



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

MAR 12 1996

The Honorable Ted S. Nelson  
Acting Speaker  
Twenty-Third Guam Legislature  
Guam Legislature Temporary Building  
155 Hesler Street  
Agana, Guam 96910

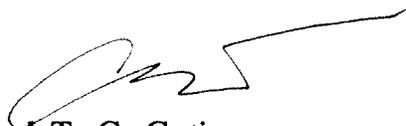
OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>J. L. Lopez</u>
Time	<u>4:10</u>
Date	<u>3-12-96</u>

Dear Speaker Nelson:

Enclosed please find a copy of Substitute Bill No. 279(LS), "AN ACT TO REPEAL AND REENACT §1107, §1108, AND §1109 OF TITLE 4, GUAM CODE ANNOTATED, TO BE KNOWN AS THE 'GOVERNMENT OF GUAM INCENTIVE AWARDS PROGRAM ACT'", which I have **signed** into law today as **Public Law No. 23-79**.

It is hoped that this incentive program will be useful in encouraging government employees to work on solutions to service delivery within the government, so that our citizens can derive more benefits from their tax dollar. It is also hoped that this incentive program will insert an element of the entrepreneurial spirit and revitalize our government work force by allowing them to share in cost saving ideas.

Very truly yours,

  
Carl T. C. Gutierrez

Attachment  
231036

Office of VICE-SPEAKER TED S. NELSON	
Received by <u>Carl T. C. Gutierrez</u>	
Print Name	Initial
Date: <u>3/12</u>	Time: <u>4:10 pm</u>

TWENTY-THIRD GUAM LEGISLATURE  
1996 (SECOND) Regular Session

This is to certify that Substitute Bill No. 279 (LS), "AN ACT TO REPEAL AND REENACT §1107, §1108, AND §1109 OF TITLE 4, GUAM CODE ANNOTATED, TO BE KNOWN AS THE "GOVERNMENT OF GUAM INCENTIVE AWARDS PROGRAM ACT", was on the 28th day of February, 1996, duly and regularly passed.



D. PARKINSON  
Speaker

Attested:



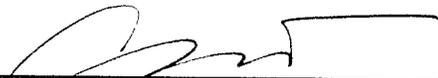
JUDITH WON PAT-BORJA  
Senator and Legislative Secretary

-----  
This Act was received by the Governor this 1st day of MARCH  
1996, at 5:40 o'clock P.M.



Assistant Staff Officer  
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ  
Governor of Guam

Date: 3-12-96

Public Law No. 23-79

TWENTY-THIRD GUAM LEGISLATURE  
1995 (FIRST) Regular Session

Bill No. 279 (LS)

As substituted by the Committee on  
General Governmental Operations  
and Micronesian Affairs

Introduced by:

C. A. Leon Guerrero

T. S. Nelson

A. C. Blaz

---

S. L. Orsini

F. P. Camacho

V. C. Pangelinan

H. A. Cristobal

T. C. Ada

J. P. Aguon

E. Barrett-Anderson

J. M. S. Brown

M. C. Charfauros

M. Forbes

A. C. Lamorena V

L. A. Leon Guerrero

D. Parkinson

J. T. San Agustin

A. L. G. Santos

F. E. Santos

A. R. Unpingco

J. Won Pat-Borja

AN ACT TO REPEAL AND REENACT §1107, §1108, AND  
§1109 OF TITLE 4, GUAM CODE ANNOTATED, TO BE  
KNOWN AS THE "GOVERNMENT OF GUAM  
INCENTIVE AWARDS PROGRAM ACT".

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

2           **Section 1. Legislative Findings.** The Legislature finds that although a  
3 government incentive awards program was intended to be created upon  
4 enactment of Public Law 7-105 in February 1964, that program was never  
5 fully implemented. The Legislature further finds that there is still a need to  
6 promote cost-effectiveness and efficiency within the government of Guam,  
7 and therefore a more specific program to reward ingenuity and economy in  
8 government service should be immediately established and implementation  
9 compelled.

10           **Section 2.** §1107 of Title 4, Guam Code Annotated, is hereby repealed  
11 and reenacted to read:

12                   **"§1107. Government of Guam Incentive Awards Program.** There  
13 is hereby established the 'Government of Guam Incentive Awards  
14 Program' which shall provide for payment of cash awards to, and the  
15 honorary recognition of, employees of the government of Guam who by  
16 their specific ideas, suggestions, proposals, or inventions contribute to  
17 the greater efficiency, economy, an increase in government revenues, or  
18 other improvement of government operations as determined by the  
19 Department of Administration."

20           **Section 3.** §1108 of Title 4, Guam Code Annotated, is hereby repealed  
21 and reenacted to read:

22                   **"§1108. Same: General Provisions.**

23                   **(a) Definitions.** In statutes creating the 'Government of Guam  
24 Incentive Awards Program' ("the Program"), the terms are defined as  
25 follows:

26                           (1) 'Agency' shall mean:

- 1 (a) an Executive department or agency;  
2 (b) an autonomous agency of the government of  
3 Guam;  
4 (c) the administrative office of the Superior Court of  
5 Guam and any other court of Guam.

6 (2) 'Government employee' means any person employed  
7 within any agency of the government of Guam in non-  
8 supervisory positions as defined by the Civil Service  
9 Commission, but does not include independent  
10 consultants, persons who require Legislative  
11 confirmation, deputy directors, or elected officials.

12 (b) **Cash Awards.**

13 (1) A cash award issued pursuant to the provisions of this  
14 Act shall be set at up to ten percent (10%) of the first  
15 calendar year's actual net annual savings or increase in  
16 revenues resulting to the agency's annual operational  
17 expenses from the implementation of the specific idea,  
18 suggestion, design, or invention as determined by the  
19 Department of Administration. The cash award shall be  
20 issued to the employee when the savings are realized by the  
21 agency, regardless of whether the person is still employed by  
22 the government of Guam or how much time has elapsed  
23 since the idea, suggestion, design or invention was  
24 originally submitted.

25 (2) Each specific idea, suggestion, design or invention  
26 submitted for the purpose of receiving a cash award shall be  
27 considered on a first-submitted basis and is eligible for a

1 one-time cash award only as determined by the Department  
2 of Administration.

3 (3) Each cash award issued pursuant to the provisions of  
4 this Act shall be in addition to the regular compensation of  
5 the recipient(s) and its acceptance shall constitute an  
6 agreement that use by the government of Guam of any  
7 specific idea, suggestion, design or invention for which the  
8 award is issued shall not form the basis of a further claim of  
9 any nature upon the government of Guam by the employee,  
10 his heirs or assigns. If necessary, a condition for receiving  
11 the award shall be the transfer in full to the government of  
12 Guam of all intellectual property rights, including copyright,  
13 patent, trademark or trade secret as determined by the  
14 Department of Administration.

15 **(c) Eligibility.**

16 (1) Government employees as herein defined are eligible for  
17 cash awards in accordance with this subsection.

18 (2) A group of government employees may submit a specific  
19 idea, suggestion, design or invention for consideration of a  
20 cash award pursuant to the provisions of this Act. Any cash  
21 award issued to a group of government employees shall be  
22 divided equally among the individuals in the recipient group  
23 as determined by the Department of Administration.

24 (3) Cash awards may be issued to former government  
25 employees notwithstanding the death or separation from  
26 service of the government employee concerned if the specific  
27 idea, suggestion, design or invention was submitted for

1 consideration while the recipient was an employee of the  
2 government of Guam as defined by this Act."

3 **Section 4.** §1109 of Title 4, Guam Code Annotated, is hereby repealed  
4 and reenacted to read:

5 **"§1109. Same: Administration.**

6 (a) **Rules and Regulations.** Within one hundred twenty  
7 (120) days of the enactment of this Act, the Department of  
8 Administration, in consultation with the Civil Service  
9 Commission, shall file with the Legislative Secretary rules and  
10 regulations for the administration of the program in accordance  
11 with the Administrative Adjudication Law. In order to provide for  
12 the fair and efficient administration of the Program, such rules  
13 and regulations shall provide specific controls to safeguard  
14 against the possibility of collusion or manipulation. The rules and  
15 regulations for the Incentive Awards Program must also include  
16 methods of protecting the rights and benefits of the person  
17 generating and submitting an idea.

18 (b) **Awareness Program.** Within one hundred twenty (120)  
19 days of enactment of this Act, the agency heads of the Department  
20 of Administration, the autonomous agencies, and the Superior  
21 Court of Guam shall implement a 'Government of Guam  
22 Incentive Awards Program' informing all government employees  
23 about the objectives and procedures of the Program and  
24 encouraging participation."

**TWENTY-THIRD GUAM LEGISLATURE**

1996 (SECOND) Regular Session

6/

Date: 2/28/96

**VOTING SHEET**

Bill No. 279

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, John P.	✓			
BARRETT-ANDERSON, Elizabeth	✓			
BLAZ, Anthony C.	✓			
BROWN, Joanne S.	✓			
CAMACHO, Felix P.	✓			
CHARFAUROS, Mark C	✓			
CRISTOBAL, Hope A.	✓			
FORBES, MARK	✓			
LAMORENA, Alberto C., V	✓			
LEON GUERRERO, Carlotta	✓			
LEON GUERRERO, Lou	✓			
NELSON, Ted S.	✓			
ORSINI, Sonny L.	✓			
PANGELINAN, Vicente C	✓			
PARKINSON, Don	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Angel L. G.	✓			
SANTOS, Francis E.	✓			
UNPINGCO, Antonio R.	✓			
WONPAT-BORJA, Judith	✓			

TOTAL

21    0    0    0

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Recording Secretary

FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 1 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_

Carlotta Leon-Guerrer  
Mover

Section 4 subsection 1109(a) line 9 pg. 6  
after the word "manipulation" add the following

The rules & regulations for the incentive awards  
program must also include methods of  
protecting [ownership] of an idea.

*the rights and benefits  
of the person generating  
and submitting*

Date 2/23/96

Votes \_\_\_\_\_  
\_\_\_\_\_

Passed  )  
Failed \_\_\_\_\_ )

Concur

[Signature]  
Recording  
Secretary

[Signature]  
Speaker

APPROVED AS TO FORM PASSED

Carlotta Leon-Guerrer  
MOVER/AUTHOR OF AMENDMENT

FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 2 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_

Sen. Mark Furkes  
Mover

Page 2, line 8 of the bill is amended to read  
... inventions contribute to the greater efficiency,  
economy, an increase in Government revenues, or other  
improvements ...

Date 2/23/96

Votes \_\_\_\_\_  
✓

Passed \_\_\_\_\_ )

Failed \_\_\_\_\_ )

ps  
Recording Secretary

Concur \_\_\_\_\_  
[Signature]  
Speaker

APPROVED AS TO FORM PASSED

[Signature]  
MOVER/AUTHOR OF AMENDMENT



FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 3 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_

Sen. Mark Furter  
Mover

On page 3, line 9 is amended to read:

... shall be set at up to 10% of the  
actual net annual savings or increase  
in revenues resulting from ...

Date 2/23/96

Votes \_\_\_\_\_  
\_\_\_\_\_

Passed  \_\_\_\_\_

Failed \_\_\_\_\_

Concur

[Signature]  
Recording Secretary

[Signature]  
Speaker

APPROVED AS TO FORM PASSED

[Signature]  
MOVER/AUTHOR OF AMENDMENT

FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 4 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_

Sen. Mark Furber  
Mover

On page 4, line 16<sup>17</sup> is amended to read:

~~... government employees in non-management~~  
~~positions and to those government employees whose~~  
~~positions are ...~~

Date 2/23/96

Votes \_\_\_\_\_  
\_\_\_\_\_

Passed  \_\_\_\_\_

Failed \_\_\_\_\_

J. Liguora  
Recording Secretary

Concur [Signature]  
Speaker

APPROVED AS TO FORM PASSED

[Signature]  
MOVER/AUTHOR OF AMENDMENT

FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 5 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_  
Withdrawn \_\_\_\_\_

J T So. Austin  
Mover

p. 1, line 4 after the word "never" add the word  
"fully" (never fully implemented...)

