Gmail

Benjamin J.F. Cruz <senator@senatorbjcruz.com>

BBMR FY 2017 Citizen Centric Report

2 messages

Janessa Blas <janessa.blas@bbmr.guam.gov>
To: "Benjamin J.F. Cruz" <Senator@senatorbjcruz.com>
Cc: Lester Carlson <lester.carlson@bbmr.guam.gov>

Mon, Aug 27, 2018 at 3:52 PM

Hafa Adai,

Pursuant to Public Law 30-127, transmitted as attached the Bureau's FY 2017 Citizen Centric Report. Should you have any questions, please do not hesitate to contact the Bureau at 475-9412. Thank you and have a great day!

GL# 34-18-2264
Speaker Benjam...

AUG 27 2018
Time: 3:53
Received By

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FY2017 CCR Transmittal to the Speaker.pdf
1827K

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Cc: "<rennae@guamlegislature.org>" <rennae@guamlegislature.org>

Mon, Aug 27, 2018 at 4:02 PM

08/27/18	08/27/18	Bureau of Budget & Management Research	BBMR FY 2017 Citizen Centric Report. *Emailed	34-18-2264

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FY2017 CCR Transmittal to the Speaker.pdf
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2264

BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO
GOVERNOR

RAY TENORIO
LIEUTENANT GOVERNOR

LESTER L. CARLSON, JR.
DEPUTY DIRECTOR

AUG 27 2018

The Honorable Benjamin J.F. Cruz
Speaker
I Mina'Trentai Kuattro Na Liheslaturan Guåhan
Thirty-Fourth Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Håfa Adai Speaker Cruz,

Pursuant to Public Law 30-127, transmitted as attached is the Bureau's Citizen-Centric Report for Fiscal Year 2017. The report is to be provided in electronic format (via pdf email attachment) to your office and will be posted on our website at http://bbmr.guam.gov/. A copy of the report will also be sent to the Deputy Public Auditor in the electronic format as is required.

Should you have any questions, please do not hesitate to contact the Bureau at 475-9412.

Sincerely,

LESTER L. CARLSON, JR.

Attachment

BUREAU OF BUDGET AND MANAGEMENT RESEARCH

Setbision Manina Yan Minanchan Gusto
2017 Citizen Centric Report

The Honorable
Eddie Baza Calvo
I Maga'lahen Guåhan
Governor of Guam

The Honorable
Ray Tenorio
I Segundu na Maga'lahen Guåhan
Lt. Governor of Guam

Lester L. Carlson Jr.
Deputy Director



Preparation of the Governor's FY2018 Executive Budget Request

MISSION STATEMENT

The Bureau of Budget and Management Research (BBMR) aspires to be a valuable resource by providing expertise and leadership in fiscal matters to all its stakeholders.

VISION STATEMENT

To provide guidelines on organizational methods, policy execution, financial management and technical assistance to the various agencies and departments. To improve the planning, programming, and budgeting abilities of the government, through proper research and recommendations on all aspects of its operations. To ensure that all internal accounting and control systems are operated in accordance with policies, procedures, and laws. To provide advisory guidance to the Governor on policy development, program coordination, and planning and budgeting matters.

*Would you like to see our **Budget Call Process**? See page 2.*

STRATEGIC GOALS/OBJECTIVES

· Provide guidance and direction to all government agencies on programmatic and budgetary matters.

· Provide the Governor and Legislature with information and support to effectuate and facilitate policy deliberations and decisions.

· Implement the Governor's programmatic and fiscal policies.

· Review and implement legislative mandates affecting budgetary and fiscal policies government-wide.

· Conduct ongoing review and evaluation of financial and operational controls of the Government.

Inside this Issue

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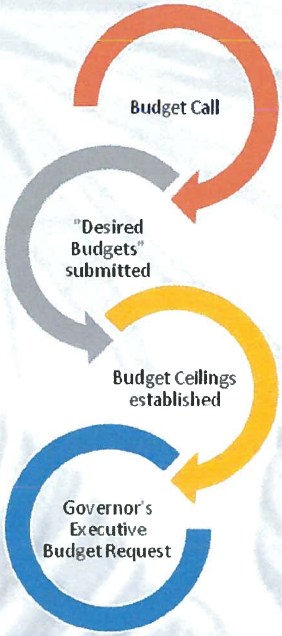
WHERE IT ALL STARTS – THE BUDGET CALL

Every fiscal year, the Government of Guam operates using revenue appropriated through that fiscal year's Budget Act. The Budget Act is what authorizes the entire government to spend money from the General Fund and several different Special Funds. But where does this process start?

