

SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON
COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Liheslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

September 12, 2016

The Honorable Judith T. Won Pat, Ed.D.

Speaker

I Mina'trentai Tres Na Liheslaturan Guåhan

155 Hesler Place

Hagåtña, Guam 96910

RE: Committee Report on Bill No. 312-33(COR) As Introduced

Hafa Adai Speaker Won Pat:

The Committee on Rules, Federal, Foreign and Micronesian Affairs, Human and Natural Resources, Election Reform and Capitol District hereby reports out its findings and recommendations on **Bill No. 312-33 (COR) As Introduced - "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE,"** Sponsored by B.J.F. Cruz

Committee votes are as follows:

<u>5</u>	TO DO PASS
<u> </u>	NOT TO PASS
<u>3</u>	TO REPORT OUT ONLY
<u> </u>	TO ABSTAIN
<u> </u>	TO PLACE IN INACTIVE FILE

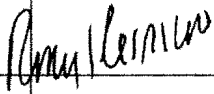
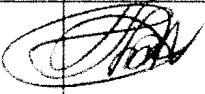

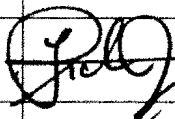

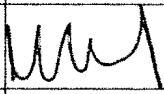
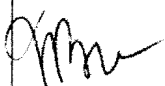


Very Truly Yours,

A handwritten signature in cursive script that reads "Rory J. Respicio".

Rory J. Respicio

SENATOR RORY J. RESPICIO**MAJORITY LEADER****CHAIRPERSON**COMMITTEE ON RULES, FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT*I Mina'trentai Tres na Libeslaturan Guåhan***THIRTY-THIRD GUAM LEGISLATURE****COMMITTEE VOTING SHEET**

Bill No. 312-33 (COR) As Introduced - "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE,," Sponsored by B.J.F. Cruz

	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Rory J. Respicio Chairperson		<input checked="" type="checkbox"/> 9/18/16				
Senator Thomas C. Ada Vice-Chairperson						
Speaker Judith T. Won Pat, Ed.D. Member		<input checked="" type="checkbox"/> 9/18/16				
Vice-Speaker Benjamin J.F. Cruz Member		<input checked="" type="checkbox"/> 9/18/16				
Legislative Secretary Tina Rose Muña Barnes Member						
Senator Frank B. Aguon, Jr. Member		<input checked="" type="checkbox"/> 9/18/16				
Senator Dennis G. Rodriguez, Jr. Member				<input checked="" type="checkbox"/> 9/12		
Senator Michael F.Q. San Nicolas Member		<input checked="" type="checkbox"/> 9/18/16				
Senator Nerissa B. Underwood, Ph.D. Member		<input checked="" type="checkbox"/> 9/18/16				
Senator V. Anthony Ada Minority Leader				<input checked="" type="checkbox"/>		
Senator Mary Camacho Torres Minority Member				<input checked="" type="checkbox"/>		

SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON
COMMITTEE ON RULES, FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

COMMITTEE REPORT
ON
BILL NO. 312-33 (COR)
As Introduced

**“AN ACT TO REPEAL AND REENACT § 3105
OF ARTICLE 1, CHAPTER 3 OF TITLE 22,
GUAM CODE ANNOTATED, RELATIVE TO
RESPONSIBLY RAISING THE MINIMUM
WAGE.”**

**Sponsored by
B.J.F. Cruz**

SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT

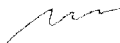


I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

June 6, 2016

MEMORANDUM

To: All Members
*Committee on Rules, Federal, Foreign and Micronesian Affairs, Human and Natural Resources
Election Reform and Capitol District*

From: Senator Rory J. Respicio 

Subject: Committee Report on Bill No. 312-33 (COR) As Introduced

Transmitted herewith for your review and consideration is the **Bill No. 312-33 (COR) - "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE."** Sponsored by **B.J.F. Cruz**

This report includes the following supporting documents:

- Committee Vote Sheet
- Committee Report Digest
- Copy of Bill No. 312-33 (COR) As Introduced
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- Fiscal Note Requirement for Bill No. 312-33 (COR)
- Referral of Bill No. 312-33 (COR)
- Public Hearing Notices
- Public Hearing Listserv
- Public Hearing Agenda

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Si Yu'os Ma'åse!

SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON
COMMITTEE ON RULES, FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

COMMITTEE REPORT DIGEST

I. OVERVIEW

The Committee on Rules, Federal, Foreign and Micronesian Affairs; Human and Natural Resources, Election Reform, and Capitol District convened a public hearing on Wednesday, May 18, 2016 at 6:00 P.M. in the Public Hearing Room of *I Liheslaturan Guåhan*. Among the items on the agenda was the consideration of **Bill No. 312-33 (COR) - "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE,"** Sponsored by B.J.F. Cruz.

- Introduced on May 4, 2016;
- Referral forwarded to this committee for public consideration on May 4, 2016.

Public Notice Requirements

Notices were disseminated via e-mail and facsimile to all senators and all main media broadcasting outlets on May 10, 2016(5-Day Notice), and again on May 13, 2016(48-Hour Notice), thereby meeting the noticing requirements of the Open Government Law. Notices were also transmitted to various stakeholders.

Senators Present

Senator Rory J. Respicio, *Chairperson*
Senator Thomas C. Ada, *Co-Chairperson*
Vice Speaker Benjamin J.F. Cruz, *Member*
Senator Frank B. Aguon, Jr., *Member*
Senator Michael F.Q. San Nicolas, *Member*
Senator V. Anthony Ada, *Member*
Senator Mary C. Torres, *Member*
Senator Thomas A. Morrison
Senator James V. Espaldon

II. SUMMARY OF TESTIMONY & DISCUSSION

1. John R. B. Bell, Law Office of John R. B. Bell, provided oral and written testimony in support of the bill. *(Please see attached testimony).*
2. John Song, Individual, provided oral testimony in opposition of the bill. *(Written testimony to be submitted).*
3. Joe Roberto, East Island Tinting, provided oral and testimony in opposition of the bill. *(Please see attached testimony).*
4. Jerry Paulino, provided oral and testimony in opposition of the bill. *(Please see attached testimony).*
5. Rose Morales, SHRM Guam, provided oral testimony in opposition of the bill. *(Please see attached testimony).*
6. Elizabeth Viegas, Retiree, provided written testimony in opposition of the bill *(Please see attached testimony).*
7. Laura Dacanay, Guam Chamber of Commerce, provided oral testimony in opposition of the bill.
8. Henry Herradura, Partner, Sign Write LLC, provided written testimony in opposition of the bill. *(Please see attached testimony).*
9. Henry Dacanay, TREX, provided written testimony in opposition of the bill. *(Please see attached testimony).*
10. Joe Bradley, Self, provided written and oral testimony on the bill. *(Please see attached testimony).*
11. Catherine Castro, Guam Chamber of Commerce, provided oral and written testimony in opposition of the bill. *(Please see attached testimony).*
12. Bobby Shringi, Self, provided written testimony in opposition of the bill. *(Please see attached testimony).*
13. Craig Burns, NASW, provided oral and written testimony in support of the bill. *(Please see attached testimony).*
14. Jeff Jones, Triple J/Guam Chamber of Commerce, provided oral and written testimony in opposition of the bill. *(Please see attached testimony).*
15. Sonny Orsini, Asu Smokehouse, provided oral and written testimony in opposition of the bill. *(Please see attached testimony).*
16. Fernando Esteves, EFR Environmental, provided oral and written testimony in opposition of the bill. *(Please see attached testimony).*
17. Christine Baleto, Department of Administration, no position, provided oral and written testimony on the bill. *(Please see attached testimony).*
18. Mary Rhodes, Guam Hotel and Restaurant Association, provided oral and written testimony in opposition of the bill. *(Please see attached testimony).*
19. Governor Eddie Baza Calvo, Office of the Governor, provided written testimony on the bill. *(Please see attached testimony).*
20. Grace Donaldson, COO/General Manager, Pacific Human Resource Services, Inc., provided written testimony on the bill. *(Please see attached testimony).*
21. Shirley A. Mabini, Ph.D., Deputy Director, Department of Labor, provided written testimony on the bill. *(Please see attached testimony).*
22. Paula Cruz, General Manager, Fruits, provided written testimony in opposition of the bill. *(Please see attached testimony).*

23. **Ken Leon-Guerrero, Spokesperson, Citizens for Public Accountability**, provided written testimony in support of the bill. *(Please see attached testimony).*

Chairman Rory J. Respicio called the public hearing on Bill No. 312-33 (COR) to order at 6:00 P.M. and asked Vice-Speaker Benjamin J.F. Cruz, the main sponsor of the bill to provided remarks. *(Please see attached for Sponsor Statement).*

John R. B. Bell *(Please see attached testimony).*

John Song, Individual, provided oral testimony in opposition of the bill. *(Written testimony to be submitted).*

Joe Roberto *(Please see attached testimony).*

Jerry Paulino *(Please see attached testimony).*

Rose Morales *(Written testimony to be submitted).*

Laura Dacanay, Guam Chamber of Commerce, provided oral testimony in opposition of the bill.

Joe Bradley *(Please see attached testimony).*

Catherine Castro *(Please see attached testimony).*

Craig Burns *(Please see attached testimony).*

Jeff Jones *(Please see attached testimony).*

Sonny Orsini *(Please see attached testimony).*

Fernando Esteves *(Please see attached testimony).*

Christine Baleto *(Please see attached testimony).*

Mary Rhodes *(Please see attached testimony).*

Rhodes: I think that we need to reassess the situation and know that the IES is a requirement before we proceed any further.

Vice Speaker Cruz: As the Director of Administration and General Services Administration, what is the status of the study?

Baleto: I have not checked on the status of the study.

Chairman Respicio: There is a letter from Deputy Director of the Department of Labor that says the RFP was released on April 1, 2016 and responses are under review and they are working with GEDA.

Vice Speaker Cruz: Who certified the RFP?

Baleto: I'm assuming the Deputy Director, that was published in the newspaper.

Vice Speaker Cruz: I understand everyone has testified for the need of the study but for yourself and the Governor to both say we need to fund this mandate, I need to know who signed the RFP.

Baleto: I'm sure we can check into that and get you the information.

Vice Speaker Cruz: I know that one prior year, you didn't know what an RFP was but there needs to be certification of funds available to sign and issue an RFP so that's what I'm trying to figure out: What were the funds, Who certified that there were funds available for this study and why are both you and the Governor now saying there is a need for us to appropriate money for it?

Baleto: They were initially trying to work through GEDA for some federal funding but I don't know what happened to the status of that. I can check for you and give you the information, but I know that funding is not available for you today. Maybe they had promises or assertions that did not come through.

Vice Speaker Cruz: How can an RFP be signed with certified funds available?

Chairman Respicio: Vice Speaker, let me be clear in sharing this information with you and the members of the public (*Senator Respicio reads the written testimony from DOL*). So I guess what Dr. Mabini is saying is that they found the money through GEDA.

Vice Speaker Cruz: I understand. She saying we need to fund it, the Governor is saying we need to fund it and someone has signed an RFP certifying that funds are available which is illegal to do unless there are funds.

Chairman Respicio thanked the panel for testifying and the senators present at the hearing.

No further testimony being offered, Chairman Respicio then declared that Bill No. 312-33 (COR) was duly heard.

III. WRITTEN TESTIMONY

1. John R. B. Bell, Law Office of John R. B. Bell, provided oral and written testimony in support of the bill. (*Please see attached testimony*).
2. John Song, Individual, provided oral testimony in opposition of the bill. (*Written testimony to be submitted*).
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22. Paula Cruz, General Manager, Froots, provided written in opposition of the bill. (*Please see attached testimony*).
23. Ken Leon-Guerrero, Spokesperson, Citizens for Public Accountability, provided written testimony in support of the bill. (*Please see attached testimony*).

IV. FINDINGS AND RECOMMENDATIONS

The Committee on Rules, Federal, Foreign and Micronesian Affairs; Human and Natural Resources, Election Reform, and Capitol District hereby reports out Bill No. 312-33 (COR) - "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," Sponsored by B.J.F. Cruz with the recommendation to do pass.

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

Bill No. 312-33 (COR)

Introduced by:

B. J.F. Cruz

**AN ACT TO *REPEAL* AND *REENACT* § 3105 OF
ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE
ANNOTATED, RELATIVE TO RESPONSIBLY RAISING
THE MINIMUM WAGE.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 3105 of Article 1, Chapter 3 of Title 22, Guam Code
Annotated, is hereby *repealed* and *reenacted* to read:

~~“§ 3105. Minimum Wages.~~

~~Every employer shall pay each person employed by him wages at a
rate not less than Eight Dollars and Twenty Five Cents (\$8.25) per hour,
effective January 1, 2015.~~

§ 3105. Minimum Wages.

Every employer shall pay each person employed by him wages at a
rate not less than Nine Dollars and Twenty Cents (\$9.20) per hour, effective
January 1, 2017, and Ten Dollars and Ten Cents (\$10.10) per hour, effective
January 1, 2018.”

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

Bill No. 912-33 (COR)

Introduced by:

B. J.F. Cruz

2016/11/17 - 11
B. J.F. Cruz

**AN ACT TO *REPEAL* AND *REENACT* § 3105 OF
ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE
ANNOTATED, RELATIVE TO RESPONSIBLY RAISING
THE MINIMUM WAGE.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 3105 of Article 1, Chapter 3 of Title 22, Guam Code
Annotated, is hereby *repealed* and *reenacted* to read:

“§ 3105. Minimum Wages.

Every employer *shall* pay each person employed by him wages at a
rate *not less than* Nine Dollars and Twenty Cents (\$9.20) per hour, effective
January 1, 2017, and Ten Dollars and Ten Cents (\$10.10) per hour, effective
January 1, 2018.”

SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES, FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Liheslaturan Guåhan

THIRTY-THIRD GUAM LEGISLATURE

PUBLIC HEARING SIGN-IN SHEET

Wednesday, May 18, 2016 • 6:00 P.M.

I Liheslatura • Public Hearing Room • Hagåtña, Guam

Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz

NAME	AGENCY OR ORGANIZATION	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	PHONE NUMBER	EMAIL ADDRESS
✓ John R. B. Bell	Law Office of " " "	Support	✓	✓	646-5722	John.R.Bell@gmail.com
✓ John Song	Individual	Oppose	To Be Submitted	✓	988-3696	jsong671@gmail.com
✓ Joe Roberto	EAST ISLAND TITING	OPPOSE	↔			JOE.ROBERTO@guam.net
✓ JERRY PAULINO		OPPOSE	✓	✓	777-2194	
Rosa Morales	STHM Guam					
✓ Rosa Morales	STHM Guam	Oppose	to be Submitted		488-8777	rmorales@stham.net
✓ Elizabeth Virgas	Retiree	Oppose	✓		789-4265	
✓ Laura Dacanay	Guam Chamber	Oppose		✓	472-6311	lauradacanay@gmail.com
✓ Henry Hernandez	Signwrite	Oppose	✓			
✓ Henry Dacanay	Trey	Oppose	✓			
✓ Joe Bradley (Bradley)	Self	Inform	✓	✓	488-8767	jbradley@ite.net

SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON
COMMITTEE ON RULES, FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Liheslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

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Wednesday, May 18, 2016 • 6:00 P.M.

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Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz

NAME	AGENCY OR ORGANIZATION	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	PHONE NUMBER	EMAIL ADDRESS
✓ Catherine Lastro	Chamber	Oppose	✓	✓	4226311	ccastro@
✓ Bobby Shringi	Chamber Self	oppose	✓	Handwritten		
✓ Craig Burns	NASW	support	✓	✓	4872853	gasuguanngres@deni@gmail.com
✓ JEFF JONES	TRIPLE / CHAMBER	OPPOSE	✓	✓	687-8342	JEFFJONES@TRIPLE
✓ SONNY Orsini	ELKS make change	OPPOSE	✓	✓	6899496	angela.orsini@gmail.com
✓ Fernando Esteves	EFR Environmental	oppos	✓	✓	489-9016	efren@environmental.org

SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON
COMMITTEE ON RULES, FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

PUBLIC HEARING SIGN-IN SHEET

Wednesday, May 18, 2016 • 6:00 P.M.

I Liheslatura • Public Hearing Room • Hagåtña, Guam

Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz

NAME	AGENCY OR ORGANIZATION	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	PHONE NUMBER	EMAIL ADDRESS
✓ CHRISTINE BAUER	DOA	No position	✓	✓		
✓ MARY RHODES	CARA	oppose	✓	✓		

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan

THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910

T: (671) 477-2520/1 | F: (671) 477-2522

OPENING STATEMENT ON BILL 312-33 (COR)

Vice Speaker Benjamin J.F. Cruz

May 18, 2016

INTRODUCTION

Hafa Adai! I want to begin by thanking Chairman Respicio for agreeing to hear Bill No. 312-33 – my proposal to incrementally raise Guam's minimum hourly wage to \$10.10 an hour by January 1, 2018.

Mr. Chairman, to explain why we are here today, it is imperative that we understand the bipartisan minimum wage compromise you were so instrumental in crafting just two years ago.

In exchange for unanimous support of a single dollar increase to Guam's hourly minimum wage, which went into effect January 1, 2015, I allowed the removal of the remaining two automatic increases originally required by Bill No. 316-32. Under my original proposal, these two annual 95-cent increments would have taken effect on January 1, 2016 and January 1, 2017 respectively, requiring no further legislative action.

The logic behind these automatic 95-cent increases per year was simple. First, give the economy time to adjust. And second, remove the risk of subjecting future increases to a partisan political debate in an election year.

So, why are we here?

A DELAYED ECONOMIC IMPACT STATEMENT

At the urging of business leaders and other community stakeholders, the 2014 compromise had a second leg: a second measure that required an Independent Economic assessment of the 2015 increase, which raised Guam's hourly minimum wage from \$7.25 to its current rate of \$8.25.

To be clear, I agreed that the independent EIS on the 2015 minimum wage increase was important, which is why I supported the measure that mandated it, and why I filed Freedom of Information Act requests on January 8, 2016 to both the Guam Economic Development Authority (GEDA) and the Guam Department of Labor (GDOL) to determine the study's progress.

Yet, here we are, with thousands of minimum wage workers still waiting for an EIS, which should have been completed and published by April 30th, but wasn't even procured, as of April 20th.

This truth is perhaps the most ironic of all. Those who opposed my original proposal in 2014 had asked for an Economic Impact Statement release date of 2016, and now say that we are only discussing a minimum wage increase because of "election year politics."

What they will not say is that election year politics is exactly what my 2014 bill attempted to avoid. The original measure would have increased the minimum wage to \$10.10 an hour — automatically — 0.95 cents a year, with no further need for politics — a fact we can't forget just because some people are uncomfortable with the truth.

If an Administration which publicly opposed our \$10.10 proposal in 2014 can now end minimum wage increases simply by failing to act as the law requires, how long should our working poor wait? If all it takes to kill a minimum wage increase is a study that never comes, why would any study come at all?

MINIMUM WAGE MYTHS

Not too long ago, Mr. Chairman, we found ourselves at a very similar hearing, during which many reasonable people disagreed on this often contentious topic.

Central to their concerns was the belief that national studies had no relevance on Guam. Their premise was that Guam needed its own data. Despite a mountain of economic evidence which held that a measured increase to the minimum wage would not cripple the economy, but rather strengthen the economic circumstances of the working poor, we acquiesced because this was an important issue that deserved our best effort.

Clearly, others did not take that concern seriously.

While the Executive Branch has yet to even procure the professional services needed to conduct the Independent EIS, we do have clear and convincing economic data by which we can judge the impacts of the 2015 minimum wage increase and perhaps test the most commonly-held objections to the minimum wage increase.

[SLIDE 1]

- **Myth #1: Increasing the Minimum Wage Will Cause Massive Job Losses.**

[SLIDE 2]

- According to the latest employment data published by the Guam Department of Labor, Guam's economy witnessed over 1,200 new jobs since the minimum wage increase went effect. That doesn't mean that some parts of our economy didn't see a period of adjustment, or that every industry is thriving; it simply means that the minimum wage increased, and, whether there is a correlation or not, more people on Guam are not working less.

[SLIDE 3]

- **Myth#2: Raising the Minimum Wage Will Drastically Reduce the Number of Hours Worked.**

[SLIDE 4]

- According to the same employment data, the private sector did not see a drastic reduction in the total number of hours worked. Instead, that number stayed statistically flat while average weekly earnings rose.
- Moreover, in the service industry — where massive reductions in hours worked were predicted — the Department of Labor's data indicates a slight one hour decline while weekly earnings, compared to the same period in the previous year, increased.
- Put simply, while individuals worked one hour less, their average weekly incomes increased.

[SLIDE 5]

- **Myth #3: Increasing the Minimum Wage Will Raise the Cost of Basic Consumer Goods**

[SLIDE 6]

- According to the Guam Consumer Price Index [First Quarter 2016] published by the Bureau of Statistics and Plans, the inflation rate for food, housing, and gas declined in 2015, compared to the period before the wage increase occurred.

[SLIDE 7]

- **Myth #4: Increasing the Minimum Wage Won't Help Taxpayers**

[SLIDE 8]

- When employers don't pay the people who work for them a sufficient wage, taxpayers pick up the tab. According to the Office Public Accountability, we pay \$56 million a year in Earned Income Tax Credits to underpaid employees — many of whom are in the private sector.
-

[SLIDE 9]

- **Myth #5: Raising the Minim Wage Won't Lift Anyone out of Poverty**

[SLIDE 10]

- Since the 2015 wage increase, Guam has witnessed a decline in welfare enrollment, a decline that Public Health officials have attributed to an increased wage among the working poor.

[SLIDE 11]

- **Myth #6: Minimum Wage Only Affects the Unskilled**

[SLIDE 12]

- Another assertion commonly used to oppose minimum wage increases is to argue that education is the magic bullet—that a degree will automatically guarantee higher wages and better job security.
- While I agree with this assertion, the facts, as they appear, have forced me to test my own deeply held beliefs.
- According to the latest population census, of the individuals in Guam's workforce who held bachelor's degrees or that completed at least one training program: 20% earned less than \$15,000; 40% earned less than \$25,000; and 56% earned less than \$53,500.

[SLIDE 13]

- **Myth #7: Raising the Minimum Wage will directly harm our tourism sector, hindering our economy and hurting our competitiveness.**

[SLIDES 14 AND 15]

- Again, per GHRA's Summary Statistical Report from December 2015, arithmetic clearly challenges this assertion:
 - Total room sales revenue in 2015 was \$249 million, demonstrating a \$17.5 million increase, when compared to 2014. When compared to 2013, total room sales revenue increased by \$51 million.
 - Total room nights sold over the same period increased by about 47,000
 - Total number of jobs in this sector alone grew by 520 between 2014 and 2015

CONCLUSION

Mr. Chairman, I concede that the evidence clearly contradicts some of the most deeply held beliefs about the minimum wage. But the evidence speaks clearly, and I can't ignore it.

Finally, I admit that reasonable people may consider tailoring this new proposal to the outcome we wish to achieve.

- **Small Business Exemptions:**

“Mom and Pop Shops,” with fewer than five employees may seek an exemption from at least one of these annual increases. I believe this proposal is reasonable, and I ask the Chairman to give this proposal due consideration.

- **Tip Credit:**

Moreover, the state of Hawaii, an island whose economy is also tourism-based, may prove to be an instructive example. Under its \$10.10 minimum wage law, Hawaii's employers may receive a “tipped worker credit,” allowing them to include a portion of that worker’s tips in minimum wage calculations, provided those tips significantly exceed the statutory minimum wage.

Mr. Chairman, while I am willing to consider any reasonable amendment that achieves our goal, so that no person who works a fulltime job live in poverty, what I will not condone is allowing thousands of Guam’s working poor to wait for a study that may never come.

Our body cannot allow delay to equal denial. To do so would ignore right as well as reality.

SOURCES

Slides 2 and 4: Current Employment Statistics. Bureau of Labor and Statistics. Guam Department of Labor. <http://bls.guam.gov/current-employment-statistics/>.

Slide 6: Guam Consumer Price Index. [First Quarter 2016]. Bureau of Statistics and Plans.

Slide 8: "EITC Payments on the Rise." Pacific Daily News. September 19, 2015
<https://www.google.com/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=earned+income+tax+credits+pacficic+daily+news>.

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Slide 10: "Welfare client change attributed to minimum wage hike." March 23, 2016.
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Side 12:

Bureau of Labor and Statistics. United States Department of Labor.

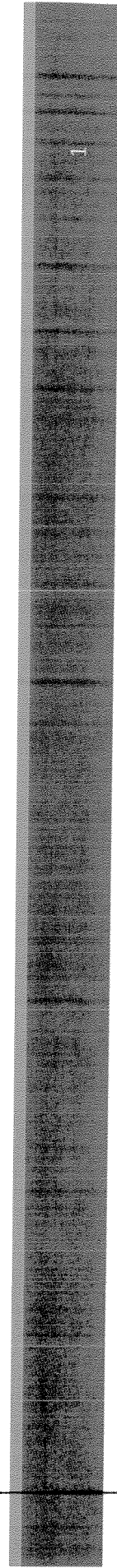
- (May 2015) http://www.bls.gov/oes/current/oes_gu.htm.
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2010 Guam U.S. Census Data

Slides 14 and 15: Guam Hotel and Restaurant Association. Summary Statistical Report December 2015. (Released February 2, 2016)
<http://www.ghra.org/pdf/summary12.15.pdf>

Myth #1:

INCREASING THE MINIMUM WAGE WILL CAUSE
MASSIVE JOB LOSSES.



