee on Ways and Means, to which was referred Bill No. 144 (COR), "AN ACT TO *ADD* SECTION 26408 TO ARTICLE 4 OF CHAPTER 26 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND AND TO CITE THE ACT AS "*THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001*," has had the same under consideration, and now wishes to report back the same with the recommendation to do pass as substituted.

The Committee votes are as follows:

<u> 1 </u>	To Do Pass
<u> 0 </u>	Not to Pass
<u> 0 </u>	To Report Out
<u> 1 </u>	Abstain
<u> 0 </u>	Inactive File

A copy of the Committee Report and other pertinent documents are attached for your immediate reference and information.

Thank you,


KALEO S. MOYLAN
Chairperson

Enclosure:


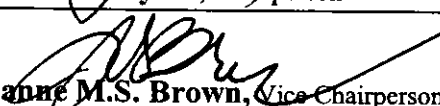
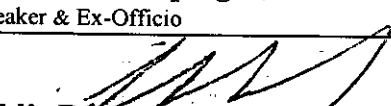
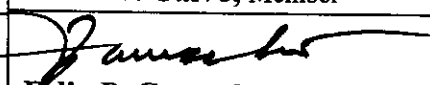
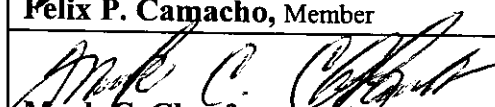
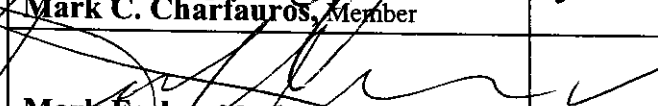


Committee on Ways and Means

Vote Sheet on

Bill No. 144 (COR)

As substituted by the Committee

“AN ACT TO ADD SECTION 26408 TO ARTICLE 4 OF CHAPTER 26 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND AND TO CITE THE ACT AS “THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001.”

COMMITTEE MEMBER	TO DO PASS	NOT TO PASS	REPORT OUT ONLY	ABSTAIN	INACTIVE FILE
 Kaleo S. Moylan, Chairperson	✓				
 Joanne M.S. Brown, Vice Chairperson	✓				
Antonio R. Unpingco, Speaker & Ex-Officio					
 Eddie B. Carvo, Member	✓				
 Felix P. Camacho, Member	✓				
 Mark C. Charfauros, Member	✓				
 Mark Forbes, Member	✓				
 Lawrence F. Kasperbauer, Member	✗				
 Vicente C. Pangelinan, Member				✓	

Committee on Ways and Means
Report on

Bill No. 144 (COR)

As substituted by the Committee.

“AN ACT TO ADD SECTION 26408 TO ARTICLE 4 OF CHAPTER 26 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND AND TO CITE THE ACT AS “THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001.”

PUBLIC HEARING

The Committee on Ways and Means, to which was referred Bill No. 144 (COR), “AN ACT TO ADD SECTION 26408 TO ARTICLE 4 OF CHAPTER 26 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND AND TO CITE THE ACT AS “*THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001,*” conducted a public hearing on Tuesday, August 28, 2001, at the Guam Legislature Public Hearing Room. Senator Kaleo S. Moylan, Chairperson of the Committee on Ways and Means, convened the hearing at 10:00 a.m. Also in attendance were Senators Vicente C. Pangelinan, Thomas C. Ada, Lou A. Leon Guerrero, Eddie B. Calvo, Felix P. Camacho and Mark C. Charfauros.

TESTIMONY

Submitting testimonies were Mr. Roy T. Tsuda, acting President on behalf of Ms. Marie R. Nelson, Chairperson, University of Guam, Board of Regents. According to Dr. Tsuda, the UOG Capital Improvement Fund will serve as the repository for 5% of the total amount of liquid fuel tax assessed and collected monthly by the Department of Administration. Dr. Tsuda went on to say that the University of Guam Endowment Foundation, a non-profit benefit corporation, has received generous one-time cash contributions of \$1,650,691 and pledges of \$655,000 from the business community for the construction of the CBPA building.

