



Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
OFISIN ANI MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

RECEIVED
OFFICE OF THE SPEAKER
DATE: 6/18/93
TIME: 2:08
RECD BY: Wilepda

JUN 18 1993

COPIES TO
LEGISLATIVE SECRETARY

The Honorable Joe T. San Agustin
Speaker, 22nd Guam Legislature
155 Hesler Street
Agana, GU 96910

Dear Mr. Speaker:

Attached please find Substitute Bill 178 (LS), "An Act to add §22430 to Title 5 of the Guam Code Annotated regarding the issuance of general obligation bonds of the Government of Guam for the purpose of implementing certain capital projects, including certain educational facilities projects", which I have this date signed into law as Public Law 22-19.

I would like to extend my appreciation, and the appreciation of Governor Ada as well, to you and your colleagues for taking this positive action on behalf of our people of Guam. As we have previously noted, the Territory of Guam has several projects which are of great importance to our people. Education is one such priority. This bill is one such means of meeting the needs of our people.

Please note that although the original bill transmitted to you called for a limit of \$175 million, Section 4(A) and Section 5 increase that limit to \$261 million. This change, however, should take place only when the conditions in Section 7 of the bill occur.

Thank you again and si Yu'os Ma'ase.

Sincerely,

FRANK F. BLAS
Governor,
Acting
220261



Commonwealth Now!

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

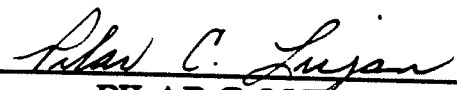
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 178 (LS), "AN ACT TO ADD §22430 TO TITLE 5, GUAM CODE ANNOTATED, TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS FOR THE PURPOSE OF CONSTRUCTING AND REFURBISHING TERRITORIAL EDUCATIONAL FACILITIES AND TO CREATE A FUNDING SOURCE FOR REPAYMENT OF SUCH BONDS, TO AMEND §16118(a) OF TITLE 17, GUAM CODE ANNOTATED, ON APPROPRIATIONS TO THE UNIVERSITY OF GUAM, AND TO AMEND SECTION 5 OF PUBLIC LAW 15-15 ON UNDERWRITERS HOLDING UNSOLD BONDS," was on the 7th day of June, 1993, duly and regularly passed.



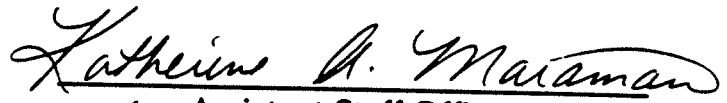
JOE T. SAN AGUSTIN
Speaker

Attested:



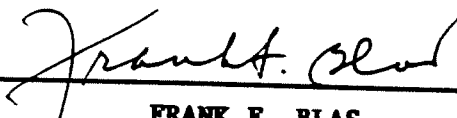
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 7th day of June, 1993, at
5:17 o'clock P.M.



for Assistant Staff Officer
Governor's Office

APPROVED:



FRANK F. BLAS
Governor of Guam
Acting

Date: JUN 18 1993

Public Law No. 22-19

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 178 (LS)

As amended by the Committee on
Economic-Agricultural Development
and Insurance, as further amended
by the Committee on Rules, and as further
amended by the Committee of the Whole

Introduced by:

V. C. Pangelinan
P. C. Lujan
T. S. Nelson
H. D. Dierking
M. D. A. Manibusan
T. C. Ada
J. P. Aguon
E. P. Arriola
M. Z. Bordallo
C. T. C. Gutierrez
D. Parkinson
E. D. Reyes
J. T. San Agustin
F. R. Santos
D. L. G. Shimizu
J. G. Bamba
A. C. Blaz
D. F. Brooks
F. P. Camacho
M. D. A. Manibusan
T. V. C. Tanaka
A. R. Unpingco

AN ACT TO ADD §22430 TO TITLE 5, GUAM CODE
ANNOTATED, TO AUTHORIZE THE GOVERNOR OF
GUAM TO ISSUE GOVERNMENT OF GUAM
GENERAL OBLIGATION BONDS FOR THE PURPOSE
OF CONSTRUCTING AND REFURBISHING

TERRITORIAL EDUCATIONAL FACILITIES AND TO
CREATE A FUNDING SOURCE FOR REPAYMENT OF
SUCH BONDS, TO AMEND §16118(a) OF TITLE 17,
GUAM CODE ANNOTATED, ON APPROPRIATIONS
TO THE UNIVERSITY OF GUAM, AND TO AMEND
SECTION 5 OF PUBLIC LAW 15-15 ON
UNDERWRITERS HOLDING UNSOLD BONDS.

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

2 **Section 1. Legislative findings.** The Legislature finds that territorial
3 leaders past and present have unanimously and consistently recognized
4 education as the foremost priority of the government of Guam. To ensure
5 that ample and continuing resources are available to support this priority, the
6 Legislature finds it necessary to establish a policy to fund the construction of
7 permanent educational facilities. Through the issuance of general obligation
8 bonds, the territory can immediately address the current infrastructure
9 requirements.

10 **Section 2.** §22430 is hereby added to Title 5, Guam Code Annotated, to
11 read:

12 "§22430. General obligation bonds for certain capital projects,
13 including certain educational facilities projects. (a) Authorization of
14 issuance of general obligation bonds for capital projects. The
15 Governor of Guam is authorized to issue one (1) or more series of
16 general obligation bonds of the government of Guam in an
17 aggregate principal amount not to exceed One Hundred Seventy-
18 Five Million Dollars (\$175,000,000) to undertake the capital projects
19 enumerated in subsection (m) of this Section, and paying expenses
20 incurred in connection with the issuance of such bonds; provided,

1 however, that the issuance of the bonds shall not cause a violation of
2 the debt limitation provisions of 48 USC 1423a (§11 of the Organic
3 Act of Guam).

4 **(b) Terms and conditions determined by certificate.** The terms
5 and conditions of the bonds shall be as determined by the Governor
6 by the execution of a certificate authorizing the issuance of the bonds
7 upon or prior to the issuance of the bonds; **provided**, however, that
8 such terms and conditions shall be consistent with this Section, and
9 that the bonds shall mature not later than December 1, 2023 and shall
10 bear interest at such rates and be sold for such price or prices as shall
11 result in a yield to the bondholders not exceeding ten percent (10%)
12 per annum. The certificate of the Governor shall separately
13 designate the amount of each maturity of bonds issued for each of
14 the capital projects enumerated in subsection (m) of this Section, but
15 shall also permit reallocation and redesignation of such bonds.

