

EDDIE BAZA CALVO  
Governor

RAY TENORIO  
Lieutenant Governor

*Office of the Governor of Guam.*

FEB 26 2015

Honorable Judith T. Won Pat, Ed.D.  
Speaker  
*I Mina' trentai Tres Na Liheslaturan Guåhan*  
155 Hesler Street  
Hagåtña, Guam 96910

2015 MAR -3 PM 12:56

Dear Madame Speaker:

Transmitted herewith is Bill No. 35-33 (COR) "AN ACT TO ADD A NEW CHAPTER 14 TO DIVISION 2, TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO CREATING THE "FIRST GENERATION TRUST FUND INITIATIVE", IN SUPPORT OF PUBLIC HIGH SCHOOL GRADUATES OBTAINING POST-SECONDARY EDUCATION" which was signed into law on February 25, 2015, as **Public Law 33-07.**

*Senseramente,*

**RAYMOND S. TENORIO**  
*I Maga'lahaen Guåhan, para pa'go*  
Acting Governor of Guam

33-15-0216

Office of the Speaker  
Judith T. Won Pat, Ed.D

Date: 02-27-15  
Time: 4:40 PM  
Received By:

0216

P.O. Box 2950 • Hagatna, Guam 96932

Tel: (671) 472-8931 • Fax: (671) 477-4826 • [governor.guam.gov](http://governor.guam.gov) • [calendar.guam.gov](http://calendar.guam.gov)



Eddie Baza Calvo



@eddiebazacalvo



@governorcalvo



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*I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN*  
2015 (FIRST) Regular Session

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

This is to certify that **Substitute Bill No. 35-33 (COR)**, "AN ACT TO ADD A NEW CHAPTER 14 TO DIVISION 2, TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO CREATING THE "FIRST GENERATION TRUST FUND INITIATIVE," IN SUPPORT OF PUBLIC HIGH SCHOOL GRADUATES OBTAINING POST-SECONDARY EDUCATION," was on the 20<sup>th</sup> day of February, 2015, duly and regularly passed.



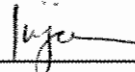
Judith T. Won Pat, Ed.D.  
Speaker

Attested:



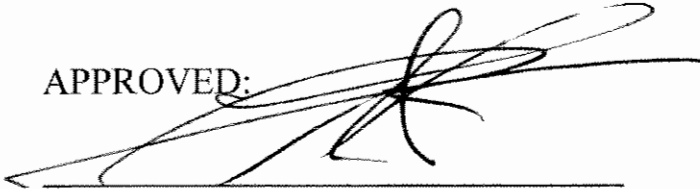
Tina Rose Muña Barnes  
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 23<sup>rd</sup> day of Feb,  
2015, at 4:38 o'clock P.M.



Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:



RAYMOND S. TENORIO  
Acting Governor of Guam

Date: FEB 25 2015

Public Law No. 33-07

*I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN*  
**2015 (FIRST) Regular Session**

**Bill No. 35-33 (COR)**

As corrected by the Prime Sponsor;  
substituted by the Committee on  
Early Learning, Juvenile Justice, Public Education  
and First Generation Initiatives; and further substituted  
and amended in the Committee of the Whole.

Introduced by:

N. B. Underwood, Ph.D.  
Judith T. Won Pat, Ed.D.  
R. J. Respicio  
T. C. Ada  
V. Anthony Ada  
FRANK B. AGUON, JR.  
Frank F. Blas, Jr.  
B. J.F. Cruz  
James V. Espaldon  
Brant T. McCreddie  
Tommy Morrison  
T. R. Muña Barnes  
Dennis G. Rodriguez, Jr.  
Michael F.Q. San Nicolas  
M. C. Torres

**AN ACT TO *ADD* A NEW CHAPTER 14 TO DIVISION 2,  
TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO  
CREATING THE “FIRST GENERATION TRUST FUND  
INITIATIVE,” IN SUPPORT OF PUBLIC HIGH  
SCHOOL GRADUATES OBTAINING POST-  
SECONDARY EDUCATION.**

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

2 **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds that there is  
3 an aspirational deficit of public high school graduates who attend post-secondary

1 school. Based on the Annual State of Public Education Report for School Year  
2 2013-2014, the enrollment number for the public education ninth (9<sup>th</sup>) grade  
3 students is just over three thousand three hundred (3,300) students. The anticipated  
4 number of students to graduate from the Guam public high schools is  
5 approximately one thousand eight hundred (1,800) students, with a cohort  
6 graduation rate of about seventy percent (70%). Of the total number of graduates,  
7 less than forty percent (40%) attend the University of Guam (UOG) or the Guam  
8 Community College (GCC). In contrast, the National Center of Educational  
9 Statistics reports that sixty-six percent (66%) of the students who graduated from  
10 high school in 2012 attend post-secondary institutions for two-year or four-year  
11 programs of study. The difference reflects the aspirational deficit of our students.

