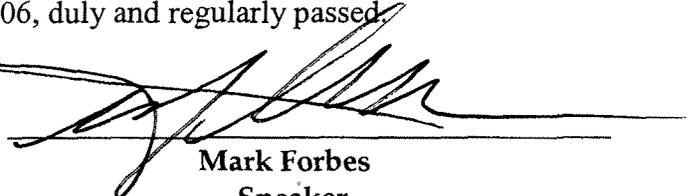


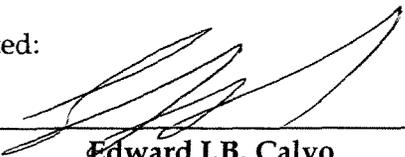
I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2006 (SECOND) Regular Session

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

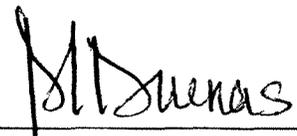
This is to certify that **Bill No. 266 (EC)**, "AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE GUAM PUBLIC SCHOOL SYSTEM, UNIVERSITY OF GUAM, GUAM COMMUNITY COLLEGE, GUAM EDUCATIONAL TELECOMMUNICATION CORPORATION (KGTF) AND THE GUAM PUBLIC LIBRARY SYSTEM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007; TO ESTABLISH THE ESTIMATED GOVERNMENT OF GUAM REVENUES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007; MAKING APPROPRIATIONS TO ADDRESS CONTINUING DEBT SERVICE; TO AUTHORIZE I MAGA'LAHEN GUÅHAN TO ISSUE GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS FOR THE PURPOSE OF REFINANCING CERTAIN GENERAL FUND OBLIGATIONS AND FINANCING CERTAIN CAPITAL EXPENSE ITEMS AND CAPITAL IMPROVEMENTS OF THE GUAM PUBLIC SCHOOL SYSTEM AND THE UNIVERSITY OF GUAM; AND ESTABLISHING MISCELLANEOUS EDUCATIONAL PROVISIONS," as amended, was on the 18th day of September, 2006, duly and regularly passed


Mark Forbes
Speaker

Attested:


Edward J.B. Calvo
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahaen Guåhan* this 19 day of Sept, 2006, at
4:05 o'clock P.M.


Assistant Staff Officer
Maga'lahaen's Office

APPROVED

FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 30 SEPT 2006

1 appropriations made by this Act shall be available to pay for obligations
2 incurred on or after October 1, 2006, but *no* later than September 30, 2007.
3 If any appropriation of this Act is found to violate federal law, all other
4 portions shall remain valid.

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

9	I. GENERAL FUND REVENUES	<u>AMOUNT</u>
10	A. TAXES	
11	Income Tax	
12	Corporate	\$ 72,351,905
13	Individual	\$ 43,485,645
14	Withholding Taxes, Interest and Penalties	\$188,644,496
15	Provision for Tax Refund and EITC	(\$75,600,000)
16	TOTAL INCOME TAXES	\$228,882,046
17	Gross Receipts Tax	\$162,565,341
18	Other Taxes	<u>\$3,054,447</u>
19	TOTAL TAXES	\$394,501,834
20	B. FEDERAL SOURCES	\$57,961,358
21	Federal Income Tax Collection (Section 30 Funds);	
22	Immigration Fees and Indirect Cost	
23	C. USE OF MONEY AND PROPERTY	\$906,895

1	D. LICENSES, FEES AND PERMITS	\$1,643,484
2	E. DEPARTMENT CHARGES	\$1,334,351
3	TOTAL GENERAL FUND REVENUE	\$456,347,922
4	II. SPECIAL FUND REVENUES	
5	A. Air Pollution Control Special Fund	\$ 221,182
6	B. Chamorro Land Trust Operations Fund	492,266
7	C. Corrections Revolving Fund	1,539,134
8	D. Customs, Agriculture and Quarantine Inspection	
9	Services Fund	8,167,484
10	E. Enhanced 911 Emergency Reporting System Fund	2,082,787
11	F. Environmental Health Fund	497,710
12	G. Guam Contractors License Board Fund	334,901
13	H. Guam Environmental Trust Fund	191,812
14	I. Guam Highway Fund	15,324,872
15	J. Guam Plant Inspection and Permit Fund	44,507
16	K. Healthy Futures Fund	10,665,466
17	L. Interim Transition Coordinating Committee Fund	
18	(RTB Stock Redemption)	1,813,068
19	M. Judiciary Building Fund	20,000
20	N. Land Survey Revolving Fund	950,000
21	O. Manpower Development Fund	148,485
22	P. Police Services Fund	370,084
23	Q. Professional Engineers, Architects and	
24	Land Surveyors Board Fund	201,825

