

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
59-37 (COR)	Chris Barnett Sabina Flores Perez Telo T. Taitague Joanne Brown Christopher M. Dueñas Thomas J. Fisher Jesse A. Lujan	AN ACT TO APPROPRIATE THE SUM OF TEN MILLION DOLLARS (\$10,00,000) FROM THE GENERAL FUND TO THE DEPARTMENT OF ADMINISTRATION RELATIVE TO PROTECTING THE JOBS OF PRIVATE SECTOR EMPLOYEES WHILE THE TOURISM INDUSTRY REBOUNDS BY EXTENDING THE BENEFITS OF THE <i>LOCAL EMPLOYERS' ASSISTANCE PROGRAM</i> (LEAP) AS INITIALLY FUNDED BY PUBLIC LAW 36-65.	2/28/23 12:30 p.m.	3/1/23	Committee on General Government Operations and Appropriations			Request: 3/1/23 3/14/23	



COMMITTEE ON RULES

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

March 14, 2023

To: RennaeVanessa C. Meno
Clerk of the Legislature

From: Senator Chris Barnett 
Chairperson, Committee on Rules

Subject: Fiscal Note for Bill No. 59-37 (COR)

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 59-37 (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. 59-37 (COR)**

AN ACT TO APPROPRIATE THE SUM OF TEN MILLION DOLLARS (\$10,000,000) FROM THE GENERAL FUND TO THE DEPARTMENT OF ADMINISTRATION RELATIVE TO PROTECTING THE JOBS OF PRIVATE SECTOR EMPLOYEES WHILE THE TOURISM INDUSTRY REBOUNDS BY EXTENDING THE BENEFITS OF THE LOCAL EMPLOYER' ASSISTANCE PROGRAM (LEAP) AS INITIALLY FUNDED BY PUBLIC LAW 36-65.

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

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Economic Development Authority	Dept./Agency Head: Melanie Mendiola, CEO/Administrator
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:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$713,256,152	\$0	\$713,256,152
FY 2023 Appro. (P.L. 36-107)	(\$713,256,152)	\$0	(\$713,256,152)
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	(\$10,000,000)	\$0	(\$10,000,000)
Total:	(\$10,000,000)	\$0	(\$10,000,000)

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

Analyst: <u>Jason Eza</u> Date: <u>3/13/23</u>	Director: <u>Lester L. Carlson, Jr.</u> Date: <u>MAR 14 2023</u>
Jason Eza, BMA Supervisor	Lester L. Carlson, Jr., Director

Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 59-37 (COR)

The proposed legislation intends to appropriate \$10M to the Department of Administration (DOA) for the purpose of extending the benefits of the Local Employers' Assistance Program (LEAP), which a portion of the LEAP program was funded by P.L. 36-65 in the amount of \$25M. The proposed legislation cites the source of funding for the extension of LEAP to be any unappropriated surpluses from Fiscal Years 2021, 2022, or the first quarter of 2023, and would be a direct appropriation from the General Fund without an adjustment to revenue levels.

The Bureau notes that, in addition to the \$25M appropriation from P.L. 36-65 noted above, the Governor set aside approximately \$37.56M from the American Rescue Plan for the LEAP program, of which approximately \$36.39M has been paid out by DOA. As such, the combined total amount of benefits paid to date for the LEAP program amounts to approximately \$61.39M.

Per comments received from the Guam Economic Development Authority (GEDA), past assistance programs for small businesses and other data received by GEDA are currently being evaluated to determine the ideal parameters for a new round of small business assistance, in particular, relative to eligibility requirements and award maximums for eligible small businesses. The fiscal impact will be equal to the amount appropriated for the extension of LEAP benefits. Additionally per GEDA, the intent of the language proffered in the proposed legislation is unclear in regards to the parameters of the extension of LEAP, particularly in regards to reopening the application period for new applicants only, or providing additional funding to existing LEAP recipients.

Per comments received from DOA, the necessity of a further extension of the LEAP program is not understood, as DOA is not aware of any intrinsic evidence of the need for further support by Government. Further, although FY 2021 has an audited General Fund balance of \$30.35M, the audited unassigned deficit from FY 2021 amounts to \$73.5M. Additionally, the FY 2022 unassigned surplus/(deficit) has not yet been determined while the FY 2023 surplus/(deficit) is a moving number.

Per the September 2022 Consolidated Revenue & Expenditure Report (CRER), the General Fund collected approximately \$87M (unaudited) above adopted levels (from P.L. 36-54 through P.L. 36-106). Additional measures were adopted to appropriate from the FY 2022 General Fund balance via the following measures: P.L. 36-107 (total of \$39.57M), P.L. 36-119 (\$250K), P.L. 36-123 (\$26.38M), and P.L. 36-124 (\$5.2M), resulting in an unaudited balance of \$15.58M remaining in FY 2022 revenues collected in excess of adopted levels. It should be noted that the \$15.58M balance noted does not account for any Special Revenue Funds that may need transfers from the General Fund to cover any shortfalls relative to revenues collected and expenditures drawn down from any respective Special Revenue Fund.

Per the January 2023 CRER, the General Fund has collected approximately \$43.45M above adopted levels through January of FY 2023. However, the \$43.45M balance noted does not account for any Special Revenue Funds that may need transfers from the General Fund by the end of FY 2023.

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. 24-37 (\$16M), Bill No. 32-37 (\$30M), and Bill Nos. 59-37 / 61-37 / 75-37 (\$15.92M maximum between the three measures). The total amount of the competing measures combined is approximately \$61.92M, or \$18.45M more than the cited General Fund revenue collected in excess of adopted levels in FY 2023.