



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

MAY 15 2002

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:

Enclosed please find Substitute Bill No. 311 (COR) "AN ACT AUTHORIZING *I MAGA'LAHEN GUÅHAN* TO BORROW OR ARRANGE A LINE OF CREDIT UP TO \$10,000,000, TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES" which I have signed into law as Public Law No. 26-84.

This legislation provides additional appropriations to cover various items that were not sufficiently provided for in previous budget laws. Unfortunately, instead of using other means, the mechanism to provide the needed cash for the remainder of this fiscal year is provided in the authority to borrow more funds. This legislation authorizes the government to borrow \$10 Million.

The borrowed funds are directed towards funding public assistance and the Department of Education. This will allow the existing funds to be paid for classified employees of the other government departments. The hiring freeze that was put into effect per Public Law No. 26-77 was lifted for Plant Protection and Quarantine Officers of the Department of Agriculture, for solid waste technicians, law clerks, a new controller position, and for attorneys at the Attorney General's Office. This legislation also includes the local match required in order to obtain federal funding for damage caused by the earthquake of October 13, 2001.

Very truly yours,

Carl T. C. Gutierrez
I Maga'Lahen Guåhan
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 1035
Date 5/15/02

0780

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

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

This is to certify that Substitute Bill No. 311 (COR), "AN ACT AUTHORIZING I MAGA'LAHEN GUAHAN TO BORROW OR ARRANGE A LINE OF CREDIT UP TO \$10,000,000, TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES," was on the 8th day of May, 2002, duly and regularly passed.



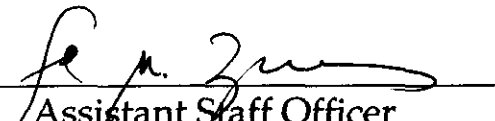
ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 13th day of May, 2002,
at 3:20 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 5-15-02

Public Law No. 26-84

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

Bill No. 311 (COR)

As substituted by the Committee
on Ways and Means and amended
in the Committee of the Whole.

Introduced by:

K. S. Moylan

J. F. Ada

T. C. Ada

F. B. Aguon, Jr.

J. M.S. Brown

E. B. Calvo

F. P. Camacho

M. C. Charfauros

Mark Forbes

L. F. Kasperbauer

L. A. Leon Guerrero

V. C. Pangelinan

A. L.G. Santos

A. R. Unpingco

J. T. Won Pat

AN ACT AUTHORIZING *I MAGA'LAHEN*
***GUÅHAN* TO BORROW OR ARRANGE A LINE OF**
CREDIT *UP TO \$10,000,000*, TO PROVIDE FOR THE
REPROGRAMMING OF FISCAL YEAR 2002
BUDGET AND FOR OTHER PURPOSES.

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

2 **Section 1. Legislative Findings and Intent.** The Fiscal Year 2002
3 Budget Act (Public Law Number 26-35), as amended, provided for an
4 expenditure reduction of over One Hundred Million Dollars (\$100,000,000) in
5 order to meet declining revenues brought on by years of a struggling Asian

1 economy, exacerbated by the Federal Tax Relief Act of 2001. It also provided
2 for restrictive line-item appropriations and a mechanism for the systematic
3 reduction of the overall General Fund deficit.

4 Six (6) months and several Court challenges later, the basic tenets of
5 responsible budgeting continue to be delivered by its mandates. However, *I*
6 *Liheslaturan Guåhan* recognizes the need for some budgetary amendments in
7 order to maintain essential public services for the balance of the fiscal year.

8 In the past several weeks *I Liheslaturan Guåhan* held a series of public
9 hearings and roundtable discussions on a myriad of proposals offered by both
10 government and private community leaders searching for answers on how to
11 best deal with declining revenues, the general stagnation of the economy and
12 the accumulated cash shortfall brought on by years of deficit spending.
13 Massive layoffs, agency closures and indigent displacements were amidst a
14 community plagued with steadily dwindling resources. After extensive
15 deliberation, *I Liheslaturan Guåhan*, in cooperation with *I Maga'lahen Guåhan*,
16 agreed that a combination of budgetary adjustments and bridge financing
17 would be sufficient to mitigate the government's present financial situation.

18 *I Liheslaturan Guåhan*, in the sections contained in this legislation,
19 approves bridge financing and the reprogramming of appropriated funds to
20 accomplish the following:

21 (1) the continued funding of all government of Guam classified
22 employees present on the payroll *up to* the implementation of the hiring
23 freeze (P.L. No. 26-77), effective March 24, 2002;

1 (a) The total General Fund Personnel Services appropriations of
2 the Commission on Decolonization per Appendix B of Public Law
3 Number 26-35, as amended, is further amended to total the sum of One
4 Hundred Thirty-three Thousand Seven Hundred Seventeen Thousand
5 Dollars (\$133,717.00) for Fiscal Year 2002.

6 (b) The total Other Fund Personnel Services appropriations of
7 the Department of Administration per Appendix B of Public Law
8 Number 26-35, as amended, is further amended to total the sum of Six
9 Million One Hundred Fifty-eight Thousand Seven Hundred Fifty-seven
10 Dollars (\$6,158,757) for Fiscal Year 2002.

11 (c) The total General Fund Personnel Services appropriations of
12 the Bureau of Budget and Management Research per Appendix B of
13 Public Law Number 26-35, as amended, is further amended to total the
14 sum of One Million Four Hundred Seventeen Thousand Four Hundred
15 Ninety-two Dollars (\$1,417,492) for Fiscal Year 2002.

16 (d) The total General Fund Personnel Services appropriations of
17 the Civil Service Commission per Appendix B of Public Law Number
18 26-35, as amended, is further amended to total the sum of Nine
19 Hundred Thirty-nine Thousand Four Hundred Eighty-five Dollars
20 (\$939,485.00) for Fiscal Year 2002.

21 (e) The total General Fund Personnel Services appropriations of
22 the Department of Revenue and Taxation per Appendix B of Public Law
23 Number 26-35, as amended, is further amended to total the sum of Six
24 Million Two Hundred Twenty-six Thousand Seven Hundred Fifty-four
25 Dollars (\$6,226,754) for Fiscal Year 2002. The total General Fund

1 of Education's monthly allotment backlog as appropriated in Public
2 Law Number 26-35, as amended;

3 (b) prepaid charges shall *not* be levied by the bank or entity for
4 opening a line of credit;

5 (c) interest derived from the financial agreement shall be *exempt*
6 from taxation by the government of Guam;

7 (d) all terms of the financial agreement shall be negotiated by *I*
8 *Maga'lahaen Guahan* in the best interest of the People of Guam;

9 (e) the interest rate shall be negotiated between *I Maga'lahaen*
10 *Guahan* and the lender, such interest rate shall *not* exceed eight percent
11 (8%) per annum and shall be computed on a monthly average based
12 upon the actual amount extended to the government;

13 (f) the loan may be secured by pledge of funds or a guaranty of
14 the government of Guam;

15 (g) any money borrowed shall be repaid within ten (10) years,
16 and in no case shall any amount borrowed be refinanced resulting in a
17 repayment over *more than* ten (10) years after the loan is made; *and*

18 (h) funds necessary for the repayment of the principal, interest
19 and other costs associated with the financing are appropriated from the
20 General Fund.

21 **Section 3.** Sections 3(a) and (e) of Public Law Number 26-77 are hereby
22 *repealed.*

23 **Section 4. Reprogramming of Appropriated Funds.**

1 operations appropriations of the Department of Revenue and Taxation,
2 per Appendix B of Public Law Number 26-35, as amended, is further
3 amended to total the sum of One Million Seventy-one Thousand Nine
4 Hundred Twenty-one Dollars (\$1,071,921) for Fiscal Year 2002.

5 (f) The total General Fund Personnel Services appropriations of
6 the Department of Chamorro Affairs, per Appendix B of Public Law
7 Number 26-35, as amended, is further amended to total the sum of Five
8 Hundred Sixty Thousand Nine Hundred Ninety-one Dollars
9 (\$560,991.00) for Fiscal Year 2002.

10 (g) The total General Fund Personnel Services appropriations of
11 the Guam Council on the Arts and Humanities, per Appendix B of
12 Public Law Number 26-35, as amended, is further amended to total the
13 sum of One Hundred Ninety-five Thousand Two Hundred Ninety-four
14 Dollars (\$195,294.00) for Fiscal Year 2002.

15 (h) The total General Fund Personnel Services appropriations of
16 the Guam Educational Telecommunication Corporation, per Appendix
17 B of Public Law Number 26-35, as amended, is further amended to total
18 the sum of Three Hundred Eighty-eight Thousand One Hundred
19 Eighty-two Dollars (\$388,182.00) for Fiscal Year 2002.

20 (i) The total General Fund Personnel Services appropriations of
21 the Guam Public Library, per Appendix B of Public Law Number 26-35,
22 as amended, is further amended to total the sum of Seven Hundred
23 Thirty-eight Thousand Six Hundred Twenty-one Dollars (\$738,621.00)
24 for Fiscal Year 2002.

1 (j) The total General Fund Personnel Services appropriations of
2 the Department of Mental Health and Substance Abuse, per Appendix B
3 of Public Law Number 26-35, as amended, is further amended to total
4 the sum of Four Million Nine Hundred Forty Thousand Seven Hundred
5 Twenty-four Dollars (\$4,940,724) for Fiscal Year 2002.

6 (k) The total General Fund Personnel Services appropriations of
7 the Department of Public Health and Social Services, per Appendix B of
8 Public Law Number 26-35, as amended, is further amended to total the
9 sum of Ten Million Eight Hundred Fifty-five Thousand Two Hundred
10 Thirty-three Dollars (\$10,855,233) for Fiscal Year 2002.

11 (l) The total General Fund Personnel Services appropriations of
12 the Chief Medical Examiner, per Appendix B of Public Law Number 26-
13 35, as amended, is further amended to total the sum of Three Hundred
14 Eight Thousand Nine Hundred Eighteen Dollars (\$308,918.00) for Fiscal
15 Year 2002.

16 (m) The total General Fund Personnel Services appropriations of
17 the Department of Corrections, per Appendix B of Public Law Number
18 26-35, as amended, is further amended to total the sum of Ten Million
19 One Hundred Forty-four Thousand Four Hundred Fifty Nine Dollars
20 (\$10,144,459) for Fiscal Year 2002.

21 (n) The total General Fund Personnel Services appropriations of
22 the Guam Fire Department, per Appendix B of Public Law Number 26-
23 35, as amended, is further amended to total the sum of Twenty Million
24 Ninety-one Thousand Ninety-one Dollars (\$20,091,091) for Fiscal Year
25 2002.

1 (o) The total General Fund Personnel Services appropriations of
2 the Guam Police Department, per Appendix B of Public Law Number
3 26-35, as amended, is further amended to total the sum of Fifteen
4 Million Seven Hundred Twenty Thousand One Hundred Thirty-one
5 Dollars (\$15,720,131) for Fiscal Year 2002.

6 (p) The total General Fund Personnel Services appropriations of
7 the Department of Military Affairs per Appendix B of Public Law
8 Number 26-35, as amended, is further amended to total the sum of Six
9 Hundred Eighty-eight Thousand Nine Hundred Eighty-three Dollars
10 (\$688,983.00) for Fiscal Year 2002. Of this amount, Eighty Thousand
11 Dollars (\$80,000.00) is for an overtime payment to the Special Response
12 Unit.

13 (q) The total General Fund Personnel Services appropriations of
14 the Department of Youth Affairs, per Appendix B of Public Law
15 Number 26-35, as amended, is further amended to total the sum of Two
16 Million Nine Hundred Thirty-four Thousand Eight Hundred Twenty-
17 four Dollars (\$2,934,824) for Fiscal Year 2002.

18 (r) The total General Fund Personnel Services appropriations of
19 the Agency on Human Resources Development, per Appendix B of
20 Public Law Number 26-35, as amended, is further amended to total the
21 sum of Eighty-four Thousand Sixty-five Dollars (\$84,065.00) for Fiscal
22 Year 2002.

