

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
86-38 (COR)	Vincent A. V. Borja Tina Rose Muña Barnes	AN ACT TO ADD A NEW § 3135 TO ARTICLE 1, OF CHAPTER 3, TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE CREATION AND TO THE ADMINISTRATION OF THE AMERICAN RESCUE PLAN ACT (ARPA) UPFRONT PAYMENT FUND; AND TO APPROPRIATE THIRTY MILLION DOLLARS (\$30,000,000) FROM THE RAINY DAY FUND TO THE ARPA UPFRONT PAYMENT FUND.	3/7/25 4:41 p.m.	3/14/25	Committee on Finance and Government Operations.	Request: 3/14/25 4/4/25			




COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

April 4, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Senator Christopher M. Dueñas** 
Acting Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 86-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 86-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly copy the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 86-38 (COR)**

AN ACT TO ADD A NEW § 3135 TO ARTICLE 1, CHAPTER 3, TITLE 17, GUAM CODE ANNOTATED RELATIVE TO THE CREATION AND TO THE ADMINISTRATON OF THE AMERICAN RESCUE PLAN ACT (ARPA) UPFRONT PAYMENT FUND; AND TO APPROPRIATE THIRTY MILLION DOLLARS (\$30,000,000) FROM THE RAINY DAY FUND TO THE ARPA UPFRONT PAYMENT FUND.

Department/Agency Appropriation Information		
Dept./Agency Affected: Guam Department of Education (GDOE)	Dept./Agency Head: Dr. Kenneth E. Swanson, Superintendent	
Department's General Fund (GF) appropriation(s) to date: P.L. 37-125: Operations (\$230,506,660); P.L. 37-135: Operations/Maint./Repair (\$10,000,000); P.L. 37-135: Parent Teacher Organizations (\$205,000); P.L. 37-135: Opioid Antagonists (\$25,000)		240,736,660
Department's Other Fund (Specify) appropriation(s) to date: Guam Educational Facilities Fund (\$11,354,810); Public School Library Resources Fund (\$774,942); Healthy Futures Fund (\$891,754); School Lunch/Child Nutritional Meal Reimbursement Fund (\$12,504,000); Limited Gaming Fund (\$350,944)		25,876,450
		266,613,110

Fund Source Information of Proposed Appropriation			
	General Fund:	(Rainy Day Fund): 1/	Total:
FY 2024 Unreserved Fund Balance		\$0	\$0
FY 2025 Adopted Revenues	\$0	\$0	\$0
FY 2025 Appro. (P.L. 37-125 thru P.L.37-135)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2025 (if applicable)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund	\$0	1/	1/	1/	1/	1/
Rainy Day Fund	\$0	\$30,000,000	1/	1/	1/	1/
Total	\$0	\$30,000,000	1/	1/	1/	1/

- Does the bill contain "revenue generating" provisions? / / Yes / X/ No
If Yes, see attachment 1/
- Is amount appropriated adequate to fund the intent of the appropriation? / / N/A / X/ Yes / / No
If no, what is the additional amount required? \$ _____
/ X/ N/A
- Does the Bill establish a new program/agency? / / Yes / X/ No
If yes, will the program duplicate existing programs/agencies? / X/ N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes / X/ No
- Will the enactment of this Bill require new physical facilities? / / Yes / X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / X/ Yes / / No
/X/ Requested agency comments not received by due date / / Other:

Analyst: William P. Tatinglong, Acting BMA Supr. Date: 4/9/25 Director: Lester L. Carlson, Jr., Director Date: APR 06 2025

Footnotes:
1/ See attached comments on Bill 86-38 (COR).

**BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 86-38 (COR)**

The proposed Bill 86-38 (COR) is an act to add a new § 3135 to Article 1, Chapter 3, Title 17, Guam Code Annotated, relative to the creation and to the administration of the American Rescue Plan Act (ARPA) Upfront Payment Fund; and to appropriate Thirty Million Dollars (\$30,000,000) from the Rainy Day Fund to the ARPA Upfront Payment Fund.

The Guam Department of Education (GDOE) had indicated the federal government's shift in funding procedures, requiring the prepayment for federally funded projects before reimbursement is considered. Thus, the intent of the \$30.0M appropriation from the Rainy Day Fund to the ARPA Upfront Payment Fund is to help the GDOE make upfront payments for federally reimbursable projects before spending ARP money because of changes under a new U.S. Department of Education policy on COVID-19 relief funds.

Based on the Bureau's review of the Government of Guam's Basic Financial Statements and Single Audit Report for FY 2023, Public Law 37-42 (FY 2024 Budget Act), and Public Law 37-125 (FY 2025 Budget Act), there is an estimated \$77.6 Million available in the Rainy Day Fund. Both the Bureau and the Department of Administration (DOA) assert that the Rainy Day Fund should be used specifically for its intended purpose and not as seed money for funding devices.

According to comments received from GDOE relative to Bill 86-38, the GDOE makes the following recommended changes to the proposed language.

(c) **Administering Authority.** The **GDOE Superintendent** shall be the administering authority of the Fund. Following a recommendation or request from the **GDOE Deputy Superintendent of Finance and Administrative Services (DFAS)**, to expend monies from the Fund, the **Superintendent** shall approve, or disapprove, the recommendation or request before any such monies are expended. Within two (2) **work** days of receipt of federal reimbursements for ARPA expenditures GDOE will deposit such monies into the Fund.

(d) **Reporting Requirements.** The Department of Administration shall prepare and transmit to GDOE, GEB, and *I Liheslaturan Guahan* a monthly report on the current balance and transactions of the Fund. **The GDOE Deputy Superintendent for Finance and Administrative Services (DFAS) will maintain a spreadsheet record of (A) the total list of received ARPA vendor and contractor invoices received by GDOE and awaiting payment from the Fund by individual invoice and dollar amount, identifying (B) invoices that have been paid from the Fund, (C) invoices that have been submitted to USED for reimbursement, and (D) invoices that have received reimbursement from USED.** The Guam Department of Education **DFAS** shall post this information on its website **weekly, and will provide the same report each Friday to the GEB Chairperson and Budget Committee.** Independent **accounting** records and ~~accounts~~ for the Fund shall be maintained by the Department. GDOE shall submit a monthly report of **ARPA invoice expenditures and reimbursements of this Fund to I Liheslaturan Guahan.**

In regards to the status of the GDOE ARP grant funds, the Bureau notes the following GDOE Grant Status Report (ARP-All School) dated March 27, 2025 which was reported to the Guam Department of Education Financial Supervisory Commission (EFSC):

Total ARP Budget - \$286,940,627 *

LTD Actual Expenditures - \$232,483,358.42

Encumbrances - \$50,570,143.96

Requisitions - \$0

Available Budget - \$3,887,124.62

*Of the Total ARP Budget - \$98,807,117.53 is the total payment (paid out) and \$188,133,509.47 is available not drawn.

It should be noted that a separate Bill No. 72-38 proposes to establish a Disaster Response-Emergency Operations Fund and appropriate \$1.0M from the Rainy Day Fund annually, beginning in Fiscal Year 2026 into this Fund. The Bureau is concerned that the proposed appropriations from the Rainy Day Fund could impact Guam's bond market and credit rating.