



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

MAR 21 1997

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Agana, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY
ACKNOWLEDGMENT RECEIPT
Received By [Signature]
Time 10:47am
Date 3/24/97

Dear Speaker Unpingco:

Enclosed please find a copy of Substitute Bill No. 133 (COR), "AN ACT TO AMEND THE GENERAL APPROPRIATION ACT OF 1997 (P.L. 23-128), RELATIVE TO MAKING NECESSARY CORRECTIONS AND APPROPRIATION ADJUSTMENTS; PRIORITIZE FUNDING TO MAKE PUBLIC SAFETY AND HEALTH TOP PRIORITIES; AND AUTHORIZE ADDITIONAL FUNDING.", which I have **signed** into law today as **Public Law No. 24-14**.

This bill contains many items that are essential to the continued operation of the government for the remainder of the fiscal year. It contains appropriations for health and safety, to the Department of Public Health and Social Services for welfare payments, to the Guam Police Department for a training cycle for new police officers and the payment of overtime, to the Department of Corrections to train 20 new corrections officers and to provide increased personnel and equipment for the Department of Corrections, to the Department of Public Works to pay the Solid Waste Division, for reprogramming of funds for the payment of employee increments and for retirement COLA, for reinstatement of the group life-insurance provisions for the government of Guam employees, and other essential requirements.

The source of funding for these items has potential, however, when researching the situation, and in consultation with the autonomous agencies, we find that there are numerous obstacles to realizing actual cash.

- 1) **Amendments to this legislation are critical.** There are some amendments which will need to be made to the operation of the funding source, which is transfers from autonomous agencies, for this budget correction legislation to work. Without these amendments, the source of

Office of the Speaker
ANTONIO R. UNPINGCO
Date: 3/21/97
Time: 3:20 pm
Rec'd by: [Signature]
Print Name: Monique

funding will be unavailable. Specifically, certain language needs to be deleted:

- a) **The phrase "Operating Surpluses" needs to be deleted.** In Section 3 of the bill, page 5, line 1, the phrase "operating surpluses" needs to be replaced with "net income". By definition, rates are set for the rate-charging autonomous agencies only up to the level which covers their operating expenses. They do not show any "operating surplus" which can be tapped to fund the provisions of this bill. The provisions of the various loan agreements and bond covenants, especially with regard to the Guam Telephone Authority and the Guam Power Authority, does not allow these agencies to have an "operating surplus".

Additionally, the Public Utilities Commission regulates the rates charged by these agencies to keep them at a level which only covers their needs and does not render an "operating surplus". In order for these agencies to be able to find any cash which could be transferred, this phrase needs to be deleted from the legislation.

- b) **The phrase "Formula decided upon by the Governor in consultation with the Boards of Directors of the above agencies" needs to be deleted.** In Section 3, page 5, lines 6-8, the phrase "Formula decided upon by the Governor in consultation with the Boards of Directors of the above agencies" needs to be deleted in order to provide for any transfers by the autonomous agencies. This phrase is in violation of the loan agreements of the Guam Telephone Authority with the Rural Utilities Services (RUS); is in violation of the bond covenants of the Guam Power Authority; and is in violation of the Federal Aviation Administration (FAA) regulations for the A. B. Won Pat Guam International Airport Authority.

Payments may only be made by these agencies which are related to services actually received for their operations. In other words, services rendered must be quantified, based on what each agency receives, and then the agency may pay for what it has received. An arbitrary formula of apportionment may not be used to compute payments.

- c) **The sentence "Autonomous Agencies shall not increase rates to recover these contributions, but instead shall apply best management efforts to reduce operating costs and expenditures" needs to be deleted.** In Section 3, page 5, lines 12-13, the sentence: "Autonomous Agencies shall not increase rates to recover these contributions, but instead shall apply best management efforts to reduce operating costs and expenditures," needs to be deleted. The reason that the deletion is necessary is that the Public Utilities Commission (PUC) sets rates to recover the costs of operating the agencies subject to its jurisdiction, but current rates are already set with only currently paid expenses taken into account. A transfer "in lieu of taxes" would be an additional expense, and not allowable under the orders of the PUC. The agencies do not necessarily need to raise rates to make a payment, but must justify expenditures to the PUC and all expenditures need to be listed.
- 2) **Tax exempt commercial paper legislation needs to be enacted by the Guam Legislature in order to reduce the interest rates currently paid by the Guam Power Authority from 6% to 3%.** The Administration has transmitted legislation to the Twenty-Fourth Guam Legislature which would authorize the Guam Power Authority to issue tax exempt commercial paper. This would refinance the current debts of the agency and make it possible for the current 6% interest paid by the utility to be reduced to 3%, thereby freeing up cash presently used for paying the difference in interest rates. This legislation is presently pending in the Committee on Finance and Taxation, and I urge the Legislature to enact this legislation at the next opportunity.
- 4) **Payments made by Port Authority of Guam at this time would necessitate the delay of the port container yard expansion.** Transfer payments made by the Port Authority of Guam at this time would put the Guam's port expansion on hold. The Port Authority of Guam (PAG) has planned a port container yard expansion which would greatly increase the volume that could be handled by the Port, and would thereby increase the economic vitality of the territory. A delay of this project would seriously weaken the backbone and underpinnings of our economy. It would severely constrict the lifeblood of our island's economic activity, the shipment of goods.

- 5) **Bill No. 133 would cause possible credit rating risk to Guam and is not advised by bond counsel and a rating agency's opinion to an advisor of the Guam Economic Development Authority.** The bond counsel, Orrick, Herrington & Sutcliffe, has advised that the payments required by Substitute Bill No. 133 could not be made without rate adjustments. As such, bond rating companies may downgrade the credit rating of the autonomous agencies should they be required to make the transfer payments called for by this legislation. This, in turn, would cause the agencies to suffer a decline in credit-worthiness, and make it very difficult for them to obtain financing. It is noted that the credit-worthiness of the autonomous agencies is relied upon in this legislation on page 6, Subsections (b), (c), and (d) of Section 4, with the proposal that the Governor negotiate a loan that the autonomous agencies would pay.


Alex. Brown, a rating agency that has issued a written opinion to an advisor of the Guam Economic Development Authority, has also stated in regard to this legislation that ". . . depending on the degree of revenue loss to the government's general fund, we believe a significant loss would appear to have a negative impact on the general obligation credit."

SUMMARY:

While this legislation corrects many deficiencies of Public Law No. 23-128, the General Appropriation Act of 1997, in order to make the concept work, amendments need to be made and an additional source of cash funding needs to be found. Should these changes not be forthcoming, we will find ourselves being unable to provide for appropriations for health and safety, for welfare payments made by the Department of Public Health and Social Services, for a training cycle for new police officers and the payment of overtime to the Guam Police Department, for training 20 new corrections officers and to provide increased personnel and equipment for the Department of Corrections, for operating expenses and payroll of the Solid Waste Division of the Department of Public Works, for reprogramming of funds for the payment of employee increments and for retirement COLA, for reinstatement of the group life-insurance provisions for the government of Guam employees, and other essential requirements.

The budget submitted to the Legislature by the Governor in January of 1996 for Fiscal Year 1997 was balanced. The budget corrections bill transmitted to the Legislature by the Governor on February 21, 1997 also provided for a balanced budget until the end of the fiscal year, and provided a secure and stable source of funding. Bill No. 133, while containing many desirable items, needs to have a secure and stable source of funding inserted into the language. The Legislature must address this situation in the very, very near future to avoid disastrous consequences.

Very truly yours,



Carl T. C. Gutierrez
Governor of Guam

Attachment

00115

TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

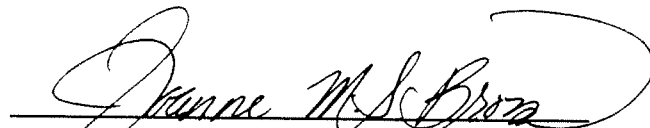
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 133 (COR), "AN ACT TO AMEND THE GENERAL APPROPRIATION ACT OF 1997 (P.L. 23-128), RELATIVE TO MAKING NECESSARY CORRECTIONS AND APPROPRIATION ADJUSTMENTS; PRIORITIZE FUNDING TO MAKE PUBLIC SAFETY AND HEALTH TOP PRIORITIES; AND AUTHORIZE ADDITIONAL FUNDING," was on the 7th day of March, 1997, duly and regularly passed.



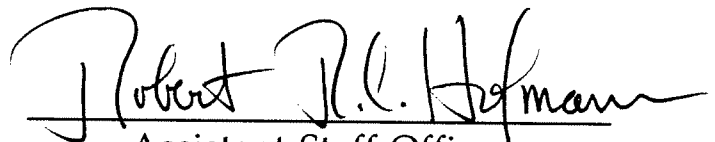
ANTONIO R. UNPINGCO
Speaker

Attested:




JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by the Governor this 12th day of March,
1997, at 1:55 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 3-21-97

Public Law No. 24-14

TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

Bill No. 133 (COR)

As substituted by the Author and as further substituted by the Committee on Finance and Taxation, as amended by the Committee of the Whole.

Introduced by:

A. C. Blaz
M. C. Charfauros
Felix P. Camacho
T. C. Ada
F. B. Aguon, Jr.
E. Barrett-Anderson
J. M.S. Brown
Francisco P. Camacho
E. J. Cruz
W. B.S.M. Flores
Mark Forbes
L. F. Kasperbauer
A. C. Lamorena V
C. M. Leon Guerrero
L. Leon Guerrero
V. C. Pangelinan
J. C. Salas
A. L.G. Santos
F. E. Santos
A. R. Unpingco
J. WonPat-Borja

AN ACT TO AMEND THE GENERAL APPROPRIATION ACT OF 1997 (P.L. 23-128), RELATIVE TO MAKING NECESSARY CORRECTIONS AND APPROPRIATION ADJUSTMENTS; PRIORITIZE FUNDING TO MAKE PUBLIC SAFETY AND HEALTH TOP PRIORITIES; AND AUTHORIZE ADDITIONAL FUNDING.

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

1 **Section 1. Short Title.** This Act may be cited as the “Budget Correction and
2 Supplemental Act of 1997.” Except as otherwise provided by this Act, the
3 appropriations made by this Act shall be available to pay for obligations incurred on or
4 after October 1, 1996, but no later than September 30, 1997. In the event that any
5 portion of this Act is found contrary to Federal Law, all portions of this Act not so
6 found shall remain valid.

7 **Section 2. Legislative Intent.** (a) The Legislature finds that necessary
8 corrections and appropriation adjustments to Public Law No. 23-128, the General
9 Appropriation Act of 1997, need to be made. Furthermore, additional sources of
10 supplemental funding must be authorized to adequately meet urgent and top priority
11 needs in public safety and health. Reallocation of operational appropriations and
12 supplemental funding are also necessary to meet other important operational and
13 program shortfall needs. Many incidences of senseless violence associated with illegal
14 drug activities have been occurring on Guam and adversely impacting on the public
15 safety and quality of life of Island residents. The Legislature finds that the territory
16 must concentrate its resources towards eliminating this violence.

17 Although many resources have been directed towards the Guam Police
18 Department, the Customs and Quarantine Agency, the Plant Protection and Quarantine
19 (PPQ) Division of the Department of Agriculture, the Department of Corrections, and
20 the prosecutorial arm of the Department of Law, these resources are still inadequate
21 and need to be strengthened.

22 There are not enough police officers, corrections officers and customs officers to
23 provide an adequate level of public safety protection expected by the people of Guam,
24 and which will make them feel safe in their homes, as well as on the streets and
25 neighborhoods.

26 The Legislature considers public safety a top priority and in this Act authorizes
27 funding for a cycle of training for police officers and corrections officers; supplemental
28 funding for Guam Police Department and Department of Corrections; and funding for
29 increased overtime for the Guam Police Department for the position of Police Sergeant
30 II and below.

1 (b) **Funding Source.** In order to fund the necessary “beefing up” of
2 public safety and health agencies and functions, additional sources of funding must be
3 found. Also, the Guam Memorial Hospital Authority will be in need of an infusion of
4 cash to head off a crisis in funding for health care at the only facility available for our
5 people. Section 3 identifies a funding source and scope of application to current fiscal
6 needs as described in this Act. Section 44 authorizes funding approaches to address the
7 Guam Memorial Hospital Authority's needs.

8 (c) **Budget adjustments.** The Legislature also finds that certain agencies
9 and functions were inadequately addressed in Public Law No. 23-128. Among these
10 agencies and functions are: retirement COLA, reinstitution of statute for government
11 employee life insurance, salary increments, the Solid Waste Division of the Department
12 of Public Works, the Chamorro Language Commission, the Department of
13 Administration, the Department of Public Health and Social Services, the Department
14 of Mental Health and Substance Abuse, the Department of Law, the Public Defender
15 Service Corporation, the Workers Compensation Fund, the Guam Community College,
16 the Guam Educational Telecommunications Corporation, the Guam Fire Department,
17 the Residential Treatment Fund, the Department of Public Works, the University of
18 Guam, the Veterans Affairs Office and the Land Survey Division of the Department of
19 Land Management.

20 (d) This Act, in part, provides corrections and changes to Public Law 23-
21 128, as an immediate effort towards attaining a balanced and workable budget for the
22 government of Guam for fiscal year 1997.

23 (e) The Legislature recognizes the sanctity and utmost importance of public
24 education in our territory and stands firm in its commitment to support the Department
25 of Education. Furthermore, the Legislature acknowledges the inviolate nature of the
26 Department of Education's fiscal year 1997 Budget, as appropriated in Section 14 of
27 Chapter III, Miscellaneous Appropriations, of Public Law 23-128, notwithstanding the
28 corrections and adjustments to Public Law No. 23-128.

29 This commitment includes a firm desire to ensure that the One Hundred Sixty
30 Million Dollars (\$160,000,000) appropriated from the General Fund to the Department

1 of Education for their fiscal year 97 operations shall not be compromised by budgetary
2 reductions through the Administration's allotment process in executing the General
3 Appropriation Act of 1997 (P.L. 23-128).

4 **Section 3. Amendment to Section 44 of Public Law No. 18-15.** Section 44
5 of Public Law No. 18-15 is amended to read:

6 "A new Section 6127 is added to the Government Code to read:

7 'Section 6127. Transfer of Autonomous Agency Revenues to
8 Autonomous Agency Infrastructure Collections Fund.

9 (a) It is the Legislature's findings that for the risk assumed
10 by Guam's taxpayers in operating the power, telephone, water, sewer, and
11 air and sea port operations, a fund transfer policy should be instituted as a
12 reimbursement. It is furthermore found that these non-taxpaying entities
13 benefit from services provided by the General Fund, such as through police
14 and fire protection, road systems, and other governmental facilities. In
15 many cases, several of the services require additional General Fund
16 expenditures. Further, rather than assess the actual levy of real estate
17 taxes, as if they were of a private venture, which is commonly called
18 'payment-in-lieu-of-taxes,' a transfer policy would be more equitable and
19 fair.

20 (b) The Guam International Airport Authority, the Guam
21 Power Authority, the Port Authority of Guam and the Guam Telephone
22 Authority are hereby assessed in the aggregate the sum of Three Million
23 Five Hundred Thousand Dollars (\$3,500,000) in lieu of taxes and other
24 charges as may normally be assessed against a private company for utility
25 easements, gross receipts taxes, taxes on audited income, government
26 development fees, such as water wells and monetary fees. Notwithstanding
27 any other provision of law, the Governor and the Boards of Directors of
28 the Port Authority of Guam, the Guam Power Authority, the Guam
29 Telephone Authority and the Guam International Airport Authority shall
30 transfer in the aggregate sum of Three Million Five Hundred Thousand

1 Dollars (\$3,500,000) from operating surpluses generated by these agencies
2 to the Autonomous Agency Infrastructure Collections Fund of the
3 government of Guam by the end of each fiscal year. The proportionate
4 contribution of each of the above agencies, which will in the aggregate
5 make up the Three Million Five Hundred Thousand Dollars (\$3,500,000)
6 transferred, shall be determined by a formula decided upon by the
7 Governor in consultation with the Boards of Directors of the above
8 agencies. In no event shall the formula decided upon or the transfer of
9 sums from the agencies to the Autonomous Agency Infrastructure
10 Collections Fund violate the terms or conditions of any bond covenant of
11 any of the above agencies that is in effect on the effective date of this Act.
12 Autonomous Agencies shall not increase rates to recover these
13 contributions, but instead shall apply best management efforts to reduce
14 operating costs and expenditures.

15 (c) There is hereby created an 'Autonomous Agency
16 Infrastructure Collections Fund,' which shall be maintained separate and
17 apart from any other funds within the government of Guam, and
18 independent records shall be maintained in connection therewith. Said
19 Fund shall be used solely for the purposes relating to the health and public
20 safety of the people of Guam and public works. The Department of
21 Administration shall be responsible for the administration of the
22 Autonomous Agency Infrastructure Collections Fund.'"

23 **Section 4. Application of Section 44 of Public Law 18-15, as amended.**

24 (a) Notwithstanding any other provision of law, the Governor shall
25 negotiate with the Board of Directors of the Port Authority of Guam, the Guam
26 International Airport Authority, the Guam Telephone Authority and the Guam Power
27 Authority and settle no later than thirty (30) days after enactment of this Act, on
28 proportionate contributions and payment terms and conditions for outstanding amounts
29 due since fiscal year 1986. Cumulative settlement covering the fiscal year 1986 to
30 fiscal year 1997 shall be at least Twenty-three Million Dollars (\$23,000,000).

1 Autonomous Agencies shall not increase rates to recover these contributions, but
2 instead shall apply best management efforts to reduce operating costs and expenditures.

3 (b) The Autonomous Agencies shall either make payment of the full
4 amount within 45 days of this Act becoming law, or agree to pay the full amount,
5 including finance charges over a five (5) or ten (10) year period. The Autonomous
6 Agencies shall choose the best payment option consistent with the agencies' best
7 management efforts plan to reduce operating costs and expenditures that lessens the
8 annual cost to its rate payers.

9 (c) If any or all the Autonomous Agencies decide to pay over five (5) or
10 ten (10) years, the Governor is authorized to negotiate a financing method for those
11 agencies that chose this option that would:

12 (1) Make available the Twenty-three Million Dollars (\$23,000,000)
13 for use in the current fiscal year's budget, and

14 (2) Use the payments over five (5) or ten (10) years from the
15 Autonomous Agencies to pay the principal and all financing costs of the financing
16 method.

17 (d) The sum of Twenty-three Million Dollars (\$23,000,000) is appropriated
18 from the Autonomous Agency Infrastructure Collections Fund to meet funding needs in
19 the areas of public health, safety and public works as identified in Public Law 23-128
20 and this Act. Funding shortfalls due to pending payments as a result of negotiations
21 based on Subsection (a) of this Section shall be off-set from accumulated General Fund
22 reserves generated as a result of compliance with the Public Law 23-14:6(b) mandate.
23 This off-set amount is not an appropriation but a financial management transaction
24 which will be reimbursed as negotiated payments are made.

25 **Section 5. Title 11 Guam Code Annotated §28105 Amendment and**
26 **Application.** (a) 11 GCA §28105 is hereby amended to add new subsections (e)
27 through (g) to read:

28 “(e) The Guam Customs and Quarantine Agency shall collect the use
29 tax mandated by this chapter on behalf of the Department of Revenue and
30 Taxation on:

1 (1) taxable property which comes in at the Guam
2 Commercial Port, or any other seaport in Guam, with any tax for which an
3 exemption is not claimed, to be collected prior to release;

4 (2) taxable property which comes in as freight or
5 unaccompanied baggage at the A.B. WonPat International Airport, or any
6 other airport in Guam; and

7 (3) taxable property which comes in as accompanied
8 baggage at the A.B. Won Pat International Airport, or any other airport in
9 Guam.

10 (f) The Director of the Department of Revenue and Taxation is
11 authorized to promulgate rules and regulations in accordance with the
12 Administrative Adjudication Law to enforce the intent of this law within
13 90 days of enactment of this Act.

14 (g) There is hereby created an 'Use Tax Collections Fund,' which
15 shall be maintained separate and apart from any other funds within the
16 government of Guam, and independent records shall be maintained in
17 connection therewith. Said Fund shall be used solely for the purposes of
18 appropriations needed from time to time."

19 (b) One Million Two Hundred Thousand Dollars (\$1,200,000) is
20 appropriated from the Use Tax Collections Funds to meet funding needs in the areas of
21 public health, safety and public works, as identified in Public Law 23-128 and this Act.

22 **Section 6. One Million One Hundred Thousand Dollars (\$1,100,000) to**
23 **the Guam Police Department.** One Million One Hundred Thousand Dollars
24 (\$1,100,000) is appropriated from the Autonomous Agency Infrastructure Collections
25 Fund to the Guam Police Department to supplement its operations, including, but not
26 limited to, additional police recruit cycles during fiscal year 1997.

27 **Section 7. Increase of Overtime Allocation to the Guam Police**
28 **Department to Two Million Dollars (\$2,000,000).** Subsection (a) of Section 5 of
29 Chapter III of Public Law No. 23-128, is amended to read:

1 **“Section 5. (a) Two Million Dollars (\$2,000,000) to the Department**
2 **of Administration for the Cost of Overtime for the Guam Police Department.**
3 Two Million Dollars (\$2,000,000) is appropriated from the Autonomous Agency
4 Infrastructure Collections Fund to the Department of Administration to be used under
5 the direction of the Chief of Police, or his designee, for the purpose of funding
6 overtime for the Guam Police Department.”

7 **Section 8. Authorization to Increase the FTE level for fiscal year 1997 for**
8 **the Department of Corrections.** The FTE level for the Department of Corrections is
9 hereby increased by Twenty (20) FTE positions, Corrections Officers I, in order to
10 facilitate their fiscal year 1997 operations.

11 **Section 9. One Million Seven Hundred Thousand Dollars (\$1,700,000) to**
12 **the Department of Corrections.** One Million Seven Hundred Thousand Dollars
13 (\$1,700,000) is appropriated from the Autonomous Agency Infrastructure Collections
14 Fund to the Department of Corrections to supplement its operations during fiscal year
15 1997 to cover the following requests, which amounted to Two Million Dollars
16 (\$2,000,000):

Funding for restoration of 10 FTEs (Corrections Officers)	\$153,290
Funding for 10 new FTEs (Corrections Officers)	153,290
Funding for 22 Vacant FTEs	353,155
Additional Overtime Funding Requirements	427,856
Corrections Academy/Training at GCC	50,000
Security Equipment for New Officers	30,000
Additional Funding for Medical & Dental Services for Inmates	200,000
CCTV Monitoring Equipment	50,000
Upgrade to Perimeter Fence	219,000
Perimeter Guard Towers (2)	<u>363,409</u>
TOTAL	\$2,000,000

1 The Governor shall allocate the One Million Seven Hundred Thousand Dollars
2 (\$1,700,000) to the above categories.

3 **Section 10.** The Legislature declares there exists an emergency within the
4 Department of Corrections (DOC) due to the February 23, 1997 facility fire. The
5 Governor is hereby directed to take all emergency procurement measures consistent
6 with law, rules and regulations in order to facilitate full repair and reconstruction of
7 those facilities at DOC damaged by fire, and for such other expenses related to the
8 proper temporary detention of prisoners during repairs and reconstruction of those
9 facilities at DOC damaged by fire. The emergency procurement provision contained in
10 Title 5 Guam Code Annotated §5215 is extended for purposes of this Section to a
11 maximum of One Hundred Eighty (180) days. Three Hundred Thousand Dollars
12 (\$300,000) is appropriated from the Autonomous Agency Infrastructure Collections
13 Fund to the Department of Corrections for emergency repairs and related expenses
14 necessary as a result of the fire at Buildings C and D on February 23, 1997. All repairs
15 shall comply with the Guam Building Law and all applicable codes. The Department of
16 Corrections is authorized to use any amounts remaining after the fire repairs, authorized
17 herein, to implement any of the recommendations of the Governor's 1997 Prison Task
18 Force.

19 **Section 11. Addition of Definition of "operating expenses".** A new
20 Subsection (v) is added to Section 5 of Chapter I, General Provisions, of Public Law
21 No. 23-128 to read:

22 " (v) 'Operating expenses' means the individual and collective
23 budget categories of 'travel,' 'contractual services,' 'supplies,' 'equipment,'
24 'office space rental,' 'utilities' and 'miscellaneous.' "

25 **Section 12. Reprogram of Payments for Retirement Cost of Living**
26 **Allowance (COLA).** Subsection (a) of Section 20 of Chapter III, Miscellaneous
27 Appropriations, of Public Law No. 23-128, is amended to read:

28 " (a) The sum of Five Million Six Hundred Fifty-two Thousand
29 Nine Hundred Dollars (\$5,652,900) is appropriated from the source identified in
30 Subsection (b) of Section 21 of Chapter III, Miscellaneous Appropriations, of

1 Public Law No. 23-128 to the Government of Guam Retirement Fund for the
2 purpose of funding a One Thousand One Hundred Dollar (\$1,100) lump sum cost
3 of living allowance, for an estimated 4,920 government of Guam retired
4 employees and survivors, all for fiscal year ending September 30, 1996. Retirees
5 and survivors, as of October 1, 1996, shall receive a lump sum cost of living
6 allowance payment in the full amount of One Thousand One Hundred Dollars
7 (\$1,100) per retiree or survivors thereof, to be paid no later than December 1,
8 1996. “

9 **Section 13. Amendment to Source of Funding for Employee Increments**
10 **and COLA.** Subsection (b) of Section 21 of Chapter III of Public Law No. 23-128 is
11 amended to read:

12 “Notwithstanding any other provision of law, and with the
13 exceptions of the Territorial Highway Fund, the Tourist Attraction Fund, the
14 Territorial Educational Facilities Fund, the Manpower Development Fund, the
15 Guam Housing Corporation Revolving Fund, the Land for the Landless
16 Revolving Fund and the Chamorro Home Loan Fund, any excess amounts over
17 that which is already mandated by law to be expended from all special funds of
18 the government of Guam shall be utilized for the purposes of the appropriation in
19 this Section and in Section 20 (a) of this Act.”

20 **Section 14. Appropriation for retirement cost of living allowance**
21 **(COLA).** New Subsections (c) and (d) are added to Section 20, Chapter III,
22 Miscellaneous Appropriations, of Public Law No. 23-128, to read:

23 “(c) Autonomous Agencies to pay COLA for their respective retirees
24 and survivors. For fiscal year 1997, the Guam Power Authority, the Guam
25 Telephone Authority, the Guam International Airport Authority, the Port
26 Authority of Guam, the Guam Economic Development Authority, the Guam
27 Housing Corporation, the Government of Guam Retirement Fund, the Guam
28 Housing and Urban Renewal Authority, the Guam Mass Transit Authority, and
29 the Guam Visitors Bureau shall remit to the Government of Guam Retirement
30 Fund an amount of money equal to the number of employees who retired from

1 each respective agency, multiplied by the amounts per retiree or survivor listed in
2 Subsection (a) of this Section. The remittance shall be made in two (2) equal
3 installments; the first installment is due on December 31, 1996 and the second
4 installment is due on March 31, 1997.

5 (d) **Authorization to Implement Administrative**
6 **Procedures.** The Government of Guam Retirement Fund is authorized to
7 establish administrative procedures to ensure the proper submission, receipt and
8 accounting of sums remitted pursuant to Subsection (c) of this Section. These
9 administrative procedures are not subject to the Administrative Adjudication
10 Law."

11 **Section 15. Section 47143 of the Government Code is hereby amended**
12 **to read as follows:**

13 "§47143. **Customs, Agriculture, and Quarantine Inspection**
14 **Services Charge Established.** Each aircraft landing at the A.B. WonPat Guam
15 International Air Terminal shall be levied a Customs, Agriculture and Quarantine
16 Inspection services charge reasonably related to the costs incurred by the
17 Customs and Quarantine Agency and the Department of Agriculture in providing,
18 maintaining and operating the service charge facilities, and shall be allocated
19 among air carriers in such a manner reasonably related to the relative demand for
20 such services attributable to each carrier. Each consignment of air and sea cargo
21 and each passenger landing at a sea port shall also be levied a Customs,
22 Agriculture and Quarantine Inspection services charge, except for those
23 passengers which may be exempted under the rules and regulations promulgated
24 pursuant to Section 47149 of the Government Code of Guam. Such service
25 charges shall be reasonably related to the costs incurred by the Customs and
26 Quarantine Agency and the Department of Agriculture in providing, maintaining
27 and operating the service charge facilities.

1 Notwithstanding any other provision of law, the establishment,
2 modification or adjustment of any service charge levied pursuant to this Section
3 shall be subject to the provisions of the Administrative Adjudication Law."

4 **Section 16. Reinstatement of Residential Treatment Program.** Section 20
5 of Chapter IV, Miscellaneous Provisions, of Public Law No. 23-128 is repealed and
6 Section 25 of Public Law No. 20-220, as amended in Section 6 of Chapter IV of Public
7 Law No. 21-136, is reenacted to read:

8 **"Section 25.** (a) There is hereby created separate and apart from other
9 funds of the government of Guam the "Residential Treatment Fund" (the
10 "Fund") to be administered by the Director of Administration. Money from the
11 Fund shall be expended upon order of the Superior Court of Guam to send a
12 person under the jurisdiction of the court for residential care arising from a
13 physical, mental or emotional handicap or a severe emotional disturbance. Such
14 money shall be expended for diagnosis, evaluation and treatment fees, medical
15 expenses, room and board, and, if sent off-Island, transportation and incidental
16 costs for the person."

17 **Section 17. Three Hundred Fifty Thousand Dollars (\$350,000) to the**
18 **Department of Mental Health and Substance Abuse.** Three Hundred Fifty
19 Thousand Dollars (\$350,000) is appropriated from the Autonomous Agency
20 Infrastructure Collections Fund to the Department of Mental Health and Substance
21 Abuse to be allocated for the contractual services of a Forensic Psychiatrist, a Pediatric
22 Forensic Psychiatrist and needed equipment for the use of the physicians.

23 **Section 18. Reinstatement of Group Life Insurance for Government of**
24 **Guam Employees.** Section 4303 of Title 4, Guam Code Annotated, repealed in
25 Public Law 23-128, is reenacted, with the amendment shown in item (4) of Subsection
26 (e) of that Section, to read:

27 **"§4303. Group Life Insurance.** (a) The Governor is authorized to
28 enter into contracts with one or more insurance companies authorized to do

1 business in Guam for Group Life Insurance for all employees or separate groups
2 of employees for the government of Guam.

3 (b) Participation by employee, as employees are defined in
4 Subsection (d) of this Section, in such contracts of life insurance shall provide
5 coverage for up to a face amount of Ten Thousand Dollars (\$10,000), and shall
6 be non-contributory by the employees, the premium to be paid by the government
7 of Guam.

8 (c) Contracts of life insurance procured under the foregoing
9 Subsection (b) shall be limited to a face amount of up to Ten Thousand Dollars
10 (\$10,000), including charges for accidental death and dismemberment. Coverage
11 under such non-contributory plan shall commence after an employee has served
12 six (6) consecutive months service in the government on entry or re-entry.
13 Retirees and survivors of retirees are covered as of the day they become retirees
14 or survivors of retirees.

15 Supplemental coverage may also be procured as an added benefit for an
16 active employee only. The face amount of such supplemental coverage shall be
17 at least Thirty Thousand Dollars (\$30,000), the premium for which shall be paid
18 entirely by the employee. Such supplemental insurance shall be on a voluntary
19 basis and may include such features as accidental death and dismemberment, and
20 waiver of premium. Dependent coverage may be included as part of the
21 supplemental coverage. The government of Guam shall provide payroll
22 deduction for payment of the premiums for such supplemental coverage.

23 (d) Employees as used in this Section include officers, survivors of
24 officers, survivors of employees, retired employees and survivors of retired
25 employees who are receiving annuity benefits.

26 (e) Notwithstanding any other provision of law, the government of
27 Guam shall self insure the government of Guam's group life insurance program
28 then in effect as of April 30, 1986, for a period not to exceed sixty (60) days
29 from April 30, 1986, or until a private insurance company becomes the insurer
30 for the government of Guam's group life insurance program, whichever occurs
31 first.

1 (1) There is hereby established a Group Life Insurance Fund
2 from which claims shall be paid consistent with the terms and conditions in the
3 government of Guam's group life insurance policy then in effect prior to April
4 30, 1986.

5 (2) Premiums deducted from eligible subscribers on the
6 government's group life insurance policy then in effect prior to April 30, 1986,
7 shall be remitted to the Group Life Insurance Fund.

8 (3) The government is authorized to fund the Group Life
9 Insurance Fund effective May 1, 1986 with projected premium receipts covering
10 the period of self-insurance.

11 (4) Effective January 1, 1997, the Group Life Insurance Fund
12 is hereby abolished and dissolved and any and all remaining balances of the
13 Group Life Insurance Fund are reverted to the General Fund. All revenue
14 previously in this Fund, or which was earmarked to be placed in this Fund, shall
15 continue to be collected and credited to the General Fund."

16 **Section 19. Teacher Personal Leave for Fiscal Year 1997.** Section 30 of
17 Chapter IV, Miscellaneous Provisions, of Public Law No. 23-128, is amended to read:

18 "Section 30. Teacher Personal Leave. For the fiscal year 1997
19 Department of Education Budget, the Territorial Board of Education is hereby
20 authorized to convert any unused personal leave hours earned by teachers during
21 a school year to the cash value of eight (8) hours for each eight (8) hours of
22 unused personal leave, payable in lump sum from the Department of Education
23 allotments, at the end of the fiscal year."

24 **Section 20. Reference to Pedro "Doc" Sanchez Scholarship Program.** The
25 references to Chapter 15, Title 4, Guam Code Annotated, contained in Sections 6, 7, 8
26 and 9 of Chapter IV, Miscellaneous Provisions, of Public Law No. 23-128 shall be
27 deemed to refer to the Pedro "Doc" Sanchez Scholarship Program, as enacted in Public
28 Law No. 23-111. The Compiler of Laws is authorized to re-codify any existing
29 provisions of the Pedro "Doc" Sanchez Scholarship Program consistent with this
30 Section and Public Law No. 23-111.

Section 21. Authorization to Increase the FTE Level for Fiscal Year 1997 for the Chamorro Language Commission. The FTE level for the Chamorro Language Commission is hereby increased by one (1) FTE position in order to facilitate their fiscal year 1997 operations.

Section 22. Approved FTE for the Superior Court of Guam for fiscal year 1997. The approved FTE level for the Superior Court of Guam for fiscal year 1997 is Two Hundred and Ninety-eight (298).

Section 23. Mary Clare Home. A new Section 37 is added to Chapter III, Miscellaneous Appropriations, of Public Law 23-128, to read:

"Section 37. Mary Clare Home. Two Hundred Ninety-one Thousand Six Hundred Forty-three Dollars (\$291,643) is allocated from Public Law No. 23-128's General Fund appropriation to the Department of Mental Health and Substance Abuse for "Mary Clare Home" for its fiscal year 1997 operations."

Section 24. Crises Hotline Project. A new Section 38 is added to Chapter III, Miscellaneous Appropriations, of Public Law No. 23-128, to read:

"Section 38. Crises Hotline Project. One Hundred Seventy-three Thousand One Hundred Ninety-one Dollars (\$173,191) is allocated from Public Law No. 23-128's General Fund appropriation to the Department of Mental Health and Substance Abuse for the Crises Hotline Project for its fiscal year 1997 operations."

Section 25. Prior Years' Obligations. Notwithstanding any other provision of law, appropriations made for fiscal year 1997 may be expended for the payment of prior years' obligations. Notice of each proposed expenditure shall be delivered to the Speaker of the Guam Legislature by the Governor no less than seven (7) days before the effective date of the expenditure.

Section 26. Governor of Guam to Make Adjustments to Coincide with Public Law No. 23-14. (a) A new Subsection (c) is added to Section 1 of Chapter II, Appropriations for Executive Branch Operations, of Public Law No. 23-128 to read:

1 “(c) The Governor of Guam, notwithstanding any other provision of
2 law, shall adjust the appropriations of fiscal year 1997, contained in this Chapter,
3 of Public Law No. 23-128 to be in compliance with Subsection (b) of Section 6
4 of Public Law No. 23-14.”

5 (b) A new Section 39 is added to Chapter III, Miscellaneous
6 Appropriations, of Public Law No. 23-128 to read:

7 **“Section 39. Adjustment of the Executive Branch Operations,**
8 **Programs and Associated Appropriations.** The Governor of Guam,
9 notwithstanding any other provision of law, shall adjust Executive Branch
10 operations, programs and associated appropriations for fiscal year 1997 contained
11 in this Chapter to be in compliance with Subsection (b) of Section 6 of Public
12 Law 23-14, with the exception of appropriations to the Department of Education,
13 the Legislature, and the Supreme and Superior Courts.”

14 **Section 27. Fifty-four Thousand Two Hundred Fifty-six Dollars**
15 **(\$54,256) to the Department of Administration.** Fifty-four Thousand Two
16 Hundred Fifty-six Dollars (\$54,256) is appropriated from the General Fund to the
17 Department of Administration to supplement its operations during fiscal year 1997.

18 **Section 28. Three Million Three Hundred Thousand Dollars (\$3,300,000)**
19 **to the Department of Public Health and Social Services.** Three Million Three
20 Hundred Thousand Dollars (\$3,300,000) is appropriated from the Autonomous Agency
21 Infrastructure Collections Fund to the Department of Public Health and Social Services
22 to supplement its operations during fiscal year 1997.

23 **Section 29. Four Hundred Forty Thousand Five Hundred Dollars**
24 **(\$440,500) to the Worker's Compensation Fund.** Four Hundred Forty Thousand
25 Five Hundred Dollars (\$440,500) is appropriated from the General Fund to the
26 Worker's Compensation Fund as a supplemental appropriation during fiscal year 1997
27 for the payment of claims and related purposes.

28 **Section 30. Two Hundred Thousand One Hundred Ninety One Dollars**
29 **(\$200,191) to the Guam Community College.** Two Hundred Thousand One

1 Hundred Ninety-one Dollars (\$200,191) is appropriated from the General Fund to the
2 Guam Community College to supplement its operations during fiscal year 1997.

3 **Section 31. Twenty-one Thousand Dollars (\$21,000) to the Guam**
4 **Educational Telecommunications Corporation (KGTF).** Twenty-one Thousand
5 Dollars (\$21,000) is appropriated from the General Fund to the Guam Educational
6 Telecommunications Corporation (KGTF) to supplement its operations during fiscal
7 year 1997.

8 **Section 32. Seven Thousand Dollars (\$7,000) to the Superior Court of**
9 **Guam.** Seven Thousand Dollars (\$7,000) is appropriated from the Autonomous
10 Agency Infrastructure Collections Fund to the Superior Court of Guam to fund the costs
11 for communications lines for the Criminal Justice Automation Commission to allow on-
12 line access of warrant and criminal listing information for Guam Police Officers in the
13 field through existing radio dispatch communications.

14 **Section 33. One Million Forty-two Thousand Seven Hundred Thirty-**
15 **nine Dollars (\$1,042,739) to the Guam Fire Department.** One Million Forty-two
16 Thousand Seven Hundred Thirty-nine Dollars (\$1,042,739) is appropriated from the
17 Autonomous Agency Infrastructure Collections Fund to the Guam Fire Department to
18 supplement its operations during fiscal year 1997, of which Seventy-five Thousand
19 Dollars (\$75,000) is appropriated to fund the EMS Medical Director's contract.

20 **Section 34. One Million Dollars (\$1,000,000) for the Residential**
21 **Treatment Fund is Re-appropriated.** One Million Dollars (\$1,000,000)
22 appropriated from the General Fund under Public Law 23-128, Chapter II,
23 Appropriations for Executive Branch Operations, Section 1(b) for the Residential
24 Treatment Fund to the Department of Mental Health and Substance Abuse to pay
25 authorized expenses for persons under the jurisdiction of the Superior Court of Guam
26 for residential care arising from physical, mental or emotional handicap, or a severe
27 emotional disturbance, is re-appropriated to the Department of Administration for
28 administering of the program.

1 **Section 35. Two Million Four Hundred Thirty Thousand Six Hundred**
2 **Ninety-seven Dollars (\$2,430,697) to the Department of Public Works. Two**
3 **Million Four Hundred Thirty Thousand Six Hundred Ninety-seven Dollars**
4 **(\$2,430,697) is appropriated from the Autonomous Agency Infrastructure Collections**
5 **Fund to the Department of Public Works to supplement its operations during fiscal year**
6 **1997.**

7 **Section 36. Five Hundred Thousand Dollars (\$500,000) to the**
8 **Government of Guam Retirement Fund. Five Hundred Thousand Dollars**
9 **(\$500,000) is appropriated from the General Fund to the Government of Guam**
10 **Retirement Fund to facilitate supplemental annuity benefits during fiscal year 1997.**

11 **Section 37. Six Hundred Fifty-eight Thousand Fifteen Dollars (\$658,015)**
12 **to the University of Guam. Six Hundred Fifty-eight Thousand Fifteen Dollars**
13 **(\$658,015) is appropriated from the General Fund to the University of Guam to**
14 **supplement its operations during the fiscal year 1997. Without reducing the rest of the**
15 **budget for the Micronesian Area Research Center (MARC) and the College of**
16 **Agriculture and Life Sciences (CALS), of the amount appropriated in this Section,**
17 **Thirty Thousand Dollars (\$30,000) is allocated to MARC for the publication costs of the**
18 **GUAM HISTORY: PERSPECTIVE Project and the GOVERNMENT OF GUAM,**
19 **1981-1995: AN INFORMATION SOURCE monograph. Sixty Thousand Dollars**
20 **(\$60,000) of the amount appropriated in this Section is allocated to MARC for Spanish**
21 **document translation. Sixty Thousand Dollars (\$60,000) of the amount appropriated in**
22 **this Section is allocated to CALS to be used as local matching funds for the 100%**
23 **federal matching funds under the Hatch Act and the Smith Lever Act.**

24 **Section 38. One Hundred Eighty-two Thousand Dollars (\$182,000) to the**
25 **Guam Public Library. One Hundred Eighty-two Thousand Dollars (\$182,000) is**
26 **appropriated from the General Fund to the Guam Public Library for use as Guam's**
27 **local matching funds to available federal funds.**

28 **Section 39. Five Hundred Fifteen Thousand Three Hundred Sixteen**
29 **Dollars (\$515,316) to the Department of Law. Five Hundred Fifteen Thousand**