1	R. Public Recreation Services Fund	154,717
2	S. Safe Streets Fund	236,000
3	T. School Lunch/SAE/Child Nutritional Meal	
4	Reimbursement Fund	6,500,000
5	U. Solid Waste Operations Fund (Tipping Fees)	5,822,582
6	V. Street Light Fund	3,912,927
7	W. Territorial Education Facilities Fund	20,280,840
8	X. Tourist Attraction Fund	23,100,000
9	Y. Water Protection Fund	54,242
10	Z. Water Research and Development Fund	<u>79,518</u>
11	TOTAL SPECIAL FUND REVENUE	\$103,206,409

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

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

14	A. Agriculture	\$560,565
15	B. Guam Council on the Arts and Humanities Agency	237,600
16	C. Guam Election Commission	700,000
17	D. Guam Police	546,918
18	E. Integrated Services for Individuals with Disabilities	2,052,208
19	F. Judiciary of Guam	311,926
20	G. Labor	33,100
21	H. Law (AG)	4,205,679
22	I. Military Affairs	839,150
23	J. Public Health and Social Services	22,346,660
24	K. University of Guam	<u>1,508,000</u>

1	INFRASTRUCTURE	
2	IMPROVEMENT BONDS,	
3	1997 SERIES A (TAF)	<u>\$ 7,255,789</u>
4	TOTAL DEBT SERVICE	\$34,985,517
5		

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

9 **(c)** Thirty (30) days after the Public Auditor approves the cash
10 disbursement schedules, the Superintendent of Education shall
11 certify and submit to the Speaker of *I Liheslaturan Guåhan*, *I*
12 *Maga'lahen Guåhan*, the Director of Administration and the Public
13 Auditor, a revised budget document, in the format of the FY 2007
14 Budget Call forms of the Bureau of Budget and Management
15 Research, including appropriations necessary to comply with Title 1
16 GCA §715 Item 12 (a) through (n), that shall reflect *all* adjustments to
17 the detailed breakdown contained in the original GPSS budget
18 submission to *I Liheslaturan Guåhan*, to be consistent with the
19 amounts allocated for each school and division in the GPSS projected
20 cash disbursement schedules prepared by the Superintendent and
21 approved by the Public Auditor. *All* quantities and items must be
22 adjusted accordingly. The revised budget document will be a guide
23 for every school, division and program, as well as *I Liheslaturan*
24 *Guåhan*, *I Maga'lahen Guåhan* and the Public Auditor, to ensure that

1 appropriated funds are used for the purposes intended. The revised
2 budget document shall be posted, in its entirety, on the GPSS website
3 and shall be updated each quarter. Penalties imposed for non-
4 compliance with reporting requirements shall apply to this
5 requirement.

6 (d) The Director of Administration shall deposit, on the last
7 day of each month, a sum equal to the amount required by the
8 projected schedules of cash disbursements prepared by the
9 Superintendent, into the Guam Public School System Operations
10 Fund, *except* that the Director of Administration for the first (1st)
11 month of the fiscal year, on the first (1st) Friday of October, shall
12 make a deposit equal to the amount required for the first (1st) month
13 of the fiscal year, as reflected in the Guam Public School System's
14 projected monthly schedules of cash disbursements, from the prior
15 month's General Fund revenue collections. The Director of
16 Administration shall, on the first (1st) day of each month, transfer to
17 the Guam Public School System all funds held in the Guam Public
18 School System Operations Fund, *except* that for the first (1st) month of
19 Fiscal Year 2007, on October 15, 2006, the Director of Administration
20 shall transfer all funds contained in the Guam Public School System
21 Operations Fund to the Guam Public School System.