23 (s) The total General Fund Personnel Services appropriations of
24 the Department of Integrated Services for Individuals with Disabilities,
25 per Appendix B of Public Law Number 26-35, as amended, is further

1 amended to total the sum of Four Hundred Ninety-eight Thousand One
2 Hundred Sixty Dollars (\$498,160.00) for Fiscal Year 2002.

3 (t) The total General Fund Personnel Services appropriations of
4 the Guam Election Commission, per Appendix B of Public Law Number
5 26-35, as amended, is further amended to total the sum of Two Hundred
6 Three Thousand Three Hundred Fifty-seven Dollars (\$203,357.00) for
7 Fiscal Year 2002.

8 (u) The total General Fund Personnel Services appropriations of
9 the Department of Labor, per Appendix B of Public Law Number 26-35,
10 as amended, is further amended to total the sum of One Million Five
11 Hundred Eighty Thousand Eight Hundred Seven Dollars (\$1,580,807)
12 for Fiscal Year 2002.

13 (v) The total General Fund Personnel Services appropriations of
14 the Ancestral Lands Commission, per Appendix B of Public Law
15 Number 26-35, as amended, is further amended to total the sum of Two
16 Hundred Fifty-eight Thousand One Hundred Forty-six Dollars
17 (\$258,146.00) for Fiscal Year 2002.

18 (w) The total General Fund Personnel Services appropriations of
19 the Chamorro Land Trust Commission, per Appendix B of Public Law
20 Number 26-35, as amended, is further amended to total the sum of
21 Three Hundred Sixty-one Thousand Two Hundred Ninety-seven
22 Dollars (\$361,297.00) for Fiscal Year 2002.

23 (x) The total General Fund Personnel Services appropriations of
24 the Department of Land Management, per Appendix B of Public Law
25 Number 26-35, as amended, is further amended to total the sum of Two

1 Million Three Hundred Forty-three Thousand Six Hundred Twenty
2 Dollars (\$2,343,620) for Fiscal Year 2002.

3 (y) The total General Fund Personnel Services appropriations of
4 the Department of Parks and Recreation, per Appendix B of Public Law
5 Number 26-35, as amended, is further amended to total the sum of Two
6 Million Seven Hundred Twenty-two Thousand Nine Hundred Eighty-
7 seven Dollars (\$2,722,987) for Fiscal Year 2002.

8 (z) The total General Fund Personnel Services appropriations of
9 the Department of Agriculture, per Appendix B of Public Law Number
10 26-35, as amended, is further amended to total the sum of Two Million
11 Twenty-six Thousand Nine Hundred Eleven Dollars (\$2,026,911) for
12 Fiscal Year 2002.

13 (aa) The total General Fund Personnel Services appropriations of
14 the Bureau of Planning, per Appendix B of Public Law Number 26-35,
15 as amended, is further amended to total the sum of Seven Hundred
16 Fifty-seven Thousand Six Hundred Six Dollars (\$757,606.00) for Fiscal
17 Year 2002.

18 (bb) The total General Fund Personnel Services appropriations of
19 the Department of Commerce, per Appendix B of Public Law Number
20 26-35, as amended, is further amended to total the sum of Eight
21 Hundred Ninety-six Thousand Two Hundred Seventy-five Dollars
22 (\$896,275.00) for Fiscal Year 2002.

23 (cc) The total General Fund Personnel Services appropriations of
24 the Department of Public Works, per Appendix B of Public Law
25 Number 26-35, as amended, is further amended to total the sum of

1 Twelve Million Four Hundred Forty-three Thousand Eight Hundred
2 Sixty-one Dollars (\$12,443,861) for Fiscal Year 2002.

3 (dd) The General Fund Personnel Services appropriations of the
4 Department of Public Works Solid Waste Management Division, per
5 Appendix B (Page 37-7) of Public Law Number 26-35, as amended, is
6 further amended to total the sum of Two Hundred Eleven Thousand
7 Two Hundred Thirty-two Dollars (\$211,232.00) for Fiscal Year 2002.

8 **Section 5. *I Maga'lahaen Guåhan* Transfer Authority.** *I Maga'lahaen*
9 *Guåhan* is authorized to transfer *not more than* fifteen percent (15%) in or out of
10 the object categories within departments' or agencies' appropriations in
11 Public Law Number 26-35, Appendix B, as amended. This transfer authority
12 shall *not* extend to the Personnel Services, Off-Island Travel and Office Space
13 Rental categories of Appendix B of Public Law Number 26-35, as amended.

14 **Section 6.** Section 8 of Public Law Number 26-58 is hereby *amended* to
15 read as follows:

16 "Section 8. **Authorization to Use FY2001 Lapses for Annual**
17 **Leave Payments.** Notwithstanding any other provision of law,
18 departments and agencies are authorized to transfer and expend FY2001
19 appropriation lapses for the payment of accumulated annual leave of
20 separating employees in FY2001 and FY2002."

21 **Section 7. Appropriation for Matching Funds for Earthquake**
22 **Recovery Efforts.** The sum of Four Hundred Thousand Dollars
23 (\$400,000.00) is hereby appropriated from the General Fund to the Bureau of
24 Budget and Management Research ("BBMR") as local match to Federal

1 funding awarded for the earthquake felt on Guam on October 13, 2001. Such
2 funds will be allocated to the various line agencies authorized to receive
3 Federal funds for damages sustained during the aforementioned earthquake.

4 **Section 8. Authorization to Transfer Personnel.** Notwithstanding
5 any other provision of law, the Director of the Department of Administration
6 is hereby authorized to transfer the nine (9) personnel at the Department of
7 Administration Housing Management Division to other government of Guam
8 agencies.

9 **Section 9.** Section 6 of Public Law Number 26-77 is hereby *amended* to
10 read as follows:

11 **"Section 6. Immediate Freeze on Hiring.**

12 Notwithstanding any other provision of law, a hiring freeze shall be
13 implemented *immediately* for the balance of FY2002 by all government of
14 Guam departments, bureaus and agencies, including autonomous
15 agencies and other instrumentalities of the Executive, Legislative and
16 Judicial Branches of the government of Guam.

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

22 The *only* exceptions to the hiring restrictions of this Section are
23 judges; judges pro tempore; referees; elected officials; directors; police
24 officers; firemen; emergency technicians (non-administrative); the non-

1 administrative personnel of the Department of Youth Affairs;
2 uniformed prison guards at the Department of Corrections; uniformed
3 personnel of the Customs and Quarantine Agency; Plant Protection and
4 Quarantine Officers of the Department of Agriculture; doctors, nurses,
5 dentists, pharmacists, licensed medical or mental health professionals,
6 ancillary health professionals; all teaching positions; solid waste
7 technicians; law clerks; the controller for the Government of Guam
8 Retirement Fund and attorneys at the Attorney General's Office.

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

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

1 **Section 10. Appropriation.** *I Liheslaturan Guåhan* hereby
2 appropriates One Hundred Eighty-two Thousand Two Hundred Forty-one
3 Dollars (\$182,241.00) for the purpose of matching funds for the project
4 “Inayek: Choice,” to comply with the U. S. Housing and Urban Development
5 (“HUD”) Federal Grant, from the General Fund to Guma’Mami to be
6 distributed in a three (3) year period, and shall be allocated as follows:

7 (a) total allotment amount for Fiscal Year 2002 shall be Sixty
8 Thousand Seven Hundred Forty-seven Dollars (\$60,747.00);

9 (b) total allotment amount for Fiscal Year 2003 shall be Sixty
10 Thousand Seven Hundred Forty-seven Dollars (\$60,747.00);

11 (c) Total allotment amount for Fiscal Year 2004 shall be Sixty
12 Thousand Seven Hundred Forty-seven Dollars (\$60,747.00).

13 **Section 11.** Section 8141(c) is hereby *added* to Title 4 of the Guam
14 Code Annotated to read as follows:

15 “(c) The position of ‘*Controller*’ is established within the
16 Government of Guam Retirement Fund. The Controller shall be a
17 Certified Public Accountant. The Controller shall report *directly* to the
18 Government of Guam Retirement Fund Director. The Retirement Fund
19 Director shall hire the Controller by direct employment as an
20 unclassified employee of the government of Guam, or by personal
21 services contract, as is deemed necessary by the Retirement Fund
22 Director and approved by the Government of Guam Retirement Fund
23 Board of Trustees to attract and retain a qualified Controller,
24 notwithstanding the provisions of 4 G.C.A. § 6206.1.”

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

6

I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2002 (SECOND) Regular Session

Date: 5/8/02

VOTING SHEET

Bill No. 311 (COR)

Resolution No. _____

Question: _____

20-84

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.			<i>excused</i>		
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.					✓

TOTAL

13 0 1 0 1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

1 economy exacerbated by the Federal Tax Relief Act of 2001. It also provided for
2 restrictive line item appropriations and a mechanism for the systematic reduction of
3 the overall General Fund deficit. Six months and several Court challenges later, the
4 basic tenets of responsible budgeting continue to be delivered by its mandates.
5 However, *I Liheslaturan Guåhan* recognizes the need for some budgetary
6 amendments in order to maintain essential public service for the balance of the fiscal
7 year.

8 In the past several weeks, *I Liheslaturan Guåhan*, held a series of public
9 hearings and roundtable discussions on a myriad of proposals offered by both
10 government and private community leaders searching for answers on how to best deal
11 with declining revenues, the general stagnation of the economy, and the accumulated
12 cash shortfall brought on by years of deficit spending. Massive layoffs, agency
13 closures, and indigent displacements were amidst a community plagued with steadily
14 dwindling resources. After extensive deliberation, *I Liheslaturan Guåhan*, in
15 cooperation with *I Maga'lahaen Guåhan*, agreed that a combination of budgetary
16 adjustments and bridge financing would be sufficient to mitigate the government's
17 present financial situation.

18 *I Liheslaturan Guåhan*, in the sections contained in this legislation, approves
19 bridge financing and the reprogramming of appropriated funds to accomplish the
20 following:

- 21 (1) the continued funding of all ^{class. Act} government of Guam employees
22 present on the payroll up to the implementation of the hiring freeze (P.L. 26-
23 77), effective March 24, 2002;
- 24 (2) the continued funding of all night differential, hazardous, holiday,
25 and other specialty pay for all law enforcement and/or 24-hour operations of
26 this government;
- 27 (3) the continued funding of the Guam Fire Department threatened
28 with depletion of funds by July;
- 29 (4) the funding of nurses' pay adjustments in the Department of
30 Public Health and Social Services and the Department of Mental Health and
31 Substance Abuse;
- 32 (5) the funding of all classified employees' unfunded pay adjustments
33 due to agency omissions in budget requests;
- 34 (6) the funding of all accumulated annual leave payments for
35 separating employees for the balance of the fiscal year; *and*
- 36 (7) the funding of all essential operating expense requirements for all
37 agencies.

1 **Section 2. Authority to Borrow.** *I Maga'lahaen Guåhan*, on behalf of the
2 government of Guam, is authorized to borrow or arrange a line of credit not to exceed
3 Ten Million Dollars (\$10,000,000) with any bank or commercial lending institution
4 licensed on Guam, government of Guam autonomous agency, or any other
5 instrumentality of the government of Guam. The terms of the loan or line of credit
6 shall include the following:

7 (1) The *I Maga'lahaen Guåhan* shall use Five Million Dollars
8 (\$5,000,000) of such loan for the purpose of funding public assistance
9 programs and Five Million Dollars (\$5,000,000) for the payment of the
10 Department of Education's monthly allotment backlog.

11 (2) Prepaid charges shall not be levied by the bank or entity for
12 opening a line of credit.

13 (3) Interest derived from the financial agreement shall be exempt from
14 taxation by the government of Guam.

15 (4) All terms of the financial agreement shall be negotiated by the *I*
16 *Maga'lahaen Guåhan* in the best interest of the people of Guam.

17 (5) The interest rate shall be negotiated between the *I Maga'lahaen*
18 *Guåhan* and the lender. Such interest rate shall *not* exceed eight percent (8%)
19 per annum and shall be computed on a monthly average based on the actual
20 amount extended to the government.

21 (6) The loan may be secured by pledge of funds or a guaranty of the
22 government of Guam.

