

PUBLIC LAW 28-149

MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN  
2006 (SECOND) Regular Session

Bill No. 266 (EC)

As amended in the  
Committee of the Whole.

Introduced by:

Committee on Calendar

by request of *I Maga'lahaen Guåhan*,  
the Governor of Guam, in accordance  
with the Organic Act of Guam.

AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE GUAM PUBLIC SCHOOL SYSTEM, UNIVERSITY OF GUAM, GUAM COMMUNITY COLLEGE, GUAM EDUCATIONAL TELECOMMUNICATION CORPORATION (KGTF) AND THE GUAM PUBLIC LIBRARY SYSTEM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007; TO ESTABLISH THE ESTIMATED GOVERNMENT OF GUAM REVENUES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007; MAKING APPROPRIATIONS TO ADDRESS CONTINUING DEBT SERVICE; TO AUTHORIZE *I MAGA'LAHEN GUÅHAN* TO ISSUE GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS FOR THE PURPOSE OF REFINANCING CERTAIN GENERAL FUND OBLIGATIONS AND FINANCING CERTAIN CAPITAL EXPENSE ITEMS AND CAPITAL IMPROVEMENTS OF THE GUAM PUBLIC SCHOOL SYSTEM AND THE UNIVERSITY OF GUAM; AND ESTABLISHING MISCELLANEOUS EDUCATIONAL PROVISIONS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

CHAPTER I  
GENERAL PROVISIONS

**Section 1. Short Title.** This Act shall be known as the "*Educational Appropriations Act of 2007*". Except as otherwise provided herein, the appropriations made by this Act shall be available to pay for obligations incurred on or after October 1, 2006, but *no* later than September 30, 2007. If any appropriation of this Act is found to violate federal law, all other portions shall remain valid.

**Section 2. Estimated Revenues for Fiscal Year 2007.** *I Liheslaturan Guåhan*, the Guam Legislature, adopts the following revenue estimate for Fiscal Year 2007. Said estimates are the basis for the appropriations in this Act.

I.	GENERAL FUND REVENUES	<u>AMOUNT</u>
	<b>A. TAXES</b>	
	Income Tax	
	Corporate	\$ 72,351,905
	Individual	\$ 43,485,645
	Withholding Taxes, Interest and Penalties	\$188,644,496
	Provision for Tax Refund and EITC	(\$75,600,000)
	<b>TOTAL INCOME TAXES</b>	\$228,882,046
	Gross Receipts Tax	\$162,565,341
	Other Taxes	<u>\$3,054,447</u>
	<b>TOTAL TAXES</b>	<b>\$394,501,834</b>
	<b>B. FEDERAL SOURCES</b>	\$57,961,358
	Federal Income Tax Collection (Section 30 Funds);	
	Immigration Fees and Indirect Cost	

<b>C. USE OF MONEY AND PROPERTY</b>	\$906,895
<b>D. LICENSES, FEES AND PERMITS</b>	\$1,643,484
<b>E. DEPARTMENT CHARGES</b>	\$1,334,351
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$456,347,922</b>

**II. SPECIAL FUND REVENUES**

<b>A. Air Pollution Control Special Fund</b>	\$ 221,182
<b>B. Chamorro Land Trust Operations Fund</b>	492,266
<b>C. Corrections Revolving Fund</b>	1,539,134
<b>D. Customs, Agriculture and Quarantine Inspection Services Fund</b>	8,167,484
<b>E. Enhanced 911 Emergency Reporting System Fund</b>	2,082,787
<b>F. Environmental Health Fund</b>	497,710
<b>G. Guam Contractors License Board Fund</b>	334,901
<b>H. Guam Environmental Trust Fund</b>	191,812
<b>I. Guam Highway Fund</b>	15,324,872
<b>J. Guam Plant Inspection and Permit Fund</b>	44,507
<b>K. Healthy Futures Fund</b>	10,665,466
<b>L. Interim Transition Coordinating Committee Fund (RTB Stock Redemption)</b>	1,813,068
<b>M. Judiciary Building Fund</b>	20,000
<b>N. Land Survey Revolving Fund</b>	950,000
<b>O. Manpower Development Fund</b>	148,485
<b>P. Police Services Fund</b>	370,084
<b>Q. Professional Engineers, Architects and Land Surveyors Board Fund</b>	201,825
<b>R. Public Recreation Services Fund</b>	154,717
<b>S. Safe Streets Fund</b>	236,000
<b>T. School Lunch/SAE/Child Nutritional Meal Reimbursement Fund</b>	6,500,000
<b>U. Solid Waste Operations Fund (Tipping Fees)</b>	5,822,582
<b>V. Street Light Fund</b>	3,912,927
<b>W. Territorial Education Facilities Fund</b>	20,280,840
<b>X. Tourist Attraction Fund</b>	23,100,000
<b>Y. Water Protection Fund</b>	54,242
<b>Z. Water Research and Development Fund</b>	<u>79,518</u>
<b>TOTAL SPECIAL FUND REVENUE</b>	<b>\$103,206,409</b>

**III. FEDERAL MATCHING GRANTS-IN-AID**

**Federal Grants-In-Aid Requiring Local Match:**

<b>A. Agriculture</b>	\$560,565
<b>B. Guam Council on the Arts and Humanities Agency</b>	237,600
<b>C. Guam Election Commission</b>	700,000

D. Guam Police	546,918
E. Integrated Services for Individuals with Disabilities	2,052,208
F. Judiciary of Guam	311,926
G. Labor	33,100
H. Law (AG)	4,205,679
I. Military Affairs	839,150
J. Public Health and Social Services	22,346,660
K. University of Guam	<u>1,508,000</u>
<b>TOTAL FEDERAL MATCHING GRANTS-IN-AID</b>	<b>\$33,341,806</b>

**REVENUE SUMMARY:**

<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$456,347,922</b>
<b>TOTAL SPECIAL FUND REVENUE</b>	<b>\$103,206,409</b>
<b>TOTAL FEDERAL MATCHING GRANTS-IN-AID</b>	<b><u>\$ 33,341,806</u></b>
<b>GRAND TOTAL</b>	<b>\$592,896,137</b>

**Section 3. Debt Service.** The following are continuing appropriations for debt service requirements:

<b>A. GENERAL OBLIGATIONS</b>	
<b>BOND 1993 SERIES A</b>	
<b>(TEFF)</b>	\$10,598,839
<b>B. LIMITED OBLIGATION</b>	
<b>HIGHWAY REFUNDING</b>	
<b>BOND 2001 SERIES A</b>	
<b>(GHF)</b>	\$ 6,026,863
<b>C. LIMITED OBLIGATION</b>	
<b>(SECTION 30) BONDS 2001</b>	
<b>SERIES A (SECTION 30</b>	
<b>FUNDS)</b>	\$ 9,822,208
<b>D. 2002 SHORT TERM</b>	
<b>FINANCING (SECTION 30</b>	
<b>FUNDS)</b>	\$ 1,281,818
<b>E. LIMITED OBLIGATION</b>	
<b>INFRASTRUCTURE</b>	
<b>IMPROVEMENT BONDS,</b>	
<b>1997 SERIES A (TAF)</b>	<u>\$ 7,255,789</u>
<b>TOTAL DEBT SERVICE</b>	<b>\$34,985,517</b>

