



OFFICE OF THE GOVERNOR
GUAM


MAR 25 2002

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. 278 (COR) "AN ACT TO AMEND P.L. NO. 26-35, AS AMENDED, RELATIVE TO LOWERING THE GOVERNMENT OF GUAM'S FY2002 BUDGET ALLOTMENTS AND FOR OTHER PURPOSES" which the Governor declined to sign into law by March 23, 2002. This legislation was enacted pursuant to law without the signature of the Governor. It is now designated as **Public Law No. 26-77**.

Very truly yours,


Madeleine Z. Bordallo
I Maga'Lahen Guåhan, Akto
Acting Governor of Guam

Attachments: original bill for vetoed legislation or
copy of bill for signed or overridden legislation
and legislation enacted without signature

cc: The Honorable Antonio R. Unpingco
Speaker

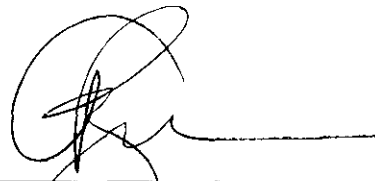
OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	1:13
Date	3/26/02

0738

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

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

This is to certify that Substitute Bill No. 278 (COR) "AN ACT TO AMEND P.L. NO. 26-35, AS AMENDED, RELATIVE TO LOWERING THE GOVERNMENT OF GUAM'S FY2002 BUDGET ALLOTMENTS AND FOR OTHER PURPOSES," was on the 12th day of March, 2002, duly and regularly passed.




ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 12th day of March, 2002,
at 1:10 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahen Guåhan

Date: March 24, 2002

Public Law No. 26-77

Became law without the signature of
I Maga'lahen Guahan, the Governor
of Guam.

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

Bill No. 278 (COR)

As substituted on the Floor
and amended.

Introduced by:

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

**AN ACT TO AMEND P.L. NO. 26-35, AS
AMENDED, RELATIVE TO LOWERING THE
GOVERNMENT OF GUAM'S FY2002 BUDGET
ALLOTMENTS AND FOR OTHER PURPOSES.**

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

2 **Section 1. Legislative Statement and Findings.** Pursuant to § 2 of
3 Chapter IV of Public Law Number 26-35, as amended, the Administration has
4 determined the government of Guam's revenue shortfall for Fiscal Year 2002

1 to be Sixty Million Dollars (\$60,000,000). This determination was made by
2 applying the revenue tracking of the first quarter (October – December, 2001)
3 through the balance of the fiscal year (January – September, 2002). *I*
4 *Liheslaturan Guåhan*, in consideration of the threatened layoff of three
5 thousand eight hundred (3,800) government of Guam employees, conducted a
6 special review of the overall budget and the mandate that effects the allotment
7 process.

8 *I Liheslaturan Guåhan* finds the Administration's projected revenue
9 shortfall of Sixty Million Dollars (\$60,000,000) is a misrepresentation of
10 anticipated revenues for the balance of the fiscal year. First quarter actual
11 collections reflect the worse-case scenario of tourist arrivals expected for the
12 fiscal year. To assume this will prevail through the next three (3) quarters is
13 clearly an inaccurate assessment. Tourism is the central element of Guam's
14 economy, it single-handedly steers employment, tax base and gross business
15 receipts. To disregard its potential impact over three (3) quarters, *especially* a
16 positive impact in the face of threatened layoffs, is a gross oversight on the
17 part of the Administration.

18 *I Liheslaturan Guåhan*, therefore, recognizes that an adjustment to the
19 Administration's projected shortfall of Sixty Million Dollars (\$60,000,000)
20 must be made to reflect these tourism indicators. The review determining this
21 adjustment was made with input from industry experts on visitor arrival
22 numbers projected for the next seven (7) months, and extrapolated for a
23 combined positive impact of Twenty-two Million Seven Hundred Seventy
24 Thousand Two Hundred Two Dollars (\$22,770,202).

1 (a) the budget allotment of the Executive Branch shall be *reduced*
2 by the amount of Seven Million Eight Hundred Eighty-nine Thousand
3 Dollars (\$7,889,000);

4 (b) the budget allotment of the Superior Court of Guam, within
5 the Judicial Branch, shall be reduced by the amount of One Million One
6 Hundred Eighty Thousand Dollars (\$1,180,000);

7 (c) the budget allotment of the Supreme Court of Guam, within
8 the Judicial Branch, shall be reduced by the amount of One Hundred
9 Twenty Thousand Dollars (\$120,000.00);

10 (d) the budget allotment of the Legislative Branch shall be
11 reduced by the amount of Two Hundred Thousand Dollars
12 (\$200,000.00); *and*

13 (e) the budget allotment reductions mandated in Subsection (a)
14 of this Section shall be allocated at the discretion of the Director of the
15 Bureau of Budget and Management Research ("BBMR"), but shall *not* be
16 applied to any activity or function within an agency or department
17 dealing with public safety, public health and education.

