

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
77-36 (COR)	James C. Moylan V. Anthony Ada Christopher M. Dueñas	AN ACT RELATIVE TO THE ESTABLISHMENT OF THE <i>BUSINESS STARTUP INCUBATION</i> (BSI) PROGRAM FOR THE CREATION OF A GRANT PROGRAM TO PROMOTE THE CREATION AND ESTABLISHMENT OF NEW SMALL BUSINESS STARTUPS ON GUAM; AND TO CITE THIS ACT AS THE " <i>BUSINESS STARTUP INCUBATION (BSI) ACT OF 2021</i> ."	3/12/21 8:27 a.m.	3/17/21	Committee on General Government Operations, Appropriations, and Housing			Request: 3/18/21 3/24/21	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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March 24, 2021

MEMO

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

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

Re: **Fiscal Notes**

Buenas yan Håfa adai.

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

Bill No. 77-36 (COR)

Bill No. 78-36 (COR)

Bill No. 80-36 (COR)

Bill No. 82-36 (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. 77-36 (COR)**

AN ACT RELATIVE TO THE ESTABLISHMENT OF THE BUSINESS STARTUP INCUBATION (BSI) PROGRAM FOR THE CREATION OF A GRANT PROGRAM TO PROMOTE THE CREATION AND ESTABLISHMENT OF NEW SMALL BUSINESS STARTUPS ON GUAM; AND TO CITE THIS ACT AS THE "BUSINESS STARTUP INCUBATION (BSI) ACT OF 2021."

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Economic Development Authority	Dept./Agency Head: Melanie Mendiola, CEO/Administrator
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (Specify) appropriation(s) to date:	\$0
	\$0

Fund Source Information of Proposed Appropriation			
	General Fund:	Special Fund	Total:
FY 2020 Unreserved Fund Balance	\$0	\$0	\$0
FY 2021 Adopted Revenues	\$0	\$0	\$0
FY 2021 Appro. (P.L. 35-99)	\$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 2021 (if applicable)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

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? /X/ Yes // No
If yes, will the program duplicate existing programs/agencies? // N/A // Yes /X/ 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
// Requested agency comments not received by due date // Other:

Analyst: Isaiah V.C Ware, BMA I Date: 3/23/21 Director: Lester L. Carlson, Jr., Director Date: MAR 24 2021

1/See Attached Comments

Bureau of Budget & Management Research

Comments on Bill No. 77-36 (COR)

The intent of Bill No. 77-36 is to create a small business grant between \$5,000 -\$25,000, to allow for the creation of new businesses, to be known as the “Business Start-up Incubation (BSI) Act of 2021”.

The Bill further proposes to fund the BSI Act by authorizing the Governor of Guam to transfer up to \$10M plus any additional funds needed to cover administrative costs for the purpose of the Act to the Guam Economic Development Authority, from the Fiscal Year 2021 General Fund Operations and any federal appropriations that can be used for the purpose of the Act.

As stated by GEDA, if all cost can be covered with appropriate federal funding sources, the fiscal impact to the Government of Guam and GEDA will be minimal. GEDA further states that until a full evaluation of the program occurs, it will be difficult to calculate the actual administrative cost for a program of this nature. The authority also indicates that it may be more prudent for any required rules and regulations to be primarily approved by the Office of the Governor, who is the recipient for COVID-19 related federal aid and that the thirty-day timeline identified in the bill to draft rules and regulations may not be feasible for a program of this scale.

GEDA has administered three COVID-19 grant assistance programs to date, namely the Guam Small Business Pandemic Assistance Grant, the Healthcare System Stabilization Grant and the Guam Small Business Rent Assistance Grant Programs. These grants provided over \$21M in direct financial assistance to local businesses. In the process of administering these grants, GEDA accumulated a total of \$230,000 in administrative cost. GEDA anticipates that this program will require even higher administrative costs than their previous grant programs.

Based on the aforementioned information provided by GEDA and the Bureau’s review, the legislation as it appears, does not have a negative impact to the Government of Guam at this time. However, GEDA may need more funding in the future to cover the administrative cost of implementing any new programs.