## CHAPTER II.

### Part I – GUAM PUBLIC SCHOOL SYSTEM

**Section 1. Guam Public School System Operations Fund.** §52101 of Chapter 52 of Division 2 of Title 11 of the Guam Code Annotated is hereby *repealed* and *reenacted* to read:

#### “Chapter 52

**§52101. Creation of the Guam Public School System Operations Fund.** (a) There is hereby created, separate and apart from other funds of the government of Guam, a fund known as the ‘Guam Public School System Operations Fund’. This fund shall *not* be commingled with the General Fund and shall be kept in a separate bank account to be in the name of the Guam Public School System (GPSS). The amount appropriated by *I Liheslaturan Guåhan* to the Guam Public School System for its annual operations shall be deposited in the Guam Public School System Operations Fund to cover the operational expenses of the Guam Public School System and any use associated with the Guam Public School System, as determined in the Guam Public School System budget in accordance with Title 10 GCA Chapter 3, by the Guam Education Policy Board *or* the laws of Guam. The Superintendent of Education shall conduct public hearings at the public schools *prior* to the submission of the budget to the Guam Education Policy Board in order to address each school’s individual budgetary requirements.

(b) The Superintendent of Education shall create and submit to the Speaker of *I Liheslaturan Guåhan*, *I Maga’lahen Guåhan* and the Director of Administration projected schedules of monthly cash disbursements for each school, division and program, by expenditure category, for the fiscal year. Such projected disbursements shall *not* exceed the total amount appropriated by *I Liheslaturan Guåhan* for the purpose of such appropriation. The Public Auditor shall approve the schedules.

(c) Thirty (30) days after the Public Auditor approves the cash disbursement schedules, the Superintendent of Education shall certify and submit to the Speaker of *I Liheslaturan Guåhan*, *I Maga’lahen Guåhan*, the Director of Administration and the Public Auditor, a revised budget document, in the format of the FY 2007 Budget Call forms of the Bureau of Budget and Management Research, including appropriations necessary to comply with Title 1 GCA §715 Item 12 (a) through (n), that shall reflect *all* adjustments to the detailed breakdown contained in the original GPSS budget submission to *I Liheslaturan Guåhan*, to be consistent with the amounts allocated for each school and division in the GPSS projected cash disbursement schedules prepared by the Superintendent and approved by the Public Auditor. *All* quantities and items must be adjusted accordingly. The revised budget document will be a guide for every school, division and program, as well as *I Liheslaturan Guåhan*, *I Maga’lahen Guåhan* and the Public Auditor, to ensure that appropriated funds are used for the purposes intended. The revised budget document shall be posted, in its entirety, on the GPSS website and shall be updated each quarter. Penalties imposed for non-compliance with reporting requirements shall apply to this requirement.

(d) The Director of Administration shall deposit, on the last day of each month, a sum equal to the amount required by the projected schedules of cash disbursements prepared by the Superintendent, into the Guam Public School System Operations Fund, *except* that the Director of Administration for the first (1st) month of the fiscal year, on the first (1st) Friday of October, shall make a deposit equal to the amount required for the first (1st) month of the fiscal year, as reflected in the Guam Public School System’s projected monthly schedules of cash disbursements, from the prior month’s General Fund revenue collections. The Director of Administration shall, on the first (1st) day of each month, transfer to the Guam Public School System all funds held in the Guam Public School System Operations Fund, *except* that for the first (1st) month of Fiscal Year 2007, on October 15,

2006, the Director of Administration shall transfer all funds contained in the Guam Public School System Operations Fund to the Guam Public School System.

(e) Before releasing the appropriation allotment to any government entity other than the Guam Public School System or from any other appropriation, the Director of the Bureau of Budget and Management Research shall *first* ensure that the Director of Administration has deposited the monthly cash requirement of the Guam Public School System into the Guam Public School System Operations Fund.

(f) Nothing herein shall be construed as preventing *I Liheslaturan Guåhan* from making additional appropriations to the Guam Public School System. *I Maga'lahren Guåhan's* transfer authority shall *not* apply to this or any other appropriation to the Guam Public School System, *except* that *I Maga'lahren Guåhan* may transfer funds into the Guam Public School System to the extent permitted by law. *I Maga'lahren Guåhan* may transfer to the Guam Public School System funds in excess of the amounts appropriated to the Guam Public School System herein if he determines that an emergency has created a need for such a transfer.”

**Section 2. Appropriations to the Guam Public School System for Fiscal Year 2007.** The amounts, in the subsections below, totaling One Hundred Eighty-four Million Three Hundred Forty-six Thousand Four Hundred Sixty-six Dollars (**\$184,346,466**) are from the following Funds, and for the following purposes, to the Guam Public School System for Fiscal Year 2007:

(a) **Guam Public School System Operations Fund Appropriation.** Pursuant to §§52101 and 52102 of Chapter 52, Division 2 of Title 11 Guam Code Annotated, as *amended* by this Act, the sum of One Hundred Seventy-two Million Nine Hundred Fifty-seven Thousand Eight Hundred Four Dollars (**\$172,957,804**), which is inclusive of such sums as are necessary for the implementation of salary adjustments for locally funded teacher positions pursuant to Public Law 28-36, as *amended* by Section 26 of Part I of Chapter II of Public Law 28-68, based on the fourteen percent (14%) teacher salary adjustments recommended by the Department of Administration: and which is also inclusive of a sum *not* exceeding One Million Ninety-eight Thousand Three Hundred Forty-five Dollars (\$1,098,345) for software, training, system conversion services, consulting and project management, hardware servers, hardware storage peripherals and hardware redundancy systems in the implementation of the Guam Public School System Student Management System, is appropriated from the General Fund to the Guam Public School System Operations Fund for Fiscal Year 2007. This appropriation shall be expended in accordance with the approved cash disbursement schedules mandated by this Act.

(b) **Interscholastic Sports Fund.** For Fiscal Year 2007, the sum of Five Hundred Nine Thousand Two Hundred Forty-six Dollars (**\$509,246**) is appropriated from the Healthy Futures Fund to the Interscholastic Sports Fund within the Guam Public School System to fund Interscholastic Sports Programs. Expenditure of these funds shall comply with Title 17 GCA §7108.

(c) **Health and Physical Education Activities.** For Fiscal Year 2007, the sum of Three Hundred Twenty-four Thousand Four Hundred Sixteen Dollars (**\$324,416**) is appropriated from the Healthy Futures Fund to the Guam Public School System for Health and Physical Education programs, intramural sports, and similar activities.