18 **Section 4. Federal Reimbursement. (a) Immediate Reimbursement.**
19 The Director of the Department of Administration shall secure *immediate*
20 reimbursement, but *not* later than forty-five (45) days from enactment of
21 this Act, of the Federal Grants-In-Aid accounts receivables in the
22 amount of Twenty-three Million Five Hundred Sixty-eight Thousand Six
23 Hundred Sixty-five Dollars (\$23,568,665), presented on a schedule

1 provided during the Oversight Hearing of the legislative Committee on
2 Ways and Means on February 27, 2002.

3 (b) **Weekly Status Report.** The Director of the Department of
4 Administration shall provide a weekly status report of these
5 reimbursements to the Speaker of *I Liheslaturan Guåhan*, commencing the
6 first week after enactment of this Act.

7 **Section 5. Tax Collection.** (a) The Director of the Department of
8 Revenue and Taxation shall collect during FY2002 *no less than* Fifteen
9 Million Dollars (\$15,000,000) of the tax receivables presented on a
10 schedule provided during the Oversight Hearing of the legislative
11 Committee on Ways and Means on February 27, 2002.

12 (b) **Weekly Status Report.** The Director of the Department of
13 Revenue and Taxation shall provide a weekly status report of these
14 collections to the Speaker of *I Liheslaturan Guåhan*, commencing the first
15 week after enactment of this Act.

16 **Section 6. Immediate Freeze on Hiring.** Notwithstanding any other
17 provision of law, a hiring freeze shall be implemented *immediately* for the
18 balance of FY2002 by all government of Guam departments, bureaus and
19 agencies, including autonomous agencies and other instrumentalities of the
20 Executive, Legislative and Judicial Branches of the government of Guam.

21 All vacant positions that are *not* Federally funded and which are vacant
22 on the effective date of this Act shall thereupon be frozen, and all agencies
23 must, within ten (10) days of the effective date of this Act, report to the
24 Speaker of *I Liheslaturan Guåhan* what positions have thereby been frozen.

1 The *only* exceptions to the hiring restrictions of this Section are judges;
2 judges pro tempore; referees; elected officials; directors; police officers;
3 firemen; emergency technicians (non-administrative); the non-administrative
4 personnel of the Department of Youth Affairs; uniformed prison guards at the
5 Department of Corrections; uniformed personnel of the Customs and
6 Quarantine Agency; and doctors, nurses, dentists, pharmacists, licensed
7 medical or mental health professionals, ancillary health professionals, and all
8 teaching positions.

9 No contract entered into for services by a consultant, or other person
10 licensed to perform services, shall be paid from appropriations for personnel
11 services, and no such contract shall contain provisions entitling contractors to
12 standard employee benefits. No such contract shall be entered into, *unless* the
13 contractor is licensed to do business and is current in tax payments. The
14 government of Guam shall *not* pay social security taxes for the contractor. It is
15 the purpose of this provision to stop irregular recruitment and to preclude the
16 further payment of contracts from appropriations intended by *I Liheslaturan*
17 *Guåhan* for positions authorized in the budget. This paragraph does *not* apply
18 to contracts for services of licensed health care professionals working in
19 positions requiring such license.

20 The University of Guam and the Guam Community College shall be
21 *exempt* from the application of the hiring freeze provided for in this Section.

22 **Section 7.** Section 22(d) is hereby *added* to Chapter V of Public Law
23 Number 26-35 to read as follows:

1 identify the government consumer's usage on a monthly basis of the quarter
2 being reported for each government consumer, *no less than* thirty (30) days
3 after the close of said quarter.

4 **Section 11. Appropriation for Mayoral Utility Payments.**

5 Notwithstanding the provisions contained within § 1504(k)(1) of Title 5 of the
6 Guam Code Annotated, relative to the creation of the Village Streets Fund,
7 Four Hundred Fifteen Thousand Dollars (\$415,000.00) is hereby appropriated
8 from the Village Streets Fund as a supplemental appropriation for any utility
9 payments encumbered by any public facility managed and controlled by a
10 Mayor within their municipality for prior fiscal years and for Fiscal Year 2002
11 utility payments.

