I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Substitute Bill No. 207(LS), "AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS",** was on the 30th day of September, 2008, duly and regularly passed.

Judith T. Won Pat, Ed. D.
Speaker

Attested:

Tina Rose Muña Barnes
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahen Guåhan* this _____ day of _____, 2008, at _____ o'clock _____.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

MIKE W. CRUZ, MD
GOVERNOR OF GUAM ACTING

Date: 30 SEP 2008

Public Law No. 29-113

I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

Bill No. 207(LS)
As substituted by the Committee on
Finance, Taxation, Commerce and Economic Development;
and amended in the Committee of the Whole;
and further substituted; and amended by the Committee of the Whole;
reconsidered; and further substituted on the floor.

Introduced by: Committee on Calendar
By request of *I Maga'lahen Guåhan,* in accordance with the Organic Act of Guam.

AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

CHAPTER I
GENERAL PROVISIONS

Section 1. Short Title. This Act *shall* be known as the ***"General Appropriations Act of 2009"***. *Except* as otherwise provided by this Act, the appropriations made by this Act *shall* be available to pay for obligations incurred on *or* after October 1, 2008, but *no later than* September 30, 2009. *If* any appropriation in this Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

Section 2. Estimated Revenues for Fiscal Year 2009. *I Liheslaturan Guåhan*, the Guam Legislature, adopts the following revenue estimates for Fiscal Year 2009 as the basis for the appropriations contained in this Act.

I.	**GENERAL FUND REVENUES**	**AMOUNT**
A.	**TAXES**	
	Income Tax	
	Corporate	$104,039,979
	Individual	$77,505,105
	Withholding Taxes, Interest and Penalties	$174,329,231
	Provision for Tax Refund	($88,600,000)
	TOTAL INCOME TAXES	**$267,274,315**
	Business Privilege Tax	$196,131,262
	Other Taxes	$1,468,543
	TOTAL TAXES	**$464,874,120**
B.	**FEDERAL SOURCES**	**$48,351,222**
	Federal Income Tax Collection (Section 30 Funds); Immigration Fees and Indirect Cost	
C.	**USE OF MONEY AND PROPERTY**	**$3,293,486**
D.	**LICENSES, FEES AND PERMITS**	**$3,248,507**
E.	**DEPARTMENT CHARGES**	**$954,462**
TOTAL GENERAL FUND REVENUE		**$520,721,797**
II.	**SPECIAL FUND REVENUES APPROPRIATED IN THIS ACT**	
A.	Air Pollution Control Special Fund	$271,889
B.	Better Public Service Fund	$998,313
C.	Chamorro Land Trust Operations Fund	$500,301
D.	Corrections Revolving Fund	$1,430,973

E.	Customs, Agriculture and Quarantine Inspection Services Fund	$8,264,713
F.	Enhanced 911 Emergency Reporting System Fund	$1,442,920
G.	Environmental Health Fund	$530,619
H.	Fire, Life and Medical Emergency Fund	$1,347,140
I.	Guam Contractors License Board Fund	$574,205
J.	Guam Environmental Trust Fund	$218,233
K.	Guam Highway Fund	$18,957,811
L.	Guam Plant Inspection and Permit Fund	$68,022
M.	Healthy Futures Fund	$9,023,505
N.	Land Survey Revolving Fund	$2,858,202
O.	Manpower Development Fund	$1,259,000
P.	Police Services Fund	$813,298
Q.	Professional Engineers, Architects and Land Surveyors Board Fund	$246,250
R.	Public Recreation Services Fund	$207,941
S.	Safe Streets Fund	$236,000
T.	School Lunch/SAE/Child Nutritional Meal Reimbursement Fund	$7,500,000
U.	Solid Waste Operations Fund	$6,171,435
V.	Street Light Fund	$3,278,266
W.	Territorial Education Facilities Fund	$20,157,096
X.	Tourist Attraction Fund	$21,500,000
Y.	Water Protection Fund	$73,561
Z.	Water Research and Development Fund	$78,048
TOTAL SPECIAL FUND REVENUE		**$108,007,741**

III. FEDERAL MATCHING GRANTS-IN-AID REVENUES		
Federal Grants-In-Aid Requiring Local Match:		
A.	Administration (GMTA)	$928,738
B.	Agriculture	$455,600
C.	Attorney General	$3,254,724
D.	Guam Council on the Arts and Humanities Agency	$240,500
E.	Guam Police	$740,911
F.	Integrated Services for Individuals with Disabilities	$2,052,208
G.	Judiciary of Guam	$545,825
H.	Labor	$35,000
I.	Military Affairs	$1,055,955
J.	Public Health and Social Services	$23,298,212
K.	University of Guam	$1,508,000
TOTAL FEDERAL MATCHING GRANTS-IN-AID REVENUE		**$34,115,673**
IV. OTHER SOURCES OF FUNDING		
A.	Health Securities Trust Fund, Series 2001B (Interest)	$340,094
B.	GCC Endowment Fund, Series 2001B (Interest)	$66,847
TOTAL OTHER SOURCES OF FUNDING		**$406,941**
REVENUE SUMMARY:		
TOTAL GENERAL FUND REVENUE		**$520,721,797**
TOTAL SPECIAL FUND REVENUE		**$108,007,741**
TOTAL FEDERAL MATCHING GRANTS-IN-AID REVENUE		**$34,115,673**
TOTAL OTHER SOURCES OF FUNDING		**$406,941**
GRAND TOTAL		**$663,252,152**

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

A. GENERAL OBLIGATION BONDS, SERIES 1993 A
(For education capital projects; Real Property Taxes pledged; due FY 2018 as final year; P.L. 29-19, and P.L. 29-21, net of UOG Bond Payment Obligation $2,027,377) $2,406,691 **1/**

1/ Territorial Education Facilities Fund

B. LIMITED OBLIGATION HIGHWAY REFUNDING BOND 2001 SERIES A
(P.L. 24-70; due FY 2012 as the final year; source of payment from Liquid Fuel Taxes) $6,030,400 **2/**

2/ Guam Highway Fund

C. LIMITED OBLIGATION (SECTION 30) BONDS SERIES A, 2001 (SECTION 30 FUNDS)
(Water System Revenue Bond; P.L. 26-58, amended by P.L. 26-59; Section 30 fund pledged; due FY 2012 as final year) $9,823,750 **3/**

3/ Section 30 Funds (General Fund)

D. 2002 SHORT TERM FINANCING (SECTION 30 FUNDS)
(Line of Credit; P.L. 26-84 amended by P.L. 26-122 and P.L. 26-130; due FY 2012 as the final year; source of payment Section 30 Funds) $1,281,818 **4/**

4/ Section 30 Funds (General Fund)

E. LIMITED OBLIGATION INFRASTRUCTURE IMPROVEMENT BONDS, 1997 SERIES A (TAF)

(Tumon Redevelopment; payment from the Tourist Attraction Fund, pursuant to P.L. 24-111)	$7,221,751	5/
5/ Tourist Attraction Fund		
F. 2008 SHORT TERM FINANCING		
(Line of Credit; P.L. 29-69 amended by P.L. 29-82 & P.L. 29-87; due 2012 as the final year; source of payment General Fund, secondary Section 30 funds)	$4,197,474	6/
6/ General Fund		
G. GENERAL OBLIGATION BONDS, SERIES 2007 A		
(Refunding of the GOB, 1993 Series A, funding capital projects and certain obligations of the Government of Guam; due FY 2037 as final year; P.L. 29-19, and P.L. 29-21)	$7,874,700	7/
7/ Territorial Education Facilities Fund		
GRAND TOTAL	**$38,836,584**	

CHAPTER II

Part I – GUAM PUBLIC SCHOOL SYSTEM

Section 1. Appropriations to the Guam Public School System for Fiscal Year 2009. The amounts in the subsections below, totaling One Hundred Eighty-nine Million Seven Hundred Fifty-three Thousand Seven Hundred Seventy-one Dollars **($189,753,771),** are from the following Funds, and for the following purposes, to the Guam Public School System for Fiscal Year 2009:

(a) Guam Public School System Operations Fund Appropriation. Pursuant to §§52101 and 52102 of Chapter 52, Division 2 of Title 11 Guam Code Annotated, the sum of One Hundred Sixty-nine Million Five Hundred Sixteen Thousand Six Hundred Ninety Dollars **($169,516,690)** is appropriated from the General Fund and the sum of Nine Million Eight Hundred Seventy-five Thousand Seven Hundred Five Dollars **($9,875,705)** is appropriated from the Territorial Education Facilities Fund to the Guam Public School System Operations Fund for Fiscal Year 2009. This appropriation *shall* be expended in accordance with the cash disbursement schedules required by §52101(b).

(b) Interscholastic Sports Fund. The sum of Four Hundred Twenty-six Thousand Five Hundred Eighty-one Dollars **($426,581)** is appropriated from the Healthy Futures Fund to the Interscholastic Sports Fund administered by the Guam Public School System to be expended pursuant to Title 17 GCA §7108.

(c) Health and Physical Education Activities. The sum of Two Hundred Seventy-one Thousand Seven Hundred Fifty-four Dollars **($271,754)** 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) Office of the Education *Suruhanu*. The sum of One Hundred Six-three Thousand Forty-one Dollars **($163,041)** is appropriated from the General Fund to the Office of the Education *Suruhanu* for its operations in Fiscal Year 2009.

(e) School Nutritional Meals. The sum of Seven Million Five Hundred Thousand Dollars **($7,500,000)** is appropriated from the School Lunch/SAE/Child Nutritional Meal Reimbursement Fund to the Guam Public School System for non-personnel operating expenses incurred pursuant to the guidelines established for said programs.

(f) Summer School. From the Summer School Fund established pursuant to §6119 of Article 1 of Chapter 6 of Division 1 of Title 17 Guam Code Annotated, such sums as are necessary to fund the operations of the 2009 Summer School Program are appropriated to the Guam Public School System. The Superintendent of Education *shall* submit a detailed report to *I Maga'lahen Guåhan* and the Speaker of *I 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 encumbrances by object classification and by school; and

(3) the fund balance.

(g) 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 following terms and conditions:

(1) The sum of Two Million Dollars **($2,000,000)** is appropriated from the General Fund from Fiscal Year 2010 revenues to the Guam Public School System for the purchase of textbooks, e-book readers and related 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, 2009, but *no later than* December 31, 2009, with the full faith and credit of the government of Guam.

(2) The Superintendent of the Guam Public School System *shall* order materials funded by this Section for Fiscal Year 2010 *no later than* March 1, 2009. The Bureau of Budget and Management Research *shall* release such allotments as are necessary to ensure that said materials are ordered by March 1, 2009. The Superintendent *shall* receive said materials and distribute them to schools *no later than* thirty (30) days before the start of the school calendar established pursuant to Title 17 Guam Code Annotated §4111. All funds appropriated for said materials *shall not* be used for any other purpose.

(3) On the first (1st) day of each fiscal quarter of FY 2009, the Superintendent of Education *shall* provide to *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan,* and post on the GPSS website, a detailed report regarding all receipts and expenditures for textbooks, e-book readers and collateral classroom instructional materials, to include software, sheet music and music books. Said 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* summarize:

(A) purchases by allotment account number, unit cost and the total cost of books charged against an appropriation account, the vendor, quantity, title, copyright date and ISBN number of books ordered, the allocation of such books by school and grade, 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* that is requested by *I Liheslaturan Guåhan* regarding the funds appropriated and authorized herein.

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

Section 2. Website Posting. The Superintendent of Education *shall* post and maintain on the GPSS website:

(a) (1) All payments for prior year obligations to be paid by current appropriations when authorized, including the funding source to be used.

(2) Salary adjustments by position, effective date of adjustment and the funding source for each, by month.

(b) Mandated Cash Disbursement Schedules.

(c) Number of filled FTEs, costs and funding sources by school and division by month.

(d) Number of funded vacant FTEs, costs, lapses generated and the funding source for each vacancy 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-three Million Twenty-two Thousand Dollars **($33,022,000),** are from the following Funds, and for the following purposes, to the University of Guam for Fiscal Year 2009:

(a) General Fund Appropriation for Operations. The sum of Twenty-seven Million One Hundred Forty-eight Thousand Sixteen Dollars **($27,148,016)** is appropriated from the General Fund to the University of Guam for its operations in Fiscal Year 2009.

(b) Federal Matching Grants-in-Aid. The sum of One Million Five Hundred Eight Thousand Dollars **($1,508,000)** is authorized from Federal Matching Grants-in-Aid to the University of Guam for its operations in Fiscal Year 2009.

(c) Scholarships and Training Programs. The following appropriations are made to the University of Guam:

(1) Student Scholarships and Financial Assistance Programs. The sum of Two Million Three Hundred Eighty-seven Thousand Nine Hundred Ninety-one Dollars **($2,387,991)** is appropriated from the General Fund to the University of Guam for: Merit Awards, Student Loans, Nurse Training Programs, Professional and Technical Awards, Pedro "Doc" Sanchez Scholarship Programs, and the John F. Quan Memorial Scholarship Program. The President of the University of Guam *shall* allocate this appropriation in order to fund only the student scholarships and financial assistance programs specified above.

(2) Dr. Antonio C. Yamashita Educator Corps. The sum of One Million Two Hundred Thirty-eight Thousand One Hundred Twenty-seven Dollars **($1,238,127)** is appropriated from the General Fund to the University of Guam for Fiscal Year 2009. The President of the University of Guam *shall* disburse, pursuant to the directives and policies of the Educator Corps Council, stipends for the Dr. Antonio C. Yamashita Educator Corps and funds for the administration of said program pursuant to Title 17 GCA, Chapter 18 and §15107 of Title 17 of the Guam Code Annotated, as *amended.*

The President of the University of Guam *shall* post on the University of Guam's website all reports mandated by this Act regarding the Dr. Antonio C. Yamashita Educator Corps.

(d) Aquaculture Development and Training Center. The sum of One Hundred Thirty-one Thousand Eight Hundred Forty-six Dollars **($131,846)** is appropriated from the General Fund to the University of Guam for the *sole* purpose of funding the continued operations of the Aquaculture Development and Training Center. Said funds *shall not* be transferred *or* used for any other purpose.

(e) Guam Hydrologic Survey. The sum of One Hundred Ninety-Two Thousand Three Hundred Seven Dollars **($192,307)** is appropriated from the General Fund to the UOG for the *sole* purpose of funding the Guam Hydrologic Survey (GHS) administered by the Water and Environmental Research Institute of the Western Pacific (WERI). WERI *shall* continue to administer the GHS for those purposes previously established by Guam law. Such funds *shall not* be transferred *or* used for any other purpose.

(f) Comprehensive Water Resource Monitoring Program. The sum of One Hundred Sixty-three Thousand Eight Hundred Seventeen Dollars **($163,817)** is appropriated for Fiscal Year 2009 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 those purposes previously established by Guam law. Such funds *shall not* be transferred *or* used for any other purpose.

(g) Soil and Water Conservation District Programs. The sum of One Hundred Fifty-seven Thousand Seven Hundred Twenty Dollars **($157,720)** is appropriated from the General Fund to the University of Guam for the operations and activities of the Northern and Southern Soil and Water Conservation District (SWCD) Programs for FY 2009 and *shall* be equally divided between the Northern and Southern Soil and Water Conservation Districts. Expenditures from this appropriation *shall* be made upon the approval of the District Directors, with consent of the SWCD board. This appropriation is *not* subject to transfer or use for any other purpose.

(h) KPRG (Public Radio). The sum of Ninety-four Thousand One Hundred Seventy-six Dollars **($94,176)** is appropriated from the General Fund to the University of Guam for KPRG (Public Radio) operations. The President of the University of Guam *shall* disburse the funds to KPRG.

No later than thirty (30) days after the close of each fiscal quarter of FY 2009, 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.

Section 2. Program Revenue and Expenditure Reports. *No later than* thirty (30) days after the end of each fiscal quarter, the President of the University of Guam *shall* post on the University of Guam's website and submit to *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan* quarterly revenue and expenditure reports 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. Said reports *shall* be in the format of basic financial statements *or* such format as may be prescribed by *I Liheslaturan Guåhan.*

Section 3. Program Annual Reports. The President of the University of Guam *shall* post on the University of Guam's website and *shall* submit to *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan* annual reports for: 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, said reports *shall* include: program mission statements, objectives, sources of revenue, expenditures by budget classification, number of employees, contracts, and *shall* describe program accomplishments in the fiscal year reported.

Section 4. Scholarships, Financial Assistance and other Reports. Beginning in Fiscal Year 2009, sixty (60) days after the end of Fiscal Year 2008, the President of the University of Guam *shall* submit to *I Maga'lahen 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 each program's name, the number of scholarships *or* loans issued by each program, the date the scholarship *or* loan was awarded, the anticipated date of cohort graduation, the total amount of awards *or* loans, the total amount of loans repaid to date, 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 number of recipients working to complete their academic and financial obligations.

CHAPTER II

Part III – GUAM COMMUNITY COLLEGE

Section 1. Appropriations to the Guam Community College. The amounts, in the subsections below, totaling Fourteen Million Eight Hundred Ninety-five Thousand Nine Dollars **($14,895,009),** are from the following Funds, and for the following purposes, to the Guam Community College for Fiscal Year 2009:

(a) General Fund Appropriation for Operations. The sum of Thirteen Million Two Hundred Seventy-eight Thousand Four Hundred Ninety-nine Dollars **(13,278,499)** is appropriated from the General Fund to the Guam Community College for its operations in Fiscal Year 2009.

(b) Licensed Practical Nurses and Vocational Guidance Programs. The sum of Six Hundred Forty-four Thousand Two Hundred Nine Dollars **($644,209)** 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 2009.

(c) Appropriation to the Guam Community College Apprenticeship Program. The sum of Eight Hundred Eighty-one Thousand Three Hundred Dollars **($881,300)** is appropriated from the Manpower Development Fund to the Guam Community College for the Guam Community College Apprenticeship Program for Fiscal Year 2009.

(d) Appropriation to the Guam Community College Lodging Management Program/ProStart Program. The sum of Twenty-four Thousand One Hundred Fifty-four Dollars **($24,154)** is appropriated from the Tourist Attraction Fund to the Guam Community College for the Lodging Management Program/ProStart Program and *shall* remain available for use in succeeding fiscal years until fully expended.

(e) GCC Endowment Fund Series 2001B. The sum of Sixty-six Thousand Eight Hundred Forty-seven Thousand Dollars **($66,847)** is appropriated from the interest earned on the GCC Endowment Fund Series 2001B, to the Guam Community College for capital improvement projects.

(f) the Guam Community college is authorized to expend revenues collected in excess of the adopted revenues for the manpower Development Fund in Fiscal Year 2008 pursuant to §71720(b) of Title 22, Guam Code Annotated.

Section 2. Beginning in Fiscal Year 2009, the President of the Guam Community College *shall* submit quarterly reports to *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan* thirty (30) days after the end of each fiscal quarter 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 GCC program, the amounts expended from appropriations in this Act by object classification, a description of each program, the academic courses offered, and the requirements for participation in each program.

CHAPTER II

Part IV –MISCELLANEOUS EDUCATIONAL PROVISIONS

Section 1. Purchasing In Economies of Scale. All agencies receiving appropriations pursuant to this Act *shall* take all measures necessary to reduce costs by purchasing services, supplies and materials so as to realize economies of scale.

Section 2. 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* such payment is specifically authorized by Guam statute *or* unless such payment is made pursuant to grants that require that local expenditures be made *prior* to receiving federal reimbursement. The Superintendent of Education *shall* report to *I Liheslaturan Guåhan, I Maga'lahen Guåhan,* and the Public Auditor, all local funds expended in Fiscal Year 2009 for federally-funded programs, the details of such expenditures by object class, the number of FTEs working in said programs, the amounts reimbursed by federal funds and the amounts that have *not or* will *not* be reimbursed by federal funds. Said report *shall* cite the authority to expend local funds for federal programs and *shall* name the certifying officer for and give the date of every expenditure.

Section 3. Continuing Appropriation. The appropriations made to the Guam Public School System, the Student Financial Assistance Program, the Dr. Antonio C. Yamashita Educator Corps, the University of Guam and the Guam Community College for Fiscal Year 2008 *shall not* lapse and *shall* continue until fully expended to include payment of prior year obligations.

CHAPTER III

PART I – DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

Section 1. Appropriations to Department of Public Health and Social Services.

(a) Public Assistance Program Payments. The sum of Two Million One Hundred Twenty Thousand Seven Hundred Forty-eight Dollars **($2,120,748)** is appropriated from the General Fund and Two Million Four Hundred Eighty-three Thousand Six Hundred Thirty-one Dollars **($2,483,631)** is authorized from Federal Matching Grants-In-Aid to the Department of Public Health and Social Services for Public Assistance Program payments and administration.

(b) Medically Indigent Program. The sum of Fifteen Million Eight Hundred Twenty-Two Thousand Nine Hundred Seven Dollars **($15,822,907)** is appropriated from the General Fund to the Medically Indigent Program Payment Revolving Fund (MIPPR) for the Medically Indigent Program (MIP).

(c) Medicaid Program. The sum of Twelve Million One Hundred Fifty-nine Thousand Fifty-five Dollars **($12,159,055)** is appropriated from the General Fund for the local match requirement of the Medicaid Program and Thirteen Million Three Hundred Thirty-four Thousand Two Hundred Dollars **($13,334,200)** is authorized from Federal Matching Grants-In-Aid to the Department of Public Health and Social Services for said purpose.

(d) Medicines for the Community Health Centers. The sum of Two Hundred Eighty-two Thousand Five Hundred Twenty-eight Dollars **($282,528)** is appropriated from the General Fund to the Department of Public Health and Social Services' Community Health Centers for the purchase of medicines.

(e) Enhanced Allotment Plan. The sum of Four Hundred Forty-two Thousand Three Hundred Forty-seven Dollars **($442,347)** is appropriated from the General Fund to the Department of Public Health and Social Services for the Enhanced Allotment Plan (Medicaid Part D).

Section 2. Department of Public Health and Social Services Carry-Over Authorization. The unexpended balance of appropriations from the General Fund and Special Funds to the Department of Public Health and Social Services for the Fiscal Year 2008 *shall not* revert to the General Fund and *shall* be available until fully expended for the original purposes of said appropriations. The Director of DPHSS *shall* submit a report to the Speaker of *I Liheslaturan Guåhan* regarding the allocation, demographics and expenditures of the appropriations contained herein *no later than* thirty (30) days after the end of each quarter and post the same on DPHSS's website. The Director of Administration *shall* pay MIP and Medicaid vendors on a first in – first out basis.

CHAPTER III

Part II – GUAM MEMORIAL HOSPITAL AUTHORITY

Section 1. Guam Memorial Hospital Authority Pharmaceuticals Fund Appropriation. Pursuant to §§26208 and 26208.1 of Chapter 26, Division 2 of Title 11, Guam Code Annotated, the sum of Twelve Million One Hundred Forty Thousand Five Hundred Twenty-five Dollars **($12,140,525)** is appropriated from the General Fund to the Guam Memorial Hospital Authority Pharmaceuticals Fund for Fiscal Year 2009.

Section 2. Health Securities Trust Fund, Series 2001B. The sum of Three Hundred Forty Thousand Ninety-four Dollars **($340,094)** is appropriated from the interest earned on the Government of Guam Health Securities Trust Fund, Series 2001B, to the Guam Memorial Hospital Authority for Fiscal Year 2009.

CHAPTER III

Part III – GUAM ENVIRONMENTAL PROTECTION AGENCY

Section 1. Guam Environmental Protection Agency Appropriations. (a) Air Pollution Control Special Fund. The sum of Two Hundred Seventy-one Thousand Eight Hundred Eighty-nine Dollars **($271,889)** is appropriated from the Air Pollution Control Special Fund (Title 10 GCA §49107(f)) to the Guam Environmental Protection Agency for Fiscal Year 2009 for equipment, supplies, utilities, miscellaneous expenses, contractual services, and capital outlay. This appropriation *shall not* lapse and *shall* apply to all operations of the Agency.

(b) Guam Environmental Trust Fund. The sum of Two Hundred Eighteen Thousand Two Hundred Thirty-three Dollars **($218,233)** is appropriated from the Guam Environmental Trust Fund (Title 10 GCA, Chapter 45, §45200) for Fiscal Year 2009 to the Guam Environmental Protection Agency for contractual services, equipment, miscellaneous expenses and capital outlay.

(c) Water Research and Development Fund. The sum of Seventy-eight Thousand Forty-eight Dollars **($78,048)** is appropriated from the Water Research and Development Fund (Title 10 GCA Chapter 46, §46116) to the Guam Environmental Protection Agency for Fiscal Year 2009 for contractual services, supplies, equipment, miscellaneous expenses and capital outlay.

(d) Water Protection Fund. The sum of Seventy-three Thousand Five Hundred Sixty-one Dollars **($73,561)** is appropriated from the Water Protection Fund (P.L. 25-152, GEPA Soil Erosion and Sedimentation Control Regulations, §10108(G)) to the Guam Environmental Protection Agency for Fiscal Year 2009 for contractual services, equipment, supplies and capital outlay.

(e) Transfer Exemption. The funds appropriated by this Section are *not* subject to *I Maga'lahen Guåhan's* transfer authority.

CHAPTER IV

PART I - CUSTOMS AND QUARANTINE AGENCY

Section 1. Customs and Quarantine Agency Appropriation. The sum of Eight Million Two Hundred Sixty-four Thousand Seven Hundred Thirteen Dollars **($8,264,713)** is appropriated from the Customs, Agriculture and Quarantine Inspection Services Fund to the Customs and Quarantine Agency (CQA) for its operations in Fiscal Year 2009.

CHAPTER IV

PART II – OFFICE OF THE ATTORNEY GENERAL

Section 1. Office of the Attorney General Appropriations. (a) General Fund Appropriation for Attorney General Operations. The sum of Seven Million Five Hundred Twenty-five Thousand Five Hundred Thirty-one Dollars **($7,525,531)** is appropriated from the General Fund to the Office of the Attorney General for its operations in Fiscal Year 2009, to include office rental and local matching fund requirements.

(b) Federal Matching Grants-in-Aid. The sum of Three Million Two Hundred Fifty-four Thousand Seven Hundred Twenty-four Dollars **($3,254,724)** is authorized from Federal Matching Grants-in-Aid to the Office of the Attorney General for its operations in Fiscal Year 2009.

CHAPTER V

PART I – EXECUTIVE BRANCH APPROPRIATIONS

Section 1. Appropriation for Executive Branch. The sum of One Hundred Eighty-four Million Six Hundred Three Thousand Nine Hundred Ninety-seven Dollars **($184,603,997)** is appropriated to *I Maga'lahen Guåhan,* of which One Hundred Thirty-five Million Three Hundred Eighty-three Thousand Eight Hundred Twenty-eight Dollars **($135,383,828)** is from the General Fund, Thirty-six Million Two Hundred Thirty Thousand Eight Hundred Seventy-six Dollars **($36,230,876)** is from Special Funds as designated below, and Twelve Million Nine Hundred Eighty-nine Thousand Two Hundred Ninety-three Dollars **($12,989,293)** is from Federal Matching Grants-in-Aid, for Executive Branch operations, including personnel costs, in Fiscal Year 2009 for the following entities:

(a) Department of Administration (Guam Highway Fund $2,740,464; Federal Matching Grants-In-Aid $928,738)

(b) Department of Agriculture (Guam Plant Inspection and Permit Fund $68,022; Federal Matching Grants-In-Aid $455,600)

(c) Ancestral Lands Commission

(d) Bureau of Budget and Management

(e) Bureau of Statistics and Plans

(f) Department of *Chamorro* Affairs

(g) *Chamorro* Land Trust Commission (*Chamorro* Land Trust Operations Fund $500,301)

(h) Chief Medical Examiner

(i) Civil Service Commission

(j) Commission on Decolonization

(k) Guam Contractors License Board (Guam Contractors License Board Fund $574,205)

(l) Department of Corrections (Corrections Revolving Fund $1,430,973)

(m) Guam Council on the Arts and Humanities Agency (Federal Matching Grants-In-Aid $240,500)

(n) Department of Integrated Services for Individuals with Disabilities (Healthy Futures Fund $619,825; Federal Matching Grants-In-Aid $2,052,208)

(o) Guam Fire Department (E911 Emergency System Reporting Fund $1,442,920; FLAME Fund $1,347,140)

(p) Office of *I Maga'lahen Guåhan* and Office of *I Segundo Na Maga'lahen Guåhan*

(q) Guam Election Commission

(r) Guam State Clearinghouse

(s) Guam Educational Telecommunications Corp. (KGTF)

(t) Department of Labor (Manpower Development Fund $377,700; Federal Matching Grants-In-Aid $35,000)

(u) Department of Land Management (Land Survey Revolving Fund $2,858,202)

(v) Guam Public Library System

(w) Medical Referral Office

(x) Department of Mental Health and Substance Abuse (Healthy Futures Fund $1,568,871)

(y) Department of Military Affairs (Federal Matching Grants-In-Aid $1,055,955)

(z) Department of Parks and Recreation (Public Recreation Services Fund $207,941)

(aa) Board of Professional Engineers, Architects and Land Surveyors (Professional Engineers, Architects and Land Surveyors Board Fund $246,250)

(bb) Guam Police Department (Police Services Fund $813,298; Federal Matching Grants-In-Aid $740,911)

(cc) Department of Public Health and Social Services (Healthy Futures Fund $5,885,172; Environmental Health Fund $530,619; Federal Matching Grants-In-Aid $7,480,381)

(dd) Department of Public Works (Guam Highway Fund - $7,597,923); (Solid Waste Operations Fund - $6,171,435)

(ee) Department of Revenue and Taxation (Better Public Service Fund $998,313)

(ff) Office of Veteran's Affairs

(gg) Department of Youth Affairs (Healthy Futures Fund $251,302)

CHAPTER V

PART II – JUDICIARY, LEGISLATURE AND MISCELLANEOUS APPROPRIATIONS

Section 1. Retirees' Supplemental Annuity Benefits and for other Costs.

(a) The sum of Eleven Million Nine Hundred Eight Thousand Seven Hundred Eighty Dollars **($11,908,780)** is appropriated from the General Fund to the Supplemental Annuity Benefits Special Fund for Fiscal Year 2009 for direct payment to government of Guam retirees who retired *prior* to October 1, 1995, *or* their survivors, for the continuing payment of Four Thousand Two Hundred Thirty-eight Dollars **($4,238)** per year in supplemental annuity benefits, consisting of the sums of One Thousand Two Hundred Dollars **($1,200),** One Thousand Five Hundred Dollars **($1,500),** Seven Hundred Dollars **($700),** and Eight Hundred Thirty-eight Dollars **($838)** in annual benefits authorized by various General Appropriation Acts.

(b) *No* retiree who is eligible for the Retiree Supplemental Annuity Benefits provided for in Subsection (a) hereof *shall* receive said Benefits *if* his annual retirement annuity, *excluding* survivor benefits and *excluding* the Supplemental benefits authorized herein, is *greater than* Forty Thousand Dollars **($40,000)**. *No* retiree who is eligible for Retiree Supplemental Annuity Benefits *shall* receive *more than* the sum of Forty Thousand Dollars **($40,000)** in combined retirement annuities and Supplemental Annuity Benefits in any one fiscal year.

(c) The Director of Administration *shall* disburse to the retirees, *or* their survivors, the supplemental annuity benefits provided for in Subsection (a) of this Section. The Government of Guam Retirement Fund *shall* provide the Director of Administration with the information he needs to effect disbursement.

(d) Funds held in the Supplemental Annuity Benefits Special Fund *shall not* be commingled with the General Fund *or* any other fund, *shall* be held in a separate

bank account that *shall* continue to be administered by the Director of Administration and *shall not* be subject to *I Maga'lahen Guåhan's* transfer authority.