(d) ***Y Kuantan Salappe'Prinsepat (Principals' Fund).***

(1) The sum of Five Hundred Fifty-five Thousand Dollars (**\$555,000**) is appropriated from the General Fund to the Guam Public School System for the Principals' Fund for Fiscal Year 2007. The amount appropriated herein shall be allocated per student to each school, based on the student population of each school at the end of the *prior* school year; provided that *no* school

shall receive less than Five Thousand Dollars (\$5,000). Notwithstanding §§10101 and 10102 of Title 17 GCA, each principal shall use the proceeds he receives to develop and implement a program to protect his school from vandalism. Every principal shall coordinate with his school's Parent Teacher Organization and submit an anti-vandalism program to the Superintendent for approval.

(2) Any unreleased and unexpended appropriations made by Section 5 of Part I of Chapter II of Public Law 28-68 may be expended in Fiscal Year 2007.

**(e) School Nutritional Meals.** Up to Six Million Five Hundred Thousand Dollars **(\$6,500,000)** is appropriated from the School Lunch/SAE/Child Nutritional Meal Reimbursement Fund to the Guam Public School System for non-personnel operating expenses incurred in accordance with the established guidelines for said programs.

**(f) Appropriation to the Guam Public School System for Summer School.** For Fiscal Year 2007, there is hereby appropriated such sums as are necessary from the Summer School Fund established pursuant to §6119 of Article 1 of Chapter 6 of Division 1 of Title 17 Guam Code Annotated, to the Guam Public School System to fund the operations of the 2007 Summer School Program. The Superintendent of Education shall submit a detailed report to *I Maga'lahaen Guåhan* and the Speaker of *Liheslaturan Guåhan* regarding the receipt and expenditure of said funds *no later than* thirty (30) days after the close of summer school and post the same on the GPSS website. Such report shall include the following:

- (1) total revenues received, including identification of each revenue source;
- (2) total expenditures and encumbrance by object classification and by school; and
- (3) the fund balance.

**(g) Appropriation for Textbooks and Collateral Materials.** The following are appropriations to the Guam Public School System for the purchase of textbooks, e-book readers and collateral materials to include software, sheet music and music books in accordance with the conditions and terms expressed in the following subsections:

(1) For Fiscal Year 2007, the sum of Three Million Five Hundred Thousand Dollars **(\$3,500,000)** is appropriated from the General Fund from Fiscal Year 2008 revenues to the Guam Public School System for the purchase of textbooks, e-book readers and collateral classroom instructional materials to include software, sheet music and music books. The Superintendent may, *if necessary*, through agreements with textbook vendors, defer payment for said materials until *after* October 1, 2007, but *not later than* December 31, 2007, with the full faith and credit of the government of Guam.

(2) The Guam Public School System shall order all textbooks, e-book readers and collateral classroom instructional materials, to include software, sheet music and music books funded by this section, *no later than* March 1, 2007 for Fiscal Year 2008, and the Bureau of Budget and Management Research shall release such allotments as are necessary to ensure that such textbooks, e-book readers and collateral classroom instructional materials, to include software, sheet music and music books, are ordered by this deadline. All textbooks and collateral classroom instructional materials to include software, sheet music and music books, shall be received and distributed to schools *no later than* thirty (30) days *prior* to the start of the school calendar established pursuant to Title 17 Guam Code Annotated §4111. All funds appropriated

for textbooks, e-book readers and collateral classroom instructional materials, to include software, sheet music and music books, shall *not* be used for any other purpose.

(3) For Fiscal Year 2007, on the first (1st) day of each fiscal quarter, the Superintendent of Education shall provide a detailed report to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan Guåhan* on all receipts and expenditures for textbooks, e-book readers and collateral classroom instructional materials to include software, sheet music and music books. The report shall be accompanied by the certified list of textbooks approved by the Guam Education Policy Board and all purchase orders issued. The report shall be posted on the GPSS website. The report shall include summaries of the following information:

- (A) purchases by allotment account number, unit cost and total cost of books charged against appropriation account, vendor, quantity, title, copyright date and ISBN number of books ordered, allocation of such books by school and grade, and statements as to whether books are for teachers or students and whether books are textbooks or e-books;
- (B) the number of textbooks and e-book readers lost *or* damaged, the amounts collected for such lost *or* damaged items and the amount of receivables due for such lost *or* damaged items for the preceding fiscal year and the current fiscal year by month; and
- (C) other information that may be useful, *or* requested by *I Liheslaturan Guåhan*, regarding an accounting for funds appropriated for such purposes.

Non-compliance with these reporting requirements by the Superintendent of Education shall result in the sanctions and penalties imposed by this Act.

**Section 3. Website Posting.** The Guam Public School System shall post on its website the following:

- (a) All payments for *prior* year obligations to be paid by current appropriations, salary adjustments by position and the funding source for each, by month.
- (b) Cash Disbursement Schedules created pursuant to this Act.
- (c) Number of filled FTEs, costs and funding sources by school and division by month.
- (d) Number of vacant FTEs, costs and funding sources by school and division by month.

## CHAPTER II.

### Part II – UNIVERSITY OF GUAM

**Section 1. Appropriations to the University of Guam.** The amounts, in the Subsections below, totaling Thirty-two Million Nine Hundred Sixty-three Thousand Seven Hundred Twenty-two Dollars **(\$32,963,722)** are from the following Funds, and for the following purposes, to the University of Guam for Fiscal Year 2007:

**(a) General Fund Appropriation for Operations.** The sum of Twenty-four Million Six Hundred Sixteen Thousand Nine Hundred Forty-seven Dollars **(\$24,616,947)** is appropriated from the General Fund to the University of Guam for its operations in Fiscal Year 2007.

**(b) Special Fund Appropriation for Operations.** The sum of Two Million Two Hundred Sixty Thousand Two Hundred Sixty-one Dollars **(\$2,260,261)** is appropriated from the Territorial Education Facilities Fund to the University of Guam for its operations in Fiscal Year 2007.

**(c) Federal Matching Grants-in-Aid.** The sum of One Million Five Hundred Eight Thousand Dollars **(\$1,508,000)** is authorized from the Federal Matching Grants-in-Aid to the University of Guam for its operations in Fiscal Year 2007.

**(d) Scholarships and Training Programs.** The following appropriations are made to the University of Guam for Fiscal Year 2007:

**(1) Student Scholarships, Financial Assistance Programs and Program Administration.** The sum of Two Million Five Hundred Thirty-five Thousand Six Hundred Seventy Dollars **(\$2,535,670)** is appropriated from the General Fund to the University of Guam for Fiscal Year 2007 to be expended for the following student scholarships, financial assistance programs and program administrations: Merit Awards, Student Loans, Nurse Training Programs, Professional and Technical Awards, Reserve Officer Training Corps (“ROTC”), Regent Scholarships, Marine Lab Graduates Assistance Programs, Early High School Admission Programs, Pedro “Doc” Sanchez Scholarship Programs, John F. Quan Memorial Scholarship Programs and administration of all student financial assistance programs. The President of the University of Guam shall allocate this appropriation in order to fund student scholarships, financial assistance programs and program administration.

**(2) Dr. Antonio C. Yamashita Educator Corps.** The sum of One Million Three Hundred Fourteen Thousand Six Hundred Ninety-six Dollars **(\$1,314,696)** is appropriated from the General Fund to the University of Guam for Fiscal Year 2007. The President shall disburse, pursuant to the directives and policies of the Educator Corps Council, for stipends for the Dr. Antonio C. Yamashita Educator Corps and for the administration of the program, in accordance with the provisions of Title 17 GCA, Chapter 18 and §15107 of Title 17 of the Guam Code Annotated, as *amended*.

