

I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
120-37 (COR)	Amanda L. Shelton Roy A.B. Quinata Joe S. San Agustin Jesse A. Lujan Tina Rose Muña Barnes Sabina Flores Perez Dwayne T.D. San Nicolas William A. Parkinson	AN ACT TO AMEND § 10113 OF ARTICLE 1, CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING WORKFORCE DEVELOPMENT BY EXTENDING THE SUNSET PROVISION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM FOR AN ADDITIONAL FIVE (5) YEARS.	5/16/23 10:15 a.m.	5/18/23	Committee on General Government Operations and Appropriations	Request: 5/18/23 6/12/23			



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

June 12, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 120-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 120-37 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 120-37 (COR)

AN ACT TO AMEND § 10113 OF ARTICLE I, CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING WORKFORCE DEVELOPMENT BY EXTENDING THE SUNSET PROVISION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM FOR AN ADDITIONAL FIVE (5) YEARS.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Labor		Dept./Agency Head: David Dell'Isola, Director	
Department's General Fund (GF) appropriation(s) to date:		\$724,183	
Department's Other Fund (Specify) appropriation(s) to date: Manpower Development Fund - \$2,371,680; Worker's Compensation Fund - \$400,000		\$2,771,680	
Total Department/Agency Appropriation(s) to date:		\$3,495,863	

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance	\$0	\$0	\$0
FY 2023 Adopted Revenues	\$0	0	0
	\$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 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	1/	1/	1/	1/	1/
Special Fund	\$0	1/	1/	1/	1/	1/
Total	\$0	1/	1/	1/	1/	1/

- | | | | |
|---|---------|--------|--------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | // N/A | // 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? | // N/A | // Yes | /X/ No |
| 4. Will the enactment of this Bill require new physical facilities? | /X/ N/A | // Yes | // No |
| 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
// Requested agency comments not received by due date | // N/A | // Yes | /X/ No |
- Other: _____

Analyst: <u>Jasmine C. Terras, BMA I</u>	Date: <u>06/09/23</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>JUN 09 2023</u>
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Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 120-37 (COR)

The proposed legislation seeks to extend the sunset provision of the Guam Registered Apprenticeship Program (GRAP) for an additional five (5) years. The current law states that eligible businesses that partake in the program are entitled to tax credits against their gross receipt tax liability equal to fifty percent (50%) of the eligible training costs paid or incurred by the business including the direct wages of the apprentices, direct fringe benefits, journeyman's wages, instructor costs, training costs, and personal protective equipment. The tax credit and sunshine provision is to remain in effect until December 30, 2024, however, the subject bill wishes to extend the provision of GRAP to remain in effect until December 30, 2029. As stated on the Legislative Findings and Intent, the GRAP has provided approximately \$43,000,000 in tax credits in the last 13 years, with an average annual tax credit of about \$3,307,692. The Bureau notes that the tax credits may total about \$16,538,460 in non-generated revenue over the additional 5 years.

The Department of Labor (DOL) also notes that two (2) Management Analyst positions are required to continue the program, with an estimated cost impact of \$141,926 which is inclusive of salaries and benefits. The DOL anticipates 500 new apprentices in 2023, equating to 2-4 years of monitoring apprenticeship tax credits. Additionally, the DOL recommends major changes to the proposed legislation as there are numerous structural flaws.