



Office of the Governor of Guam

Adelup, Guam 96932

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Felix Perez Camacho  
Governor

Kaleo Scott Moylan  
Lieutenant Governor

February 24, 2003

The Honorable Vicente C. Pangelinan  
Speaker  
*Mina' Bente Siete Na Liheslaturan Guåhan*  
Twenty-Seventh Guam Legislature  
155 Hessler Street Hagåtña, Guam 96910

Office of the People's Speaker  
vicente (ben) c. pangelinan

FEB 24 2003

TIME: 3:07 ( ) AM ( ) PM  
RECEIVED BY:

Dear Speaker Pangelinan:

Enclosed please find Bill No.1 (1-S), "AN ACT RELATIVE TO AUTHORIZATION AND IMPLEMENTATION OF A THIRTY-TWO (32) HOUR WORK-WEEK FOR GOVERNMENT OF GUAM EMPLOYEES," which I have signed into law today as **Public Law 27-04**.

On behalf of our administration I extend our appreciation for the efforts and expedience of *I Mina Bente Siete Na Liheslaturan Guåhan* in convening to address the legislation submitted at the request of the Governor. The decision to reduce the personnel cost of government has been a difficult one but remains the only responsible action to address the financial crisis facing the government and our community today. We appreciate your willingness to join us in making these difficult but necessary decisions.

I also appreciate the wide latitude and authority that has been granted to the administration to make across the board cuts throughout the executive branch to include all other instrumentalities of the government of Guam. As you are aware, our proposed legislation limited the reduction in hours to employees who are, in whole or in part, funded by the General Fund, because of the cash shortfall currently impacting the General Fund. We will continue to confine our current reduction efforts to those measures enumerated in Executive Order 2003-03.

Thoughtful solutions to our current financial situation require caution and careful consideration of the consequences of any action we may take. For instance, the autonomous agencies have the ability to make independent adjustments in order to maintain their operational requirements; absent compelling reasons to intervene, we would defer to their judgment.

Letter to Speaker Pangelinan

February 24, 2003

Page 2 of 2

I am also concerned about specific provisions and ambiguities in the law that I am compelled to address at this time. First, I am troubled by Section (3)(c), which requires the government to continue to preserve all employee benefits despite the reduction in work hours. An abandonment of the nexus between benefits and work hours represents substantial hidden costs that continue to accrue and which run counter to the cost cutting efforts we are working diligently to achieve.

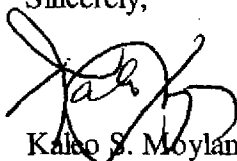
For example, an employee who would normally earn \$30,000.00 per annum may legitimately argue that his pay for retirement purposes should be calculated at that amount rather than the amount he actually received. This unintended consequence serves only to aggravate our financial crisis and runs contrary to our policy and determined efforts to stabilize the Government of Guam Retirement Fund.

Similarly, Section (3)(d), may require the government to incur costs that it cannot afford. This provision arguably mandates the government to make employer and employee contributions in order to preserve the "employee's accrual of years of service" for retirement. We are currently reviewing this issue to get an accurate assessment of its impact. I would also invite your attention to the Superior Court orders handed down in Civil Case No. CV1848-01. In light of these concerns, we respectfully request that *I Mina Bente Siete Na Liheslaturan Guåhan* reconsider these provisions.

Our administration recognizes and applauds the effort to minimize the impact of our cost cutting measures on our employees. However, the real potential of hidden costs or added burdens upon the General Fund cannot be ignored, especially at a time when our administration is already in the process of terminating unclassified employees and preparing to lay-off hundreds of classified employees. The savings realized from even these harsh measures are still not enough to meet the obligations of the government for the remainder of this fiscal year and beyond.

Once again, we are appreciative of your support and look forward to working with *I Mina' Bente Siete Na Liheslaturan Guåhan* in putting forth a genuine and bipartisan effort to address the financial crisis in order to achieve more long-term solutions.