Date 2/23/96 Votes \_\_\_\_\_

Passed  )  
Failed \_\_\_\_\_ )

Recording Secretary [Signature]  
Speaker [Signature]

APPROVED AS TO FORM PASSED

[Signature]  
MOVER/AUTHOR OF AMENDMENT

FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 6 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_

BY: Sen. Tony Lamorena  
Mover

Page 3, Line 8 shall be amended to read:

*up to*  
(1) A cash award issued pursuant to the provisions of this Act shall be set at ten percent (10%) of the first year's actual net savings *calendar* to the agency's annual operational expenses resulting from the implementation of the specific idea, suggestion, design or invention as determined by the Department of Administration. The cash award shall be issued to the employee when the savings are realized by the agency, regardless of whether the person is still employed by the government of Guam or how much time has elapsed since the idea, suggestion, design or invention was originally submitted. *Annual or increase in savings resulting from*

Date 2/23/96

Votes \_\_\_\_\_  
\_\_\_\_\_

Passed  )  
Failed \_\_\_\_\_ )

Concur

*Jalison*  
Recording Secretary

*[Signature]*  
Speaker

APPROVED AS TO FORM PASSED

*[Signature]*  
MOVER/AUTHOR OF AMENDMENT

*[Signature]*  
*[Signature]* *rep*

FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 7 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_

E. B. Anderson

Mover

#1

*in non-supervisory positions as per the bill*

Page 3, line 4 amended to read:

"(2) Government employee" means any person employed within any agency of the government of Guam, but does not include contractual independent consultants, or persons who required Legislative Confirmation, *deputy secretaries* or elected officials.

Date 2/23/96

Votes \_\_\_\_\_

Passed

Failed \_\_\_\_\_

Concur

WY  
Recording Secretary

[Signature]  
Speaker

APPROVED AS TO FORM PASSED

[Signature]

MOVER/AUTHOR OF AMENDMENT

FLOOR AMENDMENTS/CHANGES

Bill No. 279

No. 8 of 8 Changes  
Amendment \_\_\_\_\_  
Deletion \_\_\_\_\_

EBA

Mover

#2

Page 4, line 13 to 19 delete, and Page 5  
line 1 delete.

Add a new "(C) Eligibility. (1) Government employees  
as herein defined are eligible for cash  
awards in accordance with this subsection."

Date 2/23/96

Votes \_\_\_\_\_

Passed

Failed \_\_\_\_\_

Concur

[Signature]  
Recording  
Secretary

[Signature]  
Speaker

APPROVED AS TO FORM PASSED

[Signature]  
MOVER/AUTHOR OF AMENDMENT

23-29



*Ofisinan i Setbienten i Taotao Guahan*  
**Office of the Vice-Speaker**  
Twenty-Third Guam Legislature

**TED S. NELSON**  
Vice-Speaker

February 9, 1996

**Chairman,**  
Committee on General  
Governmental  
Operations &  
Micronesian Affairs

**Member,**  
Committee on  
Community, Housing  
and Cultural Affairs

**Member,**  
Committee on Education

**Member,**  
Committee on Health,  
Welfare & Senior  
Citizens

**Member,**  
Committee on Judiciary,  
Criminal Justice &  
Environmental Affairs

**Member,**  
Committee on Rules

**Member,**  
Committee on Water  
Utilities & Electronic  
Communications

**Member,**  
Committee on Youth,  
Labor, and Parks &  
Recreation

**Director & Vice-President**  
*(Ranking Member)*,  
Association of Pacific  
Island Legislatures (APIL)

Honorable Don Parkinson  
**Speaker**  
23rd Guam Legislature  
155 Hessler Street  
Agana, Guam 96910

Dear Mr. Speaker:

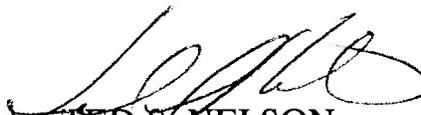
The Committee on General Governmental Operations and Micronesian Affairs, to which was referred **Bill No. 279** (*An Act to repeal and reenact §1107, §1108, §1109 of Title 4, Guam Code Annotated to be known as the "Government of Guam Incentive Awards Program Act"*) has had the same consideration and now wishes to report back the same with the **recommendation to do pass as substituted.**

The Committee votes are as follows:

To do pass	14
Not to pass	0
To report out only	0
Abstain	0
To place in inactive file	0

A copy of the Committee Report and other pertinent documents are enclosed for your reference and information.

Sincerely,



TED S. NELSON

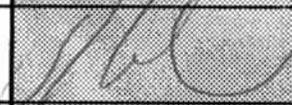
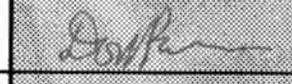
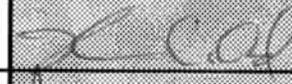
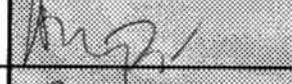
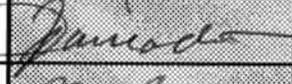
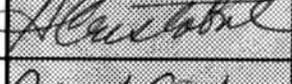
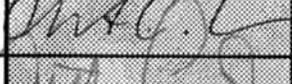
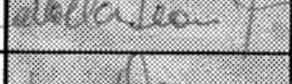
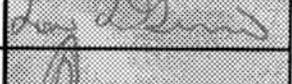
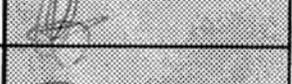
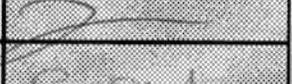
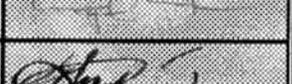
Enclosures

**COMMITTEE ON GENERAL GOVERNMENT OPERATION  
AND MICRONESIAN AFFAIRS  
Twenty-Third Guam Legislature**

**VOTE SHEET  
on Bill No. 279**

*An Act to repeal and reenact §1107, §1108, §1109 of Title 4, Guam Code  
Annotated to be known as the "Government of Guam Incentive Awards Program Act"*

**Recommendation: To Do Pass as Substituted by the Committee**

Committee Members	To Do Pass	Not To Pass	To Report Out Only	Abstain	To Place in the Inactive File	Signature
Vice-Speaker Ted S. Nelson Chairman	✓					
Speaker Don Parkinson Ex-Officio Member	Don't					
Senator Thomas C. Ada	✓					
Senator Anthony C. Blaz	✓					
Senator Felix P. Camacho	✓					
Senator Mark C. Charfauros	✓					
Senator Hope A. Cristobal	✓					
Senator Alberto C. Lamorena V	✓					
Senator Carlotta Leon Guerrero	✓					
Senator Lou Leon Guerrero	✓					
Senator Sonny L. Orsini	✓					
Senator Ben C. Pangelinan	✓					
Senator Angel L.G. Santos	✓					
Senator Judith WonPat-Borja	✓					
<b>Total Votes:</b>						

TWENTY-THIRD GUAM LEGISLATURE  
1995 (First) Regular Session

Bill No. 279  
as substituted by the  
Committee on General Governmental Operations  
& Micronesian Affairs

Introduced by:

C.A. Leon Guerrero *CLG*  
T.S. Nelson *TN*

*AC Blaz*

*FP CAMACHO*

*Christina*

AN ACT TO REPEAL AND REENACT §1107, §1108, AND  
§1109 OF TITLE 4, GUAM CODE ANNOTATED TO BE  
KNOWN AS THE "GOVERNMENT OF GUAM INCENTIVE  
AWARDS PROGRAM ACT".

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

1           **Section 1. Legislative Findings.** The Legislature finds that although  
2 a government incentive awards program was intended to be created upon  
3 enactment of Public Law 7-105 in February of 1964, that program was  
4 never implemented. The Legislature further finds that there is still a need  
5 to promote cost-effectiveness and efficiency within the government of  
6 Guam, and therefore a more specific program to reward ingenuity and  
7 economy in government service should be immediately established and  
8 implementation compelled.

1           **Section 2.** §1107 of Title 4, Guam Code Annotated is hereby  
2 repealed and reenacted to read:

3                   **“§1107.     Government of Guam Incentive Awards Program.**

4           There is hereby established the ‘Government of Guam Incentive  
5           Awards Program’ which shall provide for payment of cash awards  
6           to, and the honorary recognition of, employees of the government of  
7           Guam who by their specific ideas, suggestions, proposals, or  
8           inventions contribute to the greater efficiency, economy or other  
9           improvement of government operations as determined by the  
10          Department of Administration.”

11          **Section 3.** §1108 of Title 4, Guam Code Annotated is hereby  
12 repealed and reenacted to read:

13                   **“§1108.     Same:     General Provisions.**

14                   **(a)     Definitions.**     In statutes creating the ‘Government of  
15           Guam Incentive Awards Program’ (“the Program”), the terms are  
16           defined as follows:

17                           (1)   ‘Agency’ shall mean:

18                                   (a)   an Executive department or agency;

19                                   (b)   an autonomous agency of the government of

1                   Guam;

2                   (c) the administrative office of the Superior  
3                   Court of Guam and any other court of Guam.

4                   (2) 'Government Employee' shall mean an employee of  
5                   the government of Guam as defined by Chapter 4,  
6                   Guam Code Annotated."

7                   (b) **Cash Awards.**

8                   (1) A cash issued pursuant to the provisions of this Act  
9                   shall be set at ten percent (10%) of the actual net savings  
10                  to the agency's annual operational expenses resulting  
11                  from the implementation of the specific idea, suggestion,  
12                  design or invention as determined by the Department of  
13                  Administration.

14                  (2) Each specific idea, suggestion, design or invention  
15                  submitted for the purpose of receiving a cash award shall  
16                  be considered on a first-submitted basis and is eligible for  
17                  a one-time cash award only as determined by the  
18                  Department of Administration.

19                  (3) Each cash award issued pursuant to the provisions

1 of this Act shall be in addition to the regular  
2 compensation of the recipient(s) and its acceptance shall  
3 constitute an agreement that use by the government of  
4 Guam of any specific idea, suggestion, design or  
5 invention for which the award is issued shall not form the  
6 basis of a further claim of any nature upon the  
7 government of Guam by the employee, his heirs or  
8 assigns. If necessary, a condition for receiving the award  
9 shall be the transfer in full to the government of Guam of  
10 all intellectual property rights, including copyright,  
11 patent, trademark or trade secret as determined by the  
12 Department of Administration.

13 (c) **Eligibility.**

14 (1) Eligibility for cash award issued pursuant to the  
15 provisions of this Act shall be limited to those  
16 government employees in non-management positions  
17 and to those government employees whose positions are  
18 not appointed by the Governor or confirmed by the  
19 Legislature or as otherwise determined by the Civil

1 Service Commission.

2 (2) A group of government employees may submit a  
3 specific idea, suggestion, design or invention for  
4 consideration of a cash award pursuant to the provisions  
5 of this Act. Any cash award issued to a group of  
6 government employees shall be divided equally among  
7 the individuals in the recipient group as determined by  
8 the Department of Administration.

9 (3) Cash awards may issued to former government  
10 employees notwithstanding the death or separation from  
11 the service of the government employee concerned if the  
12 specific idea, suggestion, design or invention was  
13 submitted for consideration while the recipient was an  
14 employee of the government of Guam as defined by this  
15 Act.

16 Section 4. §1109 of Title 4, Guam Code Annotated is hereby  
17 repealed and reenacted to read:

18 "1109. Same: Administration.