16 **(c) Valid and binding general obligation.** Any bonds
17 authorized by this Section shall constitute the valid and binding
18 general obligations of the government of Guam. The government of
19 Guam pledges its full faith and credit for the punctual payment of
20 both principal of and interest on the bonds. There shall be collected
21 annually in the same manner and at the same time as government
22 revenue for other purposes is collected, such sum as is required to
23 pay the principal of and interest on the bonds. All officers charged by
24 law with any duty in the collection of the revenues of the government
25 shall do every lawful thing necessary to collect such sum. The
26 validity of any such bonds shall not be affected by the validity or

1 regularity of any proceedings for the implementation of the capital
2 projects funded by the bonds.

3 (d) **Appropriations from the General Fund.** There are hereby
4 appropriated from the General Fund such sums as will equal in each
5 year the amount of money necessary to pay the principal and interest
6 on such bonds.

7 (e) **Additional parity bonds.** Nothing in this Section shall be
8 construed to prevent the government of Guam from issuing, after
9 appropriate enabling legislation, other obligations of the
10 government secured by the general obligation of the government on
11 a parity with the bonds authorized by this Section.

12 (f) **Waiver of immunity.** Notwithstanding any substantive or
13 procedural provision of Chapter 6 of Title 5, Guam Code Annotated,
14 the government of Guam waives immunity from any suit or action in
15 contract on the bonds, but does not waive sovereign immunity as to
16 the personal liability of elected officials and employees of the
17 government of Guam.

18 (g) **Form of bonds; covenants; appointment of fiduciaries.** The
19 technical form and language of the bonds, including provisions for
20 execution, exchange, transfer, registration, paying agency, lost or
21 mutilated bonds, negotiability, cancellation and other terms or
22 conditions not inconsistent with this Section, including covenants
23 relating to the collection of revenues, shall be as specified in the
24 certificate executed by the Governor authorizing the issuance of the
25 bonds. The certificate may appoint one (1) or more trustees, co-
26 trustees or other fiduciaries authorized to receive and hold in trust

1 the proceeds of the bonds and monies relating thereto, to protect the
2 rights of bondholders and to perform such other duties as may be
3 specified in the certificate. The Governor is also authorized to
4 execute, on behalf of the government of Guam, any appropriate
5 agreements, certificates or other instruments relating to the bonds
6 and the sale of the bonds.

7 (h) **Authorization for credit enhancement.** The Governor is
8 authorized to enter into such contracts or agreements with such
9 banks, insurance companies or other financial institutions as he
10 determines are necessary or desirable to improve the security and
11 marketability of the bonds issued under this Section. Such contracts
12 or agreements may contain an obligation to reimburse, with interest,
13 any such banks, insurance companies or other financial institutions
14 for advances used to pay principal of or interest on the bonds. Any
15 such reimbursement obligation shall be a general obligation of the
16 government of Guam, and any such advance, if necessary, shall be
17 treated as creating a reimbursement obligation issued to refund the
18 bonds.

19 (i) **Use of proceeds from the sale of the bonds.** Proceeds from
20 the sale of the bonds shall be used solely to implement and equip the
21 capital projects enumerated in subsection (m) of this Section, to
22 establish necessary reserves, and to pay expenses relating to the
23 authorization, sale and issuance of the bonds, including, without
24 limitation, printing costs, costs of reproducing documents, bonds
25 insurance premiums, underwriting, legal and accounting fees and
26 charges, fees paid to banks or other financial institutions providing

1 credit enhancement, costs of credit ratings, fees and charges for
2 execution, transportation and safekeeping of bonds and other costs,
3 charges and fees in connection with the issuance, sale and delivery of
4 the bonds. The fees charged by the Guam Economic Development
5 Authority for this bond issuance shall be waived.

6 (j) **No personal liability.** No employee or elected official of
7 the government of Guam shall be individually or personally liable for
8 the payment of any amounts due on any bonds issued under this
9 Section, or for any other liability arising in connection with the
10 bonds; **provided**, however, that nothing in this Section shall relieve
11 any employee or elected official from the performance of any
12 ministerial duty required by law.

13 (k) **University of Guam Bond Fund.** There is hereby created,
14 separate and apart from other funds of the government of Guam, a
15 fund known as the "University of Guam Bond Fund" (the "UOG
16 Bond Fund"). The UOG Bond Fund shall not be commingled with
17 either the General Fund, the Current Fund of the University of
18 Guam, or any other fund of the government of Guam. The UOG
19 Bond Fund shall be held in an account or accounts at a Guam
20 financial institution or institutions separate and apart from all other
21 accounts and funds of the government of Guam. All tuition revenues
22 received by or on behalf of the University of Guam shall be deposited
23 in the UOG Bond Fund and shall be accounted for and used
24 periodically only for the following purposes and in the following
25 order:

1 (1) On the dates on which monies are remitted from the
2 General Fund to any trustee, co-trustee or paying agent for the
3 bonds for the purpose of either paying the principal of and
4 interest on the bonds designated as having been issued for the
5 capital project set out in subsection (m) item (5) or
6 accumulating the amounts necessary to pay the principal of or
7 interest on such bonds, there shall be transferred from the
8 UOG Bond Fund to the General Fund amounts equal to, but
9 not in excess of, the amounts remitted from the General Fund
10 for such purposes, and in the event that the amount so
11 transferred on any such date is insufficient to fully reimburse
12 the amount so remitted, the amount of the insufficiency shall be
13 transferred as soon thereafter as it becomes available in the
14 UOG Bond Fund, together with interest from such remittance
15 date to such date of transfer at a rate equal to the yield on the
16 bonds.

17 (2) On the dates on which monies are transferred to the
18 General Fund pursuant to paragraph (1) of this subsection (k)
19 of this Section, if such transfer is sufficient to fully reimburse
20 the General Fund (with interest, if required), the balance
21 remaining in the UOG Bond Fund shall be transferred to the
22 Current Fund of the University of Guam to be utilized only to
23 implement the Physical Master Plan of the University.

