

I Mina'trentai Sais Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
24-36 (COR)	James C. Moylan Mary Camacho Torres Christopher M. Dueñas Frank F. Blas Jr.	AN ACT TO <i>AMEND</i> § 3105 OF ARTICLE 1, CHAPTER 3, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO REDATING THE IMPLEMENTATION OF THE SECOND TIER OF PUBLIC LAW 35-38 FROM MARCH 1, 2021 TO MARCH 1, 2022.	1/13/21 4:06 p.m.	1/14/21	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning			Request: 1/14/21 1/25/21	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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January 25, 2021

MEMO

To: **Rennae Meno**
Clerk of the Legislature

From: **Vice Speaker Tina Rose Muña Barnes**
Chairperson, Committee on Rules

Re: **Fiscal Note**

Buenas yan Håfa adai.

Attached, please find the fiscal note for the following bill:

Bill No. 24-36 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 24-36 (COR)

Bill No.24-36 (COR) AN ACT TO AMEND § 3105 OF ARTICLE 1, CHAPTER 3, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO REDATING THE IMPLEMENTATION OF THE SECOND TIER OF PUBLIC LAW 35-38 FROM MARCH 1, 2021 TO MARCH 1, 2022.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Labor	Dept./Agency Head: David Dell'Isola, Director
Department's General Fund (GF) appropriation(s) to date:	1,516,821
Department's Other Fund (Specify) appropriation(s) to date: Manpower Development Fund	1,380,000
Total Department/Agency Appropriation(s) to date:	\$2,896,821

Fund Source Information of Proposed Appropriation			
	General Fund:	Special Fund:	Total:
FY 2020 Unreserved Fund Balance	\$0	\$0	\$0
FY 2021 Adopted Revenues	\$0	0	0
FY 2021 Appro. (P.L. 35-99)	\$0	0	0
Sub-total:	\$0	0	0
Less appropriation in Bill	\$0	0	0
Total:	\$0	0	0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2021 (if applicable)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? // Yes /X/ No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A // Yes / / No
If no, what is the additional amount required? \$ /X/ N/A
- Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes /X/ No
- Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes / / No
/X/ Requested agency comments not received by due date: 1/21/21
Other:

Analyst: Jonathan Sablan Date: 01/19/2021 Director: Lester L. Carlson, Jr., Director Date: JAN 25 2021

Notes:
1/ Please see attachment

Bureau of Budget & Management Research
Comments on Bill No. 24-36 (COR)

1/: The proposed legislation is an act to amend § 3105 of Article 1, Chapter 3, Title 22, Guam Code Annotated, relative to redating the implementation of the second tier of Public Law 35-38 from March 1, 2021 to March 1, 2022.

Bill No.24-36 aims to delay the second tier of the minimum wage increase from March 1, 2021 to March 1, 2022. The minimum wage is currently \$8.75 and is scheduled for a \$0.50 increase to \$9.25 on March 1, 2021 through Public Law 35-38.

Per previous correspondence with the Department of Labor for preparation of the Fiscal Note for Bill 142-35, a minimum wage increase from \$8.75 to \$9.25 will likely cause a direct impact to DOL's Employment and Training Program. The current cost per participant at \$8.75 is \$9,796. If the minimum wage rises to \$9.25 the current cost per participant would be \$10,356, resulting in a \$560 increase. Absent an increase in federal funding for the program, DOL may have to reduce work hours and/or the number of program participants.

In the same correspondence to the Bureau, DOL estimated that the number of Government of Guam employees that would be affected by an increase to \$9.25 per hour is less than 250 employees. Further stating that the majority of these employees are "program enrollees" or "work study" participants under federally funded programs the payroll cost to the Government of Guam would be negligible. The effect on the overall economy's and General Fund revenues is expected to be approximately neutral overall and of a magnitude slight enough as to not create discernable changes in economic aggregates such as GDP, employment and tax revenues.

Should the proposed legislation become law, the above-mentioned impacts will not take effect until March 1, 2022. However, the Bureau notes DOL's comments that the effects to the economy and revenues of the Government of Guam would be nominal.