23 (7) Any money borrowed shall be repaid within ten (10) years. In no
24 case shall any amount borrowed be refinanced resulting in a repayment over
25 more than ten (10) years after the loan is made.

26 (8) Funds necessary for the repayment of the principal, interest, and
27 other costs associated with the financing are appropriated from the General
28 Fund.

29 **Section 3. Repeal of Section 3(a) and 3(e) of Public Law Number 26-77.**

30 Section 3(a) and Section 3(e) of Public Law Number 26-77 are hereby
31 *repealed.*

32 **Section 4. Reprogramming of Appropriated Funds.**

33 (1) The total General Fund Personnel Services appropriations of the
34 Commission on Decolonization per Appendix B of P.L. 26-35, as amended, is
35 further amended to total the sum of \$133,717 for Fiscal Year 2002.

36 (2) The total General Fund and Unexpended Fund Balance of Loan
37 Proceeds Personnel Services appropriations of the Department of

1 Administration per Appendix B of P.L. 26-35, as amended, is further amended
2 to total the sum of \$6,148,489 for Fiscal Year 2002.

3 (3) The total General Fund Personnel Services appropriations of the
4 Bureau of Budget and Management Research per Appendix B of P.L. 26-35, as
5 amended, is further amended to total the sum of \$1,408,492 for Fiscal Year
6 2002.

7 (4) The total General Fund Personnel Services appropriations of the
8 Civil Service Commission per Appendix B of P.L. 26-35, as amended, is
9 further amended to total the sum of \$939,485 for Fiscal Year 2002.

10 (5) The total General Fund Personnel Services appropriations of the
11 Department of Revenue and Taxation per Appendix B of P.L. 26-35, as
12 amended, is further amended to total the sum of \$6,226,754 for Fiscal Year
13 2002.

14 (6) The total General Fund Personnel Services appropriations of the
15 Department of Chamorro Affairs per Appendix B of P.L. 26-35, as amended, is
16 further amended to total the sum of \$560,991 for Fiscal Year 2002.

17 (7) The total General Fund Personnel Services appropriations of the
18 Guam Council on the Arts and Humanities per Appendix B of P.L. 26-35, as
19 amended, is further amended to total the sum of \$195,294 for Fiscal Year 2002.

20 (8) The total General Fund Personnel Services appropriations of the
21 Guam Educational Telecommunication Corporation per Appendix B of P.L.
22 26-35, as amended, is further amended to total the sum of \$388,182 for Fiscal
23 Year 2002.

24 (9) The total General Fund Personnel Services appropriations of the
25 Guam Public Library per Appendix B of P.L. 26-35, as amended, is further
26 amended to total the sum of \$738,621 for Fiscal Year 2002.

27 (10) The total General Fund Personnel Services appropriations of the
28 Department of Mental Health and Substance Abuse per Appendix B of P.L. 26-
29 35, as amended, is further amended to total the sum of \$4,940,724 for Fiscal
30 Year 2002.

31 (11) The total General Fund Personnel Services appropriations of the
32 Department of Public Health and Social Services per Appendix B of P.L. 26-
33 35, as amended, is further amended to total the sum of \$10,855,233 for Fiscal
34 Year 2002.

35 (12) The total General Fund Personnel Services appropriations of the
36 Chief Medical Examiner per Appendix B of P.L. 26-35, as amended, is further
37 amended to total the sum of \$308,918 for Fiscal Year 2002.

1 (13) The total General Fund Personnel Services appropriations of
2 Department of Corrections per Appendix B of P.L. 26-35, as amended, is
3 further amended to total the sum of \$10,144,459 for Fiscal Year 2002.

4 (14) The total General Fund Personnel Services appropriations of the
5 Guam Fire Department per Appendix B of P.L. 26-35, as amended, is further
6 amended to total the sum of \$20,091,091 for Fiscal Year 2002.

7 (15) The total General Fund Personnel Services appropriations of
8 Guam Police Department per Appendix B of P.L. 26-35, as amended, is further
9 amended to total the sum of \$15,720,131 for Fiscal Year 2002.

10 (16) The total General Fund Personnel Services appropriations of the
11 Department of Military Affairs per Appendix B of P.L. 26-35, as amended, is
12 further amended to total the sum of \$608,983 for Fiscal Year 2002.

13 (17) The total General Fund Personnel Services appropriations of the
14 Department of Youth Affairs per Appendix B of P.L. 26-35, as amended, is
15 further amended to total the sum of \$2,934,824 for Fiscal Year 2002.

16 (18) The total General Fund Personnel Services appropriations of the
17 Agency on Human Resources Development per Appendix B of P.L. 26-35, as
18 amended, is further amended to total the sum of \$84,065 for Fiscal Year 2002.

19 (19) The total General Fund Personnel Services appropriations of the
20 department of Integrated Services for Individuals with Disabilities per
21 appendix B of P.L. 26-35, as amended, is further amended to total the sum of
22 \$498,160 for Fiscal Year 2002.

23 (20) The total General Fund Personnel Services appropriations of the
24 Guam Election Commission per Appendix B of P.L. 26-35, as amended, is
25 further amended to total the sum of \$203,357 for Fiscal Year 2002.

26 (21) The total General Fund Personnel Services appropriations of the
27 Department of Labor per Appendix B of P.L. 26-35, as amended, is further
28 amended to total the sum of \$1,501,638 for Fiscal Year 2002.

29 (22) The total General Fund Personnel Services appropriations of the
30 Ancestral Lands Commission Appendix B of P.L. 26-35, as amended, is further
31 amended to total the sum of \$258,146 for Fiscal Year 2002.

32 (23) The total General Fund Personnel Services appropriations of the
33 Chamorro Land Trust Commission per Appendix B of P.L. 26-35, as amended,
34 is further amended to total the sum of \$361,297 for Fiscal Year 2002.

35 (24) The total General Fund Personnel Services appropriations of the
36 Department of Land Management per Appendix B of P.L. 26-35, as amended,
37 is further amended to total the sum of \$2,343,620 for Fiscal Year 2002.

1 (25) The total General Fund Personnel Services appropriations of the
2 Department of Parks and Recreation per Appendix B of P.L. 26-35, as
3 amended, is further amended to total the sum of \$2,722,987 for Fiscal Year
4 2002.

5 (26) The total General Fund Personnel Services appropriations of the
6 Department of Agriculture per Appendix B of P.L. 26-35, as amended, is
7 further amended to total the sum of \$1,745,897 for Fiscal Year 2002.

8 (27) The total General Fund Personnel Services appropriations of the
9 Bureau of Planning per Appendix B of P.L. 26-35, as amended, is further
10 amended to total the sum of \$757,606 for Fiscal Year 2002.

11 (28) The total General Fund Personnel Services appropriations of the
12 Department of Commerce per Appendix B of P.L. 26-35, as amended, is further
13 amended to total the sum of \$896,275 for Fiscal Year 2002.

14 (29) The total General Fund Personnel Services appropriations of the
15 Department of Public Works per Appendix B of P.L. 26-35, as amended, is
16 further amended to total the sum of \$12,443,861 for Fiscal Year 2002.

17 (30) The General Fund Personnel Services appropriations of the
18 Department of Public Works Solid Waste Management Division per Appendix
19 B, (Page 37-7) of P.L. 26-35, as amended, is amended to read the sum of
20 \$211,232 for Fiscal Year 2002.

21 **Section 5. *I Maga'laha*n Guåhan Transfer Authority.** *I Maga'laha*n
22 *Guåhan* is authorized to transfer not more than fifteen percent (15%) in or out of the
23 object categories appropriated in P.L. 26-35, Appendix B, as amended. This transfer
24 authority shall *not* extend to the Personnel Services, Off-Island Travel and Office
25 Space Rental Categories of Appendix B of P.L. 26-35, as amended.

26 **Section 6. Amendment to Section 8 of Public Law 26-58.** Section 8 of
27 Public Law 26-58 is hereby amended to read as follows:

28 **"Section 8. Authorization to Use FY 2001 Lapses for Annual Leave**
29 **Payments.** Notwithstanding any other provision of law, departments and
30 agencies are authorized to transfer and expend FY 2001 appropriation lapses
31 for the payment of accumulated annual leave of separating employees in FY
32 2001 and FY 2002."

33 **Section 7. Re-appropriation of Eighty Thousand Dollars (\$80,000) from**
34 **Section 2 of Public Law Number 26-69 to the Office of Civil Defense for overtime**
35 **payments to the Special Response Unit. (a) Legislative Statement.**
36 Immediately after the September 11th bombings, Guam was placed on high alert with
37 regards to its readiness status. In addition, the United States' retaliation by bombing
38 strategic locations in Afghanistan made it very clear that the nation was at war against

1 terrorism. Subsequently thereafter, the nation was bombarded with a series of anthrax
2 scares that claimed several Americans' lives. The scares and hoaxes spread
3 throughout the nation and Guam was not spared by the flurry of anthrax related calls.
4 These calls resulted in the joint government of Guam/Military effort in developing an
5 operations plan that would address bio-terrorism in general. To protect public health,
6 safety, and welfare, *I Maga'lahaen Guåhan* ordered the Office of Civil Defense to
7 develop and implement protocols and procedures that would authorize, identify and
8 direct first responders in dealing with any and all unidentified or suspicious materials.
9 As a result of this directive, the Office of Civil Defense's Special Response Unit
10 (SRU) was formed.

11 The Special Response Unit is a group of first responders that is composed of
12 government employees from the Guam Fire Department Hazardous Materials Team.
13 Furthermore, they are supported by the Guam Police Department's SWAT Team, a
14 special unit from the Department of Customs and Quarantine, the Guam
15 Environmental Protection Agency's technical and HazMat-trained team, Guam
16 Memorial Hospital Authority's Medical Staff, and the Department of Public Health
17 and Social Services Laboratory Team.

18 The actual SRU members that are directly responsible and accountable with
19 immediate response, retrieval, recovery and transport of all said materials are
20 members of the Guam Fire Department. Also, it should be noted that through the
21 proactive assistance and cooperation of the Guam Fire Department, the Office of
22 Civil Defense was able to assemble a team composed of twelve (12) Hazardous
23 Materials trained personnel that were divided into two (2) shifts A and B Platoon.

24 The overtime issue resulted when personnel that are on their regular day off
25 were required to report to work to maintain the bare minimum manpower
26 requirements. Since its inception, the Special Response Unit HazMat team has been
27 very supportive with this arrangement even when they were forced to give up their
28 days-off.

29 **(b) Appropriation.** The sum of Eighty Thousand Dollars (\$80,000.00) is
30 hereby re-appropriated from Section 2 of Public Law Number 26-69, from the
31 General Fund to the Office of Civil Defense of the Department of Military Affairs for
32 overtime payment to members of the Special Response Unit.

33 **(c) Reporting Requirement.** *I Maga'lahaen Guåhan* shall prepare a
34 detailed closeout report of the expenditures of the funds appropriated herein shall be
35 filed within thirty (30) days of the enactment of this Act and shall submit the same to
36 the Speaker of *I Liheslaturan Guåhan*.

37 **Section 8. Overtime Appropriation for Tax Collections.**

1 **(a) Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
2 Guam's first quarter revenue projections for fiscal year 2002 alone have fallen short
3 of approximately Eighteen Million One Hundred Thousand Dollars (\$18,100,000.00);
4 a recent report by the Public Auditor revealed that the government is in deficit
5 spending by approximately Thirty-one Million Two Hundred Thousand Dollars
6 (\$31,200,000); and government revenues continue to further decline.

7 In addition, *I Liheslaturan Guåhan* finds that the government of Guam incurred
8 One Hundred Seventy-two Million Four Hundred Sixty-nine Thousand Six Hundred
9 Forty-eight Dollars (\$172,469,648.00) of expenditures as a result of countless federal
10 programs during fiscal year 2000, receiving only One Hundred Thirty-two Million
11 Three Hundred Seventy-five Thousand Seven Hundred Sixty Dollars
12 (\$132,375,760.00) in reimbursements. The total grants receivables have amounted to
13 Fifty-two Million Nine Hundred Thirty-six Thousand Six Hundred Eleven Dollars
14 (52,936,611.00), some of which have not been collected as a result of the lack of
15 financial expenditure reports required by the federal government from the
16 government of Guam.