(e) For Fiscal Year 2009, the Guam Power Authority; the Antonio B. Won Pat International Airport Authority, Guam; the Guam Economic Development and Commerce Authority; the Guam Housing Corporation; the Government of Guam Retirement Fund; the Jose D. Leon Guerrero Commercial Port; the Guam Waterworks Authority; and the Guam Visitors Bureau *shall* remit to the Department of Administration an amount equal to the number of retirees eligible pursuant to Subsection (a) hereof who have retired from that entity multiplied by Four Thousand Two Hundred Thirty-eight Dollars **($4,238)**. Said remittances *shall* be paid in two (2) equal installments on *or* before October 10, 2008 and April 15, 2009, respectively. Said remittances *shall not* be subject to *I Maga'lahi's* transfer authority.

(f) The sum of Eighteen Million Seven Hundred Thirty-six Thousand Six Hundred Seventy-eight Dollars **($18,736,678)** is appropriated from the General Fund to the Government of Guam Retirement Fund to pay the following two (2) items for current retirees for Fiscal Year 2009:

(1) Retiree group health, dental and life insurance premiums (to continue existing programs currently contained in the semi-monthly payments); and

(2) Retiree life insurance subsidy (to continue existing programs currently contained in the semi-monthly payments).

(g) For Fiscal Year 2009, the Guam Power Authority; the Antonio B. Won Pat International Airport Authority, Guam; the Guam Economic Development and Commerce Authority; the Guam Housing Corporation; the Government of Guam Retirement Fund; the Jose D. Leon Guerrero Commercial Port; the Guam Waterworks Authority; and the Guam Visitors Bureau *shall* remit to the Government of Guam

Retirement Fund payments for medical, dental and life insurance payments for retirees who have retired from those respective agencies. Said remittances *shall* be paid in two (2) equal installments on *or* before October 10, 2008, and on *or* before April 1, 2009, respectively. The agencies' remittances for medical, dental and life insurance mandated herein are *ex gratia* payments and are for Fiscal Year 2009 *only*.

(h) For Fiscal Year 2009, the sum of Six Hundred Eighty-four Thousand Dollars **($684,000)** is appropriated from the General Fund to the Government of Guam Retirement Fund to pay the cost of Medicare premiums for government of Guam retirees and their survivors who are eligible to receive Social Security income benefits and who are required by the government of Guam Group Health Insurance Program to pay said premiums to participate therein.

(i) For Fiscal Year 2009, the sum of One Hundred Forty-five Thousand Dollars **($145,000)** is appropriated from the General Fund to the Government of Guam Retirement Fund for *I Maga'lahi* and *I Segundu Na Maga'lahi/I Segundu Na Maga'haga* pensions.

(j) For Fiscal Year 2009, the sum of Four Hundred Fifty-four Thousand Two Hundred Dollars **($454,200)** is appropriated from the General Fund to the Government of Guam Retirement Fund for retirement annuities for former judges and justices of the Superior Court and Supreme Court of Guam.

(k) The Government of Guam Retirement Fund Board of Trustees *shall* enact and, *if* necessary, amend administrative regulations that establish procedures to ensure the proper submission, receipt and accounting of all sums remitted pursuant to Subsections (e) and (g) hereof.

Section 2. Survivor Supplemental Annuity Additions. Title 4 GCA §8135(d)(6) is *amended* to read:

"(6) the prospective payment of supplemental benefits for the period of October 1, 2008, through September 30, 2009, for survivors of those employees who retired *prior* to October 1, 1995, to be paid in the following manner:

(i) Four Thousand Two Hundred Thirty-eight Dollars **($4,238)** in Retiree Supplemental Annuity Benefits, known as the sum of One Thousand Two Hundred Dollars **($1,200)**, One Thousand Five Hundred Dollars **($1,500)**, Seven Hundred Dollars **($700)**, and Eight Hundred Thirty-eight Dollars **($838)** in annual benefits formerly authorized by various General Appropriation Acts.

(ii) *No* person eligible for Retiree Supplemental Annuity Benefits provided for in this Section *shall* receive said benefits *if* his regular annual retirement annuity *exclusive* of the supplemental amounts authorized hereby exceeds Forty Thousand Dollars **($40,000)**. No persons eligible for Retiree Supplemental Annuity Benefits *shall* receive more than the sum of Forty Thousand Dollars ($40,000.00) in combined retirement annuities and supplemental retirement annuities."

Section 3. Disability Supplemental Annuity Additions. Title 4 GCA §8129(g) is *amended* to read:

"(g) Any disability retirement annuitant who commenced receiving a disability retirement annuity *prior* to October 1, 1995, and who is entitled to disability retirement benefits under this Chapter *shall* receive, during the period commencing on October 1, 2008, and ending on September 30, 2009, prospective non-cumulative supplemental annuity benefits as follows:

(1) Four Thousand Two Hundred Thirty-eight Dollars **($4,238)** in Retiree Supplemental Annuity Benefits, known as the sum of One Thousand Two Hundred Dollars **($1,200)**, One Thousand Five Hundred Dollars **($1,500)**, Seven Hundred Dollars **($700)**, and Eight Hundred Thirty-eight Dollars **($838)** in *annual* benefits formerly contained in various General Appropriation Acts.

(2) *No* persons eligible for Retiree Supplemental Annuity Benefits provided for in Paragraph (g) of this Section *shall* receive such benefit *if* their regular annual retirement annuity, *excluding* survivor benefits, *prior* to the supplemental amounts herein exceeds Forty Thousand Dollars **($40,000)**. *No* Persons eligible for Retiree Supplemental Annuity Benefits *shall* receive more than the sum of Forty Thousand Dollars **($40,000.00)** in combined retirement annuities and supplemental retirement annuities."

Section 4. Retiree Supplemental Annuity Additions. Title 4 GCA §8122(d)(6), is hereby *amended* to read:

"(6) Any retirement annuitant who commenced receiving a retirement annuity *prior* to October 1, 1995, and who is entitled to retirement benefits under this Chapter, *shall* receive, during the period commencing on October 1, 2008 and ending on September 30, 2009, prospective, non-cumulative supplemental annuity benefits as follows:

(i) Four Thousand Two Hundred Thirty-eight Dollars **($4,238)** in Retiree Supplemental Annuity Benefits, known as the sum of One Thousand Two Hundred Dollars **($1,200)**, One

Thousand Five Hundred Dollars **($1,500)**, Seven Hundred Dollars **($700)**, and Eight Hundred Thirty-eight Dollars **($838)** in annual benefits formerly contained in various General Appropriation Acts.

(ii) *No* retiree who is eligible for Retiree Supplemental Annuity Benefits provided for in this Section *shall* receive such benefit *if* his regular annual retirement annuity, *excluding* the supplemental amounts authorized herein and survivor benefits, exceeds Forty Thousand Dollars **($40,000)**. A retiree who is eligible for Retiree Supplemental Annuity Benefits *shall* receive *no more than* Forty Thousand Dollars ($40,000.00) in combined retirement annuities and supplemental retirement annuities."

Section 5. Appropriation for Cost of Living Allowance (COLA). *I Maga'lahen Guåhan shall* provide, by a single lump sum payment, a "Cost of Living Allowance" (COLA) of One Thousand One Hundred Dollars **($1,100)** to each annuitant of the Government of Guam Retirement Fund who is receiving an annuity as of September 30, 2008, or his survivor, *no later than* November 1, 2008, unless the annuitant chooses in writing to receive bi-monthly payments from October 1, 2008 through September 30, 2009. The sum of Six Million Six Hundred Seventy Thousand Dollars **($6,670,000)** is appropriated from the General Fund to the Department of Administration to pay said Cost of Living Allowance.

Section 6. Street Light Fund. (a) The sum of Three Million Two Hundred Seventy-eight Thousand Two Hundred Sixty-six Dollars **($3,278,266)** is appropriated from the Street Light Fund to the Department of Public Works to pay the Guam Power Authority for the installation and operation of public streetlights in Fiscal Year 2009.

The Director of DPW *shall, no later than* thirty (30) days after the end of each quarter, submit a quarterly report of the expenditures from this appropriation to the Speaker of *I Liheslaturan Guåhan* and post the same on the Department's website.

(b) Appropriation for Street Lights. In the event the Street Light Fund is insufficient to pay for the operations of public streetlights in a given fiscal year, *I Maga'lahen Guåhan* is authorized to cover such shortfall and pay to the Guam Power Authority from the General Fund for the continued operations of public street lights. Such sums as are necessary for this purpose are hereby appropriated from the General Fund, provided such payments *do not exceed* Two Million Dollars ($2,000,000) in any given fiscal year.

Section 7. Worker's Compensation Fund. The sum of Seven Hundred Ninety-eight Thousand Five Hundred Ninety-three Dollars **($798,593)** is appropriated from the General Fund to the Department of Labor for the Worker's Compensation Fund for Fiscal Year 2009 for Worker's Compensation payments pursuant to Title 22 GCA §9144, including obligations incurred in past years and in the future. Said appropriation may be used to pay for medical, surgical, and other treatment; nurses; hospital services; medical travel and per diem costs; medicine; crutches; and equipment required by a claimant for such period as his injury and the recovery there from may require. Said appropriation *shall not* be used for disability compensation payments to FTEs funded by this Act. The Director of Labor may use *no more than* Forty Thousand Dollars **($40,000)** from said appropriation to pay for legal services for Worker's Compensation hearings. The Director is authorized *no more than* Twenty-five Thousand Dollars ($25,000) of this appropriation to purchase computers, equipment, and supplies for Worker's Compensation Division to facilitate Worker's Compensation Hearings.

Section 8. Government Claims Fund. The sum of Ninety-four Thousand One Hundred Seventy-six Dollars **($94,176)** is appropriated from the General Fund to the Department of Administration to the Government Claims Fund for payment of approved government claims in Fiscal Year 2009. The Director of Administration shall, *no later than* thirty (30) days after the end of each quarter, submit a quarterly report of the expenditures from this appropriation to the Speaker of *I Liheslaturan Guåhan*, describing all expenditures made pursuant to this appropriation and post the same on the Department's website.

Section 9. Residential Treatment Fund. The sum of Nine Hundred Fifty-nine Thousand One Hundred Thirty-two Dollars **($959,132)** is appropriated from the General Fund to the Department of Administration (DOA) in Fiscal Year 2009 to pay the expenses of persons under the jurisdiction of the Superior Court of Guam who require residential care because of physical, mental *or* emotional disabilities *or* severe emotional disturbance. All such persons and their escorts referred off Guam for treatment and care *shall* submit to the Director of Administration appropriate documentation to justify and receive reimbursement of their travel expenses. The Director of Administration *shall, no later than* thirty (30) days after the end of each quarter, submit a quarterly report of the expenditures from this appropriation to the Speaker of *I Liheslaturan Guåhan*, describing all expenditures made pursuant to this appropriation and post the same on the Department's website.

Section 10. Appropriation to DOA for Support of Child in Custody. The sum of Six Hundred Fifty-nine Thousand Two Hundred Thirty-two Dollars **($659,232)** is appropriated from the General Fund for Fiscal Year 2009 to the Department of Administration for the *sole* purpose of paying orders of the court pursuant to 19 GCA §5116.

Section 11. Government of Guam's General Purpose Financial Statement and Single Audit Report. The sum of Three Hundred Fifty-three Thousand Six Hundred Fifty-six Dollars **($353,656)** is appropriated from the General Fund to the Department of Administration for the Fiscal Year 2008 Audit of the Government of Guam's General Purpose Financial Statement and Single Audit Report. The Public Auditor *shall* administer said funds and *shall* oversee the annual audit.

Section 12. Single Audit Report on Tourist Attraction Fund. The sum of Eighteen Thousand Dollars **($18,000)** is appropriated from the Tourist Attraction Fund to the Department of Administration for the Fiscal Year 2008 Audit of the Government of Guam's Tourist Attraction Fund Financial Statement and Single Audit Report. The Public Auditor *shall* administer said funds and *shall* oversee the annual audit.

Section 13. Single Audit Report on Guam Highway Fund. The sum of Eighteen Thousand Dollars **($18,000)** is appropriated from the Guam Highway Fund to the Department of Administration for the Fiscal Year 2008 Audit of the Government of Guam's Highway Fund Financial Statement and Single Audit Report. The Public Auditor *shall* administer said funds and *shall* oversee the annual audit.

Section 14. Appropriations to the Judiciary. (a) The sum of Nineteen Million Five Hundred Forty-three Thousand Six Hundred Forty-five Dollars **($19,543,645)** is appropriated from the General Fund to the Judiciary of Guam for its operations in Fiscal Year 2009.

(b) The sum of Nine Hundred Thirty-one Thousand Three Hundred Four Dollars **($931,304)** is appropriated from the General Fund to the Judiciary of Guam for the operations of the Northern Satellite Court in Fiscal Year 2009.

(c) The sum of Five Hundred Forty-five Thousand Eight Hundred Twenty-five Dollars **($545,825)** is authorized from Federal Matching Grants-In-Aid to the Guam Judiciary for its operations in Fiscal Year 2009.

(d) Unexpended appropriations to the Judiciary *shall not* lapse at the close of Fiscal Year 2008 *or* Fiscal Year 2009 and may be used in subsequent fiscal years until all sums appropriated are expended.

Section 15. Court-Appointed Attorney Fees. The sum of Six Hundred Fifty-nine Thousand Two Hundred Thirty-two Dollars **($659,232)** is appropriated from the General Fund for Fiscal Year 2009 to the Judiciary of Guam for the *sole* purpose of paying court-appointed attorney fees arising from the defense of indigent persons. Said funds *shall* be deposited and held in the Judicial Client Services Fund account, as created by Title 7 GCA, Division 1, Chapter 9.6, and *shall not* be subject to any transfer authority.

Section 16. Adult and Juvenile Drug Courts. The sum of Four Hundred Ninety-eight Thousand Three Hundred Seventy-four Dollars **($498,374)** is appropriated from the General Fund to the Judiciary of Guam for the operations of the Adult and Juvenile Drug Courts for Fiscal Year 2009.

Section 17. Family Visitation Center. The sum of One Hundred Forty Thousand Dollars **($140,000)** is appropriated from the Safe Streets Fund, for Fiscal Year 2009, to the Judiciary of Guam to pay for contractual services for the operation of the Family Visitation Center, *provided* that the Judiciary must comply with Title 16 GCA §18125(c) and (d) and Title 7 GCA §9211(b).

Section 18. *I Liheslaturan Guåhan* Operations. The sum of Six Million Eight Hundred Thousand Dollars **($6,800,000)** is appropriated from the General Fund to *I Liheslaturan Guåhan* for its operations, including personnel services.

Section 19. Appropriation to the Office of Finance and Budget. The sum of Four Hundred Twenty-eight Thousand Five Hundred Sixty-Seven Dollars **($428,567)** is appropriated from the General Fund to *I Liheslaturan Guåhan* for the operations of the Office of Finance and Budget (OFB), including personnel services.

Section 20. Appropriations to the Office of the Public Auditor. (a) The sum of One Million One Hundred Eight Thousand Six Hundred Seventy-six Dollars **($1,108,676)** is appropriated from the General Fund to the Office of the Public Auditor for its operations, including personnel costs, for Fiscal Year 2009.

(b) The sum of One Hundred Sixty-three Thousand One Hundred Six Dollars **($163,106)** is appropriated from the General Fund to the Office of the Public Auditor to fund its Procurement Appeals Division for Fiscal Year 2009.

Section 21. Public Defender Service Corporation. The sum of Two Million Seven Hundred Fifty Thousand Seven Hundred Fifty-three Dollars **($2,750,753)** is appropriated from the General Fund to the Public Defender Service Corporation for its operations in Fiscal Year 2009.

Section 22. Training of Government Accountants. The sum of Thirty-one Thousand Five Hundred Forty-nine Dollars **($31,549)** is appropriated from the General Fund to the Department of Administration for the training and continuing education of persons employed as government accountants and in related positions, provided that said training and education emphasizes performance based budgeting. Of the amount appropriated in this Section, the amount of ($10,000) *shall* be used for the Department of Administration's Division of Training and Development for its training equipment and training facilities.

Section 23. Guam Election Commission. Notwithstanding any other provision of law, there is hereby appropriated from the General Fund to the Guam

Election Commission the sum of Five Hundred Sixty-one Thousand Six Hundred Thirty-one Dollars **($561,631)** which *shall* be expended as follows:

(a) Two Hundred Thirty Thousand One Hundred Forty-eight Dollars ($230,148) for the payment of prior years' rental obligations of the Guam Election Commission.

(b) Three Hundred Thirty-one Thousand Four Hundred Eighty-three Dollars ($331,483) for the 2008 General Election and related expenses.

Section 24. Department of Agriculture – Animal Shelter. The sum of One Hundred Thousand Dollars **($100,000)** is appropriated from the General Fund to the Department of Agriculture to fund a contract with a private entity to manage and operate the Yigo Animal Shelter. *No more than* Fifteen Thousand Dollars ($15,000) of the above amount *shall* be expended for the proper disposal of such animals in accordance with environmentally-conscience means, including *but not limited to*, cremation. Notwithstanding any other provision of law *or* this Act, this appropriation *shall* continue to be available until expended.

Section 25. (a) Appropriations to the Guam Visitors Bureau. The sum of Twelve Million One Hundred Ninety-six Thousand Five Hundred Ninety-five Dollars **($12,196,595)** is appropriated from the Tourist Attraction Fund (TAF) to the Guam Visitors Bureau (GVB) for the items and the indicated sums listed for the period of October 1, 2008, through September 30, 2009:

(1) General Administration	$2,137,197
(2) Marketing	$8,095,133
(3) Printing, Promotional	$238,875
(4) Research	$375,000
(5) Destination Development	$1,350,390

(b) Appropriation to GVB for Special Projects. The sum of Nine Hundred Forty-nine Thousand Five Hundred Dollars (**$949,500**) is appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau to fund the Tumon and *Hagatña* Beach Cleaning, Tumon Landscaping, and Island-wide Roadways Maintenance projects in Fiscal Year 2009. Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this appropriation *shall* continue to be available until expended.

(c) Appropriation to GVB for *Pa'a Taotao Tano'*. The sum of One Hundred Fifty Thousand Dollars **($150,000)** is appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the Fiscal Year 2009 operations of *Pa'a Taotao Tano'*. Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this appropriation *shall* continue to be available until expended.

(d) Appropriation to GVB for the Tourism Education Council. The sum of Forty Thousand Dollars **($40,000)** is appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the Fiscal Year 2009 operations of the Tourism Education Council. Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this appropriation shall continue to be available until expended.

(e) Appropriation to Historic *Inalahan* Foundation. The sum of One Hundred Thousand Dollars (**$100,000**) is appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the Fiscal Year 2009 operations of the Historic *Inalahan* Foundation. Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this appropriation *shall* continue to be available until expended.

(f) Appropriation to Guam Tourism Foundation. Subject to the submission of a proposed plan for expenditure of the funds and approval of said plan by *I Liheslatura,* the sum of One Hundred Thousand Dollars (**$100,000**) is appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the Guam Tourism

Foundation to continue development of a Guam Convention/Special Events Center. Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this appropriation *shall* continue to be available until expended.

(g) Appropriations to Traditions About Seafaring Islands (TASI). The sum of Seventy-five Thousand Dollars **($75,000)** is appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the operations of the Traditions About Seafaring Islands (TASI). Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this appropriation *shall* continue to be available until expended.

(h) Appropriation to the Guampedia. The sum of Seventy-five Thousand Dollars **($75,000)** is appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the operations of the Guam Humanities Council Guampedia Project. Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this appropriation *shall* continue to be available until expended.

(i) Appropriation to Pacific War Museum Foundation. The sum of Fifty Thousand Dollars **($50,000)** is hereby appropriated from the Tourist Attraction Fund to the Guam Visitors Bureau for the operations and expansion of the Pacific War Museum Foundation the Museum *shall* waive any admission fees for field trips organized for the pubic school children, *Manamko* (Senior Citizens) over the age of 55 who are residents of Guam, and organized tours by organizations catering to persons with disabilities who are residents of Guam. The Pacific War Museum *shall* post these exemptions to fees at the entrance of the Museum.

Section 26. ***I Liheslaturan Guåhan.*** The sum of Four Hundred Seventy-five Thousand Dollars **($475,000)** is appropriated from the General Fund to *I Liheslaturan Guåhan* to fund prior years obligations and reimbursement pursuant to 1GCA §419.

Section 27. Maintenance and Repair of Public Restrooms. The sum of Five Hundred Thousand Dollars **($500,000)** is appropriated from the Tourist Attraction Fund to the Department of Parks and Recreation for (a) the maintenance and repair of restroom facilities in public parks island-wide; (b) the construction of the *Malesso* Pier Restroom, which upon completion *shall* be turned over to the jurisdiction of the Village Mayor; and (c) the purchase of equipment for Fiscal Year 2009. *No later than* thirty (30) days after the end of every fiscal quarter, the Director of the Department of Parks and Recreation *shall* submit a quarterly report of the expenditures from this appropriation to the Public Auditor of Guam and to the Speaker of *I Liheslaturan Guåhan* and post the same on the Department's website.

Section 28. Appropriation to DPW for the Merizo and Agat Cemetery. The sum of One Hundred Forty-one Thousand Two Hundred Sixty-four Dollars **($141,264)** is appropriated from the General Fund to the Department of Public Works for the following:

(a) The amount of Seventy-five Thousand Dollars ($75,000) for construction of additional crypts on Lot Number 515 New, Merizo, Guam, the designated lot of the Merizo Public Cemetery.

(b) The amount of Sixty-six thousand Two Hundred Sixty-four Dollars ($66,264) for the construction of additional crypts for the Agat Public Cemetery.

Section 29. Appropriation to Expend Indirect Cost Fees Collected for Fiscal Year 2009. The Bureau of Budget and Management Research develops the annual central cost allocation plan and indirect cost rate proposal for the collection of the government of Guam's share of indirect costs associated with administration of Federal grants and contracts. The sum of One Hundred Eighteen Thousand Nine Hundred Thirty-nine Dollars **($118,939)** is appropriated from the General Fund,

representing an estimated three percent (3%) of total indirect cost fees adopted and collected for Fiscal Year 2009, to the Bureau of Budget and Management Research and the Department of Administration for costs related to negotiating and administering the government of Guam's indirect cost rate. This amount *shall* be allocated in equal amounts between both agencies.

Section 30. Guam Commission for Educator Certification (GCEC). The sum of One Hundred Sixty-five Thousand Sixty-two Dollars **($165,062)** is appropriated from the General Fund to Guam Commission for Educator Certification to fund the operations of the GCEC in FY 2009.

Section 31. COMRIGHT-21. The sum of Thirty Thousand Four Hundred Seventy-three Dollars **($30,473)** is appropriated from the General Fund to the Office of the Governor to fund the operations of the Modernization and Rightsizing Commission (COMRIGHT-21) in FY 2009.

Section 32. Appropriation for the Yigo and Mangilao Vice Mayor's Offices. The sum of Sixty-four Thousand Twenty Dollars **($64,020)** is appropriated from the General Fund to the Mayor's Council of Guam for office renovations, utilities, office supplies, furniture and equipment of the Yigo Vice Mayor's office and the Mangilao Vice Mayor's office. The amount appropriated *shall* be divided as follows: Thirty-four Thousand Dollars ($34,000) to the Yigo Vice Mayor's Office and Thirty Thousand Twenty Dollars ($30,020) to the Mangilao Vice Mayor's Office.

Section 33. Repayment to Territorial Education Facilities Fund. (a) *I Maga'lahen Guåhan shall* repay to the Territorial Education Facilities Fund (TEFF), the sum of Four Million Seventy Six Thousand Six Hundred Forty Dollars ($4,076,640) which was transferred out of the TEFF pursuant to Section 8, Chapter VI of Public Law 29-19. This repayment *shall* come from the FY 2008 General Fund revenues collected in excess of the revenue level adopted in P.L. 29-19.

(b) Notwithstanding any other provision of law, the sum of Four Million Seventy Six Thousand Six Hundred Forty Dollars **($4,076,640)** is hereby appropriated from the FY 2008 Territorial Education Facilities Fund revenues as a result of the debt service savings from the refinancing of the government of Guam General Obligations Bond, 1993 Series A, to the Guam Public School System for its FY 2009 operations. This appropriation is *not* subject to any Governor's Transfer Authority.

Section 34. Outsourcing of Drug and Alcohol Program. The sum of Five Hundred Sixty-five Thousand Fifty-six Dollars **($565,056)** is appropriated from the General Fund to the Department of Mental Health and Substance Abuse for Fiscal Year 2009 for outsourcing of drug and alcohol detoxification, rehabilitation, and prevention services, *provided* that the expenditure of such funds *shall* comply with Title 48 USC §1421b(p).

Section 35. Appropriation to the Guam Police Department. The sum of Two Hundred Sixty-six Thousand Dollars ($266,000) is hereby appropriated from the General fund, from the anticipated surplus revenues of the Guam Police Department for Fiscal Year 2008 to the Guam Police Department for promotions of the uniformed personnel inclusive of Retirement Fund Contributions, Medicare contributions and reclassifications authorized by Public Law 29-105.

Section 36. Department of Corrections Compensation for Housing Incarcerated Persons. The sum of Ninety-six Thousand Dollars **($96,000)** is appropriated from the Safe Streets Fund to the Department of Corrections in Fiscal Year 2009 for housing incarcerated persons convicted of misdemeanors and persons convicted of acts made unlawful in Article 1, Chapter 18 of Title 16, Guam Code Annotated.

Section 37. Youth Program Appropriation. The sum of Three Hundred Seventy-one Thousand Six Hundred Seventy-seven Dollars **($371,677)** is appropriated

from the General Fund to the Department of Youth Affairs for Sanctuary, Inc. in Fiscal Year 2009 to fund programs for youths who are runaways, homeless *or* victims of abuse.

Section 38. Mayors Council of Guam Operations. (a) The sum of Seven Million Seventy-eight Thousand Three Hundred Twenty-seven Dollars **($7,078,327)** is appropriated from the General Fund to the Mayors Council of Guam for personnel services, operations, and utilities for Fiscal Year 2009.

(b) Village Streets Maintenance and Beautification. The sum of One Million Thirty-six Thousand Twenty-six Dollars **($1,036,026)** is appropriated from the General Fund to the Mayors Council of Guam for Fiscal Year 2009 for the maintenance and beautification of village secondary and tertiary roads and operations of Mayor's offices but *not* for personnel costs. Said funds *shall not* be subject to any transfer authority of *I Maga'lahen Guåhan* and *shall* be divided among the Village Mayors as follows:

(1) Each Mayor *shall* receive the sum of Twenty Thousand Dollars ($20,000); and

(2) The remaining balance of the fund *shall* be distributed to each Mayor *pro rata* based on the total road mileage in his village as a percentage of Guam's total road mileage in the 2006 Guam Roads Pavement Inventory of the Department of Public Works.

(c) The sum of Four Hundred Forty-seven Thousand Three Hundred Seventy-five Dollars **($447,375)** is appropriated from the General Fund to the Mayors Council of Guam, for Fiscal Year 2009, to be expended in accordance with plans approved by the Village Municipal Planning Council and filed with the Director of Administration, to fund public safety and social education programs that enforce alcohol regulations, reduce underage drinking, support traffic safety, reduce drug-

related violence and abuse, to support government of Guam substance abuse prevention programs, and to support organized sports programs in the community.

(d) With the written approval of the Municipal Planning Council, a Village Mayor may expend funds obtained from private contributions, donations, and fundraising to supplement his village projects *or* programs, including any programs using local, federal, *or* special funds. Each Mayor *shall* submit a report to the Speaker of *I Liheslaturan Guåhan,* the President of the Mayors Council and the Public Auditor on the fifth (5th) day of the first (1st) month of every fiscal quarter (October 5th, January 5th, April 5th, July 5th) regarding the receipt, expenditure, and application of said funds in the previous quarter. Said report *shall* be posted on the website of the Mayors Council of Guam.

(e) The appropriation contained in Subsection (a) hereof *shall* provide for the rental of office space by the Mayors of Inarajan and Piti.

Section 39. Island-wide Village Beautification Projects. The sum of Four Hundred Seventy Thousand Nine Hundred Twenty-one Dollars **($470,921)** is appropriated from the General Fund to the Mayors Council of Guam for Island-wide Village Beautification Projects to include:

(1) the maintenance and repair of the village's recreational facilities under the jurisdiction of the Mayor; (2) the maintenance and repair of each village's main roads; and (3) the planting and maintenance of each village's official flower and other flowering plants, shrubs and trees adjacent to the village's main roads, public restrooms and recreational facilities. A Mayor may contract with a private entity to provide the services authorized by this Section subject to the Guam Procurement Law, Title 5 GCA, Chapter 5.

Section 40. The sum of Three Hundred Twenty-Nine Thousand Six Hundred Sixty-Eight Dollars **($329,668)** is appropriated from the General Fund to the

Community Development Fund for the grounds maintenance of specified schools below of the Guam Public School System to be allocated as follows:

VILLAGE/ SCHOOL		AMOUNT
Agana Heights	Agana Heights Elementary	$5,761
Agat	Marcial Sablan Elementary	$7,614
	Oceanview Middle	$11,184
Barrigada	P.C. Lujan Elementary	$5,930
	B.P. Carbullido Elementary	$4,974
	L.P. Untalan Middle	$5,254
Dededo	M.A. Ulloa Elementary	$8,714
	Wettengel Elementary	$11,421
	J.M. Guerrero Elementary	$9,729
	Liguan Elementary	$4,848
	Astumbo Elementary	$5,499
	Finegayan Elementary	$12,690
	V.S.A Benavente Middle	$17,766
	Astumbo Middle	$5,964
	Okkodo Middle	$16,852
Inarajan	Inarajan Elementary	$3,917
	Inarajan Middle	$4,966
Mangilao	H.B. Price Elementary	$4,780
	George Washington High	$30,794
Merizo	Merizo Elementary	$4,154
MTM	J.Q. San Miguel	$2,580
Ordot/Chalan Pago	Ordot/CP Elementary	$5,964
	Agueda Johnston Middle	$9,737

Piti	Jose Rios Middle	$4,763
Santa Rita	H.S. Truman Elementary	$8,215
	Southern High	$26,226
	Alternative School	$2,809
Sinajana	C.L. Taitano Elementary	$2,826
Talofofo	Talofofo Elementary	$5,076
Tamuning	L.B. Johnson Elementary	$2,538
	Tamuning Elementary	$2,961
	Chief Brodie Elementary	$4,518
	JFK High School	$16,852
Umatac	F.Q. Sanchez Elementary	$846
Yigo	Upi Elementary	$6,345
	D.L. Perez Elementary	$10,998
	Machananao Elementary	$5,837
	F.B. Leon Guerrero Middle	$10,998
	Simon Sanchez High	$11,590
Yona	M.U. Lujan Elementary	$5,178
TOTAL FOR ALL VILLAGES		**$329,668**

Subject to approval and scheduling of the public school principals, the Mayors are responsible for regular grounds maintenance of the GPSS school grounds in their respective districts where ground maintenance is *not* already subject to an existing contract.

CHAPTER VI

MISCELLANEOUS PROVISIONS

Section 1. Retirement Option for Government of Guam Employees. A member of the Government of Guam Retirement Fund who is eligible for retirement may retire upon the complete remittance of his outstanding individual contributions to the Fund, including the employee and employer retirement contributions. Any and all fees, interest at actuarial rates, and penalties required by the Government of Guam Retirement Fund *shall* be paid by the Government.

This Section *shall not* restrict the continuing remittance of existing Retirement Fund contributions as required by law *or* by the Government of Guam Retirement Fund. By the fifteenth (15th) day of each month, the Director of the Government of Guam Retirement Fund *shall* provide a detailed report to the Speaker of *I Liheslaturan Guåhan* regarding said remittances and the number of retirements pursuant to this Section during the previous month. Nothing herein *shall* be construed to abrogate any provision of Public Law 28-38.