12 *I Liheslatura* finds that according to the Georgetown University Center of  
13 Education and the Workforce Report, by the year 2020, sixty-five percent (65%) of  
14 all jobs will require college attendance, of which thirty-five percent (35%) will  
15 need a Bachelor's degree. Only thirty-five percent (35%) will not require an  
16 education beyond high school. Those statistics, combined with the aspirational  
17 deficit, reveal that the people of Guam need a new strategy to simultaneously  
18 increase post-secondary education rates and prepare our young people for a new  
19 economy.

20 **Section 2. First Generation Trust Fund Initiative.** A new Chapter 14 of  
21 Division 2, Title 17, Guam Code Annotated, is *added* to read:

22 **“CHAPTER 14**

23 **FIRST GENERATION TRUST FUND INITIATIVE**

24 **§ 14101. Legislative Findings and Intent.** *I Liheslaturan*  
25 *Guahan* finds that the trajectory of the younger generation is impacted by  
26 social and financial betterment, and that a purposeful investment in their  
27 individual future such as the establishment of a scholarship fund, known as

1 the “First Generation Trust Fund Initiative” (Initiative), available to students  
2 in the public school system at the beginning of their ninth (9<sup>th</sup>) grade term, is  
3 a feasible component of directing our students towards the promising futures  
4 they each deserve.

5 *I Liheslatura* recognizes that there are existing and varied scholarship  
6 and training programs in higher education, supported by local and federal  
7 funds, that aim to provide information, services and support for those  
8 students demonstrating financial need, disability, and/or those who are first-  
9 generation eligible. While such programs are significant to supporting  
10 incoming students and sustaining student enrollment, not all provide the  
11 specific initial cost investment needed to start a college education on Guam.

12 *I Liheslatura* finds that the First Generation Trust Fund Initiative is  
13 supported by a combined effort of the Guam DOE, UOG and GCC.

14 *I Liheslatura* further intends to establish the commitment that the  
15 success of our children is developed early on within our public education  
16 system, and that the First Generation Trust Fund Initiative provides the  
17 platform to ensure that students work towards financial self-reliance in the  
18 long-run.

19 **§ 14102. First Generation Trust Fund Initiative Established.**

20 There is hereby established the “First Generation Trust Fund Initiative,”  
21 which *shall* be administered by the Guam Department of Education (DOE),  
22 or its designee, as an incentive program to encourage GDOE high school  
23 students to pursue post-secondary learning. The First Generation Trust Fund  
24 Initiative *shall* provide for each eligible Guam Department of Education  
25 high school graduate a Five Hundred Dollars (\$500) scholarship towards  
26 registration, enrollment, and tuition fees at the University of Guam or the

1 Guam Community College. Scholarships under this Act *shall* begin with  
2 GDOE students graduating during School Year 2018-2019.

3           **§ 14103. Creation of the First Generation Trust Fund.** The First  
4 Generation Trust Fund (Fund) is hereby created separate and apart from all  
5 other funds of the government of Guam, and *shall* be administered by the  
6 Superintendent of the Department of Education. The Fund *shall not* be  
7 commingled with the General Fund, or any other funds of the government of  
8 Guam; *shall* be maintained in a separate bank account in accordance with  
9 this Act; and *shall not* be subject to any transfer authority of *I Maga'laha*  
10 *Guåhan* or to any inter-fund borrowing, or used for any other purpose not  
11 authorized by this Chapter.

12           All funds appropriated, collected, or received pursuant to this Chapter  
13 *shall* be deposited in the Fund and used for the implementation of the First  
14 Generation Trust Fund Initiative.

15           The DOE Superintendent may enter into contracts to obtain  
16 investment advice and management, and other professional services  
17 regarding the administration and investment of the Fund. All aggregated  
18 costs relative to the Fund *shall not* exceed five percent (5%) of the total  
19 portfolio.

20           **§ 14104. Notification of Students.**

21           All eligible GDOE students *shall* be notified by GDOE, at the  
22 commencement of each year and upon graduation, of the requirements  
23 necessary to avail of the provisions of this Chapter, and of the amount  
24 potentially available towards college registration, enrollment, or tuition fees.

25           **§ 14105. Requirements for Eligibility.** To be eligible for a First  
26 Generation Trust Fund Initiative scholarship towards college registration,  
27 enrollment and tuition, a GDOE graduate must be enrolled in a GDOE

1 public high school at the time of graduation. Any amount of the scholarship  
2 *not* paid to UOG or GCC for registration, enrollment or tuition fees *shall*  
3 remain with the Fund and *shall not* lapse. The student's scholarship award  
4 *shall* be used by the fall or spring semester after graduation from high  
5 school.