GUAM DOL STATISTICS:

Employment Report

PRIVATE SECTOR	Dec-2014	Dec-2015	Employee nt Change	Dec-2014	Dec-2015	Avg Hourly Earnings	Dec-2014	Dec-2015	Average Weekly Hours Paid Change	Dec- 2014	Dec- 2015	Average Weekly Earnings Change
AGRICULTURE	180	280	100	\$7.84	\$14.12	\$6.28	39.4	38.7	-0.7	\$308.92	\$546.86	\$237.94
CONSTRUCTION	6,070	6,810	740	\$14.18	\$14.73	\$0.55	40.0	39.3	-0.7	\$566.93	\$579.10	\$12.17
General Building Contractors	4,750	5,110	360	\$13.82	\$14.54	\$0.72	39.3	39.1	-0.2	\$542.94	\$568.48	\$25.54
Heavy Construction, ex. Building	340	270	-70	\$17.63	\$17.52	(\$0.11)	49.5	45.6	-3.9	\$872.47	\$799.47	(\$73.00)
Special Trade Contractors	980	1,430	450	\$14.67	\$14.06	(\$0.61)	40.2	35.1	-5.1	\$590.03	\$494.32	(\$95.71)
MANUFACTURING	1,320	1,610	290	\$14.35	\$14.33	(\$0.02)	40.8	38.0	-2.8	\$585.89	\$544.27	(\$41.62)
Food and kindred products	410	420	10	\$9.10	\$10.11	\$1.01	34.6	33.6	-1.0	\$315.40	\$339.20	\$23.80
Printing and publishing	280	280	0	\$11.91	\$13.70	\$1.79	35.9	37.5	1.6	\$427.70	\$513.78	\$86.08
All other manufacturing	630	910	280	\$16.39	\$16.11	(\$0.28)	44.2	40.1	-4.1	\$725.10	\$646.85	(\$78.25)
TRANSPORTATION & PUBLIC UTILITIES	4,710	4,500	-210	\$19.11	\$18.99	(\$0.12)	41.4	39.7	-1.7	\$791.99	\$753.52	(\$38.47)
WHOLESALE TRADE	2,370	2,490	120	\$11.20	1,220			42.3	2.9	\$441.41	\$458.50	\$17.09
RETAIL TRADE	11,670	11,530	-140	\$11.98				32.6	1.7	\$370.85	\$374.64	\$3.79
FINANCE, INSURANCE & REAL ESTATE	2,460	2,490	30	\$13.68				38.1	0.3	\$517.62	\$539.10	\$21.48
SERVICES	17,750	18,040	290	\$11.24				36.1	-1.0	\$417.47	\$422.07	\$4.60
Hotels and other lodging places	5,930	6,450	520	\$8.97	\$9.38	\$0.41	37.7	36.0	-1.7	\$337.85	\$337.92	\$0.07
All other services	11,820	11,590	-230	\$14.18	\$14.74	\$0.56	36.5	36.3	-0.2	\$517.24	\$535.45	\$18.21
TOTAL PRIVATE SECTOR	46,530	47,750	1,220	\$13.20	\$13.25	\$0.05	36.9	36.5	-0.4	\$486.82	\$484.27	(\$2.55)

Myth#2:

RAISING THE MINIMUM WAGE WILL DRASTICALLY
REDUCE THE NUMBER OF HOURS WORKED

Guam DOL Statistics Employment Report

PRIVATE SECTOR	Dec-2014	Dec-2015	Employment Change	Dec-2014	Dec-2015	Avg Hourly Earnings	Dec-2014	Dec-2015	Average Weekly Hours Paid Change	Dec-2014	Dec-2015	Average Weekly Earnings Change
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Printing and publishing	280	280	0	\$11.91	\$13.70	\$1.79	40.5	45.6	2.9	\$27.70	\$513.78	\$86.08
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\$4.60

(\$2.55)

Myth #3:

INCREASING THE MINIMUM WAGE WILL RAISE THE
COST OF BASIC CONSUMER GOODS

Guam Consumer Price Index

	7.25 Minimum Wage	8.20 Minimum Wage					Change In Inflation	
	2014	2015				2016		
	4th	1st	2nd	3rd	4th	1st	Q4 2015 vs Q4 2014	Q1 2016 vs Q4 2014
FOOD	139.7	141.7	140.6	141.6	141.3		-1.2	-1.2
HOUSING	124.3	116.4	116.1	116	116.2		-1.1	-10.7
APPAREL & UPKEEP	86.3	83.9	82	81.7	80.3		-6	-4.1
TRANSPORTATION	100.4	96.5	102.4	98.3	97.3		-1.1	-2.5
MEDICAL CARE	116.1	119.6	121.8	121.8	118	151.3	1.9	35.2
RECREATION	108.6	109.5	109.7	108.1	107.5	114.8	-1.1	6.2
EDUCATION & COMMUNICATION	100.4	102.7	102.7	102.4			2	2
OTHER GOODS & SERVICES	113	114.1	114	115.3			2.6	1.6
SPECIAL INDEXES								
ALL ITEMS LESS FOOD	113.8	111.2	112.1	111.7	110.7	118.1	-3.1	4.3
ENERGY 1	126.8	113	114.2	112.5	112.3	109	-14.5	-17.8
ALL ITEMS LESS FOOD AND ENERGY	108.6	110.5	111.2	111.4	110	121.7	1.4	13.1
COMMODITIES LESS FOOD	103.6	103	103.3	102.2	101.9			-1.4
SERVICES	122	117.8	119.1	119.3	117.7			8.7

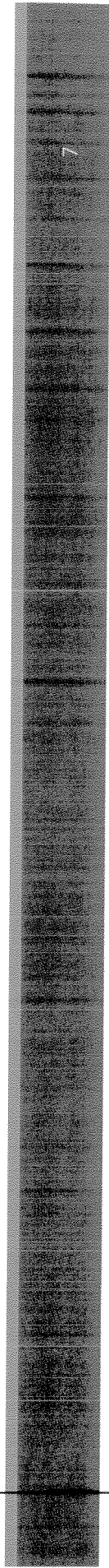
-1.2

-10.7

-17.8

Myth #4:

INCREASING THE MINIMUM WAGE WON'T HELP
TAXPAYERS



EARNED INCOME TAX CREDITS



EITC payments on rise

Shawn Raymundo, sraymundo@guampdn.com 11 p.m. ChST



(Photo: PDN)



According to the Office of GovGuam's finances for Earned Income Tax Credit has grown substantially since tax year 2000.

Pacific Islands Report

Pacific Islands Development Program, East-West Center
With Support From Center for Pacific Islands Studies, University of Hawai'i

Earned Income Tax Credits Increase Guam's Refund Burden
More working poor and FAS residents, possible causes

By Gaynor Dumat-ol Daleno

Earned Income Tax Credit

GovGuam's FY 2014 estimated provision for unpaid tax refunds was \$99.3M of which \$56M is for tax returns filed for earned income tax credits (EITC). The EITC is a tax credit for low to mid income workers who meet certain criteria. This means some tax filers will receive EITC tax refunds (and possibly other tax credits) although they did not contribute or withhold any tax. The high number of these returns warrants scrutiny of their validity to ensure the filers are entitled to these credits.

Myth #5:

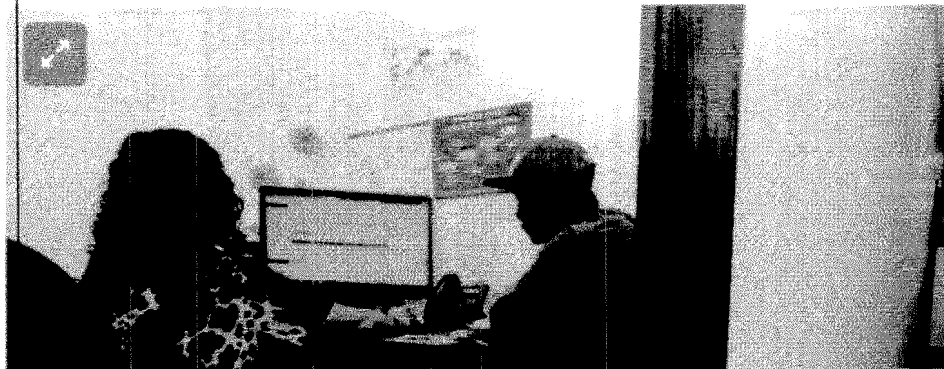
RAISING THE MINIM WAGE WON'T LIFT ANYONE
OUT OF POVERTY

DECLINE IN WELFARE ENROLLMENT

THE GUAM DAILY POST

Welfare client change attributed to minimum wage hike

Jasmine Stole | Post News Staff Mar 23, 2016 (0)



This decrease in number of eligibles can be attributed to the increase in Guam Minimum Wage and the decrease in unemployment rate.

FIVE YEAR EXPENDITURE BY PROGRAM

Program	Expenditures				
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Medicaid Program (MAP)	\$26,315,501	\$24,565,396	\$24,872,727	\$25,143,635	\$25,506,993
Enhanced Allotment Plan (EAP)	\$ 797,859	\$ 1,402,143	\$ 1,405,630	\$ 1,335,320	\$ 1,378,872
Children's Health Insurance Plan (CHIP)	\$ 6,427,134	\$ 6,364,832	\$ 6,354,278	\$ 7,030,791	\$ 8,427,445
ARRA/ACA Medicaid Program	\$ 3,533,785	\$ 14,545,012	\$ 33,636,330	\$ 46,842,871	\$ 46,286,117
Medically Indigent Program (MIP)	\$ 15,628,000	\$ 12,100,755	\$ 9,471,696	\$ 9,486,159	\$ 10,651,693
MIPPR Cancer	\$ -	\$ 604,285	\$ 589,817	\$ 283,230	\$ 420,021
Total	\$52,704,279	\$59,582,423	\$76,338,478	\$92,122,047	\$92,668,141

The above expenditure is based on the local appropriation. It does not reflect the actual provider claims for the year. The federal funding drawdown is dependent on the available of local match.

	FY 2014	FY 2015
Indigent Program (MIP)	14,878	14,375
Total	50,578	56,769

The number of Medicaid and MIP eligibles decreased by 1.11% and 3.51%, respectively in fiscal year 2015 as compared to fiscal year 2014. This decrease in number of eligibles can be attributed to the increase in Guam Minimum Wage and the decrease in unemployment rate. Provided below is the ranking of Medicaid and MIP expenditures in percentage by type of services. The data below is based on the provider submission of claims. The Medicaid and MIP has one year billing limitation within which the program can process claims and reimburse providers for services rendered to program recipients.

FY2015 OPW Annual Report

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Myth #6:

MINIMUM WAGE ONLY AFFECTS THE UNSKILLED

Occupational Employment Statistics: May 2015 vs May 2014

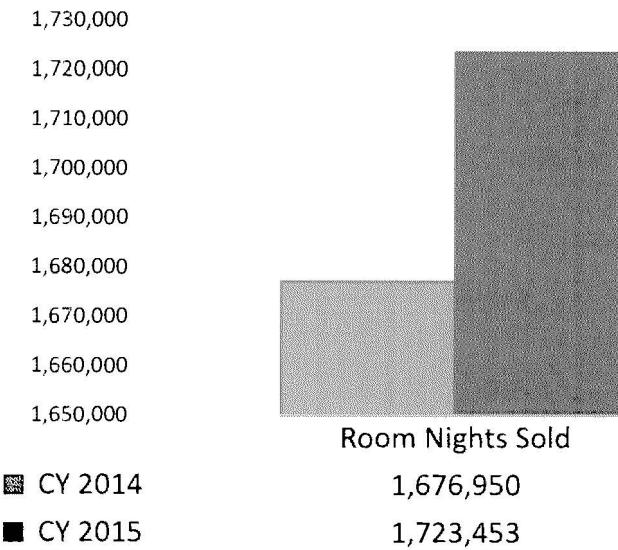
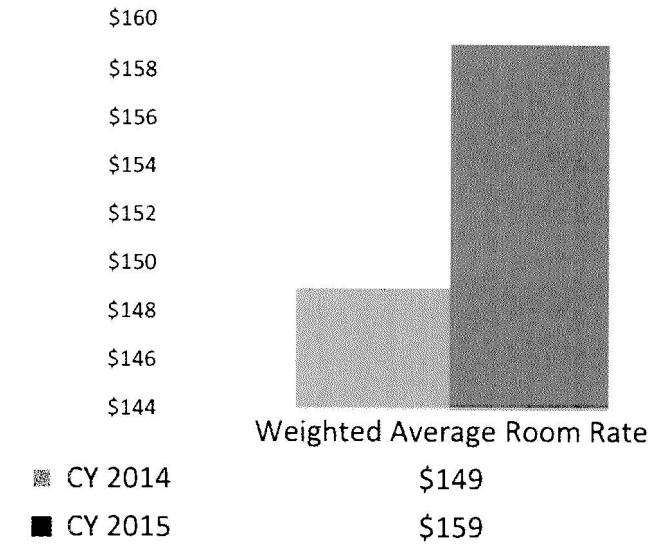
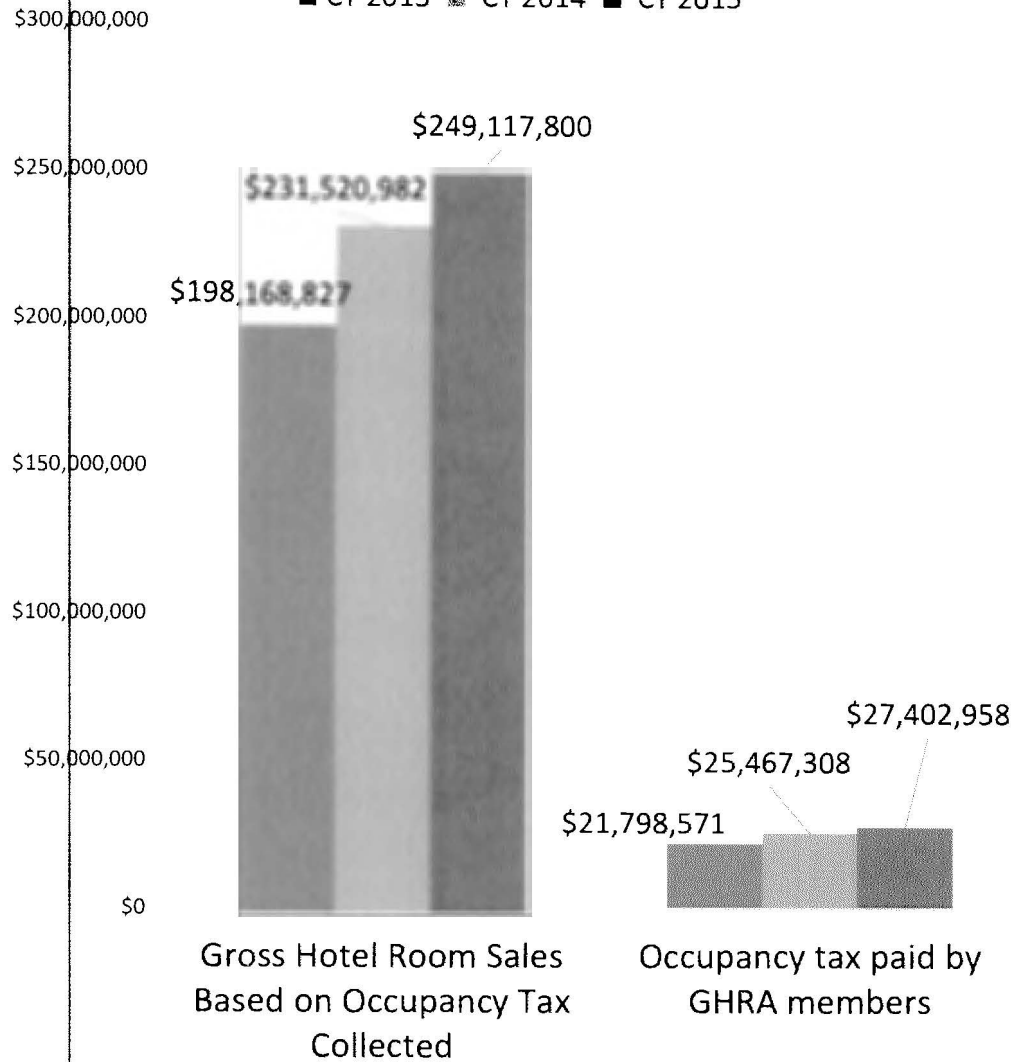
Occupational Group	2014 Avg Hourly Rate	2014 Average Annual Income	Total Employed 2014	2015 Avg Hourly Rate	2015 Average Annual Income	Total Employed 2015	2015 vs 2014 Avg Hourly Rate	2015 vs 2014 Average Annual Income	Total Employed 2015 vs 2014
Food Preparation and Serving Related Occupations	\$8.78	\$18,270	6,220	\$9.41	\$19,570	6,300	\$0.63	\$1,300	80
Building and Grounds Cleaning and Maintenance Occupations	\$9.01	\$18,740	2,990	\$9.62	\$20,000	3,150	\$0.61	\$1,260	160
Sales and Related Occupations	\$10.45	\$21,740	4,560	\$10.77	\$22,410	4,490	\$0.32	\$670	(70)
Personal Care and Service Occupations	\$10.72	\$22,290	1,450	\$11.25	\$23,400	1,510	\$0.53	\$1,110	60
Healthcare Support Occupations	\$11.36	\$23,620	590	\$11.90	\$24,740	590	\$0.54	\$1,120	0
Office and Administrative Support Occupations	\$13.09	\$27,240	10,500	\$13.69	\$28,470	10,640	\$0.60	\$1,230	140
Production Occupations	\$13.57	\$28,230	1,740	\$13.84	\$28,780	1,550	\$0.27	\$550	(190)
Construction and Extraction Occupations	\$14.53	\$30,230	5,260	\$14.57	\$30,300	5,650	\$0.04	\$70	390
Arts, Design, Entertainment, Sports, and Media Occupations	\$14.55	\$30,260	660	\$14.63	\$30,430	650	\$0.08	\$170	(10)
Farming, Fishing, and Forestry Occupations	\$14.62	\$30,410	50	\$15.68	\$32,620	40	\$1.06	\$2,210	(10)
Installation, Maintenance, and Repair Occupations	\$15.20	\$31,620	3,350	\$15.64	\$32,540	3,230	\$0.44	\$920	(120)
Transportation and Material Moving Occupations	\$15.43	\$32,090	3,370	\$15.94	\$33,150	3,340	\$0.51	\$1,060	(30)
Protective Service Occupations	\$15.87	\$33,010	2,650	\$17.34	\$36,080	2,740	\$1.47	\$3,070	90
Education, Training, and Library Occupations	\$18.46	\$38,390	4,450	\$18.92	\$39,350	4,420	\$0.46	\$960	(30)
Community and Social Service Occupations	\$19.65	\$40,860	670	\$20.58	\$42,810	780	\$0.93	\$1,950	110
Business and Financial Operations Occupations	\$22.82	\$47,460	2,380	\$23.39	\$48,650	2,360	\$0.57	\$1,190	(20)
Computer and Mathematical Occupations	\$22.93	\$47,690	570	\$24.29	\$50,520	510	\$1.36	\$2,830	(60)
Life, Physical, and Social Science Occupations	\$23.85	\$49,610	350	\$23.86	\$49,630	350	\$0.01	\$20	0
Architecture and Engineering Occupations	\$27.66	\$57,530	840	\$27.18	\$56,540	920	-\$0.48	-\$990	80
Healthcare Practitioners and Technical Occupations	\$29.16	\$60,650	1,800	\$31.21	\$64,930	1,800	\$2.05	\$4,280	0
Management Occupations	\$30.56	\$63,560	5,150	\$31.33	\$65,170	5,250	\$0.77	\$1,610	100
Legal Occupations	\$31.44	\$65,400	310	\$33.89	\$70,480	320	\$2.45	\$5,080	10

Myth #7:

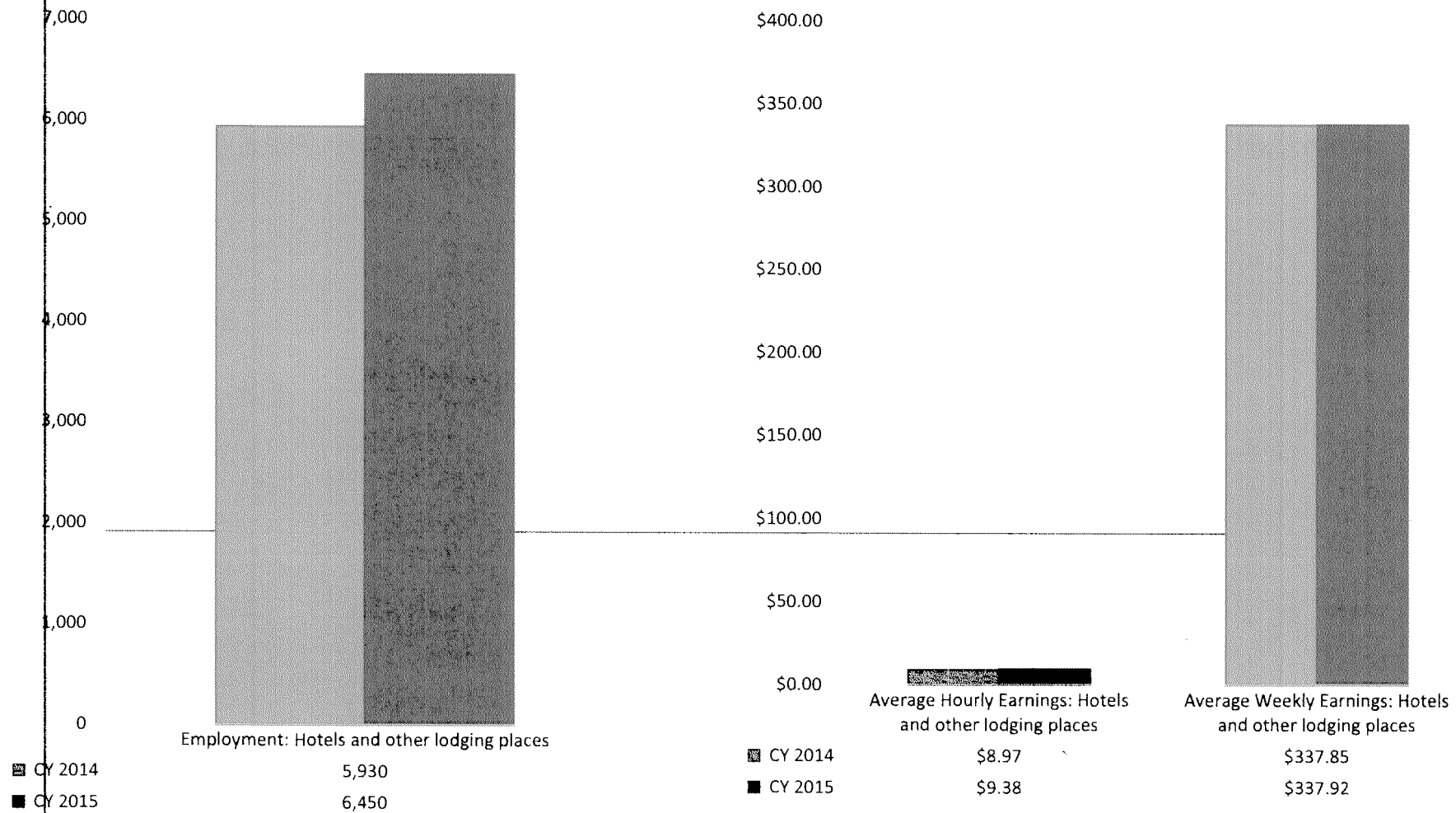
RAISING THE MINIMUM WAGE WILL DIRECTLY
HARM TOURISM

Room Sales and Occupancy Tax Paid CY 2013-2015

■ CY 2013 ■ CY 2014 ■ CY 2015



Employment in Hotel Industry



Sources

Slides 2 and 4:

Current Employment Statistics. Bureau of Labor and Statistics. Guam Department of Labor. <http://bls.guam.gov/current-employment-statistics/>.

Slide 6:

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Slide 10:

"Welfare client change attributed to minimum wage hike." March 23, 2016. http://www.postguam.com/news/local/welfare-client-change-attributed-to-minimum-wage-hike/article_b64c05d8-f01a-11e5-836e-cf6780977ea0.html.

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Slides 14 and 15:

Guam Hotel and Restaurant Association. Summary Statistical Report December 2015. (Released February 2, 2016) <http://www.ghra.org/pdf/summary12.15.pdf>.

*The Law Office of
John Richard Bordallo Bell*

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Cell: (671) 488-1159/www.johnbellguam.com/Email: john.r.b.bell@gmail.com

May 17, 2016

THE HONORABLE BENJAMIN J.F. CRUZ
Chair, Appropriations and Adjudication
I Mina' Trentai Tres Liheslaturan Guahan
Suite 301, 155 Hessler St
Hagåtña, Guam 96910

Re: Bill 312-33. An act to repeal and reenact § 3105 of article 1, chapter 3 of title 22, Guam Code Annotated, relative to responsibly raising the minimum wage.

Dear Mr. Vice Speaker,

Thank you for the opportunity to voice my support in favor of Bill 312-33 to raise Guam's minimum wage. As a full time attorney and part time volunteer for some local non-profits, I wear many hats, but I am speaking strictly on my own behalf and humbly offer my own perspective.