17 Therefore, it is the intent of *I Liheslaturan Guåhan* to provide the resources
18 needed to collect the federal reimbursements by allowing overtime hours including
19 the use of Administrative Services Officers from agencies receiving federal awards to
20 augment and supplement Department of Administration personnel, as it is apparent
21 that the government is in dire financial need. Such reimbursements can be utilized to
22 cover for the shortfall of projected revenues of the government of Guam.

23 **(b) Overtime Hours.** Notwithstanding any other provisions of law,
24 the Department of Administration is hereby authorized to pay overtime hours for all
25 Government of Guam employees who are assigned the responsibility of the
26 completion of the required financial expenditure reports for the federal awards
27 reimbursements.

28 **(c) Appropriation.** One Hundred Thousand Dollars (\$100,000.00) is
29 hereby appropriated from the General Fund to the Department of Administration to be
30 used for overtime payments of government of Guam employees pursuant to this
31 Section.

32 **(d) Reports.** Director of the Department of Administration shall submit
33 to *I Liheslaturan Guåhan* on a biweekly basis a detailed report of the expenditures of
34 the appropriation made by this Section, including a breakdown of the overtime hours
35 paid to each Government of Guam employee pursuant to this Act, the percentage of
36 completed financial reports, the expected date of completion of the required financial
37 expenditure reports for the federal grants reimbursement, and other relevant
38 information.



**Testimony of Mr. Ed Untalan
Administrator, Guam Economic Development Authority
on Bill No. 305 & Bill No. 311
April 26, 2002**

I would like to thank the Chairman, Senator Kaleo S. Moylan and members of the Committee on Ways and Means for the opportunity to provide testimony today on **Bill No. 305, "AN ACT TO GENERATE CASH FOR THE GENERAL FUND THROUGH THE ESTABLISHMENT OF NEW SECTIONS 22429, 22430 AND 22431 OF ARTICLE 4 OF CHAPTER 22 OF DIVISION 2 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE COLLECTION OF BALANCE OF TAXES DUE"** and **Bill No. 311, "AN ACT TO AUTHORIZE I MAGA'LAHEN GUAHAN TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000.00) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES."**

I thoroughly applaud the intent of both Bill No. 305, which seeks to borrow Five Million Dollars (\$5,000,000.00) to pay "income tax refunds due to Guam taxpayers for tax years 2000 or earlier." and Bill No. 311 which seeks to fund Ten Million Dollars (\$10,000,000.00) to address Public Assistance programs and payment of the Department of Education's monthly allotment backlog.

I agree with the legislature's goals of seeking financing to obtain much needed cash for the General Fund. However, Bill 311 seeks "bridge" financing, which by definition dictates the need to find a future, final repayment vehicle to eventually fund the obligation until it is paid off, and both Bills reflect a desire to limit financing to local financial institutions, which I believe will be very costly and ineffective, as it will only act as a "band aid" or a short-term fix for long-term problems.

I would like to go even further and recommend to this body to consider drafting a Bill which would instead allow for a long-term "working capital" bond financing to address these issues as well as other items, such as outstanding tax refunds for this year. I mention this because as you all know, we recently were downgraded by Standard & Poor's to a non-investment grade (NIG) 'BB' rating. One of the biggest criticisms that S&P had was the constant "quick fixing" of problems via short-term solutions rather than long-term ones. I believe that a long-term working capital financing will help address all the challenges we are facing today.

I would like to inform you that as of March 21, 2002, GEDA issued a solicitation on behalf of the Guam Waterworks Authority from banks on island to provide the Government of Guam with short-

term or bridge financing. All the banks responded with no interest. With the current condition of the Government, I am sure the banks will respond in the same way. In addition, if there is indeed interest out there, it will be more expensive for the Government in both the long and short term. In reality, the Government's cash flow demands a longer repayment term in order to achieve the benefit of capital injection into our struggling economy to address income tax refunds, overdue vendor payments, monies for public assistance programs, a cash infusion into the Retirement Fund and a cash reserve to be set aside in the event economic recovery of our economy takes longer than anticipated. I believe that even with the downgrade of our bonds to a NIG status, bond financing is still the most prudent and inexpensive way of financing for the Government. These Bills do not allow the Government to seek options other than local financing.

In short, I agree with your intent, but I believe that a more comprehensive approach is necessary to provide financial stability, rather than compounding the pressure on the General Fund.

In closing, I would like to again thank the Committee on Ways and Means for the opportunity to provide testimony today on these very important concerns. Thank you.

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

April 22, 2002

The Honorable Carl T.C. Gutierrez
Maga'lahen Guåhan
R. J. Bordallo Governor's Complex
Agana, Guam 96932

Re: Committee Public Hearing: Friday, April 26, 2002

Dear Governor Gutierrez:

This is to inform you that the Committee on Ways and Means will conduct a public hearing on Friday, April 26, 2002 commencing at 9:00 a.m. in the legislative Session Hall.

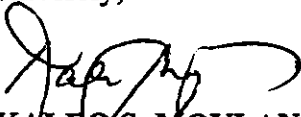
Legislative Measure:

Bill No. 305 (COR), AN ACT TO GENERATE CASH FOR THE GENERAL FUND THROUGH THE ESTABLISHMENT OF NEW SECTIONS 22429, 22430 AND 22431 OF ARTICLE 4 OF CHAPTER 22 OF DIVISION 2 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE COLLECTION OF BALANCE OF TAXES DUE.

Bill No. 311 (COR), AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÅHAN* TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET.

As these measures directly affect the government of Guam, the Committee encourages your participation and input at this hearing. The Committee would appreciate receiving fifteen (15) copies of your Administration's position statement and or documents relating to the subject matter prior to the start of the hearing. A copy of the hearing Agenda is enclosed for your reference and information.

Sincerely,


KALEO S. MOYLAN

Enclosures:

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

April 22, 2002

Mr. Paul D. Leon Guerrero
Director
Bureau of Budget and Management Research
R. J. Bordallo Governor's Complex
Hagåtña, Guam 96932

Re: Request for Fiscal Note

Dear Mr. Leon Guerrero:

Please find attached copies of Bill Nos. 305 and 311 (COR), scheduled for public hearing on Friday, April 26, 2002. Pursuant to the provisions of Chapter 9, of Title 2 of the Guam Code Annotated, a fiscal note is being requested.

As this measure affects the government of Guam, the Committee encourages your participation and input at this hearing. The Committee would appreciate receiving fifteen (15) copies of BBMR's position statement and or documents relating to the subject matter prior to the start of the hearing. A copy of the hearing Agenda is enclosed for your reference and information.

Sincerely,


KALEO S. MOYLAN

Attachments:

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

April 22, 2002

Mr. Clifford Guzman
Acting Director
Department of Administration
Hagåtña, Guam 96910

Re: Committee Public Hearing: Friday, April 26, 2002

Dear Mr. Guzman:

This is to inform you that the Committee on Ways and Means will conduct a public hearing on Friday, April 26, 2002 commencing at 9:00 a.m. in the Legislative Session Hall. As Bill No. 305 and 311 directly impacts the government of Guam, the Committee would appreciate receiving fifteen (15) copies of your position statement and or documents relating to the subject matter prior to the start of the hearing.

A copy of the hearing Agenda is enclosed for your reference and information.

Sincerely,


KALEO S. MOYLAN

Attachment:

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

April 22, 2002

Mr. George V. Cruz
Director,
Department of Revenue and Taxation
Tiyan, Guam 96932

Re: Committee Public Hearing: Friday, April 26, 2002

Dear Mr. Cruz:

This is to inform you that the Committee on Ways and Means will conduct a public hearing on Friday, April 26, 2002 commencing at 9:00 a.m. in the Legislative Session Hall. As Bill Nos. 305 and 311 directly impacts the government of Guam, the Committee would appreciate receiving fifteen (15) copies of your position statement and or documents relating to the subject matter prior to the start of the hearing.

A copy of the hearing Agenda is enclosed for your reference and information.

Sincerely,


KALEO S. MOYLAN

Enclosures:

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

April 22, 2002

Mr. Ed Untalan
Administrator
Guam Economic Development Authority
Tamuning, Guam 96932

Re: Committee Public Hearing: Friday, April 26, 2002

Dear Mr. Untalan:

This is to inform you that the Committee on Ways and Means will conduct a public hearing on Friday, April 26, 2002 commencing at 9:00 a.m. in the Legislative Session Hall. As Bill Nos. 305 and 311 directly impacts the government of Guam, the Committee would appreciate receiving fifteen (15) copies of your position statement and or documents relating to the subject matter prior to the start of the hearing.

A copy of the hearing Agenda is enclosed for your reference and information.

Sincerely,


KALEO S. MOYLAN

Enclosures:

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

April 22, 2002

MEMORANDUM

To: All Members, Committee on Ways and Means

From The Chairperson,

Subject: Committee Public Hearing, Friday, April 26, 2002

This is to inform²⁴ you that the Committee Ways and Means will conduct a Public Hearing on Friday, April 5, 2002, at 9:00 a.m., in the Legislative Session Hall. A copy of the legislation and hearing Agenda is attached for your review.

Thank you for your time and I look forward to your attendance and participation.


KALEO S. MOYLAN

Attachment:

cc: All Senators
Clerk of Legislature
Protocol
Media

MINA'BENTE SAIS NA LIHESLATURAN GUÁHAN
Senator Kaleo S. Moylan, Chairman
Committee on Ways and Means

Public Hearing
9:00 a.m., Friday, April 26, 2002

A G E N D A

I. Call to Order:

II. Announcement & Introduction of Members:

III. Legislative Measure:

Bill No. 305 (COR), AN ACT TO GENERATE CASH FOR THE GENERAL FUND THROUGH THE ESTABLISHMENT OF NEW SECTIONS 22429, 22430 AND 22431 OF ARTICLE 4 OF CHAPTER 22 OF DIVISION 2 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE COLLECTION OF BALANCE OF TAXES DUE.

Bill No. 311 (COR), AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÁHAN* TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES.

IV. Remarks:

V. Adjournment:

Committee on Ways and Means

**Attendance Sheet
Friday, April 26, 2002**

9:05 a.m.
8

Bill No. 311 (COR)

AN ACT TO AUTHORIZE I MAGA'LAHEN GUÅHAN TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET.


	Present	Absent	Off-Island	Excused
Kaleo S. Moylan,	<u> / </u>	<u> </u>	<u> </u>	<u> </u>
Joanne M.S. Brown	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Antonio R. Unpingco	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Felix P. Camacho	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Mark C. Charfauros	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Mark Forbes	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Lawrence F. Kasperbauer	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Vicente C. Pangelinan	<u> / </u>	<u> </u>	<u> </u>	<u> </u>

	Present	Absent	Off-Island	Excused
Joseph F. Ada	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Thomas C. Ada	<u> / </u>	<u> </u>	<u> </u>	<u> </u>
Frank B. Aguon, Jr.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Eddie B. Calvo	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Lou Leon Guerrero	<u> / </u>	<u> </u>	<u> </u>	<u> </u>
Angel L.G. Santos	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Judith T. Won Pat	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Attending Staff

Bertha Duenas <u> / </u>	James P. Castro <u> / </u>	Tom Morrison <u> </u>
Henry Cruz <u> </u>	Paul Borja <u> / </u>	Faith Mendiola <u> </u>
Fred M. Castro <u> </u>	Josie Mendiola <u> </u>	John Dela Rosa <u> </u>
Jackie Suzuki <u> </u>	Briana San Nicolas <u> </u>	

Att: James Castro
FR: Rox

 **MINA'BENTE SAIS NA LIHESLATURAN GUAHAN**
Senator Kaleo S. Moylan, Chairman
Committee on Ways and Means

Public Hearing
9:00 a.m., Friday,
April 26, 2002

AGENDA

Bill No. 305 (COR), AN ACT TO GENERATE CASH FOR THE GENERAL FUND THROUGH THE ESTABLISHMENT OF NEW SECTIONS 22429, 22430 AND 22431 OF ARTICLE 4 OF CHAPTER 22 OF DIVISION 2 OF TITLE 5, GJAM CODE ANNOTATED, RELATIVE TO THE COLLECTION OF BALANCE OF TAXES DUE.

