

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
125-37 (COR)	Dwayne T.D. San Nicolas Joe S. San Agustin Christopher M. Dueñas	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.	5/17/23 3:53 p.m.	5/19/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 5/19/23 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. 125-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 125-37 (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. 125-37 (COR)

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.

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
FY 2023 Appro. (P.L. 36-107)	\$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	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?
If Yes, see attachment // N/A // Yes /X/ No
- Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? \$ _____ /X/ N/A // Yes // No
- Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies? // N/A // Yes /X/ No
Is there a federal mandate to establish the program/agency? /X/ N/A // Yes // No
- Will the enactment of this Bill require new physical facilities? // Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
// Requested agency comments not received by due date /X/ Yes // No

Analyst: Jasmine C. Tereas, BMA I Date: 06/09/23 Director: Lester L. Carlson, Jr., Director Date: JUN 09 2023

Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 125-37 (COR)

The proposed legislation seeks 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. Effective September 1, 2021, P.L. 36-1 required that every employer pay each person employed by him wages at a rate not less than Nine Dollars and Twenty-Five Cents (\$9.25) per hour. The subject bill will allow employees to be paid at the rate starting from the Federal minimum wage (\$7.25) up to the current Guam minimum wage (\$9.25) if the employee who was hired for the purpose of training as listed in §21107 of 19 GCA Chapter 21 was unemployed for six (6) months at the time of hiring, and qualify for welfare program benefits. After such training period, employers shall revert to utilizing the Guam minimum wage (\$9.25).

According to the Department of Labor (DOL), the cost impact for the Department is a minimum of 2-4 additional Labor Law Enforcement Specialist I positions to implement the program, with an estimated cost impact of \$102,260 to \$204,520 per annum which is inclusive of salaries and benefits. Their duties will be focused on the monitoring and combatting of potential abuse or illegalities. The cost impact to the public is that there will be some impact for employers, but given time constraints, the DOL is unable to provide compilation of the necessary forms and documents. Additionally, the DOL recommends major changes to the proposed legislation as it contains a number of structural flaws.