24 Such tuition revenue collections shall not be pledged to the
25 payment of amounts due on the bonds, and this subsection (k) may be
26 amended at any time by subsequent act of the Legislature. Nothing

1 in this Section shall be construed to prevent the government of
2 Guam from issuing, after appropriate enabling legislation, for the
3 benefit of the University of Guam, other general obligations of the
4 government secured by such tuition revenues on a parity with the
5 bonds authorized by this Section. In addition, nothing in this Section
6 shall be construed to prevent the University of Guam from issuing,
7 after appropriate enabling legislation, revenue bonds or general
8 obligations of the University of Guam secured by such tuition
9 revenues on a parity with the bonds authorized by this Section.

10 (l) **Territorial Educational Facilities Fund.** There is hereby
11 created, separate and apart from other funds of the government of
12 Guam, a fund known as the "Territorial Education Facilities Fund"
13 (the "TEF Fund"). The TEF Fund shall not be commingled with the
14 General Fund or any other fund of the government of Guam. The
15 TEF Fund shall be held in an account or accounts at a Guam financial
16 institution or institutions separate and apart from all other accounts
17 and funds of the government of Guam. All real property tax
18 revenues received by or on behalf of the government of Guam
19 pursuant to §24103, Title 11, Guam Code Annotated, shall be
20 deposited in the TEF Fund and shall be accounted for and used
21 periodically only for the following purposes and in the following
22 order:

23 (1) On the dates on which monies are remitted from the
24 General Fund to any trustee, co-trustee or paying agent for the
25 bonds for the purpose of either paying the principal of and
26 interest on the bonds designated as having been issued for the

1 capital projects enumerated in items (1), (2), (3), (4), (6) and (7)
2 of subsection (m) of this Section or accumulating the amounts
3 necessary to pay the principal of or interest on such bonds,
4 there shall be transferred from the TEF Fund to the General
5 Fund amounts equal to, but not in excess of, the amounts
6 remitted from the General Fund for such purposes, and in the
7 event that the amount so transferred on any such date is
8 insufficient to fully reimburse the amount so remitted, the
9 amount of the insufficiency shall be transferred as soon
10 thereafter as it becomes available in the TEF Fund, together
11 with interest from such remittance date to such date of transfer
12 at a rate equal to the yield on the bonds.

13 (2) On the dates on which monies are transferred to the
14 General Fund pursuant to paragraph (1) of this subsection (l) of
15 this Section, if such transfer is sufficient to fully reimburse the
16 General Fund (with interest, if required), the balance
17 remaining in the TEF Fund shall remain in the TEF Fund and
18 shall only be appropriated by the Legislature for the purpose of
19 constructing, refurbishing, replacing and funding educational
20 facilities.

21 Such tax collections shall not be pledged to the payment of
22 amounts due on the bonds, and this subsection (l) may be amended at
23 any time by subsequent act of the Legislature. Nothing in this Section
24 shall be construed to prevent the government of Guam from issuing,
25 after appropriate enabling legislation, for the benefit of the
26 government of Guam other general obligations or revenue

1 obligations of the government secured by such real estate tax
2 revenues on a parity with the bonds authorized by this Section.

3 (m) The capital projects to be implemented and equipped with
4 the proceeds of the bonds authorized by this Section are as follows:

5 **Capital Projects:**

Allocated amounts:

6 (1) High school located in Santa Rita,

7 Guam,

\$76,000,000,

8 (2) Elementary school located in

9 Tamuning, Guam,

\$15,000,000,

10 (3) Elementary school, located in

11 Astumbo, Dededo, Guam,

\$15,000,000,

12 (4) Elementary school located in Asan,

13 Guam,

\$15,000,000,

14 (5) Buildings at the University of Guam as

15 follows: College of Arts and Sciences

16 Building; renovation and addition

17 to the Health Science Building; Plant

18 Maintenance Building; Building II for the

19 College of Agriculture and Life Sciences;

20 College of Business and Public

21 Administration Building; Fine Arts

22 Building; and the Student Center,

\$28,000,000,

23 (6) For the purchase of equipment

24 and furniture and the relocation

25 expenses for students during construction

26 of projects set out in items (1), (2), (3) and

1 (4) of this subsection (m), including

2 temporary classrooms,

\$3,000,000,

3 (7) To the extent of any bond proceeds not required for
4 the projects listed in items (1) through (6) of this
5 subsection (m), any remaining balance may be applied to
6 the costs of repairing or reconstructing the Inarajan
7 Elementary School, or of other projects approved by
8 subsequent legislation.

9 (n) In utilizing the bond proceeds authorized by projects set out
10 in items (2), (3) and (4) of subsection (m) of this Section, in order to
11 optimize funds and not replicate services, a standard and uniform
12 design for all elementary schools, shall be employed in their
13 construction, unless the topography and size of the land for such a
14 school prevents the use of such a standard and uniform design. Such
15 standard and uniform designs shall be as energy efficient as is
16 practical, and shall conform to island styles.

17 (o) The elementary schools described in items (2), (3) and (4) of
18 subsection (m) of this Section and whose construction is to be funded
19 by this Act shall include a minimum of five (5) "Head Start"
20 classrooms at each school."

21 **Section 3. Local sales of bonds.** The Governor of Guam shall
22 undertake his best efforts to cause a portion of any bonds issued pursuant to
23 Section 2 of this Act (§22430, Title 5, Guam Code Annotated), to be offered for
24 sale to residents of Guam, as well as to residents of other jurisdictions, if and
25 to the extent that such offer and any sales resulting from such offer do not

1 increase the costs to the government of Guam of issuing and repaying such
2 bonds.

3 **Section 4. Findings of GEDA.** The Legislature hereby finds and
4 declares as follows:

5 (a) §22430, Title 5, Guam Code Annotated, provides that the
6 Governor is authorized to issue general obligation bonds of the
7 government of Guam in aggregate principal amounts not to exceed
8 Two Hundred Sixty-One Million Dollars (\$261,000,000) for the
9 purpose of undertaking certain capital projects and for paying
10 expenses incurred in connection with the issuance of such bonds.

11 (b) §2103(k) of Title 12, Guam Code Annotated, provides that
12 agencies and instrumentalities of the government of Guam shall
13 issue bonds and other obligations only by means of and through the
14 agency of the Guam Economic Development Authority ("GEDA").

