

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
173-37 (COR)	Therese M. Terlaje	AN ACT TO APPROPRIATE FIFTEEN MILLION EIGHT HUNDRED TWENTY-EIGHT THOUSAND DOLLARS (\$15,828,000) FROM FISCAL YEAR 2023 GENERAL FUND REVENUES COLLECTED IN EXCESS OF THE ADOPTED LEVELS ENUMERATED IN PUBLIC LAW 36-107, AS AMENDED, TO THE GUAM POWER AUTHORITY FOR A THREE (3)-MONTH EXTENSION TO THE PRUGRÁMAN AYUDA PARA I TAOTAO-TA ENERGY CREDIT PROGRAM, RELATIVE TO PROVIDING CUSTOMERS WITH THREE HUNDRED DOLLARS (\$300) CREDIT TOWARD THEIR ACCOUNT.	9/22/23 8:00 a.m.	9/22/23	Committee on General Government Operations and Appropriations	Request: 9/22/23 10/13/23			



COMMITTEE ON RULES

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

October 13, 2023

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

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

Subject: **Fiscal Note for Bill No. 173-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 173-37 (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. 173-37 (COR)**

AN ACT TO APPROPRIATE FIFTEEN MILLION EIGHT HUNDRED TWENTY-EIGHT THOUSAND DOLLARS (\$15,828,000) FROM FISCAL YEAR 2023 GENERAL FUND REVENUES COLLECTED IN EXCESS OF THE ADOPTED LEVELS ENUMERATED IN PUBLIC LAW 36-107, AS AMENDED, TO THE GUAM POWER AUTHORITY FOR A THREE (3)-MONTH EXTENSION TO THE PRUGRAMAN AYUDA PARA I TAOTAO-TA ENERGY CREDIT PROGRAM, RELATIVE TO PROVIDING CUSTOMERS WITH A THREE HUNDRED DOLLARS (\$300) CREDIT TOWARD THEIR ACCOUNT.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Power Authority	Dept./Agency Head: John M. Benavente, P.E., General Manager
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (Specify) appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$0

Fund Source Information of Proposed Appropriation			
	General Fund:	Healthy Futures Fund / Guam Highway Fund / Guam Educational Facilities Fund	Total:
FY 2023 Unreserved Fund Balance: Projected for Sept. 2023 CRER	\$40,988,543	(\$13,407,253)	\$27,581,290
FY 2024 Adopted Revenues	\$812,294,755	\$86,583,250	\$898,878,005
FY 2024 Appropriations (P.L. 37-42)	(\$812,294,755)	(\$86,583,250)	(\$898,878,005)
Sub-total:	\$40,988,543	(\$13,407,253)	\$27,581,290
Less: Appropriation in Bill 173-37 (COR)	(\$15,828,000)	\$0	(\$15,828,000)
Total:	\$25,160,543	(\$13,407,253)	\$11,753,290

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2024 (if applicable)	FY 2025	FY 2026	FY 2027	FY 2028
General Fund	1/	1/	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	1/	1/	\$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? / / N/A / / Yes / X / 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
/ / Requested agency comments not received by due date / / Other:

Analyst: <u>Jason Baza</u> Date: <u>10/10/23</u> Director: <u>Lester L. Carlson, Jr.</u> Date: <u>OCT 13 2023</u>
Jason Baza, BMA Supervisor Lester L. Carlson, Jr., Director

Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 173-37 (COR)

The proposed legislation intends to appropriate Fifteen Million Eight Hundred Twenty-Eight Thousand Dollars (\$15,828,000) from FY23 General Fund revenues collected in excess of the adopted levels enumerated in P.L. 36-107 (FY23 Budget Act), as amended, to the Guam Power Authority (GPA) for a three (3) month extension to the Prugrãman Ayuda Para I Taotao-Ta Energy Credit Program for the period of October 2023 through December 2023. The proposed extension would provide three (3) additional months of One Hundred Dollar (\$100) credits for GPA customers.

The proposed extension would necessitate a fourth round of the GPA Energy Credit Program, which has expended a total of \$79,143,000 from July 2022 through September 2023 (fifteen months of \$100 credits for GPA customers) utilizing excess General Fund revenues (\$68,343,367 from FY22 General Fund excess. Passage of this proposed extension would result in the amount of \$94,971,000 being dedicated to the GPA Energy Credit Program since the passage of P.L. 36-106 (original implementation of the GPA Energy Credit Program).

The Bureau notes that the projected unobligated General Fund Revenue for FY23, inclusive of September 2023 collections, amounts to \$40,988,543. However, the Bureau's projected shortfall in Special Revenue Funds (i.e. Healthy Futures Fund, Guam Highway Fund, and Guam Educational Facilities Fund) amounts to \$13,407,253. Because the General Fund covers any shortfalls experienced in Special Revenue Funds, the Bureau's anticipated net unobligated General Fund Revenue (inclusive of the Special Revenue Fund shortfalls) amounts to \$27,581,290.

Based on the aforementioned estimate of the net unobligated General Fund Revenue for FY23, funds are technically sufficient from FY23 to cover the proposed extension as of the date this fiscal note was being prepared. However, it is important to note that, although a different Fiscal Year source, overall appropriations from the balance of FY22 General Fund revenues is currently over-obligated by \$19,153,316. Should the balance of FY23 General Fund revenues need to be utilized to cover the \$19.1M over-obligation, then the FY23 unobligated General Fund balance reduces to \$8,427,974. Should that be the case, then funds from the unobligated FY23 General Fund revenue will not be sufficient.

Additionally, the Bureau notes that a competing legislative measure (Bill 164-37) is currently being discussed via emergency session, with the goal of appropriating \$30M to the Guam Memorial Hospital Authority (GMHA) from excess General Fund revenues. In preparation for the emergency session on Bill 164-37, the Bureau laid out a plan to make the \$30M available. This plan entails the following: 1) De-appropriating balances of appropriations that utilize the FY22 General Fund balance from P.L. 36-107 (FY23 Budget Act), which would clear the over-obligation of \$19,153,316 in the FY22 excess General Fund revenue balance; 2) de-appropriating the amount of \$2,418,711 from the appropriation authorized in P.L. 37-03 (General Pay Plan adjustment); and 3) utilizing the combination of the net FY23 unobligated General Fund revenue balance of \$27,581,290 (noted above) and the de-appropriation amount of \$2,418,711 from P.L. 37-03 to arrive at \$30M to be appropriated to GMHA.

As such, absent any de-appropriation as stated above, funding will be insufficient to cover the proposed extension of the GPA Energy Credit Program. Further, should the competing legislative measure noted above be passed, inclusive of the de-appropriations required to fulfill its intent, funds will be insufficient to cover the proposed extension of the GPA Energy Credit Program.