In addition to such other reports as may be required by this Act, the President of the University of Guam shall post on the University of Guam’s website all reports mandated by this Act that relate to the Dr. Antonio C. Yamashita Educator Corps. Sanctions and penalties imposed for non-compliance with reporting requirements shall apply to the appropriation for the Dr. Antonio C. Yamashita Educator Corps.

**(e) Appropriation for the Aquaculture Development and Training Center.** The sum of One Hundred Forty Thousand Dollars **(\$140,000)** is appropriated from the General Fund to the University of Guam (“UOG”) for Fiscal Year 2007 for the *sole* purpose of funding the continued operations of the Aquaculture Development and Training Center. Such funds shall *not* be transferred or used for any other purpose.



(f) **Guam Hydrologic Survey.** The sum of Two Hundred Four Thousand Two Hundred Dollars (**\$204,200**) is appropriated for Fiscal Year 2007 from the General Fund to the University of Guam ("UOG") to fund the Water and Environmental Research Institute of the Western Pacific ("WERI") for the *sole* purpose of funding the Guam Hydrologic Survey ("GHS"). WERI shall continue to administer the GHS for the same purposes that have previously been established by the laws of Guam. Such funds shall *not* be transferred or used for any other purpose.

(g) **Comprehensive Water Resource Monitoring Program.** The sum of One Hundred Seventy-three Thousand Nine Hundred Forty-eight Dollars (**\$173,948**) is appropriated for Fiscal Year 2007 from the General Fund to the University of Guam ("UOG") to fund the Water and Environmental Research Institute of the Western Pacific ("WERI"). Such funds shall be used for the *sole* purpose of matching the Federal funding for the Comprehensive Water Resource Monitoring Program. WERI shall continue to administer the Comprehensive Water Resource Monitoring Program for the same purposes that have previously been established by the laws of Guam. Such funds shall *not* be transferred or used for any other purpose.

(h) **University of Guam for the College of Natural and Applied Sciences.** The sum of Ninety Thousand Dollars (**\$90,000**) is appropriated from the General Fund for Fiscal Year 2007 to the University of Guam for the College of Natural and Applied Sciences and said amount shall be divided equally between the Northern and Southern Soil and Water Conservation District Programs. Such funds shall *not* be transferred or used for any other purpose.

(i) **University of Guam for KPRG (Public Radio).** The sum of One Hundred Thousand Dollars (**\$100,000**) is appropriated from the General Fund to the University of Guam for FY 2007 for KPRG (Public Radio) operations. The President of the University shall disburse the funds to KPRG.

*No later than* thirty (30) days after the close of each fiscal quarter of FY 2007, the General Manager of KPRG shall submit to the President of the University of Guam, and post on KPRG's website, all reports mandated by this Act. Sanctions and penalties imposed for non-compliance with reporting requirements shall apply to the appropriation for KPRG.

(j) **University of Guam for Hero Scholarship Program.** The sum of Twenty Thousand Dollars (**\$20,000**) is appropriated from the Judicial Building Fund to the University of Guam for the Hero Scholarship Program for Fiscal Year 2007. Such funds shall *not* be transferred or used for any other purpose.

**Section 2. Program Revenue and Expenditure Reports.** Beginning in Fiscal Year 2007, thirty (30) days after the close of each fiscal quarter, the President of the University of Guam shall submit separate quarterly revenue and expenditure reports to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan Guåhan* for the Aquaculture Development and Training Center, WERI Guam Hydrologic Survey, WERI Comprehensive Water Resource Monitoring Program, Northern and Southern Soil and Water Conservation District Programs and KPRG. Such reports shall be in the format of basic financial statements or as may be prescribed by *I Liheslaturan Guåhan* and shall be posted on the University of Guam's website.

**Section 3. Program Annual Reports.** Beginning in Fiscal Year 2007, the President of the University of Guam shall submit separate annual reports for the following programs and activities to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan Guåhan*: Aquaculture Development and Training Center, WERI Guam Hydrologic Survey, WERI Comprehensive Water Resource Monitoring Program, Northern and Southern Soil and Water Conservation District Programs and KPRG. At a minimum, such reports shall include the following: program mission, goals, objectives, sources of revenue, expenditures by budget object classification, number of employees, contracts and program accomplishments in the fiscal year reported. Such Annual Reports shall be posted on the University of Guam's website.

**Section 4. Scholarships, Financial Assistance and other Reports.** Beginning in Fiscal Year 2007, sixty (60) days after the close of the fiscal year, the President of the University of Guam shall submit to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan Guåhan*, and post on the University of Guam's website, a report of expenditures from appropriations made in this Act, for student scholarships, student financial assistance, the Dr. Antonio C. Yamashita Educator Corps and the Educator Corps Council. Said report shall include information for every program reported on regarding the program name, the number of scholarships or loans issued, the date the scholarship or loan was awarded, the anticipated date of cohort graduation, the total amount of recipient's awards or loans, the total amount of loans repaid to date, and the balance of the outstanding awards or loans, the amount of collections to date for outstanding loans and repayments due, the number of awards for each field of study, and the total number of recipients working to complete their obligations.

**Section 5. Non-compliance with Reporting Requirements.** For appropriations made to the University of Guam, all de-appropriation penalties imposed by this Act for non-compliance with reporting requirements shall be applied against the specific appropriation to the non-compliant program.

## CHAPTER II.

### Part III – GUAM COMMUNITY COLLEGE

**Section 1. Appropriations to the Guam Community College.** The amounts, in the Subsections below, totaling Fourteen Million Six Hundred One Thousand Five Hundred Seventy-four Dollars **(\$14,601,574)** are from the following Funds, and for the following purposes, to the Guam Community College for Fiscal Year 2007:

**(a) General Fund Appropriation for Operations.** The sum of Seven Million Three Hundred Sixteen Thousand Five Hundred Sixty-two Dollars **(\$7,316,562)** is appropriated from the General Fund to the Guam Community College for its operations in Fiscal Year 2007.

**(b) Special Fund Appropriation for Operations.** The sum of Six Million Six Hundred Thirty-nine Thousand Five Hundred Seven Dollars **(\$6,639,507)** is appropriated from the Territorial Education Facilities Fund to the Guam Community College for its operations in Fiscal Year 2007.

**(c) Licensed Practical Nurses and Vocational Guidance Programs.** The sum of Five Hundred Forty-one Thousand Five Hundred Sixty-five Dollars **(\$541,565)** is appropriated from the General Fund to the Guam Community College for the operations of the Licensed Practical Nursing Program and Vocational Guidance Program in Fiscal Year 2007.

**(d) Appropriation to the Guam Community College Apprenticeship Program.** The sum of One Hundred Three Thousand Nine Hundred Forty Dollars **(\$103,940)** is appropriated from the Manpower Development Fund to the Guam Community College for the Guam Community College Apprenticeship Program for Fiscal Year 2007.