15 (c) The provisions of this Act shall not take effect until the
16 board of directors of GEDA shall adopt a resolution approving the
17 sale of general obligation bonds of the government of Guam for the
18 purpose of undertaking certain capital projects and paying expenses
19 incurred in connection with the issuance of such bonds.

20 (d) Said §2103(k) provides that GEDA shall not sell any bond
21 without the approval of the Legislature of the terms and conditions
22 of the issuance of the bonds.

23 (e) A proposed form of certificate relating to Government of
24 Guam General Obligation Bonds, 1993 Series A, pursuant to which
25 the bonds are proposed to be issued has been presented to this
26 Legislature.

1 **Section 5. Approval of bonds.** This Legislature, pursuant to §22430,
2 Title 5, Guam Code Annotated, and pursuant to §2103(k), Title 12, Guam
3 Code Annotated, hereby approves the issuance and sale by the government of
4 Guam of general obligation bonds in a principal amount not to exceed Two
5 Hundred Sixty-One Million Dollars (\$261,000,000); provided, that such bonds
6 have a final maturity not later than December 1, 2023 years, bear interest at
7 such rate and are sold for such price or prices as shall result in a yield to the
8 bondholders not exceeding ten percent (10%) per annum, and are issued and
9 sold pursuant to a certificate of the Governor in substantially the same form
10 as presented to the Legislature.

11 **Section 6.** §16118(a) of Title 17, Guam Code Annotated, is amended to
12 read:

13 **"§16118. Legislative appropriation.** (a) On February 15th, or
14 earlier, of each year, a budget requirement for the following
15 University Year for personnel and operating cost necessary for
16 carrying out the mission, purposes and general activities of the
17 University shall be certified by the Board and submitted to the
18 Legislature. Following public budget hearings before the
19 Legislature, an appropriation shall made available to the University,
20 to be allotted in four (4) appropriately disproportional quarterly
21 installments which shall be remitted on the first day of each quarter
22 of the appropriate University Year, under the full fiscal control of the
23 Board which shall be fully accountable for the appropriate
24 expenditure of all University funds. Such appropriation for the
25 annual personnel and operating costs of the University shall not
26 include any sums collected by the University from the student tuition

1 and fees. University funds derived from fees shall be considered
2 non-appropriated funds of the University under the fiscal control of
3 the Board. One hundred percent (100%) of the funds derived from
4 student tuition shall be deposited in the University of Guam Bond
5 Fund for repayment of general obligation bonds in accordance with
6 §22430(k) of Title 5, Guam Code Annotated. A University Year shall
7 run from August 1 to July 31."

8 **Section 7. Increase in bond principal in the event the debt capacity of**
9 **the government of Guam increases. In the event the debt capacity of the**
10 **government of Guam as limited under Section 11 of the Organic Act of Guam**
11 **shall increase by no less than \$86,000,000, the following amendments to**
12 **§22430 of Title 2, Guam Code Annotated, set out in Section 2 of this Act, will**
13 **automatically go into effect:**

14 (1) In subparagraph (a) of said section, the aggregate principal
15 amount of the general obligation bonds described therein shall be
16 increased from \$175,000,000 to \$261,000,000.

17 (2) In subparagraph (m) of said section, a new item (8) shall be
18 inserted to read as follows:

19 "(8) Northern High School \$76,000,000."

20 **Section 8. A new subparagraph (d) is hereby added to Section 5 of**
21 **Public Law No. 15-15 to read:**

22 "(d) Bonds unsold at bona fide public offerings can be held by
23 the underwriters at the bona fide public offering prices, less the
24 underwriter's discount."

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Date: 6/7/93

VOTING SHEET

Bill No. 178

Resolution No. _____

Question: _____

NAME	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, John P.	✓			
ARRIOLA, Elizabeth P.	✓			
BAMBA, J. George	✓			
BLAZ, Anthony C.	✓			
BORDALLO, Madeleine Z.	✓			
BROOKS, Doris F.	✓			
CAMACHO, Felix P.	✓			
DIERKING, Herminia D.	✓			
GUTIERREZ, Carl T. C.	✓			
LUJAN, Pilar C.	✓			
MANIBUSAN, Marilyn D. A.	✓			
NELSON, Ted S.	✓			
PANGELINAN, Vicente	✓			
PARKINSON, Don		✓		
REYES, Edward D.	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Francisco R.	✓			
SHIMIZU, David L. G.				✓
TANAKA, Thomas V. C.	✓			
UNPINGCO, Antonio R.	✓			

TOTAL 19 1 1

Office of



The People

Senator Vicente C. Pangelinan
Twenty-Second Guam Legislature

Chairman, Committee on Economic-Agricultural Development and Insurance
130 Aspinall Avenue • Suite 101 • Agana Guam • 96910 Phone (671) 472-3552-4 Fax (671) 472-3556

April 13, 1993

Speaker Joe T. San Agustin
Twenty-Second Guam Legislature
155 Hesler St.
Agana, Guam 96910

Dear Mr. Speaker,

The Committee on Economic-Agricultural Development and Insurance, to which was referred Bill 178 and Bill 323 wishes to report back to the Legislature with its recommendation **TO DO PASS**. The voting record is as follows:

TO PASS	10
NOT TO PASS	0
ABSTAIN	0
TO PLACE IN INACTIVE FILE	0

Copies of the Committee Report and other pertinent documents are attached. Your attention to this matter is appreciated.

Sincerely,


VICENTE C. PANGELINAN

Attachments.

Office of



The People

Senator Vicente C. Pangelinan
Twenty-Second Guam Legislature

Chairman, Committee on Economic-Agricultural Development and Insurance
130 Aspinall Avenue • Suite 101 • Agana Guam • 96910 Phone (671) 472-3552-4 Fax (671) 472-3556

April 13, 1993

Sen. Carl T.C. Gutierrez
Chairman
WAYS & MEANS COMMITTEE
155 Hesler St.
Agana, Guam 96910

Dear Sen. Gutierrez,


The Committee on Economic-Agricultural Development & Insurance has completed its report on Bills 178 and 323. Both bills would provide authorization to the Governor to issue general obligation bonds to address needed construction of Guam's educational facilities. The Committee has incorporated both bills and has returned a recommendation TO DO PASS Bill 178 as amended by the Committee.

