

DEPARTMENT OF
LABOR

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January 2, 2020

Tina Rose Muna Barnes
Chairwoman
Speaker, 35th Guam Legislature
Chairwoman, Committee on Public Accountability, Human Resources and the Guam Buildup

Re: Response to Questions from November 25, 2019 Informational Briefing to Guam Legislature

Buenas Speaker! We are in receipt of questions from your committee resulting from the November 25, 2019 Informational Briefing on the Guam Buildup. We have endeavored to answer the questions posed by your committee members, but must include the caveat that the Guam Buildup projects pace and sequence dramatically affect workforce projections, often without advance warning to the Government of Guam. The answers that are presented below represent our projects based on the best information available to GDOL at the time of this letter and may change as time progresses.

With that caveat in place, the answers to the committee's questions are as follows:

Question 1: How many H-2B workers are estimated to be needed to complete the entirety of the buildup?

Answer 1: It is estimated that a maximum of 10,058 workers may be needed FY22 based on best information available at this time.

It is more likely that the final number will be significantly lower as employers maximize all US workers and other strategies to minimize the need to import costly foreign workers. It is also likely that this need may spread out across successive fiscal years due to delays and projects, worker deployments and other unforeseen project delays.

The numbers in the chart below are not cumulative and represent the need for each Fiscal year based on the projected Work in Place (WIP).

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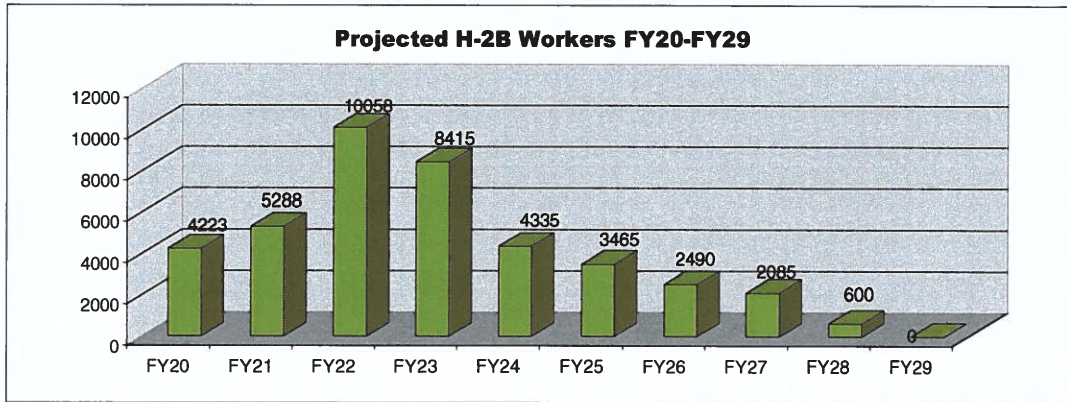
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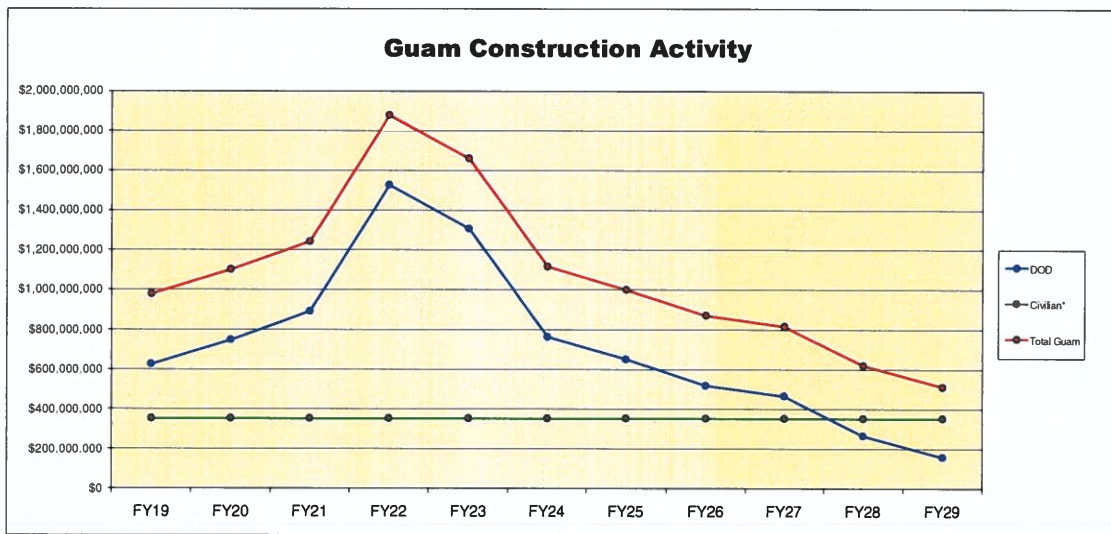
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Projected Work in Place (WIP)



Projection Notes

- Baseline Civilian WIP is based on a 5 year average of Guam Building permits from FY19-FY15, in the absence of better information.
- DoD WIP derived from NAVFAC 2019 estimates
- Manpower formula is 75 workers per \$10M or \$133,333.33 per worker, consistent with NAVFAC
- US construction industry production workers is 4020 based on March 2018 BLS CES- period where no H-2 were on island.
- Projects based on best info available as of Nov. 2019 and are subject to revision at any time.