**Section 2.** The President of the Guam Community College shall submit quarterly reports to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan Guåhan* thirty (30) days after the close of each fiscal quarter beginning in Fiscal Year 2007 and post said report on the Guam Community College's website. Said reports shall include, but *are not limited to*, the number of participants in each applicable program, the amounts expended from appropriations in this Act by object classification, description of the program, the academic courses offered, and the requirements for participation in the program.

## CHAPTER II.

### Part IV – Guam Educational Telecommunication Corporation (KGTF).

**Section I. Appropriation to the Guam Educational Telecommunication Corporation (KGTF).** The amounts, in the Subsections below, totaling Five Hundred Seventy-six Thousand Sixty-four Dollars **(\$576,064)** are from the following Funds, and for the following purposes, to the Guam Educational Telecommunication Corporation (KGTF) for Fiscal Year 2007:

**(a) General Fund Appropriation for Operations.** The sum of Five Hundred Fourteen Thousand Four Hundred Seventy-seven Dollars **(\$514,477)** is appropriated from the General Fund to the Guam Educational Telecommunication Corporation (KGTF) for its operations in Fiscal Year 2007.

**(b) Special Fund Appropriation for Operations.** The sum of Sixty-one Thousand Five Hundred Eighty-seven Dollars **(\$61,587)** is appropriated from the Territorial Education Facilities Fund to the Guam Educational Telecommunication Corporation (KGTF) for its operations in Fiscal Year 2007.

## CHAPTER II.

### Part V – GUAM PUBLIC LIBRARY SYSTEM

**Section I. Appropriation to the Guam Public Library System.** The amounts, in the Subsections below, totaling One Million Nine Hundred Four Thousand Five Hundred Thirty-seven Dollars **(\$1,904,537)** are from the following Funds, and for the following purposes, to the Guam Public Library System for Fiscal Year 2007:

**(a) General Fund Appropriation for Operations.** The sum of One Million One Hundred Eighty-four Thousand Three Hundred Sixty-five Dollars **(\$1,184,365)** is appropriated from the General Fund to the Guam Public Library System for its operations in Fiscal Year 2007.

**(b) Special Fund Appropriation for Operations.** The sum of Seven Hundred Twenty Thousand One Hundred Seventy-two Dollars **(\$720,172)** is appropriated from the Territorial Education Facilities Fund to the Guam Public Library System for its operations in Fiscal Year 2007.

## CHAPTER II.

### Part VI – MISCELLANEOUS EDUCATIONAL PROVISIONS.

**Section 1. Purchasing In Economies of Scale.** All agencies receiving appropriations pursuant to this Act shall take all necessary measures to realize cost savings by purchasing supplies and materials in such a manner as to realize economies of scale.

**Section 2. Reporting Requirements.** *No later than* thirty (30) days after the close of each fiscal quarter of Fiscal Year 2007, the Superintendent of Education of the Guam Public School System, the President of the University of Guam, the President of the Guam Community College, the General Manager of Guam Educational Telecommunication Corp., and the Director of the Guam Public Library System, regardless of the source of the entity's appropriations and revenue, shall submit to the Speaker of *I Liheslaturan Guåhan* and post on the entity's website, in electronic format (including, but not limited to, diskettes, CDs and email), a report making full disclosure of ALL funds under his purview and administration for the preceding quarter. Said report shall be in the form of financial statements *or* revenue and expenditure reports for every fund he administers, or in a format as may be required by *I Liheslaturan Guåhan*, regardless of whether said fund is appropriated, non-appropriated, local or federal and regardless of the source of the funding. This and every reporting requirement imposed by this Act *or* any appropriation pertaining to FY 2007 shall be subject to the following:

- (a) If the head of an agency receiving funds pursuant to this Act does not submit said report to the Speaker of *I Liheslaturan Guåhan* and post the same on the website by its due date, *I Maga'lahi* shall, *no later than* fifteen (15) days after said due date, notify the agency head of his or her non-compliance and the imminent deappropriation of funds.
- (b) If the head of an agency receiving funds pursuant to this Act fails to submit and post said report by its due date, the Chairperson of the appropriate board, shall notify the agency head of his or her non-compliance and the imminent deappropriation or remittance of funds.
- (c) The failure of any official or board, to give the notice required by the previous two (2) subsections shall *not* affect the deappropriation or remittance of funds mandated by the next Section.

**Section 3. Deappropriation of Funds.** If the director, administrator or head of a government agency receiving funds pursuant to this Act, regardless of the source of the agency's appropriations and revenue, fails to comply with any reporting requirement mandated by this Act, the funds appropriated to the entity he or she administers shall, on the forty-fifth (45th) day after the report's due date, be automatically deappropriated in the amount of five percent (5%) of the agency's total appropriation for FY 2007 for EACH of the following requirements *not* met:

- (a) providing a written report;
- (b) providing an electronic format of the report; and
- (c) posting the report on the website.

This Section shall *not* apply when *I Maga'lahi* has declared a state of emergency or declared the island to be in a Condition of Readiness One. The deadline for submittal of reports shall be extended by the same number of days for which the emergency is declared or the number of days in which the island is in Condition of Readiness One. The Public Auditor shall examine the appropriate records, certify any deappropriation or remittance of funds and report thereon to *I Maga'lahi* and the Speaker of *I Liheslaturan Guåhan*. The Director of the Bureau of Budget and Management Research shall promptly reduce the appropriation or allotment to the non-compliant agency in accordance herewith, effectuate the deappropriation and submit a written report thereon to *I Maga'lahi* and the Speaker of *I Liheslaturan Guåhan*.

**Section 4. Repair of Musical Instruments.** From the funds appropriated for GPSS operations by this Act, the sum of Eight Thousand Five Hundred Dollars (\$8,500) shall be used for the repair of musical instruments for band and music classes and programs.

**Section 5. Re-Codification of Scholarships.** The Compiler of Laws shall transfer and re-codify the statutes creating scholarship programs contained in Chapters 19, 22 and 25 of Title 17 GCA to Chapter 15 of Title 17 GCA, "Student Financial Assistance Programs".

**Section 6. Interest Computation on Financial Assistance for Awards after September 30, 2006.** A new §15112 is hereby *added* to Title 17 GCA, Chapter 15, Article 1 to read as follows:

**"§15112. Interest Computation On Financial Assistance Awarded After September 30, 2006 For Cash (Non-Service Credit) Repayments.** Interest on all awards of assistance made after September 30, 2006 pursuant to this Article shall be computed on the outstanding balance on a simple interest basis beginning on the date of disbursement at an annual percentage rate of ten percent (10%). Repayment shall be made in either a lump sum by which the principal and accrued interest up to the date of repayment is satisfied or through a periodic payment plan under the following conditions:

- (a) the awardee can amortize the combined balance of principal and accrued interest balances over a specified term at an annual percentage rate of ten percent (10%);
- (b) the period for repayment shall *not* exceed ten (10) years; and
- (c) all awardees choosing to repay assistance in cash in lieu of service credit must pay all accrued interest before any payments are applied to the principal of the debt.