12 **Section 12.** Section 1504(k)(5) of Article 5, Chapter 1 of Title 5 of the
13 Guam Code Annotated is hereby *amended* to read as follows:

14 “(5) Notwithstanding any other provision of law, *I Maga'lahren*
15 *Guåhan* shall *not* use his transfer authority to utilize any monies
16 deposited into the Village Streets Fund.”

17 **Section 13.** Section 1504(k)(6) of Article 5, Chapter 1 of Title 5 of the
18 Guam Code Annotated is hereby *amended* to read as follows:

19 “(6) Notwithstanding the general provisions of § 22406 of Title 5
20 of the Guam Code Annotated, which requires that unused and de-
21 appropriated funds revert to the General Fund, or any other provision
22 of Guam law to the contrary, unused funds in the Village Streets Fund
23 and funds allocated to each Mayor shall *continuously* carry over into any
24 succeeding fiscal year until exhausted.”




MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN
TWENTY-SIXTH GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

2002 (SECOND) Regular Session

I, Antonio R. Unpingco, Speaker of *I Mina'Bente Sais Na Liheslaturan Guåhan*, hereby certify, in conformance with Title 2 Guam Code Annotated § 2103, *Public Hearings Mandatory*, as amended, that an emergency condition exists involving danger to the public health and welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 278 (COR), "AN ACT TO *AMEND PUBLIC LAW NUMBER 26-35, AS AMENDED, AND FOR OTHER PURPOSES,*" which was introduced on this date, March 11, 2002, and therefore waive the statutory requirements for a public hearing on Bill Number 278 (COR).

Dated: March 11, 2002



ANTONIO R. UNPINGCO
Speaker and Presiding Officer

6
1:00am

I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2002 (SECOND) Regular Session

Date: 3/12/02

VOTING SHEET

S Bill No. 278 (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.	✓				
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

15 0 0 0 0

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN
TWENTY-SIXTH GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

2002 (SECOND) Regular Session

I, Antonio R. Unpingco, Speaker of *I Mina'Bente Sais Na Liheslaturan Guåhan*, hereby certify, in conformance with Title 2 Guam Code Annotated § 2103, *Public Hearings Mandatory*, as amended, that an emergency condition exists involving danger to the public health and welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 278 (COR), "AN ACT TO AMEND PUBLIC LAW NUMBER 26-35, AS AMENDED, AND FOR OTHER PURPOSES," which was introduced on this date, March 11, 2002, and therefore waive the statutory requirements for a public hearing on Bill Number 278 (COR).

Dated: March 11, 2002

ANTONIO R. UNPINGCO
Speaker and Presiding Officer

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

Bill No. 278(COR)

Introduced by:

K. S. Moylan
A. R. Unpingco
V. C. Pangelinan
Mark Forbes

**AN ACT TO AMEND PUBLIC LAW NUMBER 26-35,
AS AMENDED, AND FOR OTHER PURPOSES.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Statement. (a) Findings. Pursuant to Chapter IV, Section 2, of Public Law No. 26-35, as amended, the Administration has determined the government of Guam's revenue shortfall for Fiscal Year 2002 to be Sixty Million Dollars (\$60,000,000). This determination was made by applying the revenue tracking of the first quarter (October – December 2001) through the balance of the fiscal year (January – September 2002). *I Liheslaturan Guåhan*, in consideration of the threatened layoff of thirty-eight hundred (3,800) government of Guam employees, conducted a special review of the budget overall and the mandate that affects the allotment process.

I Liheslaturan Guåhan, finds the Administration's projected revenue shortfall of Sixty Million Dollars (\$60,000,000) to be a misrepresentation of anticipated revenues for the balance of the fiscal year. First quarter actual collections reflect the worse case scenario of tourist arrivals expected for the fiscal year; to assume this will prevail through the next three (3) quarters is clearly an inaccurate assessment.

1 Tourism is the central element of Guam's economy; it single-handedly steers
2 employment, tax base, and gross business receipts. To disregard its potential impact
3 over three quarters, *especially a positive impact in the face of threatened lay-offs*, is
4 grossly irresponsible on the part of the Administration.

5 *I Liheslaturan Guåhan*, therefore, recognizes that an adjustment to the
6 Administration's projected shortfall of Sixty Million Dollars (\$60,000,000) must be
7 made to reflect these tourism indicators. The review determining this adjustment was
8 made with input from industry experts on visitor arrival numbers projected for the
9 next seven (7) months, and extrapolated for a combined positive impact of Twenty-
10 Two Million Seven Hundred Seventy Thousand Two Hundred Two Dollars
11 (\$22,770,202).