22 (e) Before releasing the appropriation allotment to any
23 government entity other than the Guam Public School System *or* from
24 any other appropriation, the Director of the Bureau of Budget and

1 Management Research shall *first* ensure that the Director of
2 Administration has deposited the monthly cash requirement of the
3 Guam Public School System into the Guam Public School System
4 Operations Fund.

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

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

21 (a) **Guam Public School System Operations Fund**
22 **Appropriation.** Pursuant to §§52101 and 52102 of Chapter 52,
23 Division 2 of Title 11 Guam Code Annotated, as *amended* by this
24 Act, the sum of One Hundred Seventy-two Million Nine

1 Hundred Fifty-seven Thousand Eight Hundred Four Dollars
2 **(\$172,957,804)**, which is inclusive of such sums as are necessary
3 for the implementation of salary adjustments for locally
4 funded teacher positions pursuant to Public Law 28-36, as
5 *amended* by Section 26 of Part I of Chapter II of Public Law 28-
6 68, based on the fourteen percent (14%) teacher salary
7 adjustments recommended by the Department of
8 Administration: and which is also inclusive of a sum *not*
9 exceeding One Million Ninety-eight Thousand Three Hundred
10 Forty-five Dollars (\$1,098,345) for software, training, system
11 conversion services, consulting and project management,
12 hardware servers, hardware storage peripherals and hardware
13 redundancy systems in the implementation of the Guam Public
14 School System Student Management System, is appropriated
15 from the General Fund to the Guam Public School System
16 Operations Fund for Fiscal Year 2007. This appropriation shall
17 be expended in accordance with the approved cash
18 disbursement schedules mandated by this Act.

19 **(b) Interscholastic Sports Fund.** For Fiscal Year 2007,
20 the sum of Five Hundred Nine Thousand Two Hundred Forty-
21 six Dollars **(\$509,246)** is appropriated from the Healthy Futures
22 Fund to the Interscholastic Sports Fund within the Guam Public
23 School System to fund Interscholastic Sports Programs.

1 Expenditure of these funds shall comply with Title 17 GCA
2 §7108.

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

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

10 (1) The sum of Five Hundred Fifty-five Thousand
11 Dollars **(\$555,000)** is appropriated from the General Fund
12 to the Guam Public School System for the Principals'
13 Fund for Fiscal Year 2007. The amount appropriated
14 herein shall be allocated per student to each school, based
15 on the student population of each school at the end of the
16 *prior* school year; provided that *no* school shall receive
17 less than Five Thousand Dollars **(\$5,000)**.
18 Notwithstanding §§10101 and 10102 of Title 17 GCA, each
19 principal shall use the proceeds he receives to develop
20 and implement a program to protect his school from
21 vandalism. Every principal shall coordinate with his
22 school's Parent Teacher Organization and submit an anti-
23 vandalism program to the Superintendent for approval.

1 (2) Any unreleased and unexpended appropriations
2 made by Section 5 of Part I of Chapter II of Public Law 28-
3 68 may be expended in Fiscal Year 2007.

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

10 (f) **Appropriation to the Guam Public School**
11 **System for Summer School.** For Fiscal Year 2007, there is
12 hereby appropriated such sums as are necessary from the
13 Summer School Fund established pursuant to §6119 of Article 1
14 of Chapter 6 of Division 1 of Title 17 Guam Code Annotated, to
15 the Guam Public School System to fund the operations of the
16 2007 Summer School Program. The Superintendent of
17 Education shall submit a detailed report to *I Maga'lahaen Guåhan*
18 and the Speaker of *I Liheslaturan Guåhan* regarding the receipt
19 and expenditure of said funds *no later than* thirty (30) days after
20 the close of summer school and post the same on the GPSS
21 website. Such report shall include the following:

22 (1) total revenues received, including
23 identification of each revenue source;

1 (2) total expenditures and encumbrance by object
2 classification and by school; and

3 (3) the fund balance.

