

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
302-36 (COR)	Joanne Brown Telo T. Taitague	AN ACT TO AMEND § 1908(b)(2) AND, 1909(i) TO ADD A NEW § 1925 ALL OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED; AND TO ADD A NEW § 6325(d)(6) TO CHAPTER 6, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO ENHANCING THE INDEPENDENT STATUS OF THE OFFICE OF PUBLIC ACCOUNTABILITY (OPA) BY OPENING A DEPOSITORY ACCOUNT WITH DEPARTMET OF ADMINISTRATION, BY CONTINUOUSLY APPROPRIATING ONE QUARTER OF ONE PERCENT (.25%) OF THE GOVERNMENT OF GUAM'S ANNUAL BUDGET TO THE OPA, CREATING ELIGIBILITY FOR A PAY INCREASE FOR PROFESSIONAL STAFF, AND AUTHORIZING THE ESTABLISHMENT OF A SALARY SCALE FOR THE OPA.	5/2/22 11:17 a.m.	5/9/22	Committee on General Government Operations, Appropriations, and Housing			Request: 5/9/22 5/25/22	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

GUAM CONGRESS BUILDING
163 CHALAN SANTO PAPA
HAGÅTÑA, GUAM 96910
TEL 671-472-2461
COR@GUAMLEGISLATURE.ORG

May 25, 2022

MEMO

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

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

Re: **Fiscal Notes on Bill Nos. 302-36 (COR) and 304-36 (COR)**

Håfa adai,

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

Bill No. 302-36 (COR)

Bill No. 304-36 (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. 302-36 (COR)

AN ACT TO AMEND §1908(b)(2) AND, 1909(i) TO ADD A NEW §1925 ALL OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED; AND TO ADD A NEW §6325(d)(6) TO CHAPTER 6, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO ENHANCING THE INDEPENDENT STATUS OF THE OFFICE OF PUBLIC ACCOUNTABILITY (OPA) BY OPENING A DEPOSITORY ACCOUNT WITH THE DEPARTMENT OF ADMINISTRATION, BY CONTINUOUSLY APPROPRIATING ONE QUARTER OF ONE PERCENT (.25%) OF THE GOVERNMENT OF GUAM'S ANNUAL BUDGET TO THE OPA, CREATING ELIGIBILITY FOR A PAY INCREASE FOR PROFESSIONAL STAFF, AND AUTHORIZING THE ESTABLISHMENT OF A SALARY SCALE FOR THE OPA.

Department/Agency Appropriation Information

Dept./Agency Affected: Office of Public Accountability	Dept./Agency Head: Benjamin (B.J.) Cruz - Public Auditor
Department's General Fund (GF) appropriation(s) to date:	\$1,653,203
Department's Other Fund appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$1,653,203

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2021 Unreserved Fund Balance		\$0	\$0
FY 2022 Adopted Revenues	\$0	\$0	\$0
FY 2022 Appro. (P.L. 36-54 thru)	\$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/	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

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|---|------------|----------|
| 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? | / X / N/A | / / Yes |
| If no, what is the additional amount required? \$ _____ | / X / N/A | / / No |
| 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 |
| 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: | / / Yes | / X / No |
| / X / Requested agency comments not received by due date | / / Other: | |

Analyst:  Tyler Bautista, BMA I	Date: 05/16/2022	Director:  Lester L. Carlson, Jr., Director	Date: MAY 24 2022
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Notes:

1/ See attached comments.

**BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 302-36 (COR)**

The proposed legislation seeks to implement a multitude of measures. The following notes are prepared in sequence with the legislation.

Section 2 of the proposed legislation would amend §1908(b)(2) of Chapter 19, Title 1, Guam Code Annotated (GCA) to mandate that autonomous agencies or instrumentalities deposit an amount equal to the cost of their respective audit into an account created by the Department of Administration (DOA) for the purpose of funding the annual audits. Currently, these departments generally fund their audits through contractual agreements from their annual appropriation.

Section 3 of the proposed legislation would amend §1909(i) of Chapter 19 of Title 1, GCA, which mandates that the Office of the Public Auditor (OPA) *shall* receive – at minimum – one quarter of one percent (0.25%) of the annual General Fund (gross) revenues of the Government of Guam. This section also mandates that the OPA be exempt for the Bureau of Budget and Management Research's (BBMR) allotment control. The Bureau notes that the OPA is already exempt from the Bureau's allotment control per §1303.1, Chapter 1, Title 5, GCA. Further, annual appropriations for OPA are currently based on available funding as appropriated by the Guam Legislature and are not based on a mandated percentage.

Utilizing the adopted budgets from FY2018 through FY2022, the table below highlights the Bureau's estimated funding OPA would have received in those FYs, if this provision was law at the time.

		FY 2018 (P.L. 34-42)	FY 2019 (P.L. 34-116)	FY 2020 (P.L. 35-36)	FY 2021 (P.L. 35-99)	FY 2022 (P.L. 36-54)
A	Adopted Gross GF Revenue	\$849,737,278	\$775,628,968	\$803,641,533	\$774,697,305	\$706,866,659
B	OPA Appropriation	\$1,396,898	\$1,258,365	\$1,253,599	\$1,311,828	\$1,653,203
C	OPA Appropriation % of adopted GF Revenue	0.16%	0.16%	0.16%	0.17%	0.23%
D	Proposed OPA appropriation per Bill 302-36 (COR) (A x 0.25%)	\$2,124,343	\$1,939,072	\$2,009,104	\$1,936,743	\$1,767,167
E	Variance (D-B)	<u>\$727,445</u>	<u>\$680,707</u>	<u>\$755,505</u>	<u>\$624,912</u>	<u>\$113,964</u>

Table 1: Office of Public Accountability Appropriation – Variance Table (0.25% per Bill 302-36 (COR))

The prospective estimated fiscal impact would be dependent on the adopted gross General Fund level per fiscal year.

Section 3 also mandates that the OPA shall receive from DOA no less than one-twelfth (1/12) of its budget on the first day of every month of each fiscal year; however, in months where more than two (2) pay periods occur – occurs twice per fiscal year – the DOA *shall* release funds required to meet operational needs, “subject to availability of funds appropriated to the DOA.”

Section 4 of the proposed legislation intends to add a new §1925 to Chapter 19 of Title 1, GCA, which mandates that the OPA enters into a Memorandum of Agreement (MOA) with the Office of the Attorney General (OAG) for Legal Services Authorized – which will be paid out of the annual appropriation to the OPA. The MOA *shall* include the recruitment of one (1) Assistant Attorney General, one (1) Legal Secretary, and one (1) Investigator to primarily assist the OPA. These recruitments will likely be funded by the additional resources made available to the OPA through Section 3 of the proposed legislation.

Section 5 of the proposed legislation intends to add a new §6235(d)(6) to Chapter 6 of Title 4, GCA, which establishes a salary scale for the professional staff of the OPA. The salary scale will commensurate with the highest salary paid (in the same position) by line agencies, autonomous or semi-autonomous agencies, along with certain requirements to be met. In addition to the salary scale, Subsection A of this section states that the OPA's professional staff shall also receive 10% in differential pay. The Bureau is unable to determine the estimated impact of the salary scale adjustment nor the differential pay. However, these initiatives will likely be funded by the additional resources available to OPA through Section 3 of the proposed legislation.

Absent additional information from the OPA, the Bureau is unable to determine the full fiscal impact of the proposed legislation.