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OCT 30 2018

Honorable Therese M. Terlaje
Acting Speaker and Chairperson
Committee on Culture and Justice
I Mina Trentai Kuåttro na Liheslaturan Guåhan
Thirty-Fourth Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Vice Speaker Therese M. Terlaje
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OCT 31 2018
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Re: Testimony on Bill Nos. 366-34 (COR)

Hafa Adai Acting Speaker Terlaje:

I would like to thank *I Liheslaturan Guåhan* for the opportunity to provide comments on both Bill 366-34 (COR) which seeks to address the continued funding shortfall of the Medicaid shortfall in FY2019. My name is Lester Carlson and I am the Deputy Director for the Bureau of Budget and Management Research (the "Bureau").

Bill 366-34 (COR) seeks to appropriate up to Three Million Five Hundred Thousand Dollars ($3,500,000) from the un-appropriated surplus of the Health Futures Fund (HFF) Balance as of September 2018 to the Department of Public Health & Social Services as the local matched requirement for the Medicaid Program in FY 2019. Unaudited, preliminary financial statements for the HFF were prepared by the Department Administration as of September 30, 2018. Based on these financial statements, it was determined that as of the fiscal year end 2018, the sum of $10,497,313 potentially is available to cover the proposed appropriation noted in this Bill. This available surplus amount is in addition to the adopted HFF revenues of $41,419,667 for FY 2019. It is our expectation that the HFF will continue to add to the non-appropriated surplus of its fund balance due to the tobacco tax increase passed in Public Law 34-116. In this regard, the Bureau fully supports this proposed legislative Bill.

Lester L. Carlson, Jr.

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