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

10 (1) For Fiscal Year 2007, the sum of Three Million
11 Five Hundred Thousand Dollars **(\$3,500,000)** is
12 appropriated from the General Fund from Fiscal Year
13 2008 revenues to the Guam Public School System for the
14 purchase of textbooks, e-book readers and collateral
15 classroom instructional materials to include software,
16 sheet music and music books. The Superintendent may,
17 *if necessary*, through agreements with textbook vendors,
18 defer payment for said materials until *after* October 1,
19 2007, but *not later than* December 31, 2007, with the full
20 faith and credit of the government of Guam.

21 (2) The Guam Public School System shall order all
22 textbooks, e-book readers and collateral classroom
23 instructional materials, to include software, sheet music
24 and music books funded by this section, *no later than*

1 March 1, 2007 for Fiscal Year 2008, and the Bureau of
2 Budget and Management Research shall release such
3 allotments as are necessary to ensure that such textbooks,
4 e-book readers and collateral classroom instructional
5 materials, to include software, sheet music and music
6 books, are ordered by this deadline. All textbooks and
7 collateral classroom instructional materials to include
8 software, sheet music and music books, shall be received
9 and distributed to schools *no later than* thirty (30) days
10 *prior* to the start of the school calendar established
11 pursuant to Title 17 Guam Code Annotated §4111. All
12 funds appropriated for textbooks, e-book readers and
13 collateral classroom instructional materials, to include
14 software, sheet music and music books, shall *not* be used
15 for any other purpose.

16 (3) For Fiscal Year 2007, on the first (1st) day of each
17 fiscal quarter, the Superintendent of Education shall
18 provide a detailed report to *I Maga'lahen Guåhan* and the
19 Speaker of *I Liheslaturan Guåhan* on all receipts and
20 expenditures for textbooks, e-book readers and collateral
21 classroom instructional materials to include software,
22 sheet music and music books. The report shall be
23 accompanied by the certified list of textbooks approved
24 by the Guam Education Policy Board and all purchase

1 orders issued. The report shall be posted on the GPSS
2 website. The report shall include summaries of the
3 following information:

4 (A) purchases by allotment account number, unit cost
5 and total cost of books charged against appropriation
6 account, vendor, quantity, title, copyright date and ISBN
7 number of books ordered, allocation of such books by
8 school and grade, and statements as to whether books are
9 for teachers or students and whether books are textbooks
10 or e-books;

11 (B) the number of textbooks and e-book readers lost *or*
12 damaged, the amounts collected for such lost *or* damaged
13 items and the amount of receivables due for such lost *or*
14 damaged items for the preceding fiscal year and the
15 current fiscal year by month; and

16 (C) other information that may be useful, *or* requested
17 by *I Liheslaturan Guåhan*, regarding an accounting for
18 funds appropriated for such purposes.

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

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

- 1 (a) All payments for *prior* year obligations to be paid by
2 current appropriations, salary adjustments by position
3 and the funding source for each, by month.
- 4 (b) Cash Disbursement Schedules created pursuant to this
5 Act.
- 6 (c) Number of filled FTEs, costs and funding sources by
7 school and division by month.
- 8 (d) Number of vacant FTEs, costs and funding sources by
9 school and division by month.
- 10

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

18 **(2) Dr. Antonio C. Yamashita Educator Corps.**
19 The sum of One Million Three Hundred Fourteen Thousand Six
20 Hundred Ninety-six Dollars (**\$1,314,696**) is appropriated from
21 the General Fund to the University of Guam for Fiscal Year
22 2007. The President shall disburse, pursuant to the directives
23 and policies of the Educator Corps Council, for stipends for the
24 Dr. Antonio C. Yamashita Educator Corps and for the

1 administration of the program, in accordance with the
2 provisions of Title 17 GCA, Chapter 18 and §15107 of Title 17 of
3 the Guam Code Annotated, as *amended*.

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

11 **(e) Appropriation for the Aquaculture Development and**
12 **Training Center.** The sum of One Hundred Forty Thousand Dollars
13 **(\$140,000)** is appropriated from the General Fund to the University of
14 Guam ("UOG") for Fiscal Year 2007 for the *sole* purpose of funding
15 the continued operations of the Aquaculture Development and
16 Training Center. Such funds shall *not* be transferred *or* used for any
17 other purpose.

