



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932
TEL: (671) 472-8931 • FAX: (671) 477-4826 • EMAIL: governor@mail.gov.gu

Felix P. Camacho
Governor

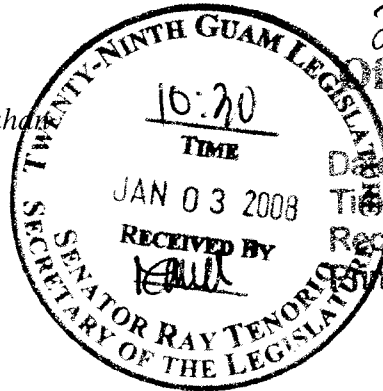
Michael W. Cruz, M.D.
Lieutenant Governor

Senator Edward J.B. Calvo
ACKNOWLEDGEMENT RECEIPT
Rcv'd by: [Signature]
Print Name & Initial

Time: 9:00
Date: 1-3-08

02 JAN 2008

The Honorable Edward J.B. Calvo
Acting Speaker
Mina' Bente Nuebi Na Liheslaturan Guåhån
155 Hessler Street
Hagåtña, Guam 96910



20-08-0005
Office of the Speaker
MARK FORBES
Date: 01/02/08
Time: 5:12 PM
Rec'd by: [Signature]
Print Name: [Signature]

Dear Acting Speaker Calvo:

Attached is Bill No. 180 (EC), "AN ACT TO MAKE APPROPRIATIONS TO THE GUAM PUBLIC SCHOOL SYSTEM, THE GUAM MEMORIAL HOSPITAL, THE DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES, THE GUAM POLICE DEPARTMENT, AND THE OFFICE OF THE ATTORNEY GENERAL, AND FOR OTHER PURPOSES," which I have vetoed in its entirety.

While I am not opposed to providing additional funding to the various agencies as proposed in Bill 180, doing so with the flawed funding sources identified therein would be irresponsible and only add to the structural imbalance of the budget and the cumulative deficit of this government.

Furthermore, the Guam Legislature has chosen to directly contradict the recent court order issued by Judge Gatewood. Whether elected leaders agree with it or not, we must follow the mandates of the federal court. I have tried to work with the Legislature to implement what is necessary to close Ordot Dump and to open a new landfill. The people of Guam have been looking to us to cooperatively resolve this issue for many years. Now the federal court has mandated it with clear and stringent timelines.

Accordingly, I have directed my Director's of the Department of Administration and the Bureau of Budget and Management to set aside and pay the fine imposed of \$2.8 million as well as to fund other needed costs to comply with the federal court order issued on December 17, 2007. The Guam Legislature may choose to defy the court order through Resolution No. 103LS, however, I will not.

Furthermore, of the \$11,710,887 in "funding" sources identified in Bill 180 only \$4,076,640 is available for reallocation. These TEFF revenues available for reallocation in FY 2008 represent the difference between the original debt service set-aside for the 1993 General Obligation Series

A Bond and the debt service requirement for the new 2007 General Obligation Bond refinanced in November 2007. The \$7,634,247 cash released from the debt service fund as a result of the 1993 General Obligation Series A Bond refinancing are not new monies and, therefore, not available for appropriation.

The government's sizeable deficit now over \$500 million negates all perceived cash residuals resulting from any prior year debt service set-aside. Furthermore, the FY 2008 budget deficiencies that include over \$8 million for retiree's health insurance premium costs and \$13 million for indigent health care only add to the General Fund's aggregate cash deficit which could have easily been resolved but the Legislature again chose not to do so.

Instead, Section 6 of Bill 180, was approved by the Legislature providing that: "*I Maga'Lahi's* transfer authority with respect to this Act *shall* be subject to the same provisions of Section 13, Chapter VII of Public Law 29-19", but the bill itself did not contain any transfer authority provision and Section 13, Chapter VII of Public Law 29-19 provides for the transfer of no more than 15% of appropriations made to the Office of the Attorney General, the University of Guam, the Guam Community College, and the Guam Public School System.

