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DEC 06 2018

The Honorable Therese M. Terlaje
Acting Speaker
I Mina'trentai Kuattro Na Liheslaturan Guåhan
Thirty-Fourth Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
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Vice Speaker Therese M. Terlaje
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Hafa Adai! Acting Speaker Terlaje,

The Bureau of Budget & Management Research herewith provides testimony on Legislative Bill 381-34 (LS). The Bill proposes to appropriate $298,536 from the General Fund to the Guam Election Commission (GEC) for payment of expenditures relative to the 2018 Primary and General Elections.

Per the GEC's November 16, 2018 request to Senator Michael San Nicolas, Chairman of the Committee on General Government Operations and Federal, Foreign and Regional Affairs, this supplemental funding of $298,536 would cover for the following:

- Additional Personnel Costs for FY2019: $98,212
- Unencumbered FY2018 General Election Expenses: $82,274
- Additional Miscellaneous expenses for FY2019 Commissioner Stipends: $8,400
- Unpaid 2018 Primary Election Expenses: $109,650
- Total Supplemental Request: $298,536

Please note that during FY2018, and in light of the federal "Tax Cuts and Jobs Act of 2017," the Bureau had informed and consistently reminded the GEC to work within its current FY2018 Budget relative to anticipated expenditures for the FY2018 Primary and General Elections. In this regard and to assist the GEC, their FY2018 appropriation was not impacted by the General Fund reductions imposed under the Governor's Fiscal Realignment Plan.

Furthermore, it should be noted that due to anticipated requirements for the FY2018 Primary and General Elections as cited by the GEC, the Bureau had released additional funds under GEC's continuing appropriations totaling $277,957.77. This is composed of $111,707.77 from the balance available from under its supplemental funding and $166,250.00 from its unexpended fund balance for Fiscal Year 2016.

The Bureau made several attempts to assist the GEC with the planning of its allotments given the decreased Fiscal Year 2019 approved budget of $1,399,414 prioritizing the current personnel costs and the 2018 General Election expenses as stated in their Fiscal Year 2019 Budget Request.

It should be noted that the GEC's current staffing and/or filled positions are fully funded for Fiscal Year 2019 and considers the freeze on increments, promotions, reclassification, and any upward adjustments per P.L. 34-116. As such, the additional funding that is being requested for personnel services is above what is required to fully fund its requirements for Fiscal Year 2019.

In closing, the Bureau cannot support the proposed measure as the Total General Fund Revenues Available for Operations for Fiscal Year 2019 of $650,628,968 which was adopted under P.L. 34-116 have all been appropriated by the Guam Legislature. Therefore, it is recommended that the Guam Legislature identify another viable fund source for the proposed supplemental appropriation to GEC.

Sinceramente,

LESTER L. CARLSON, JR.