18 **(f) Guam Hydrologic Survey.** The sum of Two Hundred
19 Four Thousand Two Hundred Dollars **(\$204,200)** is appropriated for
20 Fiscal Year 2007 from the General Fund to the University of Guam
21 ("UOG") to fund the Water and Environmental Research Institute of
22 the Western Pacific ("WERI") for the *sole* purpose of funding the
23 Guam Hydrologic Survey ("GHS"). WERI shall continue to
24 administer the GHS for the same purposes that have previously been

1 established by the laws of Guam. Such funds shall *not* be transferred
2 *or* used for any other purpose.

3 **(g) Comprehensive Water Resource Monitoring Program.**

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

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

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

1 (Public Radio) operations. The President of the University shall
2 disburse the funds to KPRG.

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

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

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

1 **Section 3. Program Annual Reports.**

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

13 **Section 4. Scholarships, Financial Assistance and other Reports.**

14 Beginning in Fiscal Year 2007, sixty (60) days after the close of the fiscal
15 year, the President of the University of Guam shall submit to *I Maga'lahren*
16 *Guåhan* and the Speaker of *I Liheslaturan Guåhan*, and post on the University
17 of Guam's website, a report of expenditures from appropriations made in
18 this Act, for student scholarships, student financial assistance, the Dr.
19 Antonio C. Yamashita Educator Corps and the Educator Corps Council.
20 Said report shall include information for every program reported on
21 regarding the program name, the number of scholarships or loans issued,
22 the date the scholarship or loan was awarded, the anticipated date of
23 cohort graduation, the total amount of recipient's awards or loans, the total
24 amount of loans repaid to date, and the balance of the outstanding awards

1 or loans, the amount of collections to date for outstanding loans and
2 repayments due, the number of awards for each field of study, and the
3 total number of recipients working to complete their obligations.

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

9

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

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

16

1 **(a)** If the head of an agency receiving funds pursuant to this
2 Act does not submit said report to the Speaker of *I Liheslaturan*
3 *Guåhan* and post the same on the website by its due date, *I*
4 *Maga'lahi* shall, *no later than* fifteen (15) days after said due date,
5 notify the agency head of his or her non-compliance and the
6 imminent deappropriation of funds.

7 **(b)** If the head of an agency receiving funds pursuant to this
8 Act fails to submit and post said report by its due date, the
9 Chairperson of the appropriate board, shall notify the agency
10 head of his or her non-compliance and the imminent
11 deappropriation or remittance of funds.

12 **(c)** The failure of any official or board, to give the notice
13 required by the previous two (2) subsections shall *not* affect the
14 deappropriation or remittance of funds mandated by the next
15 Section.

16 **Section 3. Deappropriation of Funds.** If the director, administrator
17 or head of a government agency receiving funds pursuant to this Act,
18 regardless of the source of the agency's appropriations and revenue, fails to
19 comply with any reporting requirement mandated by this Act, the funds
20 appropriated to the entity he or she administers shall, on the forty-fifth
21 (45th) day after the report's due date, be automatically deappropriated in
22 the amount of five percent (5%) of the agency's total appropriation for FY
23 2007 for EACH of the following requirements *not* met:

24 (a) providing a written report;

1 (b) providing an electronic format of the report; and

2 (c) posting the report on the website.

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

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

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

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

4 “§15112. **Interest Computation On Financial Assistance**
5 **Awarded After September 30, 2006 For Cash (Non-Service Credit)**
6 **Repayments.** Interest on all awards of assistance made after
7 September 30, 2006 pursuant to this Article shall be computed on the
8 outstanding balance on a simple interest basis beginning on the date
9 of disbursement at an annual percentage rate of ten percent (10%).
10 Repayment shall be made in either a lump sum by which the
11 principal and accrued interest up to the date of repayment is satisfied
12 or through a periodic payment plan under the following conditions:

13 (a) the awardee can amortize the combined balance of
14 principal and accrued interest balances over a specified
15 term at an annual percentage rate of ten percent (10%);

16 (b) the period for repayment shall *not* exceed ten (10) years;
17 and

18 (c) all awardees choosing to repay assistance in cash in lieu of
19 service credit must pay all accrued interest before any
20 payments are applied to the principal of the debt.