Sincerely,



Kaloo S. Moylan

*I Maga' Lahen Guåhan (Acto)*

Governor of Guam (Acting)

Attachment: copy attached for signed bill  
Retirement Board Memorandum

Cc: The Honorable Tina Rose Muna-Barnes  
Senator and Legislative Secretary

**R**  
GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
STABILITY · SECURITY · REWARDS

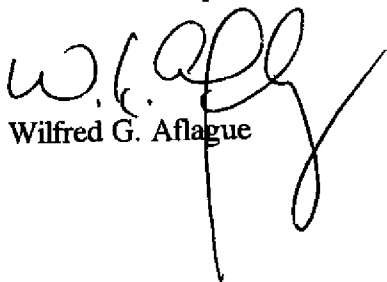
Felix P. Camacho  
Governor  
Kaleo S. Moylan  
Lieutenant Governor

Wilfred G. Aflague  
Interim Director

**MEMORANDUM**

DATE: February 24, 2003  
TO: Honorable Felix P. Camacho, Governor of Guam  
FROM: Interim Director, Government of Guam Retirement Fund  
SUBJECT: Bill Number 1

A preliminary review of Bill #1 poses real concerns and questions that we are currently researching. Ultimately, these issues may have to be addressed in Court or resolved by additional legislation. I will keep you advised as our research develops.

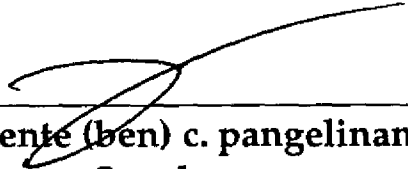
  
Wilfred G. Aflague



I MINA'BENTE SIETE NA LIHESLATURAN GUAHAN  
2003 (FIRST) Special Session

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


This is to certify that Substitute Bill No. 1 (1-S), "AN ACT RELATIVE TO AUTHORIZATION AND IMPLEMENTATION OF A THIRTY-TWO (32) HOUR WORK-WEEK FOR GOVERNMENT OF GUAM EMPLOYEES," was on the 23<sup>rd</sup> day of February, 2003, duly and regularly passed.

  
\_\_\_\_\_  
vicente (ben) c. pangelinan  
Speaker

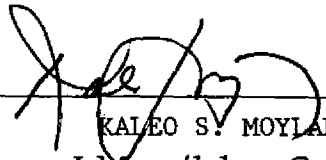
Attested:

  
\_\_\_\_\_  
Tina Rose Muna-Barnes  
Senator and Legislative Secretary

-----  
This Act was received by *I Maga'lahen Guahan* this 24 day of February, 2003,  
at 12:30 o'clock A.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:

  
\_\_\_\_\_  
KALEO S. MOYLAN  
*I Maga'lahen Guahan* (ACTO)

Date: February 24, 2003

Public Law No. 27-C4

**MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN**  
**2003 (FIRST) Special Session**

**Bill No. 1 (1-S)**

As substituted on the Floor.

**Introduced by:**

**Committee on Rules and  
Health**

by request of *I Maga'laha*  
*Guåhan*, the Governor of Guam,  
in accordance with the Organic  
Act of Guam, as amended

**AN ACT RELATIVE TO AUTHORIZATION AND  
IMPLEMENTATION OF A THIRTY-TWO (32) HOUR  
WORK-WEEK FOR GOVERNMENT OF GUAM  
EMPLOYEES.**

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

2           **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
3 finds that the government of Guam is experiencing a crisis in funding  
4 the operations of its government services. Immediate action is necessary  
5 in order to protect the general welfare and well-being of our Island. To  
6 do so, all three (3) branches of government must work together to  
7 reduce its cost of operations. Therefore, it is important that *I Liheslaturan*  
8 *Guåhan* enact and *I Maga'laha Guåhan* implement legislation to facilitate  
9 the reduction of costs government-wide.

