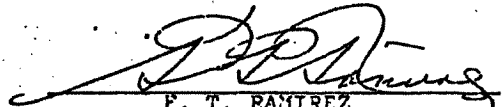


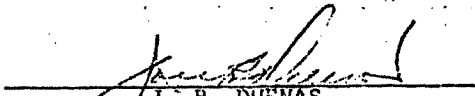
TWELFTH GUAM LEGISLATURE
1974 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR


This is to certify that Bill No. 120, "An Act to add a new Chapter III to Title VI of the Government Code of Guam to provide for a comprehensive system for program budgeting and financial management and to add Sections 5005 and 5005.1, relative to the creation of the Bureau of Budget and Management Research and to prescribing duties and responsibilities for said Bureau", was on the 15th day of March, 1974, duly and regularly passed.


F. T. RAMIREZ
Speaker


ATTESTED:


J. R. DUENAS
Acting Legislative Secretary

This Act was received by the Governor this 21st day of March, 1974 at 3:00 o'clock P.M.


KEITH L. ANDREWS
Attorney General of Guam

APPROVED:


CARLOS G. CANACHO
Governor of Guam

DATED: 12 28 1974
4:20 p.m.

Public Law

12-115

TWELFTH GUAM LEGISLATURE
1973 (FIRST) Regular Session

Bill No. 120

Introduced by R. F. Taitano

AN ACT TO ADD A NEW CHAPTER III TO TITLE VI OF THE GOVERNMENT CODE OF GUAM TO PROVIDE FOR A COMPREHENSIVE SYSTEM FOR PROGRAM BUDGETING AND FINANCIAL MANAGEMENT AND TO ADD SECTIONS 5005 AND 5005.1, RELATIVE TO THE CREATION OF THE BUREAU OF BUDGET AND MANAGEMENT RESEARCH AND TO PRESCRIBING DUTIES AND RESPONSIBILITIES FOR SAID BUREAU.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. A new Chapter III to Title VI of the Government
3 Code of Guam is hereby added to read as follows:

4 "CHAPTER III

5 Program Budgeting and Financial Management

6 Section 5150. Short title. This Act may be cited as
7 'The Executive Budget Act'.

8 Section 5151. Statement of policy. It is the purpose
9 of this Act to establish a comprehensive system for
10 territorial program and financial management which furthers
11 the capacity of the Governor and Legislature to plan and
12 finance the services which they determine the territory will
13 provide its citizens. The system shall include procedures
14 for:

15 (1) The orderly establishment, continuing review
16 and periodic revision of the programs and financial
17 goals and policies of the territory.

18 (2) The development, coordination and review of
19 long-range program and financial plans that will
20 implement established territorial goals and policies.

21 (3) The preparation, coordination and analysis,
22 and enactment of a budget organized to focus on
23 territorial services and their costs, that authorizes
24 the implementation of policies and plans in the
25 succeeding budget period.

1 (4) The evaluation of alternatives to existing
2 policies, plans and procedures that offer potential
3 for more efficient or effective territorial services.

4 (5) The regular appraisal and reporting of
5 program performance.

6 Section 5152. Responsibilities of the Governor. The
7 Governor shall direct the preparation and administration
8 of the territorial budget. He shall evaluate the long-
9 range program plans, requested budgets and alternatives
10 to territorial agency policies and programs; and formu-
11 late, and recommend for consideration by the Legislature,
12 a proposed comprehensive program and financial plan
13 which shall cover all estimated receipts and expenditures
14 of the government of Guam for the General Fund and all
15 special funds whether or not their resources are annually
16 appropriated by the Legislature, including all grants,
17 loans and moneys received from the Federal government or
18 other agencies both governmental and non-governmental.
19 Proposed expenditures shall not exceed estimated receipts
20 and surpluses.

21 Section 5153. Responsibilities of the Legislature.
22 The Legislature shall:

23 (1) Consider the program and financial plan
24 recommended by the Governor, including proposed goals
25 and policies, recommended budget, revenue proposals,
26 and proposed long-range program plans.

27 (2) Adopt programs and alternatives to the
28 plan recommended by the Governor as it deems appro-
29 priate.

30 (3) Adopt legislation to authorize the imple-
31 mentation of a comprehensive program and financial
32 plan.

1 (4) Provide for a post audit of financial trans-
2 actions, program accomplishments and execution of
3 legislative policy direction.

4 Section 5154. Responsibilities of the Bureau of
5 Budget and Management Research. The Bureau of Budget and
6 Management Research shall:

7 (1) Assist the Governor in the preparation and
8 explanation of the proposed comprehensive program
9 and financial plan, including the coordination and
10 analysis of territorial agency program goals and
11 objective, program plans and program budget requests.

12 (2) Develop procedures to produce the informa-
13 tion needed for effective policy decision-making.

14 (3) Assist territorial agencies in their state-
15 ment of goals and objectives, preparation of program
16 plans, program budget requests and reporting of
17 program performance.

18 (4) Administer its responsibilities under the
19 program execution provisions of this Act so that the
20 policy decisions and budget determinations of the
21 Governor and the Legislature are implemented to the
22 fullest extent possible within the concepts of proper
23 management.