Question 2:

When were the estimations for DOL’s staffing needs studied?

Answer 2:

The 2015 SEIS says 11 FTEs will needed for ALPCD to handle a 220% increase in ALPCD workload at peak time. Current projections on peak is FY 2022 & FY2023. To meet demands, staffing must be hired no later than FY20 to have them trained and proficient to handle peak operations.

Question 3:

Which buildup EIS/SEIS were used to formulate the estimation?

Answer 3:

The 2015 Final SEIS indicated a need for additional staffing based on fact finding conducted in their studies. See the table below:

Table 4.1.15-23. Summary of Key Staffing Requirements for Public Services Agencies Affected by Development

	Baseline Staffing	Impacts			
		Maximum	Maximum Impact %	Steady-State	Steady-State Impact %
GDPW	6	0.8	13%	0.1	1.7%
Guam Department of Land Management	5	1.7	34%	1.4	28.0%
GEPA	48	9.7	20%	0.7	1.5%
Guam Coastal Management Program	6	0.9	15%	0.6	10.0%
GPA	6	0.7	12%	0.1	1.7%
GWA	5	0.9	18%	0.1	2.0%
GFD	14	0.8	6%	0.3	2.1%
Guam Division of Environmental Health	11	0.8	7%	0.5	4.5%
SHPO	6	0.6	10%	0.1	1.7%
Guam Alien Labor Processing & Certification Division	5	11	220%	0	0.0%
Total	112	28	25%	4	3.6%

Note: Numbers represent projected increase in key staff for each permitting agency that would be required to maintain current levels of service.

A different staffing request was made by DOL at the CMCC to request for support for ‘seed money’ staffing support. CMCC Request:

- Seed funding for 3 FTE– Breakpoint: H-2B population of over 1,500
- Training lag time 12-18 months for staff proficiency
- MDF funds sufficient to maintain levels, after consistent H-2B workforce of 1,500 – 2,000 reached

Alien Labor Processing & Certification Division	
Activity	Receive process & manage temporary labor certifications. Perform compliance inspections, handle worker complaints and conduct regulatory law enforcement
FTE Positions Needed	2
Salaries & Benefits	EDW III x 1 = \$47,779 LLES III x 1 = \$47,779
Workspace, Equip & Supplies	@ 2 FTE= \$8,600
Annual Cost	\$104,158
Wage & Hour Division	
Activity	Enforcement and monitoring of wage laws and prevailing wage standards
FTE Positions Needed	1
Salaries & Benefits	\$47,779
Workspace, Equip & Supplies	@1 FTE = \$4,300
Annual Cost	\$156,237
Grand Total	\$156.237

Question 4:

How long will you need the additional increases in personnel?

Answer 4:

Until 2029 but decreasing significantly after 2027 dependent on pace and sequence.

Question 5:

What plan will there be to phase these temporary employees in and out of government service?

Answer 5:

Although the build up's peak activities span almost a decade, it is not optimal to staff up using only classified employees, since it is a known fact that workload will lessen as the build up completes and once workload volume diminishes, we may be left in an overstaffed situation. Current layoff and furlough procedures may not be the ideal mechanism since we know at the outset that increased staffing will be temporary.

The Department plans to utilize Limited Term Appointments as much as possible, however to facilitate this the Department needs possible legislative action to better access LTA workers in different occupations; using local funding; and to employ LTA workers for up to 1 year not withstanding DOA rules on LTA status where a Eligible Lists exists in a particular occupation.

DOL intends to conduct a biennial review to determine staffing needs. In cases where staffing needs decrease, employees may be absorbed into other divisions, however, if impractical, LTA status will not be renewed.

The GovGuam Merit System will continue to be used to ensure that sufficient permanent employees are in place as the labor force returns to a steady state. Succession planning by DOL managers will be required and emphasized. We see the usage of LTA employees as a critical training ground for succession planning and also as a possible source of trained inspectors, investigators and case management personnel for other Governmental agencies who may experience their own increased workload post-build up resulting from increased population and business activity.

Lastly, we fully expect competition for employees from private sector and federal agencies as these persons become proficient and gain valuable skills. It is entirely likely that other employment sectors may be able to offer better salaries and benefits which will affect retention of employees and necessitating a constant effort of hiring and training new employees. It is already an extreme challenge to attract, hire and retain quality employees for the Government of Guam with it's current pay scales and benefits being below the national average.

Thank you for the opportunity to provide answers to the committee's questions and please feel free to contact me should your have any questions.



DAVID DELL'ISOLA