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36th Guam Legislature on a Spending Spree.

"Again, certain senators spend and commit last year's excess revenue we don't have before an audit confirms such funds."

- **Senator Taitague**

Senator Telo Taitague issues the following statement as she intends to vote "no" on legislation proposing to spend federal EITC reimbursements and unappropriated excess FY 2021 General Fund revenue.

Bill 170 provides $250,000 to the Guam Unique Merchandise and Arts (GUMA) Program; Bill 172 appropriates $3.5 million for restoration work at the former F.Q. Sanchez Elementary School in *Humåtak*; and, $500,000 is appropriated to fund the SERVE Act (Bill 227).

In addition to having questioned during earlier sessions and public hearings whether proposals including Bills 170, 172, and 227 are properly vetted and if federal EITC funds and excess FY 2021 revenues are viable, Senator Taitague cautioned her colleagues this week against considering federal EITC funds based on a letter senators received on February 22, 2022 from the Director of Revenue and Taxation and BBMR. The letter states, ***"With respect to the funding of the 2021 Earned Income Tax Credit by the federal government, it is now clear that the funds will be funded as an advance to the government of Guam for the specific purpose of paying EITC for tax year 2021 as opposed to a reimbursement of amounts paid by the General Fund. Because of this, the amounts received for the 2021 Earned Income Tax Credit are not able to be appropriated."***

Senator Taitague warned her colleagues against committing unappropriated excess FY 2021 General Fund revenue while the Office of Public Accountability has yet to complete a FY 2021 audit. According to BBMR, $20 million is set aside for tax refunds and vendor payables, $20 million will cover special fund shortfalls from FY 2021, $1.5 million is to retire the deficit, $10 million is dedicated to cover War Claims, and $5 million covers GFD over-expenditures from FY 2021. Of the $62 million in excess FY 2021 General Fund revenue that budget officials provided during this week's session, a total of $60,750,000 will have been spoken for should the legislature approve Bills 170, 172, and 227 – leaving a tight margin of $1,250,000 available.

"While I support providing additional funding for the unique arts and merchandise program at some point in the future, the funding source that is intended for this purpose if available must be reserved for other critical priorities. With $419,114,731 in ARPA funds available, I encourage the governor to consider reallocating a small portion to GUMA consistent with established guidelines," Senator Taitague said.

"Regarding the $3.5 million appropriation to rehabilitate the former F.Q. Sanchez Elementary School, the legislature should take action on Senator Brown's Bill 208 which restores funding to the Guam Historic Preservation Trust (GPT). Unfortunately, the 33rd Guam Legislature reassigned half of GPT's revenue source to support DPW and the Guam Museum. If approved, Bill 208 reestablishes GPT's financial ability

to prioritize and fund projects including improvements to the former F.Q. Sanchez Elementary School. Perhaps, the governor may consider designating some of the unspent ARPA funds for this initiative."

With respect to Bill 227 and based on comments provided by Mr. Bill Cundiff, a Guam Veteran Advocate opposing the measure said, ***"The bill is too convoluted, it's duplicative and it takes away what other organizations are doing, and this bill sounds like the sky is falling down – that we are big as New York and unable to navigate the thousands of programs this bill mentions… they're very duplicative."*** Based on information Mr. Cundiff shared during the public hearing on December 21, 2021, it appears the services that Bill 227 seeks to fund are already in place through organizations such as West Care.

While acknowledging the intent of Bills 170, 172, and 227, ***"The legislature is the People's House and we as a policymaking body must protect every dollar entrusted to our care by taxpayers. With a new military conflict in Europe that could further impact our local economy, our tourism industry struggling to survive another day, and as families across our island face higher prices at the grocery store and at the pump, senators have an obligation to hold the line on spending. To do otherwise is being fiscally irresponsible and ignorant of the difficult situation we're all in today,"*** Senator Taitague concluded.

For additional information regarding this press release, please contact Senator Taitague's office at 989-8356 or send an e-mail to *senatortelot@gmail.com.*

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