Bill No. 311 (COR), AN ACT TO AUTHORIZE / MAGA'LAHEN GUAHAN TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET.

The Hearing will take place at the Guam Legislature Session Hall located at Hagåtña. Individuals requiring special accommodations, auxiliary aids or services are asked to contact the office of Senator Kaleo S. Moylan at 472-3342.

Rox
2:45
4/24/02
[Signature]

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MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN



Senator Kaleo S. Moylan, Chairman
Committee on Ways and Means

Public Hearing ²⁶
9:00 a.m., Friday, April 5, 2002

AGENDA

Bill No. 305 (COR), AN ACT TO GENERATE CASH FOR THE GENERAL FUND THROUGH THE ESTABLISHMENT OF NEW SECTIONS 22429, 22430 AND 22431 OF ARTICLE 4 OF CHAPTER 22 OF DIVISION 2 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE COLLECTION OF BALANCE OF TAXES DUE.

Bill No. 311 (COR), AN ACT TO AUTHORIZE / MAGA'LAHEN GUÅHAN TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET.

The Hearing will take place at the Guam Legislature Session Hall located at Hagåtña. Individuals requiring special accommodations, auxiliary aids or services are asked to contact the office of Senator Kaleo S. Moylan at 472-3342.

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

April 26, 2002

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. 311 (COR), "AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÅHAN* TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES," 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>0</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:


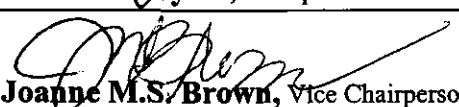

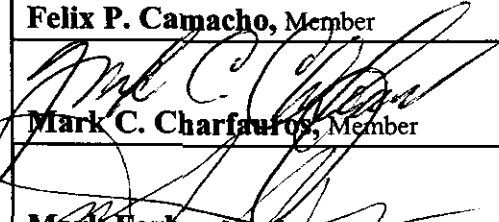
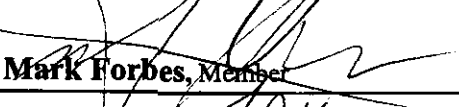


Committee on Ways and Means

Vote Sheet on

Bill No. 311 (COR)

As substituted by the Committee

AN ACT TO AUTHORIZE I MAGA'LAHEN GUÁHAN TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES.

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. Calvo, 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. 311 (COR)

As substituted by the Committee

AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÅHAN* TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES.

PUBLIC HEARING:

The Committee on Ways and Means, to which was referred Bill No. 311 (COR), "AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÅHAN* TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES," conducted a public hearing on Friday, April 5, 2001, at the Guam Legislature Public Hearing Room. Senator Kaleo S. Moylan, Chairperson of the Committee on Ways and Means, convened the hearing at 9:00 a.m. In attendance were Senators Thomas C. Ada, Lou A. Leon Guerrero and Vicente C. Pangelinan.

TESTIMONY:

Appearing before the Committee were Messrs. Paul D. Leon Guerrero, Carlos Bordallo and Joey S. Calvo, Director and Budget Analysts respectively, all representing the Bureau of Budget and Management Research. According to Director Leon Guerrero, the Bureau, with minor amendments, supports the intent of Bill No. 311. In closing, Mr. Leon Guerrero reiterated the concerns and agreed with the intent of the legislation and the Legislature's goals of seeking financing to obtain needed cash. The Committee also received testimony from the Guam Economic Development Authority on Bill Nos. 305 and 311 (COR).

There being no further discussion, the Chair adjourned the hearing on Bill No 311 (COR) 10:10 a.m.

***COMMITTEE PROFILE
FINDINGS AND RECOMMENDATION***

Brief Title: "Ten Million Dollars (\$10,000,000) Line of Credit and other Purposes."

Date Introduced: Monday, March 25, 2002.

Main Sponsor: Senator K. S. Moylan.

Committee Referral: 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: Friday, April 26, 2002, 9:00 a.m. at the Legislative Session Hall.

Official Title: AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÅHAN* TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES.

Fiscal Note: Pursuant to the provisions of Chapter 9, Title 2 of the Guam Code Annotated, a request for a fiscal note on Bill No. 311 (COR) was made to BBMR on Monday, April 22, 2001.

Recommendation: To do pass.

A Closer Look and Findings

A closer look reveals that the Fiscal Year 2002 Budget Act (Public Law Number 26-35), as amended, provided for an expenditure reduction of over \$100 million in order to meet declining revenues brought on by years of a struggling Asian economy exacerbated by the Federal Tax Relief Act of 2001. It also provided for restrictive line item appropriations and a mechanism for the systematic reduction of the overall General Fund deficit. Six months and several Court challenges later, the basic tenets of responsible budgeting continue to be delivered by its mandates. However, *I Liheslaturan Guåhan* recognizes the need for some budgetary amendments in order to maintain essential public service for the balance of the fiscal year.

In the past several weeks, *I Liheslaturan Guåhan*, held a series of public hearings and roundtable discussions on a myriad of proposals offered by both government and private community leaders searching for answers on how to best deal with declining revenues, the general stagnation of the economy, and the accumulated cash shortfall brought on by years of deficit spending. Massive layoffs, agency closures, and indigent displacements were amidst a community plagued with steadily dwindling resources. After extensive deliberation, *I Liheslaturan Guåhan*, in cooperation with *I Maga'lahen Guåhan*, agreed that a combination of budgetary adjustments and bridge financing would be sufficient to mitigate the government's present financial situation.

I Liheslaturan Guåhan, in the sections contained in this legislation, approves bridge financing and the reprogramming of appropriated funds to accomplish the following:

- (1) the continued funding of all government of Guam classified employees present on the payroll up to the implementation of the hiring freeze (P.L. 26-77), effective March 24, 2002;
- (2) the continued funding of all night differential, hazardous, holiday, and other specialty pay for all law enforcement and/or 24-hour operations of this government;

- (3) the continued funding of the Guam Fire Department threatened with depletion of funds by July;
- (4) the funding of nurses' pay adjustments in the Department of Public Health and Social Services and the Department of Mental Health and Substance Abuse;
- (5) the funding of all classified employees' unfunded pay adjustments due to agency omissions in budget requests;
- (6) the funding of all accumulated annual leave payments for separating employees for the balance of the fiscal year; *and*
- (7) the funding of all essential operating expense requirements for all agencies.

Section Analysis

Section 1. Legislative Intent.

Section 2. Authority to Borrow. This Section authorizes *I Maga'lahaen Guåhan*, to borrow or arrange a line of credit not to exceed Ten Million Dollars (\$10,000,000) with any bank or commercial lending institution licensed on Guam, government of Guam autonomous agency, or any other instrumentality of the government of Guam.

Section 3. Repeal of Section 3(a) and 3(e) of Public Law Number 26-77.

Section 4. Reprogramming of Appropriated Funds. A closer of Section 4 reveals the following:

(1) The total General Fund Personnel Services appropriations of the Commission on Decolonization per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$133,717 for Fiscal Year 2002.

(2) The total General Fund and Unexpended Fund Balance of Loan Proceeds Personnel Services appropriations of the Department of Administration per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$6,148,489 for Fiscal Year 2002.

(3) The total General Fund Personnel Services appropriations of the Bureau of Budget and Management Research per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$1,417,492 for Fiscal Year 2002.

(4) The total General Fund Personnel Services appropriations of the Civil Service Commission per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$939,485 for Fiscal Year 2002.

(5) The total General Fund Personnel Services appropriations of the Department of Revenue and Taxation per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$6,226,754 for Fiscal Year 2002. The total General Fund operations appropriations of the Department of Revenue and Taxation per Appendix B of P.L. 26-35, as amended, is further amended to the total sum of \$1,071,921 for Fiscal Year 2002.

(6) The total General Fund Personnel Services appropriations of the Department of Chamorro Affairs per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$560,991 for Fiscal Year 2002.

(7) The total General Fund Personnel Services appropriations of the Guam Council on the Arts and Humanities per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$195,294 for Fiscal Year 2002.

(23) The total General Fund Personnel Services appropriations of the Chamorro Land Trust Commission per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$361,297 for Fiscal Year 2002.

(24) The total General Fund Personnel Services appropriations of the Department of Land Management per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$2,343,620 for Fiscal Year 2002.

(25) The total General Fund Personnel Services appropriations of the Department of Parks and Recreation per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$2,722,987 for Fiscal Year 2002.

(26) The total General Fund Personnel Services appropriations of the Department of Agriculture per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$2,026,911 for Fiscal Year 2002.

(27) The total General Fund Personnel Services appropriations of the Bureau of Planning per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$757,606 for Fiscal Year 2002.

(28) The total General Fund Personnel Services appropriations of the Department of Commerce per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$896,275 for Fiscal Year 2002.

(29) The total General Fund Personnel Services appropriations of the Department of Public Works per Appendix B of P.L. 26-35, as amended, is further amended to total the sum of \$12,443,861 for Fiscal Year 2002.

(30) The General Fund Personnel Services appropriations of the Department of Public Works Solid Waste Management Division per Appendix B, (Page 37-7) of P.L. 26-35, as amended, is amended to read the sum of \$211,232 for Fiscal Year 2002.

Section 5. *I Maga'lahren Guåhan* Transfer Authority. Section 5 authorizes *I Maga'lahren Guåhan* to transfer not more than fifteen percent (15%) in or out of the object categories within departments or agencies appropriated in P.L. 26-35, Appendix B, as amended. However, the transfer authority shall *not* extend to the Off-Island Travel and Office Space Rental categories of Appendix B of P.L. 26-35, as amended.

Section 6. Amendment to Section 8 of Public Law 26-58. This Section amends the authorization to Use FY 2001 Lapses for Annual Leave Payments.

Section 7. Appropriation for Matching Funds for Earthquake Recovery Efforts.

Section 7 appropriates \$400,000 from the General Fund to the Bureau of Budget and Management Research as local match to Federal funding awarded for the earthquake felt on Guam on October 13, 2001. Such funds will be allocated to the various line agencies authorized to receive Federal funds for damages sustained during the aforementioned earthquake.

Section 8. Authorization to Transfer Personnel. This Section authorizes the Director of the Department of Administration to transfer the nine (9) personnel at the Department of Administration Housing Management Division to other government of Guam agencies.

Section 9. Amendment to Immediate Freeze on Hiring. This Section amends the Hiring Freeze Provision contained in Section 6 of Public Law Number 26-77. Included in the exceptions to the hiring restrictions are Plant Protection and Quarantine Officers of the Department of Agriculture; Solid Waste Technicians and Law Clerks.

Section 10. Severability.

COMMITTEE RECOMMENDATION:

The Committee on Ways and Means, to which was referred Bill No. 311 (COR), "AN ACT TO AUTHORIZE I MAGA'LAHEN GUÅHAN TO BORROW OR ARRANGE A LINE OF CREDIT UP TO TEN MILLION DOLLARS (\$10,000,000) AND TO PROVIDE FOR THE REPROGRAMMING OF FISCAL YEAR 2002 BUDGET AND FOR OTHER PURPOSES," recommends that the legislation, as substituted, be passed by *I Liheslaturan Guåhan*.

2nd COR 3rd 6
4/26/02 4/26/02 4/26/02 5/18/02

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

Bill No. 311 (COR)
As substituted by the Committee
on Ways and Means.

Introduced by:

K. S. Moylan

**AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÅHAN*
TO BORROW OR ARRANGE A LINE OF CREDIT
UP TO TEN MILLION DOLLARS (\$10,000,000) AND
TO PROVIDE FOR THE REPROGRAMMING OF
FISCAL YEAR 2002 BUDGET AND FOR OTHER
PURPOSES.**

- 1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**
- 2 Section 1. Legislative Intent.
- 3 Section 2. Authority to Borrow.
- 4 Section 3. Repeal of Section 3(a) and 3(e) of Public
- 5 Law Number 26-77.
- 6 Section 4. Reprogramming of Appropriated Funds.
- 7 Section 5. *I Maga'lahaen Guåhan* Transfer Authority.
- 8 Section 6. Amendment to Section 8 of Public Law
- 9 Number 26-58 relative to lapses for Annual
- 10 leave payments.