Section 2. Volunteers and Donations for Skinner *Plaza*, *Plaza De Espana* and Guam Congress Building. The Executive Director of *I Liheslaturan Guåhan* may receive donations, including, but *not* restricted to, donations of goods, materials and services, for the purpose of maintaining and renovating Skinner Plaza, the *Plaza De Espana*, and the Guam Congress Building (also known as the Old Legislative Building).

Section 3. Legal Services for the Department of Public Works. Section 12 of Chapter VI of P.L. 29-19 is repealed. The Department of Public Works shall enter into a memorandum of understanding with the Office of the Attorney General for use of federal highway grant funds as approved and authorized by the Federal Highway Administration for legal services. The Attorney General *shall* represent the

Department of Public Works in all legal matters and all litigation in which the Department of Public Works is a party.

Section 4. Contracts Exceeding Funds Restriction. *No* agency *shall* contract *or* agree to spend any money in *excess* of the amount allotted to that agency for that agreement by BBMR. Any contract *or* agreement made in violation hereof *shall* be void. Any agency head *or* certifying officer who knowingly contracts *or* agrees to spend any money in *excess* of said allotments s*hall* be guilty of a misdemeanor.

Section 5. Restrictions on Executive Branch Hiring of Unclassified Employees. *No* government funds of any kind *or* description may be expended for the employment *or* hiring of unclassified employees in the Executive Branch of the government of Guam, *except* for the following:

(a) Certified persons in the Guam Public School System as identified in Subsection (12) of §715 of Chapter 7 of Title 1 of the Guam Code Annotated;

(b) Academic personnel positions at the University of Guam and the Guam Community College;

(c) Nurses, doctors, licensed health professionals and ancillary health employees necessary for clinical purposes at the Department of Public Health and Social Services, the Department of Mental Health and Substance Abuse, the Office of the Chief Medical Examiner, the Guam Memorial Hospital Authority, the Guam Police Department, and the Department of Integrated Services for Individuals with Disabilities;

(d) Department of Labor Survey Workers;

(e) Systems and Programming Administrator, Junior Systems Programmer, Senior Programmer Analyst, Junior Application Analyst, Junior

Programmer Analyst and Junior Application Programmer and positions dealing with tax audits, tax investigations, tax collections and processing of taxes at the Department of Revenue and Taxation;

(f) Federally-funded positions (matching and up to 100%);

(g) Persons filling temporary vacancies created by the call to active military duty of employees who are members of the reserve components of the Department of Defense and the Department of Transportation, including, *but not limited to,* the United States Army, United States Navy, United States Marine Corps, United States Air Force, the Army National Guard, the Air National Guard, and the United States Coast Guard;

(h) Positions within the Office of *I Maga'lahen Guåhan,* the Office of *I Segundu Na Maga'lahen Guåhan* and the Guam State Clearinghouse and department *or* agency heads, deputies and private secretaries;

(i) Positions within the Mayors Council of Guam; and

(j) Positions within the Guam Election Commission.

Section 6. Contracts. (a) *Except* for positions filled in accordance with the merit system at the University of Guam, the Guam Community College, the Guam Public School System, the Judiciary of Guam, the Department of Law, the Public Defender Service Corporation, the Guam Police Department, *I Liheslaturan Guåhan,* and licensed health professionals at the Guam Memorial Hospital, the Department of Public Health and Social Services and the Department of Mental Health and Substance Abuse, positions in the classified and unclassified service *shall not* be filled pursuant to a contractual arrangement. The Judiciary may hire judges and justices *pro tem*, law clerks and legal interns by contract. The University of Guam, the Guam Public School System and the Guam Community College may hire retired faculty by contract. The Public Defender Service Corporation may hire attorneys by contract.

(b) Subject to Title 5 GCA Chapter 5, government of Guam departments and agencies may contract with independent contractors, provided that *no* agency may contract for services customarily provided by employees in the classified service *except* at the Department of Public Works and as permitted by statute.

(c) This Section *does not* prohibit the use of contracts to obtain commonly recognized professional services such as licensed health professionals, licensed architects, licensed engineers, legal services, actuarial services and auditing services (to include the Government of Guam Annual Financial Audit) by those agencies that *do not* customarily obtain such services through an employee.

(d) The Attorney General may contract with attorneys as independent contractors who can provide assistance in areas in which it is impracticable for the Office of the Attorney General to proceed with its existing civil service attorneys such as anti-trust, maritime and admiralty law, patent and copyright law, prosecution of white collar crime, utilities regulation, the issuance of bonds, special tax issues, and complex civil litigation. The Attorney General *shall* file a copy of every such contract with the Chief Procurement Officer and the Director of Administration together with a written certification stating why it was impracticable to handle the matter with the Department's civil service attorneys and justifying the hiring of an independent contractor.

(e) The Department of Public Works, as approved and authorized by the Federal Highway Administration, may enter into professional services contracts with such professional personnel needed to facilitate the procurement and construction of federally funded highway projects within the territory. This authorization is *limited to* professional services of locally licensed professional engineers, land surveyors, architects, and professional planners, safety inspectors, and construction management personnel.

Section 7. Temporary Employment of Retired Corrections Officers. The Department of Corrections may hire retired Guam Corrections Officers *if* a critical need arises. Retired Corrections Officers hired under this Section may receive their retirement annuity while employed on this temporary basis. Officers may *only* be hired under this Section to fill positions left vacant because of military activation of Corrections Officers filling those positions and *shall* be terminated when the incumbent returns from military service. Retired Corrections Officers hired under this Section *shall not* be required to suspend their retirement annuity as a condition of employment on this temporary basis. Retired officers may be hired *only* in the ranks of Corrections Officers Supervisor I and below, at Step IV *only,* and *shall not* receive sick and annual leave. Officers hired under this Section *shall* meet requirements for the position in question *except* for written examinations and the Director of Corrections *shall* certify that every retiree hired is fit for duty. Notwithstanding Title 4 GCA §8121(a), a retiree hired pursuant to this Section may continue to receive his annuity.

Section 8. Temporary Employment of Retired Customs and Quarantine Officers. The Customs and Quarantine Agency may hire retired Customs and Quarantine Officers when a critical need arises as a result of military activation of Customs Officers *or* when vacancies cannot be filled within six (6) months because of the lack of qualified applicants. The retired officer *shall* fill such a vacant position and *shall* be terminated when the incumbent returns from military service *or* when a fully-qualified applicant is available. Retired Corrections Officers hired under this Section *shall not* be required to suspend their retirement annuity as a condition of employment on this temporary basis. Retired officers may be hired *only* in the ranks of Customs Officer III and below, *only* at Step IV, and *shall not* receive sick and annual leave. Retirees hired pursuant to this Section *shall* meet requirements for the

position in question, *except* for written examinations, and the Director of Customs *shall* certify that every retiree hired is fit for duty. The requirements of Title 17, Article 3, Chapter 32 are waived for employment pursuant hereto *except* for §32304(b)(4). Notwithstanding Title 4 GCA §8121(a), retirees hired temporarily pursuant hereto may continue to receive their retirement benefits.

Section 9. Temporary Employment of Retired Department of Revenue and Taxation Employees. The Department of Revenue & Taxation may hire retired employees of the Department of Revenue & Taxation when a critical need arises in the areas of Tax Collection, Taxpayer Assistance, Tax Investigation, Auditing, and Tax Processing. Said retirees *shall* be hired at Step I for the position in question and *shall not* receive sick and annual leave. Notwithstanding Title 4 GCA §8121(a), retirees hired temporarily pursuant hereto may continue to receive their retirement benefits.

Section 10. Temporary Employment of Retired Guam Police Officers. The Guam Police Department may hire retired Guam Police Officers *if* a critical need arises because of military activation of police officers. The retiree hired *shall* fill such a vacant position and *shall* be terminated when the incumbent returns from military service. Retired Police Officers hired under this Section *shall not* be required to suspend their retirement annuity as a condition of employment on this temporary basis. Retired officers may be hired *only* at the ranks of Sergeant I and below, *only* at Step IV, and *shall not* receive sick and annual leave. Officers hired under this Section *shall* first meet the requirements, *except* for written examinations, for the position in question and the Chief of Police *shall* certify that every retiree hired is fit for duty. Notwithstanding Title 4 GCA §8121(a), retirees hired temporarily pursuant to this Section hereto may continue to receive retirement benefits.

Section 11. Temporary Employment of Retired Guam Firefighters. The Guam Fire Department (GFD) may hire retired GFD firefighters *if* a critical need arises because of military activation of GFD firefighters. The retirees hired *shall* fill such a vacant position and *shall* be terminated when the incumbent returns from military service. Retired Firefighters hired under this Section *shall not* be required to suspend their retirement annuity as a condition of employment on this temporary basis. Retired fire personnel may be hired only at the ranks of Fire Specialist and below, *only* at Step IV, and *shall not* receive sick and annual leave. Retired firefighters hired under this Section *shall* first meet the requirements, *except* for written examinations, for the position in question and the Fire Chief *shall* certify that every retiree hired is fit for duty. Notwithstanding Title 4 GCA §8121(a), retirees hired temporarily pursuant to this Section hereto may continue to receive retirement benefits.

Section 12. *Locum Tenens* Exemption during the Absence of the Chief Medical Examiner. The Office of the Chief Medical Examiner is exempt from the Government of Guam Procurement Law in contracting for the professional services of a qualified medical examiner to be provided when the Chief Medical Examiner is absent from work.

Section 13. Advance Payments for Medical Services. In order to expedite acceptance of MIP clients for medical treatment approved by the Medically Indigent Program, the Director of Public Health and Social Services may advance payments for said medical treatment, or air ambulance program established by Section 33, Chapter V of Public Law 28-150 and may establish escrow accounts for immediate and advance payment of medical treatment. Treatment rendered off-island *shall* be at a Joint Commission Accredited institution determined by the Director to be best able to serve Medically Indigent Program Clients.

Section 14. Audit Supplementary Information. The Public Auditor and the Director of Administration *shall* ensure that the audit of the government of Guam Financial Statements contains the following supplementary information:

(a) A Schedule of Personnel Count indicating the number of filled positions by department, fund source and amount expended as of September 30, 2008; and

(b) A Combined Schedule of Expenditure, Encumbrances and Continuing Appropriations by department, fund source and object classification as of September 30, 2008.

Section 15. COLA Payment Option and COLA Payments by Autonomous Agencies. (a) The A. B. Won Pat International Airport Authority, Guam, the Guam Economic Development and Commerce Authority, the Guam Housing Corporation, and the Government of Guam Retirement Fund *shall* pay a "Cost of Living Allowance" (COLA) in a single payment of One Thousand One Hundred Dollars **($1,100)** to every Government of Guam Retirement Fund annuitant who retired from each respective aforementioned agency who were receiving COLA as of September 30, 2008, *or* their survivors.

(a) Each agency mentioned in Subsection (a) *shall* reimburse the General Fund for any COLAs paid by the Fund in Fiscal Year 2009 to annuitants who have retired from that agency and their survivors.

All COLA recipients, regardless of fund source, *shall* be paid by lump sum payment *no later than* November 1, 2008, unless the annuitant chooses in writing to receive bi-monthly payments from October 1, 2008 through September 30, 2009.

Section 16. §1512.1 of Title 5, Guam Code Annotated, is hereby *amended* to read:

"§1512.1. Authorization to Issue Bonds for Deficit Financing.

(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 *not to exceed* the amount necessary to provide Two Hundred Forty-six Million Eight Hundred Twenty Thousand Eight Hundred Fifty-six Dollars ($246,820,856) for the payment of authorized expenses listed in Subsection **(i)** hereof, 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* 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 bonds *may 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,* and approved by *I Liheslaturan Guåhan,* by the execution of a certificate *or* indenture authorizing the issuance of the bonds *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 date thirty (30) years after their date of issuance and *shall* bear interest at such rates and be sold for such price *or* prices as *shall* result in a yield to the bondholders that does *not exceed* eight percent (8.0%) per annum.

(c) **Valid and Binding.** 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 and covenants that 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. There are hereby appropriated from the General Fund such sums as may be necessary in each year to equal the amount of money necessary to pay the principal and interest on such bonds. The certificate *or* indenture *shall* require interest only payments for Fiscal Years 2009 and 2010 and *shall not* require bond principal payments until after such Fiscal Years. All officers charged by law with any duty in the collection of the 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) Additional Bonds. This Section *does not* prohibit 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 are created by the indenture *or* certificate pursuant to which the bonds are issued.

(e) 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. Any such suit *or* action *shall* be brought in the District Court of Guam.

(f) ***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 a ministerial duty required by law.

(g) **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'lahen Guåhan* authorizing issuance of the bonds. Said 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'lahen Guåhan* is also authorized to execute any appropriate agreements, certificates *or* other instruments relating to the bonds and the sale of bonds.

(h) **Authorization for Credit Enhancement.** *I Maga'lahen 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 obligate the government to reimburse, with interest, any such banks, insurance companies *or* other financial institutions for advances they make to pay principal of *or*

interest on the bonds and to indemnify any such banks, insurance companies *or* other financial institutions 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. Any such reimbursement obligation and any other obligations of the government under such contracts *or* agreements *shall* be treated, under §11 of the Organic Act, as creating an obligation issued to refund the bonds.

(i) 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 (i) pay the General Fund expenses described below in this Subsection, (ii) establish necessary reserves, (iii) 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 (iv) fund capitalized interest on the bonds for a period ending *not later than* thirty (30) months after their issuance. The General Fund expenses authorized to be paid with the proceeds of the bonds are as follows and *shall* be paid in the following order of priority:

(1) Cost of Living Adjustment (COLA) to discharge finally and permanently the obligations of the government incurred pursuant to the settlement agreement entered into between the Government of Guam and the COLA Class as ordered by the Judgment in Rios v. Camacho, Superior Court Case No. SP0206-93: $92,000,000;

(2) 2006 and prior year individual and corporate tax refunds including interest, *if* any, thereon and individual tax refunds *shall* be paid first: $112,000,000;

(3) Health Care Capital Improvement Projects at the Guam Memorial Hospital: $11,000,000;

(4) amounts past due as contributions to the Government of Guam Retirement Fund, including interest, *if* any, thereon, on behalf of the following:

(a) Guam Memorial Hospital: $14,953,216

(b) Guam Public School System: $16,867,640.

Total $246,820,856

Payments made pursuant to this Subsection *shall* apply to *any* other appropriations for the same items and *shall not* constitute double appropriations.

(j) Permitted Investments. The bond proceeds and any revenues generated by said bonds *shall* be invested only in those investments permitted by the certificate *or* indenture pursuant to which such bonds are issued.

(k) Approval by Guam Economic Development and Commerce Authority. *No* bonds authorized by this Section *shall* be sold until the Board of Directors of GEDCA has approved the sale by resolution.

(l) Approval of Voters *Not* Required. The issuance of bonds pursuant to this Section *shall not* be subject to the approval of the voters of Guam.

(m) Approval of Bonds. *I Liheslaturan Guåhan,* 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 mandated by §1512.1, Title 5 Guam Code Annotated; provided that the bonds

are issued and sold subject to the terms, conditions, requirements and limitations mandated therein.

(n) **Approval of Form of Certificate of Issuance.** The bonds *shall* be issued pursuant to an certificate of issuance in substantially the form of the certificate of issuance presented to this Legislature, as evidenced by the attached "Exhibit A" made part of this Act, subject to such modifications to and changes in such certificate of issuance as *I Maga'lahen Guåhan* may approve consistent with §1512.1, Title 5 Guam Code Annotated and subject to the terms, conditions, requirements and limitations therein."

Section 17. Prohibition of Public Assistance Funds for the Purchase of Alcoholic Beverages and Tobacco Products. (a) The use of public welfare assistance program funds for the purchase of alcoholic beverages *or* tobacco products is prohibited.

(b) A welfare recipient who violates Subsection (a) hereof *shall* be penalized as follows:

(1) A first offense *shall* result in the revocation of benefits from the program in question for a period *not to exceed* three (3) months.

(2) A second offense *shall* result in the revocation of benefits from the program in question for a period *not to exceed* six (6) months.

(3) A third offense *shall* result in the permanent revocation of benefits from the program in question.

(c) A business vendor who violates Subsection (a) hereof *shall* be penalized as follows:

(1) A first offense *shall* result in a penalty of Two Hundred Dollars ($200.00) for each violation.

(2) A second offense *shall* result in a penalty of Five Hundred Dollars ($500.00) for each violation.

(3) A third offense *shall* result in a penalty of One Thousand Dollars ($1,000.00) for each violation.

(4) A fourth offense *shall* result in the permanent revocation of the vendor's right to participate in the program in question.

(d) The Director of Public Health and Social Services *shall* enforce this Section. The Director *shall* approve the imposition of the aforementioned penalties as well as the reconsideration of said penalties following an appeal. The Director *shall* use existing appeal procedures when applicable.

(e) The Director *shall* periodically review each program and its beneficiaries and vendors regarding compliance herewith.

(f) The Director *shall* notify current public welfare recipients and vendors, in writing, regarding the prohibitions and penalties imposed by this Section. Said notice *shall* include, but *not be limited to*, news media sources and electronic means.

Section 18. Wireless Communications Restrictions. *No* government of Guam funds, regardless of source and including funds expended by autonomous agencies, *shall* be expended for the use of cellular telephones, cellular telephone services and other wireless telephone services unless the government of Guam will be reimbursed from Federal funds *or* other grants. This Section *shall not* apply to *I Maga'lahen Guåhan, I Segundu Na Maga'lahen Guåhan,* the Speaker of *I Liheslaturan Guåhan,* the Chief Justice of the Supreme Court of Guam, the Presiding Judge of the Superior Court of Guam, official use of the Crisis Hotline Program of the Department of Mental Health and Substance Abuse, law enforcement officials, on-call health professionals at the Guam Memorial Hospital Authority, the Department of Mental Health and Substance Abuse, and the Department of Public Health and Social

Services, Village Mayors and Vice Mayors, GFD and EMS officials, on-call emergency management personnel and the Chief Medical Examiner.

Section 19. Transfer of Employees. Notwithstanding any other provision of law, and in recognition of personnel shortages in certain areas, *I Maga'lahen Guåhan* is authorized to transfer employees within *or* between any department *or* agency of the government of Guam, *except* that:

(a) This Section *shall not* apply to any employee of the Legislative *or* Judicial Branches of government, the Guam Public School System, the Guam Police Department, the Office of the Attorney General, the Office of the Public Auditor, the University of Guam and the Guam Community College;

(b) The transfer of an employee *shall not* result in a loss of pay *or* salary;

(c) *No* employee *shall* be transferred if the employee has filed a viable grievance with the Civil Service Commission for discrimination based on political affiliation, gender, *or* sexual harassment, *unless* the employee consents to said transfer;

(d) *No* employee of an autonomous agency may be transferred to a line department *or* agency;

(e) *I Maga'lahi shall* transfer the funding authorized for that employee's position from the transferor agency to the transferee agency, including GMHA, DPHSS, DMHSA, *unless* the transfer is from a line agency to an autonomous agency; and

(f) This Section *shall not* be used to transfer employees acting in good faith who report *or* expose bad business practices, illegal activities, *or* inappropriate conduct by public officials.

(g) *No* employee *shall* be transferred from a classified position that was created *or* established by statue.

Section 20. Board and Commission Meeting Stipends. Any compensation *or* stipend owed to a Board *or* Commission member for attending a regular *or* special meeting *shall* be paid from the budget of the department *or* agency responsible for the administrative support and operations of such Boards *or* Commissions. However, Board and Commission members may elect to *not* receive said compensation.

Section 21. §5125 of Part C, Article 2, Chapter 5, Title 5 of the Guam Code Annotated is hereby *amended* to read:

"**§5125. Application of this Chapter to Executive Branch.** Every governmental body which is in the purview of the Executive Branch, and including the Government of Guam Retirement Fund, Guam Community College, the University of Guam, the Guam Public School System, the Guam Memorial Hospital Authority, Guam Economic Development and Commerce Authority, and the Guam Visitor's Bureau, *shall* be governed by Articles 1, 3, 6, 7, 10, 11 and 12 of this Chapter, *except* to the extent that any such governmental body *or* other above-named body may be exempted from the centralized procurement regime of Article 2 of this Chapter, in which event the Director of each such governmental body *or* other above named body *shall* be substituted wherever there is reference to the Public Policy Office, Chief Procurement Officer or Director of Public Works in Articles 4, 5, 8 and 9 of Chapter 5 of Title 5 of the Guam Code Annotated.

It is the intent of *I Liheslaturan Guåhan* [the Legislature] to require all Executive Branch governmental bodies, including autonomous agencies, and other above-named bodies, to be governed to the maximum extent practicable by Chapter 5 of Title 5 of the Guam Code Annotated. This provision requires any governmental body, and each above-named body, to conduct their procurement activities pursuant to Chapter 5 of Title 5 of the Guam Code

Annotated, *except* insofar as said Chapter establishes and effects a system of centralized procurement."

Section 22. Manpower Development Fund. §7120 of Article 1, Chapter 7 of Title 22 of the Guam Code Annotated is *amended* to read:

"§7120. Manpower Development Fund. There is hereby created in the Guam Department of Labor, a Manpower Development Fund (MDF), which *shall* remain separate and apart from any other funds of the government of Guam. The MDF is created *solely* for the purpose of receiving territorial, Federal, and private money and revenues from registration fees on non-immigrant temporary workers.

(a) Thirty percent (30%) of the annual revenues generated *shall* be allocated to the Guam Department of Labor. The Department of Labor allocation in the MDF *shall* be expended exclusively to fund the following:

(1) One Hundred Thousand Dollars ($100,000.00) *shall* be allocated annually to produce the quarterly "The Unemployment Situation on Guam" report; and

(2) the remaining balance of the Department of Labor's MDF allocation *shall* be used for administrative and operational purposes as may be determined by the Director of Labor.

(b) Seventy percent (70%) of the annual revenues generated *shall* be allocated to the Apprenticeship Training Program at the Guam Community College. The Guam Community College allocation in the MDF *shall* be paid out by the Treasurer of Guam to the Apprenticeship Training Program at Guam Community College, which *shall* be expended exclusively to fund the following:

(1) direct financial assistance to students enrolled in the apprenticeship program. *Any* unused portion of this allocation under this Subsection *shall* be return to the MDF;

(2) the administrative and instructional costs for the operation of the apprenticeship training programs;

(3) facility upgrade and equipment relative to the apprenticeship training programs; and

(4) the advertising and outreach programs for the promotion of the apprenticeship training programs.

The MDF *shall not* be used for any purposes other than those enumerated in this Section and *shall* be subject to Legislative appropriation."

Section 23. A new § 22436 is hereby *added* to Article 4, Chapter 22 of Title 5, Guam Code Annotated, to read:

"§22436 General Fund Appropriations Cap. (a) Beginning in Fiscal Year 2010, *I Liheslatura* (the Legislature) *shall not* appropriate more than ninety-eight percent (98%) of the total revenues projected for the General Fund for the fiscal year until such time as the General Fund deficit is eliminated. All unappropriated annual General Fund revenues collected in excess of appropriations *shall* be used to liquidate obligations for refunds, earned income tax credits and prior years' vendor payables.

(b) Emergency. To the extent necessary to deal with any disaster *or* emergency this General Fund Appropriations Cap may be temporarily lifted in the event *I Maga'lahi* (the Governor), the President of the United States, or *I Liheslatura* (the Legislature) by vote of majority of its members declares Guam to be in a state of emergency or any similar designation."

Section 24. §22435 (k) (8) of Chapter 22 Title 5. Guam Code Annotated, is hereby *amended* to read:

"§22435 (k) (8) of Chapter 22 Title 5 G.C.A. is hereby *amended* to read:

(8) One Million Dollars ($1,000,000.00) to fund personnel and operations costs of the Department of Revenue and Taxation necessary to implement an Aggressive Tax Collection Effort in FY2009."

Section 25. Personnel for Revenue and Taxation. For the purpose of hiring pursuant to 5 GCA 22435 (k)(8), as *enacted* by PL. 29-19 and further *amended* by this Act, the Director of Revenue and Taxation may *only* hire the following personnel with the proceeds of the bond authorized: Tax Investigators, Revenue Agents, Revenue Officers, Income Tax Service Specialists, Tax Technicians, Business Tax Service Specialists, Tax Accountings Technicians, Property Tax Technicians, Property Tax Appraiser, Regulatory Examiner Supervisor, Regulatory Examiners, License Officers, Compliance Inspectors, Weights and Measures Inspectors, Driver's License Examiners, Vehicle Registration Officers, and a Research and Appeals Officer.

Section 26. Federal Funding Reports. All government of Guam entities receiving Federal Funds *shall* submit to *I Liheslaturan Guåhan,* and post on its website, the following quarterly reports:

(a) staffing patterns of all federally-funded positions; and

(b) all payments and obligations of disallowed costs.

Said report *shall* itemize the payments of disallowed costs, to include grant title, amount paid, and source of funding.

Section 27. A new §7119 of Title 5, Guam Code Annotated, is hereby *added* to read:

"**§7119. Lobbying Prohibited.** *No* government or public funds of any nature *shall* be expended in support of *any* lobbyist, *except* for § 7118 of this Chapter, or unless specifically authorized by law. This Section shall apply to all line agencies, all autonomous agencies, and public corporations. *No* government officer *or* employee may accept the services of a lobbyist on a volunteer basis."

Section 28. §7118 of Title 5 GCA is hereby *repealed* and *reenacted* to read:

"**§7118. Lobbying Permitted.**

(a) **Authorization**. *I Maga'lahen Guåhan* is authorized to procure the services of a lobbyist, provided he expends *no more than* One Million Dollars ($1,000,000) within any given fiscal year from the annual operating budget appropriated to the Office of the Governor. *I Maga'lahen Guåhan* is further authorized to hire as many lobbyist as may be necessary in order to meet the mandates of this Chapter, provided that the aggregate amount of all such contracts pursuant to this authorization *does not exceed* One Million Dollars ($1,000,000) in any one fiscal year. *I Maga'lahen Guåhan shall not* transfer funds into the Office of the Governor's budget in order to pay for such contracts.

(b) **Scope of Work**. Any lobbying contracts entered into by *I Maga'lahen Guåhan*, on behalf of the people of Guam, and any individual, individuals, firm or firms contracted as lobbyist shall be limited to the following areas:

(1) The impending Military Buildup;

(2) Immigration policies and controls, including visa waiver programs for China and the Philippines;

(3) Compact Impact Reimbursement

(4) Section 30 funding;

(5) Veteran's Issues;

(6) War reparations;

(7) Political status;

(8) Chamorro self-determination;

(9) Return of ancestral lands;

(10) Cleanup of environmental hazards;

(11) Investigation of serious health problems possibly related to federal activity;

(12) Mass transit and public transportation;

(13) Utilities and telecommunications;

(14) Public education (Guam Public School System, Guam Community College and the University of Guam);

(15) Public health;

(16) Public safety and homeland security;

(17) Protecting the environment; and

(18) Economic development.

(c) **Team Guam Approach.** The provision of §7118(a) of this Act *shall* become effective *only* upon *I Liheslatura's* receipt of *I Maga'lahen Guåhan's* proposed legislation institutionalizing the formation of a "Team Guam" approach requiring direct involvement of *I Maga'lahen Guåhan,* the Speaker of *I Liheslaturan Guahan, and* Chief Justice of the Judiciary of Guam

in all dealings with the Congress of the United States, the entire Federal Government, including the Department of the Interior, and the Department of Defense relative to the military buildup and relations with the Armed Forces."

Section 29. Title 4, Guam Code Annotated, §2103.9(a) is hereby *amended* to read:

"(a) *I Maga'lahen Guåhan* [the Governor] *or* appointing authority may, by separate appointment, appoint a person in an acting capacity to fill a salaried position which requires the advice and consent of *I Liheslaturan Guåhan* [Guam Legislature]. *No* person may serve in such an acting capacity for a period in excess of ninety (90) days, provided, that *no* acting director who is *not* otherwise a classified employee of the government of Guam may serve in the capacity of acting director without the transmittal of such person's name to *I Liheslaturan Guåhan* for the purpose of confirmation within fifteen (15) days of their appointment as acting director. This Section *does not* apply to appointments to classified positions, but *does* apply to classified employees appointed in an acting capacity to a position requiring the advice and consent of *I Liheslaturan Guåhan.*"

Section 30. §2103.12 Chapter 2 of Title 4, Guam Code Annotated, is hereby *amended* to read:

"§2103.12. Acting Capacity. *No* person who *shall* be appointed to a position which requires advice and consent of *I Liheslatura may* serve in an acting capacity as head *or* director of a department, agency *or* instrumentality for a period in excess of ninety (90) days. Any employee so appointed *shall* have the right to return to the position the employee held immediately before the appointment to serve in an acting capacity after the ninety (90) day period is

exhausted. The time limitation of this Section *may not* be circumvented by an interruption in the appointment to an acting capacity *or* by transfer back to the position the employee held immediately before the appointment for a period of *less than* three hundred sixty (360) days *or* by a temporary transfer to *any* other position for a period of less than three hundred sixty (360) days."

Section 31. (a) §2103.9 (d) and (e) of Chapter 2 of Title 4, Guam Code Annotated, is hereby *amended* to read:

"(d) *No* person *shall* serve in an acting capacity on any board *or* commission requiring legislative advice and consent. Failure to comply with this Subsection *shall* render the actions of a defective appointee null and void.

(e) An appointed board *or* commission member *may* continue to serve for ninety (90) calendar plus three (3) legislative days in that persons position after that persons term has expired in an acting holdover capacity until that person, or another person, is appointed by *I Maga'lahen Guåhan* [Governor] and confirmed by *I Liheslaturan Guåhan* [the Legislature]."

(b) Subsection (a) of this Section *shall* be effective sixty (60) days from enactment this Act.

Section 32. Compensation Authorization for Public Auditor. Notwithstanding any other provision of law, the Director of Administration *shall* adjust the compensation of an unclassified employee in the Office of the Public Auditor, who was hired above Step 10 after October 1, 2007. Failure to comply with this Section *shall* result in the de-appropriation of the total amount of compensation paid in violation hereof from the budget of the non-compliant agency. The provision contained herein *shall* be effective as of the date upon which the original provision through the passage of the fiscal year 2008 budget took effect. *If* any provisions of this Act *or* its application to any person *or* circumstance is found to be invalid *or*

contrary to law, such invalidity *shall not* affect other provisions or applications of this Act which can be given effect without the invalid provisions or applications, and to this end the provisions of this Act are severable.

Section 33. Management Audit of the Meals Reimbursement Program. The Public Auditor *shall* conduct a comprehensive financial and management audit of cash collections for meals served, and the costs and benefits of the Meals Reimbursement Program and the legally mandated privatization of cafeteria services and maintenance services at the Guam Public System encompassing the period since the initiation of the privatized services to the present. The audit report *shall* be presented to the Guam Legislature, the Governor and the Guam Education Policy Board *no later than* sixty days after the enactment of this law. The audit report *shall* contain specific recommendations for any necessary reform in order to save taxpayer dollars.

Section 34. Item (a) of §34128 of Chapter 34, Title 5, Guam Code Annotated is hereby *amended* to read:

"(a) Whenever the Superior Court of Guam issues *or* modifies an order concerning , including provisions for child support in divorce decrees, the court *shall* include health care insurance coverage for the child or children as part of both parents obligation of support for health insurance if health care insurance is available at a reasonable cost. The court *shall* determine the burden of obligation of support for health insurance from either or from both parents in the best interest of the child or children. Any order for health care insurance *shall* be enforceable against the custodial parent and/or the non-custodial parent."

