*I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN*
**2007 (FIRST) Regular Session**

**Bill No. 15 (EC)**
As substituted by the Committee on Finance, Taxation, Commerce and Economic Development and further substituted and amended in the Committee of the Whole.

Introduced by: Edward J. B. Calvo
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**AN ACT TO *AMEND* SECTION 5, CHAPTER V OF PUBLIC LAW 28-150, RELATIVE TO REQUIRING A FISCAL REALIGNMENT PLAN FROM THE EXECUTIVE BRANCH AND FOR RELATED PURPOSES.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1.** Section 5, Chapter V of Public Law 28-150 is hereby *amended* to read:

"**Section 5. (a) Revenue Tracking Report.** The Director of the Bureau of Budget and Management Research, in collaboration with the Director of Revenue and Taxation and the Director of Administration, shall determine, *no later than* thirty (30) days *after* the close of each month of Fiscal Year 2007, the revenue tracking for the balance of the fiscal year, based upon the actual collections of the preceding month and prepare a statement comparing the 'actual' and 'projected' revenues adopted by the annual Budget Act. The aforementioned Directors shall compile said information in a report which shall be certified and submitted to the Speaker of *I Liheslaturan Guåhan no later than* thirty (30) days *after* the close of each month of the fiscal year.

**(b) Fiscal Realignment Plan.** Thirty (30) days after the close of each quarter of the fiscal year, the Directors of the Department of Administration, Department of Revenue and Taxation, and the Bureau of Budget and Management Research shall determine whether actual revenues collected for that quarter are consistent with the projected revenues for the fiscal year. *If* said Directors determine that projected fiscal year revenues, based on actual revenues collected, are three percent (3%) or more less than revenue projections adopted by the annual Budget Act, *I Maga'lahen Guåhan* shall submit to the Speaker of *I Liheslaturan Guåhan* a Fiscal Realignment Plan which shall address the revenue disparity. Such report may include, but is *not* limited to, cost-containment and

austerity measures, governmental reorganization plans and other such actions. *I Maga'lahi* shall submit to the Speaker of *I Liheslaturan Guåhan* proposed legislation to implement the Fiscal Realignment Plan *if* legislative action is required."

**Section 2. Modification of Planned Expenditures.** §4109(c)(3) of 5 G.C.A. is *amended* to read:

"(3) Modify or withhold the planned expenditures at any time during the appropriation period *if* the Bureau of Budget and Management Research finds that such expenditures are greater than those necessary to execute the programs at the level authorized by *I Maga'lahi* (the Governor) and *I Liheslatura* (the Legislature), *or* that the receipts and surpluses will be insufficient to meet the authorized expenditure levels, provided that *no* planned expenditures necessary to provide every public school student an adequate public education shall be modified or withheld. The Director of the Bureau of Budget and Management Research, in collaboration with the Director of Revenue and Taxation and the Director of Administration, shall determine revenue tracking for the fiscal year based on the actual collections of every preceding month, and prepare monthly Comparative Revenue and Expenditure Analysis Reports that compare the budgeted and actual revenues and departmental program appropriations with expenditures and encumbrances. *If* revenues are tracking below projected revenues for the year, the Bureau of Budget and Management Research shall adjust and sequester an amount of the remaining allotments, *except* for those of the Guam Public School System, equal to the percentage revenues are below the fiscal year's projected revenues. The Director of the Bureau of Budget and

Management Research, the Director of Administration, and the Director of Revenue and Taxation shall certify said reports which shall be transmitted to *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan no later than* fifteen (15) days after the end of each month. The Director of the Bureau of Budget and Management Research (Director) shall be personally liable for allotments released in excess of cash receipts and shall be subject to the liabilities and penalties imposed in Article 1 of Chapter 14 of 4 G.C.A."

**Section 3. Cash Reports from the Department of Administration.** A new §4118 is *added* to Chapter 4 of 5 G.C.A. to read:

**"§4118.** The Director of Administration shall certify and submit to *I Maga'lahen Guåhan*, the Speaker of *I Liheslaturan Guåhan*, and the Director of the Bureau of Budget and Management Research the following reports, which shall also be certified by the Treasurer of Guam:

(a) Treasurer of Guam's **Monthly General Fund Cash Position Report**, which shall be submitted *no later than* five (5) days after the end of each month.

(b) Treasurer of Guam's **Weekly General Fund Cash Flow Report,** inclusive of unrestricted and restricted accounts, with comparisons of actual to forecasted cash receipts, which shall be submitted *no later than* five (5) days after the end of each week.

(c) Department of Administration's **Weekly Cash Disbursement Analysis,** which shall be submitted *no later than* five (5) days after the end of each week.

(d) Reports listed above in Subsections (a), (b), and (c) shall be posted on the *I Maga'lahen Guåhan's* website, the Department of Administration's website, the Bureau of Budget and Management

Research's website, and the Department of Revenue and Taxation's website."

**Section 4. Revised FY 2008 Executive Budget.**

(a) *I Maga'lahen Guåhan* shall submit, *no later than* April 9, 2007, to the Speaker of *I Liheslaturan Guåhan*, the Revised Fiscal Year 2008 Executive Budget and shall incorporate therein his Deficit Elimination Plan and the departmental budget allocation adjustments required by said Plan. The revised 2008 Budget shall include adjustments resulting from any line of credit or debt instrument that requires payment from FY 2008 revenues.

(b) All FY 2008 Departmental Detailed Budgets shall be submitted in the format described in the Bureau of Budget and Management Research's Budget Call Circular No. 07-03, and shall include therein such supplementary information as may be requested by *I Liheslaturan Guåhan*. The allocations for the Guam Public School System, the University of Guam and the Guam Community College shall be identified individually and *not* in lump sum.

**Section 5. Revised Fiscal Year 2007 Budget and a Revenue Estimate for Fiscal Year 2007.** *No later than* sixty (60) days of the effective date hereof, *I Maga'lahen Guåhan* shall submit to *I Liheslaturan Guåhan* a Revised Fiscal Year 2007 Budget and shall include therein a new revenue estimate for Fiscal Year 2007 that has been revised and updated from that adopted by Public Law 28-149 and Public Law 28-150 and which shall be based on actual collections for Fiscal Year 2007.