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July 18, 2018

MEMO

To: **Rennae Meno**
Clerk of the Legislature

From: **Senator Régine Biscoe Lee**
Chairperson, Committee on Rules

Re: **Fiscal Note**

Buenas yan Håfa adai.

Attached, please find the fiscal note for the following bill:

Bill No. 307-34 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

For any questions or concerns, please feel free to contact the Committee on Rules Office at 472-2461.

Thank you for your attention to this important matter.

GUAM CONGRESS BUILDING • 163 CHALAN SANTO PAPA • HAGÅTÑA, GUAM 96910
Telephone: (671) 472-3455 • Email address: corguamlegislature@gmail.com

Bureau of Budget & Management Research
Fiscal Note of Bill No. 307-34 (COR)

AN ACT TO ADD NEW §§ 73154 AND 73155 TO ARTICLE 1 OF CHAPTER 73, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO CONDUCTING AN ANNUAL CUSTOMS TRAINING CYCLE IN FISCAL YEARS 2019 THROUGH 2022 AND AUTHORIZING THE GUAM CUSTOMS & QUARANTINE AGENCY TO HIRE ADDITIONAL CRITICAL POSITIONS.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Customs and Quarantine Agency	Dept./Agency Head: Eric Palacios, Acting Director
Department's General Fund (GF) appropriation(s) to date:	$ -
Department's Other Fund (Specify) appropriation(s) to date: Customs, Agriculture and Inspections Services Fund	$ 14,931,817.00
Total Department/Agency Appropriation(s) to date:	$ 14,931,817.00

Fund Source Information of Proposed Appropriation	General Fund:	Healthy Futures Fund:	Total:
FY 2017 Unreserved Fund Balance		$0	$0
FY 2018 Adopted Revenues	$0	$0	$0
FY 2018 Appro. (P.L. 34-42 thru P.L. 34-110)	$0	$0	$0
Sub-total:	$0	$0	$0
Less appropriation in Bill	$0	$0	$0
Total:	$0	$0	$0

Estimated Fiscal Impact of Bill	One Full Fiscal Year	For Remainder of FY 2018 (if applicable)	FY 2019	FY 2020	FY 2021	FY 2022
General Fund	$0	$0	$0	$0	$0	$0
Special Fund (Specify)Customs, Agriculture and Inspection Services Fund	$0	$0	$2,093,726	$3,750,776	$5,407,826	$7,064,876
Total	$0	$0	$2,093,726	$3,750,776	$5,407,826	$7,064,876

1. Does the bill contain "revenue generating" provisions? / / Yes /X / No
   If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X / N/A / / Yes / / No
   If no, what is the additional amount required? $ _____ /X / N/A
3. Does the Bill establish a new program/agency? / / Yes /X / No
   If yes, will the program duplicate existing programs/agencies? /X / N/A / / Yes / / No
   Is there a federal mandate to establish the program/agency? / / Yes /X / No
4. Will the enactment of this Bill require new physical facilities? / / Yes /X / No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X / Yes / / No
   / / Requested agency comments not received by due date / / Other:

JP 7/17/18

Analyst: _____ Date: 13 July 18
Jose S. Cruz, Jr., BMA I

Director: _____ Date: JUL 18 2018
Lester L. Carlson, Jr., Acting Director

Notes:
See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 307-34 (COR)

The intent of Bill 307-34 (COR) is to add a new §§ 73154 and 73155 to Article 1 of Chapter 73, Title 5, Guam Code Annotated, relative to conducting an annual Customs Training Cycle in fiscal years 2019 through 2022 and authorizing the Guam Customs & Quarantine Agency to hire additional critical positions.

The legislation, if passed, would authorize the Guam Customs & Quarantine Agency to conduct a Customs and Quarantine training cycle for at least (40) candidates per fiscal year from 2019 through 2022. The bill would further authorize the Agency to hire and promote the following critical positions to address operational gaps and deficiencies: Accountant, Administrative Service Officer, Network Administrator, Budget & Management Analyst and Systems Programmer.

Annual Salary and Benefits	
Customs Officer Trainee	$ 39,312.00
Accountant	$ 51,234.40
Administrative Service Officer	$ 65,588.36
[1]Network Administrator	$ -
Budget & Management Analyst	$ 51,234.40
Systems Programmer	$ 65,588.36
	$ 233,645.52
Other Releated Cost	
Training Cost (GCC Training BLEA) Per Person	**$ 5,400.00**
Misc. Cost (i.e. Uniform, firearms, Digital Airtime Service Radios, LE Gear, Ammunition, etc.) Per Person	**$ 1,790.00**

Footnote:

1/ Project Cost does not include Network Administrator position. Postion would need to be created.

The chart below shows the projected cost for each year if the legislation were to be passed.

FY 2019	FY 2020	FY 2021	FY 2022
$2,093,725.52	$3,750,775.52	$5,407,825.52	$7,064,875.52

FY 2019

Projection factors in the annual salary & benefits for the support staff positions and initial forty (40) recruits, as well as, the cost to train and supply the recruits.

FY2020

Projections include the cost of an additional forty (40) recruits, increments for those hired in FY2019, annual uniform allowance, and training related costs.

FY2021 & FY2022

Projections for these fiscal years are similar to FY2020 and FY2022 include an additional forty (40) recruits each year for a total of 160 recruits. The projections include increments, annual uniform allowances and training costs.

The legislation is vague in its terms regarding the amount of candidates per year for each training cycle. The current language states '...at least forty (40) candidates per year', which allows CQA to recruit any amount in excess of a minimum of 40 candidates. As such, the estimated amount noted above for the recruitment of the Customs Officer Trainees may increase with a recruitment of over 160 trainees between FY2019-FY2022.

Comments were requested from Guam Customs & Quarantine Agency and while the agency responded that it projects the cost to be approximately $4.9M, the projection did not include other related personnel costs such as fringe benefits, GCC's Basic Law Enforcement Academy (BLEA) training or other miscellaneous costs.

The Bureau notes the following: per DOA Human Resource Division, the Accountant, Budget & Management Analyst, and Systems Programmer positions are limited to the DOA, BBMR, and Office of Technology, respectively. If the legislation is passed, CQA might have to create a Memoranda of Understanding with the aforementioned agencies. CQA also currently has an Administrative Service Officer (ASO) on staff, the need for an additional ASO on staff is questionable. It should also3 be noted that the projected cost does not include the personnel costs for the Network Administrator. Per the Department of Administration HR, there is no existing Network Administrator position established, therefore, the position would need to be established.

Lastly, based on the Guam Customs, Agriculture and Quarantine Inspection Services Funds current projection for FY 2019, Bill 307-34 (COR) appears to be an unfunded mandate.