

Public Law 34-116 (2018)		Comments
Version 1		
CHAPTER XIII, PART 1 - SPENDING CONTROLS ADMINISTRATIVE PROVISIONS		
Section 1	<p>Hiring Prohibited. Notwithstanding any other provision of law, rule or regulation, a prohibition on hiring <i>shall</i> take effect September 1, 2018 and <i>shall</i> remain in effect through December 31, 2018 and <i>shall</i> be applicable to all positions in the Executive, Legislative, and Judicial branches to include all government of Guam departments and agencies, public corporations, bureaus, instrumentalities, entities, sub-entities <i>except</i> as provided for in this Section.</p> <p>Beginning on September 1, 2018 through December 31, 2018, the Guam Fire Department, the Guam Police Department, the Department of Corrections, the Office of the Attorney General, the Office of Public Accountability, and the Public Defender Service Corporation, the Customs and Quarantine Agency, the Department of Public Health and Social Services, the Guam Behavioral Health and Wellness Center, and the Department of Revenue and Taxation may fill positions vacated due only to retirement, termination, resignation, or death at or below the grade-step level of the vacated position. The Guam Department of Education is authorized to hire teachers, the University of Guam is authorized to hire academic personnel, The Guam Community College is authorized to hire academic personnel, the Department of Public Works is authorized to hire Bus Drivers to fill vacant Bus Driver positions, the Guam Customs and Quarantine Agency is authorize to hire Customs Officer I positions, and the Guam Election Commission is authorized to hire temporary positions, if funded, specifically related to the General Election held in November 2018. The Mayors Council of Guam (MCOG) is authorized to renew limited term employment of personnel required to operate the Adult Day Care and in-home and case management services as a result of the non-responsiveness of third parties to a recent RFP of Adult Day Care operations. In addition, Senior Center Operations personnel may be renewed to reflect the new grant year and job order pursuant to the agreement between the Division of Senior Citizens, DPHSS, and the MCOG.</p>	<p>Prohibits hiring for all positions under the Executive, Legislative, and Judicial branches, to include all Guam departments and agencies, public corporations, bureaus, instrumentalities, entities, sub-entities except the entities identified in the section from September 1, 2018 to December 31, 2018. Prohibiting hiring between September 1 to 30, 2018, violates the doctrine of separation of powers because once the Legislature appropriated funds to the Executive Branch for its FY2018 operations, it cannot dictate how that money can be spent.</p> <p>Hiring in FY2019 beyond December 31, 2018 not prohibited in this provision which essentially restricts the current administration from hiring for the remainder of their term. Come January, when the new administration takes over, the hiring freeze will be lifted.</p> <p>As written, the hiring freeze will apply to autonomous agencies including those with bond covenants (e.g. Guam Power Authority, Guam Water Authority, Guam International Airport Authority, etc.). This restriction will hinder their ability to comply with requirements set forth in their respective bond covenants. This provision will also apply to agencies that do not receive General Fund appropriations (e.g. GEDA, GEPA, GHC, GHURA, etc.).</p> <p>It should be noted that this provision does not exempt Guam Memorial Hospital Authority for the hiring of critical positions (doctors, nurses, staff, etc.) which may result in insufficient patient care at Guam's only public hospital.</p> <p>It should also be noted that this provision will impact FY2018 and FY2019 as the hiring freeze is set to effectuate on September 1, 2018. This may result in the elimination of positions vacated on or after said date and ultimately hinder government operations should critical positions remain vacated. In addition, this provision will impact government operations as it is outside the period of the Appropriation Act of 2019, October 1, 2018 to September 30, 2019.</p> <p>RECOMMENDATION: Delete this section in its entirety based on the aforementioned concerns.</p>
Section 2	<p>Government-Funded Travel Prohibited. Funds appropriated by this Act shall not be expended for off-island travel or per diem expenses by government employees and officials except for:</p> <p>(a) travel that is federally-funded;</p> <p>(b) travel that is specifically required to administer or secure federal grants;</p> <p>(c) travel to promote tourism on Guam provided that such travel is paid for by the Tourist Attraction Fund and is restricted to the GVB General Manager or his designee, and appropriate GVB staff and cultural performers as are identified by the Board of Directors as necessary to accomplish the goal of travel;</p> <p>(d) travel by law enforcement personnel conducting an official investigation and law enforcement personnel providing escort services for criminal suspects, detainees, and convicted felons being returned to Guam for judicial proceedings or being transferred to off-island correctional facilities;</p> <p>(e) travel by medical personnel providing escort services for patients requiring off-island medical treatment and other escorts as specifically authorized by the Department of Public Health and Social Services pursuant to Guam law;</p> <p>(f) travel necessary for the enforcement of court orders;</p> <p>(g) travel under the Residential Treatment Fund;</p> <p>(h) travel required for witness testifying on behalf of, and government attorneys representing the government or the people of Guam in a criminal or civil case.