I grew up very poor and know what it's like to go hungry. If it weren't for free lunch programs at school, I simply would not have eaten during parts of my childhood. But eventually our Dad took us in and taught us to study hard and work even harder. All through high school I washed dishes and bussed tables.

It took me 12 years to finish college because, among countless jobs through the years, I was also a waiter, security guard, pest control technician, and eventually joined the Navy as an enlisted Sailor. I also became a husband and father to two beautiful girls. Through it all I've scrubbed more toilets and mopped more floors than anyone will ever know.

Thanks to the GI Bill and ton of student loans, I was able to finish my undergraduate degree. I am a Philosophy major. Not because of the big bucks, obviously, but because I fell in love with the search for truth and meaning in life.

While I am no economist, in my senior year at San Diego State in 2008 I presented a paper advocating for the Ethical Egoism position of Spinoza that supporting economic policies which favored the struggling many over the wealthy few was not just the morally right thing to do but actually in the best self-interest of all people, whatever their income bracket. I put my heart and soul into that paper and researched it profusely to make sure I had factual support based on sound economic research.

I am now an attorney, if I'm being honest, only because my Philosophy professors told me to get a real job where I could actually feed my wife and kids and keep paying my bills. So they suggested law school. I got a half priced scholarship, worked my tail off, and graduated early. Here I am \$200,000.00 in student loans later, a labor and employment attorney.

*The Law Office of
John Richard Bordallo Bell*

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Tel: (671) 646-5722 (JRBB)/5723 Fax: (671) 646-5721
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Has it all been worth it? Ask me in 20 to 40 years when I'm done paying my student loans. Can I buy a modest home? Not any time soon. Can I put my own kids through college? Not a chance. They're going to have to get scholarships or join the military just like I had to do. Why? Because poverty perpetuates poverty and wealth perpetuates wealth. The vast majority of poor people are poor despite their willingness to work hard, because our economic system exploits cheap labor wherever it can.

I am not here to tell you that hard work is not worth it. I am here to remind everyone that hard work is necessary, at least for working families, but not sufficient, to get ahead. The game is rigged against the many and the deck is stacked against the poor. If it were left purely to the free market, slavery would still be around, and some single mothers would still have to give in to their boss's sexual advances if they wanted to feed their children at home. And I can tell you first hand that the notion that minimum wage is only paid for entry level positions for kids right out of high school is a myth. It is propaganda and nothing more.

Thankfully, we live in a society that, while imperfect, is capable of making great strides toward socio-economic justice. As a general matter, we don't enact labor laws because they are convenient, or will make businesses more profitable, or because this or that organization supports them. We enact labor laws because of the moral realization that without them, working families would be exploited by an amoral system which demands paying people as little as you can legally get away with.

As it happens, through even more borrowing, I myself am now a small business owner of my solo firm and can tell you first-hand how truly tough it is to survive without a steady paycheck, especially those first couple of years. If I were thinking purely selfishly, I would not be in support of the bill. I now have 4 of my own employees and one of them is coming off probation and due for a raise. This bill might hurt me a little in the short term.

But you know what, so be it. Because at the end of the day, if I can't earn an honest living by working hard and doing the right things and instead have to make a profit by exploiting my employees who are trying to feed their own families, then I have no business running a business. But my business won't fail. I won't let it because I have clients to fight for, a family to feed, and employees who rely on me as well.

If I have to work a bit harder to pay them a bit more because the law requires it, so be it. Other people will be paying their employees more who will have more money to circulate right back into the economy and, at worst, with minimal net effect. More importantly, paying my employees a fair wage that helps them feed their families is the right thing to do. Thank you.

Respectfully,



John Richard Bordallo Bell, Esq.

May 17, 2016

FR: Joe Roberto, Managing Member, East Island Tinting

TO: Senators of Guam

RE: Minimum Wage increase impact on East Island Tinting

Hafa adai Lawmakers of Guam,

Thank you for the opportunity to present this letter during the public hearing set for May 18, 2016. There's been so much said and read about this subject. There have been excellent articles, studies and theories of what may occur.

This letter is to address how a small company AND a small staff would once again be negatively affected if this minimum wage law were to become local law. This letter is fact not fiction.

~~Since 2008~~ ^{MANY YEARS AGO} my brother and I made a firm commitment to take care of our staff and their families by way of annual bonuses, increases, medical and dental insurance, vacation with pay, holidays with pay, profit sharing, retirement contributions and most recently life insurance. Additionally, we've taken several employees off-island for more training, educational sessions and continue to invest in our employee's development. We truly believe the company success is a direct reflection of employee success as our staff is truly our most valued assets.

However, benefits and further investment into employee knowledge and education will surely be negatively affected if another increase of the minimum wage were to occur.

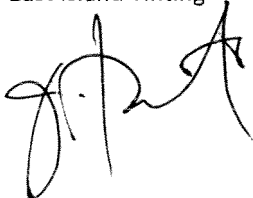
How? **BOTH** the company's disposable income and employee's disposable income will be minimized once again to where our decision to spend money will be prioritized to basic necessities. Do we really need to pay for employee life insurance? Do we really need to provide profit sharing ? Do we really need to contribute to their retirement (we already pay into social security)? Do we really need to pay for medical and dental insurance? We are a small company that truly cares for our employees by giving what little profits we make. Our employee benefits come from disposable income and if this law passes will indirectly and negatively affect our disposable income.

Some time ago, I was asked to speak in front of the legislature and share how our company would negatively be affected by a bill being introduced to increase the minimum wage but after giving somewhat of an emotional speech, it fell on deaf ears. In 2015, one of our two locations ended the year with a negative number. This was anticipated and was somewhat said during my speech. This location employs up to three people and most of ALL our employees have families. Thankfully, we have one other location which did well and covered the other locations expenses. Just know I've already mentioned to my brother to relieve his stress and shut it down.

This letter mentions mostly of our employees but not what our small company provides to our community. We continue to give what we can give however, this kindness and generosity will be affected.

Joe Roberto

East Island Tinting



5.18-16

WRITTEN TESTIMONY

BILL 312-33 (COR)

Hello and good evening to you senators and to my fellow residents of Guam, my name is Jerry Paulino. I present myself before you as a local businessman, fortunate enough to own and operate a handful of small businesses in Guam; the smallest of which employs three people and the largest employs 35.

I have come before you to present my testimony as it relates to Bill 312-33 (COR), a bill intended to responsibly raise the minimum wage. My testimony focuses on the effects that wage increases have had and will have on small businesses, which make up the soul of any thriving economy.

One of the businesses I operate offers bookkeeping, payroll and tax services to the island community. Through the years, I have serviced more than 700 clients in Guam, both personal and corporate, and many of whom are still current customers.

From first-hand experience, it is evident that there is a downward trend of homegrown entrepreneurs within the island, and it is largely due to the ever-increasing cost of entering the marketplace. We have seen increased regulations on businesses, increases to the cost of goods and a growing negative public sentiment against businesses in general, fueled by various local interest groups.

Bundle these issues with an increased minimum wage, and it isn't hard to see the perfect storm that is on the horizon. Before long, we may see a business community where the only new businesses started will be by those backed by larger corporations or foreign investment.

There is a misconception by the general public that all business owners are well to do, retaining a large portion of their generated revenue as profits. The reality is that most small business owners wrestle with cash flow issues daily, struggling to make ends meet.

We have to navigate a minefield of account collections, payroll, vendor payments, and tax obligations. Even after factoring out wage increases, most business owners struggle with the realization that it only takes a few down months for them to go out-of-business.

Roughly two years ago, the minimum hourly wage was increased from \$7.25 to \$8.25. Based on the information I've gathered, it shows that business owners have dealt with this change by reducing employee hours, increasing owner or salaried-employee responsibilities, downsizing the workforce, or increasing prices. Note that none of these business owners saw hiring additional workers as a way to combat this change.

The first two remedies, reducing employee hours and increasing employee responsibilities, are intertwined. In an effort to keep prices competitive, owners have been forced to reduce the hours worked by employees on an hourly wage, and transfer those responsibilities to themselves or other fixed-cost, or salaried, employees.

Our information also shows that the total number of hours worked by small business owners increased by roughly 30%. The increased hours spent on work means they have spent less time on their personal life, placing an added soft cost on the price of doing business.

In situations where this is not enough to compensate for the increased wages, owners have had to lay off employees or increase prices, both of which work against the spirit this bill intended to create. This bill aims to help the working class improve their standard of living, however it is doing so at the expense of the small business owner.

Unlike employees who leave their work at the end of the day, small business owners continue to work on new ideas and innovations to maintain a competitive edge. The work is never done for a small business owner. If considering all the hours spent on ancillary activities surrounding a typical small business, an owner's hourly wage can easily fall below \$5.00.

Small business owners work with tighter budgets and smaller margins. Any upward adjustments on costs have a tremendous impact on a company's bottom line, especially in service-related industries where margins are already minimized to stay competitive. As a result, there is very little capital to venture into new markets, or to reinvest into their company, both of which can potentially boost the economy.

The affected are not solely small business owners. Large employers, the employed and the retired will feel it to.

Consider the employee who starts at minimum wage; he or she is motivated to earn an increased wage. Through their hard work, they are able to improve their skill set, increase their responsibilities, and thus realize an increased wage within their company. The employee is better off due to their added skills, and the company is better off due to a more competent workforce. If the minimum wage is artificially increased to \$10.00 or \$15.00 an hour, it will remove that motivation to improve. Without that motivation, it is likely that Guam's future workforce will be flooded with overpaid, undereducated laborers.

Now, consider that same employee whose hourly wage is \$2.00 above the minimum after putting the significant time and effort into their job. This would be equivalent to a 25% increase if they started at the current minimum wage. If a new employee is hired at the new minimum wage of \$10.10 per hour, the business owner is faced with a predicament – should increases to the minimum wage propagate to increases for all

employees or just new hires? This could have a significant impact to businesses, both big and small, to not only their financial side, but to their employee morale as well. How is a business owner able to justify paying a high-school dropout the same amount as an employee who work several years for their pay?

Lastly, consider those individuals who have put in their time and energy, and are now retired on a fixed income. A significant portion of our clients are retired, and they have a pessimistic outlook on the future. Their saving's plan was based on a certain, calculated standard of living. Increasing the minimum wage will lead to increased prices one way or another. Either the increase in the cost of goods will force the owner to pass the cost off to the customer, or there will be an increased demand for products. In both cases, their purchasing power is diminished – the retired are sometimes faced with deciding whether to pay for their utility bill or purchase life-saving medication.


Please keep in mind a large number of employees who are earning the minimum wage are still young and have potential for higher earnings when compared to retirees, who may be too old to work or unable to work because of their health condition.

What I have presented here today is based on real people struggling with real problems. It is based on first-hand accounts, not surveys or gut feeling. It is their hope and my own, that my testimony today does not fall on deaf ears. I hope that this testimony sheds some light on the difficulties and burdens small business owners endure every day.

I urge each and everyone one of you senators to look at the effect this bill will have on the community as a whole, and not just the few in the workforce. I ask that you take a closer look at someone you know that is a small business owner, someone that is living on a fixed income, or someone who will lose his or her job as a result of your decision.

Once we lose the will, the courage and the drive to succeed, we would have lost the main force that makes Guam a great place to live. Keep the Guamanian dream going, and encourage local ownership. We must make it possible for future generations to know what it means to buy local.

Thank you very much.

 8/18/11

May 23, 2016

Honorable Rory J. Respicio
Chairman
Committee on Rules
155 Hesler Place
Hagatna, Guam 96932

Dear Mr. Chairman and Senators,

On behalf of the SHRM Guam Chapter membership, I would like to thank you for the opportunity to submit our position on Bill 312-33. SHRM Guam Chapter opposes Bill 312-33 and requests that the Economic Impact Study (EIS) as mandated by PL 32-178 be completed and reviewed before any changes to the current minimum wage are made.

The SHRM Guam Chapter is a non-profit organization that has been part of the Guam community since 1990. Its 175 members represent small, medium and large employers on Guam with several thousand employees. SHRM Guam is an association of members committed to the development and advancement of the human resources profession.

In March 2016, SHRM Guam reached out to its members to survey where their organizations were one year after the new minimum wage rate of \$8.25 per hour had been in effect. SHRM Guam received responses from 77% of its members. Some of the issues that employers had to manage to with the current minimum wage increase were:

- **The new minimum wage resulted in reduced work hours; some hire part-time employees vs. full-time employees requiring current employees to increase their job duties**
- **Benefit costs increased resulting in reduced benefit coverage to maintain costs**
- **Prices of goods and services increased**
- **Annual merit or salary increases decreased or ceased**
- **Companies are exploring a reduction of paid leave and holidays**
- **Wages were compressed with some companies increasing base salaries for more skilled employees as a result of the minimum wage increase**
- **We streamlined some of our jobs so that we reduced the overall number of employees**
- **We increased the work load of each employee to compensate for the loss of manpower**

In April 2016, SHRM conducted another survey with a 38% response from members with 78% opposing an increase in the minimum wage. Some of the reasons given for opposition were:

- **Raising minimum wage would force us to reduce staffing levels, increase pricing for services and causes wage compression which results in low morale for tenured employees**
- **There has to be a greater understanding of the impact overall (small and large businesses). There is a misunderstanding on the benefits increasing of wages would be. There are many**

pros and cons to the increase, and most important, we need to be able to completely understand the negative impact. We should not compare ourselves to the mainland and/or other industry. There are many factors that make us 100% different in how we do business.

- **It does not benefit anyone. It doesn't get people out of poverty and it doesn't stimulate the economy. It hurts the local small businesses who have 2 to 19 employees; note that 71% of businesses on the island have 2 – 19 employees. The bill hurts our very own small business entrepreneurs.**
- **The minimum wage is the starting rate for someone who enters the workforce with no experience. As the person gains experience, continues with his/her education and training, that individual then progresses in their career and with that comes a better paying wage. For my organization, the increase in minimum wage will still cost my company thousands of dollars because of wage compressions. I have employees who are making more than minimum wage, but should the increase happen, I will have trained employees making very close to someone who comes to work for my organization with zero experience. It will cause internal morale issues as well because those employees will resent that new employees will be making the same with no experience.**

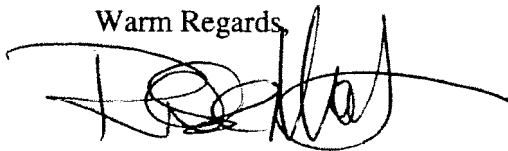
Additionally, the U.S. Department of Labor recently finalized and announced changes to the rules and regulations regarding the salary level for employees exempt from overtime, raising the level from \$23,660 to \$47,476 annually. This new salary level is effective December 1, 2016 and could cost Guam employers hundreds of thousands of dollars to comply. Guam simply cannot afford another increase in minimum wage along with this new overtime rule.

Employers, in general, do the right thing by their employees. However, raising the minimum wage is not the solution. Minimum wage is the entry level wage for those applicants who do not have any skills. It is where we all started when we first applied for our first job and as our skills increased, so did the opportunities to grow and make more money.

We ask that the legislature vote no to Bill 312-33 until the EIS is completed with a full review and analytical understanding of the EIS.

Again, thank you for the opportunity to submit SHRM Guam Chapter's testimony in opposition to Bill 312-33.

Warm Regards,



Rose Ayuyu Morales, SHRM-CP, PHR
President
SHRM Guam Chapter

May 18, 2016

Senator Rory J. Respicio, Chairperson,
Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural
Resources; Election Reform and Capitol District
I Mina' Trentai Tres Liheslaturan Guahan
155 Hessler Street, Suite 301
Hagatna, Guam 96910

RE: Bill 312-33. An act to repeal and reenact §3105 of Article 1, Chapter 3 of Title 22, Guam Code Annotated, relative to responsibly raising minimum wage.

Dear Senator Respecio,

As a retiree and a manamko, I would like to tell Vice Speaker Cruz – Shame on You for using your office and authority as an elected leader to introduce such detrimental legislation for people like me who have no opportunity to receive an increase in my monthly income yet will have to pay for the consequences of the increased cost of living. And yet all of you who were reelected two years ago supported a substantial pay increase to each of you personally at the detriment of all taxpayers who have to contribute to cover that additional cost.

What you should be focusing on is how can we better educate and train our young people and those stuck in minimum wage jobs to enable them to earn higher pay. Focus on developing the skills of our workforce. Your job is not to propose and pass unfunded government mandates, but to be truly interested and concerned in providing better pay for better skills and funding the programs that do that. What you are doing is supporting the “entitlement” mentality without having to earn better pay by having better skills. But that may be your very own mentality since you are using this as another political ploy to fund your reelection campaign.

Remember that most big business can and do pay higher than the minimum wage, but many of the small business owners are struggling to make ends meet. Remember the manamko and retirees too. I will definitely remember all of you who support this bill on Election Day, and remember to not vote for you.

A Government of Guam Retiree Survivor


Elizabeth Viegas

May 18, 2016

Senator Rory J. Respicio, Chairperson,
Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural
Resources; Election Reform and Capitol District
I Mina' Trentai Tres Liheslaturan Guahan
155 Hessler Street, Suite 301
Hagatna, Guam 96910

RE: Bill 312-33. An act to repeal and reenact §3105 of Article 1, Chapter 3 of Title 22, Guam Code Annotated, relative to responsibly raising minimum wage.

Dear Senator Respecio,

I would like to thank Vice Speaker Cruz for his position on insisting on raising minimum wage further despite having not received any independent economic study to show the affects of the last minimum wage increase. In fact, he is proposing to repeal the very section of the code that requires an independent economic impact study be completed before any further adjustments are made. It shows me that he has no regard for the community at large, especially the business community who are one of the main drivers for our local economy.

My small business originally had two employees in addition to my business partner and me. Thanks to his insistence to increase minimum wage two years ago, we now have zero employees. These jobs are now performed by me and my business partner instead of employing additional workers. Business is struggling, but we could not afford to accommodate his political re-election campaign and hope that this will not be your campaign or any other incumbent senator seeking reelection.

We still cannot afford to fund Vice Speaker Cruz' current reelection campaign and will definitely not be supporting him or anyone else who votes in favor of this legislation. We will also remind our former employees that he was the cause of us having to let them go and hope they also remember on Election Day.

Sincerely,


Henry Herradura
Partner – Sign Write LLC

May 18, 2016

Senator Rory J. Respicio, Chairperson,
Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural
Resources; Election Reform and Capitol District
I Mina' Trentai Tres Liheslaturan Guahan
155 Hessler Street, Suite 301
Hagatna, Guam 96910

RE: Bill 312-33. An act to repeal and reenact §3105 of Article 1, Chapter 3 of Title 22, Guam Code Annotated, relative to responsibly raising minimum wage.

Dear Senator Respicio,

I own a small party equipment rental business and have nine employees. I do my best to pay my employees more than minimum wage, but entry level for an unskilled person is at minimum wage. As employees gain skills and knowledge, I give pay increases. Only two of my employees are at minimum wage because they are new hires and still learning all of the ropes necessary to perform independently.

I compared my tax returns for 2014 and 2015 to see how minimum wage affected my business. First of all, I had to raise my rates because I had to pay my workers more – to alleviate decreased morale because of wage compression to those who were getting above minimum wage before the last increase and who would be either at or just above minimum wage, and the end result was my sales in 2015 was less than 2014. As guys left, I did not replace them so three jobs were lost. Since sales were reduced, I also reduced the hours that my guys worked and wages paid were actually less in 2015 than in 2014, and as a result of declining sales, I did not reinvest into the business by buying more equipment to replace and upgrade current equipment as I have always done in years past.

And Vice Speaker Cruz is now proposing additional wage increases? What are our elected leaders trying to do – put me out of business? I cannot sustain this business if I am not reinvesting in the equipment and simply raising my rates and paying higher wages. If I close down, then nine workers will be without a job and will have every one of you who supports this to thank for that. If it comes to that point, I am certainly going to make sure they understand that it was Vice Speaker Cruz and anyone else who supports this trying to use small business to fund their reelection campaign at my expense, and unfortunately at my employee's expense if I cannot sustain my business going forward if this bill becomes law.

Vice Speaker Cruz will not have my vote,


Henry S. Dacanay

P.O Box 4590
Hagåtña, Guam 96932

Tel.: 688-8767
Email: jbradley@ite.net

May 18, 2016

The Honorable Senator Rory J. Respicio
Chairperson, Committee on Rules;
Federal, Foreign & Micronesian Affairs;
Human & Natural Resources,
Election Reform, and Capital District
I Mina'Trentai Dos na Liheslaturan Guåhan
155 Hesler Place, Ste. 302
Hagåtña, Guam 96910

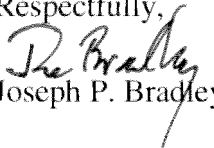
Chairman Respicio:

Thank you for the opportunity to testify regarding Bill 312-33 (COR), *An Act to Repeal and Reenact §3105, Chapter 3 of Title 22 of the Guam Code Annotated, Relative to Responsibly Raising the Minimum Wage*. You will find my testimony attached.

You will note that my testimony is neither in support of nor opposition to the subject Bill. My intention is to provide my input as a private citizen and a professional economist in the hope of assisting the Committee and the Legislature in making informed decisions regarding the prospective effects of raising the minimum wage rate in Guam.

By way of background and qualifications, I became Chief Economist for the government of Guam in 1984, and have worked in the private sector here since 1992. With nearly 32 years of experience as a working economist in Guam, I am familiar with the island's economy and many of the laws and regulations that govern its performance.

Should my testimony raise any questions, or if you or your Committee members require additional information, I will be prepared to provide supplemental information as needed.

Respectfully,

Joseph P. Bradley

Attachment

TESTIMONY REGARDING BILL 312-33 (COR)

**prepared by
Joseph P. Bradley
May 18, 2016**

Mr. Chairman and members of the Committee, I thank you for your invitation to provide testimony regarding Bill 312-33. My name is Joe Bradley. For those of you who heard or read my testimony on similar legislation 24 months and 18 days ago, much of what I have to say today may seem familiar. Not a lot has changed in the fundamental relationships among wages, employment and prices during the intervening period.

I have been working as an economist in Guam for nearly 32 years. In the past, as Chief Economist for the government of Guam, I was involved in the formulation of many policy decisions; throughout my career here, I have avidly studied Guam's economy. As a professional economist, I believe that I can provide meaningful input to the deliberations of this Committee and the Legislature as a whole with regard to the prospect of raising the minimum wage rate.

The efficacy of having a minimum wage rate at all is still a subject of controversy, even among professional economists. On an ideological level, some oppose the involvement of government in what might otherwise be free markets, based upon the supposition that business regulations create market distortions that interfere with the efficient allocation of resources; others favor such regulations based upon the notion that markets are already distorted, as in the case of labor compensation, because of unequal levels of market negotiating power between buyers and sellers, among other reasons. In my experience, both positions are correct in some contexts, but incorrect in others. As in so many subjects of controversy, the truth often lies somewhere in the gray area in between.

Among the basic principles of Economics, the law of supply and demand ensures that prices in a free market, in this case wages, gravitate toward an equilibrium level at which the quantity that buyers want to buy, in this case labor resources, is equal to the quantity that sellers want to sell. The theoretical result is that both buyers and sellers are satisfied with the market price at the market-clearing quantity. Further, as market conditions change due to greater or lesser quantities supplied or demanded at various prices, the market-clearing price will also change, again resulting in a satisfying equilibrium for buyers and sellers.

Under these simple, basic principles, when an artificial price floor (a price below which buyers and sellers are prohibited from transacting) is imposed upon a market, there is a wedge driven between demand and supply. The result of an effective price floor would be that the quantity

demand in the market decreases as the quantity supplied increases.¹ In the case of labor markets, this surplus is most commonly referred to as, “unemployment.”

There is another effect, though. Because labor is a resource, a higher price for labor spreads through the markets for any product, any good or service. The higher price of labor represents a higher cost in production, and higher costs tend to be passed along to the ultimate consumers of the output of the economy. The result is price inflation.

Thus, in addition to creating unemployment, an effective minimum wage also generates inflation, both in accordance with basic principles of Economics, both in accordance with the law of supply and demand.

Because neither excessive unemployment nor high rates of inflation are desirable outcomes in an economy, particularly when they are the results of public policy, it is understandable that so many people are against having a minimum wage at all.

The basic principles of Economics, and most especially the law of supply and demand, serve an extremely valuable purpose in illuminating the fundamental relationships underlying the functioning of an economic system. Without a basic understanding of these principles, it would be impossible to grasp the more complex characteristics of the system, and I assure you that the system is complex . . . extremely complex . . . to the point that no person or group, either individually or collectively, fully understands how all of the moving parts fit together. There are too many elements involved, and the relationships among those elements are, for all practical purposes, infinite in number. Applying the fundamental principles of Economics to the real world, then, inevitably leads to an incomplete and often erroneous understanding of how the overall system works. The principles may be sound, but the accuracy of their conclusions is confounded by the myriad interrelationships that complicate the system.

Fortunately, there is a real world, a world outside of academic principles and theory, in which objective facts are observable and measureable. Also fortunate for this testimony is that these objective facts and the associated, measureable data have been extensively and rigorously studied by many professional economists. The preponderance of these examinations have concluded that the results of the application of the basic principles of economics with regard to the minimum wage can be misleading.

