

*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
<b>204-37 (COR)</b>	Joe S. San Agustin Roy A. B. Quinata Dwayne T.D. San Nicolas William A. Parkinson	AN ACT TO APPROPRIATE NINE MILLION DOLLARS (\$9,000,000) FROM THE FISCAL YEAR 2022 GENERAL FUND BALANCE TO THE DEPARTMENT OF PUBLIC WORKS FOR MAINTENANCE AND REPAIR OF GUAM'S ROADWAYS.	11/22/23 2:15 p.m.	11/27/23	Committee on General Government Operations and Appropriations	Request: 11/27/23  12/18/23			



## COMMITTEE ON RULES

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

December 18, 2023

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

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

**Subject:** **Fiscal Note for Bill No. 204-37 (COR)**

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*Håfa Adai yan Biba Guåhan!*

Find the attached, Fiscal Note for the following bill:

**Bill No. 204-37 (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. 204-37 (COR)**

**AN ACT TO APPROPRIATE NINE MILLION DOLLARS (\$9,000,000) FROM THE FISCAL YEAR 2022 GENERAL FUND BALANCE TO THE DEPARTMENT OF PUBLIC WORKS FOR MAINTENANCE AND REPAIR OF GUAM'S ROADWAYS.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Public Works (DPW)	Dept./Agency Head: Vincent P. Arriola, Director
Department's General Fund (GF) appropriation(s) to date:	
Other Funds: Guam Highway Fund (\$13,352,199); Guam Educational Facilities Fund (\$7,985,584)	21,337,783
	<b>\$21,337,783</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2023 Unreserved Fund Balance		\$0	\$0
FY 2024 Adopted Revenues	\$0	\$0	\$0
FY 2024 Appropriation	\$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 2024 (if applicable)	FY 2025	FY 2026	FY 2027	FY 2028
General Fund 1/	\$0	\$9,000,000	\$0	\$0	\$0	\$0
Other Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total 1/</b>	<b>\$0</b>	<b>\$9,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

1. Does the bill contain "revenue generating" provisions? // Yes      /X/ No  
If Yes, see Attachment.
2. Is amount appropriated adequate to fund the intent of the appropriation? // N/A      /X/ Yes      // No  
If no, what is the additional amount required? \$ \_\_\_\_\_ /X/ N/A
3. 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
4. Will the enactment of this Bill require new physical facilities? // Yes      /X/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes      // No  
// Requested agency comments not received by due date      // Other:

Analyst: <u>Bernice Torres</u>	Date: <u>12/15/23</u>	Director: <u>Lester L. Carlson, Jr.</u>	Date: <u>DEC 18 2023</u>
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Comments:  
1/ See attached comments on Bill 204-37 (COR).

BUREAU OF BUDGET AND MANAGEMENT RESEARCH  
Comments on Bill No. 204-37 (COR)

The proposed legislation intends to appropriate \$9.0 million from the Fiscal Year 2022 General Fund Balance to the Department of Public Works (DPW) for maintenance and repair of Guam's roadways. The priority of these funds shall be to improve the visibility of all drivers by repainting, restriping, and adding reflective markers for road lanes, lane markers, curbs, and bicycle sharrows of routed and secondary roads.

Based on comments received from the DPW, the funds will be used to fulfill its mandates to properly maintain and construct existing highways, primary, secondary, and collector roads including the implementation of all highway-safety related plans, programs, and projects outlined in Title 5 GCA Chapter 54, Highway Projects. It will further assist DPW in its efforts to identify and address immediate and long-range road resurfacing needs.

According to comments from the Department of Administration (DOA), the Guam Legislature may have misunderstood the effect of the FY22 appropriations. The effect may be seen in the audited statements, but may also be viewed in the attached press release dated September 13, 2023 from the Office of the Governor. The residual fund balance after Legislative appropriations made at that time is attributable to self-accounting units that are part of the General Fund. The two largest are GDOE (\$8.5m) and PDSC (\$1.9m). It should also be noted that, although \$8.998m is unassigned, \$11.591m is retained in the units stated on the Governor's press release.

The Bureau recognizes that the Office of Public Accountability (OPA) Financial Highlights of the Government of Guam (GovGuam) FY 2022 Financial Statements, which indicates the General Fund reported a surplus for the year of \$105.1 million. Of this amount, \$28 million has been transferred to the Rainy Day Fund. In addition, the Guam Legislature enacted legislation appropriating \$67.9 million from the FY 2022 surplus both during FY 2022 (\$25.9 million) and subsequently in FY 2023 (\$42 million), leaving only \$9.2 million of the 2022 surplus yet to be appropriated. Thus, the intention of Bill 204-37 to appropriate \$9.0 million from this \$9.2 million 2022 surplus to DPW for the purposes noted.