Section 35. Item (f) of § 34118 of Chapter 34, Title 5, Guam Code Annotated is hereby *amended* to read:

"(f) Either parent of a child for whom child support has been previously ordered *may* petition the Family Court, Hearings Division *or* the Child Support Enforcement Agency *not more than* once every three (3) years for review and adjustment of the child support order *without having* to show a change of circumstances. Either parent may petition the Family Court, Hearings Division *or* the Child Support Enforcement Agency for review and adjustment of the child support order more than once in any three (3) year period *if* the second *or* a subsequent request is supported by proof of a substantial *or* material change of circumstances. *If* the custodial parent is receiving *or* has received assistance from a state program funded by Title IV, Part A of the Social Security Act, the Child Support Enforcement Agency *shall* review every three (3) years from the effective date of the Order, and, *if* appropriate, *shall* file in Superior Court either a motion *or* stipulation to adjust the order. Regardless of whether the custodial parent is receiving *or* has received public assistance, the Child Support Enforcement Agency *shall* review every three (3) years from the effective date of the Order, and, *if* warranted, *shall* file in Superior Court a motion *or* stipulation to adjust an order by applying the Child Support Enforcement Agency guidelines *or* by applying a Cost of Living Adjustment to the order. The Child Support Enforcement Agency may use automated methods to identify orders to review and adjust pursuant hereto."

Section 36. Subsection (c) of §4101, Article 1, Chapter 4 of Title 4, Guam Code Annotated, is hereby *repealed* and *reenacted* to read:

"(c) All new employment in the service of the government of Guam *shall* have, as a reasonable measure of job performance, minimum requirement of high school diploma *or* a successful completion of General Education Development (GED) test *or* any equivalent of a general education high school

program, apprenticeship program *or* successful completion of certification program, from a recognized, accredited *or* certified vocational technical institution, in specialized field required for the job."

This Subsection *shall not* be applicable to the Summer Youth Employment and any person with a disability which prevent him or her from complying with this Section consistent with the Americans with Disabilities Act or its successors laws."

Section 37. Audit of CLTC Leases. The Public Auditor *shall* conduct a financial and management audit of cost and benefits of the commercial leases of the Chamorro Land Trust encompassing the period since the initiation of the commercial lease program to the present. The Audit report *shall* be presented to the Guam Legislature and the Governor *no later than* sixty (60) days after the enactment of this law.

Section 38. *Amendments* to Lada Estates Lease to Own Program. *Amend* Section 5 and 5.1 of P.L. 20-255, as *amended* by P.L. 25-116; *add* a new Section 6.1 to P.L. 20-255; and to *amend* §14117 of Chapter 14, Title 12 GCA.

(a) Section 5 of P.L. 20-225, is hereby *amended* and *shall* read as follows:

"Section 5. Allocation. Units *shall* be allocated to families with a combined income that *does not exceed* up to one-hundred and fifty percent (150%) of the median income level for Guam households as established the U.S. Department of Housing and Urban Development (HUD)."

(b) Section 5.1 of P.L. 20-225, as *amended* by P.L. 25-116, the Lease-to-Own Housing Program Act of 2000, is hereby *amended* and *shall* read as follows:

"**Section 5.1. Development.** Guam Housing Corporation may accept proposals to develop the Lada Estates property (the "Property") through the appropriate procurement process as defined in 5 GCA Chapter 5 from a developer who will use the property solely to develop affordable Housing utilizing programs pursuant to any existing Guam or U.S. Federal Government programs either as rental development or homeownership programs to families that qualify under Section 5 of P.L. 20-225: Allocation."

(c) *If* any provision of P.L. 20-225, as *amended*, conflicts with Section 5 and 5.1, as *amended* herein, then this Section 5 and 5.1 *shall* supersede.

(d) A new Section 6.1 is hereby *added* to P.L. 20-225 to read as follows:

"**Section 6.1. Prices for Rental Development.** Rental developments *shall* be developed for families whose income *do not exceed* up to one hundred and fifty (150%) of the median income for Guam households as established by the U.S. Department of Agriculture ("USDA") and the U.S. Department of Housing and Urban Development ("HUD")."

(e) §14117 of Chapter 14, Title 12 GCA is *amended* to read:

"§14117.(a) Definition of Adequate Water line.

The term *adequate water line*, wherever used or referred to in this Article or in any indenture entered into pursuant hereto, *shall* mean a water line that can provide or be made to provide potable water to the premises.

(b) Denial of Water Services. Notwithstanding any other provision of law, the Guam Waterworks Authority *shall not* deny any

person a water meter or water services whenever an applicant for a water meter or water services has paid all necessary basic connection fees or offered to pay such basic fees, when there is an adequate water line within one hundred feet (100') of the applicant's property boundary, or when an existing waterline is within one hundred feet (100') of an applicant's boundary that can be made operational by Guam Waterworks Authority connecting it to any main water line."

Section 39. Department of Administration Authorized to *promulgate* and *amend* Personnel Rules to allow for law Enforcement Departments or Agencies to request for Eligibility Lists with Twice the Amount of Applicants as there are Available Positions.

The Department of Administration *shall promulgate* and *amend* Personnel Rules, within sixty (60) days that will allow for Eligibility Lists to consist of twice the amount of applicants as there are available positions for Law Enforcement Departments or Agencies. Such rules *shall* include a clause for the Law Enforcement Department or Agency Head to certify that there is a critical shortage of personnel within the department or agency and the rule of four *will not be*, or *has not been*, sufficient in meeting the needs of the department or agency. The rules providing the authority for the expanded eligibility lists *shall* expire September 30, 2014.

Section 40. 11 GCA Division 4, Chapter 103, Section §103102 (c) is hereby *amended* to read:

"(c) The Commissioner *shall* have the following minimum qualifications; a total of ten (10) years of experience in a managerial position in any of the following areas:

(1) credit risk, loan portfolio quality, payments, liquidity management, asset funding, investment banking and securities, bank

operations, and/or regulatory compliance in a bank chartered by the United States or one (1) of its states or territories or Guam; or

(2) administration, sales, law, counseling, education, actuarial, and/or regulatory compliance in an insurance company, brokerage or agency registered to do business in the United States or one (1) of its states or territories or Guam; or

(3) experience in a management or supervisory position within a government agency or other regulatory body with responsibility and authority for oversight, regulation and compliance activities of institutions and organizations in §103102 (c) (1) and §103102 (c) (2)."

Section 41. Property Management Officer for Department of Corrections. Notwithstanding any other provision of law, the Department of Corrections is authorized to hire a Property Management Officer in the unclassified service, pursuant to the Department of Administration's rules and regulations pertaining to unclassified employees, until the Civil Service Commission approves and implements the Department of Corrections request that the position of Property Management Officer be included in the classified service. The Civil Service Commission *shall* establish this position in the classified service within 90 days of enactment of this Act and *shall* submit a report to *I Liheslatura* within 90 days.

Section 42. §77119 of Title 10, of the Guam Code Annotated, is hereby *amended* to read:

"**§77119. Assignment of Police Officers.** The Chief of Police, or his designee, may assign police officers consistent with the needs of the Department to the villages so as to be the most efficient in carrying out the purposes of the Department to preserve the peace, to enforce the law and to prevent and detect crime. The Chief of Police may assign those hired as

limited term police officers to serve as a school resource officer, who at the minimum will be responsible for addressing drugs and violence in the schools, the investigation of criminal activity involving juveniles, and other duties as agreed upon by the parties in a Memorandum of Understanding and whose employment *shall* be on a school-year basis."

Section 43. Amendment to Chapter 8, Article 1, Subsection (a) of § 8121 of Title 4 GCA. Chapter 8, Article 1, Subsection (a) of § 8121, Title 4 Guam Code Annotated is hereby *amended* to read as follows:

"**§8121. Same. Suspension of Annuity Payment.**

(a) A retired member who subsequently becomes an employee eligible for membership under §8106 of this Title *prior* to January 1, 1999, shall, upon becoming so employed, have that member's right to receive payment of that member's annuity suspended for the duration of that member's employment, but all other rights pertaining to that member's annuity provided by this Article, including automatic increases therein, shall be retained by that member. The provisions of this Section *shall not* be applicable to any retired Judge or Justice designated and assigned by the Chief Justice to perform judicial duties in the courts of Guam as provided for in § 6115 of Title 7 GCA, or any person employed by the Guam Public School System in Guam schools, as a substitute teacher or as a Certified Augmentation Teaching Service (CATS) employee as that term is defined by Title 17 GCA § 3127(b). Such employment *shall* be subject to the provisions of Items (d) of this Section.

The provisions of this Section *shall not* be applicable to any certified, registered or licensed health care professional, or ancillary

service personnel, employed by the Guam Memorial Hospital Authority, the Department of Mental Health and Substance Abuse, the Department of Public Health and Social Services, academic faculty positions at the University of Guam and the Guam Community College, or a limited term police officer employed by the Guam Police Department to include Police Officers I, II, III and Sergeant I & II, performing duties such as patrol officers, narcotic officers, criminal investigators, juvenile investigators, criminal investigators, crime scene investigators and school resource officers; provided, that such person(s) occupies such positions for which no other qualified/certified applicants was available, and that such employment shall be on a fiscal year basis; subject to the provisions of Subsection (d) of this Section."

Section 44. Forensic Science Laboratory for the Judicial Council. Subsection (a) of Section 9510 of Title 7 Guam Code Annotated, is hereby *amended* to read:

"(a) The Judicial Council is hereby authorized to provide for the design, construction and collateral equipment of a forensic science laboratory by entering into a financing arrangement with the U.S. Department of Agriculture, or other financing source, with a lower cost of funds, *not to exceed*, Seven Million Three Hundred Thousand Dollars ($7,300,000) for a term *not to exceed* forty (40) years.

If the Judicial Council deems it in the best interest of the Community, it may delegate or assign any or all of the following tasks of design, construction, purchase of collateral equipment and negotiation and/or execution of financial instruments to the Guam Community College. The terms of any debt *shall* be approved by the Judicial Council to ensure that the fund's ability to repay the

Judicial Building Loan (Government of Guam Promissory Note to Farmers Home Administration – Superior Court Note) is *not* adversely affected. Repayment of any loan or other commitment shall be made utilizing funds from the Judicial Building Fund.

The Judicial Council is authorized, when obtaining the financing for the forensic science laboratory, as described in this Subsection, to consolidate the Seven Million Three Hundred Thousand Dollars ($7,300,000) with existing obligations of the Judicial Building Fund, up to a maximum total of Eleven Million Dollars ($11,000,000), in order to realize savings in its annual payment obligation for these loans."

Section 45. Judicial Center and Forensic Lab Maintenance §9511 of Title 7 Guam Code Annotated, is hereby *added* to read

"**§9511. Maintenance of Judicial Center and Forensic Science Building and Equipment.** *After* the debt service obligations are met to repay any debts funded by the Judicial Building Fund, such remaining sums as are needed for maintaining the Judicial Center and Forensic Science Building *shall* be expended from available funds in the Judicial Building Fund."

Section 46. Who May Solemnize Marriage. §3204 of Title 19 G.C.A., Chapter 3, Article 2, is *amended* to read:

"**§3204. Who May Solemnize Marriage.** Marriage may be solemnized by:

(a) The Governor of Guam or his substitute;

(b) The judges of the District Court, and Superior Court;

(c) All ordained clergymen and priests of whatsoever religious faith who are recognized as such by the religious body whose faith they represent;

(d) The Director of Revenue and Taxation or the Director of Administration;

(e) The Speaker of the Guam Legislature, or his/her designee;

(f) All village mayors and vice mayors."

Section 47. Marriage Licenses. A new item (a)(10) is *added* to Title 19 G.C.A. Chapter 3, §3202 to read:

"(10) Whether the applicants elect to have their marriage solemnized by a village mayor or vice mayor."

Section 48. Marriage Fees. A new subsection (j) is *added* to Title 19 G.C.A. Chapter 3, §3202 to read:

"(j) All applicants electing to have their marriage solemnized by a village mayor or vice mayor *shall* pay to the Treasurer of Guam Fifty Dollars ($50.00), which *shall* accompany the application for a marriage license. A copy of the marriage license *shall* be submitted by the applicants to the mayor or vice mayor's office showing payment of the fee."

Section 49. Deposit and Credit of Marriage Fees. A new subsection (k) is *added* to Title 19 G.C.A. Chapter 3, §3202 to read:

"(k) The Director of Revenue and Taxation *shall* deposit all fees collected pursuant to subsection (j) of this Section into the Community Development Fund. The fees *shall* be credited to the account of the respective village when the Director of Administration is in receipt of documentation from the mayor or vice mayor that a marriage has been solemnized."

Section 50. Community Development Fund. Subsection (c) of §40119, Title 5, Guam Code Annotated, is *amended* to read:

"(c) Procurement.

(1) The Mayors' Council of Guam is authorized under §6959.3 of the Procurement Law to procure supplies or services of less than Fifteen Thousand Dollars ($15,000.00) without the approval of the General Services Administration.

(2) Mayors are authorized to use the fees collected and deposited in accordance with §3202(j) & (k) of Title 19 G.C.A., Chapter 3, to procure services and supplies for the maintenance of parks as listed in §40113 of this Chapter; for the planting of trees, plants, and flowers; for maintenance of street signs; for replacement of street lights; and for landscape maintenance."

Section 51. Guam Fire Department Equipment Purchases. *Add* a new §72108 to Title 10, Guam Code Annotated, to read:

"§72108. Authorization to Borrow. (a) *I Maga'lahen Guåhan* is authorized by this Section to enter into a debt agreement on behalf of the Government of Guam for the *sole* purpose of financing the purchasing and shipping of equipment for the Guam Fire Department and to secure such loan by proceeds from the FLAME Fund (10GCA §72106). *I Maga'lahen shall* enter into such an agreement subject to the concurrence of the Legislature by statute, and the members *shall not* incur any personal liability for any loan agreement lawfully entered into. The debt agreement *shall* become effective as of the date the Legislature concurs by statute. 12 GCA 2103(k) *shall* apply to the loan obtained pursuant to this Chapter. The term of the debt agreement *shall not exceed* ten (10) years. For purposes of this Section, the form of the debt instrument for the "debt agreement" may be a loan, bond *or* other form of debenture. The choice of the debt instrument *shall* be the instrument with the lowest cost of funds in terms of *net present value* of the origination costs and future payments."

(b) Equipment to be purchased:

Item	Quantity Estimate (ea)	Cost	Cost Total
Highrise Apparatus - Ladder Truck Extension	1	1,300,000	$1,300,000
Highrise Apparatus - Elevated Platform	1	1,300,000	1,300,000
Fire Trucks (fully equipped)	4	500,000	2,000,000
Tankers (5,000 Gallons)	2	300,000	600,000
Ambulances (fully equipped)	4	275,000	1,100,000
Rescue Boats (fully equipped)	2	390,000	780,000
Heavy Duty trucks (tow boats)	2	50,000	100,000
District Commander Vehicles	2	40,000	80,000
Jet Skis (fully equipped)	3	20,000	60,000
Special Rescue Vehicles (ALS)	3	50,000	150,000
Defibrillators (one for each fire truck)	10	30,000	300,000
Emergency Equipment (Jaws of Life, etc.)			80,000
Total			**$7,850,000"**

Section 52. Funding for Pale San Vitores Road Improvements. Amendment to §§17 of the "Exhibit B" attachment to §22958 of Article 10, Chapter 22, Division 2 of Title 5, Guam Code Annotated. §17 of the "Exhibit B" attachment to §22958 of Article 10, Chapter 22, Division 2 of Title 5, Guam Code Annotated, is *amended* to read:

"**§17.** The sum *not to exceed* Four Million Two Hundred Thousand Dollars ($4,200,000.00) of the unused balance for roadway repairs and resurfacing of Pale San Vitores Road, and for upgrades and repairs to the Tumon Area infrastructure."

Section 53. §13109, Chapter 13 of Title 2, Guam Code Annotated is *amended* to read:

"§13109. Executive Branch Accounting, Financial, and Economic Services. *I Maga'lahen Guåhan shall* provide the Office of Finance and Budget with any and all information and services it requires to fully execute this Chapter.

(a) Reports The following reports *shall* be submitted to *I Liheslaturan Guåhan* as indicated:

(1) *No later than* thirty (30) days *after* the end of each month of a fiscal year, the Director of the Bureau of Budget and Management Research *shall* report the revenue tracking for the General Fund, the Tourist Attraction Fund, Solid Waste Operations Fund (Tipping Fees), Territorial Education Facilities Fund, and the Guam Highway Fund for the balance of the fiscal year, based upon the actual collections of the preceding month, and prepare a comparative statement of "actual" and "projected" revenues. Such information *shall* be compiled in a report, in collaboration with the Director of Revenue and Taxation and the Director of Administration, certified by the Director of the Bureau of Budget and Management Research, and submitted to the Speaker of *I Liheslaturan Guåhan no later than* thirty (30) days *after* the end of each month of the fiscal year;

(2) On January 30, 2008 and July 1, 2008, and on a semiannual basis thereafter, the Director of the Bureau of Statistic and Plans in coordination with Department of Labor *shall* report the impact of federal expenditures, including projections of federal expenditures on Guam, on Guam's economic growth, employment, tax revenues, and other variables, for the next year compared with the previous five (5) years; identify significant federal expenditures *or* potential expenditures on Guam affecting military bases, installations, active duty and retired military personnel within Guam, as well as any impact of the changes in

these expenditures. Such information *shall* be compiled in a report, certified by a majority of the members of the Special Economic Service, and submitted to the Speaker of *I Liheslaturan Guåhan*;

(3) On January 30, 2008 and July 1, 2008, and on a semiannual basis thereafter, the General Manager of the Guam Visitors Bureau in coordination with the Government of Guam's Chief Economist *shall* report the impact of tourism expenditures on Guam's economy and employment, including projections of tourism expenditures on Guam, on Guam's economic growth, employment, tax revenues, and other variables, for the next year compared with the previous five (5) years; identify significant tourism expenditures *or* potential expenditures coming into Guam affecting tourism as well as the impact of the changes in these expenditures. Such information *shall* be compiled in a report, certified by a majority of the members of the Special Economic Service, and submitted to the Speaker of *I Liheslaturan Guåhan*; and

(4) The Director of the Bureau of Budget and Management Research *shall* report the long-range forecasts of revenues and expenditures for each of the five (5) years immediately beyond the budget year. Such information *shall* be compiled in a report, certified by a majority of the members of the Special Economic Service and submitted to the Speaker of *I Liheslaturan Guåhan."*

Section 54. Section 12 of Public Law 29-69 is hereby *repealed*.

Section 55. *Repeal* and *reenact* §57102 of Chapter 57, Title 10 GCA to read:

"§57102. Requirement for Guam Identification Card.

Any non-United States citizen applying for *any* service of the government of Guam must possess and present a Guam Identification Card as a condition of eligibility."

Section 56. Air Ambulance Services Membership Plan. (a) Legislative Findings and Intent. *I Liheslaturan Guahan* finds that there is a critical need for air ambulance services to assist the people of Guam in the event of life-threatening illness or injury, particularly when those injuries or illnesses require a higher level of care than that which is available at the Guam Memorial Hospital or *any* other health care facility in Guam.

Further, *I Liheslatura* finds that many Guam residents cannot afford the cost of air ambulance services due to the high cost of maintenance of aircraft, fuel, and adequate personnel to provide these services to Guam residents and that Guam has a definite need for air ambulance service due to our island's remote location and lack of specialized medical care at an affordable price.

Guam suffers a definite shortage of highly specialized medical facilities, technology and physicians such as neurosurgeons, orthopedic surgeons, cardiologists and cardiothoracic surgeons. Guam's great distance from metropolitan trauma centers and its short supply of specialized medicine, coupled with significant projected population growth and high rates of chronic and serious diseases such as heart disease, stroke, cancer, diabetes, obesity, and urological disorders underscores a critical need for air ambulance service.

Further, *I Liheslaturan Guahan* finds that there are currently only four (4) ways by which Guam patients might meet the unavoidably high cost of air ambulance service: (1) "self-pay;" (2) special provision via health insurance coverage; (3) financial support of non-profit foundations benefiting the island's needy; and (4) reimbursement through the Medically Indigent Program. Since most of Guam's present and future population fall outside of the aforementioned categories for air ambulance coverage, then it is important to support and enable innovations that make air ambulance services universally affordable and accessible.

I Liheslatura additionally finds that air ambulance membership plans are a particular innovation that would allow the broadest possible access to the service, whereby individuals can contract for air ambulance services by paying an annual fee. In exchange for the annual fee, the member will be entitled to obtain air ambulance services upon written certification of the member's physician that: (1) the member is a candidate for off-island medical services and treatment; and (2) the physician has located a receiving hospital that is willing to accept the member as a patient.

The air ambulance services include round-trip air flight between Guam and the receiving destination, the services of a licensed physician and nurse, state of the art medical equipment on board the aircraft, and U.S.-Federal Aviation Administration-certified air ambulance pilots and aircraft.

Although the Guam insurance code *does not* appear to apply to such air ambulance membership plans, *I Liheslatura* finds it to be best for the health and safety of the people of Guam to explicitly exempt air ambulance membership plans from the Guam Insurance Code in order to provide the People of Guam with this critical and much-needed service.

It is therefore the intent of *I Liheslaturan Guahan* to amend the Guam Insurance Code in order to define "Air Ambulance Membership Plans," and to provide an exemption from for such contracts between air ambulance service providers and members *or* enrollees in which such providers provide air ambulance services for members *or* enrollees in exchange for an annual fee.

(b) A *new* Title 22 Guam Code Annotated Chapter 12 §12104(ii) is hereby *added* to read:

"Section 12104(ii). "Air Ambulance Services" means the emergency and non-emergency transportation of a doctor-qualified patient-candidate for higher level care from Guam to another location by a legally authorized air

ambulance in which health care services, including advanced life support services, are provided to the patient for the duration of such transportation."

(c) A *new* Title *22,* Guam Code Annotated Chapter 12 §12104(jj) is hereby *added* to read:

"§1210Q(jj) . "Air Ambulance Services Membership Plan" means a plan contract between air ambulance services providers and members or enrollees in which such providers provide air ambulance services for its members or enrollees in exchange for an annual fee."

(d) A *new* Title *22* Guam Code Annotated Chapter 12 §12113 is hereby *added* to read:

"§12113. Air Ambulance Services Membership Plan Exempted. The provisions of this Chapter shall not prohibit or apply to Air Ambulance Services Membership Plans."

Section 57. Airport Rescue and Fire Fighting Division Compensation Pay. §55102 (a), Chapter 55, Title 10, Guam Code Annotated, as *amended* by Public Law 29-105, is hereby *amended* to read:

"(a) The Director of Administration *shall* perform a review of the compensation, benefits, position requirements, and duties of public safety and law enforcement officers of the government of Guam, including those employed at the Courts of Guam, Guam Police Department, Guam Fire Department, Department of Corrections, Customs and Quarantine Agency, Jose D. Leon Guerrero Commercial Port Authority Police, A. B. Won Pat International Airport Authority Police, A.B. Won Pat International Airport Authority Airport Rescue and Firefighting Division, Department of Parks and Recreation, Department of Agriculture, Attorney General's Office, and the Department of Youth Affairs, in order to provide internal equity and external

competitiveness. The review *shall* develop a Compensation Plan which treats all aspects of compensation (base salaries, benefits, pay differentials, and other factors) as a total reward and incentive package for employees, with said Plan to be uniformly administered throughout the government."

Section 58. A new Paragraph (h) is hereby *added* to §4109 of Article 1, Chapter 4 of Title 4 of the Guam Code Annotated to read as follows:

"(h) Any employee of the government of Guam who has been qualified as a donor for medical purposes and has received notice that the employee has been determined to be a match *shall* be granted leave with pay by his or her respective department director or appointing authority for the time it takes to complete the medical procedure involved, *not to exceed* ten (10) working days."

Section 59. §4610 of Article 6 of Chapter 4 of Title 4 of the Guam Code Annotated, as *enacted* by Public Law No. 29-97, is *amended* as follows:

"**§4610. Reactivation of Registered Guam Telephone Authority Employees.** Notwithstanding any other provision of this Article, former Guam Telephone Authority employees who had previously registered with the Department of Administration and have *not* been placed under the Enhanced Placement Program, whether or *not* they have been placed pursuant to competitive employment within any entity of the government after registering for and becoming eligible for the Enhanced Placement Program, *shall* be reactivated as Enhanced Placement registrants for a period of one (1) year effective the date of this Act and *shall* be eligible for placement at only autonomous departments and agencies and public corporations such as: Guam Community College, Guam Power Authority, Guam Waterworks Authority, J.D. Leon Guerrero Commercial Port Authority, the University of Guam and the A.B. Won Pat International Airport Authority. This opportunity *shall not*

apply to those registrants who have declined enhanced placement either voluntary or involuntarily All former GTA employees who were placed in positions within any entity of the government of Guam as a result of the GTA Priority Placement Program or were placed pursuant to competitive employment within any entity of the government after registering for and becoming eligible for the Enhanced Placement Program, but were *not* given credit for years of service when placed in the priority placement positions *shall* have their current pay adjusted upwards, when necessary, to one that is closest *but not more than* the pay they were receiving in their former position with GTA."

Section 60. Restriction on the Home Use of Government of Guam Vehicles. *Except* when *expressly* permitted by Title 4, Guam Code Annotated, §1103(c), *no* government of Guam owned, leased *or* rented vehicles may be driven home by an employee *unless* such employee is on call as an emergency first responder.

Section 61. §52102 of Chapter 52 Division 2 of Title 11, Guam Code Annotated, is *amended* to read:

"**§52102. Appropriation to the Guam Public School System Operations Fund.** The contents of the Guam Public School System Operations Fund are appropriated to the Guam Public School System for the operations of the Guam Public School System and for such improvements of the Guam Public School System, including capital improvements, as may be found necessary by the Superintendent of Education. This appropriation is continuous and is contingent on the annual submission of a detailed budget, in accordance with Chapter 3 of Title 17 of the Guam Code Annotated, to *I Liheslaturan Guåhan*, notwithstanding any other provision of law. *I Liheslaturan Guåhan*

may appropriate supplemental amounts to the Guam Public School System. All appropriations to the Guam Public School System *shall* be subject to the allotment process administered by the Bureau of Budget and Management Research (BBMR), and *shall* be subject to Title 5 GCA §4109(c)(3). The Superintendent of Education *shall* submit a detailed quarterly report to *I Liheslaturan Guåhan* on the receipt and expenditure of said funds *no later than* thirty (30) days after the end of each fiscal quarter and post the same on the GPSS website."

Section 62. Add new Article 15 to Chapter 22, Division 2 of Title 5, Guam Code Annotated.

"Article 15

§221501. Indirect Cost Fund Creation.

§221502. Separate Fund and Bank Account.

§221503. Purpose.

§221504. Deposits and Expenditures.

§221505. Administration.

§221501. Creation. There is hereby created, separate and apart from other funds of the government of Guam, a fund known as the "Indirect Cost Fund".

§221502. Separate Fund and Bank Account. The Indirect Cost Fund *shall not* be commingled with the General Fund or any other fund of the government of Guam. The Indirect Cost Fund *shall* be maintained in a separate bank account.

§221503. Purpose. The Indirect Cost Fund *shall* be expended by appropriation by law for the following purposes:

- Training such as Continuing Professional Education Credits, CPE.

- Negotiating and Administering the government of Guam's indirect cost rate.
- Purchasing of Supplies and Equipment associated with Negotiating and Administering the government of Guam's indirect cost rate.

§221504. Deposits and Expenditures. Deposits *shall* be made into the Indirect Cost Fund from Federal Reimbursement, for Executive Line Agency Claims *or* Claims on Indirect Cost based on a negotiated and approved Indirect Cost Rate from U.S. Department of Interior to be applied in administering Federal Programs. Monies deposited in the Indirect Cost Fund *shall* be expended for the following agencies:

- Department of Administration
- Bureau of Budget & Management Research
- Office of the Public Auditor
- Guam State Clearinghouse

§221505. Administration. The Director of Administration *shall* account for and administer the Indirect Cost Fund. The Director shall keep all books, records, files and accounts of the Indirect Cost Fund. The Director *shall* prepare monthly reports relative to the Indirect Cost Fund reflecting the transactions and the financial condition of the Indirect Cost Fund, which monthly reports *shall* be transmitted to *I Liheslatura* and *I Maga'lahen Guåhan*."

Section 63. §4119 of Chapter 4 of Title 5 of the Guam Code Annotated is hereby *amended* to read:

"**§4119. Development and Implementation of Performance Based Budgeting. (a)** The heads of the Department of Administration, the Bureau of Budget and Management Research, the Department of Revenue and Taxation,

the Department of Public Works, the Department of Parks and Recreation, the Department of Land Management, the Department of Agriculture, and the Bureau of Statistics and Plans *shall* develop and implement Performance Based Budgeting *no later than* September 30, 2009. Appropriate employees of said agencies *shall* attend all workshops and training opportunities regarding Performance Based Budgeting offered by the Department of Administration.

(b) Non-compliance of the heads of the departments and agencies noted in subsection (a) of this Section to the deadlines as established by the Bureau of Budget and Management Research to meet the Performance Based Budgeting implementation deadline of September 30, 2009 *shall* cause a penalty to be applied against the current salaries of the heads of the departments and agencies equal to a twenty percent (20%) reduction in salary. The Directors of both the Bureau of Budget and Management Research and the Department of Administration *shall* ensure the application of this penalty."

Section 64. §3132 of Chapter 3, Title 17 of the Guam Code Annotated, is hereby *amended* to read:

"**§3132. Central Office Budgeting. (a)** Guam Public School System (GPSS) *shall* develop and implement Performance Based Budgeting for all Central Office Operations *no later than* September 30, 2009. Appropriate GPSS employees *shall* attend all workshops and training opportunities offered by the Department of Administration regarding Performance Based Budgeting.

(b) Non-compliance of the head of GPSS to Subsection (a) of this Section and to deadlines as established by the Bureau of Budget and Management Research to meet the Performance Based Budgeting implementation deadline of September 30, 2009 *shall* cause a penalty to be applied against the current salary of the head of GPSS equal to a twenty percent

(20%) reduction in salary. The Guam Education Policy Board *shall* ensure the application of this penalty."

Section 65. §1604 of Title 1, Guam Code Annotated, is hereby *amended* to read:

"§1604. Administrative Support for the Compiler of Laws. The Supreme Court of Guam *shall* provide technical, clerical, and administrative support to the Compiler of Laws. In the exercise of the responsibilities included in this Chapter, the Supreme Court of Guam may:

(a) Accept grants, contributions, appropriations, and payments for the publications of the office;

(b) Employ such professional *or* clerical staff as necessary for the operations of the Compiler of Laws, in accordance with the Personnel Rules and Regulations of the Judicial Branch promulgated by the Judicial Council; and

(c) Enter into contracts as necessary for the operations of the Compiler of Laws, in accordance with the law and the Rules and Regulations promulgated by the Judicial Council."

Section 66. §3111.1 of Title 17, of the Guam Code Annotated, is hereby *amended* to read:

"§3111.1 Provision for Staggered Elections.

(a) *Except* as provided in Subsection (b) of this § 3111.1, each member of the Board *shall* be elected to serve a term of four (4) years, commencing at 12:00 noon on the first Monday in January following their election.

(b) At the election for members of the Board held at the General Election in November 2008, and only at this election, four (4) candidates,

one (1) from each of the four (4) districts, *shall* each serve four (4) year terms, and five (5) candidates *shall* each serve two (2) year terms as follows:

(1) Upon the Guam Election Commission's determination of the nine (9) successful candidates, the successful candidate in each district who received the highest number of votes *shall* be certified to serve a four (4) year term. The remaining successful candidates in each district *shall* be certified to serve two (2) year terms.

(c) Effective beginning with the November 2008 election, *no* write-in candidates for the Guam Education Policy Board *shall* qualify to be elected to sit on the Policy Board *unless* he/she receives votes *equal* to at least ten percent (10%) of the total number of the valid ballots cast for that office in the district in which he/she is a candidate."

Section 67. Uniform Allowance. All law enforcement and public safety uniformed personnel, as defined by Title 4 GCA §8104(p), *shall* receive 'uniform allowance' of *not less than* Three Hundred Fifty Dollars ($350) per year *no later than* December 31st of the Fiscal Year. An agency may provide uniforms in lieu of said allowance, but *shall* provide the uniform *no later than* December 31st of the fiscal year.