Based upon research in the United States performed over the past 25 years by economists who are far smarter and substantially more skilled than I am, the reality of the impacts of minimum wage increases barely conform to the basic principles of Economics. When the minimum wage has been increased, there have, indeed, been increases in the unemployment rate, but they have been slight and they have been brief, and in most cases they have not even been statistically significant; that is, the unemployment impact of minimum wage increases have been so small that they are often indistinguishable from statistical

¹ In the theory of supply and demand, there are some goods and services for which, at high enough prices, further price increases will draw *lower* quantities supplied into the market. Labor is one of those “goods” because, at a high enough price, the worker would prefer more leisure time as opposed to higher income. However, the minimum wage rate in Guam is nowhere near high enough to approach this backward-bending portion of the labor supply curve.

“noise.” The majority of these studies have concluded that there is an impact on the rate of inflation, but that it, too, is slight. After all, minimum wage labor is a very small component of most firms’ cost structures, and an increase in the minimum wage is practically insignificant for most employers.

It is important to acknowledge, though, that minimum wage employees constitute a substantial proportion of some firms’ cost structures. Some industries, by their nature, are labor intensive, and some rely almost exclusively on low-skilled, minimum wage workers to deliver their services to their customers. Landscaping, building maintenance and custodial services come to mind, as do restaurants, hotels and many retail establishments. An increase in the minimum wage may be expected to have a disproportionate impact on these industries. However, studies specific to the hospitality industry (excepting those that have been conducted by that industry’s trade groups and “think tanks”) indicate that increases in the prices of the goods and services that they provide have absorbed increased labor costs, often on a greater than one-to-one basis, and that those price increases have usually been relatively small.

However, as stated earlier, the economy is a complex mechanism. An increase in the minimum wage can be expected to lead to increased spending on consumption, which is likely to affect the revenues of many of the firms affected by an increased minimum wage rate in the first place. This, too, is the conclusion of some of the quantitative research into the impact of minimum wage increases in the United States. Nevertheless, it is possible, even likely, that some firms will experience reduced profits because of an increase in the minimum wage rate.

Studies have also conclusively shown that an increase in the minimum wage leads directly to an increase in labor productivity, at least among minimum wage earners. This result is due to several factors, among them being improved attendance, improved worker morale, stronger employee loyalty to the employer, and dramatically reduced turnover rates, with the associated reduction in recruitment and training costs. Minimum wage workers feel greater personal pride in their work, and they also keep watch on their co-workers to ensure that the “team” lives up to the employer’s expectations.

Raising the minimum wage rate tends to increase the rate of economic growth. The increase in wages boosts consumption spending, which in turn actually expands employment to meet the higher demand for many firms’ products. This leads to higher income that, augmented by the multiplier effect, helps to increase the level of economic activity. However, much of the quantitative research on this aspect of minimum wage rate increases incorporates geographic labor mobility, so it may or may not have as strong an effect in Guam as it does in the States.

On the public sector side of the economy, it is unlikely that raising the minimum wage will have any substantial impact on personnel costs. At the top of the income statement, though, our government can expect an increase in revenues, not only because of higher withholding tax remittances, but also because of higher Gross Receipts Tax revenues.

On the lower part of the government’s income statement, we can expect a decrease in expenditures associated with public assistance costs (and perhaps other costs, such as law enforcement, as well). An increase in the minimum wage rate will lift the income of a number of individuals and households, many to above the poverty level. Regardless, higher individual and household incomes reduce the costs to the government of providing public assistance payments, whether the recipients rise above the poverty level

or merely reduce the gap between income and that benchmark. As many of these programs' appropriated federal funds do not meet the matching percentage criteria, this would almost entirely be a windfall for the local government's fiscal position. To the extent that minimum wage employees depend on public assistance expenditures, those funds represent a subsidy by taxpayers in general to minimum wage employers. By some estimates in the States, taxpayers actually subsidize minimum wage employers by as much as \$10,000 per employee per year, money that could otherwise be spent to improve other public services, or it could allow the government to lower tax rates. (This subsidy is likely to be lower in Guam because the federal government fully funds the Supplemental Nutrition Assistance Program, but there would also likely be offsets because of the deficiencies in federal "matching" funds for other public assistance programs.)

Looking more specifically at Guam in terms of our experience with increases in the minimum wage rate, in a recent report by the Division of Public Welfare of Guam's Department of Public Health and Social Services for Fiscal Year 2015, the Bureau of Economic Security² reported a reduction of 4.5% in the number of clients interviewed, and attributes that decrease in participants to an increase in Guam's minimum wage rate, a decrease in the unemployment rate and/or more job opportunities. The decreases of 1.1% and 3.5%, respectively, in participation in the Medicaid program and the Medically Indigent Program during FY' 15 are similarly attributed to the increase in the minimum wage rate and the decrease in the unemployment rate. With the exception of participation in the Aid to the Blind, Old Age Assistance, Aid to the Permanently and Totally Disabled, and Child Care Development Fund programs, all other programs administered by the Division of Public Welfare (SNAP, TANF, GA, Medicaid and MIP) experienced decreases in participation during FY' 15, and the report again attributes this to the increase in the minimum wage rate and the decrease in the unemployment rate.

Turning to the historical experience in Guam with increases in the minimum wage rate in our labor market, there has been no discernable relationship between such increases and payroll employment. (For those statistically inclined, the coefficient of determination, the "R²" measure, is at an insignificant level of 0.22.) This indicates that, if there is a statistically significant relationship between changes in the minimum wage rate and the employment of workers in Guam at all, it is small and inconsistent. I have attached a graph to this testimony that provides a visual representation of the time series relationships between the minimum wage rate and payroll employment.

On a more humanitarian level, there has been a gross deterioration over time of the purchasing power of an hour's worth of wages earned from minimum wage employment. During the fourth quarter of 1983, the minimum wage rate was \$3.35 per hour worked. If adjusted to the level of Guam's Consumer Price Index in the first quarter of 2016, the purchasing power of that \$3.35 was equivalent to \$16.20 in today's prices, nearly double the current hourly minimum wage of \$8.25. Stated differently, the standard of living of a minimum wage earner today is barely half of what it was more than 30 years ago. I have attached a second graph to this testimony showing the nominal minimum wage rates over the past three decades along with the purchasing power of those wage rates if prices had been constant throughout the period at the level measured in the first quarter of this calendar year.

² The BES administers the Supplemental Nutrition Assistance Program (SNAP), the cash assistance programs (Temporary Assistance to Needy Families (TANF), General Assistance (GA), Old Age Assistance (OAA), Aid to the Permanently and Totally Disabled (APTD), and Aid to the Blind (AB)), the Medicaid and Medically Indigent programs, and the Child Care Development Fund (CCDF).

There are both social and economic consequences to this precipitous decrease in the purchasing power of minimum wage earners, but I would like to focus on the economic impacts. Relative to minimum wage earners:

- A real reduction in price-adjusted earnings means a real decrease in spending capacity, which results in a real reduction in consumption spending (and low income people spend virtually all of their income on consumption), which translates into a real reduction in business revenues;
- A real reduction in business revenues, in most cases, leads to a real reduction in the value of business profits;
- A real, price-adjusted reduction in minimum wage earners' income translates into lower real tax payments, resulting in a reduction in the purchasing power of government revenues;
- A real reduction in minimum wage earners' price-adjusted income results in more people and households being eligible for public assistance, requiring higher government expenditures on public assistance programs.


It is simply not good for any economy (e.g., Japan, the U.S., China, etc.) for consumption expenditures to fall. Any reduction of consumption expenditures results in a shrinkage in the economy, leading to a reduction in income and, ultimately, a reduction in Gross Domestic Product.

While it is self-evident that a reduction in purchasing power is not good for minimum wage earners, it may be less obvious that it is not good for business revenues, business profits, government revenues and public expenditures, although the connection should be clear by this point. It should also be perfectly clear that a reduction in the purchasing power of the minimum wage earner is not good for that worker, and, if that is the case, it is not good for the prosperity of the wider community of Guam.

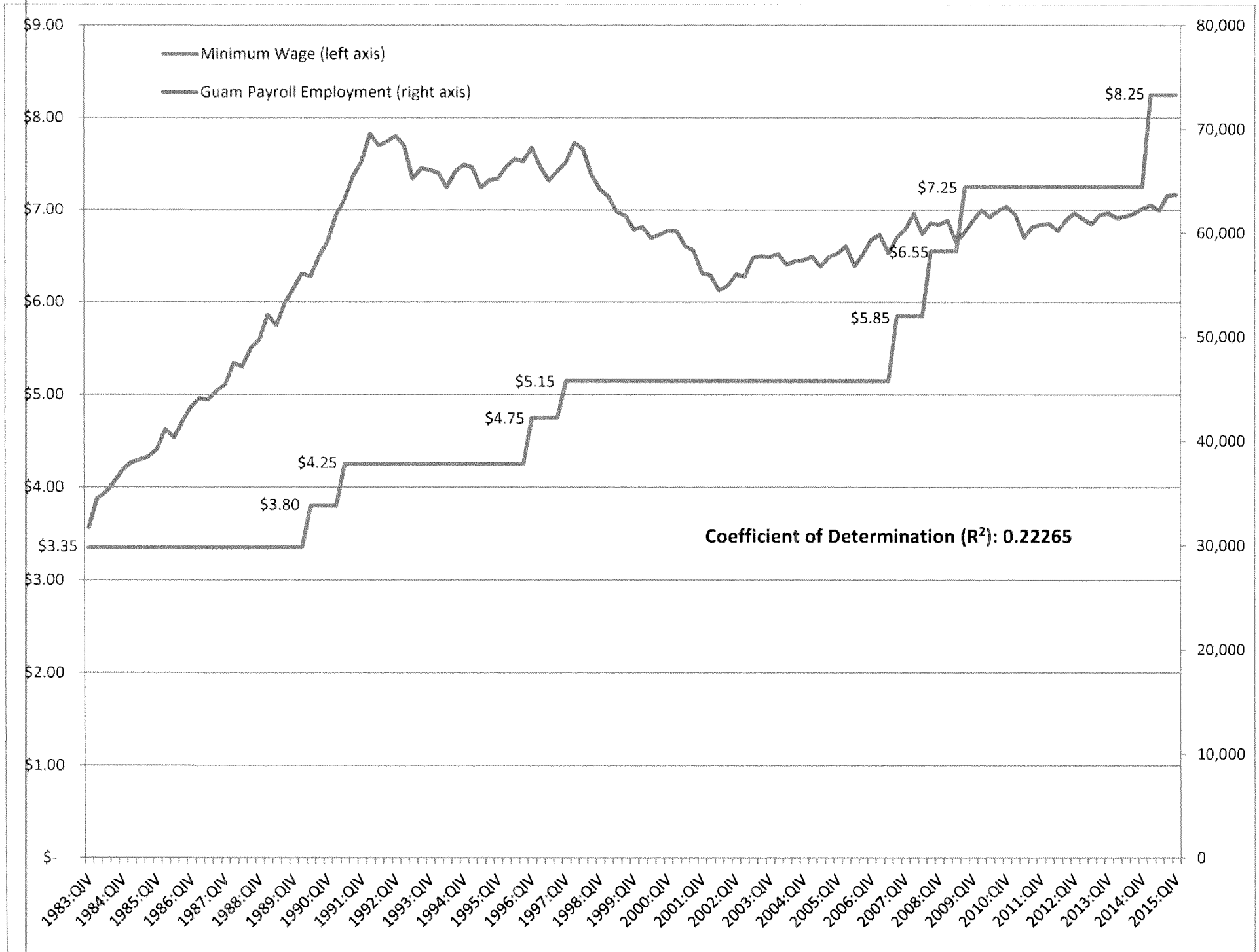
I will leave the other minimum wage-related issues of crime, family violence, financial catastrophe, welfare dependency, educational achievement and innumerable other aspects of the social and economic effects to others who have greater expertise in those subjects, should they choose to express their views.

For my part, I hope that the information and perspective that I have provided in this testimony is of value to the Committee, its Members and the Legislative Body as a whole in your deliberations over Bill 312-33.

Testimony Respectfully Submitted by

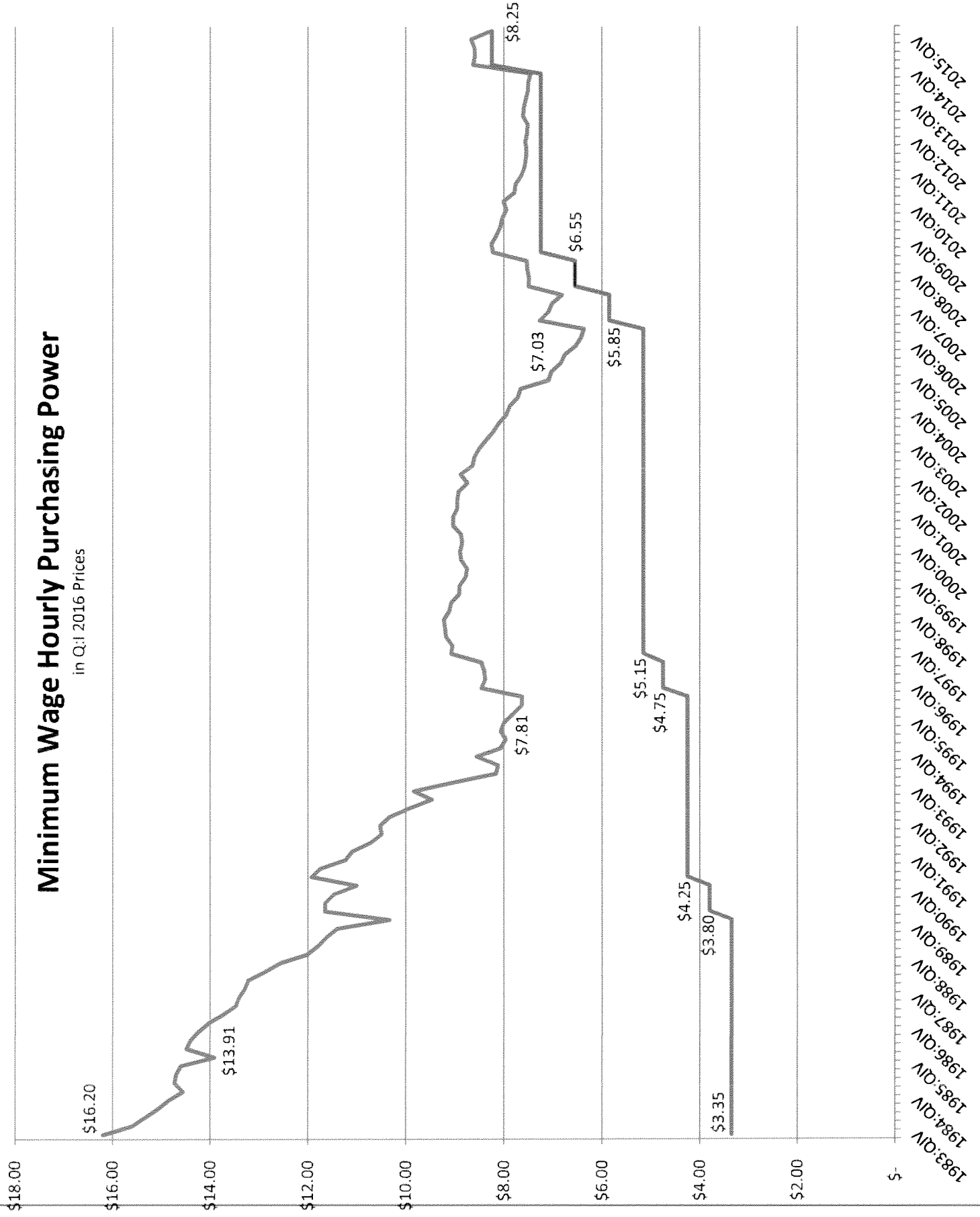

Joseph P Bradley

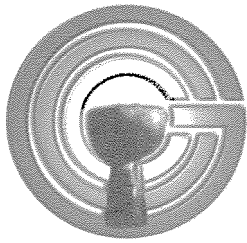
Attachments



Minimum Wage Hourly Purchasing Power

in Q:I 2016 Prices





GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

May 18, 2016

THE HONORABLE RORY J. RESPICIO
Chair, Committee on Rules; Federal, Foreign, and
Micronesian Affairs, Human & Natural Resources
I Mina' Trentai Tres Liheslaturan Guahan
Suite 301, 155 Hesler St.
Hagåtña, Guam 96910

RE: Bill 312-33. An act to repeal and reenact § 3105 of article 1, chapter 3 of title 22, Guam Code Annotated, relative to responsibly raising the minimum wage.

Dear Mr. Chairman,

Thank you for the opportunity to submit our position on Bill 312-33.

I write to express our opposition to Bill No. 312-33, which seeks to raise the minimum wage to \$9.20 per hour beginning January 1, 2017, and \$10.10 per hour beginning January 1, 2018. We continue to insist that the Government of Guam move forward with an independent economic study as mandated by PL 32-229 and if necessary, by appropriating funds expeditiously to do so.

We believe that the issue has vast repercussions that may adversely affect many small businesses as well as the wage earners the bill is trying to support. The lack of adequate data to support the minimum wage increase coupled with the emotional pressures of an election season should not dictate the decision on the fate of Bill 312-33.

Our organization represents over 400 businesses, which employ over 40,000 employees on Guam, and it is our responsibility to advocate for good, sound public policy, when it comes to issues that not only unfavorably impact the operating expenses of our members, but also affects investor confidence and creating a business friendly environment for Guam. Our members are proud community partners who have worked collaboratively with government officials over the years in helping to build the state of the island we have today. These are business entities that have taken care of their employees, and believe that the market should determine wage levels - not government imposed mandates.

The Chamber maintains that the *minimum wage is not meant to be a living wage*. The minimum wage is a starting point for unskilled workers to gain the skills and experience to earn higher compensation. Increasing the minimum wage will essentially knock off the lower rung of the career ladder and prevent otherwise sincere hard-working people from entering the labor force where they can acquire these important skills.

Unlike the mainland where there is a macro economy, there is a shortage of capital within our local business environment so we do not have economies of scale; this means businesses must operate on thin margins between revenue and expenses while at the same time we are burdened with excessive regulatory costs, increasing utility costs, increased taxes, fees and healthcare costs to run our businesses. What might seem to be a small wage increase by lawmakers could change the equation towards the negative for businessmen and women.

In reality, most businesses don't have many minimum wage workers on the payroll but we should not confuse that with having no effect. The minimum wage does hurt the prospects of the number of workers it covers and the wage

Page 2

Letter to Senator Respicio

Re: Bill No. 312-33

increases will trickle up to the higher wage scales -the impact of wage compression would undoubtedly occur with the passage of this bill. The issue is not only about increasing payroll expenses by over \$4,000 annually per minimum wage earning employee after 2018, but also affects those mid-level employees who earn \$10 - \$15 per hour. Because of compression, the motivational benefit for employees who have seniority within a company or organization would be lost if their current salary is consistent or just above the new minimum wage proposed in the legislation. The employer would have to contemplate increasing their wages as well or consider other means of addressing the issue such as decreasing hours or even deciding not to hire unskilled workers (minimum wage earners) at all.

If the issue is to increase the standard of living of our island residents, especially those earning low wages, why not focus our efforts and funding on initiatives that will make a real difference such as improving the quality of our public education system to reduce the dropout rates and produce more students with the skills that are relevant and competitive in today and tomorrow's marketplace?

Why not support workforce development and training programs designed to enhance the skill sets and promote 'workforce ready' citizens?

Why not restructure our welfare programs to remove the current disincentives to work or receive wage gains?

Why not continue to provide our low skilled workers the opportunity to acquire the relevant job skills necessary to move up the career ladder that can only come from 'on the job' training and at wages that makes sense to our businesses and job creators?

Though much work needs to be done, these are far better solutions to balance the need for increased economic productivity against the concern of all island residents to enhance their standard of living than what this legislation is proposing to do. This also benefits the Government, which can leverage this increase in skilled labor as an additional incentive to attract new businesses to Guam.

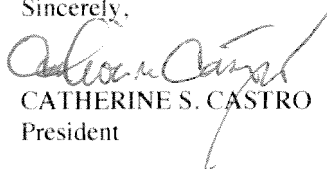
Many questions still need to be addressed from the impact of the last minimum wage increase at the start of 2015.

- Were employee benefits reduced, and if so, to what degree?
- Were employee hours reduced?
- How was the wage compression issue addressed?
- How many employees lost their jobs because of the employer's inability to maintain operating expenses?
- Did the cost of everyday goods increase?
- How did it impact the budget of the Government of Guam?

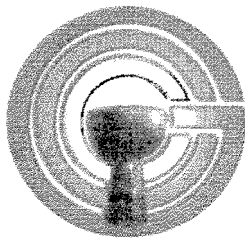
The questions are endless, which only further supports the importance of an Independent Economic Study prior to addressing this new legislation.

To summarize, we respectfully ask for your careful consideration of the long term consequences this legislation, if passed into law, will have on our economic competitiveness and job creation effectiveness.

Sincerely,



CATHERINE S. CASTRO
President



GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

May 6, 2016

THE HONORABLE BENJAMIN J. F. CRUZ
Chair, Appropriations and Adjudication
I Mina' Trentai Tres Liheslaturan Guahan
Suite 301, 155 Hessler St.
Hagåtña, Guam 96910

RE: Bill 312-33. An act to repeal and reenact § 3105 of article 1, chapter 3 of title 22, Guam Code Annotated, relative to responsibly raising the minimum wage.

Dear Mr. Vice Speaker,

We would like to thank you for the opportunity to submit our position on Bill 312-33. The Guam Chamber of Commerce, as indicated in letters to your office dated April 9, 2016 and April 12, 2016, respectively, continues to request that the discussions on the objectives outlined in this legislation be postponed until

- 1) The results of an Independent Economic Study which was mandated by PL 32-178 are released and,
- 2) After the November 2016 General Election is completed and the winners certified.

We believe that the issue is too vast, with the potential of adversely affecting many businesses as well as consumers, that not only is adequate data necessary, but the emotional pressures of an election season should not dictate the decision on the fate of Bill 312-33.

Our organization represents over 400 businesses, which employ over 40,000 employees on Guam, and it is our responsibility to advocate for good, sound public policy, when it comes to issues that not only unfavorably impact the operating expenses of our members, but also affects investor confidence and creating a business friendly environment for Guam. Our members are proud community partners who have worked collaboratively with government officials over the years in helping to build the current economic state of our island. These are business entities that have taken care of their employees, and believe that the market, and not government imposed mandates should determine wage levels. The Chamber maintains that the minimum wage is not meant to be a living wage. The minimum wage is a starting point for unskilled workers to gain the skills and experience to earn higher compensation.

Our organization is additionally concerned about the impact of wage compression that would undoubtedly occur with the passage of Bill 312-33. This is not only about increasing payroll expenses by over \$4,000 annually per minimum wage earning employee after 2018, but also for those employees earning between \$9-\$11 an hour and above today. Because of compression, it would not be motivationally beneficial for employees who have seniority within a company or organization to be earning an amount consistent with the new minimum wage proposed in the legislation. The employer would have to consider increasing their wages as well or consider other means of addressing the issue such as decreasing hours or even deciding not to hire unskilled workers (minimum wage earners) at all.

Many questions still need to be addressed from the impact of the last minimum wage increase at the start of 2015.

- Were employee benefits reduced, and if so, to what degree?
- Were employee hours reduced?
- How was the wage compression issue addressed?
- How many employees lost their jobs because of the employer's inability to maintain operating expenses?

Page 2

Letter to Vice Speaker Cruz

Re: Bill No. 312-33

- Did the cost of everyday goods increase?
- How did it impact the budget of the Government of Guam?

The questions are endless, and thus the importance of an Independent Economic Study, prior to addressing this new legislation.

In closing, the Guam Chamber of Commerce would like to thank you for the opportunity to submit our position on Bill 312-33, and we believe that this issue would only get its fair share of discussion after the results of the independent study mandated by PL 32-178 are provided, and without the political pressures associated with an election season. We hope that you and your colleagues would consider these recommendations, instead of pushing this issue swiftly, which may have the potential of adversely affecting many local businesses and consumers alike.

Senseramente,

A handwritten signature in black ink, appearing to be 'Bobby Shringi', is enclosed within a hand-drawn oval.

BOBBY SHRINGI

Vice Chairman of the Board

cc: All Senators of the 33rd Guam Legislature

May 18, 2016

To: Senator Rory Respicio, Chairman Committee on Rules

Fr: Bobby A. Shringi

Re: Bill 312-33

Hafa Adai Senator Respicio and members of the Committee on Rules;

My name is Bobby Shringi and I am currently employed with Moylan's Insurance Underwriters. I am also the Vice Chairman of the Guam Chamber of Commerce. While I present this testimony in the capacity of a private citizen, exercising my civil liberties with the opportunity to present comments on legislation which has been introduced, I will also share some concerns on Bill 312-33 which have been brought to my attention in the capacity of both positions identified above.

Just to clarify, I do not support Bill 312-33, as my primary concern is that this legislation should not be discussed until the results of a mandated economic impact study is provided by an independent source. This issue goes beyond just increasing the minimum wage, as there is the potential of adverse impacts that may affect many businesses.

As an employee of a relatively medium to large sized company on Guam, our greatest concern, which by the way would be shared by other similar sized entities, is the problem with wage compression and how it would impact the operational expenses. Bill 312-33 doesn't just mandate that entry level salaries increase by a little over \$4,000 annually, but it places those employees who started at entry level positions, and who are now earning at the \$9-\$11 levels, in an awkward position.

If a company does not have the financial capacity to immediately give these employees a raise, then you are essentially telling them that their efforts over the last few years may not mean much, as they would now be in the same income bracket as an entry level employee starting off their tenure, a position the latter may have held just a year or two ago. Now let's say the employer can afford to increase the compensation of the \$9-\$11 wage earners, what happens to the next tier of \$12-\$14 earners? To what degree can a business afford to provide these increments just to satisfy a new law?

