



BUREAU OF BUDGET & MANAGEMENT RESEARCH

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JAN 02 2019

MEMORANDUM

To: Superintendent, Guam Department of Education
Director, Department of Public Works
President, Department of Chamorro Affair / GPLS & PBS
President, University of Guam
President, Guam Community College
Executive Director, Guam Commission for Educator Certification
Executive Director, Mayors' Council of Guam

From: Acting Director, Bureau of Budget and Management Research

Subject: FY 2019 Territorial Education Facilities Fund (TEFF) Reductions

As you may already know, Governor Calvo vetoed Bill No. 374-34 (COR) which sought to administratively amend § 24103 (b) of Chapter 24, Title 11 Guam Code Annotated by inserting the words, "or more" after the minimum threshold value of \$1,000,000 for land improvements. Because P.L. 34-116 (the FY2019 Budget Act) factored in the projected increase in TEFF revenues that would have resulted from the aforementioned amendment to the levy on Real Property Taxes, the FY2019 adopted TEFF revenue level was projected to be \$38,301,107. This was approximately \$9M more than the FY2018 adopted TEFF revenue level of \$29,260,403.

Based on the foregoing and where applicable, the Bureau will be taking action to place FY2019 TEFF allotments in Reserve and will be working with the Department of Administration to take required measures for entities that are exempt from BBMR allotment control. As such, your respective entity's required pro-rata TEFF spending reduction is / are reflected in the attachment to this memorandum. It should be noted that the sum of the pro-rata reductions reflected in the "FY2019 Final Revised TEFF Level" column totals to the aforementioned FY2018 adopted TEFF revenue level of \$29.2M.

Additionally, the Bureau is requesting for a written action plan from your entity which outlines how it will meet your revised TEFF level(s) which may include both cost-cutting and revenue enhancement measures. This plan will be due to the Bureau no later than the close of business Friday, January 25th, 2019.

Thank you in advance for your cooperation.

LESTER L. CARLSON, JR.

Cc: Director, Department of Administration

**FY2019 TERRITORIAL EDUCATION FACILITIES FUND (TEFF)
PROPOSED REDUCTIONS**

FY2018 Adopted Level (TEFF) (P.L. 34-42): \$29,260,403
 FY2019 Adopted Level (TEFF) (P.L. 34-116): **(\$38,301,107)**
 Required Reduction (TEFF): **(\$9,040,704)**

Department / Agency / Instrumentality	FY2019 TEFF Appropriation (P.L. 34-116)	% of Total Approps. (Net of Debt Service & Tiyan Lease)	Required TEFF Reduction	FY2019 Final Revised TEFF Level
GUAM DEPARTMENT OF EDUCATION (GDOE) - OPERATIONS	\$13,697,610	52.75%	(\$4,768,577)	\$8,929,033
GDOE - FIRST GENERATION TRUST FUND INITIATIVE	\$100,000	0.39%	(\$34,813)	\$65,187
DEPARTMENT OF PUBLIC WORKS - BUS OPERATIONS	\$7,287,254	28.06%	(\$2,536,927)	\$4,750,327
DEPARTMENT OF CHAMORRO AFFAIRS (DCA) - GUAM PUBLIC LIBRARY SYSTEM (GPLS)	\$1,217,900	4.69%	(\$423,990)	\$793,910
DCA - GUAM EDUCATIONAL TELECOMM. CORP. (PBS GUAM)	\$569,814	2.19%	(\$198,371)	\$371,443
UNIVERSITY OF GUAM (UOG) - CAPITAL IMPROVEMENTS FUND	\$874,056	3.37%	(\$304,287)	\$569,769
UOG - CAPITAL IMPROVEMENTS FUND AMENDMENT (LEASEBACK)	\$500,000	1.93%	(\$174,066)	\$325,934
UOG - FIRST GENERATION TRUST FUND INITIATIVE	\$250,000	0.96%	(\$87,033)	\$162,967
GUAM COMMUNITY COLLEGE (GCC) - CAPITAL IMPROVEMENTS FUND	\$200,400	0.77%	(\$69,766)	\$130,634
GCC - FIRST GENERATION TRUST FUND INITIATIVE	\$200,000	0.77%	(\$69,626)	\$130,374
GUAM COMMISSION FOR EDUCATOR CERTIFICATION (GCEC)	\$263,211	1.01%	(\$91,632)	\$171,579
MAYORS' COUNCIL OF GUAM (MCOG) - GROUNDS MAINTENANCE FOR SCHOOLS	\$433,761	1.67%	(\$151,006)	\$282,755
MCOG - PUBLIC SAFETY & SCHOOL EDUCATION	\$375,174	1.44%	(\$130,610)	\$244,564
TOTAL (ALL OTHER TEFF APPROPRIATIONS)	\$25,969,180	100.00%	(\$9,040,704)	\$16,928,476
DOA - TIYAN LEASE & COLLATERAL EQUIPMENT	\$10,113,927	0.00%	\$0	\$10,113,927
SERIES 2010A, CERTIFICATES OF PARTICIPATION (GDOE / JFK)	\$1,568,000	0.00%	\$0	\$1,568,000
GDOE SERIES 2013A CERT. OF PARTICIPATION (GDOE / OKKODO)	\$650,000	0.00%	\$0	\$650,000
TOTAL (TEFF DEBT SERVICE & TIYAN LEASE)	\$12,331,927	0.00%	\$0	\$12,331,927
GRAND TOTAL (TEFF):	\$38,301,107	—	(\$9,040,704)	\$29,260,403