Your acceptance of the EADI Committee report as Chairman of the Ways and Means Committee will allow us to place the bill before the Legislature for a vote in compliance with Section 6.04.06.02 of the legislative standing rules. This action will help facilitate the funding necessary to expeditiously begin the much needed construction of educational facilities for the students in our territory.

Sincerely,


VICENTE C. PANGELINAN

Concurred by:


Sen. Carl T.C. Gutierrez
Chairman, Ways and Means Committee

Office of



The People

Senator Vicente C. Pangelinan
Twenty-Second Guam Legislature

Chairman, Committee on Economic-Agricultural Development and Insurance
130 Aspinall Avenue • Suite 101 • Agana Guam • 96910 Phone (671) 472-3552-4 Fax (671) 472-3556

April 12, 1993

MEMORANDUM

TO: Members, Committee on Economic-Agricultural Development
and Insurance

FROM: Senator Vicente C. Pangelinan, Chairman

SUBJECT: Committee Report & Voting Sheet

Transmitted herewith for your information and action is the Committee Report concerning Bills 178 & 323. The narrative report is accompanied by the following:

1. Committee Voting Sheet
2. Written Testimony
3. Evidentiary Materials

Should you have any questions on the narrative report or the accompanying documents, I would be most happy to answer any of them. Your attention and cooperation in this manner is greatly appreciated.


Vicente C. Pangelinan

Office of



The People

Senator Vicente C. Pangelinan

Twenty-Second Guam Legislature

Chairman, Committee on Economic-Agricultural Development and Insurance
130 Aspinall Avenue • Suite 101 • Agana Guam • 96910 Phone (671) 472-3552-4 Fax (671) 472-3556

COMMITTEE VOTING SHEET

SUBJECT: Committee Report on Bills 178 and 323

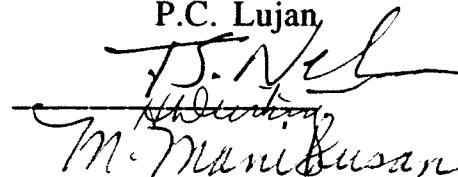
Committee Members	Initial	To Pass	Not to Pass	Abstain	To Place In Inactive File
V.C. Pangelinan	<u><i>VP</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
T.C. Ada	<u><i>TA</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
A.C. Blaz	<u><i>Blaz</i></u>	<u>✓ 4/12/13</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
F.P. Camacho	<u><i>Camacho</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
H.D. Dierking	<u><i>D</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
P.C. Lujan	<u><i>PCL</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
M.D.A. Manibusan	<u><i>MDA</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
T. Nelson	<u><i>TN</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
E.D. Reyes	<u><i>EDR</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
F.R. Santos	<u><i>FRS</i></u>	<u>✓</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
T.V.C. Tanaka	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

TWENTY-SECOND GUAM LEGISLATURE
(First) Regular Session

Bill No. 178 (COR)
As amended by the Committee on
Economic-Agricultural Development & Insurance

Introduced by:

V.C. Pangelinan
P.C. Lujan



AN ACT TO AUTHORIZE THE GOVERNOR OF GUAM TO
ISSUE GOVERNMENT OF GUAM GENERAL OBLIGATION
BONDS FOR THE PURPOSE OF CONSTRUCTING AND
REFURBISHING TERRITORIAL EDUCATIONAL FACILITIES
AND TO CREATE A FUNDING SOURCE FOR REPAYMENT OF
SUCH BONDS

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

1 Section 1. Legislative Findings. The Legislature finds that territorial
2 leaders past and present have unanimously and consistently recognized
3 education as the foremost priority of the Government of Guam. To ensure
4 that ample and continuing resources are available to support this priority,
5 the Legislature finds it necessary to establish a policy to fund the
6 construction of permanent educational facilities. Through the issuance of
7 general obligation bonds, the territory can immediately address the
8 current infrastructure requirements. By designating a stable source of
9 revenue for the territorial educational facilities fund real property taxes,
10 the Legislature intends to establish financial discipline and stability in the
11 planning, designing, refurbishing and constructing new and existing
12 educational facilities.

13 Section 2. Section 22430 is added to Title 5 of the Guam Code
14 Annotated to read:

15 "Section 22430 General Obligation Bonds for Certain Capital Projects
16 including Certain Educational Facilities Projects.

1 (a) Authorization of Issuance of General Obligation Bonds for
2 Capital Projects. The Governor of Guam is authorized to issue one or more
3 series of general obligation bonds of the government of Guam in an
4 aggregate principal amount not to exceed One Hundred Seventy-Five
5 Million Dollars (\$175,000,000) for the purpose of implementing the Capital
6 Projects enumerated in Subsection (m) of this Section, and paying expenses
7 incurred in connection with the issuance of such bonds; provided, however,
8 that the issuance of the bonds shall not cause a violation of the debt
9 limitation provisions of 48 USC 1423a.

10 (b) Terms and Conditions Determined by Certificate. The terms
11 and conditions of the bonds shall be as determined by the Governor by the
12 execution of a certificate authorizing the issuance of the bonds upon or
13 prior to the issuance of the bonds; provided, however, that such terms and
14 conditions shall be consistent with this Section, and that the bonds shall
15 mature not later than December 1, 2023 and shall bear interest at such
16 rates and be sold for such price or prices as shall result in a yield to the
17 bondholders not exceeding ten percent (10%) per annum. The certificate of
18 the Governor shall separately designate the amount of each maturity of
19 bonds issued for each of the Capital Projects enumerated in Subsection (m)
20 of this Section, but shall also permit reallocation and redesignation of such
21 bonds.

22 (c) Valid and Binding General Obligation. Any bonds authorized by
23 this Section shall constitute the valid and binding general obligations of the
24 government of Guam. The government of Guam pledges its full faith and
25 credit for the punctual payment of both principal of and interest on the
26 bonds. There shall be collected annually in the same manner and at the
27 same time as government revenue for other purposes is collected, such
28 sum as is required to pay the principal of and interest on the bonds. All
29 officers charged by law with any duty in the collection of the revenues of
30 the government shall do every lawful thing necessary to collect such sum.
31 The validity of any such bonds shall not be affected by the validity or
32 regularity of any proceedings for the implementation of the Capital
33 Projects funded by the bonds.

34 (d) Appropriation from the General Fund. There are hereby
35 appropriated from the General Fund such sums as will equal in each year

1 the amount of money necessary to pay the principal and interest on such
2 bonds.