24 (5) Provide the Legislature with any budget
25 information it may request.

26 Section 5155. Agency program and financial plans.

27 (a) Each department or agency of the government (other
28 than the Legislature and the courts), on the date and in
29 the form and content prescribed by the Bureau of Budget
30 and management Research shall prepare and forward to the
31 Bureau of Budget and Management Research the following
32 program and financial information:

1 (1) The goals and objectives of the agency
2 programs, together with proposed supplements,
3 deletions and revisions.

4 (2) Its proposed plans to implement the goals and
5 objectives including estimates of future service
6 needs, planned methods of administration, proposed
7 modification of existing program services and
8 establishment of new program services, and the
9 estimated resources needed to carry out the proposed
10 plan.

11 (3) The budget requested to carry out its pro-
12 posed plans in the succeeding fiscal year. The budget
13 request information shall include the expenditures
14 during the last fiscal year, those estimated for the
15 current fiscal year, those proposed for the
16 succeeding fiscal year, and explanation of the
17 services to be provided, the need for the services,
18 the costs of the services, and any other information
19 requested by the Bureau of Budget and Management
20 Research.

21 (4) A report of the receipts during the last
22 fiscal year, an estimate of the receipts during the
23 current fiscal year, and an estimate for the succeed-
24 ing fiscal year.

25 (5) A statement of legislation required to
26 implement the proposed programs and financial plans.

27 (6) An evaluation of the advantages and dis-
28 advantages of specific alternatives to existing or
29 proposed programs, policies or administrative methods.

30 (b) The territorial agency proposals prepared under
31 Subsection (a) shall describe the relationships of their
32 program services to those of other territorial agencies,

1 of other governments, and of non-governmental bodies.

2 (c) The Bureau of Budget and Management Research
3 shall assist agencies in the preparation of their pro-
4 posals under Subsection (a). This assistance may include
5 technical assistance; organization of materials; centrally
6 collected accounting, budgeting and personnel information;
7 standards and guidelines formulations; population and other
8 required data; and any other assistance that will help the
9 territorial agencies produce the information necessary
10 for efficient agency management and effective decision-
11 making by the Governor and the Legislature.

12 (d) If any territorial agency fails to transmit the
13 program and financial information provided under Sub-
14 section (a) on the specified date, the Bureau of Budget
15 and Management Research may prepare such information.

16 (e) The Bureau of Budget and Management Research shall
17 compile and submit to the Governor-elect in any year when
18 a new Governor has been elected, not later than November 20,
19 a summary of the program and financial information prepared
20 by territorial agencies.

21 Section 5156. Governor's recommendation. (a) The
22 Governor shall formulate the program and financial plan
23 to be recommended to the Legislature after considering
24 the territorial agency proposed program and financial
25 plans, and other programs and alternatives that he deems
26 appropriate. The plan shall include his recommended goals
27 and policies, recommended plans to implement the goals
28 and policies, recommended budget for the succeeding fiscal
29 year, and recommended revenue measures to support the
30 budget.

31 (b) The Governor shall present the proposed compre-
32 hensive program and financial plan in a message to the

1 Legislature during its January session prior to each
2 fiscal year. The message shall be accompanied by a budget
3 document which shall contain the Governor's recommended
4 goals, plans, and appropriations. The budget document
5 shall be furnished each member of the Legislature and
6 each department or agency of the government. The budget
7 document shall contain the following information:

8 (1) The coordinated program goals and objectives
9 that the Governor recommends to guide the decisions
10 on the proposed program plans and budget appropria-
11 tions.

12 (2) The program and budget recommendations of
13 the Governor for the succeeding fiscal year.

14 (3) A summary of the territory's receipts in
15 the last fiscal year, a revised estimate for the
16 current fiscal year, and an estimate for the
17 succeeding year.

18 (4) A summary of expenditures during the
19 last fiscal year, those estimated for the current
20 fiscal year and those recommended by the Governor
21 for the succeeding fiscal year.

22 (5) Drafts of appropriation bills and revenue
23 measures; and

24 (6) Any additional information which will
25 facilitate understanding of the Governor's proposed
26 program and financial plan by the Legislature and
27 the public.

28 (c) After delivery of the Governor's message, the
29 bills incorporating his recommendations may be introduced
30 in the Legislature in accordance with the provisions of
31 its Standing Rules.

32 Section 5157. Legislative review. The Legislature

1 shall consider the Governor's proposed comprehensive
2 program and financial plan; evaluate alternatives to the
3 Governor's recommendations; and determine the comprehensive
4 program and financial plan to support the services to be
5 provided the citizens of the territory, provided, however,
6 that in such determination authorized expenditures shall
7 not exceed estimated receipts and surpluses.

8 Section 515C. Program execution. (a) Except as
9 limited by policy decisions of the Governor, appropriations
10 by the Legislature, and other provisions of law, the
11 territorial agencies shall have full authority for adminis-
12 tering their program service assignments, and shall be
13 responsible for their proper management.