It should be noted that FY 2022 Financial Statements accounted for additional appropriations made in FY 2022 and FY 2023. However, it does not include other subsequent appropriations made against the FY2022 General Fund Balance during FY 2024 (\$19.2 million) resulting in an over-obligation of - \$10,279,742.

The Bureau has completed a General Fund Reconciliation Summary which is attached to this fiscal note for reference. Based on this reconciliation, the FY 2022 General Fund Balance is currently over-obligated by (\$10,279,742). As such, the proposed funding source from the FY 2022 General Fund surplus is not available to support the proposed appropriation measure.

**GENERAL FUND RECONCILIATION (SUMMARY)**

	FY21 Audited	FY22 Audited	FY23 Unaudited
<b>A Beginning Fund Balance</b>	<b>(1,513,682)</b>	<b>30,351,140</b>	<b>(10,279,742)</b>
<b>B Revenues</b>	749,406,835	813,966,500	931,731,570
<b>C Expenditures</b>	<b>(717,542,013)</b>	<b>(708,849,200)</b>	<b>(795,365,942)</b>
<b>D Ending Fund Balance (A + B + C)</b>	<b>30,351,140</b>	<b>135,468,440</b>	<b>126,085,886</b>
<b>E Deposit Into Rainy Day Fund</b>	0	(28,000,000)	(14,556,248)
<b>Component Units with Retained Funds (per DOA)</b>			
Guam Department of Education	0	(8,504,000)	0
Guam Legislature	0	(450,000)	0
Office of Public Accountability	0	(396,000)	0
Public Defender Services Corporation	0	(1,948,000)	0
Unified Judiciary	0	(293,000)	0
<b>F Subtotal</b>	<b>0</b>	<b>(11,591,000)</b>	<b>0</b>
<b>G Net Fund Balance Subtotal (D + E + F)</b>	<b>30,351,140</b>	<b>95,877,440</b>	<b>111,529,638</b>
<b>Appropriations Against General Fund Balance (During FY22 &amp; FY23)</b>			
P.L. 36-107, Ch. 3, Pt. 2, Sec. 11(b) - DPHSS	0	(283,541)	0
P.L. 36-107, Ch. 3, Pt. 3, Sec. 2 - GBHWC	0	(342,774)	0
P.L. 36-107, Ch. 3, Pt. 3, Sec. 4 - GBHWC	0	(201,157)	0
P.L. 36-107, Ch. 4, Sec. 5 - Unified Judiciary	0	(190,000)	0
P.L. 36-107, Ch. 5, Sec. 1(d)(2) - OVA	0	(104,388)	0
P.L. 36-107, Ch. 5, Sec. 1(j)(3) - DPW	0	(10,628,742)	0
P.L. 36-107, Ch. 5, Sec. 1(r)(5) - GEPA	0	(470,574)	0
P.L. 36-107, Ch. 5, Sec. 1(u)(2) - DLM	0	(40,197)	0
P.L. 36-107, Ch. 5, Sec. 1(w)(2) - CQA	0	(569,000)	0
P.L. 36-107, Ch. 5, Sec. 1(cc)(2) - CLTC	0	(137,511)	0
P.L. 36-107, Ch. 5, Sec. 1(ee)(1) - GEC	0	(602,690)	0
P.L. 36-107, Ch. 9, Sec. 2 - OPA	0	(371,602)	0
P.L. 36-107, Ch. 11, Sec. 8 - GWA	0	(2,000,000)	0
P.L. 36-107, Ch. 11, Sec. 9 - N/S S&W Conserve	0	(100,000)	0
P.L. 36-107, Ch. 11, Sec. 10 - GALC	0	(90,000)	0
P.L. 36-107, Ch. 11, Sec. 11 - DOAg	0	(400,000)	0
P.L. 36-107, Ch. 11, Sec. 12 - DOAg	0	(600,000)	0
P.L. 36-107, Ch. 12, Sec. 32 - GMHA	0	(5,000,000)	0
P.L. 36-107, Ch. 12, Sec. 53 - GMHA	0	(15,000,000)	0
P.L. 36-107, Ch. 13, Pt. 2, Sec. 20 - GACSC	0	(962,500)	0
P.L. 36-107, Ch. 13, Pt. 2, Sec. 29 - COLA	0	(1,482,200)	0
P.L. 36-119, Sec. 3 - Unified Judiciary	0	(250,000)	0
P.L. 36-123 - GPA Credit (Round 2)	0	(26,381,000)	0
P.L. 36-124 - Gas Tax Relief Act	0	(5,215,823)	0
P.L. 37-03 - General Pay Plan Adjustment	0	0	(21,032,670)
P.L. 37-05 - GDOE Capital Improvements	0	0	(21,358,877)
P.L. 37-15 - LEAP	0	0	(15,000,000)
P.L. 37-16 - GPA Credit (Round 3)	0	(15,581,367)	(10,799,633)
<b>H Subtotal Appropriations Against Fund Balance (During FY22 &amp; FY23)</b>	<b>0</b>	<b>(87,005,066)</b>	<b>(68,191,180)</b>
<b>I General Fund Balance Prior to P.L. 37-42 (G + H)</b>	<b>30,351,140</b>	<b>8,872,374</b>	<b>43,338,458</b>
<b>Appropriations Against Fund Balance (During FY24)</b>			
P.L. 37-42, Ch. 11, Sec. 5(f) - COLA	0	(746,900)	0
P.L. 37-42, Ch. 11, Sec. 10(a) - CLTC Loan Guarantee Fund	0	(1,000,000)	0
P.L. 37-42, Ch. 11, Sec. 13 - UOG Faculty Salary Adjustments	0	(3,600,367)	0
P.L. 37-42, Ch. 11, Sec. 14 - DPHSS Tobacco & Nicotine Prevention	0	0	(500,000)
P.L. 37-42, Ch. 11, Sec. 14 - GBHWC Tobacco & Nicotine Prevention	0	0	(100,000)
P.L. 37-42, Ch. 11, Sec. 16 - Additional CLTC Loan Guarantee Fund	0	(320,105)	0
P.L. 37-42, Ch. 11, Sec. 16 - CLTC Survey & Infrastructure Fund	0	(321,263)	0
P.L. 37-42, Ch. 11, Sec. 17 - GACSC Additional Student Enrollment	0	(4,425,000)	0
P.L. 37-42, Ch. 11, Sec. 18 - DYA (Sanctuary Incorporated)	0	(250,000)	0
P.L. 37-42, Ch. 11, Sec. 19 - GFD Recruit Cycle	0	(1,800,000)	0
P.L. 37-42, Ch. 11, Sec. 19 - DOC Recruit Cycle	0	(1,800,000)	0
P.L. 37-42, Ch. 12, Sec. 34 - DOC/GMHA Consolidated Agreement	0	(3,650,000)	0
P.L. 37-42, Ch. 12, Sec. 36 - Guam Fishermen's Co-op	0	(500,000)	0
P.L. 37-42, Ch. 12, Sec. 51 - GDOE Supplemental Operations	0	0	(10,000,000)
P.L. 37-42, Ch. 12, Sec. 52 - CQA Recruit Cycle	0	(554,100)	0
P.L. 37-42, Ch. 12, Sec. 53 - North/South Soil & Water Conservation	0	(58,381)	0
P.L. 37-42, Ch. 12, Sec. 54 - Guam Ethics Commission Operations	0	(126,000)	0
P.L. 37-43, Sec. 1 - GMHA Vendor Payables	0	0	(30,000,000)
<b>J Subtotal Appropriations Against Fund Balance (During FY24)</b>	<b>0</b>	<b>(19,152,116)</b>	<b>(40,600,000)</b>
<b>Special Fund Anticipated Shortfall</b>			
<b>K HFF / GHF / GEFF (Per September 2023 Special Fund Revenue Report)</b>	<b>0</b>	<b>0</b>	<b>(13,407,253)</b>
<b>Balance</b>			
<b>L Revised Fund Balance (I + J + K)</b>	<b>30,351,140</b>	<b>(10,279,742)</b>	<b>(10,668,795)</b>

