



Office of the Speaker **THERESE M. TERLAJE**

I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature
Committee on Health, Land, Justice and Culture

Speaker Supports Legislative Fiscal Policy for FY2022

FOR IMMEDIATE RELEASE (August 31, 2021 – Hagåtña, Guam) Speaker Therese Terlaje has issued the following statement in support of Bill 55-36 (COR) As substituted by the Committee on General Government Operations, Appropriations, and Housing; and amended in the Committee of the Whole - *AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2022, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS:*

“After weighing out the pros and cons, I have voted in favor of the FY22 Budget.

In an historic setting precedent, the FY 2022 budget adds \$20 million to the FY 2021 provision for tax refunds and the cash will allow refunds to be paid faster and for DRT to catch up on outstanding refunds from prior years. With the help of my colleagues, Senators Sabina Perez, Telo Taitague, Joanne Brown, Vicente “Tony” Ada, Jose “Pedo” Terlaje, Clynt Ridgell, and Frank Blas Jr., I was able to pass an amendment that would capture \$20 million in revenues above what was projected for 2021 and place them in a lockbox for tax refunds still outstanding for 2020 and prior years. The budget bill, with this amendment, ensures that additional revenues collected in FY 2021 are used only to pay back tax refunds.

It is my hope that this will signal a change in the culture of prioritizing tax refunds owed to the people of Guam rather than continuing the status quo practice of spending next year’s cash for prior year returns and beginning every fiscal year in the red.

In addition, the budget contains provisions as follows:

- Provides for pay studies for teacher and law enforcement to be completed within months
- Ensures scholarships are prioritized to entice students to enter fields with long standing shortages like healthcare, education, and social work.
- Allows for small agencies to continue to operate at the same levels
- Dedicates all highway fund balances for additional roads as I started several years ago
- Continues to allow agencies with critical needs to hire retirees so that we can fill teacher shortages, nurse shortages, social worker shortages
- Directs savings from bond refinancing in FY22 toward food banks to address the continuing needs of struggling families
- Provides funding for stray dog issue that threatens village safety

However, some of the larger agencies like DPHSS and GMH will be relying on federal funds this year but we have been assured that they are entitled to those funds already under laws passed by Congress. We have also been assured that the Governor has promised to cover any shortfalls for critical healthcare agencies with ARP Funds.

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The FY22 Budget attempts to take the expected new earned income tax reimbursements and set those aside for a new hospital and other uses but I added provisions that I hope will allow Department of Revenue and Taxation the flexibility to enter into an agreement with the federal government to lock those funds directly for refunds as necessary.

This will be my fifth budget since I have been in office that is conservative, and will hopefully result in a surplus instead of a deficit. With an unprecedented amount set aside for tax refunds and a more conscious approach toward budgeting for the government of Guam, it is my hope, that by example, I will continue to lay the foundation for a shift in culture to more fiscal responsibility.

The Legislature has done the best it could with the information available to us, even though the plan for \$600 million in ARP funds has still not been shared by the administration. I sincerely hope the plan will be shared with the people of Guam shortly so we can have a complete picture of how this budget and ARP funds will move our economy forward, improve government services and provide needed assistance and relief to our community.

The annual fiscal budget is the single most important policy document for the government of Guam and the key responsibility of *I Liheslaturan Guåhan*. But a successful budget requires continuous oversight and transparency, adherence to the law and spending priorities contained in the law, and critical checks and balances for the benefit of the people of Guam.”

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For more information, please contact Speaker Therese M. Terlaje’s office at (671) 472-3586 or via e-mail at senatorterlajeguam@gmail.com.