Clearly, the transfer authority I am often given as Governor is usually from sources that are unsupported by cash revenues. At some point the Legislature must take a stand to present real solutions to our mounting fiscal deficit. In addition, the practice of authorizing carryover appropriations from lapses unsupported by real cash only exacerbates this deficit position. Also, revenue collections over the past decade have fallen short of actual collections totaling a combined \$160 million. As you can obviously see this directly impacts the General Fund's cumulative sizeable deficit we have today. Bill No. 180 (EC) simply exacerbates the General Fund's structural deficit and is contrary to prudent deficit management.

Regrettably an important provision of Bill No. 180 (EC) was sacrificed with this necessary veto action and that is the ability to pay prior years' obligations for the MIP and Medicaid Programs whose participants have been deprived of timely and adequate health care due to this unreasonable budget restriction. As such, along with this veto message, I am transmitting legislation to provide for the authorization necessary to pay for services received by our less-fortunate from these programs, as well as other government obligations incurred in FY2007 that urgently need to be addressed. The proposed legislation provides for a waiver of the 20-day reporting requirement for 60 days from the enactment of the measure in order to accommodate the pressing need to pay MIP and Medicaid vendors so that medical care can resume for these indigent families.

The Honorable Edward J.B. Calvo  
*I Mina' Bente Nuebi Na Liheslaturan Guahan*  
Page 3

As time is of the essence for our most vulnerable and, concurrent with my veto, I am calling the Legislature into Special Session to consider and pass legislation I am transmitting to dispose of this urgent matter as expeditiously as possible. It is my hope that you and your colleagues will act favorable and promptly on this bill.

Thank you.

*Sinseru yan Magâhet,*

A handwritten signature in black ink, appearing to read 'F. Camacho', with a large, sweeping flourish extending to the right.

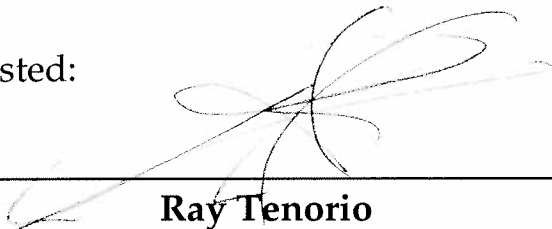
**FELIX P. CAMACHO**  
*I Maga' Lâhen Guahan*  
Governor of Guam

*I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN*  
2007 (FIRST) Regular Session

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

This is to certify that Substitute Bill No. 180 (EC), "AN ACT TO MAKE APPROPRIATIONS TO THE GUAM PUBLIC SCHOOL SYSTEM, THE GUAM MEMORIAL HOSPITAL AUTHORITY, THE DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES, THE GUAM POLICE DEPARTMENT, AND THE OFFICE OF THE ATTORNEY GENERAL, AND FOR OTHER PURPOSES," was on the 21<sup>st</sup> day of December, 2007, duly and regularly passed.

Attested:



**Ray Tenorio**  
Senator and Secretary of the Legislature



**Edward J.B. Calvo**  
Acting Speaker

This Act was received by *I Maga'lahaen Guåhan* this 21 day of Dec, 2007, at 1150 o'clock 9 .M.



Assistant Staff Officer  
*Maga'laha's Office*

APPROVED:

**FELIX P. CAMACHO**  
*I Maga'lahaen Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

**VETO**

***I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN***  
**2007 (FIRST) Regular Session**

**Bill No. 180 (EC)**

As substituted by the Committee on  
Finance, Taxation, Commerce and  
Economic Development and amended  
on the Floor.