6 **§ 14106. Funding.** The DOE, with the local public education  
7 institutions, namely, UOG and GCC, have each committed to the Initiative  
8 and agree to invest through the following sources:

9 (a) One Hundred Thousand Dollars (\$100,000) *shall* be  
10 funded by the DOE and released by June 2016, and *shall* continue to  
11 be funded and released by June of each subsequent fiscal year for the  
12 *sole* purpose of supporting the Initiative's objectives;

13 (b) Two Hundred Fifty Thousand Dollars (\$250,000) *shall*  
14 be funded by the UOG and released by June 2016, and *shall* continue  
15 to be funded and released by June of each subsequent fiscal year for  
16 the *sole* purpose of supporting the Initiative's objectives; and

17 (c) Two Hundred Thousand Dollars (\$200,000) *shall* be  
18 funded by the GCC and released by June 2016, and *shall* continue to  
19 be funded and released by June of each subsequent fiscal year for the  
20 *sole* purpose of supporting the Initiative's objectives.

21 (d) Financial contributions may also be made to the Fund by  
22 individuals, businesses, and organizations.

23 (e) Any amounts from Subsections (a), (b) and (c) not  
24 already funded from non-governmental sources *shall* be funded from  
25 the government of Guam respective budgetary appropriations to the  
26 GDOE, UOG, or GCC.

1           **§ 14107. Evaluation.** An independent evaluation, paid for by the  
2 Fund, *shall* be conducted after the seventh (7th) year of the enactment of this  
3 Act to determine if the program has met its goals, one of which is to increase  
4 the number of GDOE graduates enrolled at the UOG and GCC.

5           **§ 14108. Sunset Provision.** The Initiative *shall* come to an end by  
6 the eighth (8<sup>th</sup>) year of its enactment *unless* new legislation is duly enacted  
7 authorizing its continuation. Any remaining funds at the sunset date *shall* be  
8 distributed accordingly to DOE, GCC and UOG based on the proportion of  
9 contributions made by each institution.

10           **§ 14109. Transfer Authority Prohibited.** Notwithstanding any  
11 other provision of law, the funds appropriated in this Act in each fiscal year  
12 *shall not* lapse and *shall* continue to be available until fully expended, and  
13 *shall not* be subject to any transfer authority of *I Maga'lahañ Guåhan* or any  
14 inter-fund borrowing, or used for any other purpose.

15           **§ 14110. Reporting and Rules and Regulations.** The Guam  
16 DOE *shall* submit an annual written report of the activities of the Initiative  
17 and the Fund to *I Maga'lahañ Guåhan* and to the Speaker of *I Liheslaturan*  
18 *Guåhan*.

19           The DOE *shall* promulgate rules and regulations for the  
20 implementation of this Chapter within one hundred twenty (120) days of the  
21 enactment of this Act, pursuant to Chapter 9, Title 5, Guam Code Annotated,  
22 the Administrative Adjudication Law.

23           **§ 14111. Annual Audit.** The Office of Public Accountability  
24 (OPA) *shall* perform an annual audit of the Fund and the compliance of the  
25 GDOE with the expenditures of such funds, in accordance with the  
26 administration and exclusive purposes of this Act. The OPA *shall* prepare  
27 and provide a written report of compliance *no later than* seventy-five (75)



1 days after the end of the fiscal year to *I Maga'lahañ Guåhan* and to the  
2 Speaker of *I Liheslaturan Guåhan*.

3 **§ 14112. Initiative Limitations.**

4 (a) Nothing in this Chapter *shall* be construed to waive sovereign  
5 immunity of the government of Guam in regards to this Initiative, or to:

6 (1) give a designated beneficiary any rights or legal interest  
7 with respect to an account;

8 (2) guarantee that a designated beneficiary:

9 (A) will be admitted to an institution of higher education;

10 or

11 (B) upon admission to an institution of higher education,  
12 will be permitted to continue to attend or will receive a  
13 degree from the institution;

14 (3) create residency for an individual merely because the  
15 individual is a designated beneficiary; or

16 (4) guarantee that amounts available pursuant to the  
17 Initiative will be sufficient to pay the full enrollment, registration or  
18 tuition expenses of a designated beneficiary.

19 (b) Nothing in this Chapter shall create, or be construed to create,  
20 any obligation of the Guam DOE or any agency or instrumentality of the  
21 government of Guam to guarantee for the benefit of a designated  
22 beneficiary:

23 (1) the rate of interest or other return on any account;

24 (2) the payment of interest or other return on any account; or

25 (3) the repayment of the principal of any account.

26 (c) The DOE *shall* provide by rule that every agreement, contract,  
27 application, deposit slip, or other similar document that may be used in

1 connection with a contribution to an account, clearly indicates that the  
2 account is *not* insured by the government of Guam, and that neither the  
3 principal deposited nor the investment return is guaranteed by the  
4 government of Guam.

5 (d) Nothing in this Chapter shall entitle a GDOE graduate to the  
6 cash equivalent of the scholarship award. Awards *shall* be paid directly from  
7 the Fund to UOG or GCC for enrollment, registration, and tuition fees.”

8 **Section 3. Severability.** If any provision of this Act or its application to  
9 any person or circumstance is held invalid, the invalidity *shall not* affect other  
10 provisions or applications of this Act which can be given effect without the invalid  
11 provision or application and to this end the provisions of this Act are severable.