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

23 **Section 7. UOG Clearance Required for Doc Sanchez**
24 **Scholarship Recipients upon Separation from Government Service.** A

1 new §15912 is hereby *added* to Title 17 GCA, Chapter 15, Article 9 to read as
2 follows:

3 **“§15912. University Of Guam Clearance Required Upon**
4 **Separation.** The heads of all government of Guam agencies and
5 instrumentalities shall require that all employees of their respective
6 agencies who have received scholarship assistance pursuant to this
7 Article obtain a clearance from the University of Guam *prior* to the
8 employee’s separation from employment in the government of
9 Guam. UOG shall grant the clearance if the recipient has:

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

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

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

1 **Section 9. Local Funds Reimbursement.** Funds appropriated to the
2 Guam Public School System by *I Liheslaturan Guåhan* shall *not* be used to
3 pay for federally-funded program activities and expenditures *unless*
4 payment is specifically authorized by local statute or unless payment is for
5 expenditures for grants that require local expenditures prior to federal
6 reimbursement. The Superintendent of Education shall report to *I*
7 *Liheslaturan Guåhan, I Maga'lahen Guåhan* and the Public Auditor any local
8 funds expended in Fiscal Years 2005 and 2006 for federally-funded
9 program activities and expenditures, the details of such expenditures by
10 object class, the number of FTEs involved if applicable, the amounts
11 reimbursed by federal funds and amounts that have not or will not be
12 reimbursed by federal funds. Said report shall cite the authority to use
13 local funds for federal program expenditures and name the certifying
14 officer for and give the date of every expenditure.

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

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

22 **Section 11. Appropriation.** The sum of One Hundred Thousand
23 Dollars (**\$100,000**) is appropriated from the sums appropriated in Chapter
24 II, Part I, Section 2 of this Act to the Guam Public School System for the

1 purpose of contracting, pursuant to Title 17 GCA, Chapter 3, §3103, with an
2 independent educational auditing organization to audit the Guam Public
3 School System's capability to provide an adequate education as that term is
4 defined by Title 1 GCA, §715, Item 12, and to identify recommendations to
5 remedy deficiencies. The audit report shall be transmitted by the
6 Superintendent of Education to the Speaker of *I Liheslaturan Guåhan*, posted
7 on the Guam Public School System's website, and published within one
8 hundred eighty (180) days of execution of the contract. This appropriation
9 shall expire one hundred twenty (120) days after the enactment hereof.

10 **Section 12. Appropriation.** The sum of One Hundred Seventy-five
11 Thousand Dollars (**\$175,000**) is appropriated from the sums appropriated
12 in Chapter II, Part I, Section 2 of this Act to the Guam Public School System
13 for the purpose of contracting, pursuant to Title 17 GCA, Chapter 3, §3103,
14 with an independent educational auditing organization to conduct an
15 objective audit and assessment of the Guam Public School System, and to
16 identify recommendations to remedy deficiencies in the areas of
17 organizational structure; compliance with federal and local laws;
18 compliance with board policies; physical and operational security;
19 workflow designs and management; internal controls; staffing levels and
20 competencies; management levels and competencies; management
21 practices; training standards and practices; compliance and creation of
22 policies and procedures; adequacy of facilities; physical plant management
23 effectiveness and efficiency; technical and administrative infrastructure;
24 redundancy of systems and procedures; productivity and quality

1 standards; recruitment, certification training of teachers, and recruitment,
2 training and staff development. Said audit report shall be transmitted by
3 the Superintendent of Education to the Speaker of *I Lisheslaturan Guåhan*,
4 posted on the Guam Public School System's website, and published within
5 one hundred eighty (180) days of execution of the contract. This
6 appropriation shall expire one hundred twenty (120) days after the
7 enactment hereof.

