

I Mina'trentai Siette Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
125-37 (COR)	Dwayne T.D. San Nicolas Joe S. San Agustin Christopher M. Dueñas	AN ACT TO ADD A NEW §3108(j) AND §3108.1 TO ARTICLE 1, CHAPTER 3, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A DIFFERENT WAGE SYSTEM FOR INDIVIDUALS HIRED FOR TRAINING PURPOSES.	5/17/23 3:53 p.m.						

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 125-37 (COR)

Introduced by:

Dwayne T. D. San Nicolas
Joe S. San Agustin
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**AN ACT TO ADD A NEW §3108(i) AND §3108.1 TO
ARTICLE 1, CHAPTER 3, TITLE 22, GUAM CODE
ANNOTATED, RELATIVE TO ESTABLISHING A
DIFFERENT WAGE SYSTEM FOR INDIVIDUALS HIRED
FOR TRAINING PURPOSES.**

BE IT ENACTED BY THE PEOPLE OF GUAM.

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that

allowing employers and businesses to pay unemployed individuals, at minimum, the
Federal minimum wage for training purposes will not only help reduce the island's
unemployment rate, but also stimulate our economy and create more skilled
individuals in our workforce. In order to bolster and keep our economy stable,
incentives that promote growth such as encouraging businesses to employ more
individuals and creating a skilled workforce must be established. If employers and
businesses, especially ones in sectors that require intensive skills, were authorized
to pay individuals that have been unemployed for six months anywhere from the
Federal minimum wage, which is Seven Dollars and Twenty-Five Cents (\$7.25) per
hour, up to the current *Guåhan* minimum wage, which is Nine Dollars and Twenty-
Five Cents (\$9.25) per hour, for employment geared towards on-the-job training, it

1 will encourage them to hire more of these individuals because of the lowered
2 expenditure cost and financial impact of the trainees. This will then lower down the
3 unemployment rate in our island and stimulate the economy with more spenders and
4 consumers partaking in it. Also, because the employees are being trained, they will
5 gain marketable skills and increase their value in the job market. If, for instance, a
6 construction firm was allowed to hire and train individuals in the field, these
7 individuals will, after the period of training, be more qualified for the position and
8 save the company from having to hire overseas workers. This will also add to the
9 experience and skills of the employees, further increasing their value in the field.
10 Allowing businesses and employers to hire and train unemployed individuals and
11 paying them anywhere from the Federal minimum wage up to the current minimum
12 wage of *Guâhan* will not only reduce unemployment, but also increase the number
13 of skilled workers in the island.

14 *I Liheslaturan Guâhan* also finds that the states of Georgia, Maryland,
15 Minnesota, Nevada, and Wyoming utilize different minimum wages alongside their
16 local minimum wage. According to the U.S Department of Labor, in the states of
17 Georgia and Wyoming, employers covered under the Fair Labor Standards Act
18 utilize the Federal minimum wage, while those that are not use the State's minimum
19 wage of Five Dollars and Fifteen Cents (\$5.15). In the state of Maryland, the basic
20 minimum rate according to the U.S Department of Labor is Thirteen Dollars and
21 Twenty-Five Cents (\$13.25), but some employees are not covered by the minimum
22 rate. Employees not covered by the State's minimum rate are automatically paid the
23 Federal minimum wage. Maryland also pays employees under eighteen only 85% of
24 the State's minimum wage. In Minnesota, the state uses different minimum wages
25 depending on the type of employer and employee according to the Minnesota
26 Department of Labor and Industry. Large-employers pay their employees Ten
27 Dollars and Fifty-Nine Cents (\$10.59) per hour, while small-employers pay Eight

1 Dollars and Sixty-Three Cents (\$8.63) per hour. Minnesota also has a training wage
2 and a youth wage, both rates being the same as the rate as the small-employer rate.
3 Lastly, in Nevada, the state offers a tiered minimum wage system depending on
4 whether the employer provides health benefits, according to the State of Nevada
5 Department of Business and Industry. Employers that provide health benefits pay
6 their employees Ten Dollars and Twenty-Five Cents (\$10.25) per hour, while
7 companies that don't provide health benefits pay a dollar more, at Eleven Dollars
8 and Twenty-Five Cents (\$11.25). Allowing for the lowering of the minimum rate
9 paid for training purposes, if enacted in *Guåhan*, will give the island a more flexible
10 wage system that will cater to the needs of our local businesses and the economy.

11 The intent of *I Liheslaturan Guåhan* with this legislation is to allow
12 businesses and employers to pay anywhere from the Federal minimum wage up to
13 the current minimum wage of *Guåhan* to hire individuals that have been unemployed
14 for six (6) months for training purposes. This legislation will create more
15 employment opportunities for the unemployed and increase their skills and value in
16 the job market, stimulating and promoting the growth of our economy.

17 **Section 2.** A new § 3108(i) *shall be added* to Article 1, Chapter 3, Title 22,
18 Guam Code Annotated, to read as follows:

19 “(i) Any employee who was hired for the purpose of training as listed in §
20 21107 of 19 GCA Chapter 21, was unemployed for six (6) months at the time of
21 hiring, and qualify for welfare program benefits. These employees may be paid at
22 the rate starting from the Federal minimum wage (\$7.25) up to the current Guam
23 minimum wage (\$9.25). After such training period, employers shall revert to
24 utilizing the Guam minimum wage of Nine Dollars and Twenty-Five Cents (\$9.25)
25 per hour in the employment of such individuals”.

26 **Section 3.** A new § 3108.1 *shall be added* to Article 1, Chapter 3, Title 22,
27 Guam Code Annotated, to read as follows:

1 “§3108.1. Authorization of Federal Minimum Wage Sunset Provision.
2 §3108(i) of this Article shall take effect upon approval by I Maga’Hågan Guðhan
3 and shall remain in effect until December 30, 2025, at the expiration of which, it
4 shall automatically be repealed.”

5 **Section 4. Severability.** *If* any of the provisions of this Act or the application
6 thereof to any person or circumstance is held invalid, such invalidity *shall not* affect
7 any other provision or application of this Act which can be given effect without the
8 invalid provision or application, and to this end the provisions of this Act are
9 severable.

10 **Section 5. Effective Date.** This Act shall become effective upon enactment.