Just as all lawmakers come from different backgrounds, with each unique, in their own professional experiences, business operations are also not identical to each other. While some can afford to give out higher increments, there are many that have a difficulty in achieving this objective. In general no one disagrees with incentivizing their employees, specifically for the purpose of rewarding good employees and retaining valuable ones, but this does not have to be accomplished via a government mandate.

There was a concern raised recently to the Guam Chamber of Commerce on the amount of Earned Income Tax Credits (EITC) that the Government of Guam is paying out annually to those earning an entry level wage. Yes, I agree this is alarming, and one that needs to be addressed. The positive is that the EITC helps many in the community address the rising costs of goods on island. However the solution of increasing the minimum wage is not exactly the ideal route to go if we are trying to minimize the EITC payouts or allow entry level earners a balance in being able to afford these higher costing goods.

A mandated wage increase will eventually result in higher cost of goods, because the reality is that for many small businesses, to sustain an increase in their operating costs will either require a reduction in some expense (i.e. reducing employee's hours or benefits) or an increase in their prices. Surprisingly, many may choose the latter to avoid losing good employees. Hence, we will be back to square on in a few years trying to figure out another solution to this problem.

In response to the concern on the EITC payments, it was suggested that the Government of Guam continue to pursue the millions of dollars in reimbursements with the federal government. These are monies that would essentially be infused back into the General Fund and could help with pressing issues at GMH or DOE. These are dollars that could help the homeless or our struggling veterans. However the first step would be to seek out these reimbursements, and we support the local government's efforts on this, and understand that this will take some time to materialize.

I, just as many business leaders and owners that I have spoken to, agree that employees need to be rewarded. However this has to be done within the parameters of what an employer can do, and not by a government mandate. Yes, as someone who manages people, I have lost good employees to other businesses because we were not able to compete with what the competitor proposed in wages and benefits, but that is what market driven compensation will do for those employees who work hard and build themselves in an operation. However at the same time, we do our best to keep our company afloat to take care of our employees, through decent wages and benefits. Surprisingly, we have an overwhelming number of employee's, whose tenures exceed at least 10 years of service, displaying the employer's commitment to their staff.

In closing, I would like to clarify the myth that not all local companies are in the business of greed with the objectives of hiring cheap "slave" labor. Not all business owners are cigar smoking, cognac drinking, penthouse living, executives, who own summer and winter homes, and desire keeping the minimum wage at the lowest possible to increase their profits. Instead we have many proud business owners on Guam, and I have had the privilege of working with a number of them over the years. These are great community partners who take care of their employees in any capacity they are able to. They are influential leaders who have served on government and non-profit boards, some have served in the legislature and in Adelup, and many have contributed (and want to continue to contribute) to the growth of Guam's economy. These are individuals who believe in Guam, help those who are in dire need, and want to leave a positive legacy.

With this in mind, I encourage all the Senators of the 33rd Guam Legislature to take a close look at the perspectives of the businesses, both small and large, before making a decision on Bill 312-33. Listen and read the many testimonies being presented, and ask yourself if additional data is still needed to verify the impact this legislation may have on the costs of goods, employment numbers, or other factors. Furthermore, I ask that you consider moving this discussion till after the election season, to avoid the political ramifications that such issues bring to the table. We encourage that facts pace the fate of Bill 312-33 and not political pressure. Thank you very much for this opportunity to submit testimony.

Regards,

A handwritten signature, likely "Bobby A. Shringi", enclosed within an oval-shaped scribble.

Bobby A. Shringi

To: Senator Rory J. Respicio, Chairperson, Committee on Rules

Re: Testimony in support of Bill No. 312-33

Thank you for the opportunity to provide testimony today in support of Bill No. 312-33, to raise the minimum wage to \$10.10 by January 1, 2018.

My name is Craig Burns and I am a Licensed Social Worker and the President of the Guam Chapter of the National Association of Social Workers. As President, I am here today representing my Board of Directors, the Association membership, and the interest and passion of Guam's social work community.

As social workers, we are guided by a Professional Code of Ethics. One of the Core Values of our profession is Social Justice, which is emphasized throughout our Code of Ethics, exemplified by the following quote from our Code: *"Social workers' social change efforts are focused primarily on issues of poverty, unemployment, discrimination, and other forms of social injustice."*

It would initially seem, then, that support of an increased minimum wage and living wage would be the obvious position for us to take and, in a sense, it is. As a national Association, NASW supports a national economic policy that invests in "human capital" and recognizes that a nation's well-being derives not only from an economic balance sheet, but also from the well-being of its members. Specifically, NASW supports broad social,

economic, and political actions to end poverty and the vast inequalities in wealth and income... NASW supports a federal minimum wage indexed to cost-of-living increases and is a living wage. (*Social Work Speaks, 10th Edition*)

As I prepared for this testimony, however, I realized this is not such a simple problem. A core foundation of social work practice is a systems-oriented, ecological approach that strives to understand how systems interact with each other at all levels—micro, mezzo, and macro. So, we do unequivocally support an increase in the minimum wage as the first step towards a living wage. We also support seeking to have a thorough understanding of what the ripple effects of such a decision will be across the multiple systems that will be affected might be.

We all know, either firsthand or through family members or constituents, the sacrifices individuals and families earning minimum wage make. We know that single parents and families struggle to make ends meet, living paycheck to paycheck, just one illness away from ruin. We know that on Guam, at this very moment, there are hard-working parents who are worried about their power or water getting shut off or if their children will eat tomorrow. We are all aware that the current minimum wage on Guam, at just over \$17,000 annually, is well below the Federal Poverty Level for a family of four, which is \$24,250. All of us here know and understand the impact of economic insecurity on child development, the long-term health of our community, and the role it plays in the tragically high rates on non-communicable disease on Guam. We understand how joblessness and economic insecurity and the chronic stress that comes with it contribute to the incidence of mental illness, family violence, suicide, substance abuse, crime, and diminished capacity for healthy family and community functioning. I am confident everyone in this room has a clear comprehension of the damage economic insecurity inflicts on our children, on our environment, and on our island community. Each of us here understands these

things. Yet it seems every time we have this discussion, we lose sight of the fact that there are real human beings at the other end of this debate. That is something we should never forget.

In conclusion, the National Association of Social Workers Guam Chapter supports the position of our national Association, which is in line with this bill, and we support the passage of Bill 312-33. However, we also understand that Guam, due to geographical, economic, and political considerations, to name just a few, is in a unique situation that creates variables which may not exist in other regions where more research has been done on the impact of minimum wage on the economy and the communities in which it has been implemented. It is important that, as we look to extrapolate the data and experiences of other regions to the unique conditions of Guam, we take care in the process to examine the situation in a holistic and contextual framework. To do anything less would be a disservice to the minimum wage workers who this bill is designed to help and whom we support as well.

Thank you.

Craig W. Burns, LSW
President, National Association of Social Workers, Guam Chapter
naswguampresident@gmail.com
671-487-2853



The Honorable Benjamin J. F. Cruz
Chair Appropriation and Adjudication
I Mina' Trentai Tres Liheslaturan Guahan
Suite 301, 155 Hessler St.
Hagatna, Guam 96910

May 18, 2016

Dear Mr. Vice Speaker;

Thank you for the opportunity to testify regarding Bill 312-33 (COR) AN ACT TO REPEAL AND REENACT SECTION 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO **RESPONSIBLY RAISING THE MINIMUM WAGE**. The key phrase here I think is "*responsibly raising the minimum wage*". There is really nothing responsible about how this is being done. There was no Independent Economic Impact Statement done as required by the current law. And while I agree with the Vice Speaker that there has been enough time to find the funding and have the study done the fact still remains that the study has not been done. Therefore we should not move forward with this legislation until we follow the current law and have the data in hand to see how it will impact our economy. As the proverb goes: "two wrongs don't make a right" and it is definitely not a responsible way to proceed. Instead we should be working on finding or appropriating funding so the study can be done properly?

What's the rush? As the Vice Speaker pointed out previously the Guam Consumer Price Index (CPI) has actually decreased by 2.1% since the last minimum wage increase so in reality wages went up and consumer prices went down (primarily due to the drop in fuel prices) and everyone's purchasing power increased by even more than the increase in the minimum wage. So it would appear that we have some time to do this properly and legally.

As the Vice Speaker also pointed out in his press release that despite the last minimum wage increase the Guam economy has created an additional 1220 jobs. Of course we don't know how many more jobs would have been created without the minimum wage increase but we can be sure it would have been more than 1220 that were created. That said, we can at least agree that the Guam economy is finally growing again. And that's good news for all of us. Most of us remember not too long ago when it wasn't and how tough times were. I think the last thing we all want to do is make a hasty decision without the data and cause this growth to

TRIPLE J ENTERPRISES, INC.

P.O. BOX 6066 TAMUNING, GUAM 96931 TEL (671) 646-9126 • FAX: (671) 646-9487

slow or even stop. There is no reason to rush this process unless of course there are other motives involved.

Our economy is still very fragile especially the tourism sector where we are competing with many destinations in the region that already have lower airfare, lower room rates and lower operating costs. Tourists have many options where to go and spend their money in the Pacific and anything that increases our costs makes us less competitive as a destination. We need to be very careful not to make imprudent decisions without the necessary data that will cause long-term problems for our core industries.

The other sector of our economy that will take the brunt of any minimum wage increase will be the small business owners. Many people don't realize that the majority of businesses in Guam are small businesses that employ only the owners and a handful of employees. Many of these businesses do not have the capital or the margins to absorb the increase and will have to trim personnel and do more work themselves if they can't increase their prices. Worst case scenario they may have to close. I hope some of these small businesses will testify tonight and in the coming days. I have encouraged some of the small business owners that we do business with to testify but unfortunately some tell me they feel intimidated or apprehensive to speak publicly but when they vote this November it will be in private.

There are also unintended consequences that may occur by making hasty decisions without adequate data. For example if we keep raising the minimum wage we are going to lock out our young people from the workforce. How many businesses are going to hire a high school student with no skills for part time, after-school or summer jobs at \$10.10 an hour? I get numerous requests from friends and acquaintances about this time every year asking if I have any openings for summer jobs. At \$7.25 an hour it wasn't easy but it was possible. At \$8.25 an hour it is even tougher. At \$10.10 an hour I'm afraid I'm going to have to give my own teenagers pink slips. Seriously though whatever the minimum wage is we need to make an allowance for our young people so that they can be hired and gain some experience before they have to enter the workforce full time.

Another unintended consequence of raising the minimum wage is the increased immigration of our neighbors to Guam looking for work. More will come looking for higher wages and a brighter future for their family and who can blame them? Unfortunately more will end up unemployed and on public assistance as the gap between their skills and the minimum wage widens. We as a community are already carrying a heavy load due to unfunded compact impact and this will just

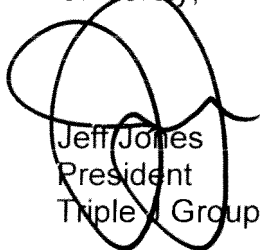
grow as more people come to Guam looking for better pay but without the necessary skills.

Also tomorrow in the states the Obama administration will unveil a new rule that will more than double the current salary rate (from \$23,660 to \$47,476) required to be exempt from overtime pay. This change alone is expected to affect millions of workers in the US and will certainly benefit 1000's of workers locally. Until this new rule is officially announced and the accompanying guidelines issued it is uncertain how local businesses will be impacted but we know it will mean additional costs. This is another reason why we need to wait and slow this process down. We need to consider all the data and determine how it will affect our economy as a whole before moving forward.

What about the Government of Guam? Has anyone run the numbers to see what affect a minimum wage increase to \$10.10 an hour will have on the budget? I did a quick calculation based on the Guam Department of Labor's Minimum Wage Impact Estimates released April 28th 2016. If my calculations are correct, based on 1379 Gov. Guam employees that are at or below the proposed minimum wage of \$10.10 an hour it will cost the government somewhere between \$2.8 and \$5.5 million more per year. And that's not including any overtime or other wage increases that will surely come because of wage compression.

As you can see there is a lot to consider and we as a community need more information to make an informed decision. We have a lot more questions than answers and we need more answers before we can proceed prudently.

Sincerely,



Jeff Jones
President
Triple A Group

Testimony Against Bill 312-33
Sonny Orsini, Pit Boss and Co-owner of asu smokehouse

Håfa Adai,

My brother, Buddy, and I are the co-owners of asu smokehouse. We oppose Bill 312-33, which proposes to hike up the hourly minimum wage rate to \$9.20 in early 2017, and then to raise it again to \$10.10 on January 1, 2018.

asu is a small, local, incubator business located in the Chamorro Village. We specialize in smoking whole, primal cuts of meats, for example, brisket, pork shoulder, beef clod, steamship round roast, and whole hog, using local fuel sources, such as locally-harvested hardwoods like tangantangan, mango, chico, and ågao. These larger meat cuts are smoked between 12 to 18 hours. We don't employ the use of electricity, propane gas, charcoal - only wood. As a result, the fireboxes of our smokers require to be managed by cooks trained in fire building and management, plus possessing some understanding of meat science and thermodynamics. As you can see, our business is both art and craft. As such, it's labor-intensive, requiring three shifts to cook a single load of brisket, anywhere from 200 to 300 lbs. per load, all turned by hand at different times of the cooking process, while holding the pit smoker temperature at exactly 225 degrees by making necessary adjustments in air vents and flues.

I had spoken to several senators more than a year ago about the initial measure in 2014 that proposed to raise the minimum wage rate from \$7.25 to \$8.25 in early 2015. I shared with them my concerns, particularly the impact of small, local businesses. The proposed increase would yield higher payroll and benefits, forcing us to reduce staff. Increase commodity prices of our vendors. Force us to raise menu prices, thus passing the costs to our loyal customers. We keep a close eye on hours, because overtime pay affects your bottom line.

I was told by these senators that my concerns were unfounded based on the "numbers" they saw from several studies. And that I shouldn't worry. Well, I'm here to report back to you, that all of my concerns were confirmed by the initial increase of January 2015.

*Our payroll and benefits swelled, so we laid off staff (from 11 to 6)

*Our vendors raised their commodity prices

*My brother and I work longer hours to reduce overtime pay and benefits

*We, in turn, raised our menu prices, passing the costs off to customers

Our business, like our industrial base, is largely a service based industry, which means the jobs are lower skilled, thus lower wage. Our economic base can't absorb the higher wage hike without having detrimental effects on employment, consumer prices, and on local start-up businesses. Instead of raising the wage rate, this legislative body ought to seek ways in which to expand the island's economic base by creating industries that require higher-skilled jobs.

If you insist on implementing the measure, however, then please explore ways in which to make the playing field fair for small businesses. Here's a proposal: To reduce the GRT from 4% to 2%, to small, local businesses, which have a financial stake in this community. Another option is to increase the Dave Santos Small Business Enhancement Act to \$100,000 and to expand the applicability for three consecutive years.

In closing, we stand by our position on Bill 312-33 and hope you take the time and care to deliberate on the potential impact this measure will have on our island's economy and people.

Thank you for your time and attention.

Si Yu'os Ma'ase',

Kon Respetu,

Sonny Orsini



Buenas yan Hafa Adai,

I'm Fernando Esteves a small business owner and I'm in opposition to Bill 312-33 at this time. We're here this evening to discuss a very subjective topic even though we have yet to determine baselines. It has to be understood that a living wage and minimum wages are mutually exclusive.

As a small business owner my lowest paid employee makes \$10.00 starting and at the end of his first year I have every intention on raising it. I can only speak for my own business which will be directly affected through potential inflation due to the minimum wage increase.

The purpose of minimum wage initially enacted Federally in 1938 was to protect workers from exploitation. I ask you now Senator, will you say publically that it's your belief that all of these employers are exploiting their employees warranting Legislative interference?

A living wage as defined by Merriam's Dictionary is an amount of money you are paid for a job that is large enough to provide you with the basic things (such as food and shelter) needed to live an acceptable life. Currently most individuals who earn minimum wage qualify for both housing assistance and SNAP which covers a large portion of their livelihood.

So let's ask the question: Who is ultimately responsible for the livelihood of the people? Is it the Employers? Or the government on the backs of these employers? Or is up to the individual to take responsibility of their livelihood? The question is rhetorical, because there isn't a simple answer.

My testimony this evening is not a stab at the people who are struggling and need support, I myself come from humble beginnings. I know there are income disparities, but I don't believe blind increases are the answer. If minimum wage increases are the answer than I am in full support. However, we've yet to see a non-bias economic impact study. I understand that you gave a deadline to the administration. Through my research I discovered you didn't bother to appropriate funds to conduct the study. Furthermore, as difficult as you made it the Administration found a way and there was a bid put out to have the study conducted and once again our complicated and loop hole riddled procurement law strikes again, but that's a conversation for another day.

In all fairness I studied Mr. Vice Chairman your 53-Slide presentation on minimum wage while conducting my own research. I'd first like to refer to Slide #12 which depicts private sector jobs in various markets before and after the minimum wage increases. I would like to focus on a few of these sectors: Agriculture, General Contracting, Special Trade Contractors, Food Service, Retail, and Hotel. These reflect many jobs that typically pay minimum wage.

Agriculture was hardest hit receiving a net loss of 84 jobs at 27%. Retail Trade had a net loss of 283 jobs. Food Service saw an increase in 9 jobs and the hotels lost 9 jobs which indicated stagnation. Logically it's safe to assume this would be a huge net loss if it wasn't for the spike in tourism. General Contractors and Special Trade Contractors saw an increase in 1,250 jobs and it's obvious this is due to the military build-up.

Now, referring to Slide #35 with your proposed wage increase would still place low wage employees below the poverty line still qualifying for government benefits. A family of four would make

\$20,200 per year plus \$6,050 in EITC and snap benefits of at least \$3,840 at a grand total of \$30,090 which is equivalent to \$15.60 per hour.

As an employer's how do we fix wage disparities within our companies? If we have employees \$15.60 per hour who are making as much as low wage employees, but with more taxes we will have serious morale issues. The solution we're stuck with is wage scaling will have to occur to address this disparity if we want to maintain morale and match potential inflation to take care of the employees.

In summary Mr. Vice Chairman, it's more than just \$1,976 per year per employee. I speak for many when I say "we started from the bottom now we're here" without a bottom where is the character building incentive to move up? As a sitting Senator you should focus on creating opportunities for individuals. We have shortages in nurses and skilled construction workers that pay well. Please focus on that instead of buying votes paid for by local employers. Again, I'm Fernando Esteves and I do not support Bill 312-33 at this time, but pending your appropriation to fund your mandated economic study and its completion I will support whatever findings come from it.



Fernando Barcinas Esteves
671-489-9016



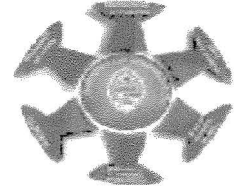
Eddie Baza Calvo
Governor
Ray Tenorio
Lieutenant Governor

GOVERNMENT OF GUÅHAN
(GUBETNAMENTON GUÅHAN)

DEPARTMENT OF ADMINISTRATION
(DIPATTAMENTON ATMENESTRASION)

DIRECTOR'S OFFICE

(Ufisinan Direktot)
Post Office Box 884 * Hagåtña, Guam 96932
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Christine W. Baleto
Director
Anisia B. Terlaje
Deputy Director

May 18, 2016

Honorable Rory J. Respicio
Chairperson, Committee on Rules, Federal, Foreign & Micronesian Affairs,
Human & Natural Resources, Election Reform and Capitol District
I Mina' Trentai Tres Na Liheslaturan Guåhan
Suite 302
155 Hesler Place
Hagåtña, Guam 96910

RE: Testimony: Bill 312-33 (COR).

Buenas yan Háfa Adai Mr. Chairman and members of the Committee,

Thank you for the opportunity to provide comments on Bill 312-33 (COR):

AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE.

The Department of Administration would like to comment on the bill and not to express a position in support or opposition to it. We believe that if this bill were to become law, it would cause what is called "compression" for both the private sector and the government of Guam that is covered by the Competitive Wage Act of 2014.

Should the bill become law, employers would need to raise their starting wage to not less than nine dollars and twenty cents (\$9.20) per hour effective January 1, 2017, then ten dollars and ten cents (\$10.10) per hour effective January 1, 2018. This increase could move those employees being paid at the current minimum wage of \$8.25 per hour, closer to and possibly higher than those who are earning these wages due to achieving seniority; attaining higher skill levels; having added training/education; having earned promotion; etc. This is an example of the compression issue and would likely cause serious morale problems. This situation in turn would most likely cause employers to correspondingly raise the salaries of those that are earning more than the current minimum wage so that they are not paid lower, or the same as entry level employees. This would create a domino effect whereby all levels of paid employees would want higher pay in recognition of the level of achievement they have attained during their career. If employers decide to not adjust the pay of all their other employees, this compression would most certainly create issues among personnel who have earned the right to be compensated more for their level of capabilities in performing the job. However, if employers are not able to absorb these increases, they would need to take measures to address the rise in personnel costs.

This compression problem would not only occur in the private sector, but in the government of Guam for government entities that follow the Competitive Wage Act of 2014. If the minimum wage was raised to \$9.20 per hour, this would force starting salaries to be higher than Pay Grade D Step 1 (\$9.15 per hour). There are some positions within the government that are assigned Pay Grades lower than Pay Grade D, such as Clerk I, which has a Pay Grade of C. These increases in starting salary would necessitate a review of the entire pay scale/plans of the CWA each year. This could warrant an across the board increase in the Pay Plans which will potentially have a huge financial impact on the Government of Guam.

Please also note that we inquired with the Department of Public Health and Social Services on the reduction of Public Assistance clients to see if there is any correlation to the increase in minimum wage. According their Deputy Director, "out of the 24,412 negative actions in FY 2015, only a total of 4,161 or 17% were denied or terminated because of excess in income e.g., gross income, net income or unearned income. *The rest were denied/terminated because the applicants or recipients failed to submit the required documents, failed to meet other requirements for eligibility which resulted in their disqualification, requested termination because participant moved out of Guam, client requested for termination of case for other reasons, case expired, etc.) This represents 83% of the 24, 412 of all the negative actions in FY 2015.*" Thus, the majority of denials for the program were for other factors and not because participants were ineligible due to higher wage earnings. We commend our colleagues at DPHSS for their work in enforcing eligibility requirements.

Based on the language of the bill in its current form, we do not see that the proposal to raise the minimum wage was based on any wage study. We understand that §3105.1 of the same Chapter mandated an economic impact statement to have been issued relative to the minimum wage increase. Media reports have highlighted Public Assistance program participation as one of the indicators that raising the minimum wage has had a positive impact. The statistics from the department are contrary to this assertion. Therefore, there may be other false presumptions with which the decision to introduce this bill is based on. Without a valid impact assessment, the bill's proposal to raise the minimum wage to \$9.20 per hour and then \$10.10 per hour would appear to be arbitrarily set.

We urge the Legislative Body to consider the impact of raising the minimum wage on our government pay scale and the financial implications should a reevaluation need to be done for all employees. We also respectfully request that the economic impact study, as mandated by 3105.1, be conducted prior to making a decision on this bill which could be to the detriment of our island. Thank you again for the opportunity to express our comments on Bill 312-33 (COR). Should you have any questions, please feel free to contact me at 475-1250.

Senseramente,



CHRISTINE W. BALETO, Director
Department of Administration



Guam Hotel and Restaurant Association

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May 18, 2016

THE HONORABLE RORY J. RESPICIO

Chairperson, Committee on Rules; Federal,

Foreign & Micronesian Affairs,

Human & Natural Resources; Election Reform

I Mina'trentai Dos Na Liheslaturan Guåhan

155 Hesler Place

Hagåtña, Guam 96910

RE: Bill No. 312-33 - relative to increasing the minimum wage

Dear Chairman Respicio and Committee Members:

On behalf of the Guam Hotel & Restaurant Association (GHRA) Board of Directors and Membership, we write to express our opposition to Bill No. 312-33 which seeks to responsibly raise the minimum wage of \$8.25 per hour to \$9.15 per hour effective in 2017 and \$10.10 per hour in 2018.

As the leading tourism Non-Government Organization (NGO), GHRA is focused on meeting its mission to advocate just legislation and work closely with government leaders and regulatory agencies on laws and regulations that affect the industry. Comprised of more than 300 member companies, GHRA is a leader in the tourism industry which accounts for 1.3 million visitors, generates more than \$1 billion in annual revenues (60 percent of GDP), employs 20,000 people (more than 30% of the population), contributes more than \$36 million annually for Gross Receipts Tax, and collects \$20 million annually for Hotel Occupancy Tax.

During the 2014 testimony, GHRA adamantly spoke in opposition of the first introduction of a minimum wage increase over a three year period. The introduction of a wage increase then and now are both arbitrary and wrong without conducting an Independent Economic Study (IES). The IES as mandated by PL 32-178 should be conducted and the results released for public consumption before any consideration can be made for a wage increase.

In the Government of Guam's Department of Labor - Bureau of Labor Statistics, the December 2015 report showed an increase in total jobs in the private sector by 2.6 percent or 1,220 jobs. Employment gains were mostly in the hospitality industry with 520 jobs and 740 in Construction. The Legislature should take note that the report shows a growth, but should really be considered a loss since in the same year Dusit Thani opened with 350 employees, Lotte Guam Hotel opened with more than 200 employees, Construction with 740 and the private hospital at 550 jobs which actually total 1840 jobs and not 1220. This is a loss of 620 jobs!