Section 68. §27026 of Title 17 of the Guam Code Annotated is hereby *amended* to read:

"§27026. Prior Certification Standards. All certification standards and requirements adopted by the Guam Education policy board *prior* to the enactment of this Chapter *shall* remain effective *unless* they are *amended or repealed* by the Commission in a manner consistent with the provisions of this

Chapter. The Guam Commission for Educator Certification *shall* adopt rules which honor unexpired teaching, guidance counselor, school librarian, and school administrator certifications issued by GPSS before the effective date of the GCEC."

Section 69. Moratorium on Infrastructure or Construction. Commencing April 2, 2009, *any* government of Guam entity proposing a moratorium on construction *or* infrastructure projects *shall* present the proposal to *I Liheslaturan Guåhan* for action. The proposal *shall* include a cost-benefit analysis and impact statement justifying and documenting the request. *I Liheslatura shall* have sixty (60) calendar days to act on the proposal.

Section 70. §15105 of Chapter 15, of Title 21 of the Guam Code Annotated is hereby *amended* to read as follows:

"§15105. Funding for Exercise of Eminent Domain.

(a) The power of Eminent Domain may be exercised by the government of Guam upon authorization and appropriation by the Guam Legislature of funds necessary for payment of just compensation. Such power *shall* be exercised by the Governor of Guam

(b) The power of Eminent Domain may also be exercised by the government of Guam upon authorization and appropriation of funds by the Congress of the United States for public use within Guam. An appropriation by the Congress of the United States for a specific public use and corresponding authorization by the Guam Legislature via duly *enacted* legislation *shall* be deemed to authorize the acquisition by condemnation *or* otherwise of private property for such use."

Section 71. Interest from Economic Stimulus to be used for the Department of Revenue and Taxation Overtime. All interest generated by

Economic Stimulus Rebate accounts is hereby appropriated (1) to the Department of Revenue and Taxation for payment of overtime of Department of Revenue and Taxation employees processing said rebates; and (2) to the Department of Administration for costs of mailing said rebates. This appropriation *shall not* be subject to transfer by the Governor.

Section 72. Garnishment of Rebates and Refunds. *If* the taxpayer has a current payment arrangement agreement with the government entity for the payment of the outstanding liability of the taxpayer to such entity, the Director of the Department of Revenue and Taxation *shall not* garnish the income tax refunds and the economic stimulus payment owed to the taxpayer pursuant to United States Public Law 110-185.

The Director of Revenue and Taxation *shall* garnish the income tax refunds and the economic stimulus rebate payments pursuant to United States Public Law 110-185 of any taxpayer who is *not* in compliance with the payment arrangement for the outstanding liability of the taxpayer with the government entity.

The Director of any agency who has a memorandum of understanding for the garnishment of income tax refunds and the economic stimulus rebate payments pursuant to United States Public Law 110-185 with the Department of Revenue and Taxation *shall* forward the names of taxpayers who are *not* in compliance with their payment arrangement for garnishment of the taxpayer's income tax refunds and the economic stimulus rebate payments pursuant to United States Public Law 110-185.

Section 73. §34.70 (f) of Title 9, Guam Code Annotated, is hereby *amended* to read:

"(f) Any person violating subsections (b), (c), (d) or (e) shall be punished by a fine of one thousand dollars ($1,000.00) for the first offense, and two thousand five hundred dollars ($2,500.00) for the second offense; and for each

subsequent offense by a fine of five thousand dollars ($5,000.00) or by imprisonment for a term *not to exceed* one hundred twenty (120) days or by both fine and imprisonment at the discretion of the court. In the case of a minor, the parents or legal guardian *shall* be responsible for payment of all fines. Failure of the parents or legal guardian to make payment will result in the filing of a lien on the parents or legal guardian's property to include the fine and court costs."

Section 74. §34.70 (h) of Title 9 Guam Code Annotated, is hereby *amended* to read:

"(h) In addition to any punishment listed in subsections (f) and restitution ordered under subsection (g), the court shall order any person found in violation of subsection (b), (c), (d) or (e) to perform monitored community service in the removal of graffiti of *not less than* two hundred fifty (250) hours and *not more than* five hundred (500) hours."

Section 75. §34.70 (i) of Title 9, Guam Code Annotated, is hereby *amended* to read:

"(i) In addition to any punishment listed in subsections (f), (g) and (h), any adult convicted for violating subsections (b), (c), (d) or (e) is guilty of a misdemeanor punishable by imprisonment for not less than a mandatory sixty (60) days."

Section . §34.70 (l) of Title 9 GCA is hereby *amended* to read:

"(l) Every person who owns, conducts, operates or manages a retail commercial establishment selling aerosol containers of spray paint or broad-tipped indelible markers *shall*:

(1) Place a sign in clear public view at or near the display of such products stating:

"GRAFFITI IS A CRIME. ANY PERSON DEFACING REAL OR PERSONAL PROPERTY NOT HIS OR HER OWN WITH PAINT OR ANY OTHER LIQUID OR DEVICE IS GUILTY OF A CRIME PUNISHABLE BY IMPRISONMENT OF UP TO ONE HUNDRED TWENTY (120) DAYS AND/OR A FINE UP TO FIVE THOUSAND DOLLARS ($5.000.00)."

(2) Place a sign in the direct view of such persons responsible for accepting customer payment for aerosol containers of spray paint or broad-tipped indelible markers which states:

"IT IS A VIOLATION OF THE LAW TO SELL AEROSOL CONTAINERS OF SPRAY PAINT OR BROAD-TIPPED INDELIBLE MARKERS TO PERSONS UNDER 18 YEARS OF AGE PUNISHABLE BY A CIVIL FINE OF TW0 HUNDRED FIFTY DOLLARS ($250.00)."

Section 76. §34.70 (m) of Title 9 GCA is hereby *amended* to read:

"(m) Violation of subsection (l) shall result in a civil penalty of two hundred fifty dollars ($250.00) for a first offense and five hundred dollars ($500.00) for subsequent offenses. When three (3) violations of subsection (l) occur within any calendar year at a commercial establishment, that establishment shall be subject to an injunction from a court of competent jurisdiction forbidding the sale of aerosol containers of spray paints and broad-tipped indelible markers for a period up to two (2) years. Violation of such injunction shall be punished by a fine of two hundred fifty hundred dollars ($250.00) per day of violation in addition to any other penalties levied by the Court. Failure to make payment of fines will be subject to an injunction from a

court of competent jurisdiction forbidding the sale of aerosol containers of spray paints and broad-tipped indelible markers until payment of the fine, attorney's fees and costs."

Section 77. §34.70 (n) of Title 9 Guam Code Annotated, is hereby *amended* to read:

"(n) In addition to any punishment ordered under Subsection (f), (g), (h), (i) and (j), the court *shall* immediately, upon conviction of an offender charged with the defacement of property, revoke the license or instruction permit of any driver in violation of this Section subject to a period of time described hereafter:

(a) after one (1) conviction, six (6) months;

(b) after a second or subsequent conviction, one (1) year for each conviction.

Any person who was convicted of any offense as described in this Act upon being eligible to receive a license or instruction permit, *shall not* be eligible to receive a license or instruction permit until the entire penalty period has elapsed.

Any prior convictions resulting in the revocation of a driver's license or instruction permit *shall not* run concurrently with any existing or subsequent suspension, revocation, cancellation or denial which is provided for by law."

Section 78. Retirement Fund Board of Trustees authorized to explore health insurance program. The Retirement Fund Board of Trustees is hereby authorized to explore the possibility of obtaining reasonable health insurance rates for its members. The Retirement Fund Board of Trustees is hereby authorized to conduct a study that would examine the financial information of the prepaid health insurance companies, health care providers *or* other legal entities for the purpose of developing

an economical and beneficial health plan for members of the government of Guam Retirement Fund.

Section 79. Deficit Reduction. *I Liheslatura* finds that in order to work effectively reduce the deficit currently reflected for the government of Guam, it will *need* to *repeal or* deappropriate past appropriations which remain outstanding but *not* expended. To assist in this effort, the Department of Administration in collaboration with the Office of Finance and Budget *shall* submit a report to the speaker of *I Liheslatura* delineating *any* appropriation from fiscal years *prior* to 2008 which *has not been* encumbered *or* fully expanded as of the date of the report. Thereafter, monthly updates to the report *shall* be submitted until unexpended appropriations from *prior* fiscal years are eliminated by *repeal or* other operation of law.

Section 80. §50101(a) of Chapter 50 of Title 12 of the Guam Code Annotated, is hereby *repealed* and *reenacted* to read as follows:

"**§50101.** There is hereby created a public, non-profit corporation to be known as the Guam Economic Development Authority (*"Authority"*) with functions, powers and responsibilities as hereinafter provided. Any reference in any law to the Guam Economic Development and Commerce Authority (*"GEDCA"*) shall mean and be read as the Guam Economic Development Authority, and all references therein to the Administrator of GEDCA shall mean and be read as the Administrator of the Authority.

All references in any contract, Executive Order, rule, regulation or document to GEDCA, or the Administrator of GEDCA shall mean and be read as the Authority and the Administrator of the Authority, respectively."

Section 81. §50103(a) of Chapter 50 of Title 12 of the Guam Code Annotated, is hereby *amended* as follows:

"§50103. Purposes and Authorized Activities of the Corporation.

(a) It is the purpose of this Division to create a public non-profit corporation to assist in the implementation of an integrated program for the economic development of Guam. It is intended for this Corporation to be a catalyst in the economic development which this Division seeks, aiding private enterprise without unfairly competing with it. It is a further purpose of this Division to enable the Corporation to expand the supply of money available in the territory of Guam to finance the construction of residential dwellings, including single family dwellings, multiple family dwellings, condominiums and cooperative apartments. It is hereby declared that there exists in the territory of Guam a substantial and serious shortage of housing in all categories, and that this shortage is inimical to the health and welfare of the residents of the Territory and to the economic development of the Territory. The inadequate supply of such housing results in the continuing existence and proliferation of substandard and decadent housing, with all its attendant consequences of disease, crime, injuries, retardation of education, and high costs of services such as police and fire protection. It will thus serve the public welfare to stimulate an increase in the supply of decent, safe and sanitary housing, not only insofar as it benefits those who live in such housing but in that such housing will materially assist in the prevention of crime, the improvement of education, the reduction of hazards from fire or structurally unsafe buildings, the improvement of the public health and a lowering of the cost of services. The expansion of the supply of housing

in Guam is seriously hindered by a substantial, serious and continuing shortage of long-term mortgage money, resulting in part from the inability of United States based insurance companies to provide mortgage money in Guam because of United States income tax reasons. It is, therefore, imperative that mortgage financing be made available and the supply of available money to finance housing construction be increased. Without the assistance contemplated in this Division, the financing of or construction of decent, safe and sanitary housing in sufficient amounts to house the residents of Guam cannot be accomplished. A public exigency exists which makes the assistance contemplated by this Division a public purpose, and the necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination. The Legislature has also found and determined that there exists an acute shortage of adequate, modern and efficient hospital facilities in Guam and that unless measures are adopted to alleviate such conditions, the need for such facilities will become increasingly more urgent and serious. It is hereby declared that the safety, health and welfare of the people of Guam requires the provision of adequate, modern and efficient hospital facilities in the various parts of the Territory, and that it is the policy of the Territory and a purpose of this Division to provide the means necessary for the acquisition, construction and provision of hospital facilities to serve the general public and to make reasonably accessible to all the people of Guam modern and efficient hospital facilities. The Legislature has further found and declared that the financing, acquisition, construction, reconstruction, rehabilitation or improvement of hospital facilities and the provision of

such facilities as may be incidental or appurtenant thereto are public uses and public purposes for which public money may be expended and that the enactment of this Division is necessary and proper for effectuating the purposes hereof as hereinafter provided. The Legislature hereby further finds and determines that there exists in the Territory conditions of substantial and persistent unemployment, thus adversely affecting the economy of our island and the prosperity, safety, health and general welfare of its inhabitants and their standard of living; and that the availability of financial assistance and suitable facilities are important inducements to new and varied employment promoting enterprises to locate in the Territory, and to existing enterprises to remain and expand in our island. The provision of buildings, structures and other facilities to increase opportunity for employment in manufacturing, industrial, commercial, recreational, retail and service enterprises in the Territory is in the public interest and is a public purpose to induce and accelerate opportunity for employment in such enterprises. In order to aid in supplying these needs and to assist in the immediate reduction of unemployment and to provide sufficient employment for the citizens of the Territory in the future, it is necessary and in the public interest to aid and encourage the immediate commencement of new construction projects of all types. The availability of financial assistance by the Territory will reduce present unemployment and improve future employment opportunities by encouraging and inducing the undertaking of such construction projects, the location, retaining or expanding of employment promoting enterprises with the Territory. By virtue of the Territory's architectural and cultural heritage, its positions as principal

centers of communication and transportation, this government is capable of ameliorating the conditions of deterioration which impede sound community growth and development; and that building a proper balance of industrial and commercial facilities and increasing the attractiveness of the Territory to persons of all income levels is essential to the Territory as a desirable place to live, work, shop and enjoy life's amenities; that the accomplishment of these objectives is beyond remedy solely by regulatory process and cannot be dealt with effectively by the ordinary operations of private enterprise without the powers provided herein, and that the exercise of the powers herein provided is critical to continuing the process of revitalizing the Territory and will serve an urgent public use and purpose. In order to aid in remedying the aforesaid conditions and to further and implement the purposes of this Division, the authority and powers conferred under this Division and expenditure of money pursuant thereto constitute a serving of a valid public purpose and that enactment of the provisions of Article 5 of this Division is in the public interest and for the public benefit and good and is so declared to be as a matter of expressed legislative determination."

Section 82. Exception for Internet and Data Network. The restrictions on funds for wireless telephone services contained in Section 18 of this Chapter *shall not* apply to wireless internet and data networking services Voice Over Internet Protocol (VOIP) telephone services.

Section 83. Correction of Ambiguity of the Guam Youth Congress Eligibility requirements. §7104 of Title 2 of the Guam Code Annotated, is hereby *amended* to read:

"**§7104. Eligibility of Representatives and Electorate.** *No* person *shall* be eligible to vote for a Representative, *or* sit in the Congress who *has not* attained the age of fourteen (14) years, *or* who will be twenty-five (25) *prior* to the expiration of the term for which he seeks to qualify as a voter or as a member, *or* who has been convicted of a felony *or* crime involving moral turpitude and *has not* received a pardon restoring his civil rights."

Section 84. §25103 of Title 17 GCA is hereby *amended* to read as follows:

"**§25103. Scholarship Benefits.** Each scholarship recipient *shall* be entitled to the following benefits from funds appropriated for the Hero Scholarship Program: Payment of tuition and fees. The Judicial Council *shall* disburse annual scholarship payments for a qualified applicant when the Judicial Council receives certification from the University or College of the qualified applicant's eligibility and enrollment."

CHAPTER VII

ADMINISTRATIVE PROVISIONS

Section 1. Exemption from BBMR Allotment Release Control. Title 5, Guam Code Annotated, §1303 *shall not* apply to the Mayors Council of Guam, *I Liheslaturan Guåhan*, the Office of the Public Auditor, the Office of Finance and Budget, the Office of the Attorney General, the Department of Revenue and Taxation and the Judicial Branch. Said entities may draw against their respective appropriations as needed to meet their obligations in accordance with a drawdown schedule that said entities *shall* submit to the Director of Administration.

Section 2. Reporting Requirements. (a) *No later than* thirty (30) days after the end of every fiscal quarter of FY 2009, every director, administrator *or* head of a government of Guam agency, including, line agencies, autonomous and semi-autonomous agencies, public corporations, the President of the Mayors Council of Guam, and the Administrator of the Courts of the Judiciary of Guam, regardless of the source of the entity's appropriations and revenue, *shall* submit to the Public Auditor of Guam and the Speaker of *I Liheslaturan Guåhan* and post on the entity's website, in written and electronic format (including, *but not limited to*, diskettes, CDs and email) a report making full disclosure of ALL funds under his *or* her 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, 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 *shall* be subject to the following *if* any *or* all of the following requirements are *not* met:

(1) providing an electronic format of the report to all Senators;

(2) posting the report on the website; and

(3) one hard copy of said report to the Speaker of *I Liheslatura.*

(b) The director of any government agency receiving funds pursuant to this Act, regardless of the source of the agency's appropriations and revenue, *shall* have his gross salary per pay period and the gross salaries per pay period of his deputy and Chief Financial Officer reduced by twenty percent (20%) for the remainder of the Fiscal Year 2009 for failing to comply with any reporting requirements mandated by this Act. Copies of any personnel actions evidencing said salary reductions *shall* be provided to the Speaker of *I Liheslatura* and the Public Auditor and posted on the agency's website. Beginning with the first quarter of Fiscal Year 2009, the Public Auditor *shall* notify all directors of their responsibility under this Section *at least* three (3) days before the end of each quarter. The Public Auditor *shall* prepare a memorandum attesting to a failure to comply that caused a salary reduction pursuant hereto for placement in each of the aforementioned officials' respective personnel files. For the purposes of this Section, a director *shall* include the head of a department, agency, autonomous agency, semi-autonomous agency, *or* public corporation, including, *but not limited to*, the Superintendent of Education, the President of the University of Guam, the President of Guam Community College, the General Manager of the Guam Educational Telecommunications Corporation, the Director of the Guam Public Library System, the Executive Director of the Mayors Council of Guam, the Executive Director of *I Liheslaturan Guåhan* and the Administrator of the Courts of Guam.

Any official who undergoes a reduction in salary pursuant hereto and who is transferred to a position in another department, agency, *or* instrumentality of the government of Guam that has a greater gross salary per pay period, *shall not* be paid a salary greater than the reduced salary resulting from the application of this Section for the remainder of Fiscal Year 2009.

Section 3. Authorization for Matching Requirements for Federal Grants-In-Aid. All departments are authorized to expend funds appropriated in this Act for matching requirements of Federal grants.

Section 4. Carryover of Local and Federal Matching Program Funds for Grants. The Local and Federal Matching Funds for programs whose expiration dates extend *beyond* September 30, 2009 *shall not* lapse and may be expended throughout the period of the grant award.

Section 5. Federal Reimbursements. *Except* as provided by Title 12, Guam Code Annotated, §5104(38), *if* the government of Guam expends any funds that are subsequently reimbursed by the Federal Government, the reimbursement *shall* be promptly deposited in the General Fund *or* the Special Fund from which the expenditure was made.

Section 6. Reporting Requirements for Non-Profit Organizations. All non-profit organizations that receive funds pursuant to this Act *shall* maintain financial records that accurately account for said funds and *shall* provide a budgetary breakdown by object category to the department *or* agency that oversees the appropriation. The non-profit organization *shall* also provide to said department:

(a) A quarterly report describing its activities during the reporting period and the results it achieved *no later than* twenty (20) days after the end of each quarter;

(b) Notification of all procurement of equipment and services of Five Thousand Dollars ($5,000) *or* more prior to awarding the contract therefor;

(c) Access to the overseeing department *or* agency's duly authorized representative, and Government of Guam auditors, to appropriate records

for the purpose of audit and examination of books, documents, papers and records of funds expended under the appropriation;

(d) Submission of a detailed inventory listing of each year's purchases, as certified by its certifying officer;

(e) A Final Report to the overseeing department *or* agency for submission to *I Liheslaturan Guåhan* containing a full disclosure of all expenditures of funds appropriated by this Act *no later than* November 15, 2009. The overseeing department *or* agency *shall* post the same on its website; and

(f) Non-compliance with these reporting requirements will subject the non-profit organization to a three percent (3%) reduction of its appropriation(s) and the overseeing agency's contract with the organization *shall* so provide.

Section 7. Appropriations from the Guam Contractors License Board Fund and Professional Engineers, Architects and Land Surveyors Board Fund to revert to the General Fund for Fiscal Year 2009. At the end of Fiscal Year 2009, any unexpended *or* unencumbered appropriations to the Guam Contractors License Board (GCLB) Fund and the Professional Engineers, Architects and Land Surveyors (PEALS) Board Fund *shall* revert to the General Fund.

Section 8. Unexpended Fund Balance of the Guam Plant Inspection and Permit Fund. The unexpended fund balance as of September 30, 2008 of the Guam Plant Inspection and Permit Fund, established pursuant to §73302 of Title 5, Guam Code Annotated, is appropriated to the Department of Agriculture for Fiscal Year 2009 for the new Plant Inspection Station.

Section 9. *Unless* otherwise specified in this Act:

(a) General Fund Reversion. All unexpended *or* unencumbered appropriations made from the General Fund pursuant to this Act *shall* revert to the General Fund on the last day of Fiscal Year 2009.

(b) Tourist Attraction Fund Reversion. All unexpended *or* unencumbered appropriations made from the Tourist Attraction Fund pursuant to this Act *shall* revert to the Tourist Attraction Fund on the last day of Fiscal Year 2009 unless otherwise specified under this Act.

(c) Healthy Futures Fund Reversion. All unexpended *or* unencumbered appropriations made from the Healthy Futures Fund pursuant to this Act *shall* revert to the Healthy Futures Fund on the last day of Fiscal Year 2009.

Section 10. Continuing Appropriation. The appropriations made from Local and Federal Matching Funds for programs whose expiration dates extend *beyond* September 30, 2008 *shall not* lapse and may be expended throughout the period of the grant award.

Section 11. Continuing Appropriation for UOG. The appropriation contained in Section 1(j), Part II, Chapter II of Public Law 29-19 *shall not* lapse and *shall* remain available to the University of Guam for the original purpose mandated in that Section.

Section 12. Continuing Appropriation for GCC. The appropriation contained in Section 1(d), Part III, Chapter II of Public Law 29-19 *shall not* lapse and *shall* remain available to the Guam Community College for the original purpose mandated in that Section.

Section 13. Continuing Appropriation for DPHSS. The appropriation contained in Section 3, Part I, Chapter III of Public Law 29-19 *shall not* lapse and

shall remain available to the Department of Public Health and Social Services for the original purpose mandated in that Section.

Section 14. Continuing Appropriation for the Department of Agriculture. The appropriations made to the Department of Agriculture for Fiscal Year 2009 *shall not* lapse and *shall* continue until fully expended.

Section 15. Continuing Appropriation for *I Liheslaturan Guåhan*. The unexpended balance of funds appropriated to *I Liheslaturan Guåhan* for Fiscal Year 2008 *shall not* lapse and is available to *I Liheslaturan Guåhan* for expenditures in Fiscal Year 2009.

Section 16. Continuing Appropriation for the Office of Finance and Budget. The unexpended balance of funds appropriated to *I Liheslaturan Guåhan* for the Office of Finance and Budget for Fiscal Year 2008 *shall not* lapse and is available to *I Liheslaturan Guåhan* for the Office of Finance and Budget for expenditures in Fiscal Year 2009.

Section 17. PEALS Board Revenue Collections. The PEALS Board is authorized to expend revenues collected in excess of appropriations from the PEALS Board Fund for FY 2009 operations and to pay *prior* years outstanding obligations incurred in the amount of Twenty-five Thousand Eight Hundred Twenty-one Dollars ($25,821).

Section 18. Prior Years' Obligations Authorization for Department of Public Works. The Department of Public Works is authorized to use their FY 2009 operational appropriations to pay *prior* years' obligations incurred for current employees, former employees, and retired employees due compensation for overtime as reflected in the department's memorandum dated December 18, 2007, to the Bureau of Budget & Management Research.

Section 19. Reports on Bonds Proceeds. Heads of the departments and agencies that receive bond proceeds pursuant to Title 5, Guam Code Annotated, §22435(k) *shall* report to *I Liheslaturan Guåhan* regarding the expenditure of said funds *no later than* thirty (30) days after the end of every fiscal quarter and *shall* provide a close-out to *I Liheslaturan Guåhan* upon the completion of projects listed in that Subsection. *If* such proceeds are *not* sufficient to complete the project, the agency head *shall* advise *I Liheslaturan Guåhan* in writing regarding the amount of funds necessary for completion.

Section 20. Authorization for Payment of Prior Years' Obligations. Appropriations made in this Act may be expended for the payment of prior years' obligations. *I Maga'lahen Guåhan shall* deliver notice to the Speaker of *I Liheslaturan Guåhan* of each such proposed expenditure *no less than* forty-five (45) days *before* the expenditure. The Office of the Attorney General, the Mayors' Council of Guam, the Office of the Public Auditor, and the Judiciary of Guam *shall* deliver notice to the Speaker of *I Liheslaturan Guåhan* of each proposed expenditure as mandated in this Section. The expenditure will be effective if *no* action is taken by *I Liheslaturan Guåhan.* Disapproval of any proposed expenditure by *I Liheslatura shall* be exempt from 2GCA §2103. At the end of each quarter, each department *shall* report to *I Liheslatura,* and post on its website, all payments of the previous quarter's prior year(s) obligations by payee, date of payment, amount of payment, purpose of the expenditure and the reason for non-payment in the *prior* year. The '*no less than* forty-five (45) days' requirement in this Section *shall not* apply to payments of *prior* years' obligations in the Medically Indigent Program and the Medicaid Program.

Section 21. Unspent Crime Lab Appropriations. Funds appropriated during Fiscal Year 2008 to the Guam Police Department Crime Lab Section for the purpose of the procurement of digital cameras and other related equipment and funds

appropriated for the Guam Forensic Science lab *shall* be carried over into Fiscal Year 2009, *or* until expended for its intended purpose.

Section 22. Enhanced 911 Emergency Reporting System Personnel. To the extent practicable, the Guam Fire Department *shall* use the funds appropriated from the E911 Emergency Reporting System Fund in Section 1(o) Part I of Chapter V hereof to in this Act, hire civilian personnel to staff the Enhanced 911 Emergency Reporting System, thereby allowing uniformed firefighters within the E911 Program to transfer to other firefighting service areas within the Department. The Director of Administration *shall* encourage qualified individuals with disabilities to apply for said positions.

Section 23. Government of Guam Retirement Fund Rate of Contribution. In accordance with §8137(e) of Article 1, Chapter 8 of Title 4 of the Guam Code Annotated, the government rate of contribution to the Retirement Fund throughout Fiscal Year 2009 *shall* be 25.20%.

Section 24. Reporting Staffing Pattern. (a) Staffing Pattern. *No later than* thirty (30) days after the end of each quarter of Fiscal Year 2009, every director, administrator *or* head of a government of Guam agency, including line agencies, semi-autonomous agencies, public corporations, the President of the Mayors Council of Guam, and the Administrator of the Courts of the Judiciary of Guam, *shall* submit to the Speaker of *I Liheslaturan Guåhan* and post on the agency website a current staffing pattern in the format of the Executive Branch FY 2009 Budget Call, as of the previous quarter's ending. Said staffing pattern *shall* include, *at a minimum*, the name of every current employee and his position title, salary, increment costs and benefit costs, as well as the funding source for his salary and benefits.

(b) Electronic Data. In addition to the written document required by Subsection (a) hereof, reports *shall* be submitted in electronic format (including, but *not limited to*, diskettes, CD, and/or email) to the Speaker of *I Liheslaturan Guåhan.*

Section 25. Autonomous Agency Revenues and Expenditures Reported to *I Liheslaturan Guåhan.* Notwithstanding any other provision of law, every autonomous and semi-autonomous agency *or* public corporation in the government of Guam *shall* report all revenues and expenditures for all funds under its purview and administration to the Speaker of *I Liheslaturan Guåhan* on a monthly basis and post the same on its website. Each monthly report *shall* be due *no later than* ten (10) days after the end of each month.

Section 26. Quarterly Reports of Medical Referral Offices. Each of the Medical Referral Offices funded by this Act *shall* provide quarterly reports on its activities and expenditures, to include, but *not be limited to*:

(a) number of referred patients served;

(b) number of patient escorts *or* accompanying family members served;

(c) average cost per patient referral incurred during that quarter;

(d) actual office expenditures for the quarter, including fuel costs; and

(e) a description of services provided during the quarter.

The quarterly reports required by this Section *shall* be submitted to *I Maga'lahen Guåhan*, the Speaker of *I Liheslaturan Guåhan*, and the Office of the Public Auditor *no later than* thirty (30) days after the end of each quarter of the fiscal year, and *shall* be posted on the Offices' websites.

Section 27. Special Fund Transfer. *I Maga'lahen Guåhan* is authorized to transfer to the General Fund any cash available from any appropriated Special Fund *or* Revolving Fund to fund the appropriations authorized by this Act, provided that such authority *shall not* extend to Trust Funds; the Historic Preservation Trust Fund; the

Tourist Attraction Fund; Customs, Agriculture and Quarantine Inspection Services Fund; Healthy Futures Fund; Wildlife Conservation Fund; Special Funds under the purview of the Guam Environmental Protection Agency; and funds under the purview and administration of *I Liheslaturan Guåhan*, the Judiciary, the Guam Memorial Hospital Authority, the Guam Public School System, Guam Community College and University of Guam and those funds, accounts, departments and agencies exempted by this Act from *I Maga'lahi's* transfer authority.

All cash from Special funds *or* Revolving funds transferred to cover the appropriations authorized by this Act *shall* be promptly reimbursed to the Special *or* Revolving Fund from which it was withdrawn as cash becomes available.

I Maga'lahen Guåhan shall deliver notice to the Speaker of *I Liheslaturan Guåhan* of each such proposed transfer *no less than* fifteen (15) days *prior* to the transfer. The transfer *shall* be effective *if no* action is taken by *I Liheslaturan Guåhan*. For this purpose *only*, Title 2 GCA §2103, requiring a public hearing for bills, and Title 5 GCA §8107, requiring notice of regular meetings, including legislative sessions, *shall not* apply. *If* transfers are effectuated, *I Maga'lahen Guåhan shall* submit a report to the Speaker of *I Liheslaturan Guåhan* on the fifth (5th) day of every month on all transfers pursuant to this Section. Said report *shall* enumerate the amount of each transfer, identify the funds to and from which the transfer was made and state the purpose of each transfer.

Section 28. Transfer Authority of *I Maga'lahen Guåhan*. *I Maga'lahen Guåhan* is authorized to transfer funds between Fiscal Year 2009 General Fund Executive Branch appropriations and *not more than* ten percent (10%) of the Fiscal Year 2009 General Fund appropriations made to the Office of the Attorney General, the University of Guam, and the Guam Community College. No funds shall be transferred out of Fiscal Year 2009 General Fund appropriations made to the Guam

Public School System and the Guam Public School System Operations Fund. *No* Funds *shall* be transferred out of appropriations *or* allocations made to the Department of Revenue and Taxation.

Section 29. Secondary and Tertiary Road Projects. *I Maga'lahi*, after consultation with the Village Mayors, may delete and add secondary and tertiary road repair projects to the list in Part IV of Chapter II of Public Law 28-68, *if* such amendment is necessitated by changes in cost estimates, availability of funds *or* critical needs, provided, that the repair of potholes on primary and secondary roads *shall* remain a high priority and *shall* commence as soon as practicable.

Section 30. Transfer Authorization for the Department of Public Health and Social Services. The Director of Public Health and Social Services may transfer funds between appropriations made in this Act for the Department of Public Health and Social Services, provided that he notifies *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan no later than* fifteen (15) working days before the transfer is made.

Section 31. DMHSA Youth Drug and Alcohol Program. Of the sum appropriated to the Department of Mental Health and Substance Abuse from the General Fund for operations in Section 1(x) Part I of Chapter V of this Act, the amount of ($141,582) shall be used to fund the Youth Drug and Alcohol Program.

Section 32. Transfer Authority of the Judiciary of Guam. The Judiciary of Guam is authorized to transfer funds between Fiscal Year 2009 Judicial Branch appropriations.