At this juncture, Dr. Tsuda recommended to the Committee that Bill No. 144 (COR) should not and cannot mandate that all interest from the private UOG Endowment Foundation be used to repay the federal loan over a 40-year period. According to Dr. Tsuda, it is the responsibility of the University of Guam to obtain the additional funds each month for deposition into the UOG Capital Improvement Fund. UOG will obtain the funds from the interest generated from the gifts earmarked for the CBPA and Fine Arts Buildings.

At this time, the Senator Moylan called on Ms. Anita Borja Williams, D.B.A., Dean of the College of Business and Public Administration. According to Dr. Williams, the faculty,

student classrooms, labs, and outreach units are housed in eight different locations throughout campus. Logistical inefficiencies and the inability to feed internet access and provide proper classroom furnishings in what limited spaces we currently occupy makes it extremely difficult to achieve the levels of quality service and partake in growth initiatives that will lead to farther economic development of our island. Dr. Williams informed the Committee that the new CBPA building is deemed as a multipurpose facility. She went on to say that it will house an array of activities, including entrepreneurship and leadership training, executive development, business and economic research and reporting, legal and financial services training, business technology development, and strengthened undergraduate and graduate programs.

Next was Ms. Flora Baza Quan, Executive Director, University of Guam Endowment Foundation. Ms. Baza Quan testified that although the UOG Endowment Foundation has no contest on the use of the liquid fuel tax, we must emphasize that the University of Guam Endowment Foundation is a non-profit entity funded from the donations and grants received from corporations and individual donors and that certain funds are restricted by the donors.

Ms. Baza Quan went on to say that the UOG Endowment Foundation has received numerous donations since its inception in 1989 for other colleges and other programs and it is inherently incorrect and a legal liability to encumber or mandate the utilization of these funds, interest or principal, for other than what donors specify. Furthermore, the responsibility to determine the utilization of the UOG Endowment Foundation fund falls within the purview of the UOG Endowment Foundation Board of Directors and NOT the UOG Board of Regents therefore the Language in Section 2-b authorizing the Board of Regents to enter into a loan agreement and pledging the interest of the UOG Endowment Foundation undermines the authority and fiduciary responsibility of the UOG Endowment Foundation Board of Directors. [Refer to Exhibits 1, 2 and 3.]

According to the Committee Chairman, testimony was also received from Mr. Ed Untalan, Administrator of the Guam Economic Development Authority (GEDA), Mr. Charles Troutman, Compiler of Laws and Mr. Christopher A. Stallings, Vice President and Trust Officer Bank of Guam. [Refer to Exhibits 4, 5 and 6]

There being no further discussion, the Chair adjourned the hearing on Bill No 144 (COR) at 10:20 a.m.

COMMITTEE PROFILE AND FINDINGS

Profile on Substitute Bill No. 144 (COR)

Brief Title: *"The University of Guam Capital Improvement Act."*

Date Introduced: Thursday, August 9, 2001.

Main Sponsor: Senators F. P. Camacho and J. F. Ada.

Committee Referral: Tuesday, August 21, 2001 from the Committee on Rules, Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs to the Committee on Ways and Means.

Public Hearing: Tuesday, August 28, 2001, 9:00 a.m. at the Legislative Public Hearing Room.

Official Title: "AN ACT TO *ADD* SECTION 26408 TO ARTICLE 4 OF CHAPTER 26 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND AND TO CITE THE ACT AS "*THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001.*"

Fiscal Note: Pursuant to the provisions of Chapter 9, of Title 2 of the Guam Code Annotated, a request for a fiscal note on Bill No. 144 (COR) was made to BBMR on Tuesday, August 21, 2001.

Recommendation: To do pass as substituted by the Committee on Ways and Means.