LOURDES A. LEON GUERRERO  
GOVERNOR



JOSHUA F. TENORIO  
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN  
OFFICE OF THE GOVERNOR OF GUAM

**FOR IMMEDIATE RELEASE - September 13, 2023**

### **General Fund Surplus for Fourth Consecutive Year (Unaudited)**

Hagåtña, Guam - The Leon Guerrero-Tenorio Administration has reported a General Fund surplus for a fourth year in succession. The FY 2022 unaudited Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances reports the General Fund reflects a positive net change in fund balance of \$105,117,000. Of that amount, the Rainy Day Fund which is a part of the surplus accounts for \$28,000,000. Therefore, an operating surplus of \$77,117,000 was earned on the accounting basis reported in the basic financial statements. Of the \$77,117,000, public laws have appropriated from the fund surplus a total of \$68,119,000. Therefore, the unassigned surplus balance is \$8,998,000. This represents funds that are otherwise not appropriated, or committed. In order to sustain the government's surplus position, maintain the government's improved credit rating, and mitigate future risks, an adequate fund balance should be maintained.

The FY 2022 positive position of \$105,117,000 are attributed as follows:

Line Agencies/Departments	65,526,000
Guam Department of Education	8,504,000
Legislature	450,000
Public Auditor	396,000
Public Defender Service Corporation	1,948,000
Rainy Day Fund	28,000,000
Unified Courts	293,000
	<u>105,117,000</u>

These numbers differ from the budgetary basis used for budget reporting principally because revenues are reported as earned rather than collected, and expenditures are recorded, as incurred rather than appropriated.

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