

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
164-37 (LS)	Jesse A. Lujan Telo T. Taitague Joanne Brown Christopher M. Dueñas Thomas J. Fisher Frank Blas, Jr.	AN ACT TO PROVIDE EMERGENCY FUNDING TO THE GUAM MEMORIAL HOSPITAL.	8/30/23 9:29 a.m.	8/30/23	Committee on General Government Operations and Appropriations	Request: 8/30/23 9/15/23			



COMMITTEE ON RULES

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

September 15, 2023

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

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

Subject: **Fiscal Note for Bill No. 164-37 (LS)**

Håfa Adai yan Biba Guahan!

Find the attached, Fiscal Note for the following bill:

Bill No. 164-37 (LS).

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. 164-37 (LS)**

AN ACT TO PROVIDE EMERGENCY FUNDING TO THE GUAM MEMORIAL HOSPITAL.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Memorial Hospital Authority	Dept./Agency Head: Lillian Perez-Posadas, Administrator
Department's General Fund (GF) appropriation(s) to date:	\$3,502,709
Department's Other Fund (GMHA Pharmaceuticals Fund) appropriation(s) to date:	\$19,631,513
Total Department/Agency Appropriation(s) to date:	\$23,134,222

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 37-3)	\$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	\$0
Special Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$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? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason: / / Yes /X/ No
/X/ Requested agency comments not received by due date / / Other:

Analyst: Joaquin A.J. Guerrero II Date: 9/14/23 Director: Lester L. Carlson, Jr. Date: SEP 15 2023

Notes:
1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 164-37 (LS)

The Bureau notes that the proposed legislation specifies that all unappropriated Fiscal Year 2022 and 2023 audited excess funds shall be appropriated to the Guam Memorial Hospital. The language as written is a concern as it would also include all special revenue funds which are created by statute and restricted for specific purposes.

The Bureau would like to reiterate from the Governor's statements in her transmittal letter to the Speaker on the lapsing of Substitute Bill No. 26-37 (COR) into law as Public Law 37-42, regarding the Continued Improper Appropriation of FY22 Audited Excess General Fund Revenues and FY23 Excess General Fund Revenues. The Budget Act contains over a dozen appropriations from the audited excess General Fund revenues and unassigned fund balances for Fiscal Year 2022, totaling over \$19 Million dollars. Though the audit process for FY 2022 remains pending at this time, based on the Consolidated Revenue and Expenditure Report and the Bureau's tracking, the relevant Budget Act appropriations exceed potentially available FY 2022 fund balances. Excess FY 2022 revenues were over-appropriated even prior to these new appropriations from the combination of appropriations contained in the FY 2023 Budget Act and subsequent appropriations utilizing the same funding source passed throughout the fiscal year. The continuous attempts of the Guam Legislature to appropriate from this depleting source has resulted in over \$19 Million dollars of "phantom" appropriations, which are effectively empty promises to the affected government entities and programs. The Budget Act continues this practice of appropriating from "Excess General Fund Revenues." The Governor has repeatedly cautioned against this practice in her statement transmitting the last budget, as well as in her statements accompanying bills passed throughout the year that contain the same problematic appropriations language. The "excess revenues" are subject to the dynamic and complex processes of the government's financial infrastructure and remain fluid even beyond the completion of an audit.

Further, an estimated cost impact is unable to be determined at this time as the Office of Public Accountability has not yet released the Government of Guam FY 2022 Audited Financial Statement and have not begun to audit FY 2023 as the current fiscal year has not officially closed.