

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
257-36 (LS)	Amanda L. Shelton Joe S. San Agustin Therese M. Terlaje Tina Rose Muña Barnes Mary Camacho Torres Clynton E. Ridgell	AN ACT TO INCREASE COST OF LIVING ALLOWANCE (COLA) PAYMENTS FOR GOVERNMENT OF GUAM RETIREES AND TO APPROPRIATE (\$15,945,600) FROM THE GENERAL FUND TO THE DEPARTMENT OF ADMINISTRATION (DOA) FOR FISCAL YEAR 2023.	2/18/22 4:32 p.m.	2/24/22	Committee on General Government Operations, Appropriations, and Housing			Request: 2/24/22  3/4/22	



Vice Speaker

**TINA ROSE MUÑA BARNES**

**CHAIRPERSON, COMMITTEE ON RULES**

*I Mina'trentai Sais Na Liheslaturan Guåhan*

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March 4, 2022

# MEMO

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

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

**Re:** **Fiscal Notes**

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*Håfa adai,*

Attached, please find the fiscal notes for the following bills:

**Bill No. 253-36 (COR)**

**Bill No. 257-36 (LS)**

**Bill No. 260-36 (LS)**

**Bill No. 261-36 (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. 257-36 (LS)**

**AN ACT TO INCREASE COST OF LIVING ALLOWANCE (COLA) PAYMENTS FOR GOVERNMENT OF GUAM RETIREES AND TO APPROPRIATE (\$15,945,600) FROM THE GENERAL FUND TO THE DEPARTMENT OF ADMINISTRATION (DOA) FOR FISCAL YEAR 2023.**

**Department/Agency Appropriation Information**

<b>Dept./Agency Affected:</b> Government of Guam Retirement Fund (GGRF)	<b>Dept./Agency Head:</b> Paula M. Blas, Director
<b>Department's General Fund (GF) appropriation(s) to date:</b>	<b>\$37,725,736</b>
<b>Department's Other Fund appropriation(s) to date:</b>	<b>\$0</b>
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$37,725,736</b>

**Fund Source Information of Proposed Appropriation**

	<b>General Fund:</b>	<b>Special Fund:</b>	<b>Total:</b>
<b>FY 2021 Unreserved Fund Balance</b>	\$0	\$0	\$0
<b>FY 2022 Adopted Revenues</b>	\$0	0	0
<b>FY 2022 Appropriations (P.L. 36-54)</b>	\$0	0	0
<b>Sub-total:</b>	\$0	0	0
<b>Less appropriation in Bill</b>	\$0	0	0
<b>Total:</b>	\$0	0	0

**Estimated Fiscal Impact of Bill**

	<b>One Full Fiscal Year</b>	<b>For Remainder of FY 2022 (if applicable)</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>General Fund 1/</b>	\$0	\$0	\$1,449,600	\$2,174,400	\$2,899,200	\$3,624,000
<b>Special Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$0	\$1,449,600	\$2,174,400	\$2,899,200	\$3,624,000

1. Does the bill contain "revenue generating" provisions? // Yes      /X/ No  
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? // N/A      /X/ Yes      / / No  
If no, what is the additional amount required? \$ /X/ N/A
3. 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
4. Will the enactment of this Bill require new physical facilities? / / Yes      /X/ No
5. 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: / / Other:

Analyst: <u>Arthur R. Mariano, B&amp;MA Supervisor</u>	Date: <u>2/3/22</u>	Director: <u>Lester L. Carlson, Jr., Director</u>
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Date: **MAR 03 2022**

**Footnotes:**

1/: See attached Comments.

Bureau of Budget and Management Research  
Comments on Bill No. 257-36 (LS)

The proposed legislation intends to increase the Cost of Living Allowances (COLA payments for Government of Guam retirees and to appropriate approximately \$15,945,600 from the General Fund to the Department of Administration for Fiscal Year (FY) 2023.

Based on the Bureau's estimates and utilizing a static number of 7,248 retirees (calculated using the FY2022 COLA Appropriation of \$14,496,000 in P.L. 36-54 divided by the current COLA amount of \$2,000 per retiree), the cumulative projected cost impact from FY2023 to FY2026 is approximately \$10.1M for executive line / department retirees. Should the annual COLA per retiree be raised to \$2,200 in FY2023, the cost impact to the General Fund (GF) would be approximately \$1.45M that fiscal year and increasing annually to a cost impact of approximately \$3.6M in FY2026 (see Attachment #1).

Relative to the General Fund, the Bureau notes the potential fiscal impact of Bill No. 220-36 (LS). Should this legislation become law, it would authorize approximately \$150 Million over a five-year period (\$75 Million from Business Privilege Tax Credits and \$75 Million from Section 30 Revenues) or \$30 Million per fiscal year from revenue sources that are deposited into the General Fund for payments to adjudicated World War II claimants from the Guam War Claims Fund.

# ATTACHMENT #1

## BILL NO. 257-36 (LS) PROJECTED COST IMPACT

### COLA PAYMENTS (Status Quo Level)

No. of Retirees 1/	COLA (Per Annum)	FY2022	FY2023	FY2024	FY2025	FY2026	GRAND TOTAL
7248	\$2,000	\$14,496,000					\$14,496,000
7248	\$2,000		\$14,496,000				\$14,496,000
7248	\$2,000			\$14,496,000			\$14,496,000
7248	\$2,000				\$14,496,000		\$14,496,000
7248	\$2,000					\$14,496,000	\$14,496,000
		<b>\$14,496,000</b>	<b>\$14,496,000</b>	<b>\$14,496,000</b>	<b>\$14,496,000</b>	<b>\$14,496,000</b>	<b>\$72,480,000</b>

### COLA PAYMENTS (Bill 257-36 Level)

No. of Retirees 2/	COLA (Per Annum)	FY2022	FY2023	FY2024	FY2025	FY2026	GRAND TOTAL
7248	\$2,000	\$14,496,000					\$14,496,000
7248	\$2,200		\$15,945,600				\$15,945,600
7248	\$2,300			\$16,670,400			\$16,670,400
7248	\$2,400				\$17,395,200		\$17,395,200
7248	\$2,500					\$18,120,000	\$18,120,000
		<b>\$14,496,000</b>	<b>\$15,945,600</b>	<b>\$16,670,400</b>	<b>\$17,395,200</b>	<b>\$18,120,000</b>	<b>\$82,627,200</b>
<b>COST IMPACT (PER ANNUM)</b>		<b>\$0</b>	<b>\$1,449,600</b>	<b>\$2,174,400</b>	<b>\$2,899,200</b>	<b>\$3,624,000</b>	<b>\$10,147,200</b>

1/: Executive line departments / agencies only; FY2022-FY2026 No. of retirees based on FY2022 appropriation; FY2023 appropriation in Executive Budget Request is \$14,950,000

2/: Executive line departments / agencies only; FY2022-FY2026 No. of retirees based on FY2022 appropriation