Repayment of awards made *prior* to September 30, 2006 shall be made pursuant to the other provisions of this Chapter."

**Section 7. UOG Clearance Required for Doc Sanchez Scholarship Recipients upon Separation from Government Service.** A new §15912 is hereby *added* to Title 17 GCA, Chapter 15, Article 9 to read as follows:

**"§15912. University Of Guam Clearance Required Upon Separation.** The heads of all government of Guam agencies and instrumentalities shall require that all employees of their respective agencies who have received scholarship assistance pursuant to this Article obtain a clearance from the University of Guam *prior* to the employee's separation from employment in the government of Guam. UOG shall grant the clearance if the recipient has:

- (a) repaid the assistance provided through service credit; or
- (b) repaid the assistance provided; or
- (c) arranged to repay the assistance through a periodic payment plan that complies with Title 17 GCA §15112.

The head of the agency or instrumentality shall *not* authorize the payment of any accrued and payable leave or release of retirement fund contributions to the employee until he obtains the clearance."

**Section 8. Over-expenditure Reporting.** The Superintendent of Education shall, within sixty (60) days after the enactment hereof, submit a report to *I Liheslaturan Guåhan, I Maga'lahren Guåhan* and the Public Auditor explaining in detail the Guam Public School System's \$16.1M over-expenditure of funds reflected in the FY 2005 Audited Financial Statements of the Government of Guam.

**Section 9. Local Funds Reimbursement.** Funds appropriated to the Guam Public School System by *I Liheslaturan Guåhan* shall *not* be used to pay for federally-funded program activities and expenditures *unless* payment is specifically authorized by local statute or unless payment is for expenditures for grants that require local expenditures prior to federal reimbursement. The Superintendent of Education shall report to *I Liheslaturan Guåhan, I Maga'lahren*

*Guåhan* and the Public Auditor any local funds expended in Fiscal Years 2005 and 2006 for federally-funded program activities and expenditures, the details of such expenditures by object class, the number of FTEs involved if applicable, the amounts reimbursed by federal funds and amounts that have not or will not be reimbursed by federal funds. Said report shall cite the authority to use local funds for federal program expenditures and name the certifying officer for and give the date of every expenditure.

**Section 10. Audits and Assessments.** A new Item (q) is added to Title 17 Guam Code Annotated, Chapter 3, §3103 to read:

“(q) Conduct a periodic assessment of the Guam Public School System to ascertain whether the System is providing an adequate education as that term is defined in 1 GCA §715, Item 12, and to assess and evaluate the System’s organizational structure and staffing, financial management, curriculum and instruction.”

**Section 11. Appropriation.** The sum of One Hundred Thousand Dollars (**\$100,000**) is appropriated from the sums appropriated in Chapter II, Part I, Section 2 of this Act to the Guam Public School System for the purpose of contracting, pursuant to Title 17 GCA, Chapter 3, §3103, with an independent educational auditing organization to audit the Guam Public School System’s capability to provide an adequate education as that term is defined by Title 1 GCA, §715, Item 12, and to identify recommendations to remedy deficiencies. The audit report shall be transmitted by the Superintendent of Education to the Speaker of *I Liheslaturan Guåhan*, posted on the Guam Public School System’s website, and published within one hundred eighty (180) days of execution of the contract. This appropriation shall expire one hundred twenty (120) days after the enactment hereof.

**Section 12. Appropriation.** The sum of One Hundred Seventy-five Thousand Dollars (**\$175,000**) is appropriated from the sums appropriated in Chapter II, Part I, Section 2 of this Act to the Guam Public School System for the purpose of contracting, pursuant to Title 17 GCA, Chapter 3, §3103, with an independent educational auditing organization to conduct an objective audit and assessment of the Guam Public School System, and to identify recommendations to remedy deficiencies in the areas of organizational structure; compliance with federal and local laws; compliance with board policies; physical and operational security; workflow designs and management; internal controls; staffing levels and competencies; management levels and competencies; management practices; training standards and practices; compliance and creation of policies and procedures; adequacy of facilities; physical plant management effectiveness and efficiency; technical and administrative infrastructure; redundancy of systems and procedures; productivity and quality standards; recruitment, certification training of teachers, and recruitment, training and staff development. Said audit report shall be transmitted by the Superintendent of Education to the Speaker of *I Liheslaturan Guåhan*, posted on the Guam Public School System’s website, and published within one hundred eighty (180) days of execution of the contract. This appropriation shall expire one hundred twenty (120) days after the enactment hereof.

**Section 13. Guam Public School System Administrative Reorganization.** Based on the recommendations to remedy deficiencies contained in the report required by the previous Section, the Superintendent of Education may submit a plan for the administrative reorganization of the GPSS central operations to *I Liheslaturan Guåhan* for its consideration for approval.

**Section 14. Submission of Internal Audit Report.** The completed GPSS Internal Audit report shall be submitted by the Superintendent to *I Liheslaturan Guåhan* and the Guam Public Auditor.

**Section 15. Continuing Appropriation.** The appropriations made to the University of Guam, the Guam Community College, the Guam Public Library System, the Guam Educational Telecommunication Corporation (KGTF), the Student Financial Assistance Program, and the Dr. Antonio C. Yamashita Educator Corps by Public Law 28-68 shall continue until all sums appropriated therein are expended.



## CHAPTER II.

### Part VII – AUTHORIZATION TO ISSUE BONDS FOR REFINANCING 1993 SERIES A BONDS AND CAPITAL EXPENSES OF SCHOOL FACILITIES.

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* hereby finds that it is necessary and desirable for the prudent management of the fiscal affairs of the Government of Guam to refinance the Government of Guam General Obligation Bonds, 1993 Series A, and that vital and immediate capital expense items and capital improvement projects of the Guam Public School System are needed to comply with the “Every Child Is Entitled To An Adequate Public Education Act” and the capital improvements of the University of Guam, are also needed. *I Liheslaturan Guåhan* further finds that refinancing the Government of Guam General Obligation Bonds, 1993 Series A, would create cash flow of approximately Eight Million Three Hundred Thousand Dollars (\$8,300,000) in Fiscal Year 2007, provide Thirty Five Million Dollars (\$35,000,000) in new money, and provide approximately Two Hundred Fifty Thousand Dollars (\$250,000) in annual debt service savings until 2018. This financing will provide approximately Forty Three Million Three Hundred Thousand Dollars (\$43,300,000) for the capital needs of Guam’s Public Educational Facilities in Fiscal Year 2007.

*I Liheslaturan Guåhan* also finds that it would be fiscally responsible to accelerate the repayment of the refinanced Government of Guam bonds by committing fifty percent (50%) of any amount in excess of One Hundred Million Dollars (\$100,000,000) received in revenue pursuant to Section 30 of the Organic Act to redeem the bonds.

*I Liheslaturan Guåhan*, therefore, hereby authorizes the issuance of general obligation bonds, provides for said bonds to be used to refinance all or a portion of said 1993 Series A Bonds and provides that said bonds shall finance capital expense items and capital improvement projects of the Guam Public School System and the University of Guam.

