

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
285-36 (LS)	Telo T. Taitague Therese M. Terlaje Sabina Flores Perez	AN ACT TO ADD A NEW CHAPTER 8B TO TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO IMPLEMENTING THE “SUPPLEMENTAL COLA ADJUSTMENT ACT,” A SUPPLEMENTARY COST OF LIVING ADJUSTMENT (COLA) FOR GOVERNMENT OF GUAM RETIREES WHO ARE RESIDENTS OF GUAM, AND TO ADD A NEW SECTION 13108A TO CHAPTER 13, TITLE 2 OF THE GUAM CODE ANNOTATED, RELATIVE TO CREATING A SPECIAL COST OF LIVING ECONOMIC SERVICE.	4/5/22 10:00 a.m.	4/8/22	Committee on General Government Operations, Appropriations, and Housing			Request: 4/11/22  4/20/22	



Vice Speaker

**TINA ROSE MUÑA BARNES**

**CHAIRPERSON, COMMITTEE ON RULES**

*I Mina'trentai Sais Na Liheslaturan Guåhan*

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April 20, 2022

# MEMO

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

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

**Re:** Fiscal Note on Bill No. 285-36 (LS)

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*Håfa adai,*

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

**Bill No. 285-36 (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. 285-36 (LS)**

AN ACT TO ADD A NEW CHAPTER 8B TO TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO IMPLEMENTING THE "SUPPLEMENTAL COLA ADJUSTMENT ACT," A SUPPLEMENTARY COST OF LIVING ADJUSTMENT (COLA) FOR GOVERNMENT OF GUAM RETIREES WHO ARE RESIDENTS OF GUAM, AND TO ADD A NEW SECTION 13108A TO CHAPTER 13, TITLE 2 OF THE GUAM CODE ANNOTATED, RELATIVE TO CREATING A SPECIAL COST OF LIVING ECONOMIC SERVICE.

**Department/Agency Appropriation Information**

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

**Fund Source Information of Proposed Appropriation**

	General Fund:	Special Fund:	Total:
FY 2021 Unreserved Fund Balance	\$0	\$0	\$0
FY 2022 Adopted Revenues	\$0	0	0
FY 2022 Appropriations (P.L. 36-54)	\$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 2022 (if applicable)	FY 2023	FY 2024	FY 2025	FY 2026
General Fund 1/	\$2,202,816	\$0	\$2,202,816	\$2,202,816	\$2,202,816	\$2,202,816
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$2,202,816	\$0	\$2,202,816	\$2,202,816	\$2,202,816	\$2,202,816

- 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: // Other

Analyst: 	Date: <u>4/10/22</u>	Director: 	Date: <u>APR 20 2022</u>
Arthur R. Mariano, B&MA Supervisor		Lester L. Carlson, Jr., Director	

**Footnotes:**

1/: In its current form, the subject legislation proposes to implement a "Supplemental COLA Adjustment Act" (SCAA) for retirees who are residents of Guam and to create a Special Cost of Living Economic Service under *I Liheslaturan Guahan's* Office of Finance and Budget. This Service shall, among other requirements, prepare a report which contains a cost of living adjustment and a declining sliding-scale COLA adjustment schedule to implement the SCAA. While the projected cost is dependent on the recommendations of the Service, Attachment #1 was prepared which shows a potential cost impact per fiscal year of approximately \$2.2 Million by applying a adjustments of between 5% to 15% increases to the base COLA amount of \$2,000 on a sliding-scale basis for annuitants receiving \$40K or less (\$300 or 15% increase) to annuitants receiving \$80,001 or more (\$100 or 5% increase).

## ATTACHMENT #1

### BILL NO. 285-36 (LS) PROJECTED COST IMPACT

#### COLA PAYMENTS (Status Quo Level)

Annuitant Category	% of Annuitants	No. of Retirees 1/	% Adjustment to COLA Payment	COLA (Per Annum)	TOTAL COST (PER ANNUM)
All	100%	8344	None	\$2,000	\$16,688,000

#### COLA PAYMENTS (Sliding Scale based on Annuity)

Annuitant Category 2/	% of Annuitants 2/	No. of Retirees 3/	% Adjustment to COLA Payment	COLA (Per Annum)	TOTAL COST (PER ANNUM)
\$40,000 or Less	70%	5841	15% Increase	\$2,300	\$13,433,840
\$40,001 - \$60,000	21%	1752	10% Increase	\$2,200	\$3,854,928
\$60,001 - \$80,000	6%	501	7.5% Increase	\$2,150	\$1,076,376
\$80,001 or More	<u>3%</u>	<u>250</u>	<u>5.0% Increase</u>	<u>\$2,100</u>	<u>\$525,672</u>
----	100%	8344	----	----	\$18,890,816

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COST IMPACT (PER ANNUM)	\$2,202,816
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1/: FY2018-FY2022 - 5-Year Average No. of Retirees based on COLA amounts paid in those fiscal years

2/: Based on Annuitant Data as of January 2021 (provided by the GGRF)

3/: Average No. of Retirees (8,344) x Percentage of Annuitants