

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
200-35 (COR)	Régine Biscoe Lee	AN ACT TO AMEND §§ 9107(b), 9109(c)(20), 9110(a) and (e) AND 9115(m), OF CHAPTER 9, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO UPDATING GUAM'S THIRTY-YEAR OLD RATES FOR WORKERS' COMPENSATION.	9/4/19 4:51 p.m.	10/9/19	Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor			10/17/19	

Senator Régine Biscoe Lee,
Chair

Senator Amanda L. Shelton,
Vice Chair

Speaker Tina Rose Muña Barnes,
Member

Vice Speaker Telena Cruz Nelson,
Member

Senator Kelly Marsh (Taitano), PhD,
Member

Senator Sabina Flores Perez,
Member



COMMITTEE ON RULES
I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

October 17, 2019

Senator Clynton E. Ridgell,
Member

Senator Joe S. San Agustin,
Member

Senator Jose "Pedo" Terlaje,
Member

Senator Therese M. Terlaje,
Member

Senator James C. Moylan,
Member

Senator Mary Camacho Torres,
Member and Chair, Subcommittee on Protocol

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chair, Committee on Rules

Re: Fiscal Notes

Buenas yan Håfa adai.

Attached, please find the fiscal notes for the following bills:

Bill No. 137-35 (COR)
Bill No. 200-35 (COR)
Bill No. 215-35 (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 Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 200-35 (COR)**

AN ACT TO AMEND §§ 9107(b), 9109(c)(20), 9110(a) and (e) AND 9115(m), OF CHAPTER 9, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO UPDATING GUAM'S THIRTY-YEAR OLD RATES FOR WORKERS' COMPENSATION.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Department of Labor		Dept./Agency Head: David Dell'Isola, Director	
Department's General Fund (GF) appropriation(s) to date:		\$2,245,703	
Department's Other Fund (Specify) appropriation(s) to date: Manpower Development Fund		\$567,900	
		\$2,813,603	

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund	Total:
FY 2019 Unreserved Fund Balance		\$0	\$0
FY 2020 Adopted Revenues	\$0	\$0	\$0
FY 2020 Appro. (P.L. 35-36)	\$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 2020 (if applicable)	FY 2021	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

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:

Analyst: 	Date: 15 OCT 19	Director: 	Date: OCT 17 2019
Jose Salas Cruz, Jr., BMA I		Lester L. Carlson, Jr., Director	

1/ See attached for comments

Comments on Bill No. 200-35 (COR)

The Bills seeks to amend the compensation rate due to disability, disfigurement and/or death of an employee through the Worker's Compensation (WC) program. The rates were last adjusted in December 30, 1988 (effective 1989) through Public Law 19-35.

Table 1: Proposed rate changes

Worker's Compensation	Current Rate	Proposed Rate	Increase Amount
Compensation for Disability	Compensation shall not exceed \$250, if, employees wage is less than \$150.	Compensation shall not exceed \$520, if, employees wage is less than \$310.	\$270
Compensation for Disfigurement	\$10,000	\$25,000	\$15,000
Compensation for Death	<ul style="list-style-type: none"> Reasonable funeral expenses: \$3,600 In computing Death Benefits the employees average weekly wage shall not be more than \$375 	<ul style="list-style-type: none"> Reasonable funeral expenses: \$7,435 In computing Death Benefits the employees average weekly wage shall not be more than \$465 	<ul style="list-style-type: none"> Reasonable Funeral Expenses: \$3,835 Computing death benefits average wage difference \$90
Payment of Compensation	Total Compensation, exclusive of medical services and supplies shall not exceed \$100,000	Total Compensation, exclusive of medical services and supplies shall not exceed \$206,570	\$106,570

Table 2: Worker's Compensation Expenditures FY2017-FY2019

	FY 2017	FY 2018	FY 2019
Worker's Compensation Expenditures 1/	\$814,506	\$741,934	\$857,218

^{1/}Expenditures include various departments/agencies disability payments and medical/per diem expenses.

The Bureau requested comments/testimony from the Guam Department of Labor (DOL). DOL stated the following: "...there would be impact to Government employee claims increasing the cost to government. There would also be an impact in the private sector in the form of increased premiums as insurance companies cover the additional cost and risk. Overall, since WC insurance is mandatory for all employers, this increased cost of doing business may be passed on to the general public in some form."

The Bureau notes there will be an additional cost impact due to the increase in the aggregate amount payable to the employee due to any injury or death (not inclusive of medical services and supplies). However, the Bureau is unable accurately determine the true financial impact due to various uncertainties and the inability

to determine the number of employees that may file for worker's compensation / claims. However, based on the proposed note changes in the Bill, annual WC costs may increase by 150% to 200%.