Introduced by:

Edward J. B. Calvo  
Frank F. Blas, Jr.  
J. T. Won Pat  
Tina Rose Muña Barnes  
J. A. Lujan  
J. V. Espaldon  
Mark Forbes  
Judith Paulette Guthertz  
Frank T. Ishizaki  
A. B. Palacios, Sr.  
v. c. pangelinan  
R. J. Respicio  
David L.G. Shimizu  
Ray Tenorio

**AN ACT TO MAKE APPROPRIATIONS TO THE GUAM  
PUBLIC SCHOOL SYSTEM, THE GUAM MEMORIAL  
HOSPITAL AUTHORITY, THE DEPARTMENT OF PUBLIC  
HEALTH AND SOCIAL SERVICES, THE GUAM POLICE  
DEPARTMENT, AND THE OFFICE OF THE ATTORNEY  
GENERAL, AND FOR OTHER PURPOSES.**

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

2        **Section 1.    Legislative Findings and Intent.**    *I Liheslaturan Guåhan*  
3        finds that the refinancing of the government of Guam General Obligation Bonds,  
4        1993 Series A will generate the sum of Eleven Million Seven Hundred Ten  
5        Thousand Eight Hundred Eighty-seven Dollars (\$11,710,887) and further finds that

1 there are additional funding requirements for the Guam Public School System, the  
2 Guam Memorial Hospital Authority, the Department of Public Health and Social  
3 Services, the Guam Police Department and the Office of the Attorney General.  
4 Pursuant to these findings, the following amounts are appropriated to these entities  
5 in this Act.

6 **Section 2.** *Amend* Section 3(A) of Chapter I of Public Law 29-19 to read:

7 **“A. GENERAL OBLIGATION BONDS 2007 SERIES A**

8 (Authorized by Section 1, Chapter VIII of P.L. 29-19, net of UOG

9 Bond Payment Obligation \$2,027,377) **\$6,515,334 1/**

10 **1/ Territorial Education Facilities Fund”**

11 **Section 3. Appropriation to Guam Public School System (GPSS).**

12 Notwithstanding §22425(l) of Chapter 22 of Title 5 of the Guam Code Annotated,  
13 the sum of Four Million Seventy-six Thousand Six Hundred Forty Dollars  
14 **(\$4,076,640)** is appropriated from the Territorial Education Facilities Fund, as a  
15 result of the debt service savings from the refinancing of the government of Guam  
16 General Obligation Bonds, 1993 Series A, to the Guam Public School System for  
17 school operations.

18 **Section 4. Appropriations.** Notwithstanding any other provision of  
19 law, the sum of Seven Million Six Hundred Thirty-four Thousand Two Hundred  
20 Forty-seven Dollars **(\$7,634,247)** is appropriated from the savings as a result of the  
21 refinancing of the government of Guam General Obligation Bonds, 1993 Series A,  
22 as follows:

23 (a) The sum of Seventy-three Thousand Three Hundred Sixty Dollars  
24 **(\$73,360)** to the Guam Public School System for school operations.

25 (b) The sum of One Million One Hundred Thousand Dollars **(\$1,100,000)**  
26 to the Guam Memorial Hospital Authority to supplement its operations.

1 (c) The sum of One Million Eighty-two Thousand Four Hundred Fifty-  
2 eight Dollars (\$1,082,458) to the Medically Indigent Program Payment Revolving  
3 Fund (MIPPR) to supplement the funding for the Medically Indigent Program  
4 (MIP). The Department of Public Health and Social Services is authorized to  
5 use these funds for payment of prior years' MIP obligations.

6 (d) The sum of Five Hundred Thousand Dollars (\$500,000) to the Office  
7 of the Attorney General for the payment of the court settlement in the case of  
8 Haeuser vs. Law vs. CSC (SP0003-92/CIV94-00007).

9 (e) The sum of Three Million One Hundred Seventy-eight Thousand Four  
10 Hundred Twenty-nine Dollars (\$3,178,429) to the Guam Memorial Hospital  
11 Authority to fund renovations, repairs and essential collateral equipment for the  
12 Hospital's Emergency Room.

13 (f) The sum of One Hundred Thousand Dollars (\$100,000) to *I*  
14 *Liheslaturan Guåhan* for operations.