3 (e) Additional Parity Bonds. Nothing in this Section shall be
4 construed to prevent the government of Guam from issuing, after
5 appropriate enabling legislation, other obligations of the government
6 secured by the general obligation of the government on a parity with the
7 bonds authorized by this Section.

8 (f) Waiver of Immunity. Notwithstanding any substantive or
9 procedural provision of Chapter 6 of Title 5 of the Guam Code Annotated,
10 the government of Guam waives immunity from any suit or action in
11 contract on the bonds, but does not waive sovereign immunity as to the
12 personal liability of elected officials and employees of the government of
13 Guam.

14 (g) Form of Bonds; Covenants; Appointment of Fiduciaries. The
15 technical form and language of the bonds, including provisions for
16 execution, exchange, transfer, registration, paying agency, lost or mutilated
17 bonds, negotiability, cancellation and other terms or conditions not
18 inconsistent with this Section, including covenants relating to the collection
19 of revenues, shall be as specified in the certificate executed by the
20 Governor authorizing the issuance of the bonds. The certificate may
21 appoint one or more trustees, co-trustees or other fiduciaries authorized to
22 receive and hold in trust the proceeds of the bonds and moneys relating
23 thereto, to protect the rights of bondholders and to perform such other
24 duties as may be specified in the certificate. The Governor is also
25 authorized to execute, on behalf of the government of Guam, any
26 appropriate agreements, certificates or other instruments relating to the
27 bonds and the sale of the bonds.

28 (h) Authorization for Credit Enhancement. The Governor is
29 authorized to enter into such contracts or agreements with such banks,
30 insurance companies or other financial institutions as he determines are
31 necessary or desirable to improve the security and marketability of the
32 bonds issued under this Section. Such contracts or agreements may
33 contain an obligation to reimburse, with interest, any such banks,
34 insurance companies or other financial institutions for advances used to
35 pay principal of or interest on the bonds. Any such reimbursement
36 obligation shall be a general obligation of the government of Guam, and

1 any such advance, if necessary, shall be treated as creating a
2 reimbursement obligation issued to refund the bonds.

3 (i) Use of Proceeds from the Sale of the Bonds. Proceeds from the
4 sale of the bonds shall be used solely to implement the Capital Projects
5 enumerated in Subsection (m) of this Section, and to pay expenses relating
6 to the authorization, sale and issuance of the bonds, including, without
7 limitation, printing costs, costs of reproducing documents, bond insurance
8 premiums, underwriting, legal and accounting fees and charges, fees paid
9 to banks or other financial institutions providing credit enhancement, costs
10 of credit ratings, fees and charges for execution, transportation and
11 safekeeping of bonds and other costs, charges and fees in connection with
12 the issuance, sale and delivery of the bonds.

13 (j) No Personal Liability. No employee or elected official of the
14 government of Guam shall be individually or personally liable for the
15 payment of any amounts due on any bonds issued under this Section, or
16 for any other liability arising in connection with the bonds; provided,
17 however, that nothing in this Section shall relieve any employee or elected
18 official from the performance of any ministerial duty required by law.

19 (k) University of Guam Bond Fund. There is hereby created,
20 separate and apart from other funds of the government of Guam, a fund
21 known as the "University of Guam Bond Fund" (the "UOG Bond Fund"). The
22 UOG Bond Fund shall be commingled with neither the General Fund of the
23 government nor the Current Fund of the University of Guam. All tuition
24 revenues received by or on behalf of the University of Guam shall be
25 deposited in the UOG Bond Fund and shall be accounted for and used
26 periodically only for the following purposes and in the following order:

27 (1) On the dates on which moneys are remitted from the General
28 Fund to any trustee, co-trustee or paying agent for the bonds for the
29 purpose of either paying the principal of and interest on the bonds
30 designated as having been issued for the Capital Projects enumerated in
31 Subsection (m) (5) or accumulating the amounts necessary to pay the
32 principal of or interest on such bonds, there shall be transferred from the
33 UOG Bond Fund to the General Fund amounts equal to, but not in excess of,
34 the amounts remitted from the General Fund for such purposes, and in the
35 event that the amount so transferred on any such date is insufficient to
36 fully reimburse the amount so remitted, the amount of the insufficiency

1 shall be transferred as soon thereafter as it becomes available in the UOG
2 Bond Fund, together with interest from such remittance date to such date
3 of transfer at a rate equal to the yield on the bonds.

4 (2) On the dates on which moneys are transferred to the General
5 Fund pursuant to Subsections (k) (1) of this Section, if such transfer is
6 sufficient to fully reimburse the General Fund (with interest, if required),
7 the balance remaining in the UOG Bond Fund shall be transferred to the
8 Current Fund of the University of Guam.

9 The University of Guam shall establish and collect tuition charges
10 from time to time such that in each year sufficient moneys are deposited
11 into the UOG Bond Fund to provide for complete reimbursement of the
12 General Fund as provided above in a timely manner. All such tuition
13 revenues shall constitute a trust fund and are hereby pledged for the uses
14 and purposes set forth above and such pledge shall inure to the direct
15 benefit of the owners of the bonds issued under this section. Nothing in
16 this Section shall be construed to prevent the government of Guam from
17 issuing, after appropriate enabling legislation, for the benefit of the
18 University of Guam other general obligation of the government secured by
19 such tuition revenues on a parity with the bonds authorized by this
20 Section. In addition, nothing in this Section shall be construed to prevent
21 the University of Guam from issuing, after appropriate legislation, revenue
22 bonds or general obligations of the University of Guam secured by such
23 tuition revenues on a parity with the bonds authorized by this section.