Section 33. Air Ambulance Service Trust Account. One Million Dollars ($1,000,000) of the Fiscal Year 2009 appropriation to the Medically Indigent Program Fund *shall* be deposited and held in a separate trust account to be used exclusively to pay for authorized air ambulance services. Allotments to the Medically Indigent

Program *shall* be made simultaneously with a proportional allotment to the Air Ambulance Service Trust Account, and vice versa. Said Trust Account funds *shall* be disbursed *only* to transport qualified MIP patients whose prognosis for survival and recovery, as certified by an attending physician, requires immediate medical services not available on Guam, but that are readily available at the nearest JCAHO *or* Joint Commission Accredited medical facility. At the end of the fiscal year, any unexpended *or* unencumbered balance in the Air Ambulance Service Trust Account *shall* be transferred into the Medically Indigent Program Payment Revolving Fund (MIPPR) for the Medically Indigent Program (MIP) and *shall* be used exclusively for the payment of MIP obligations. Payments *shall* be prioritized by the most aged obligations initially adjudicated. The amounts transferred pursuant to this Section *shall* remain available until fully expended and is restricted from any transfer authority.

Section 34. Disbursements from the Tourist Attraction Fund. For Fiscal Year 2009, the Director of Administration *shall* allocate and disburse monthly releases from the Tourist Attraction Fund according to the following priorities:

1st Priority – Debt Service for the 1997 Infrastructure Improvement Bond;

2nd Priority – FY 2009 appropriations to the Guam Visitors Bureau;

3rd Priority – All other FY 2009 appropriations.

Section 35. Executive Branch Travel Restrictions. Funds appropriated by this Act *shall not* be used for off-island travel *or* per diem expenses by executive branch employees and officials *except* for:

(a) Travel that is federally funded;

(b) Travel that is specifically required to administer *or* secure federal grants;

(c) Travel by *I Maga'lahen Guåhan, I Segundu Na Maga'lahen Guåhan,* Mayors and Vice-Mayors, the Attorney General and other officials to represent the people of Guam at meetings and functions determined critical to the welfare of Guam by *I Maga'lahen Guåhan,* provided that the Director of Administration *shall* provide a monthly report to the Speaker of *I Liheslaturan Guåhan* on such travel expenses by the fifth (5th) day of each subsequent month thereafter;

(d) Travel to promote tourism on Guam, provided that such travel is paid for by the Tourist Attraction Fund and is restricted to the General Manager *or* his designee, Board Members, professional staff of the Guam Visitors Bureau, and those individuals required for promotional activities;

(e) Travel by law enforcement personnel conducting an official investigation and law enforcement personnel providing escort services for criminal suspects, detainees, and convicted felons being returned to Guam for judicial proceedings *or* being transferred to off-island correctional facilities;

(f) Travel by medical personnel providing escort services for patients requiring off-island medical treatment, and other escorts as specifically authorized by the Department of Public Health and Social Services pursuant to Guam law;

(g) Travel necessary for the enforcement of court orders;

(h) Travel under the Residential Treatment Fund; ~~or~~

(i) Travel required for employees requiring professional certification and training;

(j) Traveled required by the Director of Revenue and Taxation *or* his designee; *or*

(k) Traveled required by the Chairman of Soil and Water Conservation District Board *or* his designee.

Section 36. LSRF Appropriation Provision. Notwithstanding §60602, Chapter 60 of Title 21 GCA, the appropriation made in this Act to the Department of Land Management from the Land Survey Revolving Fund may be expended for the Department of Land Management's operations in FY 2009.

Section 37. Limited-Term Appointment Moratorium. For Fiscal Year 2009, notwithstanding §4102 of Title 4 of the Guam Code Annotated, *or* any other provision of law, *no* person may be employed on a temporary *or* limited-term basis by an instrumentality of the government of Guam, *except* for the following:

(a) Certified persons in the Guam Public School System as identified in Subsection (12) of §715 of Chapter 7 of Title 1 of the Guam Code Annotated;

(b) Attorneys at the Office of the Attorney General (within staffing pattern funding levels) and attorneys at the Public Defender Service Corporation may hire attorneys by contract (within staffing pattern funding levels);

(c) Nurses and doctors (within staffing pattern funding levels);

(d) Temporary survey workers employed by the Department of Labor and the Bureau of Statistics and Plans for the purpose of conducting employment surveys (within staffing pattern funding levels);

(e) Licensed healthcare professionals and other ancillary service personnel employed at the Guam Memorial Hospital Authority, the Department of Mental Health and Substance Abuse, and the Department of Public Health and Social Services (all within staffing pattern funding levels);

(f) Academic positions at the University of Guam and the Guam Community College (within their appropriated funding levels);

(g) Substitute school bus drivers;

(h) Persons filling temporary vacancies created by the call to active military duty of employees who are members of the reserve components of the Department of Defense and the Department of Transportation including, *but not limited to,* the United States Army, United States Navy, United States Marine Corps, United States Air Force, the Army National Guard, the Air National Guard, and the United States Coast Guard;

(i) Federally-funded positions (matching and up to 100%);

(j) Temporary Solid Waste Technicians employed by the Division of Solid Waste Management of the Department of Public Works for the purpose of collecting residential solid waste;

(k) Licensed professional engineers employed by the Department of Public Works and the Guam Environmental Protection Agency;

(l) Temporary positions within the Department of Revenue and Taxation; and

(m) Temporary positions at the Jose D. Leon Guerrero Commercial Port.

(n) Temporary positions within the Guam Election Commission specifically for the 2008 General Election.

Section 38. Facilities Insurance Requirements. Every department and agency of the government of Guam, as part of its appropriations for operations contained in this Act, may expend such sums as necessary for facilities insurance requirements.

Section 39. Authorization for Department of Revenue and Taxation.

The Department of Revenue and Taxation is authorized to increase Personnel Pay by *no more than* ten percent (10%), for positions identified in ATTACHMENT A (Department of Revenue and Taxations Proposed Pay Adjustment FY09) to retain necessary critical personnel to continue its ability to fulfill mandates.

Section 40. Revenue Tracking Report. The Director of the Bureau of Budget and Management Research, in collaboration with the Director of Revenue and Taxation and the Director of Administration, *shall* determine, after the end of each month of the fiscal year beginning with Fiscal Year 2009, the revenue tracking for the balance of the fiscal year, based upon the actual collections of the preceding month, and prepare a statement comparing "actual" and "projected" revenues. Said statement *shall* be certified as to its accuracy by each of the aforementioned Directors, and submitted to the Speaker of *I Liheslaturan Guåhan no later than* thirty (30) days after the end of each month of the fiscal year. Said statement *shall* be submitted in written and electronic format and *shall* be posted quarterly on the Bureau of Budget and Management Research's website. It *shall* also be submitted by email to all members of *I Liheslaturan Guåhan.*

Section 41. Authorization for Burial. There is hereby authorized the sum of Two Thousand Dollars ($2,000) from the FY2008 appropriation made to the Department of Public Health and Social Services for the immediate burial or appropriate disposition of human remains unclaimed for over three hundred sixty (360) days at the Guam Memorial Hospital morgue pursuant to the mandate to the Director of DPHSS contained in 10 GCA §3231.

Section 42. Department of Agriculture Positions. The Department of Agriculture is hereby authorized to fill the following positions within the department: Conservation Sergeant, Conservation Lieutenant and Conservation Captain. Such

sums as are necessary to effectuate this provision *shall* come from the FY2009 appropriations for the department.

Section 43. Customs and Quarantine Agency Part-time Attorney. Of the sum appropriated in Section 1, Part I of this Chapter IV, the sum of Thirty Thousand Dollars ($30,000) may be used to employ a part-time attorney for the Customs and Quarantine Agency of Guam.

Section 44. Chamorro Land Trust Operations Fund Collections. The Chamorro Land Trust Commission is authorized for its FY 2009 operations to expend in excess of the revenues adopted in *prior* fiscal years' Budget Acts up to the level of the revenues collected for the Chamorro Land Trust Operations Fund.

Section 45. Continuing Appropriation for the Mayor's Council. The unexpended balance of funds appropriated to the Mayor's Council of Guam, the Village Street Funds, the island-wide Village Beautification Projects Fund, and the Public Safety and Social Education Fund for Fiscal Year 2008 *shall not lapse* and *shall* be available to the Mayor's Council for expenditures of Fiscal Year 2009.

Section 46. The Department of Revenue and Taxation is authorized to expend FY2009 appropriations for the payment of overtime for employees processing Economic Stimulus Rebate checks or Tax Refunds.

Section 47. Continuing Appropriations for *I Famagu'on-ta'*. *No less than* Seventy-five Thousand Dollars ($750,000) of the General Fund appropriation contained in Section 1 of Part 1 of Chapter V *shall* be used by the *I Famagu'on-ta'* System of Care program for operations and personnel for the purposes authorized by Section 2, Part III, Chapter III of Public Law 29-19 and Section 85(b), Part II, Chapter V of Public Law 29-19, as *amended* by P.L. 29-86. This amount *shall not* be subject to the Governor's Transfer Authority.

The appropriations contained in Section 2, Part III, Chapter III of Public Law 29-19 and Section 85(b), Part II, Chapter V of Public Law 29-19, as *amended* by P.L. 29-86, *shall not* lapse and *shall* remain available to the Department of Mental Health and Substance Abuse for the operations.

Section 48. Additional Funding. Recognizing that the University of Guam is experiencing increased demands for academic, research, and community extension services and that the University of Guam will undergo a critical accreditation review in March 2009 by the Western Association of the Schools an Colleges, the Governor of Guam is authorized and urged to transfer additional funds beyond the University's Fiscal Year 2009 baseline budget in the amount of Four Million Dollars ($4,000,000) from revenues and available lapses in order to ensure that the University is fully funded to meet the required accreditation standards and to meet increasing demand for the additional academic, research and extension services from stakeholders.

Section 49. Continuing Appropriation for the Office of the Attorney General. The appropriation in Section 1, Part VII, Chapter IV of Public Law 29-19 *shall not* lapse and *shall* remain available to the Office of the Attorney General for the original purpose mandated in that Section.

Section 50. Local Availability of Bonds. To the greatest extent possible GEDCA *shall* use its best effort to make the bonds herein authorized available for the purchase of local residents and investments firms at the same time as institutional investors.

CHAPTER VIII

SEVERABILITY

Section 1. Severability. *If* any provision of this Act or its application to any person or circumstances is held invalid, the invalidity *shall not* affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

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CERTIFICATE OF THE GOVERNOR OF GUAM
DETERMINING, SPECIFYING AND AUTHORIZING
CERTAIN MATTERS IN CONNECTION WITH THE ISSUANCE OF
GOVERNMENT OF GUAM
GENERAL OBLIGATION BONDS,
2008 SERIES A

WHEREAS, pursuant to Section 1512.1 of Title 5 of the Guam Code Annotated (the "Act"), the Legislature of Guam has authorized the Governor of Guam (the "Governor") to issue one or more series of general obligation bonds for the purposes of paying certain General Fund Expenses, as that term is defined herein;

WHEREAS, the Legislature of Guam has, by P.L. No. [29-__] of the Twenty-Ninth Guam Legislature, 2008 (SECOND) Regular Session, approved the terms and conditions of the issuance of Government of Guam General Obligation Bonds, 2008 Series A, the proceeds of which are to be used for such purposes, in an aggregate principal amount necessary to provide proceeds sufficient to provide no more than _____ million dollars ($__,000,000) for deposit in the Proceeds Fund, [to fund necessary reserves] and to pay certain expenses incurred in connection with the issuance of such bonds;

WHEREAS, the Guam Economic Development Authority has approved the issuance and sale of said bonds as provided by the Act and by 12 Guam Code Annotated § 50103(k); and

WHEREAS, the Act authorizes the Governor to execute this certificate (this "Certificate") to determine certain matters with respect to the issuance of such bonds;

NOW, THEREFORE, I, Felix Perez Camacho, Governor of Guam, hereby certify as follows:

ARTICLE I

DEFINITIONS; CERTIFICATES

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Certificate, and of any certificate supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Account

"Account" means each account established and given a designation pursuant to this Certificate or any Supplemental Certificate.

Accreted Value

"Accreted Value" means, with respect to any particular Bonds as of any given date of calculation, an amount equal to the sum of the principal amount of such Bonds plus accrued and unpaid interest on such Bonds as of such date, but not including interest payable on a current basis at least annually.

Act

"Act" means Section 1512.1 of Title 5, Guam Code Annotated.

Annual Debt Service

"Annual Debt Service" means, for any Bond Year, the sum of (1) the interest falling due on then Outstanding Bonds (assuming that all then Outstanding Serial Bonds are retired on their respective maturity dates and that all then Outstanding Term Bonds are retired at the times of and in amounts provided for by the Mandatory Sinking Account Payments applicable to such Term Bonds), (2) the principal amount of then Outstanding Serial Bonds falling due by their terms, and (3) the aggregate amount of all Mandatory Sinking Account Payments required with respect to such Bonds; all as calculated for said Bond Year.

Authorized Officer

"Authorized Officer" means and includes, with respect to the Trustee, the chairman of the board of directors, the president, every trust officer and any other officer or assistant officer of the Trustee, other than those specifically above mentioned, designated by a certificate of an Authorized Officer of the Trustee, as an Authorized Officer for purposes of this Certificate and, with respect to the Paying Agent, the chairman of the board of directors, the president, every vice president, every trust officer and any other officer or assistant officer of the Paying Agent, other than those specifically above mentioned, designated by a certificate of an Authorized Officer of the Paying Agent, as an Authorized Officer for purposes of this Certificate.

Authorized Representative

"Authorized Representative" means the Governor or any other person or office designated and authorized as an Authorized Representative by a Statement of the Government and filed with the Trustee and the Paying Agent.

Bond Counsel

"Bond Counsel" means, initially, Orrick, Herrington & Sutcliffe LLP, San Francisco, California. Any successor thereto as Bond Counsel shall be an attorney or firm of attorneys having a national reputation for expertise in matters relating to governmental obligations, the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, and familiar with the laws of Guam and procedures of the Government.

Bond Fund

"Bond Fund" means the fund by that name established pursuant to Section 5.01.

Bond Year

"Bond Year" means the period of twelve consecutive months ending on _____ __ in any year in which Bonds are or will be Outstanding.

Bonds, Serial Bonds, Term Bonds

"Bonds" means the Government of Guam General Obligation Bonds, 2008 Series A, authorized by, and at any time Outstanding pursuant to, this Certificate.

"Serial Bonds" means the Bonds, falling due by their terms on specified dates, for which no Mandatory Sinking Account Payments are provided.

"Term Bonds" means the Bonds payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

Business Day

"Business Day" means any day on which banks in the cities in which the Principal Offices of each Fiduciary are located are not required or authorized to close and on which the New York Stock Exchange is not closed.

Certificate, Order, Request, Requisition, or Statement of the Government

"Certificate," "Order," "Request," "Requisition," and "Statement" of the Government mean, respectively, a written certificate, order, request, requisition, or statement, executed by an Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements provided for in Section 1.02.

Code

"Code" means the Internal Revenue Code of 1986 or any similar or successor federal law, including any applicable regulations thereunder.

Costs of Issuance

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Government and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to advertising costs, Bond and official statement printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Paying Agent, the Trustee and the Depositary, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge or fee in connection with the original issuance of Bonds.

Depositary

"Depositary" means, with respect to the Proceeds Fund, Bank of Guam, a domestic banking corporation organized and existing under and by virtue of the laws of Guam, having a corporate trust office in Guam, and being qualified to do business within Guam, or its successor, as Depositary hereunder as provided in Section 8.01, and, with respect to any particular Fund or Account, any bank or trust company or other financial institution with similar powers designated by a Supplemental Certificate or a Statement of the Government to act as Depositary hereunder for such Fund or Account and, in each case, its successors and assigns.

DTC

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

Event of Default

"Event of Default" means any of the events specified in Section 7.01.

Federal Securities

"Federal Securities" means (1) cash; (2) State and Local Government Series Securities issued by the United States Treasury; (3) United States Treasury bills, notes and bonds, as traded on the open market; and (4) zero coupon United States Treasury Bonds.

Fiduciaries

"Fiduciaries" means the Trustee, each Depositary and each Paying Agent.

Fiscal Year

"Fiscal Year" means the period beginning on October 1 of each year and ending on the next succeeding September 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Government.

Fund

"Fund" means each fund established and given a designation pursuant to this Certificate or any Supplemental Certificate.

General Fund

"General Fund" means the fund by that name established by the Government.

Government

"Government" means the Government of Guam.

Governor

"Governor" means the Governor of Guam or any successor to the rights, powers and obligations thereof under the Act with respect to the Bonds.

Holder or Bondholder

"Holder" or "Bondholder" means the person in whose name a Bond is registered.

Independent

"Independent" means, when used with respect to any given Person, that such Person (who may be selected and paid by the Government) is acceptable to the applicable Fiduciary and (1) is in fact independent and, not under domination of the Government; (2) does not have any substantial interest, direct or indirect, with the Government; and (3) is not connected with the Government as an officer or employee of the Government, but who may be regularly retained to provide services to the Government.

Interest Accrual Period

"Interest Accrual Period" means, for any particular Bond, each period between successive Interest Payment Dates for such Bond, including in each case in such period the concluding Interest Payment Date but not the beginning Interest Payment Date, and treating the date of original issuance of such Bond as if it were an Interest Payment Date for such Bond for this purpose.

Interest Payment Date

"Interest Payment Date" means, for any particular Bond, each date specified by this Certificate as an Interest Payment Date for such Bond.

Investment Securities

"Investment Securities" means any of the following which at the time are legal investments under the laws of the Government of Guam for moneys held hereunder and then proposed to be invested therein: (1) obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof hereinafter designated when such obligations are backed by the full faith and credit of the United States of America, limited to: U.S. Treasury obligations (all direct or fully guaranteed obligations); Farmers Home Administration certificates of beneficial ownership; General Services Administration participation certificates; U.S. Maritime Administration guaranteed Title XI financing; Small Business Administration guaranteed participation certificates or guaranteed pool certificates; Government National Mortgage Association guaranteed mortgage backed securities or participation certificates; U.S. Department of Housing & Urban Development local authority bonds; or Washington Metropolitan Area Transit Authority guaranteed transit bonds; (2) obligations of instrumentalities or agencies of the United States of America, specifically limited to: Federal Home Loan Mortgage Corporation participation certificates or debt obligations; Federal Home Loan Banks consolidated debt obligation or letter of credit backed issues; and Federal National Mortgage Association debt obligations or mortgage backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal); (3) Federal Housing Administration debentures; (4) commercial paper,

payable in the United States of America, having original maturities of not more than 92 days and which are rated in the highest category by Standard & Poor's Corporation; (5) interest bearing demand or time deposits issued by state banks or trust companies, savings and loan associations, federal savings banks or any national banking associations, the deposits of which are insured by the Bank Insurance Fund ("BIF") or the Savings Association Insurance Fund ("SAIF") of the Federal Deposit Insurance Corporation or any successors thereto, which (a) are continuously and fully insured by BIF or SAIF or (b) have maturities of less than 366 days and are deposited with banks the short term obligations of which are rated A-1+ by Standard and Poor's Corporation; (6) money market mutual funds or portfolios investing in short-term U.S. Treasury securities, or obligations secured by such securities, rated AAAm or AAAm-G by Standard & Poor's Corporation; and (7) any other investment permitted under the laws of Guam for which confirmation is received from each rating agency then rating the Bonds that such investment will not adversely affect such agency's ratings on outstanding Bonds. Book-entry securities listed in clauses (1) and (2) of this definition must be held in a trust account with the Federal Reserve Bank or with a clearing corporation or chain of clearing corporations which has an account with the Federal Reserve Bank. Upon notice that the Standard & Poor's rating of the money market portfolio has dropped below AAA, the applicable Fiduciary is required to immediately withdraw funds and reinvest in Investment Securities complying with this definition to the extent directed by the Government.

Legislature

"Legislature" means the Legislature of Guam or any successor to the rights, powers and obligations thereof under the Act with respect to the Bonds.

Mandatory Sinking Account Payment

"Mandatory Sinking Account Payment" means, as of any date of calculation with respect to any Bonds, the amount required by this Certificate to be paid by the Government on a given date for the retirement of Term Bonds.

Outstanding

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.08) all Bonds theretofore, or thereupon being, authenticated and delivered by the Paying Agent under this Certificate except (1) Bonds theretofore cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation; (2) Bonds with respect to which all liability of the Government shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.09; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds of the same maturity and tenor shall have been authenticated and delivered by the Paying Agent pursuant to this Certificate.

Participants

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as a securities depository.

Paying Agent

"Paying Agent" means, U.S. Bank National Association, a national banking association organized under the laws of the United States of America, as paying agent and its successors and assigns as provided in Section 8.06.

Person

"Person" means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Principal Office

"Principal Office" means, with respect to the Trustee, the office of the Trustee in Hagåtña, Guam; with respect to the Paying Agent, the office of the Paying Agent in Los Angeles, California, or, with respect to the transfer, registration, exchange and cancellation of Bonds, the office of the Paying Agent in St. Paul, Minnesota; and, with respect to the Depositary for the Proceeds Fund, the office of the Depositary in Hagåtña, Guam; in each case at such address as the respective party may have designated for such purpose.

Principal Payment Period

"Principal Payment Period" means the period beginning on the date of issuance of the Bonds and ending _____ __, 2013, and thereafter each period of twelve months ending on a _____ __.

Proceeds Fund

"Proceeds Fund" means the fund by that name created pursuant to Section 3.03.

General Fund Expenses

"General Fund Expenses" means capital projects to be implemented or equipped using bond proceeds, including: (1) capital expense items and capital

improvement projects of the Guam Public School System as listed in Exhibit B, (2) payments as ordered by the judgment in *Rios v. Camacho*, Guam Superior Court Case No. SP0206-93, (3) past due income tax refund payments, (4) capital improvement projects of the Guam Memorial Hospital, (5) renovation and expansion of the Nursing/Health Science Building at University of Guam, (6) expenses of the Department of Integrated Services for Individuals with Disabilities in accordance with the Guam Comprehensive Integration Plan as finally approved, (7) expenses of the Department of Mental Health and Substance Abuse in accordance with the Guam Comprehensive Integration Plan as finally approved, (8) the assessment of real property by the Department of Revenue and Taxation in fiscal year 2008, (9) purchase and installation of public school water tanks and water fountains, (10) the APASI system expenses of the Department of Law, (11) capital and operating expenses of the Guam Memorial Hospital, and (12) any other projects approved by subsequent legislation.

Rebate Fund

"Rebate Fund" means the Fund by that name established pursuant to Section 5.01.

Record Date

"Record Date" means, for any particular payment of principal of or interest or premium on particular Bonds, each date specified as a Record Date for such Bonds by Section 2.02.

Redemption Price

"Redemption Price" means, with respect to any Bond (or portion thereof if less than all of a Bond is to be redeemed) the principal amount of such

Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Certificate.

Representation Letter

"Representation Letter" means the letter of representations to DTC with respect to the Bonds, and any similar letter with respect to any Bonds to which the provisions of Section 2.10 are made applicable.

Sinking Accounts

"Sinking Accounts" means any special account or accounts established by this Certificate in the Bond Fund for the payment of Term Bonds.

Supplemental Certificate

"Supplemental Certificate" means any certificate hereafter duly authorized and executed by the Government, supplementing, modifying or amending this Certificate; but only if and to the extent that such Supplemental Certificate is specifically authorized hereunder.

Tax Certificate

"Tax Certificate" means a Certificate of the Government concerning the calculation of any amount to be paid to the United States of America pursuant to Section 148(f) of the Code and any other matters relating to the exclusion of interest on Bonds from gross income for federal income tax purposes.

Trustee

"Trustee" means Bank of Guam, appointed by the Government and acting as an independent trustee hereunder with the duties and powers herein

provided, and any other corporation or association which may at any time be substituted in its place as such trustee, as provided in Section 8.01.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in this Certificate with respect to compliance with any provision hereof, including each Certificate of the Government, shall include (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in such instrument; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the Government may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such officer knows, or in the exercise of reasonable care should know, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Government) upon a certificate or opinion of or representation by an officer of the Government, unless such counsel or accountant knows, or in the exercise of reasonable care should know, that the certificate or opinion or representation with respect to the matters upon which such officer's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same

officer of the Government or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Certificate, but different officers, counsel or accountants may certify to different matters, respectively.

Section 1.03. Equal Security. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Certificate shall be deemed to be and shall constitute a contract between the Government and the Holders from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Government shall be for the equal and proportionate benefit, security and protection of all Holders of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of issue, sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Bonds to be issued hereunder are designated as the "Government of Guam General Obligation Bonds, 2008 Series A." The aggregate principal amount of Bonds which may be issued and Outstanding under this Certificate shall not exceed One Hundred Fifty One Million Nine Hundred Thirty Five Thousand Dollars ($151,935,000).

Section 2.02. Terms of the Bonds. (A) The Bonds shall be dated _____ __, 200_, and interest thereon shall be payable on ___ __ and _____ __ in each year, commencing ___ __, 2008 (each an "Interest Payment Date").

The Bonds shall be issued only in fully registered form in denominations of $5,000 or any integral multiple thereof, shall mature on the following dates in the following amounts and shall bear interest at the following rates per annum:

Maturity Date (_____)	Principal Amount	Interest Rate
2023	$27,195,000	5.000%
2027	27,120,000	5.125
2037	97,620,000	5.250

The Bonds maturing on _____ __, 2023, 2027 and 2037 are Term Bonds. The Record Date for scheduled payments of principal of and interest on the Bonds is the first (1st) day of the calendar month in which each such payment is due, whether or not such first day is a Business Day.

(B) The Bonds and the form of Paying Agent's certificate of authentication and registration to appear thereon shall be in substantially the respective forms set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Certificate. Any portion of the text of any Bond may be printed on the back of such Bond and there may be inserted, in place of such text, a legend to the following effect: "Reference is hereby made to the further provisions of this Bond set forth on the back hereof and such further provisions are hereby incorporated by reference as if set forth here."

Each Bond shall bear interest, computed on the basis of a 360-day year of twelve 30-day months, from the Interest Payment Date next preceding the date of registration thereof unless it is registered as of a day after a Record Date

and on or before the related Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is registered on or before the Record Date for the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if, at the time of registration of any Bond, interest is in default on Outstanding Bonds, such Bond shall bear interest from the date to which interest has previously been paid or made available for payment on the Outstanding Bonds. Payment of the interest on any Bond shall be made to the person whose name appears on the bond registration books of the Paying Agent as the registered owner thereof as of the close of business on the Record Date immediately preceding an Interest Payment Date, such interest to be paid by check or draft mailed by first class mail to such registered owner at such registered owner's address as it appears on such registration books. The principal or Redemption Price of the Bonds shall be payable in lawful money of the United States of America upon surrender thereof at the Principal Office of the Paying Agent. Upon the written request of a registered owner of one million dollars ($1,000,000) or more in aggregate principal amount of Bonds received prior to the applicable Record Date, payment of interest on and principal (including Redemption Price) of such Bonds shall be made by wire transfer from the Paying Agent to the registered owner of such Bonds. Any such principal payment by wire transfer shall nevertheless be subject to prior surrender of the Bonds with respect to which such payment is made. Each payment of interest or principal on Bonds, whether by check, draft or wire transfer, shall be accompanied by information specifying for each maturity of such Bonds with respect to which such payment is being made, the amount and the CUSIP number (if available).

The Bonds of each maturity shall be assigned a number in consecutive numerical order from 1 upwards, and shall be assigned a letter in consecutive

alphabetical order within such maturity from "A" onward (excepting therefrom the letters "I" and "O").

(C) The Bonds shall be subject to redemption as provided in Article IV.

Section 2.03. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Government with the manual or facsimile signatures of the Governor of Guam, the Lieutenant Governor and the Director of Administration under its seal. Such seal may be in the form of a facsimile of the Government's seal and may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Paying Agent for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Government before the Bonds so signed or attested shall have been authenticated or delivered by the Paying Agent or issued by the Government, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Government as though those who signed and attested the same had continued to be such officers of the Government, and also any Bond may be signed and attested on behalf of the Government by such persons as at the actual date of execution of such Bond shall be the proper officers of the Government although at the nominal date of such Bond any such person shall not have been such officer of the Government.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A hereto, manually executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Certificate, and such certificate of the Paying Agent

shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Certificate.

Section 2.04. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.06, upon surrender of such Bond for cancellation at the Principal Office of the Paying Agent, accompanied by a written instrument of transfer, duly executed, by the person in whose name it is registered, in person or by such registered owner's duly authorized attorney, in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the Government shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds of the same maturity and tenor, of any authorized denomination or denominations and for the aggregate principal amount of such Bond or Bonds then remaining Outstanding, to the transferee in exchange therefor. The Paying Agent shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer or exchange of any Bond shall be required to be made during the five days next preceding any date established by the Paying Agent for the selection of Bonds for redemption or at any time after selection of such Bond for redemption.

Section 2.05. Exchange of Bonds. Any Bonds may, in accordance with their terms, be exchanged, at the Principal Office of the Paying Agent for a new Bond or Bonds of the same Maturity and tenor, of any authorized denomination or

denominations and for the aggregate principal amount of such Bond or Bonds then remaining Outstanding. The Paying Agent shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Section 2.06. Bond Register. The Paying Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds, which shall at all times during regular business hours with reasonable prior notice be open to inspection by the Government; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

Section 2.07. Ownership of Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal and Redemption Price of, and the interest on, any such Bond, shall be made only to or upon the order of the registered owner thereof or such registered owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the interest thereon to the extent of the sum or sums so paid.

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Government, shall be in registered form without coupons and may contain such reference to any of the provisions of this Certificate as may be appropriate. Every temporary Bond shall be executed by

the Government and be authenticated by the Paying Agent upon the same conditions and in substantially the same manner as the definitive Bonds. If the Government issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Paying Agent and the Paying Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the same Maturity and tenor and of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Certificate as definitive Bonds authenticated and delivered hereunder.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Government, at the expense of the Holder of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be cancelled by it and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Government and the Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to both shall be given, the Government, at the expense of the Holder, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen, except that such number may be preceded by a distinguishing prefix (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof). The Government may require payment of a sum not exceeding the actual cost of

preparing each new Bond issued under this Section and of the expenses which may be incurred by the Government and the Paying Agent in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Government whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Certificate with all other Bonds secured by this Certificate. Neither the Government nor the Paying Agent shall be required to treat both the original Bond and any substitute Bond as being Outstanding for the purpose of determining the Accreted Value of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and substitute shall be treated as one and the same.

Section 2.10. Book-entry System. Notwithstanding any of the other provisions of this Article II to the contrary, the Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity; the ownership of the Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC and the Bonds shall be governed by the provisions of this Section.

(A) Except as provided in this paragraph and in paragraph (C) of this Section, all of the Outstanding Bonds shall be registered in the registration books kept by the Paying Agent in the name of Cede & Co., as nominee of DTC. With respect to the Bonds registered in the registration books kept by the Paying Agent in the name of Cede & Co., as nominee of DTC, the Government, the Paying Agent and the Depositary shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the

Bonds. Without limiting the immediately preceding sentence, the Government, the Paying Agent and the Depositary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Paying Agent of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Paying Agent of any amount with respect to principal of or interest on the Bonds. The Government, the Paying Agent and the Depositary may treat and consider the person in whose name each Bond is registered in the registration books kept by the Paying Agent as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Paying Agent as provided in Section 2.06, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Government's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the registration books kept by the Paying Agent, shall receive a certificated Bond evidencing the obligation of the Government to make payments of principal and interest pursuant to this Certificate. Upon delivery by DTC to the Government or the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and

subject to the provisions herein with respect to record dates, the words "Cede & Co." in this Certificate shall refer to such new nominee of DTC.

(B) The delivery of any representation letter or other instrument by the Government to DTC shall not in any way limit the provisions of paragraph (A) of this Section or in any other way impose upon the Government any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondholders, as shown on the registration books kept by the Paying Agent. The Paying Agent shall take all action necessary for all representations of the Government in the Representation Letter with respect to the Paying Agent to at all times be complied with.

