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Member

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Member



COMMITTEE ON RULES
I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

February 12, 2020

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Member

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Member and Chair, Subcommittee on Protocol

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chair, Committee on Rules

Re: Fiscal Notes

Buenas yan Håfa adai.

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

Bill No. 253-35 (COR)

Bill No. 258-35 (COR)

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

For 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. 253-35 (COR)

AN ACT TO AMEND §28202 OF CHAPTER 28 TITLE 17 GUAM CODE ANNOTATED, BENEFITS FOR MERIT SCHOLARSHIP RECIPIENTS, RELATIVE TO GRANDFATHERING EXISTING MERIT SCHOLARSHIP RECIPIENTS FROM THE CHANGES IN BENEFITS MADE IN PUBLIC LAW 34-151 AND EXPANDING THE APPLICABILITY OF THE MERIT SCHOLARSHIP TO ENCOMPASS THE TOTAL COST OF ATTENDANCE TO ENSURE THE SUCCESS OF OUR MERIT SCHOLARS.

Department/Agency Appropriation Information	
Dept./Agency Affected: University of Guam	Dept./Agency Head: Dr. Thomas W. Krise, President
Department's General Fund (GF) appropriation(s) to date:	\$27,411,845
Department's Other Fund appropriation(s) to date:	\$0
0	\$27,411,845

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2019 UOG Higher Education Endowment Fund Balance	\$0	\$0	\$0
FY 2020 Adopted Revenues	\$0	\$0	\$0
FY 2020 Appro. (P.L. 35-36 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 2020 (if applicable)	FY 2021	FY 2022	FY 2023	FY 2024
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- | | | | |
|---|------------|-------------------------------|------------------------------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | | / / Yes | / X/ No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? | / X / N/A | / / Yes | / / No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | / X / N/A | / / Yes
/ / Yes
/ / Yes | / X/ No
/ / No
/ 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:
/ / Requested agency comments not received by due date | | / X/ Yes | / / No |
| | / / Other: | | |

Analyst: <u>Abigail Reyes</u> Abigail Reyes, BMA III	Date: <u>2/6/2020</u>	Director: <u>Lester L. Carlson, Jr.</u> Lester L. Carlson, Jr., Director	Date: <u>FEB 17 2020</u>
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Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 253-35 (COR)

The proposed legislation intends to amend §28202 of Article 2, Chapter 28, Title 17 of the Guam Code Annotated (17 GCA), relative to the benefits of students entitled to merit awards, by grandfathering existing recipients of merit awards from the Student Financial Assistance Fund from changes in benefits made through P.L. 34-151. It also intends to expand the applicability of the merit awards from only tuition and fees to include total cost of attendance.

As a result of P.L. 34-151, §28202(a) mandates the application of Federal Pell Grants against the recipient's tuition and fees prior to expending from the Student Financial Assistance Fund. This process allows for more students to benefit from the Student Financial Assistance Fund. The proposed legislation seeks to reverse the order of the application of funds against tuition and fees and first apply the merit awards from the Student Financial Assistance Fund prior to the Federal Pell Grant. Further, the remaining balance from the total cost of attendance (as contained in the recipient's Free Application for Federal Student Aid) after the tuition and fees are paid will then be disbursed from the Student Financial Assistance Fund after subtracting the recipient's Federal Pell Grant award.

The proposed legislation also seeks to add a provision in the affected subsections (a) Tuition and Fees at the University of Guam, and (c) Allowance for Textbooks and School Supplies, of §28202 Article 2, Chapter 28, of 17 GCA that the changes made are to take effect beginning with merit award recipients who signed the contract beginning in *Fanuchanan* (Fall) Semester of 2020. §28202(c) provides merit award recipients an additional \$350.00 per semester for textbooks and school supplies.

UOG notes that while its intent in supporting the passage of P.L. 34-151 is to make the funding for merit scholarships available to as many students as possible, several complaints from current recipients were received as a result of the change in the application of benefits. UOG anticipates the number of students that will benefit from merit scholarships to be reduced should this proposed legislation pass.