24 (1) Territorial Educational Facilities Fund. There is hereby created,
25 separate and apart from other funds of the government of Guam, a fund
26 known as the "Territorial Educational Facilities Fund" (the "TEF Fund"). The
27 TEF Fund shall not be commingled with the General Fund of the
28 Government of Guam. All real property tax revenues received by or on
29 behalf of the Government of Guam pursuant to Section 24103 Title II GCA
30 shall be deposited in the TEF Fund and shall be accounted for and used
31 periodically only for the following purposes and in the following order:

32 (1) On the dates on which moneys are remitted from the General
33 Fund to any trustee, co-trustee or paying agent for the bonds for the
34 purpose of either paying the principal of and interest on the bonds
35 designated as having been issued for the Capital Projects enumerated in
36 Subsection (m) (1, 2, 3 and 4) or accumulating the amounts necessary to

1 pay the principal of or interest on such bonds, there shall be transferred
 2 from the TEF Fund to the General Fund amounts equal to, but not in excess
 3 of, the amounts remitted from the General Fund for such purposes, and in
 4 the event that the amount so transferred on any such date is insufficient to
 5 fully reimburse the amount so remitted, the amount of the insufficiency
 6 shall be transferred as soon thereafter as it becomes available in the TEF
 7 Fund, together with interest from such remittance date to such date of
 8 transfer at a rate equal to the yield on the bonds.

9 (2) On the dates on which moneys are transferred to the General
 10 Fund pursuant to Subsection (m) (1) of this Section, if such transfer is
 11 sufficient to fully reimburse the General Fund (with interest, if required),
 12 the balance remaining in the TEF Fund shall remain in the TEF Fund and
 13 shall only be appropriated for the purpose of constructing, refurbishing,
 14 replacing and funding educational facilities.

15 The Government of Guam shall collect real property taxes from time to
 16 time such that in each year and deposit into the TEF Fund to provide for
 17 the reimbursement of the General Fund as provided above in a timely
 18 manner. Such tax collections shall not be pledged to the payment of
 19 amounts due on the bonds, and this subsection (l) may be amended at any
 20 time by subsequent act of the Legislature. There shall be appropriated in
 21 each year an amount of such real property tax revenues sufficient to
 22 satisfy the requirements of this subsection (l). Nothing in this Section shall
 23 be construed to prevent the Government of Guam from issuing, after
 24 appropriate enabling legislation, for the benefit of the Government of
 25 Guam other general obligations of the government secured by such real
 26 estate tax revenues on a parity with the bonds authorized by this Section.
 27 In addition, nothing in this Section shall be construed to prevent the
 28 Government of Guam from issuing, after appropriate enabling legislation,
 29 revenue bonds or general obligations of the Government of Guam secured
 30 by such real property tax revenues on parity with the bonds authorized by
 31 this Section.

32 (m) Capital Projects.

- | | | |
|----|---------------------------------------|--------------|
| 33 | 1. High School located in Santa Rita, | \$76,000,000 |
| 34 | Guam | |
| 35 | 2. Elementary School located in | \$15,000,000 |
| 36 | Tamuning Guam | |

1	3. Elementary School located in	\$15,000,000
2	Astumbo Dededo, Guam	
3	4. Elementary School located in	\$15,000,000
4	Asan, Guam	
5	5. Building at the	\$28,000,000
6	University of Guam	
7	6. Water wells and other	\$ 3,000,000
8	projects for PUAG	

9 To the extent of any bond proceeds not required for the projects
10 listed in (1) through (6) above, any remaining balance may be applied to
11 the costs of repairing or reconstructing Inarajan Elementary School.

12 Section 3. Local Sale of Bonds. The governor of Guam shall
13 undertake his best efforts to cause a portion of any bonds issued pursuant
14 to Section 22430 of Title 5 of the Guam Code Annotated to be offered for
15 sale to residents of Guam, as well as to residents of other jurisdictions, if
16 and to the extent that such offer and any sales resulting from such offer do
17 not increase the costs to the government of Guam of issuing and repaying
18 such bonds.

19 Section 4. The legislature hereby finds and declares as follows:

20 (a) Section 22430 of Title 5 of the Guam Code Annotated
21 provides that the Governor is authorized to issue general obligation bonds
22 of the government of Guam in aggregate principal amounts not to exceed
23 One Hundred Seventy-Five Million Dollars (\$175,000,000) for the purpose
24 of implementing Capital Projects and paying expenses incurred in
25 connection with the issuance of such bonds.

26 (b) Title 12 Guam Code Annotated Section 2103 (k) provides
27 that agencies and instrumentalities of the government of Guam shall issue
28 bonds and other obligations only by means of and through the agency of
29 the Guam Economic Development Authority.

30 (c) The provisions of this Act shall not take effect until the
31 board of directors of the Guam Economic Development Authority shall
32 adopt a resolution approving the sale of general obligation bonds of the
33 government of Guam for the purpose of implementing Capital Projects and
34 paying expenses incurred in connection with the issuance of such bonds.

35 (d) Title 12 Guam Code Annotated Section 2103 (k) provides
36 that the Guam Economic Development Authority shall not sell any bond

1 without the approval of the Legislature of the terms and conditions of the
2 issuance of the bonds.

3 (e) A proposed form of Certificate relating to Government of
4 Guam General Obligation Bonds, 1993 Series A pursuant to which the
5 bonds are proposed to be issued has been presented to this Legislature.

6 Section 5. This Legislature pursuant to Section 22430 Title 5 of the
7 Guam Code Annotated and pursuant to Title 12 Guam Code Annotated
8 Section 2103 (k), hereby approves the issuance by the government of
9 Guam of general obligation bonds in a principal amount not to exceed One
10 Hundred Seventy Five Million Dollars (\$175,000,000), provided that such
11 bonds have a final maturity not later than December 1, 2023 years, bear
12 interest at such rate and are sold for such price or prices as shall result in
13 a yield to the bondholders not exceeding ten (10%) per annum, and are
14 issued pursuant to a certificate of the Governor is substantially the same
15 form as presented to this Legislature.

16 Section 6. 17 Guam Code Annotated Section 16118(a) is amended to
17 read:

18 "Section 16118. Legislative Appropriation. (a) On February 15,
19 or earlier, of each year, a budget requirement for the following University
20 Year for personnel and operating cost necessary for carrying out the
21 mission, purposes and general activities of the University shall be certified
22 by the Board and submitted to the Legislature. Following public budget
23 hearings before the Legislature, an appropriation shall made available to
24 the University, to be allotted in four (4) appropriately disproportional
25 quarterly installments which shall be remitted on the first day of each
26 quarter of the appropriate University Year, under the full fiscal control of
27 the Board which shall be fully accountable for the appropriate expenditure
28 of all University funds. Such appropriation for the annual personnel and
29 operating costs of the University shall not include any sums collected by
30 the University from the student tuition and fees. University funds derived
31 from [student tuition and] fees shall be considered non-appropriated
32 funds of the University under the fiscal control of the Board. [A minimum
33 of seventy percent (70%0 of the funds derived for student tuition and fees
34 shall be earmarked for implementation of the Physical Master Plan.] One
35 Hundred percent (100%) of the funds derived from student tuition shall be
36 deposited in the University of Guam Bond Fund for repayment of general

- 1 obligation bonds in accordance with 5 Guam Code Annotated Section 22430
- 2 (k). A University Year shall run from August 1 to July 31."