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

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

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

23

1 Million Dollars (\$100,000,000) received in revenue pursuant to Section 30 of
2 the Organic Act to redeem the bonds.

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

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

10 **“§22435. Authorization to Issue Bonds for Refinancing 1993**
11 **Series A Bonds, Capital Expense Items and Capital Improvement**
12 **Projects of School Facilities.**

13 **(a) Authorization of Issuance of Bonds.** *I Maga’lahen*
14 *Guåhan* is authorized to issue one or more series of bonds of the
15 government of Guam as provided in this Section, in an aggregate
16 principal amount necessary to provide proceeds sufficient to fund an
17 escrow for the refinancing of the General Fund obligations listed in
18 subsection (k)(i) and in an aggregate principal amount not to exceed
19 the amount necessary to provide Thirty Five Million Dollars
20 (\$35,000,000) for the payment of the General Fund expenses listed in
21 subsection (k)(ii), and in each case to fund necessary reserves and to
22 pay expenses incurred in connection with the issuance of such bonds
23 *not* already included in an existing appropriation for or in the regular
24 budget of any government agency or instrumentality or public

1 corporation providing any service in connection with the issuance of
2 such bonds; provided, however, that said bonds shall *not* be issued in
3 an amount that would cause a violation of the debt limitation
4 provisions of 48 USC 1423a (§11 of the Organic Act of Guam).

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

15 **(c) Valid and Binding General Obligations.** The bonds
16 authorized by this Section shall constitute the valid and binding
17 general obligations of the government of Guam. The government of
18 Guam pledges its full faith and credit for the punctual payment of
19 both principal of and interest on the bonds. There shall be collected
20 annually in the same manner and at the same time as government
21 revenue for other purposes is collected, such sum as is required to
22 pay the principal of and interest on the bonds. All officers charged
23 by law with any duty in the collection of revenues of the government
24 from which debt service on the bonds will be payable shall do every

1 lawful thing necessary to collect such sum. The validity of any such
2 bonds shall *not* be affected by the validity or regularity of any
3 proceedings for the payment of the General Fund expenses paid or to
4 be paid with the proceeds of the bonds.

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

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

22 **(f) Waiver of Immunity; Submission to Jurisdiction.**
23 Notwithstanding any substantive or procedural provision of Chapter
24 6 of Title 5 Guam Code Annotated, the government of Guam waives

1 immunity from any suit or action in contract on the bonds, but does
2 *not* waive immunity as to the personal liability of elected officials and
3 employees of the government of Guam. The government hereby
4 submits to jurisdiction of the Federal District Court for the District of
5 Guam for purposes of any such suit or action in contract on the
6 bonds.

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

14 **(h) Form of Bonds; Covenants; Appointment of Fiduciaries.**
15 The technical form and language of the bonds, including provisions
16 for execution, exchange, transfer, registration, paying agency, lost or
17 mutilated bonds, negotiability, cancellation and other terms or
18 conditions *not* inconsistent with this Section, including covenants
19 relating to the collection of revenues, shall be as specified in the
20 certificate or indenture executed by *I Maga'lahañ Guåhan* authorizing
21 the issuance of the bonds. The certificate or indenture shall appoint
22 one or more trustees, co-trustees or other fiduciaries authorized to
23 receive and hold in trust the proceeds of the bonds, the revenues and
24 other moneys relating thereto, to protect the rights of bondholders

1 and to perform such other duties as may be specified in the
2 indenture. *I Maga'lahaen Guåhan* is also authorized to execute, on
3 behalf of the government of Guam, any appropriate agreements,
4 certificates or other instruments relating to the bonds and the sale of
5 bonds.

6 **(i) Authorization for Credit Enhancement.** *I Maga'lahaen*
7 *Guåhan* is authorized to enter into such contracts or agreements with
8 such banks, insurance companies or other financial institutions as he
9 determines are necessary or desirable to improve the security and
10 marketability of the bonds issued under this Section. Such contracts
11 or agreements may contain an obligation to reimburse, with interest,
12 any such bank, insurance company or other financial institution for
13 advances it makes to pay the principal of or interest on the bonds and
14 to indemnify any such bank, insurance company or other financial
15 institution for costs and expenses incurred in connection with any
16 such advance. Any such reimbursement obligation and any other
17 obligations of the government under such contracts or agreements
18 shall be general obligations of the government of Guam and any such
19 advance, if necessary, shall be treated for Organic Act purposes as
20 creating an obligation issued to refund the bonds.

