



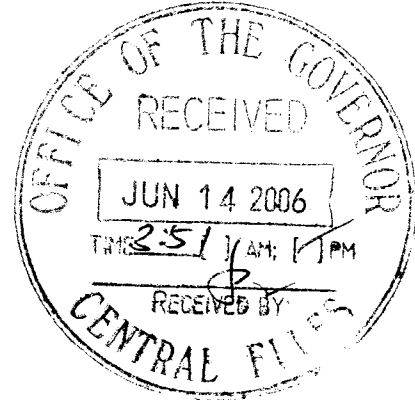
I Mina'Bente Ocho Na Liheslaturan Guåhan

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Senator Edward J.B. Calvo
SECRETARY OF THE LEGISLATURE
Chairman, Committee on Finance, Taxation & Commerce
Office of Finance and Budget

June 14, 2006

The Honorable Felix P. Camacho
I Maga'lahaen Guåhan
Governor of Guam
P.O. Box 2950
Hagåtña, Guam 96932



Dear Governor Camacho:

I Liheslaturan Guåhan enacted Public Law 28-68 which provided a total funding for the Guam Public School System (GPSS) in the amount of \$187.8 M delineated in the following table:

Guam Public School System Appropriations		
GPSS Operations Fund (83.2% W/H taxes, interest, penalties)	160,014,362	
Principal's Fund	555,000	
Textbooks	3,500,000	
<i>Sub-total General Fund</i>		164,069,362
Rodent control and insect treatment for schools	106,000	
Security service in schools	126,400	
Facilities and Maintenance Computer Management	75,000	
Interscholastic Sports	509,246	
Health/Physical Education Activities	324,416	
School Lunch/SAE/Child Nutritional Meal	5,500,000	
Every Child is Entitled to an Adequate Public Education Fund	160,000	
<i>Sub-total Special Funds</i>		6,801,062
School Improvement Fund - debt instrument authorization		17,000,000
Grand Total		187,870,424

Please be advised that after a review of the actual Withholding taxes, interest and penalties collections, and cash received by GPSS to date, it is anticipated that GPSS will receive an amount substantially lower than the mandated \$160M for Fiscal Year 2006. It was the intent and mandate of the Legislature that the GPSS receive a total of \$160M for its operations. The 83.2% earmark of Withholding taxes, interest and penalties for GPSS funding needs was based on your administration's revenue projection

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of \$192,324,954 for this revenue category. Furthermore, the draft revenue statements from the Department of Administration, indicates an overall increase in total revenues thus indicating, as representatives of your administration had publicly stated, that revenues are tracking at the projected level.

Unfortunately, the one revenue category pegged for GPSS has lagged behind the forecasted amount. Be that as it may, your administration could have transferred funds (as authorized in P.L. 28-68) to assist GPSS in receiving the amounts mandated by law. If the government of Guam is tracking the estimated \$435M in revenues, somewhere along the line, someone or some entity is receiving those revenues which were in excess of projections. Please be advised that the Legislature intends to ensure that the GPSS receives its total appropriation as mandated by P.L. 28-68 and seeks your cooperation in ensuring the same. No further action of the Legislature will be required if the administration uses the authority granted to it by present public law. If the administration fails to act, then the Legislature will be compelled to take further measures to remedy the funding shortfall currently affecting the Guam Public School System.

Si Yu'os Ma'åse!



Senator Edward J. B. Calvo

cc: Acting Superintendent, GPSS
Chairman, Guam Education Policy Board