**Section 2.** A new §22435 is hereby *added* to Chapter 22 of Title 5 Guam Code Annotated to read as follows:

**“§22435. Authorization to Issue Bonds for Refinancing 1993 Series A Bonds, Capital Expense Items and Capital Improvement Projects of School Facilities.**

**(a) Authorization of Issuance of Bonds.** *I Maga’lahen Guåhan* is authorized to issue one or more series of bonds of the government of Guam as provided in this Section, in an aggregate principal amount necessary to provide proceeds sufficient to fund an escrow for the refinancing of the General Fund obligations listed in subsection (k)(i) and in an aggregate principal amount not to exceed the amount necessary to provide Thirty Five Million Dollars (\$35,000,000) for the payment of the General Fund expenses listed in subsection (k)(ii), and in each case to fund necessary reserves and to pay expenses incurred in connection with the issuance of such bonds *not* already included in an existing appropriation for or in the regular budget of any government agency or instrumentality or public corporation providing any service in connection with the issuance of such bonds; provided, however, that said bonds shall *not* be issued in an amount that would cause a violation of the debt limitation provisions of 48 USC 1423a (§11 of the Organic Act of Guam).

**(b) Terms and Conditions Determined by Certificate or Indenture.** The terms and conditions of the bonds shall be as determined by *I Maga’lahen Guåhan* by the execution of a certificate or indenture authorizing the issuance of the bonds upon or prior to the issuance of the bonds; provided, however, that such terms and conditions shall be consistent with this Section, and that the bonds shall mature *not later than* the year 2028, and shall bear interest at such rates and be sold for such price or prices as shall result in a yield to the bondholders *not* exceeding six and ninety five hundredths percent (6.95%) per annum.

**(c) Valid and Binding General Obligations.** The bonds authorized by this Section shall constitute the valid and binding general obligations of the government of Guam. The government of Guam pledges its full

faith and credit for the punctual payment of both principal of and interest on the bonds. There shall be collected annually in the same manner and at the same time as government revenue for other purposes is collected, such sum as is required to pay the principal of and interest on the bonds. All officers charged by law with any duty in the collection of revenues of the government from which debt service on the bonds will be payable shall do every lawful thing necessary to collect such sum. The validity of any such bonds shall *not* be affected by the validity or regularity of any proceedings for the payment of the General Fund expenses paid or to be paid with the proceeds of the bonds.

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

**(e) Additional Bonds.** Nothing in this Section shall be construed to prevent the government of Guam from issuing, after appropriate enabling legislation, other obligations of the government secured by the general obligation of the government on a parity with or subordinate to the bonds authorized by this Section on such terms as may be provided by the indenture or certificate pursuant to which the bonds are issued. Nothing in this Section shall be construed to prevent the government of Guam from issuing, after appropriate enabling legislation, other obligations of the government secured by Real Property Tax Revenues on a parity with or subordinate to the bonds authorized by this Section on such terms as may be provided by the indenture or certificate pursuant to which the bonds are issued.

**(f) Waiver of Immunity; Submission to Jurisdiction.** Notwithstanding any substantive or procedural provision of Chapter 6 of Title 5 Guam Code Annotated, the government of Guam waives immunity from any suit or action in contract on the bonds, but does *not* waive immunity as to the personal liability of elected officials and employees of the government of Guam. The government hereby submits to jurisdiction of the Federal District Court for the District of Guam for purposes of any such suit or action in contract on the bonds.

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

**(h) Form of Bonds; Covenants; Appointment of Fiduciaries.** The technical form and language of the bonds, including provisions for execution, exchange, transfer, registration, paying agency, lost or mutilated bonds, negotiability, cancellation and other terms or conditions *not* inconsistent with this Section, including covenants relating to the collection of revenues, shall be as specified in the certificate or indenture executed by *I Maga'lahaen Guåhan* authorizing the issuance of the bonds. The certificate or indenture shall appoint one or more trustees, co-trustees or other fiduciaries authorized to receive and hold in trust the proceeds of the bonds, the revenues and other moneys relating thereto, to protect the rights of bondholders and to perform such other duties as may be specified in the indenture. *I Maga'lahaen Guåhan* is also authorized to execute, on behalf of the government of Guam, any appropriate agreements, certificates or other instruments relating to the bonds and the sale of bonds.

**(i) Authorization for Credit Enhancement.** *I Maga'lahaen Guåhan* is authorized to enter into such contracts or agreements with such banks, insurance companies or other financial institutions as he determines are necessary or desirable to improve the security and marketability of the bonds issued under this Section. Such contracts or agreements may contain an obligation to reimburse, with interest, any such bank, insurance company or other financial institution for advances it makes to pay the principal of or interest on the bonds and to indemnify

any such bank, insurance company or other financial institution for costs and expenses incurred in connection with any such advance. Any such reimbursement obligation and any other obligations of the government under such contracts or agreements shall be general obligations of the government of Guam and any such advance, if necessary, shall be treated for Organic Act purposes as creating an obligation issued to refund the bonds.

**(j) Use of Proceeds from the Sale of the Bonds.** The proceeds from the sale of the bonds shall be used and are hereby appropriated to (1) refinance the General Fund obligations and fund the capital projects described in Subsection (k) of this Section; (2) establish necessary reserves; (3) pay expenses relating to the authorization, sale and issuance of the bonds, including, without limitation, printing costs, costs of reproducing documents, credit enhancement fees, underwriting, legal, financial advisory and accounting fees and charges, fees paid to banks or other financial institutions providing credit enhancement, costs of credit ratings and other costs, charges and fees in connection with the issuance, sale and delivery of the bonds; and (4) fund capitalized interest on the bonds issued for the purposes described in Subsection (k)(i) of this Section for a period ending *not later than* thirty (30) months from the receipt of proceeds.

**(k) Use of Proceeds of Bonds.** The expenditures authorized to be financed with the proceeds of the bonds are as follows:

(1) to fund an escrow to pay debt service on all or a portion of the Government of Guam General Obligation Bonds, 1993 Series A, at a maturity *not later than* the year 2028, provided that the annual debt service for any of said 1993 Series A bonds to remain outstanding, together with the annual debt service on the bonds authorized pursuant to this Section, for a given year shall *not* exceed the aggregate annual debt service for said bonds for the previous year or the next succeeding year by more than one percent (1.0%).

(2) **Thirty Three Million Dollars (\$33,000,000)** to fund the capital expense items and capital improvement projects of the Guam Public School System listed in **Attachment B**.

(3) **Two Million Dollars (\$2,000,000)** to fund the capital expense items and capital improvement projects of the University of Guam listed in **Attachment C**.

**(l) Permitted Investments.** The proceeds of the bonds, and any revenues relating to such bonds, shall be invested *only* in the types of investments permitted by the certificate or indenture pursuant to which such bonds are issued.

**(m) Approval by the Guam Economic Development and Commerce Authority.** Title 12 Guam Code Annotated §50103(k) provides that agencies and instrumentalities of the Government of Guam shall issue bonds and other obligations *only* by means of and through the agency of the Guam Economic Development and Commerce Authority (GEDCA). *No* bonds authorized by this Section shall be sold until the board of directors of GEDCA has adopted a resolution approving the sale.