(C) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the Government or the Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Government, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds. Upon the discontinuance or termination of the services of DTC with respect to the Bonds, unless a substitute securities depository is appointed to undertake the functions of DTC hereunder, the Government is obligated to deliver Bond certificates at the expense of the beneficial owners of the Bonds, as described in this Certificate, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Certificate.

(D) Notwithstanding any other provision of this Certificate to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in any agreement between the Government and DTC. Bondholders shall have no lien or security interest in any rebate or refund paid by DTC to the Paying Agent which arises from the payment by the Paying Agent of principal of or interest on the Bonds in immediately available funds to DTC.

ARTICLE III

ISSUE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance, Sale and Delivery of Bonds. Upon the sale and execution thereof by the Government, the Paying Agent shall authenticate and, upon receipt by the Paying Agent, as applicable, of the proceeds thereof, deliver, to or upon the Order of the Government, Bonds in the aggregate principal amount of $_____.

Section 3.02. Application of Proceeds of Bonds. (A) The proceeds received from the issuance and sale of the Bonds in the amount of $_____.__ shall be deposited in trust with the Paying Agent in the Bond Proceeds Account, which is hereby established. The Paying Agent shall forthwith transfer or set aside such proceeds in the following respective funds, as applicable, as directed by a Request of the Government:

(1) The Paying Agent shall transfer $_____.__ of such proceeds to the Income Tax Reserve Fund established by the Government; and

(2) The Paying Agent shall transfer to the Trustee, and the Trustee, acting as Depositary, shall deposit in the Proceeds Fund, the balance of such proceeds in the amount of $_____.__. The wire instructions for such transfer are as follows:

Bank of Guam
111 Chalan Santo Papa
Hågatña, Guam 96910
ABA# 121405115
DDA#: 0101-119969
DDA Name: Trust Department
Ref.: GG 2007A GO

Thereafter, the Paying Agent shall close the Bond Proceeds Account.

Section 3.03. Establishment and Application of Proceeds Fund. The Depositary shall establish and maintain and hold in trust a separate fund designated as the "Proceeds Fund." Amounts in the Proceeds Fund shall be used and withdrawn, as provided in this Section, solely for (1) paying General Fund Expenses pursuant to the Act, (2) the payment of Costs of Issuance, and (3) the payment of principal of and interest on the Bonds in the manner and to the extent provided in Section 5.05. The Depositary shall disburse moneys in the Proceeds Fund only upon Requisition of the Government (except for the payment of principal and interest on the Bonds which shall be made as provided in Section 5.05) stating the person or entity to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper and lawful charge against said fund. Upon receipt of a

Certificate of the Government that amounts in said fund are no longer required for the purpose of said fund, said amounts shall be transferred to the General Fund.

Section 3.04. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Government, the Paying Agent or the Depositary with respect to the application of the proceeds of the Bonds. The recital contained in the Bonds that the same are issued pursuant to the laws of the Government of Guam, including the Act, shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption. (A) Optional Redemption. The Bonds maturing on or after _____ __, 201_ are subject to redemption prior to their respective stated maturities, at the option of the Government, from any source of available funds, on any date on or after _____ __, 201_, as a whole, or in part, by lot, at a Redemption Price equal to the principal amount thereof to be redeemed plus interest accrued thereon to the date fixed for redemption.

The option of the Government under this Section 4.01(A) may only be exercised by depositing with the Trustee or the Paying Agent, prior to the giving of notice of such redemption pursuant to Section 4.03, Federal Securities sufficient in amount and maturing in a timely manner to provide for such redemption. The Government shall notify the Trustee and the Paying Agent in writing at least 60 days prior to the date to be fixed for redemption of its intention to exercise its redemption option.

(B) Mandatory Sinking Account Redemption. The Bonds maturing on _____ __, 20__ are also subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments established for such maturity in Section 5.03(C), on each _____ __, on or after _____ __, 20__, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing on _____ __, 20__ are also subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments established for such maturity in Section 5.03(C), on each _____ __, on or after _____ __, 20__, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing on _____ __, 20__ are also subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments established for such maturity in Section 5.03(C), on each _____ __, on or after _____ __, 20__, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

Section 4.02. Selection of Bonds for Redemption. In the event that less than all of the Bonds of any maturity are to be redeemed, the amount of each maturity of the Bonds to be redeemed shall be determined by Request of the Government, and the Bonds (or portions thereof) to be redeemed shall be selected by the Paying Agent by lot within a maturity in such manner as the Paying Agent may determine. For purposes of selecting Bonds (or portions thereof) for redemption, Bonds shall be deemed to be composed of $5,000 portions, and any such portion may be separately redeemed. The Paying Agent shall promptly notify

the Government in writing of the Bonds or portions thereof selected for redemption.

Section 4.03. Notice of Redemption. Notice of redemption (except as provided below) shall be given by the Paying Agent, not less than thirty (30) nor more than sixty (60) days before the date fixed for redemption, by first class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Paying Agent on the date the Bonds to be redeemed are selected. Each notice of redemption shall state the redemption date, the place or places of redemption, any conditions to such redemption, the maturities to be redeemed, and, if less than all of any such maturity, the numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered, with a written instrument of transfer duly executed by the registered owner thereof or by such registered owner's attorney duly authorized in writing. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for redemption of such Bonds. Each notice of redemption shall also state the CUSIP number, date of issue and interest rate on each Bond, or portion thereof, to be redeemed, and shall include the redemption agent name and address with contact person and telephone number; provided, however, that failure to include any of such

information in any redemption notice, or any inaccuracy in any such information, shall not affect the sufficiency of the proceedings for redemption of any Bonds.

A copy of any notice of redemption given pursuant to the foregoing paragraph shall also be sent by overnight delivery or certified mail, with return receipt requested, to the holders of $1,000,000 or more in aggregate principal amount of Bonds to be redeemed and to each of the Fiduciaries, the Securities Depositories (as defined below) and two or more Information Services (as defined below); provided, however, that failure to give notice pursuant to this sentence by first class mail to any Bondholders, to any Fiduciaries, to any Securities Depositories or Information Services, or to publish such notice, or the insufficiency of any such notices, shall not affect the sufficiency of the proceedings for redemption of any Bonds. A second notice shall be sent, by certified mail with return receipt requested, to the registered owner of any Bond which has been called for redemption in whole or in part, and is not surrendered for payment within sixty (60) days after the date fixed for redemption; provided, however, that failure to send any such second notice, or any deficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption of any Bonds. As used in this paragraph, the term "Information Services" means Financial Information, Incorporated's "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Mergent/FIS, Inc., 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Municipal News Report; and Kenny S&P, 55 Water Street, 45th Floor, New York, New York 10041, Attention: Notification Department; or, in accordance with then-current guidelines of the Securities and Exchange Commission, and/or such other services providing information with respect to called bonds, or no such services, as the Government may designate in a Certificate delivered to the Paying Agent; and the

term "Securities Depositories" means: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190 or, in accordance with then-current guidelines of the Securities and Exchange Commission, and/or such other securities depositories, or no such depositories, as the Government may designate in a Certificate delivered to the Paying Agent.

Notice of redemption of Bonds shall be given by the Paying Agent for and on behalf of the Government.

The Government may, at its option, prior to the date fixed for redemption, rescind and cancel such notice of redemption.

Section 4.04. Partial Redemption. Upon surrender of any Bond redeemed in part only, the Government shall execute and the Paying Agent shall authenticate and deliver to the registered owner thereof, at the expense of the Government, a new Bond or Bonds of authorized denominations, and of the same maturity and tenor, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys being held by the Trustee or any Paying Agent for payment of the Redemption Price of, and interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption on the redemption date designated in such notice shall become due and payable at the Redemption Price specified in such notice and interest accrued thereon to the date fixed for redemption, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Certificate, and the Holders of said Bonds shall have no rights

in respect thereof except to receive payment of said Redemption Price and accrued interest.

All Bonds purchased or redeemed pursuant to the provisions of this Article shall be cancelled upon surrender thereof and destroyed.

ARTICLE V

FUNDS

Section 5.01. Establishment of Funds. (A) The Depositary shall establish, maintain and hold in trust the Proceeds Fund as provided in Section 3.03.

(B) The Trustee shall establish and maintain the following Funds and Accounts:

(1) the Bond Fund; and

(2) the Rebate Fund.

(C) All moneys at any time deposited with the Trustee or the Depositary, as the case may be, shall be held by the Trustee or the Depositary, as the case may be, in trust for the benefit of the Holders at any time of the Bonds, except that the Rebate Fund shall be held for the benefit of the United States Government, and the Government shall have no beneficial right or interest in any of such moneys, except as in this Certificate provided.

Section 5.02. Periodic Deposits into Funds. On or before the fifth day of each calendar month, beginning _____ _, 200_, the Government shall deposit into the Bond Fund held by the Trustee, an amount equal to the amount necessary to increase the amount in the Bond Fund to the aggregate amount for all

Outstanding Bonds of all unpaid interest, principal and Mandatory Sinking Account Payments which shall be required to have been transferred to the Bond Fund on the basis of the following transfer requirement rules:

(1) the amount of interest payable on each Bond on a current uncompounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Interest Accrual Period for such Bond ending on such Interest Payment Date (or in the case of Variable Rate Bonds, the amount of interest that would have accrued during the next preceding calendar month if such Bonds had borne interest at the maximum rate, less any excess deposited for the next preceding calendar month);

(2) the amount of interest payable on each Bond on a deferred compounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond;

(3) the amount of the principal of each Bond shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond; and

(4) the amount of each Mandatory Sinking Account Payment for Bonds shall be transferred in equal monthly amounts over the Principal Payment Period for such Bonds ending on the date such Mandatory Sinking Account Payment is due.

Section 5.03. Application of Bond Fund. (A) All amounts in the Bond Fund shall be used and withdrawn by the Trustee solely for the purpose of (1) paying interest on the Bonds as it shall become due and payable (including accrued

interest on any Bonds purchased or redeemed prior to maturity pursuant to this Certificate), (2) paying the principal of the Serial Bonds when due and payable, and (3) purchasing or redeeming or paying at maturity the Term Bonds as provided in this Section.

(B) On each Mandatory Sinking Account Payment date, the Trustee shall apply the Mandatory Sinking Account Payment or Payments required on that date to the redemption (or payment at maturity, as the case may be) of the applicable Term Bonds upon the notice and in the manner provided in Article IV. At any time prior to giving such notice of such redemption, the Trustee, upon the Request of the Government, shall apply moneys in the Bond Fund, in an amount not in excess of such Mandatory Sinking Account Payment, to the purchase of the applicable Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges) as are specified in such Request, except that the purchase price (excluding accrued interest) shall not exceed the price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If less than all of the Term Bonds of any maturity are to be redeemed other than by application of Mandatory Sinking Account Payments, the remaining Mandatory Sinking Account Payments for that maturity shall in the aggregate be reduced by the same amount as the amount of Term Bonds so redeemed, and the amount of the reduction of each such Mandatory Sinking Account Payment shall be determined by Request of the Government.

(C) Subject to the terms and conditions hereinbefore set forth in this Section and in Section 4.01(B), Term Bonds maturing _____ __, 20__, shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments for such Term Bonds, in the amounts (after giving

effect to the credits provided for in this Section) and on _____ __ in the years set forth below:

Year	Principal Amount
	$

20__*

_____

*Maturity

Subject to the terms and conditions hereinbefore set forth in this Section and in Section 4.01(B), Term Bonds maturing _____ __, 20__, shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments for such Term Bonds, in the amounts (after giving effect to the credits provided for in this Section) and on _____ __ in the years set forth below:

Year	Principal Amount
	$

20__*

_____

*Maturity

Subject to the terms and conditions hereinbefore set forth in this Section and in Section 4.01(B), Term Bonds maturing _____ __, 20__, shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments for such Term Bonds, in the amounts (after giving effect to the credits provided for in this Section) and on _____ __ in the years set forth below:

Year	Principal Amount
	$

20__*

_____

*Maturity

(D) Upon the redemption of Term Bonds pursuant to Section 4.01(A), the principal amount of such Bonds shall be credited against remaining Mandatory Sinking Account Payments as provided in Section 4.02, treating Mandatory Sinking Account Payments as if they were maturities and given that

Mandatory Sinking Account Payments shall remain as integral multiples of $5,000. If, (1) during the twelve-month period immediately preceding a Mandatory Sinking Account Payment date the Trustee purchases the applicable Term Bonds with moneys in the Bond Fund, or (2) during said period and prior to giving said notice of redemption the Government otherwise deposits the applicable Term Bonds with the Trustee (together with a Request of the Government to apply such Bonds so deposited to the Mandatory Sinking Account Payment due on said date), the amount of Bonds so purchased or deposited or redeemed shall be credited at the time of such purchase or deposit, to the extent of the full principal amount thereof, to reduce such Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to this subsection shall be cancelled and destroyed.

Section 5.04. Rebate Fund.

(A) There shall be deposited in the Rebate Fund from lawfully available moneys such amounts as are required to be deposited therein pursuant to the Tax Certificate with respect to the Bonds. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America, and the United States of America is hereby granted a first lien on such money until such payment. All amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference).

In the event that the amount in the Rebate Fund exceeds the Rebate Requirement, upon the Request of the Government, the Trustee shall transfer the excess from the Rebate Fund to the Bond Fund.

(B) Notwithstanding any provisions of this Section, if the Government shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee and the Government may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

Section 5.05. Deficiencies in Bond Fund; General Obligation Relating to the Bonds. On or prior to the fifth Business Day preceding each Interest Payment Date, the Trustee shall notify the Government of the amount, if any, by which the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and available to make such payments. On or prior to the third Business Day preceding such Interest Payment Date, the Government shall deposit with the Trustee an amount equal to the amount of such deficiency. Notwithstanding any other provision of this Certificate, the obligation to make such deposits shall constitute the valid and binding general obligation of the Government, and the Government pledges its full faith and credit for the punctual payment thereof.

In the event that on the third Business Day preceding any Interest Payment Date, the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and available to make such payments, the Depositary upon the direction of the Trustee shall transfer to the Bond Fund the amount of such deficiency by withdrawing said amount from the Proceeds Fund, to the extent amounts are available in the Proceeds Fund therefor.

Section 5.06. Investment of Moneys in Funds. All moneys in the funds and accounts established pursuant to this Certificate shall be invested by the applicable Fiduciary solely in Investment Securities to maximize investment income, with proper regard for the preservation of principal, pursuant to a Request of the Government as to such investment. In the absence of such Request of the Government, the applicable Fiduciary shall invest in item (6) of the definition of Investment Securities. All Investment Securities and any other investments acquired with moneys held hereunder shall be acquired subject to the limitations set forth in Section 6.06, to the limitations as to maturities hereinafter in this Section set forth and to such additional limitations or requirements consistent with the foregoing as may be established by Request of the Government. No Investment Security which is subject to redemption at the option of the issuer may be purchased at a premium above the amount of the premium payable upon any such redemption.

Moneys in all funds and accounts established under this Certificate shall be invested in securities paying interest and maturing not later than the dates on which it is estimated that such moneys will be required by the applicable Fiduciary.

All interest and other profit derived from the investment of amounts in each fund shall be deposited at least monthly in such fund. Investments acquired as an investment of moneys in any fund or account established under this Certificate shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, the amount of any obligation allocable to such fund or account shall be equal to the purchase price of such obligation (not including accrued interest, if any, paid on the purchase of such obligation) plus the amount of any discount below par accounting for any such

discount ratably each year over the term of such obligation (i.e., by dividing the amount of such discount by the number of interest payments remaining to maturity and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of purchase) (in this Section called "amortized value").

The applicable Fiduciary may commingle any of the funds or accounts established by it pursuant to this Indenture (other than the Rebate Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by a Fiduciary hereunder shall be accounted for separately as required by this Indenture. The applicable Fiduciary may sell at the best price obtainable, or present for redemption, any investment securities so purchased whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such investment security is credited, and no Fiduciary shall be liable or responsible for any loss resulting from such investment.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The Government shall punctually pay or cause to be paid the principal or Redemption Price and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Certificate.

Section 6.02. Extension of Payment of Principal and Interest on the Bonds. The Government shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the

claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds, or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Certificate, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Government to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.03. Power to Issue Bonds. The Government represents and warrants that it is duly authorized pursuant to law to issue the Bonds and to enter into this Certificate in the manner and to the extent provided in this Certificate. The Bonds and the provisions of this Certificate are and will be the valid and binding general obligations of the Government in accordance with their terms, and the Government and each Fiduciary shall at all times, to the extent permitted by law, defend, preserve and protect all the rights of the Bondholders under this Certificate against all claims and demands of all persons whomsoever.

Section 6.04. Accounting Records and Financial Statements. The Government shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the proceeds of Bonds and all funds and accounts established pursuant to this Certificate. Such books of record and account shall be available for inspection by each Fiduciary, as the case may be, and, with respect to such books of record and account maintained by each Fiduciary, by the Government or any

Bondholder or agent or representative thereof duly authorized in writing, at reasonable hours and under reasonable circumstances.

The Government shall file with the Trustee and the Depositary, and furnish to each major national investment rating service which initially rated the Bonds and to each Bondholder who shall have filed a name and address with the Government or the Trustee for such purpose, within one year after the close of each Fiscal Year so long as any of the Bonds are Outstanding (commencing with the Fiscal Year ending September 30, 2007), complete audited financial statements with respect to the General Fund and all funds established pursuant to this Certificate, prepared in accordance with generally accepted accounting principles for governmental entities, covering receipts, disbursements, allocation and application of all revenues of the General Fund for such Fiscal Year, including a statement of revenues, expenditures and fund balances (covering all of the funds established pursuant to this Certificate), balance sheet and statement of changes in financial position.

Section 6.05. Maintenance of Powers. The Government shall at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained.

Section 6.06. Tax Covenants. (A) The Government shall not use or permit the use of any proceeds of the Bonds or any other funds of the Government, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Government in any manner, and

shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, to be "federally insured or guaranteed" within the meaning of Section 149(b) of the Code or to be a "private activity bond" within the meaning of Section 141(a) of the Code.

(B) The Government shall at all times do and perform all acts and things permitted by law and this Certificate which are necessary or desirable in order to assure that interest paid on the Bonds (or on any of them) shall be exempt from federal income taxes.

Section 6.07. Compliance with Certificate, Contracts, Laws and Regulations. The Government shall faithfully observe and perform all the covenants, conditions and requirements of this Certificate, shall not issue any Bonds in any manner other than in accordance with this Certificate, and shall not take any action that would permit any default to occur hereunder, or do or permit to be done, anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Certificate. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Certificate, the Government shall comply with the terms, covenants and provisions, express or implied, of all contracts concerning or affecting the application of proceeds of Bonds. The Government shall comply promptly, fully and faithfully with and abide by any statute, law, ordinance, order, rule or regulation, judgment, decree, direction or requirement now in force or hereafter enacted, adopted, prescribed, imposed or entered by any competent governmental authority or agency applicable to or affecting the Bonds.

Section 6.08. Nature of Obligation. The Bonds shall constitute the valid and binding general obligations of the Government, and the Government pledges its full faith and credit for the punctual payment of principal and interest of the Bonds.

Section 6.09. Collection of General Fund Revenues. There shall be collected annually in the same manner and at the same time as Government revenues for other purposes are collected, such sum as is required to pay the principal of, and Mandatory Sinking Account Payments and interest on, the Bonds. All officers charged by law with any duty in the collection of Government revenues shall do every lawful thing necessary to collect such sum.

Section 6.10. Waiver of Laws. The Government shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the covenants and agreements contained in this Certificate or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Government to the extent permitted by law. The Government shall not claim, and hereby waives any claim to, sovereign immunity from any suit or other action that may be brought under this Certificate or upon the Bonds.

Section 6.11. Further Assurances. The Government will make, execute and deliver any and all such further certificates, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Certificate and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Certificate.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 7.01. Events of Default. The following events shall be Events of Default:

(A) default by the Government in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise; default by the Government in the redemption from any Mandatory Sinking Account Payment of any Term Bonds in the amounts and at the times provided therefor; or default by the Government in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(B) default by the Government in the observance of any of the covenants, agreements or conditions on its part in this Certificate or in the Bonds contained, other than as described in clause (A), if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Government by the Trustee, or to the Government or the Trustee by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; or

(C) the assumption, under the provisions of any law relating to bankruptcy or insolvency or any similar law relating to creditor's rights, by any court of competent jurisdiction, of custody or control of the Government or of the whole or any substantial part of its property, if such custody or control is not

terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

Section 7.02. Acceleration of Maturities. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the Government to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Certificate or in the Bonds contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Government shall deposit with the Trustee a sum sufficient to pay all the principal or Redemption Price of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Trustee and any and all other Events of Default known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Government and to the Trustee, or the Trustee, may, on behalf of the Holders of all of the Bonds, rescind and annul such declaration and its consequences and waive such default;

but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Funds After Default. If an Event of Default shall occur and be continuing, all moneys then held or thereafter received by any Fiduciary under any of the provisions of this Certificate (subject to Section 11.10) shall be under the control of and applied by the Trustee as follows and in the following order:

(A) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds and payment of reasonable charges and expenses of each Fiduciary (including but not limited to reasonable fees and disbursements of their respective counsel) incurred in and about the performance of their respective powers and duties under this Certificate;

(B) To the payment of the principal or Redemption Price of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Certificate (including Section 6.02), as follows:

(1) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably,

according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the persons entitled thereto, without any discrimination or preference.

(2) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Section 7.04. Trustee to Represent Bondholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by

taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds and this Certificate, as well as under the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and upon being indemnified to its satisfaction therefor, shall, at the direction of the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding, proceed to protect or enforce its rights or the rights of such Holders by such appropriate suit, action, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under this Certificate, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the assets pledged under this Certificate, pending such proceedings. All rights of action under this Certificate or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Certificate.

Section 7.05. Bondholders' Direction of Proceedings. Anything in this Certificate to the contrary notwithstanding, the Holders of a majority in aggregate

principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Certificate, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would adversely affect Bondholders not parties to such direction.

Section 7.06. Limitation on Bondholders' Right to Sue. No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Certificate, the Act or any other applicable law with respect to such Bond, unless (A) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (B) the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (C) such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (D) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of

this Certificate or the rights of any other Holders of Bonds, or to enforce any right under this Certificate, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Certificate (including Section 6.02).

Section 7.07. Obligation of Government. Nothing in Section 7.06 or in any other provision of this Certificate, or in the Bonds, contained shall affect or impair the obligation of the Government, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondholders, then in every such case the Government, the Trustee and the Bondholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Government, the Trustee and the Bondholders shall continue as though no such proceedings had been taken.

Section 7.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be

exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.10. No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Certificate to the Trustee or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE FIDUCIARIES

Section 8.01. Appointment of Trustee and Depositary; Duties, Immunities and Liabilities of Trustee and Depositary. (A) Bank of Guam is hereby appointed as Trustee and as Depositary. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Certificate for it to perform. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Certificate, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(B) The Depositary shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and

only such duties as are specifically set forth in this Certificate. The Depositary shall, during the existence of any Event of Default (which has not been cured), follow the directions of the Trustee with respect to any of the funds held by the Depositary under this Certificate.

(C) The Government may remove the Trustee or the Depositary at any time unless an Event of Default shall have occurred and then be continuing, and the Government shall remove the Trustee or the Depositary if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee or the Depositary shall cease to be eligible in accordance with subsection (F) of this Section, or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or a receiver of the Trustee or the Depositary or their respective property shall be appointed, or any public officer shall take control or charge of the Trustee or the Depositary or their respective property or affairs for the purpose of rehabilitation, conservation or liquidation; in each case by giving written notice of such removal to the Trustee and the Depositary, and thereupon shall appoint a successor Trustee or Depositary, as the case may be, by an instrument in writing.

(D) The Trustee or the Depositary may at any time resign by giving written notice of such resignation to the Government and the other Fiduciary. Upon receiving such notice of resignation, the Government shall promptly appoint a successor Trustee or Depositary, as the case may be, by an instrument in writing.

(E) Any such removal or resignation of the Trustee or Depositary and appointment of a successor shall become effective upon acceptance of

appointment by the successor. Promptly upon such acceptance, the Government shall give notice thereof to each Fiduciary and to the Bondholders by mail in the manner provided by Section 4.03. If no successor shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or Depositary, as the case may be, or any Bondholder (on behalf of such Bondholder and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor. Any successor appointed under this Certificate, shall signify its acceptance of such appointment by executing and delivering to the Government, to its predecessor and to each other Fiduciary a written acceptance thereof, and thereupon such successor, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor, with like effect as if originally named herein; but, nevertheless at the Request of the Government or the request of the successor, such predecessor shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor all the right, title and interest of such predecessor in and to any property held by it under this Certificate and shall pay over, transfer, assign and deliver to the successor any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor, the Government shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor all such moneys, estates, properties, rights, powers, trusts, duties and obligations.

(F) (1) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or bank having the powers of a trust company doing business and having a combined capital and surplus of at least Fifty Million Dollars ($50,000,000) and subject to supervision or examination by federal, state, or Guam authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (F)(1), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(2) Any Depositary appointed under the provisions of this Section in succession to the Depositary shall be a trust company or bank having the powers of a trust company doing business and having a trust office in Hagåtña, Guam, having a combined capital and surplus of at least Ten Million Dollars ($10,000,000), and subject to supervision or examination by federal or Guam authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examination authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published. In case at any time the Depositary shall cease to be eligible in accordance with

the provisions of this subsection (F)(2), the Depositary shall resign immediately in the manner and with the effect specified in this Section.

(G) Any company into which the Trustee or the Depositary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee or the Depositary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (F) of this Section, shall be the successor to such Trustee or Depositary, as the case may be, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. Any such successor shall give notice of such merger, conversion or consolidation to each other Fiduciary and to the Government.

Section 8.02. Compensation. Subject to the terms of any contract with the Trustee or the Depositary, as the case may be, the Government shall pay to the Trustee and the Depositary from time to time reasonable compensation for all services rendered under this Certificate, and also all reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of their attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Certificate. The Government further agrees, to the extent permitted by law, to indemnify and save the Trustee and the Depositary harmless against any liabilities, costs, claims and expenses which they may incur in the exercise and performance of their respective powers, functions and duties under this Certificate, which are not due to their own respective negligence or willful misconduct. Such indemnity shall survive the discharge of this Certificate or resignation or removal of the Trustee or the Depositary.

Section 8.03. Liability of Trustee and Depositary. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Government, and neither the Trustee nor the Depositary assumes any responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Certificate or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon them, respectively. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication and registration on the Bonds. Neither the Trustee nor the Depositary shall be liable in connection with the performance of their respective duties hereunder, except for their own respective negligence or willful misconduct. The Trustee and the Depositary may become the owner of Bonds with the same rights they would have if they were not Trustee or Depositary, as the case may be, and, to the extent permitted by law, may act as depositary for and permit any of their officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would require it to expend or risk its own moneys or otherwise incur any liability or to institute or defend any action or suit in respect of this Certificate or the Bonds, unless it is in its judgment adequately indemnified. No Fiduciary shall be deemed to have knowledge of an Event of Default hereunder unless it has received actual knowledge thereof at its Principal Office, except, in the case of the Trustee, default in the payment of any amounts due on the Bonds on the due date therefor.

Section 8.04. Right of Trustee and Depositary to Rely on Documents. The Trustee and the Depositary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed to be genuine and to have been signed or presented by the proper party or parties. The Trustee and the Depositary may consult with counsel, including nationally recognized bond counsel, who may be counsel of or to the Government, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Certificate the Trustee or the Depositary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Government, and such Certificate shall be full warrant to the Trustee or the Depositary, as the case may be, for any action taken or suffered in good faith under the provisions of this Certificate in reliance upon such Certificate, but in its discretion the Trustee or the Depositary may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee or the Depositary under the provisions of this Certificate shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Government and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06. Paying Agents. U.S. Bank National Association is hereby appointed as Paying Agent and as registrar for the Bonds. The Government may at any time or from time to time appoint one or more additional Paying Agents, in addition to the Trustee, for the purpose of paying the principal or Redemption Price of and the interest on Bonds. At least one such Paying Agent (which may be the Trustee) shall have a principal corporate trust office in one of the states of the United States. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Certificate by executing and delivering to the Government, the Trustee and the Depositary a written acceptance thereof. The Trustee shall enter into such arrangements with any such Paying Agent as shall be necessary and desirable to enable such Paying Agent to carry out the duties of its office. The Government may remove any Paying Agent at any time by giving written notice of such removal to such Paying Agent, the Trustee and the Depositary. Any Paying Agent may at any time resign by giving notice of such resignation to the Government, the Trustee and the Depositary and by giving affected Bondholders notice of such resignation by mail in the manner provided in Section 4.03. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, transfer, assign and deliver any moneys held by it to its successor, or, if there be no successor then appointed, to the Trustee. The Government may appoint one or more successor Paying Agents and shall give prompt notice of the acceptance of appointment by any successor Paying Agent. Any Paying Agent appointed under the provisions of this Section shall satisfy the criteria for eligibility set forth in subsection (F)(1) of Section 8.01 with respect to the Trustee. The indemnities, privileges and limitations of liability provided the Trustee hereunder shall be afforded to the Paying Agent.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE CERTIFICATE

Section 9.01. Amendments Permitted. (A) This Certificate and the rights and obligations of the Government and of the Holders of the Bonds and of each Fiduciary may be modified or amended at any time by a Supplemental Certificate which shall become effective when the written consent of the Holders of sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Holders of Bonds of such maturity shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall (i) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided herein for the payment of any Bond, or extend the time of payment of any interest on any Bond, or reduce the rate of interest thereon, without the consent of the Holder of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or deprive the Holders of the Bonds of the lien created by this Certificate upon such moneys and other assets (except as expressly provided in this Certificate), without the consent of the Holders of all of the Bonds then Outstanding.

(B) This Certificate and the rights and obligations of the Government and of the Holders of the Bonds may also be modified or amended at any time by a Supplemental Certificate, which shall become effective upon

execution (or such later date as may be specified in such Supplemental Certificate), without the consent of any Bondholders, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Government in this Certificate contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Government, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of the Bonds;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Certificate, or in regard to matters or questions arising under this Certificate, as the Government may deem necessary or desirable and not inconsistent with this Certificate, and which shall not materially adversely affect the interests of the Holders of the Bonds; and

(3) to modify, amend or supplement this Certificate in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Bonds.