14 (b) Each territorial agency, (other than the Legislature
15 and the courts), shall prepare an annual plan for the
16 operation of each of its assigned programs. The operations
17 plan shall be prepared in the form and content and be
18 transmitted on the date prescribed by the Bureau of
19 Budget and Management Research.

20 (c) The Bureau of Budget and Management Research shall:

21 (1) Review each operations plan to determine
22 that it is consistent with the policy decisions of
23 the Governor and appropriations by the Legislature,
24 that it reflects proper planning and efficient
25 management methods, that appropriations have been
26 made for the planned purpose and will not be ex-
27 hausted before at the end of the fiscal year.

28 (2) Approve the operations plan if satisfied
29 that it meets the requirements under Paragraph (1).
30 Otherwise the Bureau of Budget and Management
31 Research shall require revision of the operations
32 plan in whole or in part.

1 (3) Modify or withhold the planned expenditures
2 at any time during the appropriation period if the
3 Bureau of Budget and Management Research finds that
4 such expenditures are greater than those necessary
5 to execute the programs at the level authorized by
6 the Governor and the Legislature, or that the
7 receipts and surpluses will be insufficient to meet
8 the authorized expenditures levels.

9 (d) No territorial agency (except the Legislature and
10 the courts); may increase the salaries of its employees,
11 employ additional employees, or expend money or incur
12 any obligations except in accordance with law and with
13 a properly approved operations plan.

14 (e) The Bureau of Budget and Management Research
15 shall report quarterly to the Governor and the Legislature
16 on the operations of each territorial agency, relating
17 actual accomplishments to those planned, and modifying,
18 if necessary, the operations plan of any agency for the
19 balance of the fiscal year.

20 Section 5159. Performance reporting. (a) Each
21 territorial agency (other than the Legislature and the
22 courts), shall submit a performance report to the Bureau
23 of Budget and Management Research on or before September 1
24 for the preceding fiscal year. These reports shall be in
25 the form prescribed by the Bureau of Budget and Management
26 Research and shall include statements concerning:

27 (1) The work accomplished and the services
28 provided in the preceding fiscal year or other
29 meaningful work period, relating actual accomplish-
30 ments to those planned under Subsection (b) of
31 Section 5158.

32 (2) The relationship of accomplishments and

1 services to the policy decisions and budget deter-
2 minations of the Governor and the Legislature.

3 (3) The costs of accomplishing the work and
4 providing the services, and, to the extent feasible,
5 citing meaningful measures of program effective-
6 ness and cost.

7 (4) The administrative improvements made in
8 the preceding year, potential improvements in
9 future years, and suggested changes in legislation
10 or administrative procedures to make further
11 improvements.

12 (b) The Bureau of Budget and Management Research shall
13 summarize the performance reports and forward, through the
14 Governor, copies to the Legislature.

15 Section 5160. Appropriation for unauthorized agencies
16 and programs. In order to insure that appropriations are
17 made only for agencies and programs, or projects, authorized
18 by law, appropriation bills shall be separate from bills
19 creating an agency of government or authorizing a new program
20 or new project. In the submission of annual budgets under the
21 provisions of this Chapter, no request for appropriation
22 for the operation of any agency of government nor any
23 request for appropriation for any new program, or project,
24 which has not been created nor authorized previously by
25 law shall be included in such annual budgets."

26 Section 2. New Sections 5005 and 5005.1 are hereby added
27 to the Government Code of Guam to read as follows:

28 "Section 5005. Creation of Bureau of Budget and
29 Management Research. There is within the Office of the
30 Governor of Guam a Bureau of Budget and Management
31 Research which shall be headed by the Director of
32 Bureau of Budget and Management Research. The Director

1 of the Bureau of Budget and Management Research shall be
2 a member of the unclassified services of the government
3 of Guam. All other positions in the Bureau of Budget and
4 Management Research shall be in the classified services.
5 The Director shall be appointed by the Governor with the
6 advice and consent of the Legislature.

7 Section 5005.1. Duties and responsibilities of the
8 Bureau. In addition to the duties and responsibilities
9 prescribed for the Bureau by the provisions of Chapter III
10 of Title X of the Government Code of Guam, the Bureau of
11 Budget and Management Research shall also have the
12 following duties and responsibilities:

13 (a) Conduct necessary operational planning and
14 management researches and studies to insure that effec-
15 tive planning and management methods are utilized by
16 departments and agencies of the government of Guam.

17 (b) Subject to the approval of the Governor, pres-
18 cribe a budget calendar for the guidance of all executive
19 agencies and a system of quarterly allotments to insure
20 that appropriations and non-appropriated funds are not
21 exhausted beyond the fiscal period for which such
22 appropriations and funds are made available;

23 (c) To institute a system of form control; and

24 (d) Perform such other duties and responsibilities
25 as may be prescribed by the Governor or by law."

26 Section 3. Section 4106 of the Government Code of Guam
27 is hereby amended, where pertinent, by reversing the placement
28 order of the position of Director, Bureau of Budget and
29 Management to read as follows:

30 ".....
31 Director of Revenue and Taxation.....1.....19,000
32 Director of the Bureau of Budget
33 and Management Research.....1.....19,000
34"