**(n) Approval of Voters Not Required.** Notwithstanding Title 3 Guam Code Annotated §§17311 and 17312, the issuance of the bonds authorized by this Section shall *not* be subject to the approval of, or placed before, the voters of Guam.”

**Section 3. Territorial Educational Facilities Fund Amendment.** Subsection (l) of §22425, Chapter 22 of Title 5 Guam Code Annotated, is hereby *amended* to read as follows:

**(l) Territorial Educational Facilities Fund.** There is continued in existence, separate and apart from other funds of the government of Guam, a fund known as the “Territorial Educational Facilities Fund” (the “TEF Fund”). The TEF Fund shall *not* be commingled with the General Fund or any other fund of the government of Guam. The TEF Fund shall be held in an account or accounts at a Guam financial institution or institutions

separate and apart from all other accounts and funds of the government of Guam. All real property tax revenues received by or on behalf of the government of Guam pursuant to §24103, Title 11, Guam Code Annotated, shall be deposited in the TEF Fund and shall be accounted for and used periodically *only* for the following purposes and in the following order:

(1) On the dates on which monies are remitted from the General Fund to any trustee, co-trustee or paying agent for the bonds issued pursuant to this Section or pursuant to §22435, Chapter 22 of Title 5 Guam Code Annotated, for the purpose of either (A) paying the principal of and interest on the bonds designated as having been issued for the capital projects enumerated in items (1), (2), (3), (4), (6) and (7) of Subsection (m) of this Section and for the payment of General Fund expenses, or paying the principal of and interest on the bonds issued pursuant to §22435, Chapter 22 of Title 5 Guam Code Annotated, or (B) accumulating the amounts necessary to pay the principal of or interest on such bonds, there shall be transferred from the TEF Fund to the General Fund amounts equal to, but *not* in excess of, the amounts remitted from the General Fund for such purposes, and in the event that the amount so transferred on any such date is insufficient to fully reimburse the amount so remitted, the amount of the insufficiency shall be transferred as soon thereafter as it becomes available in the TEF Fund, together with interest from such remittance date to such date of transfer at a rate equal to the yield on the bonds.

(2) On the dates on which monies are transferred to the General Fund pursuant to paragraph (1) of this Subsection (1) of this Section, if such transfer is sufficient to fully reimburse the General Fund, (with interest, if required), the balance remaining in the TEF Fund shall remain in the TEF Fund and shall *only* be appropriated by *l Liheslatura* for the purpose of constructing, refurbishing, replacing and funding educational facilities and to fund the operations of the Guam Community College.

(3) The repayment obligation of the University of Guam as described in §22425 of Chapter 22 of Title 5 Guam Code Annotated, which establishes the University of Guam Bond Fund, shall continue.

Such tax collections shall *not* be pledged to the payment of amounts due on such bonds, and this Subsection (l) may be amended at any time by subsequent act of *l Liheslatura*. Nothing in this Section or §22435 of Chapter 22 of Title 5 Guam Code Annotated shall be construed to prevent the government of Guam from issuing, after appropriate enabling legislation, for the benefit of the government of Guam other general obligations or revenue obligations of the government secured by such real property tax revenues on a parity with the bonds authorized by this Section or §22435 of Chapter 22 of Title 5 Guam Code Annotated.”

**Section 4. Local Sales of Bonds.** *l Maga’lahen Guáhan* shall undertake his best efforts to cause a portion of any bonds issued pursuant to Section 2 of Part VII of Chapter II of this Act (§22435, Title 5 Guam Code Annotated), to be offered for sale to residents of Guam, if and to the extent that such offer and any sales resulting from such offer do *not* increase the costs to the government of Guam of issuing and repaying such bonds.

**Section 5. Approval of Bonds.** *l Liheslaturan Guáhan*, pursuant to §50103(k), Title 12 Guam Code Annotated, hereby approves the issuance and sale by the government of Guam of bonds for the purposes and in the principal amounts *not* to exceed the purpose and limits set forth in Section 2 of Part VII of Chapter II of this Act; *provided* that the conditions to the issuance of such bonds shall have been met, that such bonds have a final maturity date *not later than* thirty (30) years after their date of issuance, that the bonds bear interest at such rate and are sold for such price or prices as shall result in a yield to the bondholders *not* exceeding seven and one-half percent (7.5%) per annum, and that the bonds are issued and sold in the manner, for the purposes and subject to the requirements and limitations provided in §22435, Title 5 Guam Code Annotated. This approval supersedes the approval contained in Public Law 27-19 and the terms and conditions of Public Law 27-19 shall *not* apply.

**Section 6. Approval of Indenture.** The certificate pursuant to which the bonds approved by Section 5, Part VII of Chapter II of this Act shall be issued in substantially the form appended to this Act as **Attachment A**. In accordance with Title 5 Guam Code Annotated §22435, the terms and conditions of such bonds shall be as determined by *I Maga'lahaen Guåhan*, and approved by *I Liheslaturan Guåhan*, by execution of the certificate, subject to the requirements of said Section 2 and Section 4 of Part VII of Chapter II of this Act.

**Section 7. Early Redemption of Bonds.** The Indenture described in Section 6 of Part VII of Chapter II of this Act shall contain a provision authorizing the Early Redemption of the Bonds described in Section 2 of Part VII of Chapter II of this Act. Fifty percent (50%) of any amount in excess of One Hundred Million Dollars (\$100,000,000) payable to the Government of Guam by the Government of the United States pursuant to Section 30 of the Organic Act, Title 48 U.S. Code §11421h, shall be used for the Early Redemption of the Bonds described in this Act.

**Section 8. Bond Proceeds Not Subject to Transfer Authority.** The proceeds of the bonds approved by §5 of Part VII of Chapter II of this Act shall *not* be subject to any transfer authority of *I Maga'lahaen Guåhan*.

**Section 9. Financial Advisory Services Fee.** An amount equal to fifty percent (50%) of the Financial Advisory Services Fee received by the Guam Economic Development and Commerce Authority from the refinancing of the Government of Guam General Obligation Bonds, 1993 Series A, shall be reserved for appropriation by *I Liheslaturan Guåhan* for community and economic impact assessment required for the relocation of U.S. Armed Services personnel to Guam.

**Section 10. School Capital Facilities Reserve Funds.** All lapses resulting from savings made from the procurement of items as authorized in Attachment B of Chapter II, Part VII of this Act shall revert to a School Capital Facilities Reserve Fund. Any fees or charges required as a consequence of the issuance of revenue bonds as authorized in Section 2 of Chapter II, Part VII of this Act shall be paid from the proceeds of such bonds. The Superintendent of Education is authorized to expend these funds for capital expenses and capital improvement projects for the Guam Public School System after giving ten (10) days written notice to the Speaker of *I Liheslatura*. The Superintendent of Education shall provide a breakdown of such expenditures to the Public Auditor within ten (10) days of expending such funds. The Superintendent of Education shall publish such reports on the Guam Public School System's website.