



# BUREAU OF BUDGET & MANAGEMENT RESEARCH

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## BBMR CIRCULAR NO. 18-04

To: All Executive and Autonomous Department and Agency Heads  
From: Acting Director, Bureau of Budget and Management Research (BBMR)  
Subject: General Fund Reduction

Hafa Adai! As all of you are aware President Trump signed the “**Tax Cuts and Jobs Act of 2017 (the “Act”)**” into law at the end of 2017. The passage of this Act will have a negative effect on the Government of Guam’s General Fund revenues specifically with the reduction in Corporate Taxes, Withholding Taxes and Individual Income Taxes.

BBMR has conferred with Governor Calvo and the Governor’s Fiscal Team and the impact on the General Fund will begin this fiscal year with an estimated loss of approximately \$47.9 Million of projected General Fund revenue for the remainder of Fiscal Year 2018. Further, in Fiscal Year 2019 our projections show approximately \$66.1 Million in General Fund Revenue will be lost.

Your immediate attention in identifying areas of cost cutting within your respective department/agency is requested as well as your suggestions for revenue enhancements to offset this revenue loss. A quick review of the General Fund level of appropriations to each department/agency (excludes debt service and miscellaneous appropriations) shows the following:

| DEPARTMENT                         | LEVEL OF FY 2018 GF APPROPRIATIONS |
|------------------------------------|------------------------------------|
| 1. Legislature                     | \$ 8,966,564                       |
| 2. Judiciary                       | \$ 34,696,443                      |
| 3. Public Defender                 | \$ 4,341,373                       |
| 4. University of Guam              | \$ 35,077,747                      |
| 5. Guam Community College          | \$ 19,750,031                      |
| 6. Guam Memorial Hospital          | \$ 2,770,616                       |
| 7. Mayor’s Council                 | \$ 788,931                         |
| 8. Office of Public Accountability | \$ 1,396,898                       |
| 9. Department of Education         | \$225,826,664                      |
| 10. Office of the Attorney General | \$ 16,249,713                      |
| 11. Executive Branch Operations    | \$200,819,614                      |

Absent an immediate upward adjustment in General Fund revenues, your department/agency can expect to see a pro rata reduction, of the cuts required, in disbursements as early as February, 2018. Additionally, all options will be considered in addressing the revenue shortfall including those departments/agencies that are funded by Special Funds.

Your assigned BBMR Analyst will be in contact with your department/agency shortly with further details.

Your urgent attention and immediate response to this matter is greatly appreciated, thank you.