</p> <p>(i) travel required to attend conferences and official meetings with national and regional organizations of which the entity is an official member.</p>	<p>This section replaces Section 20 in the Administrative Provisions of P.L. 34-42 titled Executive Branch Travel Authorized.</p> <p>It now restricts government-funded travel for all three branches of government except for those that qualify under this section (federally funded, etc.).</p> <p>However, new subsection (i) allows travel for conferences and official meetings with national and regional government officials or national and regional organizations with which entities are official members of.</p> <p>Eliminates travel required for employees to acquire professional certification and training.</p> <p>RECOMMENDATION: Insert Subsection (c) of Section 20 Chapter XIII of the Appropriations Act of FY2018 (P.L. 34-42), which authorizes travel by I Maga'lahaen Guahan, I Segundu Na Maga'lahaen Guahan, Mayors and Vice Mayors, the Attorney General, and other officials to represent the people of Guam at meetings and functions determined critical to the welfare of Guam by I Maga'lahaen Guahan.</p>

Public Law 34-116 (2018)		
Version 1		Comments
Section 3	<p>Salary Increments Freeze. Notwithstanding any other provision of law, rule or regulation, there shall be a freeze on <i>all</i> salary increments, promotions, reclassifications, merit bonuses, and <i>any</i> other upward pay adjustment which shall take effect October 1, 2018 and shall remain in effect through September 30, 2019, and shall be applicable to all positions in the Executive, Legislative, and Judicial branches to include <i>all</i> government of Guam departments and agencies, public corporations, bureaus, instrumentalities, entities, sub-entities. Upon the lifting of such salary increments and merit bonus freeze, the payment of increments or merit bonuses shall not be retroactively applied and shall only be prospectively paid.</p>	<p>Mandates a freeze on salary increments, promotions, reclassifications, merit bonuses, and any other upward pay adjustment for the entirety of FY2019.</p> <p>As written, the increment freeze will apply to autonomous agencies including those with bond covenants (i.e. Guam Power Authority, Guam Water Authority, Guam International Airport Authority, etc.). This restriction will hinder their ability to comply with requirements set forth in their respective bond covenants. This provision will also apply to agencies that do not receive General Fund appropriations (e.g. GEDA, GEPA, GHC, GHURA, etc.).</p> <p>Based on an analysis conducted on increments in FY2018, \$4.3 million is the anticipated cost savings as a result of this provision.</p> <p>This cost savings was ultimately reallocated to address other FY2019 funding priorities such as GDOE and GMHA and to meet the anticipated General Fund Revenue for FY2019.</p> <p>Merit Bonuses were already suspended since FY2014 per the implementation of the CWA of 2014. As such, there are no Merit Bonus Payments since FY2014 for the Executive Branch line departments and agencies until such time DOA HRD reassesses the system of evaluation used to govern the eligibility for merit bonuses.</p>
Section 4	<p>Funding of Unclassified Deputy Director and Similar Positions Prohibited. Notwithstanding any other provision of law, rule, regulation, pay scale, or otherwise, beginning January 7, 2019, Executive Branch departments and agencies receiving appropriations in Part IV of Chapter II, Parts II, III and IV of Chapter III, Chapter V, and Chapter X of this Act shall not be authorized to expend <i>any</i> government funds for the purposes of employing unclassified positions with the titles Deputy Director, Deputy Administrator, Deputy General Manager, Assistant General Manager, Deputy Executive Manager, Vice President, and Deputy Executive Director.</p>	<p>Section 4 prohibits funding for unclassified Deputy Director and other similar positions. It should be noted that this provision shall take effect January 7, 2019 which provides for funding for the first quarter or three months in FY2019. This section conflicts with Subsection (h) of Section 12 Chapter XII of this Act which restricts the funding of any unclassified Deputy Director position.</p>
Section 5	<p>Wireless Communications Restrictions.</p> <p>(a) No government of Guam funds, regardless of source and including funds expended by autonomous agencies, shall be expended for the use of cellular telephones, cellular telephone services, unless the government of Guam will be reimbursed from federal funds or other grants. This Section shall not apply to I Maga'låhen Guåhan; I Segundu na Maga'låhen Guåhan; the Speaker of I Liheslaturan Guåhan; the Chief Justice of the Supreme Court of Guam; the Presiding Judge of the Superior Court of Guam; official use of the Crisis Hotline Program of the Guam Behavioral Health and Wellness Center; law enforcement officials; on-call attorneys of the Office of the Attorney General and the Office of the Public Defender Service Corporation; on-call health professionals at the Guam Memorial Hospital Authority, the Guam Behavioral Health and Wellness Center, and the Department of Public Health and Social Services; village Mayors and Vice Mayors; Guam Fire Department and EMS officials; on-call emergency management personnel; the chief Medical Examiner; and the Guam Election Commission. The restriction of this Section shall not apply to wireless internet services, stationary (non-mobile) wireless telephone, and wireless voice over internet protocol (VOIP) services.