GHRA implores the honorable senators to vote against Bill No. 312-33, follow the mandate of PL 32-178 and do what is right and just. Employers are dealing with other requirements that will increase costs such as the changes to the Fair Labor Standards Act with the Federal white collar exemption rule, possible changes to the Family Medical Leave Act and mandated health insurance employer contributions, and increasing number of required licenses and fees for regulatory agencies and certifications for industry employees in the last three years with DPHSS, GEPA, ABC Compliance, etc. We cannot afford to make decisions because of what we think is best. We need real, objective data to make informed decisions that will produce better results.

Today, GHRA seeks your support in opposing Bill No. 312-33. The Legislature of Guam should be creating laws to help grow the economy and not suppress or inhibit growth by increasing the cost of doing business through increased wages, taxes, fees, and government regulations. Private sector employers focus on:

- Creating jobs
- Growing economy
- Developing skilled workers
- Focus on Performance
- Increasing Productivity
- Paying for Performance with Higher Wages to remain competitive
- Increasing turnover costs with recruiting, training and retention

Guam is a tourist destination that competes with Southeast Asia where the cost of labor, goods and services are a lot less expensive even with today's rates. GVB and tourism stakeholders have done an excellent job over the years in diversifying the market, promoting Guam, increasing arrivals, and delivering on service to ensure a sustainable future for tourism. Raising prices will have a 'rippling effect' on consumer goods and services. Businesses will adjust the cost of doing business and transfer the costs to the consumer in the way of increasing prices, rightsizing operations, adjusting productivity and costs, and find efficiencies that ultimately affect the consumers and employees. Businesses have to perform in difficult market conditions considering the cost of doing business on Guam where there is a barrage of increasing government and regulatory requirements, taxes, fees, and utility costs.

According to the American Hotel & Lodging Association and Asian American Hotel Owners Association, a report states that those in the industry who would be most negatively affected by extreme minimum wage increases would be small business entrepreneurs. The Legislature and Government of Guam have to understand the Scale Effect that increased costs equals increased prices! This accounts for the multiplier effect on goods and services, which results in consumers purchasing fewer goods because of increased prices and employers hiring fewer workers. In addition, there is the Substitution Effect which is the decrease in the use of low-wage workers and more technology to replace workers for increased productivity.

Employee wages should be based on market conditions and productivity. Increasing the minimum wage will adverse economic outcomes that affect the productivity and service levels because the ripple effect. Increasing an employee's pay also means:

- Increasing cost of goods and services
- Increasing both the employer and employee's income taxes
- Rising market prices
- Hurting job growth
- Lower profits and fewer reinvestments and capital expenditures

For the employer, the impact can include:

- Adjust staffing and productivity
 - Change compensation programs
 - Additional taxes (1/3)
 - Change fringe benefits
 - Reduce or remove job opportunities for 14-17 year olds
 - Change job perks
 - More selective in hiring process
-

Even with a minimum wage increase, Guam is not able to pay the tip credit system federal wage which guarantees that all tipped employees will be paid the suggested new minimum wage and employers must maintain records proving that they are complying with the local minimum wage by adding the reduced wage plus tips to make up the total minimum wage or more. Most states that do not have a tip credit system are very host living areas, which does not compare to Guam. The tip credit system is very common in the mainland United States and used to allow flexibility for the employees to make more than the minimum wage.

For the individual person, increasing the minimum wage will decrease opportunities which include:

- Fewer entry level positions
- Shift from full time vs. part time vs. casual employees
- Reduction in hours
- Elimination of jobs
- Changes in shifts and scheduling
- Compression with wages (e.g. longer term employees)
- Changes in the pay allocation of service charges
- Creating inequity
- Risking welfare benefits with an increase income for families within the poverty threshold
- Hurting those on fixed incomes (e.g. retirees)

If the issue is to increase the standard of living of our island residents, especially those earning low wages, why not focus our efforts and funding on initiatives that will make a real difference such as:

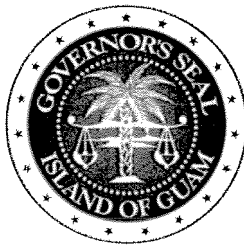
- Improving the quality of our public education system
- Reducing the dropout rates
- Increase graduates
- Developing skilled workers
- Supporting workforce development and training programs (e.g. soft and hard skills)
- Develop public and private partnerships
- Better coordination of public and social services
- Helping low-income families via income tax cuts or increases in the earned income tax credit which boosts the families' resources.

Raising the standard of living is a complex and long term solution, which requires the government to provide the structure, programs and services to develop its people and grow the economy for longer and lasting changes. It is unrealistic to think that increasing the standard of living will come from increasing the minimum wage. A minimum wage is meant to be an entry-level wage position that enables workers to gain the necessary skills to and become a contributing citizen. With good performance and productivity, workers will have opportunities to command higher wages. Increasing the minimum wage will essentially change the market conditions for the company and cause changes in its structure, which will ultimately affect hard-working people in the workforce. The minimum wage is not meant to be a 'living wage'. Thank you for this opportunity to bring the concerns of the GHRA Board of Directors and its Membership to your attention. GHRA is always available to serve as a resource to the Guam Legislature to bridge the industry with the community and keep its members engaged.

Senseramente,

/s/ 

Mary P. Rhodes, President
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P.O. Box 8565 Tamuning, GU 96931
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EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

May 18, 2016

Honorable Rory J. Respicio
Chairman
Committee on Rules
155 Hesler Place
Hagatna, Guam 96932

Dear Mr. Chairman and senators,

I have no doubt the minimum wage is too low. It probably is time for an increase. However, that's simply my personal opinion. It is neither based on evidence nor academic findings.

I asked for public input on the possibility of a minimum wage increase a few months ago. The input varied. Small business owners, while they admitted to the positive benefits of the last increase to the families of those wage earners, warned me that another substantial increase could put their shops out of business. Low wage earners generally support an increase.

And then there's anecdotal evidence -- the pace of economic growth since the last increase cannot be ignored. Neither can the first decline in welfare usage in years.

Alas, we as leaders cannot simply rely on our personal opinions, anecdotal evidence, or barometers of intuition. It is critical we base our decisions on fact. I do not want to mess with the promising growth of our economy by injecting policy that sends us back into recession. As the governor, I want to see evidence and research of this far-reaching policy's effect before signing such a measure into law.

The Department of Labor had been trying to find a funding solution to conduct the study the Legislature mandated regarding the minimum wage increase. They need a funding solution because, again, the Legislature mandated something without any funding to back it up. The author cannot blame the Department of Labor for a study he told them to do without the wherewithal to do it. If he is serious about this matter, he will identify the funds needed, appropriate it, and wait for the study before proceeding. That is the responsible thing to do. Guam's workers and employers, at the very least, deserve that from their Legislature.

In a nutshell, I'm for it, but I need to see proof first. I'll likely veto a half-baked policy with ramifications as large as this. Senators, please ensure your vote is backed by your due diligence to find the truth, and not simply a parking space on the gameboard of politics.

Sincerely,

EDDIE BAZA CALVO





PACIFIC HUMAN RESOURCE SERVICES, Inc.
Your Key to Success

May 17, 2016

The Honorable Benjamin J.F. Cruz
Chair, Appropriations and Adjudication
I Mina'Trentai Tres Liheslaturan Guahan
Suite 301, 155 Hessler St.
Hagatna, GU 69910

Re: Bill 312-33

Hafa Adai Mr. Vice Speaker,

We would like to thank you for the opportunity to submit our position on Bill 312-33. Pacific Human Resource Services is one of the many small businesses on Guam that will be impacted by the minimum wage increased being proposed.

The U.S. Department of Labor (USDOL) recently unveiled its proposed rule, if enacted, will raise the minimum wage threshold required to qualify for exemption. The proposal seeks to increase the current minimum salary requirement for exempt status employees from \$455 per week, to \$970 per week. A quick analysis, if both USDOL proposal and Bill 312-33 passes, indicates that the impact to our company is about \$100,000. I think you will agree that an additional \$100,000 payroll, not including the Social Security and Medicare liabilities, would have a significant impact on a small business.

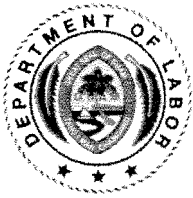
Personally, I am not against increasing the minimum wage. I believe that all residents should be paid a living wage, that all employees should not have to work two (2) jobs. Wages of our employees are in line with Guam Department of Labor's (GDOL) wage scale for the positions for which they are hired. However, I also feel that when introducing legislation, all factors must be considered, including federal legislation and impact study (Independent Economic Study) as mandated by PL 32-178, which has yet to be completed.

The proposal to increase the Guam minimum wage is premature and should be tabled until after the results of the Independent Economic Study are released and discussed, and without the pressures associated with an election year.

Senseremente,

Grace Donaldson

Grace Donaldson
COO/General Manager



DEPARTMENT OF

LABOR

DIPATTMENTON HUMOTNAT • Maria S. Connelley, Director • Sam Mabini, Ph.D., Deputy Director

EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

May 18, 2016

Honorable Rory J. Respicio
Senator, Majority Leader
Chairperson, Committee on Rules, Federal,
Foreign and Micronesian Affairs, Human
and Natural Resources, Election Reform
and Capital District
I Mina'Trentai Tres Na Liheslaturan Guåhan
155 Hesler Place, Suite 302
Hagatna, Guam 96910

Dear Senator Respicio:

Attached please find the Department of Labor's written testimony on Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz

Should you require additional information, please feel free to contact our office at 472-7074.

Very respectfully,

Shirley A. Mabini, Ph.D.
Deputy Director

SAM/vhm
Attachment

GUAM LEGISLATURE
CENTRAL FILES

RECEIVED
by: *MJB*
3:13 PM
5-18-16

WRITTEN TESTIMONY ON BILL 312-33

Hafa Adai Senator Respicio, members of the 33rd Guam Legislature, the Guam Department of Labor would like to thank you for allowing the opportunity to provide testimony on Bill 312-33

As the Department of Labor it is critical that we maintain a degree of neutrality, as the regulatory entity for wages and the entity that provides employment and training opportunities for those most in need. Below is a short summary of where the Department stands on the following:

Minimum Wage Study as required by PL32-178

PL32-229 required for an Independent Economic Impact Statement relative to the minimum wage increase authorized through PL32-178. This was an unfunded mandate. The Department had been working with GEDA to identify the resources needed to complete a study to produce an Independent Economic Impact Statement. This required the issuance of a Request for Proposal (RFP) to conduct an impact study.

The RFP was released on April 1, 2016, and responses are under review. The study will begin upon selection of the research group. In order to provide a meaningful report on the economic impact of the minimum wage increase resulting from PL 32-178, a reasonable time is required to collect appropriate data and conduct a comprehensive analysis of the findings. The proposal was for the study to be completed within 90 days of the award date, which would provide information to stakeholders. This may include factors such as impact on businesses, social services, individuals and the overall local economy. The results of the study would help achieve the intent of PL32-229, and for the consideration of our public leaders and all stakeholders.

Employment and Training Programs

PL312-33 will impact the delivery of job training programs by reducing the number of participants eligible to enroll. Participant's wages are paid at minimum wage. An increase in minimum wage will increase the cost per participant, thereby affecting the number of participants who can benefit from the programs for Youth, Adult and Dislocated Workers and Seniors for example:

Senior Community Service Employment Program Participant Cost:
Current Cost: \$8,580
Proposed January 2017: \$9,568 (12% increase)
Proposed January 2018: \$10,504 (22% increase)



Eat Delicious and Smile.

**AGANA SHOPPING CENTER, SUITE 101
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**GUAM PREMIERE OUTLETS (GPO) FOOD COURT
TAMUNING, GUAM 96911
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May 18, 2016

The Honorable Rory J. Respicio
Chairman, Committee on Rules; Federal, Foreign, & Micronesian Affairs;
Human & Natural Resources; Election Reform; and Capital District
I Mina' Trentai Dos Na LiheslaturanGuahan
155 Hesler Place
Hagatna, Guam 96910

RE: Bill No. 312-33 (COR): An Act to Repeal and Reenact §3105, Article 1, Chapter 3 of Title 22 of the Guam Code Annotated, relative to responsibly raising the minimum wage.

HafaAdai Chairman Respicio and Committee Members,

Please accept this letter as written testimony against the proposed bill to raise the Minimum wage on Guam.

Pacific Froots LLC operates as FROOTS Agana and FROOTS GPO on Guam. We began with the Agana store in 2009 with 10 employees and opened the 2nd store in 2010. In 2014, we had 22 employees between the 2 stores and provided paid health insurance, a retirement plan, gym membership, and other employee benefits. After the implementation of the minimum wage increase in 2015, we had to reduce our staffing to 18; cut benefits; and increase prices in order to absorb the significant increase in expenses. We not only had to contend with higher personnel costs, but increased prices from goods we purchased locally as well.

As a small business, personnel costs are the single largest expense for the company. Our industry is extremely sensitive to higher employee expenses and must quickly adjust staffing to reflect revenue for any given day, month, or year. Raising the minimum wage without the benefit of increased revenue generated by customer increased purchases will have a negative impact on our ability to remain open. Our operations have barely survived this past year with these challenges. Raising the minimum wage does not just affect entry level employees. Supervisors and Store Managers who have worked hard for our company, thus affording them promotions and higher wages, would have to be raised too. It is incomprehensible to keep middle and senior personnel at the same levels when those below them are provided significant raises. Thus, overall personnel costs must be adjusted up. This would mean an increase in personnel operating costs by 12%!A small business simply could not afford this without a commensurate increase in revenue. We would have no other recourse than to lay-off employees, further increase prices to absorb these higher costs, or simply shut down to avoid bankruptcy.



Eat Delicious and Smile.


This is of grave concern not just for our business, but the entire industry. Consumer Price Sensitivity is of paramount concern to those in the Restaurant business. We must constantly battle customer's perception of whether our products are "too expensive" as compared to our competitor. Therefore, restaurants would be more inclined to reduce personnel costs than raise prices. By raising prices, the business gambles with potential decline in business because customers will not pay for their products at higher prices; or visit less frequently.

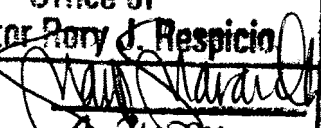
The minimum wage is what is paid for unskilled entry level positions in our industry. While employed, these staff have opportunities to acquire the skills, training, and experience to move up in pay and position. Raising the minimum wage has will negatively impact our ability to promote and pay for higher skilled workers as a cost containment measure.

Laying off workers and thereby decreasing the number of people working in our community does not help address poverty levels. For those that lost their jobs, they would be in a worse position as they do not have any income and have to endure a higher cost of living caused by increased prices.

It is for this reason that I wholeheartedly oppose the proposed increase and respectfully request that committee members deny passage of Bill No. 312-33.

Sincerely,


Paula Cruz
General Manager

Office of Senator Rory J. Respicio	
Name:	
Date/Time:	4:30 PM 5/14/14

Testimony of Bill 312

Ken Leon-Guerrero, Spokesperson/Citizens for Public Accountability

And as we go into election season, you senators are going to find themselves between a rock and a hard place over pay raises - your own pay raise vs. pay raises for everyone else. You are in this dilemma because many of you forgot or never knew the first rule of leadership; take care of yourself last.

Don't even think for a second that the public is not watching closely your actions on this bill or any other bill dealing with anyone's compensation as a result of the way you dealt with your own. As proof of that, you senators created the Citizens for Public Accountability with your pay raise, and your actions after the fact drafted me as their spokesperson.

Senator Cruz, I know that many people will accuse you of election year politics with this bill, but after having numerous long and passionate conversations with you on this topic going back to early 2013; I know that your words and actions on this matter have been consistent and not a simple election year gimmick. As you and the rest of the senators contemplate this bill; the only study that matters are from the statistics cited by the governor in his state of the island address when he proudly proclaimed that number of people with jobs has increased and the number of new welfare applicants decreased for the first time in 16 years. Based on anecdotal evidence so far, raising the minimum wage one dollar has not caused a drop in employment, it has not raised prices across the board, and it has actually reduced the government expense for welfare costs. Let that be the standard you use to contemplate Bill 312.

By the same standard of proof, there has been no evidence offered so far that raising the senators' minimum wage \$24,000 has resulted in better legislation or across the board improvements in the quality of government. So it is going to be interesting to see how the pressure you senators are feeling as a result of the massive and retroactive pay raises you gave yourselves will influence your vote on some controversial bills now on the calendar at the legislature.

Here we are at the beginning of the election season, and so far I see two bills that are going to pit two different support groups against each other with you senators caught in the middle. Today we are here to discuss Senator BJ Cruz's bill 312 to increase the minimum wage by another

dollar. But following this bill on the calendar is Senator Brant McCreadie's Bill 309 to promote 132 police officers, effectively giving that group of government employees a large pay raise, and opening the door to justify giving all government employees promotions and raises before elections.



We already see this happening with the announcement that the Port Authority of Guam wants to raise salaries at the port to be competitive with US port salaries. So once again another group of public employees will get another pay raise that will be paid by all of Guam's taxpayers.

We have two industries Government and Tourism and based on census data, more than 30% of the non-government jobs on Guam are low wage service economy jobs. And service economy wages are not keeping up with the pace of inflation causing poverty levels to rise forcing more people onto welfare which is taxpayer supported. Currently 36% of Guam's population qualifies for welfare.

Let's face facts. Guam has a small and slowly growing economy. We don't make anything on Guam. Even Guam labeled beer and candy are made elsewhere. Guam is not an international financial center. Guam has no software industries. Guam has no international distribution center facilities. Guam has no high tech call centers. Guam does not have a medical tourism industry. Gold has not been discovered on the ocean floor close to Guam. In the absence of these types of industries which have higher wage jobs, where are the higher paying jobs on Guam?

I am speaking tonight for many people who couldn't be here because they have minimum wage jobs, and as a result, they are on their way to their second job. Or they are on their way to the pick up their children at daycare because they can't afford the late pickup fee.

I do not envy the position you senators find yourself in as you receive pressure from the business leaders that make the larger campaign contributions, to not raise the minimum wage; and pressure by the voters still seething at the gumption you had raising your own minimum wage by \$24,000 and making it retroactive.

To me personally, I see the outcome of this vote ending with either a modest increase in prices offset by a modest decrease in welfare costs; or a dramatic increase in welfare cost offset by nothing . . . as inflation continues to rise pushing more of Guam's minimum wage employees into poverty.

Business leaders that declare that raising minimum wages will cost money are correct. But it won't cost them money as they pass the costs on to the customers - us. The taxpayers! It is all our money, whether we pay for the benefits in the form of higher costs for goods and services, or pay for them in the form of higher welfare benefits.

I am here today because of a conversation I had with a bookkeeper in a professional medical office who confided to me that because she is paid minimum wage and has no benefits, she is on Medicaid and SNAP.

She works for just one of the many businesses that have large numbers of minimum wage workers and choose not to offer benefits forcing their employees to use taxpayer supported welfare programs to make ends meet.

So for that reason, I am supporting passage of Bill 312.



COMMITTEE ON RULES

I Mina'trentai Tres na Liheslaturan Guåhan • The 33rd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com

E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator

Rory J. Respicio

CHAIRPERSON

MAJORITY LEADER

Senator

Thomas C. Ada

VICE CHAIRPERSON

ASSISTANT MAJORITY LEADER

Speaker

Judith T.P. Won Pat, Ed.D.

Member

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Benjamin J.F. Cruz

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Legislative Secretary

Tina Rose Muna Barnes

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Senator

Dennis G. Rodriguez, Jr.

Member

Senator

Frank Blas Aguon, Jr.

Member

Senator

Michael F.Q. San Nicolas

Member

Senator

Nerissa Bretania Underwood

Member

V. Anthony Ada

MINORITY LEADER

Mary C. Torres

MINORITY MEMBER

June 10, 2016

Memorandum

To:

Rennae Meno

Clerk of the Legislature

From:

Senator Thomas C. Ada

Acting Chairperson of the Committee on Rules

Subject:

Fiscal Notes

Hafa Adai!

Attached please find the fiscal notes for the bill numbers listed below. Please note that the fiscal notes are issued on the bills as introduced.

FISCAL NOTES:

Bill No. 311-33(COR)

Bill No. 312-33(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Si Yu'os ma'åse'!

2016 JUN 10 PM 2:01

06/10/16

Bureau of Budget & Management Research
Fiscal Note of Bill No. 312-33 (COR)

AN ACT TO REPEAL AND REENACT §3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE.

Department/Agency Appropriation Information

Dept./Agency Affected: Government of Guam	Dept./Agency Head: Eddie Baza Calvo, Governor of Guam
Department's General Fund (GF) appropriation(s) to date:	665,042,150
Department's Other Fund (Specify) appropriation(s) to date: Various	200,770,024
Total Department/Agency Appropriation(s) to date:	\$865,812,174

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2015 Unreserved Fund Balance		\$0	\$0
FY 2016 Adopted Revenues	\$0	\$0	\$0
FY 2016 Appro. (P.L. 33-66 thru P.L. 33-149)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2016 (if applicable)	FY 2017	FY 2018	FY 2019	FY 2020
General Fund	\$0	\$0	1/	1/	\$0	\$0
(Specify Special Fund)	\$0	\$0	1/	1/	\$0	\$0
Total	\$0	\$0	1/	1/	\$0	\$0

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? / x/ N/A / / 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>Dina P. Rivera</u>	Date: <u>6-6-16</u>	Director: <u>Jose S. Calvo</u>	Date: <u>6-7-16</u>
Dina P. Rivera		Jose S. Calvo, Director	

Footnotes:

1/ See attached comments.

COMMENTS TO BILL No. 312-33(COR)

The proposed bill is seeking to raise the minimum wage from \$8.25 to \$10.10 per hour over the next two years. The first proposed increase of \$9.20 per hour to be effective on January 1, 2017. The second proposed increase of \$10.10 per hour to be effective on January 1, 2018. This represents an increase in the minimum wage of .95 cents for the first year and then .90 cents for the second year.

Per on-line information on the "Employment and Wage Data collected by BLS Occupational Employment Statistics Program" (Statistics of May 2015), the estimated GovGuam workforce number at or below wage of \$10.10p/h is 1,379 and 791 employees at or below \$9.15p/h.

Given the above data, the Bureau makes the following assumptions:

- 1) During the first year of passage of this legislation, 791 GovGuam employees would be affected.
- 2) During the second year of implementation, there would be 2,170 GovGuam employees affected. This includes the first group of 791 employees and the second group of 1,379 employees, assuming the number of affected employees remain the same by the 2nd year.

Based on the above assumptions, the total annual increase for Salary and Benefits is estimated for the 1st and 2nd year of implementation as presented on the tables below:

FY 2017	No. of Employees	Annual Increase of .95cents (from \$8.25p/h to \$9.20p/h)	Benefits at 29.12%	Total Estimated Increase
Year 1	791	\$751,450	\$218,822	\$970,272

FY 2018	No. of Employees	Annual Increase of .90cents (from \$9.20p/h to \$10.10p/h)	Benefits at 29.12%	Total Estimated Increase
Year 2	1,379	\$1,241,100	\$361,408	\$1,602,508

In addition, per information received from the Department of Labor (DOL) on the status of the "Minimum Wage Study" as required by P.L. 32-178, the Request for Proposal (RFP) was released on April 1, 2016. Once a selection is made based on the RFP, a reasonable time would be required to collect the appropriate data and conduct a comprehensive analysis of the findings. The proposal calls for the study to be completed within 90 days of the award date. DOL further notes that if Bill No. 312-33 is enacted into public law, it will impact on the delivery of job training programs that are 100% federally funded such as programs under its Workforce Innovation Opportunity Act (WIOA) and the Senior Community Service Employment Program (SCSEP) by reducing the number of participants eligible to enroll.