21 **(j) Use of Proceeds from the Sale of the Bonds.** The
22 proceeds from the sale of the bonds shall be used and are hereby
23 appropriated to (1) refinance the General Fund obligations and fund
24 the capital projects described in Subsection (k) of this Section;

1 (2) establish necessary reserves; (3) pay expenses relating to the
2 authorization, sale and issuance of the bonds, including, without
3 limitation, printing costs, costs of reproducing documents, credit
4 enhancement fees, underwriting, legal, financial advisory and
5 accounting fees and charges, fees paid to banks or other financial
6 institutions providing credit enhancement, costs of credit ratings and
7 other costs, charges and fees in connection with the issuance, sale and
8 delivery of the bonds; and (4) fund capitalized interest on the bonds
9 issued for the purposes described in Subsection (k)(i) of this Section
10 for a period ending *not later than* thirty (30) months from the receipt
11 of proceeds.

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

14 (1) to fund an escrow to pay debt service on all or a
15 portion of the Government of Guam General Obligation Bonds,
16 1993 Series A, at a maturity *not later than* the year 2028,
17 provided that the annual debt service for any of said 1993 Series
18 A bonds to remain outstanding, together with the annual debt
19 service on the bonds authorized pursuant to this Section, for a
20 given year shall *not* exceed the aggregate annual debt service
21 for said bonds for the previous year or the next succeeding year
22 by more than one percent (1.0%).

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

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

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

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

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

23 **Section 3. Territorial Educational Facilities Fund Amendment.**

24 Subsection (l) of §22425, Chapter 22 of Title 5 Guam Code Annotated, is

1 hereby *amended* to read as follows:

2 **“(1) Territorial Educational Facilities Fund.** There is
3 continued in existence, separate and apart from other funds of the
4 government of Guam, a fund known as the “Territorial Educational
5 Facilities Fund” (the “TEF Fund”). The TEF Fund shall *not* be
6 commingled with the General Fund or any other fund of the
7 government of Guam. The TEF Fund shall be held in an account or
8 accounts at a Guam financial institution or institutions separate and
9 apart from all other accounts and funds of the government of Guam.
10 All real property tax revenues received by or on behalf of the
11 government of Guam pursuant to §24103, Title 11, Guam Code
12 Annotated, shall be deposited in the TEF Fund and shall be
13 accounted for and used periodically *only* for the following purposes
14 and in the following order:

15 (1) On the dates on which monies are remitted from the
16 General Fund to any trustee, co-trustee or paying agent for the
17 bonds issued pursuant to this Section or pursuant to §22435,
18 Chapter 22 of Title 5 Guam Code Annotated, for the purpose of
19 either (A) paying the principal of and interest on the bonds
20 designated as having been issued for the capital projects
21 enumerated in items (1), (2), (3), (4), (6) and (7) of Subsection
22 (m) of this Section and for the payment of General Fund
23 expenses, or paying the principal of and interest on the bonds
24 issued pursuant to §22435, Chapter 22 of Title 5 Guam Code

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

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

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

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

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

17 **Section 5. Approval of Bonds.** *I Liheslaturan Guåhan*, pursuant to
18 §50103(k), Title 12 Guam Code Annotated, hereby approves the issuance
19 and sale by the government of Guam of bonds for the purposes and in the
20 principal amounts *not* to exceed the purpose and limits set forth in Section
21 2 of Part VII of Chapter II of this Act; *provided* that the conditions to the
22 issuance of such bonds shall have been met, that such bonds have a final
23 maturity date *not later than* thirty (30) years after their date of issuance, that
24 the bonds bear interest at such rate and are sold for such price or prices as

1 shall result in a yield to the bondholders *not* exceeding seven and one-half
2 percent (7.5%) per annum, and that the bonds are issued and sold in the
3 manner, for the purposes and subject to the requirements and limitations
4 provided in §22435, Title 5 Guam Code Annotated. This approval
5 supersedes the approval contained in Public Law 27-19 and the terms and
6 conditions of Public Law 27-19 shall *not* apply.

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

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

23 **Section 8. Bond Proceeds Not Subject to Transfer Authority.** The
24 proceeds of the bonds approved by §5 of Part VII of Chapter II of this Act

1 shall *not* be subject to any transfer authority of *I Maga'lahaen Guåhan*.

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

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