

I Mina'trentai Sais Na Liheslaturan Guåhan  
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
148-36 (LS)	Telo T. Taitague Sabina Flores Perez Frank Blas Jr. V. Anthony Ada Joanne Brown	AN ACT TO ADD A NEW § 42105 TO CHAPTER 42, DIVISION 2, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE “EARNED INCOME TAX CREDIT FEDERAL REIMBURSEMENT FUND” TO SUPPORT STUDENT FINANCIAL ASSISTANCE PROGRAMS INCLUDING SCHOLARSHIPS, LOANS, AND APPRENTICESHIPS.	5/28/21 4:15 p.m.	6/4/21	Committee on General Government Operations, Appropriations, and Housing			Request: 6/7/21  6/10/21	



Vice Speaker

**TINA ROSE MUÑA BARNES**

**CHAIRPERSON, COMMITTEE ON RULES**

*I Mina'trentai Sais Na Liheslaturan Guåhan*

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June 10, 2021

# MEMO

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

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

**Re:** Fiscal Note

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*Buenas yan Håfa adai.*

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

**Bill No. 148-36 (LS)**

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. 148-36 (LS)**

AN ACT TO ADD A NEW § 42105 TO CHAPTER 42, DIVISION 2, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE "EARNED INCOME TAX CREDIT FEDERAL REIMBURSEMENT FUND" TO SUPPORT STUDENT FINANCIAL ASSISTANCE PROGRAMS INCLUDING SCHOLARSHIPS, LOANS, AND APPRENTICESHIPS.

**Department/Agency Appropriation Information**

Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Dafne Mansapit-Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$8,945,336
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund (\$479,765); Better Public Service Fund (\$1,410,919); Tax Collection Enhancement Fund (\$919,948)	<u>\$2,810,632</u>
Total Department/Agency Appropriation(s) to date:	\$11,755,968

**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
Earned Income Tax Credit Federal Reimbursement Fund 1/	\$15M	\$15M	\$15M	\$15M	\$15M	\$15M
Total	\$15M	<u>\$15M</u>	<u>\$15M</u>	<u>\$15M</u>	<u>\$15M</u>	<u>\$15M</u>

- 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  
/ / Requested agency comments not received by due date: / / Other

Analyst:  Raymond Rieta, BMA II	Date: 6/8/2021 6/8/21	Director:  Lester L. Carlson, Jr., Director
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Date: JUN 10 2021

Notes:  
1/ See attached Comments.

**Bureau of Budget & Management Research**  
**Comments on Bill No. 148-36 (LS)**

Bill No. 148-36 (LS) is an act to add a new § 42105 to Chapter 42, Division 2, Title 11, Guam Code Annotated, relative to establishing the “*Earned Income Tax Credit (EITC) Federal Reimbursement Fund*” to support student financial assistance programs including scholarships, loans, and apprenticeships. The Bill cites that as per Section 9625 of U.S. Public Law 117-2, the Government of Guam anticipates receiving an estimated \$60M in EITC reimbursements annually from the Federal Government beginning in 2021. The intent of Bill No. 148-36 is to dedicate a portion of the federal EITC reimbursements to support new and established student financial assistance programs offered by the University of Guam (UOG) and the Guam Community College (GCC) which are geared towards helping equip families with skills and training which are essential to entering, returning to, or advancing in the local workforce.

The Bill specifically creates the Earned Income Tax Credit Federal Reimbursement Fund to be administered by the Department of Administration, whereas all EITC reimbursements transmitted from the U.S. Government to the Government of Guam shall be deposited. The Bill further appropriates annually, and at the end of each fiscal year, \$6,630,570 to UOG and \$8,341,312 to GCC to fund the financial aid programs and the administration of all student financial assistance programs offered by each respective institution.

P.L. 35-99 appropriates \$3,315,285 to UOG and \$4,170,656 to GCC from the General Fund for student financial assistance programs in FY21. Should the proposed legislation become law, both institutions would receive a 200% increase to its current funding allocation for student financial assistance, assuming appropriations from the General Fund for the same purpose continue to be provided on future Fiscal Year budgets. Per the Department of Revenue and Taxation, the average EITC payments to taxpayers since 2017 amounts to \$53M.