- 1 **Section 7. Appropriation for Matching Funds for**
- 2 **Earthquake Recovery Efforts.**
- 3 **Section 8. Authorization to Transfer Personnel.**
- 4 **Section 9. Amendment to Immediate Freeze on Hiring.**
- 5 **Section 10. Severability.**

7 **Section 1. Legislative Intent.** The Fiscal Year 2002 Budget Act (Public
8 Law Number 26-35), as amended, provided for an expenditure reduction of over \$100
9 million in order to meet declining revenues brought on by years of a struggling Asian
10 economy exacerbated by the Federal Tax Relief Act of 2001. It also provided for
11 restrictive line item appropriations and a mechanism for the systematic reduction of
12 the overall General Fund deficit. Six months and several Court challenges later, the
13 basic tenets of responsible budgeting continue to be delivered by its mandates.
14 However, *I Liheslaturan Guåhan* recognizes the need for some budgetary
15 amendments in order to maintain essential public service for the balance of the fiscal
16 year.

17 In the past several weeks, *I Liheslaturan Guåhan*, held a series of public
18 hearings and roundtable discussions on a myriad of proposals offered by both
19 government and private community leaders searching for answers on how to best deal
20 with declining revenues, the general stagnation of the economy, and the accumulated
21 cash shortfall brought on by years of deficit spending. Massive layoffs, agency
22 closures, and indigent displacements were amidst a community plagued with steadily
23 dwindling resources. After extensive deliberation, *I Liheslaturan Guåhan*, in
24 cooperation with *I Maga'lahen Guåhan*, agreed that a combination of budgetary

1 adjustments and bridge financing would be sufficient to mitigate the government's
2 present financial situation.

3 *I Liheslaturan Guåhan*, in the sections contained in this legislation, approves
4 bridge financing and the reprogramming of appropriated funds to accomplish the
5 following:

6 (1) the continued funding of all government of Guam classified
7 employees present on the payroll up to the implementation of the hiring freeze
8 (P.L. 26-77), effective March 24, 2002;

9 (2) the continued funding of all night differential, hazardous, holiday,
10 and other specialty pay for all law enforcement and/or 24-hour operations of
11 this government;

12 (3) the continued funding of the Guam Fire Department threatened
13 with depletion of funds by July;

14 (4) the funding of nurses' pay adjustments in the Department of
15 Public Health and Social Services and the Department of Mental Health and
16 Substance Abuse;

17 (5) the funding of all classified employees' unfunded pay adjustments
18 due to agency omissions in budget requests;

19 (6) the funding of all accumulated annual leave payments for
20 separating employees for the balance of the fiscal year; *and*

21 (7) the funding of all essential operating expense requirements for all
22 agencies.

23 **Section 2. Authority to Borrow.** *I Maga'lahaen Guåhan*, on behalf of the
24 government of Guam, is authorized to borrow or arrange a line of credit not to exceed
25 Ten Million Dollars (\$10,000,000) with any bank or commercial lending institution

1 licensed on Guam, government of Guam autonomous agency, or any other
2 instrumentality of the government of Guam. The terms of the loan or line of credit
3 shall include the following:

4 (1) The *I Maga'lahaen Guahan* shall use Five Million Dollars
5 (\$5,000,000) of such loan for the purpose of funding public assistance
6 programs for the appropriations contained in Public Law Number 26-35, as
7 amended, and Five Million Dollars (\$5,000,000) for the payment of the
8 Department of Education's monthly allotment backlog. *as appropriated in PL
26-35, as amended.*

9 (2) Prepaid charges shall not be levied by the bank or entity for
10 opening a line of credit.

11 (3) Interest derived from the financial agreement shall be exempt from
12 taxation by the government of Guam.

13 (4) All terms of the financial agreement shall be negotiated by the *I*
14 *Maga'lahaen Guahan* in the best interest of the people of Guam.

15 (5) The interest rate shall be negotiated between the *I Maga'lahaen*
16 *Guahan* and the lender. Such interest rate shall *not* exceed eight percent (8%)
17 per annum and shall be computed on a monthly average based on the actual
18 amount extended to the government.

19 (6) The loan may be secured by pledge of funds or a guaranty of the
20 government of Guam.

21 (7) Any money borrowed shall be repaid within ten (10) years. In no
22 case shall any amount borrowed be refinanced resulting in a repayment over
23 more than ten (10) years after the loan is made.

I MINA'BENTE SAIS NA LIHESLATURAN GUÁHAN

FLOOR AMENDMENTS/CHANGES

Bill No. ~~2~~ 311

VCP

Senator Proposing Amendment

(Below for Senator to complete)

Please describe proposed amendment, including where change to occur:

pa. 4 line 8 after backlog also
" for as suggested in PL 24-35 as
and

(Below only for Clerk of Legislature's use and processing))

Date 4/20, 2002

Floor Amendment No. 1 of a total of changes on above Bill.

Votes For Amendment: Votes Against Amendment:

AMENDMENT PASSED:

Amendment Failed:

Amendment Withdrawn:

APPROVED AS TO FORM PASSED

[Signature]
AUTHOR OF AMENDMENT

Concur (initial)

[Signature]
Clerk of Legislature

Speaker

 Ass't. Amend. Clerk
 Engrossment Staff

1 (8) Funds necessary for the repayment of the principal, interest, and
2 other costs associated with the financing are appropriated from the General
3 Fund.

4 **Section 3. Repeal of Section 3(a) and 3(e) of Public Law Number 26-77.**

5 Section 3(a) and Section 3(e) of Public Law Number 26-77 are hereby
6 *repealed.*

7 **Section 4. Reprogramming of Appropriated Funds.**

8 (1) The total General Fund Personnel Services appropriations of the
9 Commission on Decolonization per Appendix B of P.L. 26-35, as amended, is
10 further amended to total the sum of \$133,717 for Fiscal Year 2002.

11 (2) The total General Fund and Unexpended Fund Balance of Loan
12 Proceeds Personnel Services appropriations of the Department of
13 Administration per Appendix B of P.L. 26-35, as amended, is further amended
14 to total the sum of \$6,148,489 for Fiscal Year 2002.

15 (3) The total General Fund Personnel Services appropriations of the
16 Bureau of Budget and Management Research per Appendix B of P.L. 26-35, as
17 amended, is further amended to total the sum of \$1,417,492 for Fiscal Year
18 2002.

19 (4) The total General Fund Personnel Services appropriations of the
20 Civil Service Commission per Appendix B of P.L. 26-35, as amended, is
21 further amended to total the sum of \$939,485 for Fiscal Year 2002.

22 (5) The total General Fund Personnel Services appropriations of the
23 Department of Revenue and Taxation per Appendix B of P.L. 26-35, as
24 amended, is further amended to total the sum of \$6,226,754 for Fiscal Year ✓
25 2002. The total General Fund operations appropriations of the Department of

1 Revenue and Taxation per Appendix B of P.L. 26-35, as amended, is further
2 amended to the total sum of \$1,071,921 for Fiscal Year 2002.

3 (6) The total General Fund Personnel Services appropriations of the
4 Department of Chamorro Affairs per Appendix B of P.L. 26-35, as amended, is
5 further amended to total the sum of \$560,991 for Fiscal Year 2002.

6 (7) The total General Fund Personnel Services appropriations of the
7 Guam Council on the Arts and Humanities per Appendix B of P.L. 26-35, as
8 amended, is further amended to total the sum of \$195,294 for Fiscal Year 2002.

9 (8) The total General Fund Personnel Services appropriations of the
10 Guam Educational Telecommunication Corporation per Appendix B of P.L.
11 26-35, as amended, is further amended to total the sum of \$388,182 for Fiscal
12 Year 2002.

13 (9) The total General Fund Personnel Services appropriations of the
14 Guam Public Library per Appendix B of P.L. 26-35, as amended, is further
15 amended to total the sum of \$738,621 for Fiscal Year 2002.

16 (10) The total General Fund Personnel Services appropriations of the
17 Department of Mental Health and Substance Abuse per Appendix B of P.L. 26-
18 35, as amended, if further amended to total the sum of \$4,940,724 for Fiscal
19 Year 2002.

20 (11) The total General Fund Personnel Services appropriations of the
21 Department of Public Health and Social Services per Appendix B of P.L. 26-
22 35, as amended, is further amended to total the sum of \$10,855,233 for Fiscal
23 Year 2002.

1 (12) The total General Fund Personnel Services appropriations of the
2 Chief Medical Examiner per Appendix B of P.L. 26-35, as amended, is further
3 amended to total the sum of \$308,918 for Fiscal Year 2002.

4 (13) The total General Fund Personnel Services appropriations of
5 Department of Corrections per Appendix B of P.L. 26-35, as amended, is
6 further amended to total the sum of \$10,144,459 for Fiscal Year 2002.

7 (14) The total General Fund Personnel Services appropriations of the
8 Guam Fire Department per Appendix B of P.L. 26-35, as amended, is further
9 amended to total the sum of \$20,091,091 for Fiscal Year 2002.

10 (15) The total General Fund Personnel Services appropriations of
11 Guam Police Department per Appendix B of P.L. 26-35, as amended, is further
12 amended to total the sum of \$15,720,131 for Fiscal Year 2002.

13 (16) The total General Fund Personnel Services appropriations of the
14 Department of Military Affairs per Appendix B of P.L. 26-35, as amended, is
15 further amended to total the sum of \$688,983 for Fiscal Year 2002. Of this
16 amount, \$80,000 is for overtime payment to the Special Response Unit.

17 (17) The total General Fund Personnel Services appropriations of the
18 Department of Youth Affairs per Appendix B of P.L. 26-35, as amended, is
19 further amended to total the sum of \$2,934,824 for Fiscal Year 2002.

20 (18) The total General Fund Personnel Services appropriations of the
21 Agency on Human Resources Development per Appendix B of P.L. 26-35, as
22 amended, is further amended to total the sum of \$84,065 for Fiscal Year 2002.

23 (19) The total General Fund Personnel Services appropriations of the
24 department of Integrated Services for Individuals with Disabilities per

1 appendix B of P.L. 26-35, as amended, is further amended to total the sum of
2 \$498,160 for Fiscal Year 2002.

3 (20) The total General Fund Personnel Services appropriations of the
4 Guam Election Commission per Appendix B of P.L. 26-35, as amended, is
5 further amended to total the sum of \$203,357 for Fiscal Year 2002.

6 (21) The total General Fund Personnel Services appropriations of the
7 Department of Labor per Appendix B of P.L. 26-35, as amended, is further
8 amended to total the sum of \$1,580,807 for Fiscal Year 2002.

9 (22) The total General Fund Personnel Services appropriations of the
10 Ancestral Lands Commission Appendix B of P.L. 26-35, as amended, is further
11 amended to total the sum of \$258,146 for Fiscal Year 2002.

12 (23) The total General Fund Personnel Services appropriations of the
13 Chamorro Land Trust Commission per Appendix B of P.L. 26-35, as amended,
14 is further amended to total the sum of \$361,297 for Fiscal Year 2002.

15 (24) The total General Fund Personnel Services appropriations of the
16 Department of Land Management per Appendix B of P.L. 26-35, as amended,
17 is further amended to total the sum of \$2,343,620 for Fiscal Year 2002.

18 (25) The total General Fund Personnel Services appropriations of the
19 Department of Parks and Recreation per Appendix B of P.L. 26-35, as
20 amended, is further amended to total the sum of \$2,722,987 for Fiscal Year
21 2002.

22 (26) The total General Fund Personnel Services appropriations of the
23 Department of Agriculture per Appendix B of P.L. 26-35, as amended, is
24 further amended to total the sum of \$2,026,911 for Fiscal Year 2002.

