EXECUTIVE ORDER NO. 2012- 14

RELATIVE TO REDUCING HOLIDAY PAY TO MITIGATE THE GOVERNMENT OF GUAM FINANCIAL CRISIS.

WHEREAS, my administration came to office with the heavy burden of making needed changes that oftentimes called for sacrifice. We demanded accountability and excellence in public service. We curbed millions of dollars in spending by suspending pay raises and increments, and by making other changes to the way government operates; and

WHEREAS, *I Liheslatura* still fails to recognize the absolute need to cut spending and refuses to take action where they have a fiduciary responsibility to taxpayers to take action; and

WHEREAS, failure to act will again result in taxpayers waiting for their tax refunds as the inaction of *I Liheslatura* will again shortchange the Provision for Tax Refunds; and

WHEREAS, there are options available to *I Maga Lahi* to cut spending using the executive authority of the Governor; however, these options represent only a fraction of spending cuts necessary unless *I Liheslatura* leaves *I Maga Lahi* with no other option but to separate government employees from service involuntarily; and

WHEREAS, The federal Fair Labor Standards Act (FLSA) does *not* impose upon employers the obligation to compensate non-exempt employees at a rate of double their regular rate of pay or above the employee's normal pay rate; however, non-exempt government of Guam employees have, either by Administrative Rule 7.700B or by specific statute, have enjoyed "double pay" for holidays worked; and

WHEREAS, the taxpayers can no longer afford to compensate public employees for holiday pay at double their normal pay rate and must adjust the rate as consistent with federal and local law, where applicable, in order to save more than $4 million annually;

NOW, THEREFORE, I, EDWARD J.B. CALVO, *I Maga Lahen Guahan,* Governor of Guam, by virtue of the power vested in me by the Organic Act of Guam, as amended, and all other applicable laws, do hereby promulgate the following Executive Order, to take immediate effect:

1. The Director of Administration is directed to amend Section 7.700B of the Department of Administration's Personnel Rules and Regulations to reduce the compensation for holiday pay from double the employee's hourly rate to one and ½ times the employee's hourly rate, to read as follows: "Employees who are required, because of an emergency or other reasons, to work on holidays (or their equivalent day) shall be paid at a rate equivalent to ~~double~~ one and ½ times their hourly rate of pay exclusive of any additional pay, except as otherwise provided by statute."

2. The Director of Administration is directed to effectuate the change immediately, subject to the notice and applicable requirements under the Rule-making provisions of the Administrative Adjudication Law.
3. All prior rules, regulations, policies, memoranda, or Executive Orders in conflict with this Executive Order are hereby rescinded to the extent of any conflict, upon enactment of this change in rule in accordance with the Administrative Adjudication Law.

SIGNED AND PROMULGATED at Hagatna, Guam this Twenty-first day of September, 2012.

EDWARD J.B. CALVO
I Maga Lahen Guahan
Governor of Guam

COUNTERSIGNED:

RAYMOND S. TENORIO
I Segundu na Maga Lahen Guahan
Lieutenant Governor of Guam