COMMITTEE ON ECONOMIC-AGRICULTURAL DEVELOPMENT & INSURANCE

Committee Report
on
Bills 178 and 323

OVERVIEW

The Committee on Economic-Agricultural Development and Insurance having jurisdiction over bond issues held a public hearing on Bill 178 and Bill 323 at 8 am Wednesday, March 31, 1993. Chairman, Ben C. Pangelinan presided and the following members were present: Vice-Chair Thomas Ada, Sens. Pilar Lujan and Ted Nelson. Also present were Sens. Madeleine Z. Bordallo, and Doris Brooks.

Bill 323 was introduced at the request of Gov. Joseph F. Ada. The intent of both bills is to provide the funding for the construction of new schools and other educational facilities. Both bills authorize the issuance of General Obligation Bonds by the Government of Guam and calls for the securitizing of such bonds by the "full faith and credit" of the Government of Guam. Bill No. 178 specifically designates real estate revenues for the repayment of such bonds, while remaining a general obligation bond. Bill 323 makes no such designation for repayment.

Appearing before the committee were representatives of the Governor's Office, the Department of Education and its architects, the University of Guam, GEDA, various island Mayors, Bernadette SN Cruz, a school principal, CAHA and the Southern High School Task Force. Everyone expressed support for the passage of the bill that would authorize the bond issue to build the schools. The details of the testimony and discussion that occurred is incorporated in the section of the committee report titled: Issues, Findings and Recommendations.

COMMITTEE RECOMMENDATION

THE COMMITTEE FINDS THAT IT IS GOOD FINANCIAL POLICY TO DESIGNATE AND RESERVE REAL ESTATE TAXES AS A PAYMENT SOURCE FOR THE EDUCATIONAL FACILITIES BOND ISSUE AND RECOMMENDS THAT BILL 178 BE AMENDED TO INCORPORATE THE SPECIFICS OUTLINED IN BILL 323. WE

***THEREFOR SUBMIT THE ATTACHED BILL 178 AS AMENDED BY
THE COMMITTEE AND RECOMMEND ITS PASSAGE.***

SUMMARY OF TESTIMONY

ISSUE: Carl Taitano was concerned that pledging real estate tax collections as a funding source for these proposed bond issues would in fact hamper our efforts to secure a bond rating higher than we would get otherwise, while Senator Pangelinan thinks this may not be the case.

FINDINGS: Carl Taitano's reasoning for not wanting to pledge particular revenue sources is based on the fact that it is necessarily a self imposed act to constrain our ability to pay back the debt. In addition, if tax collections decide to drop, then tax increases may be in the wing. At the same time, Carl stated that the bottom line is that the debt service is in fact going to be guaranteed by the Government of Guam which has never happened in the past. We have pledged a particular revenue source such as Section 30 funding for the '86 GO issue.

Senator Pangelinan pointed out to Mr. Taitano since UOG tuition payments are being reserved for the payment of UOG's portion of the debt service, then common sense dictates that GovGuam do the same thing with real estate taxes without negatively affecting the bond rating. Additionally, Senator Pangelinan stated that there is a difference between "pledging" a revenue source and "designating" a revenue source and that the latter will not have any effect on the bond rating or ability to market the bonds. Both gentlemen came to the same conclusion though that the market will be indifferent to the outcome of this particular matter and that it is primarily a policy concern.

Senator Pangelinan asked the underwriters, Mr. King and Mr. Reston what effects the designating of real estate tax revenues will have on the marketability of the bonds? Both gentlemen responded that it will be basically have a neutral effect and that it would not impact the bond issue. Mr Reston state that this is done all the time and that BART in San Francisco has done the same thing by designating sales taxes as a source of repayment while floating general obligation bonds.

ISSUE: Senator Ada was concerned the Department of Education will be absorbing additional administrative costs pertaining to this expansion.

FINDINGS: The Department of Education Director, Franklin Quitugua answered this question by stating that real costs involved will be marginal even though he did not provide empirical evidence.

ISSUES: Senator Bordallo was inquiring why GovGuam did not include funding for the northern high school.

FINDINGS: Director Quitugua mentioned that federal land was identified for the project only last year leaving little room if any to prepare for immediate financing & construction projects. In addition, according to Carl Taitano, GovGuam will have only \$31 million dollars of debt capacity leftover after this \$175 million dollar bond issue goes to market. With the triennial assessment going on this year, if the market property values increase, then our debt ceiling will increase also.

ISSUE: Charles Crisostomo, Administrator from GEDA suggested that three (3) technical changes be made on proposed Bill 323. The changes include the following: page four (4) on line 11; the word "PROJECT" should be plural to read "PROJECTS" and "SUBSECTION (I) (IV)" should read "SUBSECTION (I) (5)" as this part cross references the University of Guam's project portion of the issue.

In addition, page six (6) line 2 should change to the following. The words "HAS ADOPTED" should read "SHALL ADOPT". The committee concurs with recommended changes.

ISSUE: J.U. Torres-Chairman, Board of Regents of the University of Guam submitted written testimony defining how UOG's bond proceeds of twenty eight million (\$28 million) dollar will be repaid. Additionally, he outlined the new construction projects and the repairs that will be undertaken.

FINDINGS: Committee questioned whether GovGuam's general fund will be used to pay for UOG's debt service, but Mr. Torres made clear that the payments to service this debt would be covered from tuition revenue which will go directly into the UOG Bond Fund, in accordance with amending section 16118 of the UOG Charter pursuant to 5 Guam Code Annotated Section 22430 (k). Operational costs incurred by the University have no effect on debt repayment because money is received from the legislature for this purpose.

ISSUE: Carl Taitano, the Chief Financial Officer to the Governor of Guam mentioned that during FY '92, the General Fund Tax revenues were \$544,126,000.00. What are the stipulations involved with the debt issued in