Section 9.02. Effect of Supplemental Certificate. From and after the time any Supplemental Certificate becomes effective pursuant to this Article, this

Certificate shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Certificate of the Government, the Trustee, the Paying Agent, the Depositary and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Certificate shall be deemed to be part of the terms and conditions of this Certificate for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Certificate becomes effective pursuant to this Article may, and if the Paying Agent so determines shall, bear a notation by endorsement or otherwise in form approved by the Government and the Paying Agent as to any modification or amendment provided for in such Supplemental Certificate, and, in that case, upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Paying Agent or at such additional offices as the Paying Agent may select and designate for that purpose, a suitable notation shall be made on such Bond, at the expense of the Government. If the Government or the Paying Agent shall so determine, new Bonds so modified as to conform, in the opinion of the Government and the Paying Agent, to any modification or amendment contained in such Supplemental Certificate, shall, at the expense of the Government, be prepared and executed by the Government and authenticated by the Paying Agent, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the principal corporate trust office of the Paying Agent without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same maturity and tenor.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by such Bondholder, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Certificate. If the Government shall pay and discharge the entire indebtedness on all Bonds Outstanding in any one or more of the following ways --

(A) by paying or causing to be paid the principal or Redemption Price of and interest on Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Trustee or the Paying Agent, irrevocably, in trust, at or before maturity, Federal Securities in the necessary amount (as provided in Section 10.03) to pay or redeem Bonds Outstanding; or

(C) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding;

and if the Government shall also pay or cause to be paid all other sums payable hereunder by the Government, then and in that case, at the election of the Government (evidenced by a Certificate of the Government, filed with the Trustee and the Paying Agent, signifying the intention of the Government to discharge all such indebtedness and this Certificate), and notwithstanding that any Bonds shall not have been surrendered for payment, this Certificate and all covenants,

agreements and other obligations of the Government under this Certificate shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the Government, each Fiduciary shall cooperate with an accounting for such period or periods as shall be requested by the Government to be prepared and filed with the Government and shall execute and deliver to the Government all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee, the Depositary and any Paying Agents shall pay over, transfer, assign or deliver to the Government all moneys or securities or other property held by them pursuant to this Certificate which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption. The discharge of the obligations of the Government under this Certificate shall be without prejudice to the rights of the Trustee, the Paying Agent and the Depositary to charge for and be reimbursed by the Government for any reasonable and customary expenditures which may thereafter be incurred in connection herewith.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee or the Paying Agent, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the Government in respect of such Bond shall cease, determine and be completely discharged, and the Holder thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee or the Paying Agent as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Government may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the

Government may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee or Paying Agent. Whenever in this Certificate it is provided or permitted that there be deposited with or held in trust by the Trustee or the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the date fixed for redemption; or

(b) noncallable Federal Securities the principal of and interest on which when due will provide money sufficient, in the opinion of an Independent certified public accountant delivered in writing to the Government, the Trustee and the Paying Agent, to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the date fixed for redemption, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due;

provided, in each case, that the Trustee or the Paying Agent, as applicable, shall have been irrevocably instructed (by the terms of this Certificate and by Request of the Government) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

Section 10.04. Payment of Bonds after Discharge of Certificate. Notwithstanding any provisions of this Certificate, any moneys held by the Trustee or the Paying Agent in trust for the payment of the principal or Redemption Price of, or interest on, any Bonds and remaining unclaimed for three years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Certificate), if such moneys were so held at such date, or six years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon Request of the Government, be repaid to the Government free from the trusts created by this Certificate, and all liability of the Trustee, the Paying Agent or the Depositary with respect to such moneys shall thereupon cease and the Holders of such Bonds shall be entitled to look only to the Government for payment of such Bonds; provided, however, that before the repayment of such moneys to the Government as aforesaid, the Trustee or the Paying Agent, as applicable, may (at the cost of the Government) first publish at least once in one or more financial newspapers or journals circulated in Hagåtña, Guam, San Francisco, California, and New York, New York, a notice, in such form as may be deemed appropriate by such Fiduciary with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Government of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Successor Is Deemed Included in All References to Predecessor. Whenever in this Certificate the Government, the Trustee, the Paying Agent or the Depositary is named or referred to, such reference shall be deemed to

include the successors or assigns thereof, and all the covenants and agreements in this Certificate contained by or on behalf of the Government, the Trustee, the Paying Agent or the Depositary shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.02. Limitation of Rights to Parties and Bondholders. Nothing in this Certificate or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Government, the Trustee, the Paying Agent, the Depositary and the Holders of the Bonds any legal or equitable right, remedy or claim under or in respect of this Certificate or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Government, the Trustee, the Paying Agent, the Depositary and the Holders of the Bonds.

Section 11.03. Waiver of Notice. Whenever in this Certificate the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.04. Destruction of Bonds. Whenever in this Certificate provision is made for the cancellation by the Paying Agent and the delivery to the Government of any Bonds, the Paying Agent may, upon Request of the Government, in lieu of such cancellation and delivery, destroy such Bonds (in the presence of an officer of the Government, if the Government shall so require), and deliver a certificate of such destruction to the Government.

Section 11.05. Severability of Invalid Provisions. If any one or more of the provisions contained in this Certificate or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Certificate and such invalidity, illegality or unenforceability shall not affect any other provision of this Certificate, and this Certificate shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Government hereby declares that it would have entered into this Certificate and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Certificate may be held illegal, invalid or unenforceable.

Section 11.06. Notice to Government, Trustee, Paying Agent and Depositary. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Principal Office of the Trustee, which at the date of adoption of this Certificate is: Bank of Guam, 111 Chalan Santo Papa, Suite 601, Hagåtña, Guam 96910, Attention: Trust Department, or at such other address as may have been provided in writing by the Trustee to the Government, the Paying Agent and the Depositary.

Any notice to or demand upon the Depositary may be served or presented, and such demand may be made, at the Principal Office of the Depositary, which at the date of adoption of this Certificate is: Bank of Guam, 111 Chalan Santo Papa, Suite 601, Hagåtña, Guam 96910, Attention: Trust Department, or at such other address as may have been provided in writing by the Depositary to the Trustee, the Paying Agent and the Government.

Any notice to or demand upon the Paying Agent may be served or presented, and such demand may be made, at the Principal Office of the Paying Agent, which at the date of adoption of this Certificate is: U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, CA 90071, Attention: Corporate Trust Services, Reference: Government of Guam G.O. Bonds, or at such other address as may have been provided in writing by the Paying Agent to the Trustee, the Depositary and Government.

Any notice to or demand upon the Government shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed to the Department of Administration, Hagåtña, Guam 96910, Attention: Director of Administration, or to the Government at such other address as may have been filed in writing by the Government with the Trustee, the Paying Agent and the Depositary.

Section 11.07. Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Certificate to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Certificate and shall be conclusive in favor of the Trustee, the Paying Agent, the Depositary and the Government if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to

take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Bond registration books held by the Paying Agent.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee, the Paying Agent, the Depositary or the Government in accordance therewith or reliance thereon.

Section 11.08. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Certificate, Bonds which are owned or held by or for the account of the Government, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Government or any other obligor on the Bonds, shall be disregarded and deemed not be to Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Government or any other obligor on the Bonds. In case of a dispute as to such right, any decision

by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.09. Money Held for Particular Bonds. The money held by each Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be put aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

Section 11.10. Funds and Accounts. Any fund required by this Certificate to be established and maintained by the Trustee, the Paying Agent or the Depositary may be established and maintained in the accounting records of the Trustee, the Paying Agent or the Depositary, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with industry practice, to the extent practicable, and with due regard for the requirements of Section 6.06 as established by Request of the Government and for the protection of the security of the Bonds and the rights of every holder thereof. If necessary to effectuate the purposes of this Certificate or any Request, Requisition or Order of the Government pursuant hereto, the Trustee, the Depositary or the Paying Agent may establish a temporary or holding fund or account for such purposes.

Section 11.11. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of

contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Certificate.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Certificate; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Certificate as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 11.12. Waiver of Personal Liability. No legislator, officer, agent or employee of the Government shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds; but nothing herein contained shall relieve any such legislator, officer, agent or employee from the performance of any official duty provided by law.

Section 11.13. Saturdays, Sundays and Legal Holidays. If any party hereto is required to perform, pursuant to a provision of this Certificate, any act on a date which falls on a Saturday, Sunday or legal holiday, the party required to perform such act shall be deemed to have performed it in a timely manner, and in conformance with such provision, if it shall perform such act on the next succeeding Business Day.

Section 11.14. Execution in Several Counterparts. This Certificate may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Government, the Trustee, the Paying Agent and the Depositary shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.15. Governing Law. The rights and duties of the parties to this Certificate shall be governed by the laws of Guam, provided, however, that the administration of the trusts imposed upon the Fiduciaries by the Certificate and the rights and duties of the Fiduciaries hereunder shall be governed by, and construed in accordance with, the laws of the respective jurisdiction in which each such Fiduciary has its respective principal corporate trust office.

IN WITNESS WHEREOF, the Governor of Guam has executed and delivered this Certificate on behalf of the GOVERNMENT OF GUAM, in its name and under its seal.

GOVERNMENT OF GUAM

[SEAL]

By_____

Governor of Guam

Approved as to form:

By _____

Attorney General

The undersigned U.S. Bank National Association, hereby accepts and agrees to perform the duties and obligations of Paying Agent and Registrar under this Certificate.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent and Registrar

By_____

Authorized Officer

The undersigned Bank of Guam hereby accepts and agrees to perform the duties and obligations of Trustee and Depository under this Certificate.

BANK OF GUAM, as Trustee and Depository

By_____

_____

Authorized Officer

EXHIBIT A

[FORM OF BOND]

No. __ - _____ $

GOVERNMENT OF GUAM
GENERAL OBLIGATION BOND,
2008 Series A

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
	_____ __, 20__	_____ __, 200_	

Registered Holder:

Principal Sum: Dollars

The GOVERNMENT OF GUAM (herein called the "Government"), duly organized and existing under and by virtue of the laws of the United States of America, for value received, hereby promises to pay to the registered holder identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum specified above in lawful money of the United States of America; and to pay interest thereon, in like lawful money, from the interest payment date next preceding the date of registration of this Bond (unless this Bond is registered as of a day during the period from the second day of the month next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is registered on or before ___ __, 2008, in which event it shall bear interest from _____ __, 2008) until payment of such principal sum shall be discharged as provided in the Certificate

hereinafter mentioned, at the interest rate specified above per annum, payable semiannually on ___ __ and _____ __ in each year, commencing ___ __, 2009. The principal (or redemption price) hereof is payable upon surrender hereof at the corporate trust office U.S. Bank National Association (herein called the "Paying Agent") in Los Angeles, California, and the interest hereon is payable by check or draft mailed by first class mail to the person in whose name this Bond or any predecessor Bond is registered at the close of business on the fifteenth day of the month immediately preceding an interest payment date, at such person's address as it appears on the Bond registration books of the Paying Agent. Upon the written request of any registered owner of $1,000,000 or more in aggregate principal amount of Bonds, payment of the principal or redemption price of and interest on such Bonds will be made by wire transfer as provided in the Certificate; provided that any such principal or redemption payment shall nevertheless be subject to the prior surrender of the Bonds with respect to which such payment is made.

The Bonds are the general obligations of the Government and are secured by the full faith and credit of the Government.

This Bond is one of a duly authorized issue of bonds of the Government designated as the "Government of Guam General Obligation Bonds, 2008 Series A" (herein called the "Bonds"), in the aggregate principal amount of $_____, which issue of Bonds consists of bonds of varying maturities, interest rates and redemption and other provisions, all issued under the provisions Section 1512.1 of Title 5, Guam Code Annotated and pursuant to that certain Certificate of the Governor of Guam Determining, Specifying and Authorizing Certain Matters in Connection with the Issuance of Government of Guam General Obligation Bonds, 2008 Series A, dated as of _____ __, 200_ (herein called the "Certificate"). The Bonds are issued for the purpose of providing moneys for the

implementation of certain projects. Reference is hereby made to the Certificate (a copy of which is on file at the principal corporate trust office of Bank of Guam (herein called the "Trustee") in Hagåtña, Guam), and all certificates supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security and provisions for payment of the Bonds, of the rights, duties and immunities of the Trustee, the Paying Agent and the Depositary and of the rights and obligations of the Government thereunder, to all the provisions of which Certificate the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds maturing on or after _____ __, 20__ are subject to redemption prior to their respective stated maturities, at the option of the Government, from any source of available funds, on any date on or after _____ __, 20__, as a whole, or in part, by lot, at a Redemption Price equal to the principal amount thereof to be redeemed plus interest accrued thereon to the date fixed for redemption.

The Bonds maturing on _____ __, 20__, are also subject to redemption prior to their stated maturity, in part in lots of $5,000 principal, from Mandatory Sinking Account Payments established for such maturity as provided in the Certificate on any _____ __ on or after _____ __, 20__, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing on _____ __, 20__, are also subject to redemption prior to their stated maturity, in part in lots of $5,000 principal, from Mandatory Sinking Account Payments established for such maturity as provided in the Certificate on any _____ __ on or after _____ __, 20__, at the principal

amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing on _____ __, 20__, are also subject to redemption prior to their stated maturity, in part in lots of $5,000 principal, from Mandatory Sinking Account Payments established for such maturity as provided in the Certificate on any _____ __ on or after _____ __, 20__, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Paying Agent not less than 30 nor more than 60 days before the date fixed for redemption by first class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the Bond registration books of the Paying Agent on the date the Bonds to be redeemed are selected. Receipt of such notice by such registered owners shall not be a condition precedent to such redemption.

If this Bond is called for redemption and payment is duly provided herefor as specified in the Certificate, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default (as that term is defined in the Certificate) shall occur, the principal of all Bonds (and the interest accrued thereon) may be declared due and payable upon the conditions, in the manner and with the effect provided in the Certificate. The Certificate provides that in certain events such a declaration and its consequences may be rescinded by the Trustee or by the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable only in fully registered form in denominations of $5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Certificate, this Bond may be exchanged, at said office of the Paying Agent, for a new fully registered Bond or Bonds, of the same maturity and tenor and of any authorized denomination or denominations and for the aggregate principal amount of this Bond then remaining outstanding.

This Bond is transferable by the registered owner hereof, in person or by its attorney duly authorized in writing, at said office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Certificate, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, of the same maturity and tenor and of any authorized denomination or denominations and for the same aggregate principal amount of this Bond then remaining outstanding, will be issued to the transferee in exchange herefor. The Paying Agent shall not be required to register the transfer of this Bond during the five days next preceding any date established by the Trustee for the selection of Bonds for redemption or at any time after selection of this Bond for redemption.

The Government, the Trustee, the Depositary and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and neither the Government, the Trustee, the Paying Agent nor the Depositary shall be affected by any notice to the contrary.

The Certificate and the rights and obligations of the Government, the registered owners of the Bonds, the Paying Agent and the Trustee may be modified or amended at any time in the manner, to the extent, and upon the terms provided

in the Certificate, provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided in the Certificate for the payment of this Bond, or extend the time of payment of any interest on this Bond or reduce the rate of interest hereon, without the consent of the registered owner hereof, or (ii) reduce the percentage of the principal amount of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, without the consent of the registered owners of all Bonds then outstanding, all as more fully set forth in the Certificate.

This Bond shall not be entitled to any benefit under the Certificate, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Paying Agent.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the laws of the United States of America and the Government of Guam, and that the amount of this Bond, together with all other indebtedness of the Government, does not exceed any limit prescribed by such laws, and is not in excess of the amount of Bonds permitted to be issued under the Certificate.

IN WITNESS WHEREOF, THE GOVERNMENT OF GUAM has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of the Governor of Guam, the Lieutenant Governor of Guam and the Director of Administration of Guam, and its seal to be reproduced hereon by facsimile, all as of _____ __, 200_.

GOVERNMENT OF GUAM

By_____
Governor

(SEAL)

By_____
Lieutenant Governor

By_____
Director of Administration

[FORM OF] CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one the Bonds described in the within-mentioned Certificate which has been authenticated and registered on _____ __, 200_.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By_____
Authorized Officer

[FORM OF]

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of the within Bond and in the assignment below, shall be construed as though they were out in full according to applicable laws or regulations.

TEN COM - as tenants in common	UNIF GIFT MIN ACT - Custodian
TEN ENT - as tenants by the entireties	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and	under Uniform Gifts to Minors Act

not as tenants in common (State)

Additional abbreviations may also be used though not in the above list.

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee:

_____

Notice: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B

CAPITAL EXPENSE ITEMS AND CAPITAL IMPROVEMENT PROJECTS OF THE GUAM PUBLIC SCHOOL SYSTEM

An extra section break has been inserted above this paragraph. Do not delete this section break if you plan to add text after the Table of Contents/Authorities. Deleting this break will cause Table of Contents/Authorities headers and footers to appear on any pages following the Table of Contents/Authorities.

Department of Revenue and Taxation

Proposed Pay Adjustment FY09

ATTACHMENT A

Dept. of Revenue and Taxation Executive Direction	Pay Grade	Salary	Phoenix.gov Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase		
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Chief of Administration	O-1	33,811.00	Procurement Supervisor	034	50,898.00	17,087.00	1	17,087.00	51%	13,524.40	1	13,524.40	11,833.85	1	11,833.85
			Budget Analyst II	035	53,435.00										
			Personnel Officer	035	53,435.00										
Administrative Officer	L-1	26,520.00	Administrative Assistant I	030	41,766.00	15,246.00	1	15,246.00	57%	10,608.00	1	10,608.00	9,282.00	1	9,282.00
			Personnel Analyst I	030	41,766.00										
			Buyer	031	43,888.00										
							2	$ 32,333.00			2	$ 24,132.40		2	$ 21,115.85

Dept. of Revenue and Taxation Technical Research and Appeals Bureau	Pay Grade	Salary	Internal Revenue Service Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase		
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Techical Research & Appeals Admin	P	36,850.00	Chief Counsel	GS15	104,826.00	67,976.00	1	67,976.00	184%	14,740.00	1	14,740.00	12,897.50	1	12,897.50
Research & Appeals Officer	N	31,064.00	Appeal Officer	GS14	89,115.00	58,051.00	2	116,102.00	187%	12,425.60	2	24,851.20	10,872.40	2	21,744.80
							3	$ 184,078.00			3	$ 39,591.20		3	$ 34,642.30

DepL of Revenue and Taxation Tax Enforcement Division	Pay Grade	Salary	Internal Revenue Service Comparable Position	Pay Grade	Salary	Adjustment	No. of Pos	Total	%	40% Increase			35% Increase		
										Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Deputy Tax Commissioner	S	48,680.00	Director, Collection Area	IR-03	114,468.00	65,788.00	1	65,788.00	135%	19,472.00	1	19,472.00	17,038.00	1	17,038.00
Tax Enforcement Administrator	P	36,850.00	Program Manager Field Compliance Territory Manager	IR-01	91,781.00	54,931.00	1	54,931.00	149%	14,740.00	1	14,740.00	12,897.50	1	12,897.50
Criminal Investigation Supevisor	O	33,811.00	Supervisory Special Agent	GS14	81,093.00	47,282.00	1	47,282.00	140%	13,524.40	1	13,524.40	11,833.85	1	11,833.85
Tax Investigator II	N	31,064.00	Special Agent	GS13	68,625.00	37,561.00	3	112,683.00	121%	12,425.60	3	37,276.80	10,872.40	3	32,617.20
Tax Investigator I	M	28,678.00	Special Agent	GS12	57,709.00	29,031.00	2	58,062.00	101%	11,471.20	2	22,942.40	10,037.30	2	20,074.60
Assistant Tax Investigator	K	24,656.00	Tax Fraud Investigative Assistant	GS7	32,534.00	7,878.00	1	7,878.00	32%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Examination Supervisor	O	33,811.00	Supervisory Revenue Agent	IR-05	77,670.00	43,859.00	1	43,859.00	130%	13,524.40	1	13,524.40	11,833.85	1	11,833.85
Revenue Agent IV	N	31,064.00	Revenue Agent	GS13	68,625.00	37,561.00	3	112,683.00	121%	12,425.60	3	37,276.80	10,872.40	3	32,617.20
Revenue Agent III	M	28,678.00	Revenue Agent	GS12	57,709.00	29,031.00	2	58,062.00	101%	11,471.20	2	22,942.40	10,037.30	2	20,074.60
Revenue Agent II	L	26,520.00	Revenue Agent	GS11	48,148.00	21,628.00	3	64,884.00	82%	10,608.00	3	31,824.00	9,282.00	3	27,846.00
Revenue Agent I	K	24,656.00	Revenue Agent	GS9	39,795.00	15,139.00	6	90,834.00	61%	9,862.40	6	59,174.40	8,629.60	6	51,777.60
Tax Auditor II	J	22,942.00	Auditor	GS7	32,534.00	9,592.00	4	38,368.00	42%	9,176.80	4	36,707.20	8,029.70	4	32,118.80
Collections Supervisor	M	28,678.00	Supervisory Revenue Officer	IR-05	77,670.00	48,992.00	1	48,992.00	171%	11,471.20	1	11,471.20	10,037.30	1	10,037.30
Revenue Officer III	K	24,656.00	Revenue Officer	GS12	57,709.00	33,053.00	8	264,424.00	134%	9,862.40	8	78,899.20	8,629.60	8	69,036.80
Revenue Officer II	J	22,942.00	Revenue Officer	GS9	39,795.00	16,853.00	7	117,971.00	73%	9,176.80	7	64,237.60	8,029.70	7	56,207.90
Revenue Officer I	I	21,389.00	Revenue Officer	GS7	32,534.00	11,145.00	9	100,305.00	52%	8,555.60	9	77,000.40	7,486.15	9	67,375.35
							53	1,287,006.00			53	$ 550,875.60		53	$ 482,016.15

Department of Revenue and Taxation

Proposed Pay Adjustment FY09

ATTACHMENT A

Dept. of Revenue and Taxation Real Property Tax Division	Pay Grade	Salary	El Dorado County Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase		
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Real Property Tax Administrator	O	33,811.00	Assistant Assessor	UM	83,491.20	49,680.20	1	49,680.20	147%	13,524.40	1	13,524.40	11,833.85	1	11,833.85
Appraisal Branch Supervisor	K	24,656.00	Assessment Standards Supervisor	SU	56,056.00	31,400.00	1	31,400.00	127%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Property Tax Appraiserll	I	21,389.00	Appraiser II	PL	43,867.20	22,478.20	3	67,434.60	105%	8,555.60	3	25,666.80	7,486.15	3	22,458.45
Property Tax Appraiser I	G	18,723.00	Appraiser I	PL	39,478.40	20,755.40	3	62,266.20	111%	7,489.20	3	22,467.60	6,553.05	3	19,659.15
Assessment Branch Supervisor	K	24,656.00	Assessment Office Manager	MA	52,395.20	27,739.20	1	27,739.20	113%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Property Tax Technician I	F	17,635.00	Assessment Technician I	GE	30,888.00	13,253.00	3	39,759.00	75%	7,054.00	3	21,162.00	6,172.25	3	18,516.75
							12	$ 278,279.20			12	$ 102,545.60		12	$ 89,727.40

Dept. of Revenue and Taxation Taxpayer Service Division	Pay Grade	Salary	Internal Revenue Service Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase		
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Taxpayer Service Administrator	P	36,850.00	Chief Taxpayer Service Division	IR-01	91,781.00	54,931.00	1	54,931.00	149%	14,740.00	1	14,740.00	12,897.50	1	12,897.50
Income Tax Processing Supervisor	K	24,656.00	Senior Tax Specialist Supervisor	IR-05	77,670.00	53,014.00	1	53,014.00	215%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Income Tax Service Specialist III	J	22,942.00	Senior Tax Specialist III	GS12	57,709.00	34,767.00	2	69,534.00	152%	9,176.80	2	18,353.60	8,029.70	2	16,059.40
Income Tax Service Specialist II	I	21,389.00	Senior Tax Specialist II	GS09	39,795.00	18,406.00	5	92,030.00	86%	8,555.60	5	42,778.00	7,486.15	5	37,430.75
Income Tax Service Specialist I	G	18,723.00	Senior Tax Specialist I	GS07	32,534.00	13,811.00	4	55,244.00	74%	7,489.20	4	29,956.80	6,553.05	4	26,212.20
Electronic Data Processing/SWICA Supv	M	28,678.00	Supervisory Computer Assistant	IR-05	77,670.00	48,992.00	1	48,992.00	171%	11,471.20	1	11,471.20	10,037.30	1	10,037.30
Tax Technician III	H	19,974.00	Tax Technician Computer Operator III	GS08	36,030.00	16,056.00	1	16,056.00	80%	7,989.60	1	7,989.60	6,990.90	1	6,990.90
Tax Technician II	F	17,635.00	Tax Technician Computer Operator II	GS06	29,276.00	11,641.00	4	46,564.00	66%	7,054.00	4	28,216.00	6,172.25	4	24,689.00
Tax Technician I	E	16,656.00	Tax Technician Computer Operator I	GS05	25,264.00	8,608.00	7	60,256.00	52%	6,662.40	7	46,636.80	5,829.60	7	40,807.20
Data Control Clerk II	E	16,656.00	Data Transcriber II	GS06	29,276.00	12,620.00	1	12,620.00	76%	6,662.40	1	6,662.40	5,829.60	1	5,829.60
Records Management Officer	J	22,942.00	Records Management Officer	GS12	57,709.00	34,767.00	1	34,767.00	152%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
Tax Accounting Technician Supervisor	K	24,656.00	Senior Tax Accountant Supervisor	IR-05	77,670.00	53,014.00	1	53,014.00	215%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Tax Accounting Technician III	J	22,942.00	Senior Tax Accountant III	GS12	57,709.00	34,767.00	4	139,068.00	152%	9,176.80	4	36,707.20	8,029.70	4	32,118.80
Tax Accounting Technician II	I	21,389.00	Senior Tax Accountant II	GS09	39,795.00	18,406.00	2	36,812.00	86%	8,555.60	2	17,111.20	7,486.15	2	14,972.30
Tax Accounting Technician I	G	18,723.00	Senior Tax Accountant I	GS07	32,534.00	13,811.00	2	27,622.00	74%	7,489.20	2	14,978.40	6,553.05	2	13,106.10
Business Tax Service Supervisor	K	24,656.00	Business Tax Service Supervisor	IR-05	77,670.00	53,014.00	1	53,014.00	215%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Business Tax Service Specialist II	I	21,389.00	Business Tax Service Specialist II	GS09	39,795.00	18,406.00	1	18,406.00	86%	8,555.60	1	8,555.60	7,486.15	1	7,486.15
Business Tax Service Specialist I	G	18,723.00	Business Tax Service Specialit I	GS06	29,276.00	10,553.00	5	52,765.00	56%	7,489.20	5	37,446.00	6,553.05	5	32,765.25
Data Control ClerK	E	16,656.00	Data Transcriber I	GS05	26,264.00	9,608.00	1	9,608.00	58%	6,662.40	1	6,662.40	5,829.60	1	5,829.60
Keypunch Operator	E	16,656.00	Keypunch Operator	GS05	26,264.00	9,608.00	1	9,608.00	58%	6,662.40	1	6,662.40	5,829.60	1	5,829.60
							46	$ 943,925.00			46	$ 373,691.60		46	$ 326,980.15

Department of Revenue and Taxation

Proposed Pay Adjustment FY09

ATTACHMENT A

Dept. of Revenue and Taxation Regulatory Division	Pay Grade	Salary	State of California and Hawaii Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase		
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Regulatory Program Administrator	O	33,811.00	Chief Examiner (CA)		90,696.00	56,885.00	1	56,885.00	168%	13,524.40	1	13,524.40	11,833.85	1	11,833.85
Regulatory Examiner Supervisor	N	31,064.00	Supervisor Examiner (CA)		68,172.00	37,108.00	1	37,108.00	119%	12,425.60	1	12,425.60	10,872.40	1	10,872.40
Regulatory Examiner II	M	28,678.00	Senior Bank Examiner (CA)		64,536.00	35,858.00	2	71,716.00	125%	11,471.20	2	22,942.40	10,037.30	2	20,074.60
Regulatory Examiner I	K	24,656.00	Assistant Examiner (CA)		46,254.00	21,598.00	3	64,794.00	88%	9,862.40	3	29,587.20	8,629.60	3	25,888.80
Compliance Inspector Supervisor	K	24,656.00	Supervisor Alcohol & Tobacco (CA)		76,656.00	52,000.00	1	52,000.00	211%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Compliance Inspector III	J	22,942.00	ABC Investigator III (CA)		64,656.00	41,714.00	1	41,714.00	182%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
Compliance Inspector II	I	21,389.00	ABC Investigator II (CA)		58,646.00	37,257.00	1	37,257.00	174%	8,555.60	1	8,555.60	7,486.15	1	7,486.15
Compliance Inspector I	G	18,723.00	ABC Investigator I (CA)		46,824.00	28,101.00	3	84,303.00	150%	7,489.20	3	22,467.60	6,553.05	3	19,659.15
License Supervisor	J	22,942.00	Business Registration Supervisor (HI)		37,452.00	14,510.00	1	14,510.00	63%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
License Officer II	H	19,974.00	Business Registration Assistant II (HI)		36,024.00	16,050.00	1	16,050.00	80%	7,989.60	1	7,989.60	6,990.90	1	6,990.90
License Officer I	F	17,635.00	Business Registration Assistant I (HI)		34,656.00	17,021.00	3	51,063.00	97%	7,054.00	3	21,162.00	6,172.25	3	18,516.75
Weights & Measures Inspector Supervisor	K	24,656.00	Measurement Standard Inspector VI (HI)		42,684.00	18,028.00	1	18,028.00	73%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Weights & Measures Inspector II	J	22,942.00	Measurement Standard Inspector III (HI)		33,756.00	10,814.00	1	10,814.00	47%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
Weights & Measures Inspector I	I	21,389.00	Measurement Standard Inspector II (HI)		31,212.00	9,823.00	1	9,823.00	46%	8,555.60	1	8,555.60	7,486.15	1	7,486.15
							21	$ 566,065.00			21	$ 194,465.20		21	$ 170,157.05

Dept. of Revenue and Taxation Motor Vehicle Division	Pay Grade	Salary	Department of Motor Vehicle (State of Hawaii) Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase		
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Motor Vehicle Program Administrator	O	33,811.00	Motor Vehicle Program Senior Administrator	R-1	82,000.00	48,189.00	1	48,189.00	143%	13,524.40	1	13,524.40	11,833.85	1	11,833.85
Driver's License Examination Supervisor	J	22,942.00	Driver's License Senior Examiner Supervisor	P-1	47,000.00	24,058.00	1	24,058.00	105%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
Driver's License Examiner III	I	21,389.00	Driver's License Senior Examiner	N-1	34,000.00	12,611.00	2	25,222.00	59%	8,555.60	2	17,111.20	7,486.15	2	14,972.30
Driver's License Examiner II	H	19,974.00	Driver's License Examiner II	M-1	29,000.00	9,026.00	1	9,026.00	45%	7,989.60	1	7,989.60	6,990.90	1	6,990.90
Driver's License Examiner I	F	17,635.00	Driver's License Examiner I	L-1	23,000.00	5,365.00	4	21,460.00	30%	7,054.00	4	28,216.00	6,172.25	4	24,689.00
Vehicle Registration Supervisor	J	22,942.00	Vehicle Registration Senior Supervisor	P-1	51,000.00	28,058.00	1	28,058.00	122%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
Vehicle Registration Officer III	I	21,389.00	Vehicle Registration Officer III	N-1	45,000.00	23,611.00	2	47,222.00	110%	8,555.60	2	17,111.20	7,486.15	2	14,972.30
Vehicle Registration Officer II	H	19,974.00	Vehicle Registration Officer II	M-1	31,000.00	11,026.00	2	22,052.00	55%	7,989.60	2	15,979.20	6,990.90	2	13,981.80
Vehicle Registration Officer I	F	17,635.00	Vehicle Registration Officer I	L-1	30,000.00	12,365.00	4	49,460.00	70%	7,054.00	4	28,216.00	6,172.25	4	24,689.00
							18	$ 274,747.00			18	$ 146,501.20		18	$ 128,188.55
						Total	155	$ 3,566,433.20		Total	155	$ 1,431,802.80	Total	155	$ 1,252,827.45

Passed 12:45 a.m.

I MINA' BENTE NUEBI NA LIHESLATURAN GUÅHAN

2008 (SECOND) Regular Session

Date: 9/30/08

VOTING SHEET

S **Bill No.** 204 (LS)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
BLAS, Frank F., Jr.		✓			
CALVO, Edward J.B.		✓			
CRUZ, Benjamin J. F.	✓				
ESPALDON, James V.		✓			
FORBES, Mark		✓			
GUTHERTZ, Judith Paulette	✓				
ISHIZAKI, Frank T.		✓			
LUJAN, Jesse Anderson		✓			
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RESPICIO, Rory J.	✓				
SHIMIZU, David L.G.	✓				
TENORIO, Ray		✓			
WON PAT, Judith T.	✓				
TOTAL	8	7	0	0	0

CERTIFIED TRUE AND CORRECT:

Patricia C. Santos

Clerk of the Legislature

*3 Passes = No vote

EA = Excused Absence