The Budget Call is a memorandum that is sent out by BBMR between the months of November and December to initiate what is called "the Budget Process". It is through the Budget Call that several actions are set in motion.

After this document is disseminated, departments have until the end of December to submit their "desired" budgets. BBMR reviews each "desired" budget and then creates a budget ceiling. The budget ceiling is determined, using revenue projections produced by BBMR. From this revenue estimate, the Governor determines departmental budget ceilings. These are used to compile the Governor's Executive Budget Request.

The Governor's Executive Budget Request is then submitted to the Legislature by January 31 of each fiscal year.



DIGGING A BIT DEEPER

While at its base the Budget Call is a "call for budgets", it is also a way to standardize the format and the methodology of budgets across all line agencies. How is this done? Well, apart from the standard budget forms (e.g., budget digests and staffing patterns) the Budget Call also contains guidelines, both general and fiscal year specific, for departments to follow while preparing their budgets. Some examples are as follows:

- All personnel service costs, utilities, and fixed costs must be fully covered as a priority.
- Personnel service costs should be for currently filled positions and for recruitments in progress.
- Overtime must be fully justified.
- All anticipated travel must be justified.
- All budget submissions should be presented at maintenance levels, exercising budgetary and fiscal discipline while maintaining critical service needs.

The final guideline listed might raise the question, "But departments submit 'desired' budgets, why then is it stated that budgets should be at maintenance level?" The key to this guideline is the phrase "critical service needs". This is the opportunity for a department to show what the requirements are to run at maximum efficiency. If what a department currently has is not enough, then the "desired" budget is a way to get the conversation started on what is "enough".

SO ARE WE DONE NOW?

Not quite. Once January 31st has passed and the Governor's Executive Budget Request has been submitted to the Legislature, the work continues. After all, the Governor's Executive Budget is a high-level budget request that presents revenue projections, presents line agency programs, estimates federal funding, and proposes budget ceilings for each department.

Hold on, but the department sent in their "desired" budget what more do they need?" Remember the budget ceilings earlier? All "desired" budgets are then reworked into departmental budgets made within the Governor's ceilings. These departmental budgets are due to the Legislature by mid-March.

The Legislature then has until August 31st to pass a Budget Bill which is transmitted to the Governor. The Governor then has 10 days to review before the bill passes into law.

Only once these steps are complete do we have the final product of a Government of Guam budget. It is this Budget Act that BBMR and departments use as a guide for ensuring that all operational, personnel, and service requirements are met throughout the fiscal year while still complying with the law.

BBMR FINANCIALS

AN INDEPENDENT AUDIT OF THE GOVERNMENT OF GUAM WIDE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING 9/30/17 WAS CONDUCTED, RESULTING IN AN UNMODIFIED, "CLEAN" AUDIT OPINION. THE AUDITED FINANCIAL REPORT CAN BE LOCATED AT THE OFFICE OF PUBLIC ACCOUNTABILITY WEBSITE (WWW.OPAGUAM.ORG).

	FY 2014 Expenditures + Encumbrances	FY 2015 Expenditures + Encumbrances	FY 2016 Expenditures + Encumbrances	FY 2017 Expenditures + Encumbrances
General Fund	$1,056,748	$1,249,594	$1,126,144	$1,189,050
Federal Match	$0	$0	$0	$0
Special Fund[1]	$279,779	$289,782	$308,152	$257,485
Total	$1,336,527	$1,539,376	$1,434,296	$1,446,535

[1] Indirect Cost Fund

DOCUMENTS PROCESSED BY BBMR

Document Type	FY 2016	FY 2017	Variance
Request for Establishment of Accounts (EOAs) / Budget Allotment Schedules / Modifications	2,958	3,244	10%
Request for Personnel Actions (GG-1s)	2,920	2,850	-2%
Request for Travel Authorizations (TAs)	1,269	1,267	-0.16%
Contracts	344	299	-13%
Memoranda of Understanding (MOUs) / Work Requests	235	263	12%
Guam State Clearinghouse Grant Application Reviews	72	37	-49%
Fiscal Notes	194	208	7%
Other Documents (e.g., Staffing Patterns, Overtime Plans, Detail Appointment Pre-Approvals)	872	921	6%
Total	**8,864**	**9,089**	**3%**

Relay for Life

The Bureau participated in the Government of Guam Relay for Life in May 2017 to spread cancer awareness throughout the various government departments and agencies.

