

*I Mina'trentai Siette Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
2-37 (COR)	Telo T. Taitague Therese M. Terlaje Frank Blas Jr. Sabina Flores Perez Joanne Brown Chris Barnett Thomas J. Fisher Dwayne T.D San Nicolas	AN ACT TO ADD A NEW CHAPTER 8B TO TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO IMPLEMENTING THE "SUPPLEMENTAL COLA ADJUSTMENT ACT," A SUPPLEMENTARY COST OF LIVING ADJUSTMENT (COLA) FOR GOVERNMENT OF GUAM RETIREES WHO ARE RESIDENTS OF GUAM, AND TO ADD A NEW SECTION 13108A TO CHAPTER 13, TITLE 2 OF THE GUAM CODE ANNOTATED, RELATIVE TO CREATING A SPECIAL COST OF LIVING ECONOMIC SERVICE.	1/5/23 10:36 a.m.	1/6/23	Committee on Human Resources, Hagåtña Revitalization, Regional Affairs, Public Libraries, Telecommunications, Technology and Federal and Foreign Affairs			Request: 1/6/23  1/19/23	



## COMMITTEE ON RULES

Senator Chris Barnett, Chairperson  
*I Mina'trentai Siette Na Liheslaturan Guåhan*  
37<sup>th</sup> Guam Legislature

January 19, 2023

**To:** **RennaeVanessa C. Meno**  
Clerk of the Legislature

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

**Subject:** **Fiscal Note for Bill No. 2-37 (COR)**

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*Håfa Adai,*

Find the attached, Fiscal Note for the following bill:

**Bill No. 2-37 (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. 2-37 (COR)**

**AN ACT TO ADD A NEW CHAPTER 8B TO TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO IMPLEMENTING THE "SUPPLEMENTAL COLA ADJUSTMENT ACT," A SUPPLEMENTARY COST OF LIVING ADJUSTMENT (COLA) FOR GOVERNMENT OF GUAM RETIREES WHO ARE RESIDENTS OF GUAM, AND TO ADD A NEW SECTION 13108A TO CHAPTER 13, TITLE 2 OF THE GUAM CODE ANNOTATED, RELATIVE TO CREATING A SPECIAL COST OF LIVING ECONOMIC SERVICE.**

**Department/Agency Appropriation Information**

Dept./Agency Affected: Government of Guam Retirement Fund (GGRF)	Dept./Agency Head: Paula M. Blas, Director
Department's General Fund (GF) appropriation(s) to date:	\$41,235,458
Department's Other Fund appropriation(s) to date:	\$0
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$41,235,458</b>

**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 Appropriations (P.L. 36-107)	\$0	0	0
Sub-total:	\$0	0	0
Less appropriation in Bill	\$0	0	0
<b>Total:</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

**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/	\$2,202,816	\$0	\$2,202,816	\$2,202,816	\$2,202,816	\$2,202,816
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$2,202,816</b>	<b>\$0</b>	<b>\$2,202,816</b>	<b>\$2,202,816</b>	<b>\$2,202,816</b>	<b>\$2,202,816</b>

- 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: /X/ Yes // No  
/X/ Requested agency comments not received by due date: \_\_\_\_\_ // Other: \_\_\_\_\_

Analyst: Arthur R. Mariano, B&MA Supervisor Date: 1/12/23 Director: Lester L. Carlson, Jr., Director Date: JAN 18 2023

**Footnotes:**

1/: In its current form, the subject legislation proposes to implement a "Supplemental COLA Adjustment Act" (SCAA) for retirees who are residents of Guam and to create a Special Cost of Living Economic Service under *I Liheslaturan Guahan's* Office of Finance and Budget. This Service shall, among other requirements, prepare a report which contains a cost of living adjustment and a declining sliding-scale COLA adjustment schedule to implement the SCAA. While the projected cost is dependent on the recommendations of the Service, Attachment #1 was prepared which shows a potential cost impact per fiscal year of approximately \$2.2 Million by applying adjustments of between 5% to 15% increases to the base COLA amount of \$2,000 on a sliding-scale basis for annuitants receiving \$40K or less (\$300 or 15% increase) to annuitants receiving \$80,001 or more (\$100 or 5% increase). It should be noted, however, that affected COLA recipients (retirees, survivors, etc.) will likely be concerned with both the Guam residency and enrollment requirement provisions contained in the Bill.

## ATTACHMENT #1

### BILL NO. 2-37 (COR) PROJECTED COST IMPACT

#### COLA PAYMENTS (Status Quo Level)

Annuitant Category	% of Annuitants	Avg. No. of Retirees 1/	% Adjustment to COLA Payment	COLA (Per Annum)	TOTAL COST (PER ANNUM)
All	100%	8344	None	\$2,000	\$16,688,000

#### COLA PAYMENTS (Sliding Scale based on Annuity)

Annuitant Category 2/	% of Annuitants 2/	No. of Retirees 3/	% Adjustment to COLA Payment	COLA (Per Annum)	TOTAL COST (PER ANNUM)
\$40,000 or Less	70%	5841	15% Increase	\$2,300	\$13,433,840
\$40,001 - \$60,000	21%	1752	10% Increase	\$2,200	\$3,854,928
\$60,001 - \$80,000	6%	501	7.5% Increase	\$2,150	\$1,076,376
\$80,001 or More	<u>3%</u>	<u>250</u>	<u>5.0% Increase</u>	<u>\$2,100</u>	<u>\$525,672</u>
----	100%	8344	----	----	\$18,890,816

**COST IMPACT (PER ANNUM)**

**\$2,202,816**

1/: FY2018-FY2022 - 5-Year Average No. of Retirees based on COLA amounts paid in those fiscal years

2/: Based on Annuitant Data as of January 2021 (provided by the GGRF)

3/: Average No. of Retirees (8,344) x Percentage of Annuitants