



TERRITORY OF GUAM  
OFFICE OF THE GOVERNOR  
AGAÑA, GUAM 96910  
U. S. A.

**EXECUTIVE ORDER NO. 2002-04**

**RELATIVE TO IMPLEMENTING THE LAY-OFF PROCEDURES CONTAINED IN APPENDIX B OF THE DEPARTMENT OF ADMINISTRATION'S PERSONNEL RULES AND REGULATIONS THROUGHOUT THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM.**

**WHEREAS**, information has been compiled from the Bureau of Budget and Management Research indicating that the cash shortfall of the government of Guam is expected to be at least \$60 Million by the end of the fiscal year, and that this action is necessary; and

**WHEREAS**, the first quarter of the Fiscal Year has already passed, and the first quarter has yielded \$18 Million less in cash than the first quarter for Fiscal Year 2001; and

**WHEREAS**, pursuant to the requirements of the Budget Act for Fiscal Year 2002, the Bureau of Budget and Management Research has reduced the available allotments to the various departments agencies, proportionately, based on the reduced revenues; and

**WHEREAS**, the allotments of cash that are available to the various departments and agencies will not cover the expenses of the current payroll throughout this fiscal year; and

**WHEREAS**, all avenues of covering the shortfall have been explored, including proposals to the Legislature to implement a Pension Bond which would have alleviated some significant costs to the government, to reduce all government salaries by 10%, to increase the Gross Receipt Tax by 2%, to suspend the operation of the "Dave Santos Act" which allows those businesses that make up to \$500,000 per year to excuse the first \$50,000 of their earnings from Gross Receipt Tax, and to raise fees on other government aspects to match the cost of doing business; and

**WHEREAS**, none of the proposals have been adopted, and in fact, have been resoundingly rejected by 100% of the senators of the Guam Legislature; and

**WHEREAS**, there is no other option now available to meet the cash needs of the government of Guam for this fiscal year without implementing lay-off procedures to reduce personnel costs; and

**NOW, THEREFORE, I, CARL T.C. GUTIERREZ, I Maga'Lahen Guåhan, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, as amended, do order:**

- 1. Implementation of lay-off procedures contained in Department of Administration's Personnel Rules and Regulations. All departments and agencies of the Executive Branch shall implement the lay-off**



procedures contained in the Department of Administration's Personnel Rules and Regulations.

2. **Duration of lay-off procedures.** A Sixty (60) day notice shall be delivered to all employees, pursuant to Appendix B, as soon as possible so that the process can begin immediately. The process contained in Appendix B of the Department of Administration's Personnel Rules and Regulations, entitled "Government of Guam Departmental/Agency Procedures for Layoff, Demotion, or Salary Reduction pursuant to Section 13 of Public Law 17-5" shall begin on the effective date of this Executive Order and shall continue until the allotments for the departments and agencies of the government will be enough to pay the current expenses of each of the departments and agencies of the government. The adequacy of the allotments to pay the current expenses shall be determined by the Bureau of Budget and Management Research.

**SIGNED AND PROMULGATED at Hagåtña, Guam this 5th day of March, 2002.**

A handwritten signature in black ink, appearing to read "Carl T. C. Gutierrez", written over a horizontal line.

**CARL T. C. GUTIERREZ**  
**I Maga'Lahen Guåhan**  
**Governor of Guam**