19 (a) Rules and Regulations. Within one hundred

1           twenty (120) days of the enactment of this Act, the Department  
2           of Administration, in consultation with the Civil Service  
3           Commission, shall file with the Legislative Secretary rules and  
4           regulations for the administration of the program in  
5           accordance with the Administrative Adjudication Law. In  
6           order to provide for the fair and efficient administration of the  
7           Program, such rules and regulations shall provide specific  
8           controls to safeguard against the possibility of collusion or  
9           manipulation.

10           (b)   **Awareness Program.** Within one hundred twenty  
11           (120) days of enactment of this Act, the agency heads of the  
12           Department of Administration, the autonomous agencies, and  
13           the Superior Court of Guam shall implement a 'Government  
14           of Guam Incentive Awards Program' informing all  
15           government employees about the objectives and procedures of  
16           the Program and encouraging participation.

**COMMITTEE ON GENERAL GOVERNMENTAL OPERATIONS  
AND MICRONESIAN AFFAIRS  
TWENTY-THIRD GUAM LEGISLATURE  
155 Hessler Street, Agana, Guam 96910**

**COMMITTEE REPORT**

**ON**

**BILL NO. 279**

*An Act to repeal and reenact §1107, §1108,  
§1109 of Title 4, Guam Code Annotated to  
be known as the "Government of Guam  
Incentive Awards Program Act"*

**COMMITTEE MEMBERS:**

Chairman: Ted S. Nelson  
Ex-Officio Member: Speaker Don Parkinson

Thomas C. Ada	Anthony C. Blaz
Felix P. Camacho	Mark C. Charfauros
Hope A. Cristobal	Alberto C. Lamorena V
Carlotta Leon Guerrero	Lourdes A. Leon Guerrero
Sonny L. Orsini	Ben C. Pangelinan
Angel L.G. Santos	Judith Won Pat-Borja

**PUBLIC HEARING ON  
BILL NO. 279**

**"An Act to repeal and reenact §1107, §1108, §1109 of  
Title 4, Guam Code Annotated to be known as the  
"Government of Guam Incentive Awards Program Act"  
(Exhibit A)**

**I. OVERVIEW**

The Committee on General Governmental Operations and Micronesian Affairs, to which was referred **Bill No. 279**, conducted a public hearing on December 22, 1995 at the Public Hearing Room of the Guam Legislature Temporary Building in Agana (*Exhibit B - Notice of Public Hearing and Agenda*).

Attending the public hearing were Committee members (*Exhibit C - Attendance Sheet*):

Vice-Speaker Ted S. Nelson, Chairman  
Senator Tom C. Ada  
Senator Mark C. Charfauros  
Senator Alberto C. Lamorena V  
Senator Carlotta Leon Guerrero  
Senator Ben C. Pangelinan.

Senator Mark Forbes was also in attendance.

Appearing before the Committee (*Exhibit D - Witness Sign-In Sheet*) were:

Mr. Andy Andrews of Andrews Associates, Inc.  
Mr. Gerald A. Taitano, Member, Society for Human Resources Management, Guam Chapter, and Bank of Guam Vice-President for Human Resources  
Dr. Anita Williams, University of Guam's College of Business and Public Administration  
Mr. John S. Salas, Director, Department of Administration  
Mr. Eloy Hara, Executive Director, Civil Service Commission  
Mr. Bill Cundiff, Director, Agency for Human Resources Development

## II. TESTIMONY

MR. ANDY ANDREWS, a Human Resources Consultant on Guam, testified before the Committee on Bill 279.

Mr. Andrews said that if the motivation is indeed to find new and innovative ways to resolve government of Guam's financial crisis, then "yes, it needs to be encouraged." He then went on to express his dissatisfaction with the way "quick fixes" are created and felt that the government should avoid these. He also expressed many personal opinions about merit awards and felt that they were not for "merit."

Mr. Andrews discouraged support of Bill 279 as it is written, however, he considers a "more favorable attitude regarding such legislation if (1) the incentives and awards were for suggestions or inventions completely unrelated to the employee's current or previous job assignments; (2) if awards were based solely measurable effects to financial statements; and (3) procedures are established to prevent collusion or manipulations of the awards."

Lastly, Mr. Andrews noted that Section 1108(g) seems to infer that employees have ownership of their suggestions and inventions. Mr. Andrew said that he thinks "this may warrant further consideration because typically, employers like claim to any inventions and creations, work of literary works and things of this nature that the people develop while they are employed or even to the effect that they ask them to sign an agreement when they do become employed. There may be more to that than what, just noting this in the law, that that may warrant further considerations as well."

MR. GERALD TAITANO testified before the Committee in **support** of Bill No. 279 (see written testimony, *Exhibit E*).

DR. ANITA WILLIAMS of the University of Guam appeared before the Committee in **support of Bill No. 279 with considerations** (see written testimony, *Exhibit F*).

Dr. Williams commented that the Bill needs to be explained fully to employees in order to ensure overall awareness of the program to achieve its success. She was concerned with the simplicity and accessibility of respective forms that will be used in the implementation of the program. She believes said that the forms should be made user

friendly to be comprehensible by the most entry level of employees. With regards to cash awards and the respective range or limitations, she commented that the placement of a \$1,000 cap limits the innovativeness of ideas to the value of \$10,000 when you consider 10% of that at a cap of \$1,000. "Potential savings in the hundreds and thousands of dollars, and possibly in the millions of dollars could result if employees are provided an opportunity to explore and submit original ideas that do not limit their potential for greater monetary incentives," Dr. Williams commented. "There is room for potential abuse of discretion and the possible discounting of ideas of disfavored employees within the agency by the agency head which could lead to problems in employee moral if the program is not equitably administered or controlled. An independent change of custody should be considered to safeguard such problems from arising," Dr. Williams further commented.

MR. JOHN S. SALAS, Director of Administration and a member of the International Personnel Management Association, appeared before the Committee in **full support** of the intent of Bill No. 279 (see written testimony, *Exhibit G*). He believes that the "time is right to improve our efforts in implementing the Incentive Award Program" and recommended some minor administrative changes: (1) passage of Sections 1 and 2 of Bill No. 279; (2) repeal of Section 1108, 4 GCA; (3) elimination of Section 3 in Bill No. 279; and (4) renumbering of §1109, 4 GCA to §1108.

MR. ELOY HARA, Executive Director for Civil Service Commission, testified that the Commission does **support the intent of Bill 279**, however, he said that an Incentive Award Program already exists, it just needs to be modified, amended, and an educational process should be in effect to make it work. (See written testimony, *Exhibit H*).

MR. CARLOS Q. TAITANO, a private citizen, appeared before the Committee and testified in **full support of the intent of Bill No. 279**. He commented that there are many government of Guam employees that are "extremely creative," and that any bill that would tend to bring out that in our people is commendable. The problem addressed by the Legislature that few government employees know about the program, he recommends that pay and performance reports of managers and supervisors be tied in as far as their involvement with the programs. The only to correct this problem is to make it a part of their performance requirement and their annual pay raises. This is true in preventing accidents and other managerial responsibilities. If we move the

responsibility from the employees and put the responsibility on the manager and tie it in to their performance requirement and their annual pay raises, possibly you'll get more participation. It's a shame that the program is not being used. I don't know much about the mechanics but I know that if you encourage people to be creative, beyond just savings, I am talking about just making Guam a better place and government of Guam a better place to work. Savings is just one concern that I have, but I'm more concerned about the entire GovGuam having a workplace where people are creative; where they can suggest that more things be automated. I went to One-Stop Processing Center in Anigua and I can see a change, however their automated program is really not up to par to those that you find in the private sector. You have to put more responsibility on the people that are getting more pay than the average worker to make this program work.

I commend the intent, I think you should push it. There's not a single incentive program that doesn't work. I know of no program, and I can honestly say that I have more work experience than those of my other human resources, here, but I have yet to find a single program that doesn't work when you have the people on top being held accountable to make it work.

MR. BILL CUNDIFF, Director of the Agency for Human Resources Development, appeared before the Committee and testified in **support of Bill No. 279** (See written testimony, *Exhibit I*.)

DR. JUDITH P. GUTHERTZ, Professor of Public Administration at the University of Guam submitted written testimony **endorsing** Bill No. 279 (*Exhibit J*).

MS. JOSEPHINE AGUON, Acting Employment Program Administrator for the Department of Labor, also submitted written testimony in **full support** of Bill No. 279 (*Exhibit K*).

*Exhibit L* and *Exhibit M* - *Pacific Daily News* articles regarding Bill No. 279 (provided by the Author of the Bill, Senator Carlotta Leon Guerrero).

**IV. DIALOGUE between Committee Members and individuals testifying on Bill No. 279:**

**SENATOR ADA:** "... I noticed that on Section 2 that the incentive award program is only going to be available to classified employees and excludes any ideas that may be contributed by unclassified employees, as opposed to maybe if we were to make the distinction between supervisory and non-supervisory, such that we want participation from the non-supervisory personnel on the assumption that they are the ones that's actually doing the work and they'll probably have a better idea of what fine-tuning is needed. Is there any comments as to whether there seems to be fairness in this and excluding unclassified employees?"

**MR. HARA:** "In my written testimony, the Civil Service Commission would like that unclassified employees be considered. ... To single out unclassified employees would be tantamount to discrimination and this is where we are not in favor."

**SENATOR ADA:** "If we then include unclassified employees, then anybody from the director on down could be eligible for an incentive award then, correct?"

**MR. HARA:** "Yes, but in my experience, both as a Deputy of Guam Power and now Executive Director of Civil Service Commission, that generally those programs are basically an incentive to our lower ranking file ..."

**SENATOR ADA:** "Would it be more accurate, maybe, if we said that it will available to non-supervisory employees; that the incentive program is really to get the non-supervisory employees to participate as opposed to your supervisory ..."

**MR. HARA:** "I would concur that maybe a supervisor may not be the correct position because I do agree that certain levels of supervisory, maybe managerial position would not be ... you would expect managers already to do incentives and as part of running their divisions, department or agency, this is already part of their job. I think we need to change our definition there and put down maybe managerial positions ..."

**MR. SALAS:** "I think there's probably some history to the exclusion of the unclassified employees. As I read the current statute, it goes back

to the 9th Guam Legislature, and I would think that the concept of unclassified employment was more akin to other than cabinet members who might have wished to become cabinet members and for no real expertise in any of the areas, so I would probably agree that, today, and especially with quality improvement programs, TQM, re-engineering, this is a total concept kind of program that starts from the very top down to the very bottom so there's full participation by all parties. As Mr. Cunliff had stated, that perhaps instead of just restricting our identification to individuals that groups could also be worthy of this type of awards. But, yes, I would agree if there was a move to change the current language to include unclassified employees. To what level, that could be debatable. If you include directors, then we throw in the connotations of politics and politicizing the program which I don't think we want to do. But short of politicizing the program, I think that any level of contribution which results in the intent of the award to save, or even increase revenues, should be an award acknowledged and awarded appropriately."

MR. CARLOS TAITANO: "My recommendation is to put everyone who works for government of Guam, regardless of their position. I know of some directors that are creative and have a lot of faith in the honesty of people. This is something that you can not legislate, honesty or dishonesty ... anyone who is creative should have an opportunity to share so that the Island can have the full advantage of their ideas regardless of their position. Again, as a private citizen, when I go down to ask for service, I have no distinction between classified and unclassified employees. The people then who are responsible for proving the idea or suggestion are the ones that have to be accountable not the person who submits the idea for review and approval. I don't think they should deny anyone, or deny Guam, the opportunity to hear from whoever that person is regardless of their position; whether they're classified or unclassified, my recommendation again who works for the government in whatever capacity should have the opportunity to share their thoughts, their ideas and if the approving body approves that idea and there's a monetary award, so be it. Guam will benefit."

MR. GERALD TAITANO: "... If you take a look at the Government of Guam Code in the early years, classified positions were limited to technically the directors of agencies, and of course, through the years it has been my observation that the unclassified appointment authority has been used to circumvent a lot of our merit appointments. And so, right now in the government you have the unclassified service reaching down

to rank and file. I suggest that if the unclassified service is included in this program that it may discourage your rank and file from participating in the program because their feeling would probably be, well it's a political program and I don't want to participate. However, since there are a lot of unclassified employees who are not managers or supervisors, I believe that if you do include the unclassified service or employees in the unclassified service not in a supervisory or managerial capacity then I think it could be received, but it has been my observation in the government of Guam that there's tremendous suspicion between the classified service and in the unclassified service."

SENATOR PANGELINAN: "I think that one word that was mentioned here was Team Guam and I think that individualizing these awards may be contrary to that. We see it now. Some of us, we're all suppose to be members of Team Guam but our captain won't let some of us play on the team. They relegate us to the bench and yet we're all suppose to be in this together.

One of the issues that I have developing for an incentive program for the government of Guam is exactly along the same line as John Salas was just mentioning. How do we incentive cost savings and how do we ... and I think the greatest way of rewarding that is pay for performance. So my concept of an incentive program is to extend it to the team effort - to a section, to a division - and allowing them to be able to save the money while not denigrating the service provided to the public and at the end of the year that savings, a portion of it is taken and given as a bonus to every single member of that section. That way nobody sabotages an idea because everybody shares. An idea is cropped up, it's implemented, everybody buy's into it because they all get to share in the benefits and then you take a portion of the savings, reduce the budget for the next fiscal year but give them a portion of that budget to carry on for other programs. In that way you have a whole division, a whole section, a whole agency that's in it all together rather than people working ... If you get an idea, you try to implement it. People don't implement it because I don't get the share in anything. So, while the idea may be good, the implementation - there's no incentive to implement because I don't share in it, only one person gets it and then it becomes a bigger burden on the managers to try and implement those ideas, but if everybody gets to share in it - the whole division, the whole section, the whole department - and everybody gets a bonus. There's nothing wrong. You don't raise the pay scale, but you reward for the efforts that is used to save the money. And you give it to a division, you take a portion of

it, 15, 20% of the entire savings for that fiscal year for that one program divide it among the number of employees, take the extra 25% carry it over to the next year and reduce the budget by whatever that savings is, by 50%. I don't want to continually roll that savings, the lapses, I don't want to continue to roll it over because you going to have a bigger budget every year. But if you can reduce the budget without denigrating the service, I think that's the way to do it, and that's the type of incentive program that I've been trying to craft in terms of incentivizing employees; building the team concept, having everyone be an ownership and sharing in it. And I think that's the way to go rather than the individualized efforts. It's got to be an entire team effort and I think Mr. Cunliff was right in that area. It's got to be a team effort - it's got to be a department, a section - an agency effort. That's the way it's going to work. The concept, of course, is good. Pay for performance and let it be a bonus; let it be a pool that is not expected; they're all expected to do their job and Mr. Andrews, I agree with you in that area; there is a merit bonus as Mr. Hara pointed out in his testimony; there's an opportunity to reward superior performance right now within the present GovGuam system. There's is no opportunity to reward for over and above the superior performance which happens everyday in our government and with our employees. Everybody's got to reach for it every year and it's got to be everyone. That's my comment on the concept of an incentive program. I think it's got to be team effort and we've got to have measurements so that they don't save money at the expense of public service - of providing good public service to the government. Because anybody can save money --- you just don't print forms and you don't give them out, but that's not the object, the object is to provide the service. On the issue of "unclassified," I don't think directors should be - there's not way that I think directors should be allowed to participate. It's their job to be able to be creative, I mean, that's what their being paid the big bucks for. And the reward of being a director is that you don't have to compete for your job; you just have to campaign. That's the reward, but you have to perform once you get in there and that's the challenge. I think the directors of the agencies are expected to perform by the team captain. I would disagree with including directors and deputy directors."

SENATOR C. LEON GUERRERO: "Mr. Chairman, I'm just happy that we have so many people in the human resources training experts that came out to testify on this bill and to participate in law-making, so I defer any comments, I just want to hear what my colleagues and panel or experts have to say. Thank you, Mr. Chairman."

SENATOR HOPE CRISTOBAL: "Perhaps Senator Pangelinan's idea to continue that particular discussion, perhaps, maybe in the budget analysis next year for FY 1997 that ... I'd like to see the directors participate and we can increase their salaries to the extent that they can save money and we can decrease their salaries to the extent that they overspend their budget. So, why not let the directors get involved and they have an incentive to save on government monies and waste, and things like that. So, I'd like to offer that as something that we can really think about and I think that in this day and age we need to start looking at ways on this government and how it can start saving money. So, directors you've got the incentive to do some cost-saving for the government."

SENATOR MARK CHARFAUROS: "... I looked at Bill 279 and it is true that this seems to be like a mirror of the military's incentive program. And I know Mr. Cundiff retired E-9, as we are aware of that, and I see Mr. Eugenio San Nicolas back there who's probably saying the same thing. But I do support this type of program and I think that in the military we're pretty wealthy. In other words, if you can save this government X amount of dollars, a certain percentage of that savings to the government went to you. This one, I believe is based on a person's base pay; a certain percentage of that would be given to you because of the ... I wonder maybe we could use that. If you could save the government a million dollars, I think a certain percentage of you saving the government a million dollars should be ... that's something that I learned, that's the program that I'm familiar with and I think that's something that has been used and has worked. I tend to agree with Senator Pangelinan on limiting it to certain classes of employees. The reason for that - what about senators? We have to draw a line. I think that directors and senators and the Governor and people in the management team and that class of employees, should not be getting some of these privileges. I think that these privileges should go to both classified and unclassified employees in the rank and file. The only reason for that is that there's always this cloud -- there's going to be something that he -- is that really his idea or did he take from one of the employees and to keep it clean, so that there's no question, let's limit it to the employees who actually do the work, whether classified or unclassified."

SENATOR MARK FORBES: "... This might have already been covered, but just out of curiosity the issue that was raised earlier with respect to Bill 279 about whether or not unclassified employees ought to

be included just gets a reaction, perhaps while I was out of the room this was already asked and answered, just tell me that if it was. But, would it not be a logical place to make the line of demarcation between employees eligible to receive the incentive awards and those not be the nature of their appointment; in other words, if you are appointed and confirmed, or a director, that you not be. But if you are an unclassified employee who is not either a direct appointee of the Governor of Guam that that would be permissible. How does that sound as a line of demarcation?"

MR. JOHN SALAS: "I have no problems with that. Deputy directors are not to a fact appointed by the Governor although that's somewhat of a tradition. If it's the desire again of the Legislature, I think that the total team effort - do you want to politicize it or give the appearance of politicizing this program, fine, be that as it may, but that might be a good demarcation. There's a number of - many - unclassified employees within this government today that are there because of their expertise and not so much because of their affiliation ... "

SENATOR FORBES: "... and plus there are some unclassified ..."

MR. JOHN SALAS: "... I agree."

SENATOR FORBES: "There are some unclassified people, I agree with the statement that the unclassified service has expanded overtime to include people other than the traditional leadership of departments and there are people who actually are performing line functions who are unclassified who aren't really, in terms of performance not, at least not necessarily any different in the function from other people who are classified. Now we can discuss whether or not that should exist, but for the purposes of this program, for the purpose of the incentives, it seems to me that someone who is basically a task-oriented employee of the government of Guam, even if that person is unclassified, out to be able to contribute their ideas as well. But I do think that someday of denying this to appointed leadership of departments is appropriate for the simple reason that - I mean a senator cannot expect a cash incentive for coming up with a bill that becomes law that saves the government million of dollars. That wouldn't be appropriate. And so, for the same token, I don't think it would be appropriate if someone who's position essentially is to implement the policies as determined by an administration and to execute those policies for that person also to be eligible to receive cash benefits for implementing the policies. But there are some unclassified

people who are in line positions, so I guess that's where -- I'm trying to find out where that line should go. It can't be legislative confirmation because there are some people or directors who aren't confirmed by the Legislature and that's a very good point that you brought up John about deputies not specifically being appointed by the Governor, theoretically."

MR. SALAS: "... and this bill doesn't cover the Legislative Branch, by the way, it's just the Executive and Judicial Branches."

SENATOR FORBES: "I know. I was just making a generalized point there."

MR. CARL TAITANO: "I understand what you are trying to say, but we are paid to implement policies and things like that, however, when we develop new systems outside this policy-making or whatever it may be - may not touch only in your area and develop new systems that it just out of this world and creates a better life for all of us, perhaps you may not get any kind of monetary award but it's important that recognition be given ... in mass loads, high cure of needs is one of the things that we talk about all the time in a human being is the need for self recognition. And this is very, very powerful because it gives us the incentive to move on; somebody to recognize what good has been done outside the norm and in a recognition program you should not be awarded for doing your job. You should be awarded to find a new system, perhaps to better your job and connect these things with other areas."

MR. GERALD TAITANO: "I think that, if I may suggest a language on the demarcation that Senator Forbes is looking at, could be an individual in the classified service not in a policy-making position. There's several other languages that I'm pretty sure John can come up with. My earlier comments, of course, is not intended to deny the unclassified service any type of recognition. The incentive awards program consists of the way it's structured in the bill, consists of different programs - special act program, a service award program, award for inventions, beneficial suggestions that - for a special act, non-monetary award, I suggest that everybody gets it; service awards, just because after 30 years of service you happen to be the director of administration doesn't mean that you don't get a 30-year award with a pin that's usually attached with the award. But when it gets down to -- should the director of administration receive an award for recommending a new computerized payroll system that will save the government a million dollars, I find that hard to swallow. If that director, for example, however, recommends that a new

engineering process be adopted to renovate roads, or what have you, then some consideration should be made to that recommendation, if it's viable. But again, all of these should be within policies, rules, regulations, procedures that the director of administration can develop and that the Civil Service Commission can approve or should approve at least."

MR. SALAS: "... and therefore, based on all the contributions by my colleagues also, and the Senators, I think it just fortifies the need to not pass specific legislation that addresses this concept but instead pass legislation that requires the concept to be developed. Leave it to the experts, the panel members and other experts in the human resource arena to develop, adopt by a formal procedure and then transmit it to the Legislature through perhaps, the triple A, and that gives the Legislature an opportunity to contribute also. I think with that we can all get our collective minds together, come up with some rationales as to how the program should be developed, who should be the beneficiaries to this, and what will be the mechanics for the various payout and perhaps even address the issues of the budget from a greater perspective."

MR. ANDREWS: "I have a couple of comments, as well. This seems to be - the conversation seems to be moving from a suggestion awards program to addressing of the total compensation of government employees. If this be the case, don't forget the base pay program as well. For example, if someone were to come up with a very nice cost-savings plan, how will this affect our merit pay increase? Are you going to be paying for the same thing twice? Also, I will caution you; you may not be afforded the extravagances of suggestion program of a microsoft corporation or General Motors or something. That's a different business. This is a public service organization. If there is a savings to be had somewhere, maybe the money shouldn't be spent in the first place. So, I wouldn't be too quick to jump into a program like this thinking there's a gold mine for additional compensation. I caution you in such programs."

MR. CARL TAITANO: "Again, as a private citizen, I'm just amused that the problem here today talked about this bill because there is a lack of participation. And then we talk about excluding people. My view is that unless you get the people at the top involved in the program -- there's not a single person selected to be the chairman of GM where the total compensation package does not include an incentive; that if you

save, you make money for the company, you are going to be rewarded in some form. Again, not being an employee of the government of Guam, I don't have the benefit of why directors should be excluded or -- the feeling I'm getting this morning is that most likely this will give them an opportunity to be dishonest, and I don't carry that view. Again, the problem identified, that's the reason why I came as a private citizen, the problem is lack of participation. There are a lot of creative people. Every time I go out and visit an office, there are employees with good ideas, so my recommendation is if there's a lack of participation don't be thinking about excluding people whether they be a director, classified or unclassified. I take the view that people are honest unless proven otherwise. And to get this thing moving, we have to get the people at the top involved in the program. Again, there's not a single person selected for a high level job in the private sector with a total package, including, I guess, the Director of Education -- the package does not include an incentive of some sort. Those are my recommendations."

CHAIRMAN: "We are blessed this morning for all the expertise that we have before us. A panel of experts in human resources, personnel matters - and I think this is one of the most impressive gathering that we see all these folks that have been involved and if you could get this group more often I think we can resolve a lot of our problems and of course, we have another person with us who is pretty quiet back there who has played a major role, especially with the SRF -- Mary, do you want to say anything? I just want to recognize Mary. Thank you for showing up. I think your presence here has a lot of implication. So folks, I really want to thank you for your testimony and if there is anything else that you can contribute to the Committee, please do not hesitate to submit it to us and we will be working with these bills. Also, please help us out in the final drafting of these legislation.

There being no further comments, thank you for coming."

### III. FISCAL IMPACT

The Bureau of Budget and Management Research submitted a **Fiscal Note** on Bill No. 279 (*Exhibit N*).

### IV. RECOMMENDATIONS

The Committee on General Governmental Operations and Micronesian Affairs, after having a public hearing on **Bill No. 279** (*An Act to repeal and reenact §1107, §1108, §1109 of Title 4, Guam Code Annotated to be known as the "Government of Guam Incentive Awards Program Act"*), recommends passage of the **Bill** as substituted by the Committee.



# COMMITTEE ON RULES

Twenty-Third Guam Legislature  
155 Hesler St., Agana, Guam 96910

RECEIVED  
JUL 0 1995  
*Cashy...*

June 27, 1995

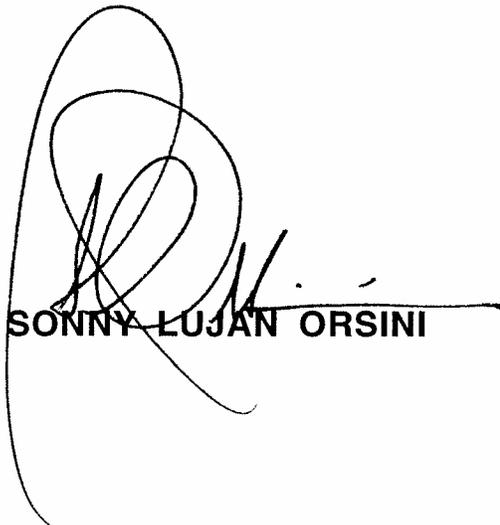
## MEMORANDUM

**TO:** Chairman, Committee on General Governmental  
Operations and Micronesian Affairs

**FROM:** Chairman, Committee on Rules

**SUBJECT:** Referral - Bill No. 279

The above Bill is referred to your Committee as the principal committee. Please note that the referral is subject to ratification by the Committee on Rules at its next meeting. It is recommended you schedule a public hearing at your earliest convenience.

  
SONNY LUJAN ORSINI

Attachment:

TWENTY-THIRD GUAM LEGISLATURE  
1995 (FIRST) Regular Session

Bill No. 279

Introduced by:

C.A. Leon Guerrero *CLG*

An act to repeal and reenact §1107, §1108, and §1109 of Title 4, Guam Code Annotated to be known as the "Government of Guam Incentive Awards Program Act".

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

2 Section 1. Legislative findings. This Legislature finds  
3 that although an incentive awards program is credited by Title 4 of  
4 the Guam Code Annotated, few government employees know about or  
5 participate in this program. The intent of the existing program is  
6 to provide incentives for government of Guam employees to provide  
7 more efficient and cost-effective public service through diligence  
8 and innovation. The Legislature further finds that to accomplish  
9 that intent, it must establish guidelines, provide greater  
10 incentives and compel program implementation.

11 Section 2. §1107 of Title 4, Guam Code Annotated is hereby  
12 repealed and reenacted to read:

13 "§1107(a) Incentive Awards. There is hereby established  
14 the 'Government of Guam Incentive Awards Program' which shall  
15 provide for payment of cash awards to, and the honorary  
16 recognition of employees, other than those in the unclassified  
17 service, of the government of Guam who by their suggestions,  
18 inventions, superior accomplishments, or other personal  
19 efforts contribute to the efficiency, economy or other  
20 improvement of government operations or who perform special

1 acts or services in the public interest in connection with or  
2 related to their official employment.

3 **§1107(b) Same: Definitions.** In statutes creating the  
4 'Government of Guam Incentive Awards Program', terms are  
5 defined as follows:

6 (1) 'Agency' shall mean:

7 (a) an Executive department or agency;

8 (b) an autonomous agency of the government of  
9 Guam;

10 (c) the administrative Office of the Superior  
11 Court of Guam and any other court of Guam;

12 (2) 'classified employee' shall mean a classified  
13 employee of the government of Guam as defined by Chapter  
14 4 of Title 4, Guam Code Annotated."

15 **Section 3.** §1108 of Title 4, Guam Code Annotated is hereby  
16 repealed and reenacted to read:

17 **"§1108. Same: General Provisions.**

18 (a) Cash awards under the 'Government of Guam  
19 Incentive Awards Program' ("the Program") shall be set at  
20 ten percent (10%) of the actual net savings to the  
21 agency's annual operational expenses resulting from an  
22 individual classified employee's suggestion, method,  
23 design, invention, accomplishment, or other meritorious  
24 effort. Individual cash awards shall be not less than  
25 one hundred dollars (\$100) and not more than one thousand  
26 dollars (\$1,000) each.

1 (b) Within one hundred and twenty (120) days of the  
2 enactment of this act, each agency head shall begin to  
3 accept suggestions, methods, designs, inventions,  
4 accomplishments, or other meritorious efforts submitted  
5 by individual classified employees for consideration of  
6 cash awards pursuant to the provisions of this Act.

7 (c) Within thirty (30) days of receipt of an  
8 individual classified employee's suggestion, method,  
9 design, invention, accomplishment, or other meritorious  
10 effort, the employee's agency head shall determine if  
11 such suggestion, method, design, invention,  
12 accomplishment, or other meritorious effort resulted in  
13 a minimum net savings of at least one thousand dollars  
14 (\$1,000) to the agency's annual operational expenses, and  
15 if the agency head determines that said action did result  
16 in such a savings, he shall transmit notice of that  
17 determination to the Department of the Bureau of Budget  
18 and Management Research.

19 (d) Within thirty (30) days of receipt of said  
20 written notice, the Director of the Bureau of Budget and  
21 Management Research shall, if he concurs in the agency  
22 head's determination, issue a memorandum to the  
23 respective agency head verifying the actual net savings  
24 resulting from the individual classified employee's  
25 suggestion, method, design, invention, accomplishment, or  
26 other meritorious effort.

1 (e) Upon receipt of the memorandum verifying the  
2 net savings to the agency's annual operational expenses,  
3 the government shall issue a check from the agency's  
4 operations account to the individual classified employee  
5 who first submitted the suggestion, method, design,  
6 invention, accomplishment, or other meritorious effort in  
7 an amount indicated by the Director of the Bureau of  
8 Budget and Management Research no later than sixty (60)  
9 days after the memorandum was issued.

10 (f) Cash awards may be conferred to former  
11 government of Guam classified employees notwithstanding  
12 the death or separation from the service of the  
13 classified employee concerned, if the suggestion, method,  
14 design, invention, accomplishment, or other meritorious  
15 effort was submitted while a classified employee of the  
16 government of Guam as defined by this Act.

17 (g) Cash awards under the Program are made in  
18 addition to the regular pay for the recipient.  
19 Individual suggestions, methods, designs, inventions,  
20 accomplishments, or other meritorious efforts shall be  
21 considered on a first-submitted basis and are eligible  
22 for a one-time cash award only. Acceptance of a cash  
23 award under the Program constitutes a waiver of a further  
24 claim of any nature against the government of Guam by the  
25 classified employee, his heirs or assigns, for the use by  
26 the government of Guam of the employee's suggestion,

1 method, invention, accomplishment, or other meritorious  
2 effort for which the award was made.

3 (h) Within one hundred and twenty (120) days of  
4 enactment of this Act, the Bureau of Budget and  
5 Management Research shall enact rules and regulations to  
6 expedite implementation of this Act."

7 **Section 4.** §1109 of title 4, Guam Code Annotated is hereby  
8 repealed and reenacted to read:

9 "**§1109. Same: Awareness Program.** Within one hundred  
10 and twenty (120) days of enactment of this Act, the agency  
11 heads of the Department of Administration, the autonomous  
12 agencies, and the Superior Court of Guam shall implement a  
13 'Government of Guam Incentive Awards Awareness Program'  
14 informing employees about the objectives and procedures of the  
15 Program and encouraging participation."

**NOTICE OF PUBLIC HEARING**

**TWENTY-THIRD GUAM LEGISLATURE  
COMMITTEE ON GENERAL GOVERNMENTAL OPERATIONS  
AND MICRONESIAN AFFAIRS  
VICE-SPEAKER TED S. NELSON, CHAIRMAN**

**Date: December 22, 1995 (Friday)**

**Time: 10:00 a.m.**

**Place: GLTB Public Hearing Room, Agana**

**Bill No. 235 TO AMEND CHAPTER 4, SECTION 22(B)(II), OF PL 22-140, RELATIVE TO HIRING RESTRICTIONS OF LAW ENFORCEMENT PERSONNEL**

**Bill No. 279 TO REPEAL AND REENACT §§1107, 1108, AND 1109 OF TITLE 4 GCA TO BE KNOWN AS THE "GOVERNMENT OF GUAM INCENTIVE AWARDS PROGRAM ACT"**

**Bill No. 287 TO ADD A NEW SUBSECTION (E) TO §8112 OF 4 GCA, CHAPTER 8, AUTHORIZING ELIGIBLE GOVERNMENT OF GUAM EMPLOYEES TO ADD INCREMENTS FROZEN BY PL 23-14 FOR PURPOSES OF COMPUTING THEIR SERVICE ANNUITIES**

**Bill No. 418 TO ADD A NEW §17212 TO CHAPTER 17, 3 GCA RELATIVE TO ESTABLISHING SINGLE-SITE SPECIAL ELECTIONS OVER A PERIOD OF 30 DAYS FOR INITIATIVES AND OTHER SUBMISSIONS TO THE ELECTORS IN THE TERRITORY OF GUAM AS A MEANS OF ENCOURAGING PUBLIC PARTICIPATION IN THE PROCESS OF ESTABLISHING POLICY FOR THE TERRITORY IN A COST-EFFECTIVE MANNER**

**Bill No. 437 TO AUTHORIZE THE CIVIL SERVICE COMMISSION TO RECEIVE A STIPEND OF \$50.00 PER MEETING**

**Bill No. 450 TO AMEND THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS**

**Bill No. 454 TO CREATE A COORDINATING COMMITTEE TO OVERSEE THE HIRING OF FEDERAL CIVIL SERVANTS WHO HAVE BEEN RELEASED BECAUSE OF MILITARY DOWNSIZING AND BASE CLOSURE**

**THE PUBLIC IS INVITED TO ATTEND AND  
PRESENT THEIR INPUT AT THIS HEARING**



*Ofisinan i Setbienten i Taotao Guahan*  
**Vice-Speaker Ted S. Nelson**

Chairman

Committee on General Governmental Operations and Micronesian Affairs  
Twenty-Third Guam Legislature

**PUBLIC HEARING**

10:00 a.m., Friday, December 22, 1995; Public Hearing Room, Agana

**A G E N D A**

**Bill No. 235** AN ACT TO AMEND CHAPTER 4, SECTION 22(B)(II), OF PL 22-140, RELATIVE TO HIRING RESTRICTIONS OF LAW ENFORCEMENT PERSONNEL (*MC Charfauros, HA Cristobal, L Leon Guerrero*)

**Bill No. 279** AN ACT TO REPEAL AND REENACT §§1107, 1108, AND 1109 OF TITLE 4 GCA TO BE KNOWN AS THE "GOVERNMENT OF GUAM INCENTIVE AWARDS PROGRAM ACT" (*CA Leon Guerrero*)

**Bill No. 287** AN ACT TO ADD A NEW SUBSECTION (E) TO §8112 OF 4 GCA, CHAPTER 8, AUTHORIZING ELIGIBLE GOVERNMENT OF GUAM EMPLOYEES TO ADD INCREMENTS FROZEN BY PL 23-14 FOR PURPOSES OF COMPUTING THEIR SERVICE ANNUITIES (*FE Santos*)

**Bill No. 418** AN ACT TO ADD A NEW §17212 TO CHAPTER 17, 3 GCA RELATIVE TO ESTABLISHING SINGLE-SITE SPECIAL ELECTIONS OVER A PERIOD OF 30 DAYS FOR INITIATIVES AND OTHER SUBMISSIONS TO THE ELECTORS IN THE TERRITORY OF GUAM AS A MEANS OF ENCOURAGING PUBLIC PARTICIPATION IN THE PROCESS OF ESTABLISHING POLICY FOR THE TERRITORY IN A COST-EFFECTIVE MANNER (*M Forbes*)

**Bill No. 437** AN ACT TO AUTHORIZE THE CIVIL SERVICE COMMISSION TO RECEIVE A STIPEND OF \$50.00 PER MEETING (*SL Orsini - at the request of the Governor*)

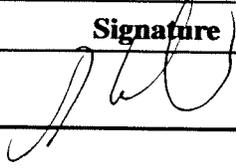
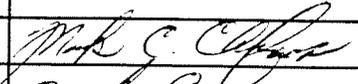
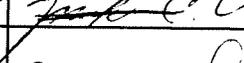
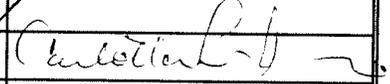
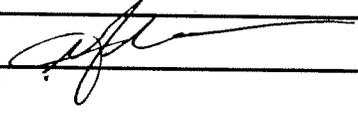
**Bill No. 450** AN ACT TO AMEND THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS (*SL Orsini - at the request of the Governor*)

**Bill No. 454** AN ACT TO CREATE A COORDINATING COMMITTEE TO OVERSEE THE HIRING OF FEDERAL CIVIL SERVANTS WHO HAVE BEEN RELEASED BECAUSE OF MILITARY DOWNSIZING AND BASE CLOSURE (*TS Nelson*)

**Committee on General Governmental Operations and Micronesian Affairs**  
 Twenty-Third Guam Legislature  
 155 Hesler Street, Agana, Guam 96910

**Public Hearing**  
 December 22, 1995, Legislature's Public Hearing Room, Agana  
 on  
 Bill Nos. 235, 279, 287, 418, 437, 450 and 454

**Attendance**

<b>Committee Members</b>	<b>Present</b>	<b>Absent</b>	<b>Signature</b>
Vice-Speaker Ted S. Nelson Chairman	✓		
Sen. Thomas C. Ada	✓		
Sen. Anthony C. Blaz			
Sen. Felix P. Camacho			
Sen. Mark C. Charfauros	✓		
Sen. Hope A. Cristobal	✓		
Sen. Alberto C. Lamorena V			
Sen. Carlotta Leon Guerrero	✓		
Sen. Lou Leon Guerrero			
Sen. Sonny L. Orsini			
Sen. Vicente C. Pangelinan	✓		
Sen. Angel L.G. Santos			
Sen. Judith Won Pat-Borja			
Speaker Don Parkinson Ex-Officio Member			
<b>Others Senators</b>	<b>Present</b>	<b>Absent</b>	<b>Signature</b>
Sen. John P. Aguon			
Sen. Elizabeth Barrett-Anderson			
Sen. Joanne M.S. Brown			
Sen. Mark Forbes	✓		
Sen. Joe T. San Agustin			
Sen. Francis E. Santos			
Sen. Antonio R. Unpingco			

<b>GGOMA Staff Assigned</b>	<b>Assisted by</b>
Ruth LG Benavente Joseph T. Rhatigan	

COMMITTEE GENERAL GOVERNMENTAL OPERATIONS  
& MICRONESIAN AFFAIRS  
TWENTY-THIRD GUAM LEGISLATURE

PUBLIC HEARING

December 22, 1995, Legislature's Public Hearing Room, Agana

Bill No. 279

An Act to repeal and reenact §§1107, 1108, and 1009 of Title 4 GCA to be known as the "Government of Guam Incentive Awards Program Act"

WITNESS SIGN-IN SHEET

Name (please print)	Department/Agency/Firm (if none, please indicate "Self")	Telephone Number(s)	Position on Bill No. 279	
			For	Against
CARLOS O. TOITANO	SELF.	472 3535	✓	
ELOY P. HADA	CSC	475-1300-03	✓	
JUDITH GUTHERTZ	UOG		✓	
JOSEPHINE AGUON	DEPT. OF LABOR	475-0101 <del>64</del>	✓	
DAVID QUITUGVA	AIRPORT HOTEL MAI'ANA	646-6961	✓	
Bill CUNDIEFF	AHRD	475 0797	✓	
Gerald A. Taitano	SHRM, Guam / Self	472 5262	✓	
John S. Salas	DOA Director			
Dr. Anita Williams	UOG	735-2532		

SOCIETY FOR HUMAN RESOURCES MANAGEMENT  
Guam Chapter

December 21, 1995

Senator Ted Nelson  
Chairman, General Governmental Operations  
23rd Guam Legislature  
Agana, Guam 96910

Re: Bill No. 279

Dear Senator Nelson,

This is written testimony in support of the intent of Bill No. 279, an act to establish the "Government of Guam Incentive Awards Program Act."

The issue of whether pay should be used to increase performance continues to generate great controversy within human resources professionals. And, I will not debate the issue in this presentation. I will state, however, that it is my personal observation that if pay can be tied to performance and employees can control performance, then operant conditioning and expectancy theory predict that pay can be used to motivate high performance levels.

Section 1107(a) proposes to establish a number of specific incentive awards programs. There's a suggestions program, an incentive program for inventions, a superior accomplishment program, a catch-all program to award efforts which improve government operations, and a special service or act program. These are all good programs and exists in related form in the private sector, the federal sector and the state, county, and municipal government sector. Section 1108 attempts to establish an award scale for the program. I understand the scale and see how it can be used for the various incentive awards programs that will be established by Bill 279. However, I believe that it can be improved tremendously. Section 1109 directs the Department of Administration and the various autonomous agencies to implement the program and inform employees of its existence.

Instead of its present language, I recommend that Bill 279 establish the "Government of Guam Incentive Awards Program Act" and direct the Director of Administration to develop the government's policies, rules, regulations, and procedures, for its implementation. This can be accomplished within 90 days, as adequate models already exists. The present Director of Administration is a career personnelist and a professional in human resources management. He and his staff are more than capable to provide this legislature with an excellent product.

In closing, it has been my experience that incentive awards, if managed properly, always improves productivity and efficiency. And, because your employees are more productive and more efficient, your expenses are always lessened.

I congratulate Senator Carlotta A. Leon Guerrero for her sole sponsorship of Bill 279 and wish her and this committee success in its enactment into law.

Thank you,



GERALD A. TAITANO  
SOCIETY FOR HUMAN RESOURCES MANAGEMENT  
GUAM CHAPTER

 **UNIVERSITY OF GUAM**  
**UNIBETSEDÁT GUAHAN**  
**COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION**  
UOG Station, Mangilao, Guam 96923  
Telephone: (671) 734-9540/9225 Fax: (671) 734-5362

December 22, 1995

Senator Carlotta A. Leon Guerrero  
Twenty-Third Guam Legislature  
Suite 215, Union Bank Building  
194 Hernan Cortez Avenue  
Agana, Guam 96910

Hafa Adai Senator Leon Guerrero:

It is with much pleasure that I provide written testimony on Bill No. 279, the Government of Guam Incentive Awards Program Act. Thank you for providing me with this opportunity.

Bill No. 279 lends focus towards quality and efficiency in the workplace by motivating classified Government of Guam employees to initiative original and legitimate ideas that, if implemented in its recommended scope, could result in substantial savings to the respective agency's operating budget during the fiscal year. It is my hope that your committee will consider my views pertinent to the scope of the Government of Guam Incentive Awards Program as they relate to management support, effective communications, accessibility and simplicity, avoidance of abuse, and removal of caps.

Section 1. Legislative findings. "...few government employees know about or participate in this Program." This hints to perhaps a lack of full top administrative support within each government agency and the resulting lack of effective communication of the Program's existence. A newly implemented program, including its corresponding procedures or processes, should be disseminated to supervisors and fully explained to all personnel in order to ensure overall awareness of the program to achieve its success. Orientation programs, memoranda, posters, and standard operating procedures manuals are just a few useful communication devices that may be employed to build such an awareness. Typically, an organization's Human Resources (Personnel Administration) Division/Office is responsible for disseminating such means of communication.

The simplicity and accessibility of respective forms is critical. Forms should be made user-friendly to be comprehensible by the most entry-level of employees. To ease accessibility, required forms should be made available either at the agency's Human Resources (Personnel Administration) office or at conspicuous locations such as lunchrooms, beside time clocks, etc. Further, employees should not feel inhibited or intimidated by the process or by the means of initiating the process for making recommendations.

Senator Carlotta Leon Guerrero

December 22, 1995

Page 2 of 2

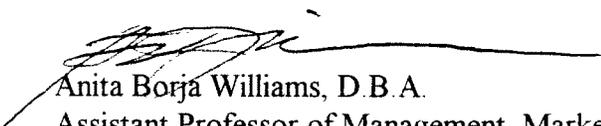
Section 1108. (c) "...the employee's agency head shall determine if such suggestion, method, design, invention, accomplishment, or other meritorious effort result in a minimum net savings...and if the agency head determines that said action did result in such a savings, he shall transmit notice of that determination to the Department of the Bureau of Budget and Management Research." There is room for potential abuse of discretion and the possible discounting of ideas of disfavored employees within the agency by the agency head. This could lead to problems in employee morale if the Program is not equitably administered or controlled. Thus, an independent chain of custody should be considered to safeguard such problems from arising.

Further, employee suggestion/recommendation forms (in duplicate/triplicate) should contain a control number that can be used later for verification by either the initiating employee (submitter) or the agency. This mechanism of control is essential to ensure that the submitter (of a recommendation) receives proper credit. Since the assessment is performed prior to the determination of savings, it should be subject to review or appeal (challenge) by the submitter.

Section 1108. (a) "Cash awards...shall be set at ten percent (10%) of the actual net savings to the agency's annual operational expenses... Individual cash awards shall be not less than one hundred dollars (\$100) and not more than one thousand dollars (\$1,000) each." The placement of a \$1,000 cap limits the innovativeness of ideas to the value of \$10,000. Potential savings in the hundreds of thousands of dollars, and possibly in the millions of dollars, could result if employees are provided an opportunity to explore and submit original ideas that do not limit their potential for greater monetary incentives. Often, consultants are paid exuberant amounts of money to perform scopes of work that can be performed in-house, yet are not, because employees withhold their potential partly due to attitudes of either "They don't pay me enough to do that" or "What's in it for me." This Program could very well eliminate these types of attitudes within the government agencies to encourage the initiation and subsequent employment of latent ideas that employees have been reserving for just incentives.

Thank you once again for this opportunity to provide my comments on Bill No. 279, the Government of Guam Incentive Awards Program Act. Should you have any questions, or require clarification, please do not hesitate to contact me at either 653-5995, 653-8717 or 735-2532 (I am currently on school break).

*Un Dangkulo na Si Yu'os Ma'ase*

  
Anita Borja Williams, D.B.A.

Assistant Professor of Management, Marketing



GOVERNMENT OF GUAM  
AGANA, GUAM 96910

DEPARTMENT OF ADMINISTRATION  
(DIPATTAMENTON ATMENESTRASION)  
DIRECTOR'S OFFICE  
(UFISINAN DIREKTOT)  
POST OFFICE BOX 884 \* AGANA, GUAM 96910  
TEL: (671) 475-1101 \* FAX: (671) 477-6788

December 22, 1995

The Honorable Ted S. Nelson  
Chairman, Committee on General Governmental  
Operations and Micronesian Affairs  
Twenty-Third Guam Legislature  
155 Hesler Street  
Agana, Guam 96910

Dear Mr. Chairman:

Hafa Adai and thank you for the opportunity to comment on Bill No. 279, "An act to repeal and reenact Sections 1107, 1108, and 1109 of Title 4 GCA to be known as the Government of Guam Incentive Awards Program Act." I fully support the intent of this bill. I believe the bill aims to revise current statutes to improve government products and services, reduce costs, and provide incentives to GovGuam employees.

I would like to note, however, that Bill No. 279, in its present form, goes too far in-depth with the administration of the program. I believe legislation should be addressed to:

1. Identify the program, its goals and objectives;
2. Assign a specific department, agency, or board to administer it; and,
3. Establish reporting requirements to track the progress of the program.

Sections 1 and 2 of Bill No. 279 addresses some of these concerns. However, details for administering the program should be addressed in rules and regulations, as currently stated in Section 1109 4 GCA.

To my knowledge, an Incentive Award Board was never established and rules and regulations to administer the



Memo to Senator Nelson

December 22, 1995

Page 2 - Comment on Bill No. 279 (Incentive Award Program)

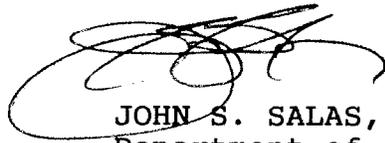
program was never placed in effect, since the current statues were enacted. With the complexity of government operations, demands from customers, and scare resources, I believe the time is right to improve our efforts in implementing the Incentive Award Program.

In summary, with minor administrative changes, I recommend:

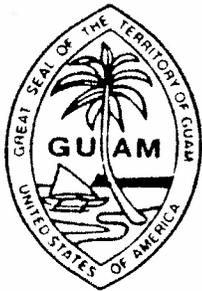
1. Passage of Sections 1 and 2 of Bill No. 279
2. Repeal of Section 1108, 4 GCA
3. Elimination of Section 3 of Bill No. 279
4. Renumbering of Section 1109, 4 GCA to "Section 1108".

Again, I would like to restate that the Department of Administration supports the intent of Bill No. 279, and I seek your consideration for the feedback I have delivered today. Thank you, Si Yu'os Ma'ase, and Felis Navidad.

Sincerely,



JOHN S. SALAS, Director  
Department of Administration



GOVERNMENT OF GUAM

CIVIL SERVICE COMMISSION  
KUMISION I SETBISION SIBIT

490 Chalan Palasyo, Agana Heights  
P.O. Box 3156 Agana, Guam 96910  
Tel: 475-1300/01 Fax: 477-3301



22 DECEMBER 1995

CSC NO. 96-173

**VICE SPEAKER TED S. NELSON**

Chairperson

Committee on General Governmental Operations & Micronesian Affairs

Twenty-Third Guam Legislature

Agana, Guam 96910

**RE: BILL NO. 279, AN ACT TO REPEAL AND REENACT §§1107, 1108, AND 1109 OF TITLE 4 GCA TO BE KNOWN AS THE "GOVERNMENT OF GUAM INCENTIVE AWARDS PROGRAM ACT".**

Buenas yan Saluda Senadot Nelson:

Thank-you for giving the Civil Service Commission the opportunity to comment on the aforementioned bill.

In regards to Bill No. 279, "Government of Guam Incentive Awards Program Act", the Commission would like that unclassified/classified employees who are or will be receiving merit bonus awards under 4 GCA, §6203, Merit Bonus that is 3.5% of the employee's base salary be restricted from receiving the Incentive Bonus Award, if the IBA is based on the same performance or accomplishment for the Merit Bonus Award, during the same fiscal year. For example, a Revenue Agent I at pay grade K, Step 2, \$26,197 per annum who is rated superior by his supervisor would receive \$916.90 under the Merit Bonus provision for superior performance from the Government of Guam. If the employee submits the same accomplishment to the Incentive Bonus Awards Programs he may gain an additional benefit of upwards to \$1,000. The recognition for superior performance should be either covered by the current statute of Merit Bonus or the proposed Bill No. 279. Duplication of the government's efforts particularly in regards to a rewards program should be kept uniform .

Overall, the Commission supports the current description of Bill No. 279 and believes it will be an important incentive in rewarding government employees both classified and unclassified for their contributions to the Government of Guam.



Commonwealth Now!

CSC NO. 96-173  
22 DEC 1995

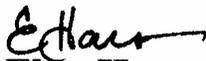
In Section 2. subsection 1107(a) we recommend that you delete: "other than those in the unclassified service". That portion is discriminatory. Also subsection 1107(b) should read: In statutes creating the "Government of Guam Incentive Awards Program", the term "Agency shall mean:

- (a) an Executive department or agency;
- (b) an autonomous agency of the government of Guam;
- (c) the administrative Office of the Superior Court of Guam and any other court of Guam;

Delete subparagraph (2) 'classified employee' shall mean a classified employee of the government of Guam as defined by Chapter 4 of Title 4, Guam Code Annotated."

Si Yuus Maase yan Dangkolo Na Agradisimento.

Senseramente,

  
**Si Eloy Hara**  
Executive Director

cc: Legislative Review Committee (LRC)  
cc: Chairman, CSC Board



Commonwealth Now!

## TESTIMONY FOR BILL NO. 279

I wholeheartedly support the intent of Bill No. 279, Government of Guam Incentive Awards Program Act.. Rewarding employees for cost reduction suggestions is certainly beneficial to the employees and government operations. However, like any other awards program, unless employees have the confidence in the program, the program is doomed for failure such as the failure of the current incentive awards program. Recommend the following:

(1) Instead of BBMR scrutinizing the recommendations of agency or department heads, an evaluation committee comprised of members from the public and private sectors will evaluate suggestions and have final approval or disapproval authority and how much money will be awarded.

(2) Agency or department heads approval or disapproval recommendations must be forwarded to the evaluation committee.

(3) Unclassified employees are paid from government funds, therefore, they must be allowed to participate in the program.

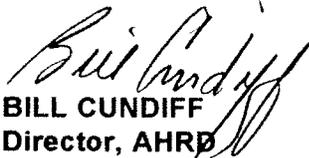
(4) Allow suggestion from not only one individual but, from a group of individuals as well. However, award given to a group will not exceed monetary award allowed by law.

(5) Organize a committee or task force comprised of members from the public and private sectors to draft rules and regulations and forward draft to every department or agency for comments. Final rules and regulations draft must be reviewed by the AG's office for legality and finally, conduct a public hearing prior to the next processing step.

Aside from the awards program, recommend another avenue to help our government become more efficient and cost effective. Solicit the assistance of an impartial and proven man-power or management consulting firm to perform a comprehensive government-wide operations analysis and make recommendations such as elimination of dupliciative efforts and services,

consolidation of offices for better services, reduction of paperwork, reduction of rules and regulations and reduction of unnecessary positions through attrition over time. It is high time that a bold step be taken to trim the fat from government and vehemently support the growth of the private sector.

Thank you for allowing me to provide an input to Bill No. 279.

  
**BILL CUNDIFF**  
Director, AHRD



**UNIVERSITY OF GUAM**  
**UNIBETSEDÁT GUAHAN**

**COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION**

UOG Station, Mangilao, Guam 96923

Telephone: (671) 734-9540/9225 Fax: (671) 734-5362

December 21, 1995

The Honorable Ted S. Nelson  
Chairperson  
Committee on General Governmental Operations  
23rd Guam Legislature  
155 Hessler Drive  
Agana, Guam 96910

Dear Mr. Chairman:

It is with great pleasure that I endorse Bill 279 which would establish a government-wide incentive awards program for Government of Guam personnel. As a Professor of Public Administration at the University of Guam I am fully aware of the abilities of the dedicated public employees who serve our government. Many of these personnel possess excellent ideas and strategies to save money for this government but all too often their input is not sought or given justice by their superiors.

Bill 279 will finally provide a meaningful opportunity for our rank and file personnel to bring their ideas forward and be properly recognized for their efforts.

I wish to commend Senator Carlotta Leon Guerrero for authoring this Bill. It is an excellent vehicle to further enhance the quality of the public service on our island.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith P. Guthertz", written over a horizontal line.

**DR. JUDITH P. GUTHERTZ**  
Professor of Public Administration



DEPARTMENT OF  
**LABOR**  
 DIPATTAMENTON HUMOTNAT

received  
 12/21 JL

JUAN M. TAJITO, Director • ROLANDO P. ZABALA, Deputy Director

CARL T.C. GUTIERREZ  
 Governor

MADELEINE Z. BORDALLO  
 Lieutenant Governor

December 21, 1995

The Honorable Carlotta A. Leon Guerrero  
 Senator, Twenty-Third Guam Legislature  
 Suite 215, Union Bank Building  
 Agaña, Guam 96910

Dear Senator Leon Guerrero:

Thank you for inviting me to testify on Bill 279, the Government of Guam Incentive Awards Program Act.

I am in full support of Bill 279. This bill, when it becomes law, will rightfully acknowledge and compensate those employees who strive to improve the delivery of services of the Government of Guam. With an aggressive "Awareness Program", every employee of the Government of Guam will be knowledgeable of this program.

I apologize for not being able to present an oral testimony before the Committee, but I sincerely hope that Bill 279 will garner the majority support of the Twenty-Third Guam Legislature. Good luck in this noble endeavor. *Merry Christmas and a Happy New Year from all of us at Guam Employment Service.*

Should you have any questions or need additional information, please call me at 475-0102.

Sincerely,

JOSEPHINE AGUON

Acting Employment Program Administrator



Commonwealth Now!

*Pacific Daily News*  
 Wednesday, June 21, 1995 - Page 3

## Bill would reward workers for cutting GovGuam costs

■ **Cash:** If an idea saved GovGuam money after one year, 10 percent of the savings would go to employee



By **STEVE LIMTIACO**

*Daily News Staff*

Government of Guam jobs have been the focal point during the past two weeks as elected leaders try to control personnel costs.

Instead of focusing entirely on the elimination of jobs, one island senator yesterday said GovGuam should take advantage of employee ingenuity to cut costs.

Sen. Carlotta Leon Guerrero yesterday said GovGuam employees might have ideas on how to save the government money, and they should be rewarded for their ideas with cold hard cash.

Leon Guerrero, R-Sinajana, yesterday introduced a bill that calls for cash rewards to GovGuam employees whose money-saving ideas pay off.

Named the, "Government of Guam Incentive Awards Program Act," the Bill 279 calls for cash rewards ranging from

\$100 to \$1,000.

If an idea saved GovGuam money after one year, 10 percent of the savings would be given to the employee, with a maximum award of \$1,000.

The daughter of an Air Force sergeant, Leon Guerrero said her father benefited from a similar program implemented by the Air Force.

She said her father, an avionics technician, redesigned a tool to make it easier to fix engines, which saved the Air Force many man-hours.

Leon Guerrero said he got a \$1,700 check for his design.

While Guam law already calls for a cash incentive program, Leon Guerrero said the maximum award is only \$100, and the program does not take into account the actual savings to GovGuam. She said the existing program is more of a, "pat on the back," instead of an incentive.

"A government-wide austerity program should not concentrate solely on reducing personnel cost, but should also focus on eliminating inefficiencies and waste. The people who know best where changes should be made are GovGuam employees themselves," Leon Guerrero said in a written statement.

# Government workers know how to streamline

By CARLOTTA LEON GUERRERO

Those who know best how to make GovGuam more efficient are GovGuam employees.

This premise forms the basis of Bill 279: "The Government of Guam Incentive Awards Act" which proposes to pay GovGuam employees a percentage of the actual savings resulting from the implementation of their idea or suggestion that makes GovGuam more efficient or cost-effective.

Faced with continuing financial difficulties, the government of Guam is considering various means of reducing the size of cost of government. These proposals include a hiring freeze, the elimination of non-essential overtime, and fee increases for essential government services such as water, power and trash collection, among others.

While such austerity measures are important, personnel costs can only be reduced so far before families get hurt, and fees can only be adjusted so much before the taxpayers gets "nickel-and-dimed" to death. It is therefore imperative that new and innovative means of streamlining government operations be developed.

It would be presumptuous to think that the Legislature or the governor's office has a monopoly on good ideas. In fact, perhaps those that know best where government waste can be eliminated or where inefficiencies exist are GovGuam employees themselves.

I introduced Bill 279 in order to encourage GovGuam employees to submit their streamlining ideas and suggestions.

## COMMENT

In return, if their idea is used and in fact saves taxpayer money, that individual employee would be granted a one-time award equal to 10% of the actual savings recouped by GovGuam over one fiscal year. Individual awards would be limited to a minimum of \$100 and a maximum of \$1,000. Such programs have proven very successful for the military, federal and certain state governments. I see no significant reason why it would not be equally successful here.

Since introducing Bill 279 in June, I have received very good feedback from GovGuam employees and the public in general. The Bureau of Budget and Management Research has reviewed Bill 279 and determined that it poses no negative impact to the General Fund because awards would be derived from the actual savings resulting from the implementation of the idea or suggestion.

Formal public commentary and revision is still necessary before Bill 279 can be debated and enacted by the Legislature as a whole. Bill 279 currently resides in the Committee on General Governmental Operations & Micronesian Affairs where it awaits a public hearing. For those who would like to provide testimony at the public hearing for Bill 279, I would encourage you to contact the Committee Chair, Senator Ted S. Nelson.

*Sen. Carlotta Leon Guerrero is a member of the 23rd Guam Legislature.*

**FISCAL NOTE**  
**BUREAU OF BUDGET AND MANAGEMENT RESEARCH**

**BBMR-F7**

Bill No.: 279  
Amendatory Bill: Yes

Date Received: August 15, 1995  
Date Reviewed: August 24, 1995

Department/Agency Affected: Bureau of Budget and Management Research  
Department/Agency Head: Joseph Rivera, Director  
Total FY Appropriation to Date: \$1,454,654

Bill Title (preamble): AN ACT TO REPEAL AND REENACT §1107, §108, and §1109 OF TITLE 4, GUAM CODE ANNOTATED TO BE KNOWN AS THE "GOVERNMENT OF GUAM INCENTIVE AWARDS PROGRAM ACT.

Change in Law: Repeals and reenacts §1107, §1108, and §109 of Title 4, GCA.

Bill's Impact on Present Program Funding:  
Increase \_\_\_\_\_ Decrease \_\_\_\_\_ Reallocation \_\_\_\_\_ No Change XXX

Bill is for:  
Operations \_\_\_\_\_ Capital Improvement \_\_\_\_\_ Other XXX

**FINANCIAL/PROGRAM IMPACT**

ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)			
PROGRAM CATEGORY	GENERAL FUND	OTHER	TOTAL
Government Wide Support	1/		

ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL	1/					
OTHER						
TOTAL						

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? N/A -- IF NO, ADD'L AMOUNT REQUIRED \$ \_\_\_\_\_  
AGENCY/PERSON/DATE CONTACTED: \_\_\_\_\_

ESTIMATED POTENTIAL MULTI-YEAR REVENUES						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	1/					
OTHER						
TOTAL						

ANALYST JR  
Joaquin R.C. Blaz

DATE 8/24/95

DIRECTOR for Francis Balajadia  
Joseph E. Rivera, Acting

DATE AUG 25 1995

FOOTNOTES: See attached.

1/ Bill 279 seeks to repeal and reenact §1107, §1108, and §1109 of Title 4, Guam Code Annotated to be known as the "Government of Guam Incentive Awards Program Act, relative to establishing guidelines, provide greater incentives and to compel program implementation. This Bill seeks to provide for cash payments to those government of Guam employees "who by their suggestions, inventions, superior accomplishments, or other personal efforts contribute to the efficiency, economy or other improvement of government operations or who perform special acts or services in the public interest in connection with or related to their employment".

The implementation of this act would pose a fiscal impact on the the agencies involved, however, the Bureau cannot determine such an impact at this time. It should be noted, however, that any monetary awards paid out are outweighed by the savings realized by the individual departments. Any incentives given to employees that qualify have to be paid out of that particular employee's departmental budget.

The Bill does not appropriate any funds for the implementation of the proposed changes made in this Bill.

**Introduced**

JUN 23 1995

TWENTY-THIRD GUAM LEGISLATURE  
1995 (FIRST) Regular Session

Bill No. 279 (LS)

Introduced by:

C.A. Leon Guerrero *CLG*

An act to repeal and reenact §1107, §1108, and §1109 of Title 4, Guam Code Annotated to be known as the "Government of Guam Incentive Awards Program Act".

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

2 Section 1. Legislative findings. This Legislature finds  
3 that although an incentive awards program is credited by Title 4 of  
4 the Guam Code Annotated, few government employees know about or  
5 participate in this program. The intent of the existing program is  
6 to provide incentives for government of Guam employees to provide  
7 more efficient and cost-effective public service through diligence  
8 and innovation. The Legislature further finds that to accomplish  
9 that intent, it must establish guidelines, provide greater  
10 incentives and compel program implementation.

11 Section 2. §1107 of Title 4, Guam Code Annotated is hereby  
12 repealed and reenacted to read:

13 "§1107(a) Incentive Awards. There is hereby established  
14 the 'Government of Guam Incentive Awards Program' which shall  
15 provide for payment of cash awards to, and the honorary  
16 recognition of employees, other than those in the unclassified  
17 service, of the government of Guam who by their suggestions,  
18 inventions, superior accomplishments, or other personal  
19 efforts contribute to the efficiency, economy or other  
20 improvement of government operations or who perform special

1 acts or services in the public interest in connection with or  
2 related to their official employment.

3 **§1107(b) Same: Definitions.** In statutes creating the  
4 'Government of Guam Incentive Awards Program', terms are  
5 defined as follows:

6 (1) 'Agency' shall mean:

7 (a) an Executive department or agency;

8 (b) an autonomous agency of the government of  
9 Guam;

10 (c) the administrative Office of the Superior  
11 Court of Guam and any other court of Guam;

12 (2) 'classified employee' shall mean a classified  
13 employee of the government of Guam as defined by Chapter  
14 4 of Title 4, Guam Code Annotated."

15 **Section 3.** §1108 of Title 4, Guam Code Annotated is hereby  
16 repealed and reenacted to read:

17 **"§1108. Same: General Provisions.**

18 (a) Cash awards under the 'Government of Guam  
19 Incentive Awards Program' ("the Program") shall be set at  
20 ten percent (10%) of the actual net savings to the  
21 agency's annual operational expenses resulting from an  
22 individual classified employee's suggestion, method,  
23 design, invention, accomplishment, or other meritorious  
24 effort. Individual cash awards shall be not less than  
25 one hundred dollars (\$100) and not more than one thousand  
26 dollars (\$1,000) each.

1           (b) Within one hundred and twenty (120) days of the  
2 enactment of this act, each agency head shall begin to  
3 accept suggestions, methods, designs, inventions,  
4 accomplishments, or other meritorious efforts submitted  
5 by individual classified employees for consideration of  
6 cash awards pursuant to the provisions of this Act.

7           (c) Within thirty (30) days of receipt of an  
8 individual classified employee's suggestion, method,  
9 design, invention, accomplishment, or other meritorious  
10 effort, the employee's agency head shall determine if  
11 such suggestion, method, design, invention,  
12 accomplishment, or other meritorious effort resulted in  
13 a minimum net savings of at least one thousand dollars  
14 (\$1,000) to the agency's annual operational expenses, and  
15 if the agency head determines that said action did result  
16 in such a savings, he shall transmit notice of that  
17 determination to the Department of the Bureau of Budget  
18 and Management Research.

19           (d) Within thirty (30) days of receipt of said  
20 written notice, the Director of the Bureau of Budget and  
21 Management Research shall, if he concurs in the agency  
22 head's determination, issue a memorandum to the  
23 respective agency head verifying the actual net savings  
24 resulting from the individual classified employee's  
25 suggestion, method, design, invention, accomplishment, or  
26 other meritorious effort.

1 (e) Upon receipt of the memorandum verifying the  
2 net savings to the agency's annual operational expenses,  
3 the government shall issue a check from the agency's  
4 operations account to the individual classified employee  
5 who first submitted the suggestion, method, design,  
6 invention, accomplishment, or other meritorious effort in  
7 an amount indicated by the Director of the Bureau of  
8 Budget and Management Research no later than sixty (60)  
9 days after the memorandum was issued.

10 (f) Cash awards may be conferred to former  
11 government of Guam classified employees notwithstanding  
12 the death or separation from the service of the  
13 classified employee concerned, if the suggestion, method,  
14 design, invention, accomplishment, or other meritorious  
15 effort was submitted while a classified employee of the  
16 government of Guam as defined by this Act.

17 (g) Cash awards under the Program are made in  
18 addition to the regular pay for the recipient.  
19 Individual suggestions, methods, designs, inventions,  
20 accomplishments, or other meritorious efforts shall be  
21 considered on a first-submitted basis and are eligible  
22 for a one-time cash award only. Acceptance of a cash  
23 award under the Program constitutes a waiver of a further  
24 claim of any nature against the government of Guam by the  
25 classified employee, his heirs or assigns, for the use by  
26 the government of Guam of the employee's suggestion,

1 method, invention, accomplishment, or other meritorious  
2 effort for which the award was made.

3 (h) Within one hundred and twenty (120) days of  
4 enactment of this Act, the Bureau of Budget and  
5 Management Research shall enact rules and regulations to  
6 expedite implementation of this Act."

7 **Section 4.** §1109 of title 4, Guam Code Annotated is hereby  
8 repealed and reenacted to read:

9 **"§1109. Same: Awareness Program.** Within one hundred  
10 and twenty (120) days of enactment of this Act, the agency  
11 heads of the Department of Administration, the autonomous  
12 agencies, and the Superior Court of Guam shall implement a  
13 'Government of Guam Incentive Awards Awareness Program'  
14 informing employees about the objectives and procedures of the  
15 Program and encouraging participation."