COMMITTEE ON RULES

I Mina'trentai Tres na Liheslaturan Guåhan • The 33rd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com

E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

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Senator
Nerissa Bretania Underwood
Member

V. Anthony Ada
MINORITY LEADER

Mary C. Torres
MINORITY MEMBER

May 4, 2016

MEMORANDUM

To: Rennae Meno
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Rory J. Respicio
Chairperson of the Committee on Rules

Subject: Referral of Bill No. 312-33(COR)

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 312-33(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Tres Na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
312-33 (COR)	B. J.F. Cruz	AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE.	05/04/16 4:40 p.m.	05/04/16	Committee on Rules, Federal, Foreign and Micronesian Affairs, Human and Natural Resources, Election Reform and Capitol District			



Mary Maravilla <marym@guamlegislature.org>

First Notice of Public Hearing-- Wednesday, May 18, 2016

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 11:27 AM

To: Benjamin JF Cruz <senator@senatorbjcruz.com>, Brant McCreadie <brantforguam@gmail.com>, "Dennis G. Rodriguez" <senatordrodriguez@gmail.com>, "Frank Blas Aguon, Jr." <aguon4guam@gmail.com>, "Frank F. Blas Jr." <frank.blasjr@gmail.com>, Jim Espaldon <jespaldonesq@gmail.com>, "Judith T. Won Pat, Ed.D." <speaker@judiwonpat.com>, Mary Camacho <marycamachotorres@gmail.com>, "Michael F. Q. San Nicolas" <senatorsannicolas@gmail.com>, Nerissa Underwood <senatorunderwood@guamlegislature.org>, "Thomas (Tommy) Morrison" <tommy@senatormorrison.com>, "Thomas C. Ada" <tom@senatorada.org>, Tina Rose Muna Barnes <senator@tinamunabarnes.com>, "V. Anthony Ada" <senatortonyada@guamlegislature.org>, "hottips@kuam.com" <hottips@kuam.com>, "news@guampdn.com" <news@guampdn.com>, "news@k57.com" <news@k57.com>, John Oconor <john@postguam.com>

Cc: Guam Legislature Clerks <clerks@guamlegislature.org>, Vince Arriola <vparriola@guamlegislature.org>, Therese Terlaje <legislativecounsel@guamlegislature.org>, Tom Unslog <sgtarms@guamlegislature.org>, av@guamlegislature.org, mis <mis@guamlegislature.org>, phnotice <phnotice@guamlegislature.org>

May 10, 2016

MEMORANDUM

To: All Members
All Media

From: Senator Rory J. Respicio
Chairman

Subject: First Notice of Public Hearing-- Wednesday, May 18, 2016

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

6:00 P.M. Public Hearing

- **Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz**

Written testimony for the hearings should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesia Affairs; Human & Natural Resources; Election Reform and Capitol District, and may be submitted via email to cor@guamlegislature.org or hand-delivery/mail to 155 Hesler Place, Hagåtña, Guam 96910. The hearings will be broadcast live on Docomo channel 117 and GTA channel 21. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at etajalle@guamlegislature.org. *Si Yu'os Ma'åse'!*

Attachment: Bill No. 312-33 (COR)


cc: All Senators
Clerk of the Legislature
Executive Director
Legal Counsel
Sergeant-at-Arms
MIS
AV

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesia Affairs,
Human and Natural Resources, Election Reform and Capitol District
I Mina'Trentai Tres Na Liheslaturan Guåhan
155 Hesler Place, Ste. 302
Hagåtña, Guam 96910
Phone: (671) 472-7679
Fax: (671) 472-3547

2 attachments

 **2016.05.10_RJR PH First Notice for 2016.05.18.pdf**
193K

 **Bill No. B312-33 (COR).pdf**
21K

SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON
COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

MEMORANDUM

To: All Members
All Media

From: Senator Rory J. Respicio 
Chairman

Subject: First Notice of Public Hearing– Wednesday, May 18, 2016

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Attachment: Bill No. 312-33 (COR)

cc: All Senators
Clerk of the Legislature
Executive Director
Legal Counsel
Sergeant-at-Arms
MIS
AV



Mary Maravilla <marym@guamlegislature.org>

Second Notice of Public Hearing– Wednesday, May 18, 2016

Senator Rory J. Respicio <cor@guamlegislature.org>

Fri, May 13, 2016 at 8:14 AM

To: Benjamin JF Cruz <senator@senatorbjcruz.com>, Brant McCreadie <brantforguam@gmail.com>, "Dennis G. Rodriguez" <senatordrodriguez@gmail.com>, "Frank Blas Aguon, Jr." <aguon4guam@gmail.com>, "Frank F. Blas Jr." <frank.blasjr@gmail.com>, Jim Espaldon <jespaldonesq@gmail.com>, "Judith T. Won Pat, Ed.D." <speaker@judiwonpat.com>, Mary Camacho <marycamachotorres@gmail.com>, "Michael F. Q. San Nicolas" <senatorsannicolas@gmail.com>, Nerissa Underwood <senatorunderwood@guamlegislature.org>, "Thomas (Tommy) Morrison" <tommy@senatormomison.com>, "Thomas C. Ada" <tom@senatorada.org>, Tina Rose Muna Barnes <senator@tinamunabarnes.com>, "V. Anthony Ada" <senatortonyada@guamlegislature.org>, "hottips@kuam.com" <hottips@kuam.com>, "news@guampdn.com" <news@guampdn.com>, "news@k57.com" <news@k57.com>, John Oconor <john@postguam.com>, Ken Quintanilla <kenq@kuam.com>
Cc: Guam Legislature Clerks <clerks@guamlegislature.org>, Vince Arriola <vparriola@guamlegislature.org>, Therese Terlaje <legislativecounsel@guamlegislature.org>, Tom Unsioq <sgtams@guamlegislature.org>, av@guamlegislature.org, mis <mis@guamlegislature.org>, phnotice <phnotice@guamlegislature.org>
Bcc: marym@guamlegislature.org

May 13, 2016

MEMORANDUM

To: All Members
All Media

From: Senator Rory J. Respicio

Subject: Second Notice of Public Hearing– Wednesday, May 18, 2016

Hāfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

6:00 P.M. Public Hearing

- **Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz**

Written testimony for the hearings should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District, and may be submitted via email to cor@guamlegislature.org or hand-delivery/mail to 155 Hesler Place, *Hagåtña*, Guam 96910. The hearings will be broadcast live on Docomo channel 117 and GTA channel 21. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at etajalle@guamlegislature.org. *Si Yu'os Ma'åse'!*

Attachment: Bill No. 312-33 (COR)

cc: All Senators
Clerk of the Legislature
Executive Director
Legal Counsel
Sergeant-at-Arms
MIS
AV

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District
I Mina'Trentai Tres Na Liheslaturan Guåhan
155 Hesler Place, Ste. 302
Hagåtña, Guam 96910
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2 attachments



2016.05.13_RJR PH Second Notice for 2016.05.18.pdf
193K



Bill No. B312-33 (COR).pdf
21K

SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON
COMMITTEE ON RULES; FEDERAL FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 13, 2016

MEMORANDUM

To: All Members
All Media

From: Senator Rory J. Respicio *[Signature]*
Chairman

Subject: Second Notice of Public Hearing– Wednesday, May 18, 2016

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

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cc: All Senators
Clerk of the Legislature
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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

maria.connelley@dol.guam.gov

Ms. Maria S. Connelley

Director

Department of Labor

710 West Marine Corp Drive

Bell Tower Plaza Suite 301

Hagåtña, Guam 96910

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Ms. Connelley:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

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I invite you to appear before this committee and provide testimony on Bill No. 312-33 (COR). Please feel free to extend this invitation to other interested members of our community. Written testimony for the hearings should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District, and may be submitted via email to cor@guamlegislature.org or hand-delivery/mail to 155 Hesler Place, Hagåtña, Guam 96910. The hearings will be broadcast live on Docomo channel 117 and GTA channel 21. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at etajalle@guamlegislature.org.

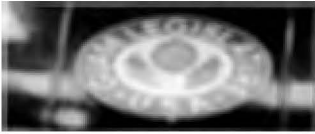
Please do not hesitate to contact me, should you have any questions or concerns. I look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

Very truly yours,

A handwritten signature in dark ink, appearing to read "Rory J. Respicio".

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 11:49 AM

To: "maria.connelley" <maria.connelley@dol.guam.gov>

May 10, 2016

VIA E-MAIL

maria.connelley@dol.guam.gov

Ms. Maria S. Connelley

Director

Department of Labor

710 West Marine Corp Drive

Bell Tower Plaza Suite 301

Hagåtña, Guam 96910

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Ms. Connelley:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

6:00 P.M. Public Hearing

- **Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz**

I invite you to appear before this committee and provide testimony on Bill No. 312-33 (COR). Please feel free to

extend this invitation to other interested members of our community. Written testimony for the hearings should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District, and may be submitted via email to cor@guamlegislature.org or hand-delivery/mail to 155 Hesler Place, Hagåtña, Guam 96910. The hearings will be broadcast live on Docomo channel 117 and GTA channel 21. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at etajalle@guamlegislature.org.

Please do not hesitate to contact me, should you have any questions or concerns. I look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

Very truly yours,

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan


155 Hesler Place, Ste. 302


Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments

 **2016.05.10_RJR PH 2016.05.18 Invitation_DOL.pdf**
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 **Bill No. B312-33 (COR).pdf**
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SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES; ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

christine.baleto@doa.guam.gov

Ms. Christine W. Baleto

Director

Department of Administration

P.O. Box 884

Hagåtña, Guam 96932

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Ms. Baleto:

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Very truly yours,

A handwritten signature in cursive script that reads "Rory J. Respicio".

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 11:51 AM

To: christine.baleto@doa.guam.gov

Cc: anisia.terlaje@doa.guam.gov

May 10, 2016

VIA E-MAIL

christine.baleto@doa.guam.gov

Ms. Christine W. Baleto

Director

Department of Administration

P.O. Box 884

Hagåtña, Guam 96932

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Very truly yours,

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan


155 Hesler Place, Ste. 302


Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments

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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES; ELECTION REFORM AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

ccastro@guamchamber.com.gu

Ms. Catherine S. Castro

President

Guam Chamber of Commerce

Department of Administration

P.O. Box 283

Hagåtña, Guam 96932

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Ms. Castro:

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Please do not hesitate to contact me, should you have any questions or concerns. I look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

Very truly yours,

Rory J. Respicio

cc: Mr. Bobby A. Shringi, Chairman of the GCOC Legislative Review Committee

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>
To: Catherine Castro <ccastro@guamchamber.com.gu>
Cc: Bobby Shringi <bshringi@moylans.net>

Tue, May 10, 2016 at 11:52 AM

May 10, 2016

VIA E-MAIL

ccastro@guamchamber.com.gu

Ms. Catherine S. Castro

President

Guam Chamber of Commerce

Department of Administration

P.O. Box 283

Hagåtña, Guam 96932

-

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

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Very truly yours,

Rory J. Respicio

cc: *Mr. Bobby A. Shringi, Chairman of the GCOC Legislative Review Committee*

Attachment: *Bill No. 312-33 (COR)*

—
Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District
I Mina'Trentai Tres Na Liheslaturan Guåhan
155 Hesler Place, Ste. 302
Hagåtña, Guam 96910
Phone: (671) 472-7679
Fax: (671) 472-3547

2 attachments



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203K



Bill No. B312-33 (COR).pdf
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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES; ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

rmorales@gta.net

Ms. Rose Marie Ayuyu Morales, SHRM-CP, PHR
Society for Human Resources Management (SHRM) Guam Chapter
P.O. Box 81
Hagåtña, Guam 96910

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Ms. Morales:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

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Very truly yours,

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 2:30 PM

To: MORALES Rose Marie Ayuyu <rmorales@gta.net>

May 10, 2016

VIA E-MAIL

rmorales@gta.net

Ms. Rose Marie Ayuyu Morales, SHRM-CP, PHR

Society for Human Resources Management (SHRM) Guam Chapter

P.O. Box 81

Hagåtña, Guam 96910

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

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Very truly yours,

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio
Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District
I Mina'Trentai Tres Na Liheslaturan Guåhan
155 Hesler Place, Ste. 302
Hagåtña, Guam 96910
Phone: (671) 472-7679
Fax: (671) 472-3547

2 attachments



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Bill No. B312-33 (COR).pdf
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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

president@ghra.org

Mrs. Mary Rhodes

President

Guam Hotel and Restaurant Association

P.O. Box 8565

Tamuning, Guam 96931

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Mrs. Rhodes:

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Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 11:57 AM

To: president@ghra.org

May 10, 2016

VIA E-MAIL

president@ghra.org

Mrs. Mary Rhodes

President

Guam Hotel and Restaurant Association

P.O. Box 8565

Tamuning, Guam 96931

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Attachment: Bill No. 312-33 (COR)

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Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan

155 Hesler Place, Ste. 302

Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments



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SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Liheslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

loulg@bankofguam.com

Ms. Lourdes (Lou) A. Leon Guerrero

Former Senator and President

Guam Women's Chamber of Commerce

P.O. Box 326001

Hagåtña, Guam 96932

Subject: Notice of Public Hearing-- Wednesday, May 18, 2016, 6:00 P.M.

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Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 11:54 AM

To: loulg@bankofguam.com

Cc: Jackie Marati <Jackie.Marati@bankofguam.com>, "Vanessa Williams, Esq" <ww@guamlawyer.biz>, Guam Women's Chamber of Commerce <ed@guamwcc.com>

May 10, 2016

VIA E-MAIL

loulg@bankofguam.com

Ms. Lourdes (Lou) A. Leon Guerrero

Former Senator and President

Guam Women's Chamber of Commerce

P.O. Box 326001

Hagåtña, Guam 96932

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

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Rory J. Respicio

Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District
I Mina'Trentai Tres Na Liheslaturan Guåhan
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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

gca@teleguam.net

James A. Martinez

President

Guam Contractor's Association

718 N. Marine Corps Drive, Suite 203

East West Business Center

Upper Tumon, Guam 96913

Subject: Notice of Public Hearing- Wednesday, May 18, 2016, 6:00 P.M.

Dear Mr. Martinez:

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Please do not hesitate to contact me, should you have any questions or concerns. I look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

Very truly yours,

Rory J. Respicio

Attachment:

Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 12:02 PM

To: gca@teleguam.net

May 10, 2016

VIA E-MAIL

gca@teleguam.net

James A. Martinez

President

Guam Contractor's Association

718 N. Marine Corps Drive, Suite 203
East West Business Center
Upper Tumon, Guam 96913

-
Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Mr. Martinez:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

6:00 P.M. Public Hearing

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Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan

155 Hesler Place, Ste. 302

Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments



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Bill No. B312-33 (COR).pdf

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SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

president@gftunion.com

Mr. Timothy Fedenko

President

Guam Federation of Teachers

P.O. Box 2301

Hagatna, Guam 96932

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Mr. Fedenko:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

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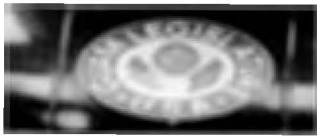
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Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 12:04 PM

To: president@gftunion.com, tfedenko@gftunion.com

May 10, 2016

VIA E-MAIL

president@gftunion.com

Mr. Timothy Fedenko

President

Guam Federation of Teachers

P.O. Box 2301

Hagatna, Guam 96932

-

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

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Attachment: Bill No. 312-33 (COR)

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Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan

155 Hesler Place, Ste. 302

Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments



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Bill No. B312-33 (COR).pdf

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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES; ELECTION REFORM AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

socialworkstudentalliance@gmail.com

jo_uog@yahoo.com

Ms. Jannica Quintanilla, President

Ms. Joliene Hasuguyalayag, Faculty Advisor

UOG Social Work Alliance

Subject: Notice of Public Hearing-- Wednesday, May 18, 2016, 6:00 P.M.

Dear Ms. Quintanilla and Ms. Hasuguyalayag:

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Very truly yours,

A handwritten signature in dark ink, appearing to read "Rory J. Respicio".

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>
To: socialworkstudentalliance@gmail.com, jo_uog@yahoo.com

Tue, May 10, 2016 at 2:52 PM

May 10, 2016

VIA E-MAIL

socialworkstudentalliance@gmail.com

jo_uog@yahoo.com

Ms. Jannica Quintanilla, President

Ms. Joliene Hasuguyayag, Faculty Advisor

UOG Social Work Alliance

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Ms. Quintanilla and Ms. Hasuguyayag:

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Very truly yours,

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan

155 Hesler Place, Ste. 302

Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments



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Bill No. B312-33 (COR).pdf
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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Liheslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

jpbradley@bankofguam.com

Mr. Joseph Bradley

Senior Vice President/ Trust and Economic and Market Statistics Officer

Bank of Guam

111 Chalan Santo Papa, 2nd Floor

Hagåtña, Guam 96910

Subject: Notice of Public Hearing-- Wednesday, May 18, 2016, 6:00 P.M.

Dear Mr. Bradley:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

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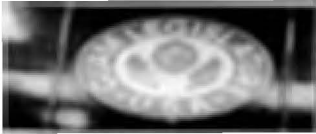
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Very truly yours,

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Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 2:22 PM

To: Joseph Bradley <jpbradley@bankofguam.com>

May 10, 2016

VIA E-MAIL

jpbradley@bankofguam.com

Mr. Joseph Bradley

Senior Vice President/ Trust and Economic and Market Statistics Officer

Bank of Guam

111 Chalan Santo Papa, 2nd Floor

Hagåtña, Guam 96910

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

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Rory J. Respicio

Attachment: Bill No. 312-33 (COR)

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Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan

155 Hesler Place, Ste. 302

Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments



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Bill No. B312-33 (COR).pdf
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SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES; ELECTION REFORM AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

ruanemcm@yahoo.com

Dr. Maria Claret Ruane, Ph.D.

Professor of Economics

School of Business and Public Administration

University of Guam

UOG Station

Mangilao, Guam 96923

Subject: Notice of Public Hearing-- Wednesday, May 18, 2016, 6:00 P.M.

Dear Dr. Ruane:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

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Rory J. Respicio

Attachment:

Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 2:43 PM

To: Claret Ruane <ruanemcm@yahoo.com>

May 10, 2016

VIA E-MAIL

ruanemcm@yahoo.com

-

Dr. Maria Claret Ruane, Ph.D.

Professor of Economics

School of Business and Public Administration

University of Guam

UOG Station

Mangilao, Guam 96923

-

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

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Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan

155 Hesler Place, Ste. 302

Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments



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SENATOR RORY J. RESPICIO
MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

jonesug Guam@gmail.com

Dr. Roseann M. Jones, Ph.D.

Professor of Economics
School of Business and Public Administration
University of Guam
UOG Station
Mangilao, Guam 96923

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Dr. Jones:

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Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 2:47 PM

To: Roseann Jones <jonesuguam@gmail.com>

May 10, 2016

VIA E-MAIL

jonesuguam@gmail.com

Dr. Roseann M. Jones, Ph.D.

Professor of Economics

School of Business and Public Administration

University of Guam

UOG Station

Mangilao, Guam 96923

-

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

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Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

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155 Hesler Place, Ste. 302


Hagåtña, Guam 96910

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 **2016.05.10_RJR PH 2016.05.18 Invitation_UOG Jones.pdf**
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 **Bill No. B312-33 (COR).pdf**
21K

SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan
THIRTY-THIRD GUAM LEGISLATURE

May 10, 2016

VIA E-MAIL

gary.hiles@dol.guam.gov

Mr. Gary Hiles

Chief Economist

Bureau of Labor Statistic

Guam Department of Labor

414 W. Soledad Ave., 4th Floor, GCIC Bldg

Hagåtña, Guam 96910

Subject: Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Dear Mr. Hiles:

Håfa Adai! Please be advised that the Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District will be conducting the following on **Wednesday, May 18, 2016, 6:00 P.M.** the Legislature's Public Hearing Room:

6:00 P.M. Public Hearing

- **Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz**

I invite you to appear before this committee and provide testimony on Bill No. 312-33 (COR). Please feel free to extend this invitation to other interested members of our community. Written testimony for the hearings should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District, and may be submitted via email to cor@guamlegislature.org or hand-delivery/mail to 155 Hesler Place, Hagåtña, Guam 96910. The hearings will be broadcast live on Docomo channel 117 and GTA channel 21. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at etajalle@guamlegislature.org.

Please do not hesitate to contact me, should you have any questions or concerns. I look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

Very truly yours,

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)



Rory Respicio <cor@guamlegislature.org>

Notice of Public Hearing– Wednesday, May 18, 2016, 6:00 P.M.

Senator Rory J. Respicio <cor@guamlegislature.org>

Tue, May 10, 2016 at 2:19 PM

To: Gary Hiles <gary.hiles@dol.guam.gov>

May 10, 2016

VIA E-MAIL

gary.hiles@dol.guam.gov

Mr. Gary Hiles

Chief Economist

Bureau of Labor Statistic

Guam Department of Labor

414 W. Soledad Ave., 4th Floor, GCIC Bldg
Hagåtña, Guam 96910

-

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extend this invitation to other interested members of our community. Written testimony for the hearings should be addressed to Senator Rory J. Respicio, Chairperson, Committee on Rules; Federal, Foreign & Micronesian Affairs; Human & Natural Resources; Election Reform and Capitol District, and may be submitted via email to cor@guamlegislature.org or hand-delivery/mail to 155 Hesler Place, Hagåtña, Guam 96910. The hearings will be broadcast live on Docomo channel 117 and GTA channel 21. Should special assistance or accommodations be required, please contact Elaine Tajalle at my office at (671) 472-7679 or by e-mail at etajalle@guamlegislature.org.

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Very truly yours,

Rory J. Respicio

Attachment: Bill No. 312-33 (COR)

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules, Federal, Foreign and Micronesian Affairs,
Human and Natural Resources, Election Reform and Capitol District

I Mina'Trentai Tres Na Liheslaturan Guåhan


155 Hesler Place, Ste. 302


Hagåtña, Guam 96910

Phone: (671) 472-7679

Fax: (671) 472-3547

2 attachments

 **2016.05.10_RJR PH 2016.05.18 Invitation_DOL Hiles.pdf**
200K

 **Bill No. B312-33 (COR).pdf**
21K

Public Hearing Notice Listserv
phnotice@guamlegislature.org (Media, All Senators, and Staff)

Updated: May 9, 2016

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Public Hearing Notice Listserv
phnotice@guamlegislature.org (Media, All Senators, and Staff)

Updated: May 9, 2016

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SENATOR RORY J. RESPICIO

MAJORITY LEADER

CHAIRPERSON

COMMITTEE ON RULES; FEDERAL, FOREIGN & MICRONESIAN AFFAIRS;
HUMAN & NATURAL RESOURCES, ELECTION REFORM, AND CAPITOL DISTRICT



I Mina'trentai Tres na Libeslaturan Guåhan

THIRTY-THIRD GUAM LEGISLATURE

PUBLIC HEARING

Wednesday, May 18, 2016 • 6:00 P.M.

Legislature's Public Hearing Room • Hagåtña, Guam

AGENDA

- I. Call to Order**
- II. Announcements**
- III. Item for Public Consideration**

6:00 P.M. Public Hearing

- **Bill No. 312-33 (COR)- "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," by B.J.F. Cruz**

- IV. Closing Remarks**
- V. Adjournment**

For copies of the above mentioned bills, please visit the Guam Legislature's website at www.guamlegislature.com. Testimony should be addressed to Senator Rory J. Respicio, Chairperson, and may be submitted via hand-delivery to our office or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96910 or via e-mail to cor@guamlegislature.com. Individuals requiring special accommodations, auxiliary aids, or services shall contact and submit their request to Elaine Tajalle at our office. For more information, please call 472-7679. We look forward to your attendance and participation. *Si Yu'os Ma'åse'!*

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan

THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910
T: (671) 477-2520/1 | F: (671) 477-2522

Cruz Resolved to Raise Minimum Wage

MAKES GOOD ON COMMITMENT TO RE-INTRODUCE \$10.10 PROPOSAL

(May 5, 2016 – Hagåtña) Undeterred in his pursuit to improve the lives of thousands of minimum wage workers on Guam, Vice Speaker Benjamin J.F. Cruz introduced Bill No. 312-33 (COR) late yesterday afternoon, continuing his previous effort to incrementally raise Guam's minimum hourly wage to \$10.10 by January 2018.

"No one who works a full-time job should have to live in poverty—which is why I fought to raise the minimum wage two years ago, and why I introduced Bill 312 to finish what we started," said Cruz, who introduced his much-anticipated measure despite bureaucratic delays in the release of the Independent Economic Impact Statement (EIS).

The EIS was part of the unanimous, bipartisan compromise implemented to allay concerns of both private and public sector stakeholders who were critical of Bill No. 316-32 (LS), Cruz's original measure to boost Guam's minimum hourly wage to \$10.10 in three annual 95-cent increments. After days of public hearings and a threat of a veto, a pared-down version reducing the increase to a single dollar was passed and enacted into law as Guam Public Law 32-178.

As an assessment on the effects of the 2015 minimum wage increase, the EIS was required by P.L. 32-229 to be transmitted to Speaker Judith T. Won Pat no later than April 30, 2016. However, despite having more than a year to find funding, prepare a Request for Proposal, and conduct the study, both the Guam Economic Development Authority and the Guam Department of Labor—the entities assigned to ensure the conduct of the EIS—have yet to complete the statement.

"Thousands of working families have been patient, but I won't allow delay to equal denial," said Cruz, who notes that funding for the EIS was found only after he filed Freedom of Information Act requests to both entities in January. *"These families need a raise, and the forces that oppose them can't win by simply kicking the bureaucratic can down the road."*

Picking up where P.L. 32-178 left off, Bill No. 312-33 (COR) repeals and reenacts a section of the Minimum Wage and Hour Act of Guam's Fair Labor Standards (22 GUAM CODE ANN. §3105), requiring employers to pay workers an hourly rate of no less than \$9.20 by Jan. 1, 2017 and \$10.10 by Jan. 1, 2018.

"When employers don't pay the people who work for them a decent wage, taxpayers pick up the tab," said Cruz, referring to the devastating effects of low wages. *"We pay \$56 million a year in Earned Income Tax Credits to underpaid employees—many of whom are in the private sector. It's no wonder that tax refunds are slower than they should be."*

Contrary to the predictions of an economic apocalypse that surrounded discussions of P.L. 32-178, Cruz notes that—with or without the study—unemployment and overall inflation on Guam have decreased since the enactment of the wage increase last year. According to the most recent Bureau of Labor and Statistics employment report, Guam's economy has witnessed an additional 1,220 private sector jobs in December 2015, compared to the previous year. Similarly, economist Joseph Bradley predicted a 3% to 4% economic growth in his latest forecast, suggesting an environment conducive to a second wage increase for Guam since the federal minimum wage was increased to \$7.25 in 2010.

"If you take an honest look at the facts, you will find that, contrary to what opponents have contended, raising the minimum wage will not eradicate jobs, incite massive inflation, or spur the use of public benefits," said Cruz. *"By giving minimum wage workers and their families a raise, we recognize right as well as reality."*

###

For more information, call the Office of Vice Speaker Cruz at #477-2520/1.