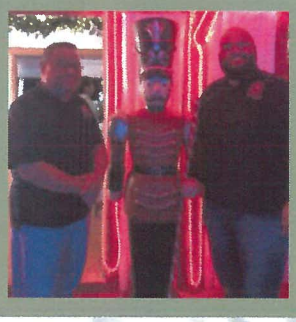






Peace Festival

Peace Festival — Staff from the Bureau participated as volunteers to assist in the "Guma' I Taotao Peace Festival," hosted by Governor Eddie Baza Calvo and First Lady Christine Calvo during the Christmas season to bring island families together to celebrate the holidays at the House of the People.



Adopt-A-School

The Bureau, through staff volunteers, assisted our Guam Department of Education school partner, Jose L.G. Rios Middle School, in August 2017 to prepare for the opening of the new school year, through the participation in the "Adopt-A-School" program. This annual outreach endeavor involved cleanup efforts including cleaning of classrooms, painting, and grounds maintenance.

BACK TO SCHOOL

Future Outlook



The *'Above and Beyond Employer Awards'* was given to Employers who have gone Above and Beyond the requirements of the USERRA by offering their full support to their employee-service members.



Best wishes to our retired Director, Jose S. Calvo, who dedicated 29 years of outstanding service to the people of Guam through his tenure at the Bureau.



BBMR Staff celebrating Christmas



In Loving Memory
Keith B. Brub

Challenges

The ongoing challenge of the Bureau of Budget and Management Research (BBMR) is its difficulty to help defray the potential General Fund (GF) deficit at the end of each fiscal year. The primary tool for this endeavor is the fifteen percent (15%) reserve applied to all Executive Branch departments and agencies. The reserves are released on an "as needed basis" with compelling justifications. Another effective tool is the scheduling of allotment releases on a twelve (12) month basis. Should there be an urgent need to cover funding deficiencies in each allotted month, advancement of the allotments may be considered. Lastly, the Bureau reviews personnel actions, travel authorizations, contracts, etc., to maintain fiscal control throughout the year.

The short-term goals of BBMR include improving delivery of services such as quicker publication times of website content including mandated reports, updated forms, etc. Department certified budgets are one of the key reporting components in providing the public and other key stake-holders with important information. Through the progress of implementing a faster turnaround publication time, it is the hope of BBMR to maintain the continuum of government transparency thereby improving upon the public trust. In consideration of this, the Bureau is formulating strategies for staff to be involved in website maintenance and troubleshooting training, and staff and management collaboration on suggestions for future website content.

The long-term challenge BBMR must face is the need to rebuild its cadre of Budget and Management Analysts due to the retirements of senior personnel, some who have invested over 30 years and have gained essential institutional knowledge. Over the past few years, the Bureau lost its Director, four (4) senior analysts, and one (1) junior analyst. Due to funding restrictions, only four (4) junior analysts were hired as replacements. Though the Bureau is currently able to carry out the functions required in order to meet its mandates with the current analysts, the lack of experience due to the retirement of senior analysts leaves a void of institutional knowledge that will have to be acquired by the junior analysts in time. The inventory of experienced analysts currently remains at seven (7), with one (1) currently on military leave scheduled to return in FY 2020, another is scheduled to retire in September 2018, and four (4) could potentially retire in FY 2019, leaving only one (1) experienced analyst to provide mentorship.

The Calvo Administration has established a tenet of fiscal accountability and economic sustainability; that, with the assistance and collaboration of the GovGuam agencies and the Legislature — and in accordance with all applicable policies, directives and mandates — the Bureau will continue working to ensure that Guam's residents receive the critical products and services that they need, but will also remain adaptable to change to overcome obstacles that may impede it from serving the public's best interests.

A Farewell and Goodbye to Keith Brub

Keith Brub joined the Bureau on August 2016 as a Budget and Management Analyst I. He was a quick learner of the budget process and legislative review. He worked hard to achieve accuracy in his document reviews and in his participation in budgetary projects. During his time with the Bureau, he garnered the respect of the staff due to his hard work and dedication. Sadly, Keith was unable to complete a full year at BBMR due to his passing. He is greatly missed to this day. Thank you, Keith for providing us the privilege of working with you.

WE WANT TO HEAR FROM YOU!
What are your thoughts on this report? Would you like to see other information included?
Please let us know by contacting our office at (671) 475-9412.
Connect: http://www.bbmr.guam.gov/