</p> <p>(b) No appointing authority, manager, supervisor or public officer in any branch of the government of Guam shall require or exert undue influence on any classified or unclassified employee of any branch of the government of Guam to maintain or utilize for employment-related duties, at such employee's personal expense, any form of wireless and/or internet communications, phone, tablet, or desktop or laptop computer. Nothing herein, however, shall be construed to prevent an employer from calling an employee at a wireless phone/radio if the employee designates such wireless phone/radio as a personal contact number. Nothing herein shall be construed as to prevent an employee, voluntarily and on his own accord, from using personal funds or resources for wireless telephone services. An employee in violation of this Subsection (b) is subject to a fine not to exceed Fifty Dollars (\$50.00) for the fire violation, and One Hundred Dollars (\$100.00) for subsequent violations.</p>	<p>Restriction of wireless communications reimplemented in FY2019. Language in this section was included in the FY2015 Budget Act and prior but was omitted in FY2016-FY2018 Budget Acts.</p> <p>With the exception of law enforcement and on-call emergency management personnel, this section <i>does not</i> exempt entities that require on-call and 24/7 services from other entities such as the Guam International Airport Authority, Guam Power Authority, Guam Water Authority, and the Port Authority of Guam. Again, this restriction will hinder the operations of aforementioned entities and other entities that provide around-the-clock services.</p>

Public Law 34-116 (2018)		Comments
Version 1		
Section 6	<p>Certification Pay Differential Suspended. Notwithstanding any other provisions of law, rule or regulation, the Certification Pay Differential authorized pursuant to §6235, Article 2, Chapter 6, Title 4 GCA shall be suspended and shall take effect October 1, 2018 and remain in effect through September 30, 2019. Upon the lifting of the certification pay differential suspension, the payment of certification pay differential shall not be retroactively applied and shall be prospectively paid.</p>	<p>Provision will suspend the Certification Pay Differential for government of Guam employees authorized per Public Law 33-222.</p> <p>As such, the 15% differential pay given to government of Guam employees that are Guam licensed Certified Public Accountants, and 10% for government of Guam employees that are Certified Government Financial Managers, Certified Fund Examiner, and Certified Internal Auditor will be suspended.</p> <p>The impact of the suspension of the certification pay differential is not determined at this time, however, such employees are found to be employed under the following departments/agencies: OPA, DPW, OAG, GCC, UOG, GDOE, and DOA.</p> <p>The provision does not specify whether those government of Guam employees under the Autonomous agencies receiving such Certification Pay Differential are also impacted.</p> <p>Funding for certification pay was reallocated to other portions of the budget. This means that all savings as a result of this provision have already been appropriated.</p>
Section 7	<p>Executive Branch Limitation on Expenditures. Except for Section 1(a), (g), and (h) of Chapter V, notwithstanding the appropriations in Chapters II, III, V, VII, IX, and X of this Act, only twenty-five percent (25%) of such appropriations shall be expended during the first quarter of Fiscal Year 2019, with the exception of appropriations under Object Category 230 for continuing contractual obligations.</p>	<p>As written, the 1st Qtr. 25% expenditure limitation in this Section affects all entities appropriated funds in the SBill except for the Office of the Governor / Lt. Governor, the Dept. of Administration & the Dept. of Revenue & Taxation. As such, the spending restriction would apply to GDOE, DPHSS, GVB, etc., who are appropriated funds in Ch. II, III, V, VII, IX, and X of the Bill.</p> <p>RECOMMENDATION: The intent of this section is to set a 25% expenditure cap for the Office of <i>I Maga'låhen Guåhan</i>, therefore it is recommended that this section be deleted in its entirety as it is already provided for in Subsection 1(a)(2) of Section 1 of Chapter V.</p>
Section 8	<p>Suspension of Renewals or Extensions of Qualifying Certificates. Notwithstanding any other provision of law, rule, or regulation, there <i>shall</i> be a suspension of all renewals and/or extensions of Qualifying Certificates. The Guam Economic Development Authority <i>shall not</i> issue, approve, or grant any renewals or extensions to any Qualifying Certificates. Nothing herein <i>shall</i> affect the consideration of new first-time applications for Qualifying Certificates that are duly submitted pursuant to applicable Guam laws and regulations. Notwithstanding any other provision of law, rule or regulation, any new first-time applications for <i>shall</i> first be approved by <i>I Liheslaturan Guåhan</i> prior to the approval by <i>I Maga'låhen Guåhan</i>.</p>	<p>The Qualifying Certificates (QC) program was established through P.L. 32-233, the special program is an economic development initiative launched in 1965 as a means to encourage business development, initially to encourage the construction of hotels. Health care businesses were later added to the program.</p> <p>The program provides corporate income tax rebates of up to 75 percent, and property tax and business privilege tax abatements of up to 100 percent for qualified businesses that invest in Guam.</p> <p>The program is administered by the Guam Economic Development Authority (GEDA) and there are 14 active QC participants. GEDA issued 4 and revoked 1 during the last 7 years.</p> <p>Due to the Tax Cuts and Jobs Act, Governor Calvo via Executive Order No. 2018-08 ordered an extension of the moratorium <i>indefinitely</i> suspending the renewal or extension of qualifying certificates as of August 2018. Prior to the approval by <i>I Maga'låhen Guåhan</i>, this section will now require the approval of <i>Liheslaturan Guåhan</i> for any new first-time applicants for QCs.</p>