

I Mina'trentai Siete Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
24-37 (COR)	Committee on Rules by request of <i>I Maga'hågan Guåhan</i> , the Governor of Guam, in accordance with the Organic Act of Guam.	AN ACT TO AMEND SECTION 2 OF CHAPTER 1 AND SECTION 2 OF PART 1, CHAPTER III; AND TO ADD NEW SECTIONS 13, 14, 15, 16, 17 AND 18 TO CHAPTER XI, ALL OF PUBLIC LAW 36-107 (GENERAL APPROPRIATIONS ACT OF 2023), RELATIVE TO APPROPRIATING TWENTY THREE MILLION THREE HUNDRED SIXTY FIVE THOUSAND THREE HUNDRED FOUR DOLLARS (\$23,365,304) FOR THE IMPLEMENTATION OF THE ADJUSTED GENERAL PAY PLAN.	2/1/23 9:44 a.m.	2/1/23	Committee on General Government Operations and Appropriations	2/27/23 9:00 a.m.	3/16/23 8:00 a.m. As amended by the Committee on General Government Operations and Appropriations.	Request: 2/1/23 2/3/23 Revised Request: 3/16/23 Revised: 3/20/23	Additional Testimonies 3/20/23



COMMITTEE ON RULES

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

March 20, 2023

To: RennaeVanessa C. Meno
Clerk of the Legislature

From: Senator Chris Barnett 
Chairperson, Committee on Rules

Subject: Revised Fiscal Note for Bill No. 24-37 (COR), As amended by the
Committee.

Håfa Adai yan Biba Guåhan!

Find the attached, Revised Fiscal Note for the following bill:

**Bill No. 24-37 (COR), As amended by the Committee on General Government
Operations and Appropriations.**

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. 24-37 (COR)
as Amended by the Committee on General Government Operations & Appropriations

AN ACT TO AMEND SECTION 2 OF CHAPTER 1 AND SECTION 2 OF PART 1, CHAPTER III; AND TO ADD NEW SECTIONS 13, 14, 15, 16, 17, AND 18 TO CHAPTER XI, ALL OF PUBLIC LAW 36-107 (GENERAL APPROPRIATIONS ACT OF 2023), RELATIVE TO APPROPRIATING TWENTY THREE MILLION THREE HUNDRED SIXTY FIVE THOUSAND THREE HUNDRED FOUR DOLLARS (\$23,365,304) FOR THE IMPLEMENTATION OF THE ADJUSTED GENERAL PAY PLAN.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Administration	Dept./Agency Head: Edward Birn, Director
Department's General Fund (GF) appropriation(s) to date:	\$8,196,612
Department's Other Fund (Specify) appropriation(s) to date: Indirect Cost Fund & Limited Gaming Fund	\$772,067
Total Department/Agency Appropriation(s) to date:	\$8,968,679

Fund Source Information of Proposed Appropriation

	General Fund:	GMHA Pharmaceuticals Fund:	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$713,256,152	\$18,700,941	\$731,957,093
FY 2023 Appro. (P.L. 36-107)	(\$713,256,152)	(\$18,700,941)	(\$731,957,093)
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	(\$23,365,304)	(\$1,177,304)	(\$24,542,608)
Total:	(\$23,365,304)	(\$1,177,304)	(\$24,542,608)

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/	1/	1/	1/	1/	1/
GMHA Pharmaceuticals Fund	1/	1/	\$0	\$0	\$0	\$0
Total	1/	1/	1/	1/	1/	1/

1. Does the bill contain "revenue generating" provisions? / X / Yes / / 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? / / N/A / / Yes / X / 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>Jason Baza</u> Jason Baza, BMA Supervisor	Date: <u>3/20/23</u>	Director: <u>Lester L. Carlson, Jr.</u> Lester L. Carlson, Jr., Director	Date: <u>MAR 20 2023</u>
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Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 24-37 (COR)
As Amended by the Committee on General Government Operations & Appropriations

The proposed legislation intends to: 1) amend Section 2 of Chapter 1, 2) amend Section 2 of Part 1, Chapter 3, and 3) add Sections 13, 14, 15, 16, 17, and 18 to Chapter 11, all of P.L. 36-107 (FY 2023 Budget Act), relative to the implementation of the adjusted General Pay Plan (GPP).

The proposed amendments to Section 2 of Chapter 1, P.L. 36-107 includes increasing the FY 2023 adopted levels for Withholding Taxes by \$6,000,000 and Business Privilege Taxes by \$19,019,451, resulting in a total increase of \$25,019,451 in gross adopted General Fund revenues. The increase of \$25,019,451 will be allocated as follows: \$23,365,304 appropriation for the implementation of the adjusted General Pay Plan, \$1,177,304 supplemental appropriation to the Guam Memorial Hospital Authority (GMHA) Pharmaceuticals Fund (pursuant to §26208, Ch. 26, Title 11 Guam Code Annotated (GCA) relative to depositing 6.19% of Business Privilege Tax collections), and \$476,843 to the 2% General Fund Reserve/Rainy Day Fund (pursuant to §22436(a) of Ch. 22, Title 5 GCA).

It should be noted that the proposed legislation, originally, directly appropriated \$16M to the Department of Administration for the implementation of the adjusted GPP. The proposed legislation, as amended, does the following: 1) adjusts FY 2023 adopted revenues to accommodate the appropriation; 2) increased the total appropriation for the implementation of the adjusted GPP by \$7,365,304 to include the Judiciary of Guam, GMHA, University of Guam, Guam Community College, and Mayors Council of Guam; and 3) adjusts the appropriation to the GMHA Pharmaceuticals Fund pursuant to §26208, Ch. 26, Title 11 GCA.

Per the February 2023 CRER, the General Fund has collected approximately \$45.04M above adopted levels through February of FY 2023. However, the \$45.04M balance noted does not account for any Special Revenue Funds that may need transfers from the General Fund by the end of FY 2023. Also per the February 2023 CRER, the Withholding Tax and Business Privilege Tax revenue categories have collected \$12.8M and \$25.78M, respectively, above the FY 2023 adopted levels contained in P.L. 36-107.

The Bureau notes that there are several proposed legislative measures seeking to tap into the FY 2023 revenues collected in excess of adopted levels, namely: Bill No. 23-37 (\$10M), Bill No. 24-37 (\$25.02M), Bill No. 32-37 (\$30M), Bill Nos. 59-37 / 61-37 / 75-37 (\$15.92M maximum between the three measures), and Bill No. 80-37 (\$1M). The total amount of the competing measures combined is approximately \$81.94M, or \$36.9M more than the cited General Fund revenue collected in excess of adopted levels in FY 2023.

DOA submitted a memorandum to the Governor of Guam relative to a recommended update to the General Pay Plan (GPP) on January 30, 2023. DOA's recommendation to amend the GPP pay structure by twenty two percent (22%) was approved and concurred by the Governor on January 31, 2023. DOA's estimated annual costs associated with the updated GPP amounts to approximately Forty-One Million Eight Hundred Thousand Dollars (\$41.8M), inclusive of employees funded by federal funds.

Additionally, the Bureau notes that the updated GPP may potentially increase Withholding Tax collections from employees affected by the increased salary. Further, the potential for an uptick in spending in the economy from increased disposable income may result in increased collections in Business Privilege Tax. However, the Bureau is unable to quantify an estimated financial impact of those potential effects on Withholding Taxes and Business Privilege Taxes at this time.