1 (27) The total General Fund Personnel Services appropriations of the
2 Bureau of Planning per Appendix B of P.L. 26-35, as amended, is further
3 amended to total the sum of \$757,606 for Fiscal Year 2002.

4 (28) The total General Fund Personnel Services appropriations of the
5 Department of Commerce per Appendix B of P.L. 26-35, as amended, is further
6 amended to total the sum of \$896,275 for Fiscal Year 2002.

7 (29) The total General Fund Personnel Services appropriations of the
8 Department of Public Works per Appendix B of P.L. 26-35, as amended, is
9 further amended to total the sum of \$12,443,861 for Fiscal Year 2002.

10 (30) The General Fund Personnel Services appropriations of the
11 Department of Public Works Solid Waste Management Division per Appendix
12 B, (Page 37-7) of P.L. 26-35, as amended, is amended to read the sum of
13 \$211,232 for Fiscal Year 2002.

14 **Section 5. *I Maga'lahaen Guåhan* Transfer Authority. *I Maga'lahaen***

15 *Guåhan* is authorized to transfer not more than fifteen percent (15%) in or out of the
16 object categories within departments or agencies appropriated in P.L. 26-35,
17 Appendix B, as amended. This transfer authority shall *not* extend to ^{personnel, to} the Off-Island
18 Travel and Office Space Rental categories of Appendix B of P.L. 26-35, as amended.

19 **Section 6. Amendment to Section 8 of Public Law 26-58.** Section 8 of
20 Public Law 26-58 is hereby amended to read as follows:

21 **“Section 8. Authorization to Use FY 2001 Lapses for Annual Leave**
22 **Payments.** Notwithstanding any other provision of law, departments and
23 agencies are authorized to transfer and expend FY 2001 appropriation lapses
24 for the payment of accumulated annual leave of separating employees in FY
25 2001 and FY 2002.”

1 **Section 7. Appropriation for Matching Funds for Earthquake Recovery**
2 **Efforts.** The sum of Four Hundred Thousand Dollars (\$400,000) is hereby
3 appropriated from the General Fund to the Bureau of Budget and Management
4 Research (“BBMR”) as local match to Federal funding awarded for the earthquake
5 felt on Guam on October 13, 2001. Such funds will be allocated to the various line
6 agencies authorized to receive Federal funds for damages sustained during the
7 aforementioned earthquake.

8 **Section 8. Authorization to Transfer Personnel.** Notwithstanding any
9 other provision of law, the Director of the Department of Administration is hereby
10 authorized to transfer the nine (9) personnel at the Department of Administration
11 Housing Management Division to other government of Guam agencies.

12 **Section 9. Amendment to Immediate Freeze on Hiring.** Section 6 of
13 Public Law Number 26-77 is hereby *amended* to read as follows:

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

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

23 The only exceptions to the hiring restrictions of this Section are judges;
24 judges pro tempore; referees; elected officials; directors; police officers;
25 firemen; emergency technicians (non-administrative); the non-administrative

1 personnel of the Department of Youth Affairs; uniformed prison guards at the
2 Department of Corrections; uniformed personnel of the Customs and
3 Quarantine Agency; Plant Protection and Quarantine Officers of the
4 Department of Agriculture; and doctors, nurses, dentists, pharmacists, licensed
5 medical or mental health professionals, ancillary health professionals, ~~and~~ all
6 teaching positions, ~~{}~~ Solid Waste Technicians, Law Clerks, and Controller
7 for the Government of Guam Retirement Fund ✓

ifn 6FA3

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

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

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21 ~~Section~~
22 **Section 10. Severability.** If any provision of this Law or its application to
23 any person or circumstance is found to be invalid or contrary to law, such invalidity
24 shall *not* affect other provisions or applications of this Law which can be given effect
25 without the invalid provisions or application, and to this end the provisions of this
Law are severable.

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

Bill No. 311 (COR)

Introduced by:

K. S. Moylan 

AN ACT TO AUTHORIZE *I MAGA'LAHEN GUÅHAN*
TO BORROW OR ARRANGE A LINE OF CREDIT
UP TO TEN MILLION DOLLARS (\$10,000,000) AND
TO PROVIDE FOR THE REPROGRAMMING OF
FISCAL YEAR 2002 BUDGET AND FOR OTHER
PURPOSES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

- | | | |
|----|--------------------|---|
| 1 | Section 1. | Legislative Intent. |
| 2 | Section 2. | Authority to Borrow. |
| 3 | Section 3. | Repeal of Section 3(a) and 3(e) of Public |
| 4 | | Law Number 26-77. |
| 5 | Section 4. | Reprogramming of Appropriated Funds. |
| 6 | Section 5. | <i>I Maga'lahen Guåhan</i> Transfer Authority. |
| 7 | Section 6. | Amendment to Section 8 of Public Law |
| 8 | | Number 26-58 relative to lapses for Annual |
| 9 | | leave payments. |
| 10 | Section 7. | Appropriation for Overtime Payments to the |
| 11 | | Special Response Unit. |
| 12 | Section 8. | Overtime Appropriation for Tax Collections. |
| 13 | Section 9. | Amendment to Immediate Freeze on Hiring. |
| 14 | Section 10. | Severability. |
| 15 | | |
| 16 | | |

17 **Section 1. Legislative Intent.** The Fiscal Year 2002 Budget Act (Public
18 Law Number 26-35), as amended, provided for an expenditure reduction of over \$100
19 million in order to meet declining revenues brought on by years of a struggling Asian

1 economy exacerbated by the Federal Tax Relief Act of 2001. It also provided for
2 restrictive line item appropriations and a mechanism for the systematic reduction of
3 the overall General Fund deficit. Six months and several Court challenges later, the
4 basic tenets of responsible budgeting continue to be delivered by its mandates.
5 However, *I Liheslaturan Guåhan* recognizes the need for some budgetary
6 amendments in order to maintain essential public service for the balance of the fiscal
7 year.

8 In the past several weeks, *I Liheslaturan Guåhan*, held a series of public
9 hearings and roundtable discussions on a myriad of proposals offered by both
10 government and private community leaders searching for answers on how to best deal
11 with declining revenues, the general stagnation of the economy, and the accumulated
12 cash shortfall brought on by years of deficit spending. Massive layoffs, agency
13 closures, and indigent displacements were amidst a community plagued with steadily
14 dwindling resources. After extensive deliberation, *I Liheslaturan Guåhan*, in
15 cooperation with *I Maga'lahaen Guåhan*, agreed that a combination of budgetary
16 adjustments and bridge financing would be sufficient to mitigate the government's
17 present financial situation.

18 *I Liheslaturan Guåhan*, in the sections contained in this legislation, approves
19 bridge financing and the reprogramming of appropriated funds to accomplish the
20 following:

21 (1) the continued funding of all government of Guam employees
22 present on the payroll up to the implementation of the hiring freeze (P.L. 26-
23 77), effective March 24, 2002;

24 (2) the continued funding of all night differential, hazardous, holiday,
25 and other specialty pay for all law enforcement and/or 24-hour operations of
26 this government;

27 (3) the continued funding of the Guam Fire Department threatened
28 with depletion of funds by July;

29 (4) the funding of nurses' pay adjustments in the Department of
30 Public Health and Social Services and the Department of Mental Health and
31 Substance Abuse;

32 (5) the funding of all classified employees' unfunded pay adjustments
33 due to agency omissions in budget requests;

34 (6) the funding of all accumulated annual leave payments for
35 separating employees for the balance of the fiscal year; *and*

36 (7) the funding of all essential operating expense requirements for all
37 agencies.

1 **Section 2. Authority to Borrow.** *I Maga'lahen Guåhan*, on behalf of the
2 government of Guam, is authorized to borrow or arrange a line of credit not to exceed
3 Ten Million Dollars (\$10,000,000) with any bank or commercial lending institution
4 licensed on Guam, government of Guam autonomous agency, or any other
5 instrumentality of the government of Guam. The terms of the loan or line of credit
6 shall include the following:

7 (1) The *I Maga'lahen Guåhan* shall use Five Million Dollars
8 (\$5,000,000) of such loan for the purpose of funding public assistance
9 programs and Five Million Dollars (\$5,000,000) for the payment of the
10 Department of Education's monthly allotment backlog.

11 (2) Prepaid charges shall not be levied by the bank or entity for
12 opening a line of credit.

13 (3) Interest derived from the financial agreement shall be exempt from
14 taxation by the government of Guam.

15 (4) All terms of the financial agreement shall be negotiated by the *I*
16 *Maga'lahen Guahan* in the best interest of the people of Guam.

17 (5) The interest rate shall be negotiated between the *I Maga'lahen*
18 *Guahan* and the lender. Such interest rate shall *not* exceed eight percent (8%)
19 per annum and shall be computed on a monthly average based on the actual
20 amount extended to the government.

21 (6) The loan may be secured by pledge of funds or a guaranty of the
22 government of Guam.

23 (7) Any money borrowed shall be repaid within ten (10) years. In no
24 case shall any amount borrowed be refinanced resulting in a repayment over
25 more than ten (10) years after the loan is made.

26 (8) Funds necessary for the repayment of the principal, interest, and
27 other costs associated with the financing are appropriated from the General
28 Fund.

29 **Section 3. Repeal of Section 3(a) and 3(e) of Public Law Number 26-77.**

30 Section 3(a) and Section 3(e) of Public Law Number 26-77 are hereby
31 *repealed.*

32 **Section 4. Reprogramming of Appropriated Funds.**

33 (1) The total General Fund Personnel Services appropriations of the
34 Commission on Decolonization per Appendix B of P.L. 26-35, as amended, is
35 further amended to total the sum of \$133,717 for Fiscal Year 2002.

36 (2) The total General Fund and Unexpended Fund Balance of Loan
37 Proceeds Personnel Services appropriations of the Department of

1 Administration per Appendix B of P.L. 26-35, as amended, is further amended
2 to total the sum of \$6,148,489 for Fiscal Year 2002.

3 (3) The total General Fund Personnel Services appropriations of the
4 Bureau of Budget and Management Research per Appendix B of P.L. 26-35, as
5 amended, is further amended to total the sum of \$1,408,492 for Fiscal Year
6 2002.

7 (4) The total General Fund Personnel Services appropriations of the
8 Civil Service Commission per Appendix B of P.L. 26-35, as amended, is
9 further amended to total the sum of \$939,485 for Fiscal Year 2002.

10 (5) The total General Fund Personnel Services appropriations of the
11 Department of Revenue and Taxation per Appendix B of P.L. 26-35, as
12 amended, is further amended to total the sum of \$6,226,754 for Fiscal Year
13 2002.

14 (6) The total General Fund Personnel Services appropriations of the
15 Department of Chamorro Affairs per Appendix B of P.L. 26-35, as amended, is
16 further amended to total the sum of \$560,991 for Fiscal Year 2002.

17 (7) The total General Fund Personnel Services appropriations of the
18 Guam Council on the Arts and Humanities per Appendix B of P.L. 26-35, as
19 amended, is further amended to total the sum of \$195,294 for Fiscal Year 2002.

20 (8) The total General Fund Personnel Services appropriations of the
21 Guam Educational Telecommunication Corporation per Appendix B of P.L.
22 26-35, as amended, is further amended to total the sum of \$388,182 for Fiscal
23 Year 2002.

24 (9) The total General Fund Personnel Services appropriations of the
25 Guam Public Library per Appendix B of P.L. 26-35, as amended, is further
26 amended to total the sum of \$738,621 for Fiscal Year 2002.

27 (10) The total General Fund Personnel Services appropriations of the
28 Department of Mental Health and Substance Abuse per Appendix B of P.L. 26-
29 35, as amended, is further amended to total the sum of \$4,940,724 for Fiscal
30 Year 2002.

31 (11) The total General Fund Personnel Services appropriations of the
32 Department of Public Health and Social Services per Appendix B of P.L. 26-
33 35, as amended, is further amended to total the sum of \$10,855,233 for Fiscal
34 Year 2002.

35 (12) The total General Fund Personnel Services appropriations of the
36 Chief Medical Examiner per Appendix B of P.L. 26-35, as amended, is further
37 amended to total the sum of \$308,918 for Fiscal Year 2002.