15 (g) The sum of One Million Five Hundred Thousand Dollars  
16 (\$1,500,000) to the Guam Police Department for the purchase of furniture and  
17 equipment for the Forensic Science Lab currently under construction on the  
18 campus of the Guam Community College.

19 (h) The sum of One Hundred Thousand Dollars (\$100,000) to the Office  
20 of the Mayor of Barrigada for the repair and resurfacing of the community  
21 basketball and volleyball/tennis courts and replacement of rotting power poles and  
22 installation of adequate lighting facilities.

23 1. The Mayor of Barrigada, together with the Director of Public  
24 Works *shall* submit a status and expenditure report to the Speaker of *I Liheslaturan*  
25 *Guåhan no later than* thirty (30) days after the end of each quarter.

26 **Section 5.** The sum of Two Thousand Eight Hundred Fifty-five Dollars  
27 (\$2,855) *shall* be transferred from the appropriation made to *I Liheslaturan*

1 *Guåhan* in Section 16 of Part II of Chapter V of Public Law 29-19, to the  
2 Department of Parks and Recreation to fund the following sports and electrical  
3 equipment:

- 4 (a) Eight (8) regulation size tennis nets totaling \$1,870
- 5 (b) Five (5) 1000 watt light ballasts totaling \$579
- 6 (c) Ten (10) 1000 watt light bulbs totaling \$406

7 The Executive Director of *I Liheslaturan Guåhan* shall reduce the allocation  
8 made to the Office of Senator Frank T. Ishizaki, equal to the amount specified in  
9 this Section.

10 **Section 6.** *I Maga'lahi's* transfer authority with respect to this Act shall  
11 be subject to the same provisions of Section 13, Chapter VII of Public Law 29-19.

12 **Section 7. Technical Amendment.** Section 91 of Part II of Chapter VI  
13 of Public Law 29-19 is *amended* to read:

14 **“Section 91. Department of Public Health and Social**  
15 **Services.** Of the sum appropriated in Section 28 of Part II of Chapter V  
16 of this Act to the Government of Guam Retirement Fund, Three Million  
17 One Hundred Three Thousand Four Hundred Sixty Dollars (\$3,103,460)  
18 shall be transferred to the Department of Public Health and Social  
19 Services for its operations for Fiscal Year 2008.”

20 **Section 8.** Section 1(c) and (d) of Part I of Chapter III of Public Law 29-  
21 19 are *amended* to read:

22 **“(c) Medically Indigent Program.** The sum of Fifteen Million  
23 Eight Hundred One Thousand Four Hundred Thirty-three Dollars  
24 **(\$15,801,433)** is appropriated from the General Fund to the Medically  
25 Indigent Program Payment Revolving Fund (MIPPR) for the Medically  
26 Indigent Program (MIP). The Department of Public Health and Social



1 Services is authorized to use these funds for payment of prior years' MIP  
2 obligations.

3 **(d) Medicaid Program.** The sum of Twelve Million Nine Hundred  
4 Eleven Thousand Dollars (**\$12,911,000**) is appropriated from the General Fund to  
5 the Department of Public Health and Social Services for the local match  
6 requirement of the Medicaid Program. The Department of Public Health and  
7 Social Services is authorized to use these funds for payment of prior years'  
8 Medicaid obligations.”

9 **Section 9.** The Department of Youth Affairs (DYA) is authorized to pay  
10 prior years' obligations, including obligations to Sanctuary, Inc., from the  
11 appropriations made to DYA in Public Law 29-19.