12 *I Liheslaturan Guåhan*, also conducted a review of potential personnel lapses
13 throughout line agencies, excluding the Department of Education. Using actual
14 expenditures as of pay period ending February 23, 2002, and the Labor Cost
15 Distribution Report as of pay period ending February 9, 2002, agency personnel costs
16 for the balance of the fiscal year were determined. Assuming the implementation of
17 an immediate hiring freeze, remaining personnel costs for employees *currently on*
18 *board* would result in a savings of Seven Million Eight Hundred Eighty-nine
19 Thousand Dollars (\$7,889,000). This amount is a part of the budget level for the
20 Executive Branch and would represent a reduction in the overall revenue impact, if
21 not used.

22 *I Liheslaturan Guåhan*, finds that the revenue adjustment and the savings from
23 unused personnel appropriations should be factored into the present budget
24 authorization in light of the present financial crisis. *I Liheslaturan Guåhan*, further
25 finds that the Administration's projected shortfall of Sixty Million Dollars
26 (\$60,000,000) will be resolved by the adoption of the following:

1 **(b) Subsection Repeal.** Subsection (c), Section 2, Chapter IV, of Public
2 Law No. 26-35, as amended, is hereby *repealed*.

3 **(c) Budget Allotment.** Notwithstanding any other provision of law and
4 this Act, the Director of the Bureau of Budget and Management Research shall reduce
5 the Fiscal Year 2002 budget allotments, funded by Public Law No. 26-35, as
6 amended, as follows:

7 (1) the budget allotment of the Executive Branch shall be reduced by
8 the amount of Seven Million Eight Hundred Eighty-nine Thousand Dollars
9 (\$7,889,000);

10 (2) the budget allotment of the ^(Superior Court of the)Judicial Branch shall be reduced by the
11 amount of One Million Three Hundred Thousand Dollars (\$1,300,000); *and*

12 (3) the budget allotment of the Legislative Branch shall be reduced by
13 the amount of Two Hundred Thousand Dollars (\$200,000).

14 (4) The budget allotment reductions mandated in Subsection (c)(1) of
15 this Section shall be allocated at the discretion of the Director of BBMR, but
16 shall not be applied to any government agency dealing with public safety,
17 public health, and education.

18 **Section 2. Federal Reimbursement. (a) Immediate**

19 **Reimbursement.** The Director of the Department of Administration shall secure
20 immediate reimbursement, but not later than forty-five (45) days from enactment of
21 this Act, the Federal Grants Accounts Receivables in the amount of Twenty-Three
22 Million Five Hundred Sixty-eight Thousand Six Hundred Sixty-five Dollars
23 (\$23,568,665), presented on a schedule provided during the Oversight Hearing of the
24 Committee on Ways and Means on February 27, 2001.

1 **(b) Weekly Status Report.** The Director of the Department of
2 Administration shall provide a weekly status report of these reimbursements to *I*
3 *Liheslaturan Guåhan* commencing the first week after enactment of this Act.

4 **Section 3. Tax Collection.** (a) The Director of the Department of
5 Revenue and Taxation shall collect during FY 2002, no less than Fifteen Million
6 Dollars (\$15,000,000), of the tax receivables presented on a schedule provided during
7 the Oversight Hearing of the Committee on Ways and Means on February 27, 2001.

8 **(b) Weekly Status Report.** The Director of Revenue & Taxation shall
9 provide a weekly status report of these collections to *I Liheslaturan Guåhan*
10 commencing the first week after enactment of this Act.

11 **Section 4. Immediate freeze on hiring.** Notwithstanding any other
12 provision of law, a hiring freeze shall be implemented immediately for the balance of
13 Fiscal Year 2002, by all government of Guam departments, bureaus and agencies,
14 including autonomous agencies and other instrumentalities of the executive and
15 judicial branches of the government of Guam:

16 (i) All vacant positions that are not federally funded and which are
17 vacant on the effective date of this Act shall thereupon be frozen and all
18 Agencies must within ten (10) days of the effective date of this Act report to the
19 chairperson of the Legislature's Committee on Ways and Means what positions
20 have thereby been frozen.

21 The only exceptions to the hiring restrictions of this Section are judges,
22 judges pro-tem, referees, elected officials, directors, police officers, firemen,
23 emergency technicians (non-administrative), the non-administrative personnel
24 of the Department of Youth Affairs, uniformed prison guards at the Department
25 of Corrections, uniformed personnel of the Department of Customs and