A Closer Look

A closer look at Bill No. 144 (COR) reveals that the lack of safe and modern facilities for the College of Business and Public Administration at the University of Guam hinders the development of the professional workforce needed to serve the island's needs. Although generous contributions have been received from members of our business community, it is not sufficient to cover the cost of the construction of the replacement buildings for the College.

I Liheslaturan Guåhan Furthermore, it also acknowledges that there is a need to replace the roof to the University of Guam's Fine Arts Buildings, which has been deteriorating for some time now. Also, it is the intent of the authors of the legislation to provide supplemental funding for the construction of the College of Business and Public Administration building and collateral equipment and for the replacement of the roof of the Fine Arts Building by obligating a modest fraction of the liquid fuel tax to pay for a loan to construct the College of Business and Public Administration building and replace the roof to the Fine Arts Building.

However, at this time our government is facing a severe financial crisis. As such, *I Liheslaturan Guåhan* finds that the University of Guam must ensure that the funding obtained is the best value for the University and the people of Guam. To ensure that this is done, *I Liheslaturan Guåhan* requests through this legislation that the University of Guam first look toward a low-interest federal government loan for the construction of the building.

Section Analysis

Section 1. Legislative Findings and Intent.
Section 2. Title. "*The University of Guam Capital Improvement Act of 2001.*"
Section 3. Adds Section 26408 to Article 4, Chapter 26 of Title 11 of the Guam Code Annotated. Section 26408 is added to the already existing sections of Article 4 relative to the Liquid Fuel Tax. Section 26408 creates the University of Guam Capital Improvements Fund. To protect the integrity of the Fund, the Fund is not be commingled with either the General Fund, the Current Fund of the University of Guam, or any other fund of the government of

Guam. The Fund is to be expended exclusively for the payment of debt service incurred for the design, construction and collateral equipment of the College of Business and Public Administration and for the replacement of the roof of the Fine Arts Building.

Section 4. Severability.

FINDINGS

The Committee on Ways and Means to which was referred Bill No. 144 (COR) finds that

✓ The University of Guam Endowment Foundation, a non-profit benefit corporation, has received generous one-time cash contributions of \$1,650,691 and pledges of \$655,000 from the business community for the construction of the CBPA building.

✓ Bill No. 144 (COR) should not and cannot mandate that all interest from the private UOG Endowment Foundation be used to repay the federal loan over a 40-year period.

✓ It is the responsibility of the University of Guam to obtain the additional funds each month for deposition into the UOG Capital Improvement Fund. UOG will obtain the funds from the interest generated from the gifts earmarked for the CBPA and Fine Arts Buildings.

✓ The new CBPA building is deemed as a multipurpose facility. It will house an array of activities, including entrepreneurship and leadership training, executive development, business and economic research and reporting, legal and financial services training, business technology development, and strengthened undergraduate and graduate programs.

✓ Furthermore the legislative mandate to utilize the funds from the UOG Endowment Foundation, is fundamentally contradictory to the establishment of the organization and would be a great deterrent for future donations. The fact remains that the UOG Endowment Foundation does not utilize any of the local or federal subsidies for its operations and thus should not be subjected to such mandates.

✓ The United States Department of Agriculture has committed to loaning the UOG Thirteen Million Five Hundred Thousand Dollars (\$13,500,000) for the design, construction and collateral equipment of the College of Business and Public Administration and for the replacement of the roof of the Fine Arts Building, for a term not to exceed forty years (40) under terms and conditions deemed in the best interest of the University, pledged by the proceeds of the University of Guam Capital Improvements Fund and other funds within its control.

COMMITTEE RECOMMENDATION

The Committee on Ways and Means, to which was referred Bill No. 144 (COR), "AN ACT TO ADD SECTION 26408 TO ARTICLE 4 OF CHAPTER 26 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENTS FUND AND TO CITE THE ACT AS "THE UNIVERSITY OF GUAM CAPITAL IMPROVEMENT ACT OF 2001," recommends that the legislation, as substituted, be passed by *I Liheslaturan Guåhan*.