12 **Section 10.** For the payments of prior years' obligations authorized in this  
13 Act, *I Maga'lahañ Guåhan shall deliver notice to the Speaker of I Liheslaturan*  
14 *Guåhan of each such proposed expenditure no less than thirty (30) days before the*  
15 *expenditure. The expenditure will be effective if no action is taken by I*  
16 *Liheslaturan Guåhan. For this purpose only, Title 2 GCA §2103, requiring a*  
17 *public hearing for bills, and Title 5 GCA §8107, requiring notice of regular*  
18 *meetings, including legislative sessions, shall not apply. At the end of quarter, the*  
19 *departments authorized to pay prior years' obligations pursuant to this Act, shall*  
20 *report to the Speaker of I Liheslatura, and post on its website, all payments of the*  
21 *previous quarter's prior year obligations by payee, date of payment, amount of*  
22 *payment, purpose of the expenditure and the reason for non-payment in the prior*  
23 *year.*

24 **Section 11.** Of the Four Million One Hundred Fifty Thousand Dollars  
25 (\$4,150,000) appropriated to the Guam Public School System in Section 3 and 4(a)  
26 of this Act, this *shall* be utilized exclusively for the following:

- 1 (1) 2003 CSC and Superior Court Ruling on Employee Furlough.
- 2 (2) Retirement Contributions.
- 3 (3) Interest for Vendors (late payments).

4 Prior to any expenditure of funds appropriated herein, GPSS *shall* provide  
5 the Speaker and the Chairman of the Committee on Finance, Taxation, Commerce  
6 and Economic Development, a complete list of proposed retirees and vendors to be  
7 addressed by the appropriation. Authorization to expend the funds *shall* be  
8 effective twenty-one (21) days after submittal of the list to *I Liheslatura*.

9 **Section 12.** Section 2 of Public Law 29-04 is hereby *amended* as follows:

10 **“Section 2. Fund Authorized for COLA Settlement Payment.** The  
11 promissory note for Ten Million Dollars (\$10,000,000) plus interest and any  
12 proceeds therefrom executed pursuant to the GTA purchase agreement between the  
13 government of Guam and TeleGuam Holdings, LLC, as part of the payment for the  
14 purchase of the Guam Telephone Authority by TeleGuam Holdings, LLC, are  
15 hereby irrevocably assigned and appropriated to payment of the judgment entered  
16 in *Rios et al. v. Camacho*, et al., Superior Court of Guam Case No. SP0206-93.  
17 The assignment of the note and appropriation of its proceeds *shall* permit the  
18 COLA class to sell, pledge, assign, transfer or otherwise liquidate the note to  
19 another party for the purpose of distributing cash payments to eligible COLA class  
20 recipients. The Director of Administration *shall* guarantee this amount on behalf  
21 of the government of Guam in writing pursuant to §31202 of Title 18 GCA. *If* the  
22 guarantee is called by the purchaser of the note, and the government performs on  
23 the guarantee, the note *shall* become the property of the government of Guam. The  
24 Attorney General *shall* use all efforts to collect on the note.”

25 **Section 13.** The sum of Five Hundred Thousand Dollars (\$500,000) is  
26 authorized from lapsed personnel fund from all departments and agencies and  
27 autonomous instrumentalities within the government of Guam to contract with a

1 consulting expert on classification and compensation in public employment to  
2 conduct a study of all government of Guam positions, including those in  
3 autonomous, semi-autonomous, and non-autonomous agencies, public corporations  
4 and all instrumentalities, and the Judiciary, to update the Unified Pay Schedule.  
5 The contract *shall* include the conduct of compensation training to the Human  
6 Resources staff throughout the government.

7 **Section 14.** The sum of Fifty Thousand Dollars (\$50,000) *shall* be  
8 transferred from the appropriation made to *I Liheslaturan Guåhan* in Section 16  
9 Part II Chapter V of P.L. 29-19, to the Guam Police Department Crime Lab  
10 Section to fund for the following equipment:

- 11 (a) Digital Cameras and associated equipment for Crime  
12 Scene processing.
- 13 (b) Digital Video Cameras and associated equipment for  
14 Crime Scene Recording.
- 15 (c) Digital Photography Management System.

16 The Executive Director of *I Liheslaturan Guåhan* *shall* reduce the allocation  
17 made to the Office of Senator Frank T. Ishizaki, equal to the amount specified in  
18 this Section.