10           Accordingly, it is the intent of *I Liheslaturan Guåhan*, by enacting  
11 this legislation, to authorize *I Maga'laha Guåhan* to proceed with

1 necessary cost-cutting measures while protecting the education, health,  
2 safety and welfare of our Island. By virtue of the passage of this Act, *I*  
3 *Mina' Bente Siete Na Liheslaturan Guåhan* recognizes the need to provide  
4 ultimate authorities and flexibilities to *I Maga'lahren Guåhan* to reduce the  
5 personnel expenditures of the government of Guam. Recognizing the  
6 impracticability of modifying the merit system in such emergent  
7 circumstances to deal with this crisis, passage of this Act is necessary to  
8 provide *I Maga'lahren Guåhan* with the legal authority for the full  
9 implementation of Executive Order 2003-03, to reduce the work-week of  
10 all non-critical government of Guam employees funded by the General  
11 Fund, in whole or in part, from forty (40) hours to thirty-two (32) hours.  
12 *I Maga'lahren Guåhan* has concluded that it is impracticable to delay the  
13 implementation of a reduced work-week, and intends to begin February  
14 24, 2003, in order to avert payless paydays for government employees.

15 *I Liheslaturan Guåhan* finds that it is impracticable not to permit  
16 such a reduction, as a matter of local statutory law. Further, *I*  
17 *Liheslaturan Guåhan* finds that reserving full authority for all branches of  
18 government to determine critical employees shall be preserved and  
19 restated. The determination of critical employees for the Executive  
20 branch shall be pursuant to Executive Order of *I Maga'lahren Guåhan*,  
21 preserving *I Maga'lahren Guåhan's* full flexibility to revisit these  
22 determinations based on the actual effect of its practical application.

23 **Section 2. Repeal of Public Law No. 26-73.** Public Law No. 26-73  
24 is hereby repealed in its entirety.

1           **Section 3. Authorization to Reduce Work-Week Hours.**

2 Notwithstanding any other provision of law, *I Maga'lahaen Guahan* is  
3 authorized for one hundred twenty (120) days from the effective date of  
4 this Act to implement by Executive Order a reduction of work-week  
5 hours for employees within Executive Branch departments and  
6 agencies, autonomous agencies, offices, or any instrumentality of the  
7 government, including the Office of the Attorney General and the Office  
8 of the Public Auditor, subject to the following conditions:

9           (a) Such reduction of hours shall not exceed eight (8) hours per  
10           week.

11           (b) Nothing herein shall be interpreted to allow a reduction in a  
12           classified employee's rate of compensation; however, weekly  
13           earnings shall decrease in direct correlation to a decrease in  
14           work-week hours.

15           (c) No full-time employee whose hours are reduced will lose  
16           any benefits the employee received prior to the  
17           implementation of the reduction of the work-week hours.

18           (d) The change shall not affect the employee's accrual of years of  
19           service for the purposes of retirement.

20           (e) The Executive Order shall not reduce the hours of  
21           employees rendering services the absence of which would  
22           adversely affect the health, safety and education of the  
23           people, provided that *I Maga'lahi* shall publish his reasons  
24           for the reduction of hours by position.

1 (f) The Executive Order shall set standards for the  
2 implementation of the reductions which conform to the  
3 Merit System, except to the extent impracticable due to time  
4 constraints and the cash shortfall of the government.

5 (g) Reduction of work-week hours beyond the one hundred  
6 twenty (120) days authorized by this Act is not authorized  
7 by this Act, but may be implemented pursuant to  
8 authorization of the laws of Guam, the Organic Act of  
9 Guam, and rules and regulations promulgated in  
10 conformance thereto.

11 (h) This section does not apply to the University of Guam or the  
12 Guam Community College.

13 **Section 4. Legislative Branch, Judicial Branch, CCU, UOG, GCC,**  
14 **GVB, GEDCA, AG, and Public Auditor Authorization for Flexible**  
15 **Work-Week.** The Speaker of *I Liheslaturan Guåhan*, the Presiding Judge  
16 of the Superior Court of Guam, the Chief Justice of the Supreme Court  
17 of Guam, the Consolidated Commission on Utilities, the President of the  
18 University of Guam, the President of the Guam Community College, the  
19 Guam Visitors Bureau, the Guam Economic Development and  
20 Commerce Authority, and should *I Maga'lahi* exclude the employees of  
21 Office of the Attorney General and the Office of the Public Auditor, the  
22 Attorney General and the Public Auditor are authorized to reduce the  
23 work-week hours for employees within their respective branch of  
24 government, public corporation, or instrumentality, subject to the  
25 following conditions:



- 1 (a) Such reduction of hours shall not exceed eight (8) hours per  
2 week.
- 3 (b) Nothing herein shall be interpreted to allow a reduction in a  
4 classified employee's rate of compensation; however, weekly  
5 earnings shall decrease in direct correlation to a decrease in  
6 work-week hours.
- 7 (c) No full-time employee whose hours are reduced will lose  
8 any benefits the employee received prior to the  
9 implementation of the reduction of the work-week hours.
- 10 (d) The change shall not affect the employee's accrual of years of  
11 service for the purposes of retirement.
- 12 (e) The Chief Justice for the Supreme Court of Guam, the  
13 Presiding Judge for the Superior Court of Guam, the  
14 Consolidated Commission on Utilities, the President of the  
15 University of Guam, the President of the Guam Community  
16 College, the Guam Visitors Bureau, the Guam Economic  
17 Development and Commerce Authority, the AG, and the  
18 Public Auditor shall, for their respective entities, set  
19 standards for the implementation of the reductions which  
20 conform to the Merit System, where applicable, except to the  
21 extent impracticable due to time constraints and the cash  
22 shortfall of the government.
- 23 (f) The entities listed herein shall not reduce the hours of  
24 employees rendering services the absence of which would  
25 adversely affect the health, safety and education of the

1 people, provided that the head of each branch, public  
2 corporation, or instrumentality shall publish his reasons for  
3 the reduction of hours by position.

4 (g) Reduction of work-week hours beyond the one hundred  
5 twenty (120) days authorized by this Act is not authorized  
6 by this Act, but may be implemented pursuant to  
7 authorization of the laws of Guam, the Organic Act of  
8 Guam, and rules and regulations promulgated in  
9 conformance thereto.

10 **Section 5. Severability.** If any of the provisions of this Act or the  
11 application thereof to any person or circumstance is held invalid, such  
12 invalidity shall not affect any other provision or application of this Act  
13 which can be given effect without the invalid provision or application,  
14 and to this end the provisions of this Act are severable.

**I MINA' BENTE SIETE NA LIHESLATURAN GUAHAN  
2003 (FIRST) Special Session**

Date:  
**2/23/03**

**VOTING SHEET**

**S**Bill No. 1(1-S)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
AGUON, Frank B., Jr.	X				
BROWN, Joanne M. S.	X				
CUNLIFFE, F. Randall	X				
FERNANDEZ, Dr. Carmen	X				
FORBES, Mark	X				
KASPERBAUER, Lawrence F.	X				
KLITZKIE, Robert	X				
LEON GUERRERO, Lourdes A.	X				
LUJAN, Jesse A.		X			
MUNA-BARNES, Tina Rose	X				
pangelinan, vicente "ben" C.	X				
QUINATA, John "JQ" M.	X				
RESPICIO, Rory J.	X				
SANFORD, Antoinette "Toni" D.	X				
TENORIO, Ray	X				
<b>TOTAL</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
\_\_\_\_\_  
Clerk of the  
Legislature

\* 3 Passes = No vote

EA = Excused Absence

# I MINA' BENTE SIETE NA LIHESLATURAN GUAHAN

2003 (FIRST) Special Session

Date: 2/23/03

*11:58pm*

## VOTING SHEET

SBill No. 1(1-S)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CUNLIFFE, F. Randall	✓				
FERNANDEZ, Dr. Carmen	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F. X	✓				
KLITZKIE, Robert	✓				
LEON GUERRERO, Lourdes A.	✓				
LUJAN, Jesse A.		✓			
MUNA-BARNES, Tina Rose	✓				
pangelinan, vicente "ben" C.	✓				
QUINATA, John "JQ" M.	✓				
RESPICIO, Rory J.	✓				
SANFORD, Antoinette "Toni" D.	✓				
TENORIO, Ray	✓				

TOTAL

14    1    \_\_\_\_\_

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence