



Office of the Governor of Guam

August 23, 2013

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina Trentai-dos na Liheslaturan Guahan
155 Hesler Place
Hagatna, Guam 96932

Dear Madam Speaker,

I am calling the Legislature into special session at 1 p.m. today, pursuant to the authority vested in me by §1423h of the Organic Act of Guam. The sole purpose of the special session is for the Legislature to consider the attached bill, which budgets the revenues, appropriations, and provision for tax refunds in Fiscal Year 2014. The bill presents a budget that is prudent, responsible, and capable of delivering upon the promises contained within.

In the spirit of compromise and cooperation, I instructed the Bureau of Budget and Management Research to construct the budget around the appropriated levels contained in Sen. Pangelinan's first substitute version of the FY2014 budget bill. This was the version senators were given time to review and debate on. In fact, so much time was afforded to the senators on this version that when a recess was requested by minority senators for further review, the motion was defeated. The following highlight the main differences between that substitute version and the one attached:

1. The revenue levels are as follows:
 - a. General Fund revenues available for appropriation: \$598,087,815
 - b. Income taxes (net of refunds): \$299,125,244
 - c. Business Privilege Taxes: \$226,145,462
 - d. Federal sources: \$65,136,872
 - e. Use of money & property: \$1,627,655
 - f. Licenses, fees, & service: \$4,240,066
 - g. Department charges: \$1,812,516
2. The Provision for Tax Refunds is \$113 million
3. The appropriation for the Hay Plan raises is \$8.4 million. This appropriation authorizes the administration to implement the plan for both the classified and unclassified services to this level. It also authorizes the administration to implement the plan further should cash sources become available. Sen. Muna Barnes, who has been a staunch advocate of the mayors, has been working to ensure the mayors and their staff are included in the pay adjustments. This follows calls by Republican senators to ensure the Hay Plan is applied to everyone qualified, and not just one class of employees.
4. The appropriation for the annual Cost of Living Allowances increases from \$1,100 per retiree to \$1,500 per retiree. We made adjustments upward at the behest of Minority Leader Sen. Tony Ada and Sen. Duenas.
5. We increase the appropriation to the Department of Education to \$219.3 million. This is part of our commitment to improving learning, and a direct response to DOE's needs and the advocacy of Speaker Won Pat and Senator Yamashita.

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