1 (13) The total General Fund Personnel Services appropriations of
2 Department of Corrections per Appendix B of P.L. 26-35, as amended, is
3 further amended to total the sum of \$10,144,459 for Fiscal Year 2002.

4 (14) The total General Fund Personnel Services appropriations of the
5 Guam Fire Department per Appendix B of P.L. 26-35, as amended, is further
6 amended to total the sum of \$20,091,091 for Fiscal Year 2002.

7 (15) The total General Fund Personnel Services appropriations of
8 Guam Police Department per Appendix B of P.L. 26-35, as amended, is further
9 amended to total the sum of \$15,720,131 for Fiscal Year 2002.

10 (16) The total General Fund Personnel Services appropriations of the
11 Department of Military Affairs per Appendix B of P.L. 26-35, as amended, is
12 further amended to total the sum of \$608,983 for Fiscal Year 2002.

13 (17) The total General Fund Personnel Services appropriations of the
14 Department of Youth Affairs per Appendix B of P.L. 26-35, as amended, is
15 further amended to total the sum of \$2,934,824 for Fiscal Year 2002.

16 (18) The total General Fund Personnel Services appropriations of the
17 Agency on Human Resources Development per Appendix B of P.L. 26-35, as
18 amended, is further amended to total the sum of \$84,065 for Fiscal Year 2002.

19 (19) The total General Fund Personnel Services appropriations of the
20 department of Integrated Services for Individuals with Disabilities per
21 appendix B of P.L. 26-35, as amended, is further amended to total the sum of
22 \$498,160 for Fiscal Year 2002.

23 (20) The total General Fund Personnel Services appropriations of the
24 Guam Election Commission per Appendix B of P.L. 26-35, as amended, is
25 further amended to total the sum of \$203,357 for Fiscal Year 2002.

26 (21) The total General Fund Personnel Services appropriations of the
27 Department of Labor per Appendix B of P.L. 26-35, as amended, is further
28 amended to total the sum of \$1,501,638 for Fiscal Year 2002.

29 (22) The total General Fund Personnel Services appropriations of the
30 Ancestral Lands Commission Appendix B of P.L. 26-35, as amended, is further
31 amended to total the sum of \$258,146 for Fiscal Year 2002.

32 (23) The total General Fund Personnel Services appropriations of the
33 Chamorro Land Trust Commission per Appendix B of P.L. 26-35, as amended,
34 is further amended to total the sum of \$361,297 for Fiscal Year 2002.

35 (24) The total General Fund Personnel Services appropriations of the
36 Department of Land Management per Appendix B of P.L. 26-35, as amended,
37 is further amended to total the sum of \$2,343,620 for Fiscal Year 2002.

1 (25) The total General Fund Personnel Services appropriations of the
2 Department of Parks and Recreation per Appendix B of P.L. 26-35, as
3 amended, is further amended to total the sum of \$2,722,987 for Fiscal Year
4 2002.

5 (26) The total General Fund Personnel Services appropriations of the
6 Department of Agriculture per Appendix B of P.L. 26-35, as amended, is
7 further amended to total the sum of \$1,745,897 for Fiscal Year 2002.

8 (27) The total General Fund Personnel Services appropriations of the
9 Bureau of Planning per Appendix B of P.L. 26-35, as amended, is further
10 amended to total the sum of \$757,606 for Fiscal Year 2002.

11 (28) The total General Fund Personnel Services appropriations of the
12 Department of Commerce per Appendix B of P.L. 26-35, as amended, is further
13 amended to total the sum of \$896,275 for Fiscal Year 2002.

14 (29) The total General Fund Personnel Services appropriations of the
15 Department of Public Works per Appendix B of P.L. 26-35, as amended, is
16 further amended to total the sum of \$12,443,861 for Fiscal Year 2002.

17 (30) The General Fund Personnel Services appropriations of the
18 Department of Public Works Solid Waste Management Division per Appendix
19 B, (Page 37-7) of P.L. 26-35, as amended, is amended to read the sum of
20 \$211,232 for Fiscal Year 2002.

21 **Section 5. *I Maga'laha*n *Guåhan* Transfer Authority.** *I Maga'laha*
22 *Guåhan* is authorized to transfer not more than fifteen percent (15%) in or out of the
23 object categories appropriated in P.L. 26-35, Appendix B, as amended. This transfer
24 authority shall *not* extend to the Personnel Services, Off-Island Travel and Office
25 Space Rental Categories of Appendix B of P.L. 26-35, as amended.

26 **Section 6. Amendment to Section 8 of Public Law 26-58.** Section 8 of
27 Public Law 26-58 is hereby amended to read as follows:

28 **“Section 8. Authorization to Use FY 2001 Lapses for Annual Leave**
29 **Payments.** Notwithstanding any other provision of law, departments and
30 agencies are authorized to transfer and expend FY 2001 appropriation lapses
31 for the payment of accumulated annual leave of separating employees in FY
32 2001 and FY 2002.”

33 **Section 7. Re-appropriation of Eighty Thousand Dollars (\$80,000) from**
34 **Section 2 of Public Law Number 26-69 to the Office of Civil Defense for overtime**
35 **payments to the Special Response Unit. (a) Legislative Statement.**
36 Immediately after the September 11th bombings, Guam was placed on high alert with
37 regards to its readiness status. In addition, the United States' retaliation by bombing
38 strategic locations in Afghanistan made it very clear that the nation was at war against

1 terrorism. Subsequently thereafter, the nation was bombarded with a series of anthrax
2 scares that claimed several Americans' lives. The scares and hoaxes spread
3 throughout the nation and Guam was not spared by the flurry of anthrax related calls.
4 These calls resulted in the joint government of Guam/Military effort in developing an
5 operations plan that would address bio-terrorism in general. To protect public health,
6 safety, and welfare, *I Maga'lahaen Guåhan* ordered the Office of Civil Defense to
7 develop and implement protocols and procedures that would authorize, identify and
8 direct first responders in dealing with any and all unidentified or suspicious materials.
9 As a result of this directive, the Office of Civil Defense's Special Response Unit
10 (SRU) was formed.

11 The Special Response Unit is a group of first responders that is composed of
12 government employees from the Guam Fire Department Hazardous Materials Team.
13 Furthermore, they are supported by the Guam Police Department's SWAT Team, a
14 special unit from the Department of Customs and Quarantine, the Guam
15 Environmental Protection Agency's technical and HazMat-trained team, Guam
16 Memorial Hospital Authority's Medical Staff, and the Department of Public Health
17 and Social Services Laboratory Team.

18 The actual SRU members that are directly responsible and accountable with
19 immediate response, retrieval, recovery and transport of all said materials are
20 members of the Guam Fire Department. Also, it should be noted that through the
21 proactive assistance and cooperation of the Guam Fire Department, the Office of
22 Civil Defense was able to assemble a team composed of twelve (12) Hazardous
23 Materials trained personnel that were divided into two (2) shifts A and B Platoon.

24 The overtime issue resulted when personnel that are on their regular day off
25 were required to report to work to maintain the bare minimum manpower
26 requirements. Since its inception, the Special Response Unit HazMat team has been
27 very supportive with this arrangement even when they were forced to give up their
28 days-off.

29 **(b) Appropriation.** The sum of Eighty Thousand Dollars (\$80,000.00) is
30 hereby re-appropriated from Section 2 of Public Law Number 26-69, from the
31 General Fund to the Office of Civil Defense of the Department of Military Affairs for
32 overtime payment to members of the Special Response Unit.

33 **(c) Reporting Requirement.** *I Maga'lahaen Guåhan* shall prepare a
34 detailed closeout report of the expenditures of the funds appropriated herein shall be
35 filed within thirty (30) days of the enactment of this Act and shall submit the same to
36 the Speaker of *I Liheslaturan Guåhan*.

37 **Section 8. Overtime Appropriation for Tax Collections.**

1 **(a) Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
2 Guam's first quarter revenue projections for fiscal year 2002 alone have fallen short
3 of approximately Eighteen Million One Hundred Thousand Dollars (\$18,100,000.00);
4 a recent report by the Public Auditor revealed that the government is in deficit
5 spending by approximately Thirty-one Million Two Hundred Thousand Dollars
6 (\$31,200,000); and government revenues continue to further decline.

7 In addition, *I Liheslaturan Guåhan* finds that the government of Guam incurred
8 One Hundred Seventy-two Million Four Hundred Sixty-nine Thousand Six Hundred
9 Forty-eight Dollars (\$172,469,648.00) of expenditures as a result of countless federal
10 programs during fiscal year 2000, receiving only One Hundred Thirty-two Million
11 Three Hundred Seventy-five Thousand Seven Hundred Sixty Dollars
12 (\$132,375,760.00) in reimbursements. The total grants receivables have amounted to
13 Fifty-two Million Nine Hundred Thirty-six Thousand Six Hundred Eleven Dollars
14 (52,936,611.00), some of which have not been collected as a result of the lack of
15 financial expenditure reports required by the federal government from the
16 government of Guam.

17 Therefore, it is the intent of *I Liheslaturan Guåhan* to provide the resources
18 needed to collect the federal reimbursements by allowing overtime hours including
19 the use of Administrative Services Officers from agencies receiving federal awards to
20 augment and supplement Department of Administration personnel, as it is apparent
21 that the government is in dire financial need. Such reimbursements can be utilized to
22 cover for the shortfall of projected revenues of the government of Guam.

23 **(b) Overtime Hours.** Notwithstanding any other provisions of law,
24 the Department of Administration is hereby authorized to pay overtime hours for all
25 Government of Guam employees who are assigned the responsibility of the
26 completion of the required financial expenditure reports for the federal awards
27 reimbursements.

28 **(c) Appropriation.** One Hundred Thousand Dollars (\$100,000.00) is
29 hereby appropriated from the General Fund to the Department of Administration to be
30 used for overtime payments of government of Guam employees pursuant to this
31 Section.

32 **(d) Reports.** Director of the Department of Administration shall submit
33 to *I Liheslaturan Guåhan* on a biweekly basis a detailed report of the expenditures of
34 the appropriation made by this Section, including a breakdown of the overtime hours
35 paid to each Government of Guam employee pursuant to this Act, the percentage of
36 completed financial reports, the expected date of completion of the required financial
37 expenditure reports for the federal grants reimbursement, and other relevant
38 information.

1 **Section 9. Amendment to Immediate Freeze on Hiring.** Section 6 of
2 Public Law Number 26-77 is hereby *amended* to read as follows:

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

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

12 The only exceptions to the hiring restrictions of this Section are judges;
13 judges pro tempore; referees; elected officials; directors; police officers;
14 firemen; emergency technicians (non-administrative); the non-administrative
15 personnel of the Department of Youth Affairs; uniformed prison guards at the
16 Department of Corrections; uniformed personnel of the Customs and
17 Quarantine Agency; Plant Protection and Quarantine Officers of the
18 Department of Agriculture; and doctors, nurses, dentists, pharmacists, licensed
19 medical or mental health professionals, ancillary health professionals, and all
20 teaching positions.

21 No contract entered into for services by a consultant, or other person
22 licensed to perform services, shall be paid from appropriations for personnel
23 services, and no such contract shall contain provisions entitling contractors to
24 standard employee benefits. No such contract shall be entered into, unless the
25 contractor is licensed to do business and is current in tax payments. The
26 government of Guam shall not pay social security taxes for the contractor. It is
27 the purpose of this provision to stop irregular recruitment and to preclude the
28 further payment of contracts from appropriations intended by *I Liheslaturan*
29 *Guåhan* for positions authorized in the budget. This paragraph does not apply
30 to contracts for services of licensed health care professionals working in
31 positions requiring such license.

32 The University of Guam and the Guam Community College shall be
33 exempt from the application of the hiring freeze provided for in this Section.”

34 **Section 10. Severability.** *If* any provision of this Law or its application to
35 any person or circumstance is found to be invalid or contrary to law, such invalidity
36 shall *not* affect other provisions or applications of this Law which can be given effect
37 without the invalid provisions or application, and to this end the provisions of this
38 Law are severable.