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

Bill No. 312-33 (COR2)

Introduced by:

B. J.F. Cruz

2016 MAY -11 PM 4:10
[Signature]

**AN ACT TO *REPEAL* AND *REENACT* § 3105 OF
ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE
ANNOTATED, RELATIVE TO RESPONSIBLY RAISING
THE MINIMUM WAGE.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 3105 of Article 1, Chapter 3 of Title 22, Guam Code Annotated, is hereby *repealed* and *reenacted* to read:

“§ 3105. Minimum Wages.

Every employer *shall* pay each person employed by him wages at a rate *not less than* Nine Dollars and Twenty Cents (\$9.20) per hour, effective January 1, 2017, and Ten Dollars and Ten Cents (\$10.10) per hour, effective January 1, 2018.”

I Mina'Trentai Dos Na Liheslaturan Received

Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
316-32 (LS) P.L. 32-178	Benjamin J.F. Cruz	AN ACT TO REPEAL AND REENACT §3105, CHAPTER 3 OF TITLE 22 OF THE GUAM CODE ANNOTATED RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE	04/14/14 9:51 a.m.	04/14/14	Committee on Rules, Federal, Foreign, & Micronesia Affairs, Human & Natural Resources, and Election Reform	4/23/14 5:30 p.m.	6/27/14 7:29 p.m.	Fiscal Note Request Received 4/15/14 Fiscal Note Received 7/2/14
	DATE PASSED	TITLE	TRANSMITTED		DUE DATE	<small>DATE SIGNED BY I MAGA'LAHEN GUAHAN</small>	PUBLIC LAW NO.	NOTES
	7/1/2014	AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE.	7/2/14	9:10 a.m.	07/14/14	7/10/2014	32-178	As substituted by the Committee on Rules; Federal, Foreign & Micronesia Affairs; Human & Natural Resources; and Election Reform; and amended on the Floor. Fiscal Note 7/2/14



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

JUL 15 2014

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Madame Speaker:

Transmitted herewith is Bill No. 316-32 (LS) "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE" which I signed into law on July 10, 2014 as Public Law 32-178.

Senseramente,


EDDIE BAZA CALVO

2014 JUL 15 PM 2:59

32-14-1839

Office of the Speaker
Judith T. Won Pat, Ed.D.
Date 7/15/14
TIME 2:17 PM
Received by APR SANAKZ

1839

P.O. Box 2950 • Hagåtña, Guam 96932
Tel: (671) 472-8931 • Fax: (671) 477-4826 • governor.guam.gov • calendar.guam.gov

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Substitute Bill No. 316-32 (LS), "AN ACT TO *REPEAL AND REENACT* § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE," was on the 1st day of July, 2014, duly and regularly passed.



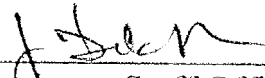
Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 2nd day of July,
2014, at 9:10 o'clock A.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: JUL 10 2014

Public Law No. 32-178

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Bill No. 316-32 (LS)

As substituted by the Committee on Rules;
Federal, Foreign & Micronesian Affairs;
Human & Natural Resources; and Election Reform;
and amended on the Floor.

Introduced by:

B. J.F. Cruz
T. C. Ada
V. Anthony Ada
FRANK B. AGUON, JR.
Chris M. Dueñas
Michael T. Limtiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
Vicente (ben) C. Pangelinan
R. J. Respicio
Dennis G. Rodriguez, Jr.
Michael F. Q. San Nicolas
Aline A. Yamashita, Ph.D.
Judith T. Won Pat, Ed.D.

**AN ACT TO REPEAL AND REENACT § 3105 OF
ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE
ANNOTATED, RELATIVE TO RESPONSIBLY RAISING
THE MINIMUM WAGE.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 3105 of Article 1, Chapter 3 of Title 22, Guam Code
Annotated, is hereby *repealed* and *reenacted* to read:

“§ 3105. Minimum Wages.

Every employer *shall* pay each person employed by him wages at a
rate *not less than* Eight Dollars and Twenty-five Cents (\$8.25) per hour,
effective January 1, 2015.”



I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN

THIRTY-SECOND GUAM LEGISLATURE

155 Hesler Place, Hagåtña, Guam 96910

July 1, 2014

The Honorable Edward J.B. Calvo

I Maga'lalen Guåhan

Ufisinan I Maga'lahi

Hagåtña, Guam 96910

OFFICE OF THE GOVERNOR
CENTRAL FILES

RECEIVED BY
TIME 9:10 AM DATE 7/2/14

Dear *Maga'lahi* Calvo:

Transmitted herewith are Bill and Substitute Bill Nos. 249-32 (COR), 312-32 (LS), 316-32 (LS), 317-32 (LS), 318-32 (COR), 319-32 (LS), 340-32 (COR) and 355-32 (COR), which were passed by *I Mina'Trentai Dos Na Liheslaturan Guåhan* on July 1, 2014.

Sincerely,

TINA ROSE MUÑA BARNES
Legislative Secretary

Enclosures (8)

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Substitute Bill No. 316-32 (LS), "AN ACT TO REPEAL AND REENACT § 3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE,"** was on the 1st day of July, 2014, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 2nd day of July,
2014, at 9:10 o'clock A.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Bill No. 316-32 (LS)

As substituted by the Committee on Rules;
Federal, Foreign & Micronesian Affairs;
Human & Natural Resources; and Election Reform;
and amended on the Floor.

Introduced by:

B. J.F. Cruz
T. C. Ada
V. Anthony Ada
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rate *not less than* Eight Dollars and Twenty-five Cents (\$8.25) per hour,
effective January 1, 2015.”

LEGISLATIVE SESSION

I MINA'TRENTAI DOS NA LIHESLATURAN

2014 (SECOND) Regular Session

Voting Sheet

BILL NO. 314-32 (LG)

Speaker Antonio R. Unipingo Legislative Session Hall

DATE: 7/1/14

NAME	Yea	Nay	Not Voting/ Abstained	Out During Roll Call	Absent
Senator Thomas "Tom" C. ADA	✓				
Senator V. Anthony "Tony" ADA	✓				
Senator Frank Blas AGUON Jr.	✓				
Vice-Speaker Benjamin J.F. CRUZ	✓				
Senator Christopher M. DUENAS	✓				
Senator Michael LIMTIACO		✓			
Senator Brant McCREADIE	✓				
Senator Thomas "Tommy" MORRISON	✓				
Senator Tina Rose MUÑA BARNES	✓				
Senator Vicente (ben) Cabrera PANGELINAN					✓ Ex.
Senator Rory J. RESPICIO	✓				
Senator Dennis G. RODRIGUEZ, Jr.	✓				
Senator Michael F. Q.SAN NICOLAS	✓				
Speaker Judith T. WON PAT, Ed.D.	✓				
Senator Aline A. YAMASHITA, Ph.D.	✓				

TOTAL

13

1

1 Ex.

Yea

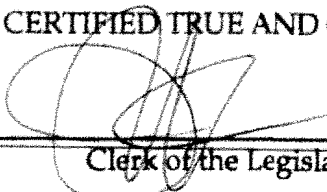
Nay

Not Voting/
Abstained

Out During
Roll Call

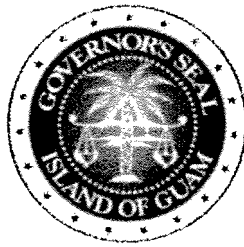
Absent

CERTIFIED TRUE AND CORRECT:



Clerk of the Legislature

I = Pass



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam.

DEC 31 2014

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

33-15-0017
Office of the Speaker
Judith T. Won Pat, Ed.D.


Date: 01/06/2015
Time: 3:54 PM
Received By: CARL SANCHEZ MPA

Dear Madame Speaker:

Transmitted herewith is Bill No. 376-32 (COR) "AN ACT TO ADD A NEW § 3105.1 TO ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THE COMPLETION OF AN INDEPENDENT ECONOMIC IMPACT STATEMENT RELATIVE TO THE MINIMUM WAGE ON GUAM" which I signed into law on December 30, 2014, as Public Law 32-229.

Senseramente,


EDDIE BAZA CALVO

2015 JUN -6 PM 4:31


0017



I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Substitute Bill No. 376-32 (COR)**, "AN ACT TO *ADD A NEW § 3105.1 TO ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING THE COMPLETION OF AN INDEPENDENT ECONOMIC IMPACT STATEMENT RELATIVE TO THE MINIMUM WAGE ON GUAM,*" was on the 17th day of December, 2014, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

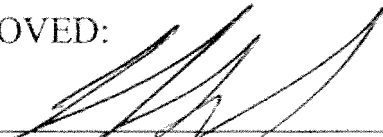
This Act was received by *I Maga'lahaen Guåhan* this 21 day of Dec,
2014, at

6:35 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



EDWARD J.B. CALVO
I Maga'lahaen Guåhan

DEC 30 2014

Date: _____

Public Law No. 32-229

I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN
2014 (SECOND) Regular Session

Bill No. 376-32 (COR)

As substituted by the Committee on Rules, Foreign and
Micronesian Affairs, Human & Natural Resources, and
Election Reform; and amended on the Floor.

Introduced by:

Aline A. Yamashita, Ph.D.
T. C. Ada
V. Anthony Ada
FRANK B. AGUON, JR.
B. J.F. Cruz
Chris M. Dueñas
Michael T. Limtiaco
Brant T. McCreddie
Tommy Morrison
T. R. Muña Barnes
R. J. Respicio
Dennis G. Rodriguez, Jr.
Michael F. Q. San Nicolas
Judith T. Won Pat, Ed.D.

**AN ACT TO *ADD* A NEW § 3105.1 TO ARTICLE 1,
CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED,
RELATIVE TO REQUIRING THE COMPLETION OF
AN INDEPENDENT ECONOMIC IMPACT
STATEMENT RELATIVE TO THE MINIMUM WAGE
ON GUAM.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** A new § 3105.1 is hereby *added* to Article 1, Chapter 3 of Title
3 22, Guam Code Annotated, to read:

4 **“§ 3105.1 Independent Economic Impact Statement.** On or
5 before June 1, 2015, the Director of the Department of Labor *shall* issue a

1 Request for Proposal for the purpose of conducting a one (1) year
2 Independent Economic Impact Statement, relative to the minimum wage
3 increase authorized through P.L. 32-178. The Department of Labor, in
4 collaboration with the Guam Economic Development Authority, *shall*
5 identify the resources necessary to fund the Independent Economic Impact
6 Statement. The Department of Labor, in collaboration with the University of
7 Guam, *shall* determine the study parameters.

8 The Independent Economic Impact Statement *shall* be completed by
9 an identified group that includes an Economist with a Master's degree or
10 Ph.D. in Economics from an institution of higher learning accredited by an
11 accreditation agency recognized by the U.S. Secretary of Education, or
12 similar accredited body that is recognized internationally, *no later than*
13 March 30, 2016, and *shall* be transmitted to the Speaker of *I Liheslaturan*
14 *Guåhan* and to *I Maga'lahaen Guåhan* on or before April 30, 2016."

LEGISLATIVE SESSION

I MINA'TRENTAI DOS NA LIHESLATURAN

2014 (SECOND) Regular Session

Voting Sheet

Bill No. 376-32 (COR)

As substituted by the Committee on Rules, Federal, Foreign,
& Micronesian Affairs, Human & Natural Resources, and
Election Reform and amended on the Floor.

Speaker Antonio R. Unipingco Legislative Session Hall
December 17, 2014

<u>NAME</u>	<u>Yea</u>	<u>Nay</u>	<u>Not Voting/ Abstained</u>	<u>Out During Roll Call</u>	<u>Absent</u>
Senator Thomas "Tom" C. ADA	✓				
Senator V. Anthony "Tony" ADA	✓				
Senator Frank Blas AGUON Jr.	✓				
Vice-Speaker Benjamin J.F. CRUZ	✓				
Senator Christopher M. DUENAS	✓				
Senator Michael LIMTIACO	✓				
Senator Brant McCREADIE	✓				
Senator Thomas "Tommy" MORRISON	✓				
Senator Tina Rose MUÑA BARNES	✓				
Senator Rory J. RESPICIO	✓				
Senator Dennis G. RODRIGUEZ, Jr.	✓				
Senator Michael F. Q.SAN NICOLAS	✓				
Speaker Judith T. WON PAT, Ed.D.	✓				
Senator Aline A. YAMASHITA, Ph.D.	✓				

TOTAL

14
Yea

Nay

Not Voting/
Abstained

Out During
Roll Call

Absent

CERTIFIED TRUE AND CORRECT:


Clerk of the Legislature

I = Pass

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan

THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910
T: (671) 477-2520/1 | F: (671) 477-2522

January 8, 2016

Transmitted via Hand Delivery and Electronic Mail

connent gmail.com

Ms. Maria S. Connelly
Director
Guam Department of Labor
414 West Soledad Avenue
Suite 400 (4th Floor), GCIC Building
Hagatna, GU 96910

Re: Information Request: Economic Impact Statement

Håfa adai, Ms. Connelly!

As I am sure you are aware, Guam Public Law 32-229, signed into law by Governor Edward J.B. Calvo on December 30, 2014, requires that the Director of the Department of Labor (GDOL), in cooperation with the Guam Economic Development Authority (GEDA), issue a Request for Proposal (RFP) to conduct a one-year independent Economic Impact Statement relative to the minimum wage increase authorized under P.L. 32-178.

Additionally, under P.L. 32-229, the aforementioned Economic Impact Statement must be completed no later than March 30, 2016, and subsequently transmitted to both the Speaker of *I Liheslaturan Guåhan* and the Governor of Guam no later than April 30, 2016. With a clear statutory deadline for this Economic Impact Statement approximately fast approaching, I am concerned that our community has yet to receive an update on the statement's progress. Despite this apparent lack of progress, even Governor Calvo has demonstrated recent interest in an increase to the minimum wage.

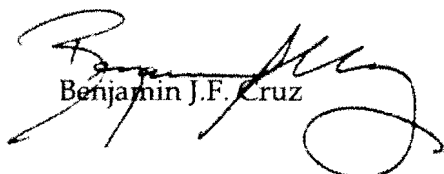
Thus, pursuant to the authority granted by the *Sunshine Reform Act of 1999* (5 GUAM CODE ANN. § 10103), I hereby request for the GDOL to submit a copy of the following:

Any and all public records, with/without attachments, related to the Economic Impact Statement required by P.L. 32-229, including but not limited to the full procurement file for any RFP issued under the authority granted by P.L. 32-229 and all correspondence, including electronic mail.

Under § 10103(d) of 5 GCA, you shall comply within four (4) working days from the date of receipt of this request. These items may be submitted electronically to senator@senatorbjcruz.com or delivered to my office. Please call my office at 477- 2520/1 should you require assistance or additional information.

Thank you for your attention to this important matter, and I look forward to your prompt response.

Si Yu'os ma'åse',



Benjamin J.F. Cruz

cc: Mr. Jon J. Rojas, Acting Administrator, GEDA, jrojas@investguam.com

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan

THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910

T: (671) 477-2520/1 | F: (671) 477-2522

January 8, 2016

Transmitted via Hand Delivery and Electronic Mail

jrojas@investguam.com

Mr. Jon J. Rojas

Acting Administrator

Guam Economic Development Authority

Ricardo J. Bordallo Governor's Complex

Hagåtña, Guam 96910

Re: Information Request: Economic Impact Statement

Håfa adai, Mr. Rojas!

As I am sure you are aware, Guam Public Law 32-229, signed into law by Governor Edward J.B. Calvo on December 30, 2014, requires that the Director of the Department of Labor (GDOL), in cooperation with the Guam Economic Development Authority (GEDA), issue a Request for Proposal (RFP) to conduct a one-year independent Economic Impact Statement relative to the minimum wage increase authorized under P.L. 32-178.

Additionally, under P.L. 32-229, the aforementioned Economic Impact Statement must be completed no later than March 30, 2016, and subsequently transmitted to both the Speaker of *I Liheslaturan Guåhan* and the Governor of Guam no later than April 30, 2016. With a clear statutory deadline for this Economic Impact Statement approximately fast approaching, I am concerned that our community has yet to receive an update on the statement's progress. Despite this apparent lack of progress, even Governor Calvo has demonstrated recent interest in an increase to the minimum wage.

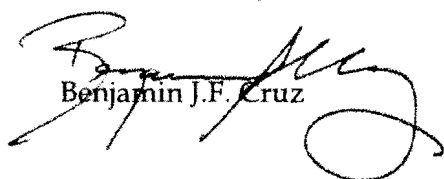
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Under § 10103(d) of 5 GCA, you shall comply within four (4) working days from the date of receipt of this request. These items may be submitted electronically to senator@senatorbjcruz.com or delivered to my office. Please call my office at 477- 2520/1 should you require assistance or additional information.

Thank you for your attention to this important matter, and I look forward to your prompt response.

Si Yu'os ma'åse',



Benjamin J.F. Cruz

cc: Ms. Maria S. Connelly, Director, GDOL, connent@gmail.com

Wage impact study awarded

John O'Connor | Post News Staff Jun 14, 2016 (4)

A contractor has finally been awarded the long-awaited economic impact study on the minimum wage increase implemented last year.

According to a release from the Guam Department of Labor, an unnamed research group was awarded the \$45,000 contract for the study yesterday.

In addition, the department said it anticipates the study will be completed within 90 days, placing the completion in early September.

An earlier timeline released by the department set the completion for the beginning of October.

"This report responds to the call from our community to look at the minimum wage issue with a balanced and responsible approach," stated Sam Mabini, acting GDOL director, in the release.

The wage study is mandated by law and was meant as a compromise to the original wage increase bill proffered by Vice Speaker Benjamin Cruz in 2014.

The bill would have increased minimum wage annually until it reached \$10.10 per hour. But when the study was not produced by its mandated deadline earlier this year, Cruz introduced legislation in early May that would move forward with the intent of his original bill – increasing the minimum wage until it reached \$10.10 per hour in 2018.

However, the measure garnered opposition from the business community and the governor.

Veto threat

During a public hearing on Cruz's new measure, Bill 312-33, Gov. Eddie Calvo said he believes the minimum wage on Guam is still too low but threatened to veto the bill if it passed the legislature without the wage study.

Members of the Guam Chamber of Commerce expressed a similar desire to wait until the study was completed before acting on the minimum wage bill.

But upon learning in late May that the study was not expected to be completed until October, Cruz said he would consider putting the bill to a voter referendum if there were bureaucratic attempts to delay its passage.

Cruz said he remains committed to moving forward with his bill despite the fact that the study is now being contracted. According to a spokesman from his office, Cruz will decide whether there is enough support to withstand a veto of the bill. Meanwhile, Cruz said he continues to seriously consider a voter referendum.

Since the people will be most affected by a wage hike, "it stands to reason that they are the best group to determine whether or not a minimum wage increase is acceptable," the spokesman stated.

The possibility of an initiative to implement the wage increases has garnered criticism from the business community.

Catherine Castro, president of the Guam Chamber of Commerce, stated on June 6, "Pursuing legislation via an initiative process without adequate data on the impact to the economy sets a dangerous precedence. ... The Guam Chamber and several local business organizations have been meeting with lawmakers on this issue and many agree that it is premature to pursue passage of Bill No. 312-33 without the results of an independent study."

Oyaol Ngirairiki, the governor's spokeswoman, stated that the contract is expected to be signed by the Department of Labor and the research group today. Afterwards, it will be sent to the Office of the Attorney General for review and signature and then to the governor himself.

Cruz resolved to raise Guam minimum wage

By Press Release | Posted on May 09 2016

Tag: EIS, Guam Public Law, Guam Undeterred, study

HAGÁTÑA, Guam—Undeterred in his pursuit to improve the lives of thousands of minimum wage workers in Guam, Vice Speaker Benjamin J.F. Cruz introduced Bill No. 312-33 (COR) recently, continuing his previous effort to incrementally raise Guam's minimum hourly wage to \$10.10 by January 2018.

"No one who works a full-time job should have to live in poverty—which is why I fought to raise the minimum wage two years ago, and why I introduced Bill 312 to finish what we started," said Cruz, who introduced his much-anticipated measure despite bureaucratic delays in the release of the Independent Economic Impact Statement (EIS).

The EIS was part of the unanimous, bipartisan compromise implemented to allay concerns of both private and public sector stakeholders who were critical of Bill No. 316-32 (LS), Cruz's original measure to boost Guam's minimum hourly wage to \$10.10 in three annual 95-cent increments. After days of public hearings and a threat of a veto, a pared-down version reducing the increase to a single dollar was passed and enacted into law as Guam Public Law 32-178.

As an assessment on the effects of the 2015 minimum wage increase, the EIS was required by P.L. 32-229 to be transmitted to Speaker Judith T. Won Pat no later than April 30, 2016. However, despite having more than a year to find funding, prepare a Request for Proposal, and conduct the study, both the Guam Economic Development Authority and the Guam Department of Labor—the entities assigned to ensure the conduct of the EIS—have yet to complete the statement.

"Thousands of working families have been patient, but I won't allow delay to equal denial," said Cruz, who notes that funding for the EIS was found only after he filed Freedom of Information Act requests to both entities in January. "These families need a raise, and the forces that oppose them can't win by simply kicking the bureaucratic can down the road."

Picking up where P.L. 32-178 left off, Bill No. 312-33 (COR) repeals and reenacts a section of the Minimum Wage and Hour Act of Guam's Fair Labor Standards (22 GUAM CODE ANN. §3105), requiring employers to pay workers an hourly rate of no less than \$9.20 by Jan. 1, 2017 and \$10.10 by Jan. 1, 2018.

"When employers don't pay the people who work for them a decent wage, taxpayers pick up the tab," said Cruz, referring to the devastating effects of low wages. "We pay \$56 million a year in Earned Income Tax Credits to underpaid employees—many of whom are in the private sector. It's no wonder that tax refunds are slower than they should be."

Contrary to the predictions of an economic apocalypse that surrounded discussions of P.L. 32-178, Cruz notes that—with or without the study—unemployment and overall inflation on Guam have decreased since the enactment of the wage increase last year. According to the most recent Bureau of Labor and Statistics employment report, Guam's economy has witnessed an additional 1,220 private sector jobs in December 2015, compared to the previous year. Similarly, economist Joseph Bradley predicted a 3% to 4% economic growth in his latest forecast, suggesting an environment conducive to a second wage increase for Guam since the federal minimum wage was increased to \$7.25 in 2010.

"If you take an honest look at the facts, you will find that, contrary to what opponents have contended, raising the minimum wage will not eradicate jobs, incite massive inflation, or spur the use of public benefits," said Cruz. "By giving minimum wage workers and their families a raise, we recognize right as well as reality." **(PR)**

Minimum wage, naming of Paseo huts up for hearing

Robert Q. Tupaz | Post News Staff May 16, 2016 (0)



MINIMUM WAGE: Vice Speaker Benjamin Cruz is the author of the current wage law that sets the island's idea he originally conceived in 2014 when he first proposed to step away from the former \$7.25 minimum v

A couple of public hearings scheduled for this week will focus on the quality of life of minimum wage earners and the naming of the newly constructed concrete huts in Hagåtña which were modeled after traditional dwellings of ancestral Chamorros.

On Wednesday, May 18, the legislative committee on human and natural resources will hear a proposal by Vice Speaker Benjamin Cruz that, if passed, would raise the island's minimum wage to \$10.10 an hour by January 2018. An initial raise to \$9.20 from the current \$8.25 would take place by January 2017.

Cruz is the author of the current wage law that sets the island's minimum wage at \$8.25, but the \$10 rate was the idea he originally conceived in 2014 when he first proposed to step away from the former \$7.25 minimum wage which is set by federal law.

Cruz compromised on the \$8.25 hourly wage, which took effect Jan. 1, 2015 after meeting with resistance from the island's business community. Still, he vowed to fight for what he felt would be a decent wage as long as he served in the Guam Legislature. The measure contained in Bill 312-33 – a short and succinct bill, simply states that the island's minimum wage shall increase to \$9.20 an hour by January 2017 and to \$10.10 by January 2018.

Cruz said he hopes that by raising the minimum wage, the lives of working families would improve.

"No one who works a full-time job should have to live in poverty – which is why I fought to raise the minimum wage two years ago, and why I introduced Bill 312 to finish what we started," said Cruz upon introduction of Bill 312 earlier this month.

Cruz said he waited long enough for a required independent economic impact statement (EIS) that accompanied the law setting the current rate. He called the stalling "bureaucratic delays."

Cruz said the EIS was part of the unanimous, bipartisan compromise implemented to allay concerns of both private- and public-sector stakeholders who were critical of the raise to \$8.25 he authored.

Cruz said the EIS on the effects of the 2015 minimum wage increase should have been on Speaker Judith Won Pat's desk by April 30, hence his decision to move forward. Sen. Rory Respicio scheduled the hearing to take place on Wednesday, May 18 at 6 p.m. in the public hearing room of the Guam Legislature in Hagåtña.

Hut names

Another measure to be the subject of a public hearing this week seeks to honor the island's past by naming each of the newly constructed concrete huts located adjacent to the Chamorro Village on the Paseo grounds after an island chief or leader of long ago.

Won Pat introduced Bill 302-33 which would officially name each of the 34 Festival of Pacific Arts Village Houses "lugåt i manmañaina-ta" and each house individually after heroes and leaders of the Chamorro-Spanish War.

Won Pat, in her bill which has nine co-sponsors, said she hopes that by naming the huts, the knowledge of the history of the indigenous people of the region and the Chamorros would be gained, as well as “to memorialize the historical figures of our past, in an effort to reclaim history and realize our origin,” she said.

The public hearing on the naming of the structures is scheduled to take place tomorrow, May 17, at 3 p.m. in the public hearing room of the Guam Legislature.