

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
<p>121-36 (COR) As Amended by the Committee on General Government Operations, Appropriations, and Housing; and Substituted on the floor.</p>	<p>Joe S. San Agustin Tina Rose Muña Barnes</p>	<p>AN ACT TO ADD A NEW CHAPTER 83 TO TITLE 12, DIVISION 2, GUAM CODE ANNOTATED RELATIVE TO THE DESIGN, BUILD, FINANCE, LEASE, TRANSFER AND MAINTENANCE OF THE GUAM TWENTY-FIRST (21ST) CENTURY HEALTHCARE CENTER WHICH SHALL BE CALLED THE "THE GUAM TWENTY-FIRST (21ST) CENTURY HEALTHCARE CENTER CONSTRUCTION ACT OF 2021."</p>	<p>4/13/21 4:06 p.m.</p>	<p>4/15/21</p>	<p>Committee on General Government Operations, Appropriations, and Housing</p>	<p>5/12/21 9:30 a.m. 7/23/21 9:00 a.m.</p>	<p>6/19/21 5:17 p.m. As amended by the Committee on General Government Operations, Appropriations, and Housing 8/4/21 10:59 a.m. As amended by the Committee on General Government Operations, Appropriations and Housing; Substituted on the floor; and Further amended by the Committee.</p>	<p>Request: 4/16/21 4/26/21 8/5/21</p>	<p>6/30/21 10:08 a.m. Supplement Document to the Committee Report on Bill No. 121-36 (LS). As amended by the Committee on General Government Operations, Appropriations, and Housing. 7/8/21 As Amended by the Committee on General Government Operations, Appropriations, and Housing; and Substituted on the floor.</p>



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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August 4, 2021

MEMO

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

From: **Senator Amanda L. Shelton**
Acting Chairperson, Committee on Rules

Re: **Fiscal Note on Bill No. 121-36 (COR) As substituted**

Håfa adai,

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

Bill No. 121-36 (COR) As substituted

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. 121-36 (COR) As Substituted**

AN ACT TO ADD A NEW CHAPTER 83 TO TITLE 12, DIVISION 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE DESIGN, BUILD, FINANCE, LEASE, TRANSFER, AND MAINTENANCE OF THE GOVERNMENT OF GUAM TWENTY-FIRST (21ST) CENTURY HEALTHCARE CENTER OF EXCELLENCE WHICH SHALL BE CALLED "THE TWENTY-FIRST (21ST) CENTURY HEALTHCARE CENTER OF EXCELLENCE CONSTRUCTION ACT OF 2021."

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Economic Development Authority	Dept./Agency Head: Melanie Mendiola, CEO/Administrator
Department's anticipated revenues to date:	\$2,799,658
Department's appropriation(s) to date:	\$0
Total Department/Agency revenues to date:	\$2,799,658
Dept./Agency Affected: Guam Memorial Hospital Authority	Dept./Agency Head: Lillian Perez-Posadas, Administrator
Department's General Fund (GF) appropriation(s) to date:	\$8,208,795
Department's Other Fund (Specify) appropriation(s) to date: GMHA Pharmaceuticals Fund (\$18,844,806) and Healthy Futures Fund (\$1,729,597)	\$20,574,403
Total Department/Agency Appropriation(s) to date:	\$28,783,198
Dept./Agency Affected: Department of Public Health and Social Services	Dept./Agency Head: Arthur San Agustin, Director
Department's General Fund (GF) appropriation(s) to date:	\$28,188,995
Department's Other Fund (Specify) appropriation(s) to date: Healthy Futures Fund (\$12,147,547), Environmental Health Fund (\$1,322,570), Health Professional Licensing Office Revolving Fund (\$286,085), Office of Vital Statistics Revolving Fund (\$241,442), Sanitary Inspection Revolving Fund (\$85,425), and Medically Indigent Program Payment Revolving Fund (\$14,438,056)	\$28,521,125
Total Department/Agency Appropriation(s) to date:	\$56,710,120
Dept./Agency Affected: Guam Behavioral Health and Wellness Center	Dept./Agency Head: Theresa Arriola, Director
Department's General Fund (GF) appropriation(s) to date:	\$366,919
Department's Other Fund (Specify) appropriation(s) to date: Healthy Futures Fund	\$22,938,931
Total Department/Agency Appropriation(s) to date:	\$23,305,850

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2020 Unreserved Fund Balance		\$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	1/	\$0	\$0	\$0	\$0	\$0
Special Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- 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? /X/ Yes / / No
- 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:  Joaquin A.J. Guerrero II	Date: <u>7/29/21</u>	Director:  Lester L. Carlson, Jr.	Date: <u>AUG 04 2021</u>
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Notes:
1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 121-36 (COR) As Substituted

The proposed legislation intends to authorize the Government of Guam to enter into a binding contract for the financing, design, construction, and long-term capital maintenance of a Twenty-First Century Healthcare Center of Excellence (the "Center") with the Guam Economic Development Authority (GEDA) and/or a private sector contractor/developer who can provide long-term financing. To minimize the financial cost to the Government of Guam, financing utilized by the contractor/developer to fund the design, construction, and maintenance of the Center shall be through tax-exempt obligations, taxable bond obligations, or other financial instruments provided that such financing is available at interest rates determined by GEDA to be reasonable and competitive. The Government of Guam will also be authorized to execute a lease agreement of existing property under its inventory for up to forty (40) years on which the Center will be constructed and provide funding through appropriation received from the reimbursement of the Earned Income Tax Credit (EITC) for Fiscal Year (FY) 2022 and prospective appropriations from the General Fund (GF) annually. Once construction is completed, the facilities and land will be leased back to GEDA and/or the contractor/developer over which the Government of Guam will amortize, as lease payments to GEDA and/or the contractor/developer, the cost of the financing, design, construction, and related expenses of the Center.

As the project undertaken in the proposed legislation shall be in accordance with the plans, specifications, standards, and costs approved by GEDA, an appropriation in the amount not to exceed five percent (5%) of the total cost of the overall contract for the project supervision is made to the Authority. Additionally, \$1 Million is appropriated to GEDA from the GF for the purpose of commissioning a detailed study which compares the feasibility of either converting the existing Guam Memorial Hospital inpatient facility into a Government of Guam facility or developing a new local government facility. The Bill further states that the rental payments under the lease and the lease-back may be secured by a pledge or other reservation of revenues collected by the government of Guam from (1) the sum of no more than \$35 Million from the revenues received and available pursuant to Title 11 GCA, Chapter 42 (Earned Income Tax Credit) for FY 2022 only; (2) the sum of no more than \$35 Million from annual appropriations thereafter from the GF; (3) the use of federal funds made available to the Government of Guam by the United States federal government for such purposes; (4) and the use of other financing options, including, but not limited to loans, grants, bond financing, and other alternate funding or financing options.

Any amounts pledged or reserved shall be subject to annual appropriation for the purpose of making lease-back payments. Should Guam receive the estimated amount of \$60 Million in EITC reimbursements annually pursuant to Section 9625 of U.S. Public Law 117-2, there would be sufficient funding to make the rental payments under the lease and lease-back contract. Relative to the \$1 Million GF appropriation to GEDA for the aforementioned feasibility study,

the Consolidated Revenue and Expenditure Report for the Month Ending May 31st projects a GF lapse of \$6.4 Million in FY 2021. However, the Bureau recommends to err on the side of caution relative to any additional appropriations in FY 2021 and to continue the tracking of GF revenues for the remaining months of the fiscal year. It should be noted that GEDA is in support of the legislation as substituted since necessary amendments have been incorporated at the advice of their Bond Counsel.