



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

EXECUTIVE ORDER NO. 95-01

CASH MANAGEMENT DIRECTIVE FOR
REMAINDER OF FISCAL YEAR 1995

WHEREAS, the estimated revenues of the General Fund of the government of Guam have fallen from Fiscal Year 1992 to Fiscal Year 1995; and

WHEREAS, although the government's actual cash receipts increased in Fiscal Year 1993 over 1992, they have since declined significantly between 1993 and 1994; additionally, despite the best efforts of the present method of estimating revenues, actual cash receipts have fallen below estimated revenues, but not appropriation levels, for Fiscal Years 1993 and 1994; and

WHEREAS, for Fiscal Years 1992, 1993, 1994, and 1995, the estimated revenues contained in the respective General Appropriation Acts, and the Department of Administration's records of actual cash receipts for the same Fiscal Years, are as follows:

<u>FISCAL YEAR</u>	<u>ESTIMATED REVENUES</u>	<u>ACTUAL CASH RECEIPTS</u>
1992	\$ 652,816,440	\$ 556,507,708
1993	\$ 635,347,901	\$ 561,488,069
1994	\$ 576,000,000	\$ 501,465,200
1995	\$ 540,164,800	only two month's data available

WHEREAS, the government has authorized allotments to spend in excess of the estimated revenues and in excess of the actual cash receipts for the past several fiscal years; and



WHEREAS, the deficit-spending mode that has become prevalent has made it increasingly difficult for the government to meet its current obligations and provide the level of quality service expected and deserved by our people; and

WHEREAS, immediate action is required in order to put Guam's economic house in order so that the territory can continue to prosper and all of our people can benefit;

NOW, THEREFORE, I, CARL T. C. GUTIERREZ, by virtue of the authority vested in me as Governor of Guam, do hereby order:

- 1. EXPENDITURE OF FUNDS IN COMPLIANCE WITH THIS EXECUTIVE ORDER:** For territorial agencies, all personnel actions, travel authorizations, authorization of overtime and night differential pay, signing and execution of contracts shall be made as specified herein. All expenditures of money from funds other than the General Fund, and monitoring of agencies not receiving money from the General Fund, shall also be made as specified herein. These actions shall be taken in order to ensure the availability of cash for general operations throughout the government;
- 2. DEFINITION OF TERRITORIAL AGENCY:** As used in this Executive Order, "territorial agency" includes, but is not limited to, any office, department, institution, board, bureau, commission, council, authority, or committee of territorial government, the Guam Memorial Hospital Authority, Guam Mass Transit Authority, and the Guam Visitors Bureau, all of which receive full funding, or full or partial subsidies, from the General Fund. For purposes of this Executive Order, territorial agency does not include the Superior Court of Guam, the Public Defender Service Corporation, or the University of Guam;



3. **CONTROL OF EXPENDITURE OF FUNDS:** All territorial agencies shall comply with the following:

I. **PERSONNEL ACTIONS:**

A. **Vacancies:** All territorial agencies desiring to fill a vacant position or have a new position created shall submit a request to the Bureau of Budget and Management Research (hereinafter "BBMR") for approval. This approval shall ensure compliance with law and shall ensure that positions essential to public health, safety, welfare, or vital to government operations are filled. BBMR shall inform the Governor immediately of each request. Additionally, no BBMR allotments shall be made in excess of cash receipts, so that the obligations incurred pursuant to release of allotments shall have sufficient cash for their payment. Any action taken in violation of this Executive Order shall be null and void. Approval of filling any vacancy or new position may be granted if:

- (1) the position is critical to the agency's operation and failure to fill such a position will result in the program or agency's inability to fulfill major agency objectives; or
- (2) the position is vital for the provision of essential government functions directly related to public health, safety, or welfare; or
- (3) the position is fully funded by the federal government and approved in the grant application as evidenced in writing by the appropriate federal official; or



- (4) the position is essential to the collection of revenue; or
- (5) the position is mandated by local or federal law or an existing contract.

B. **Promotions:** Any promotion, or position upgrading, by any territorial agency may be approved by BBMR only if the guidelines established in Paragraph A are met. BBMR shall inform the Governor immediately of each request for promotion or position upgrading.

II. **TRAVEL REQUESTS:** All off-island travel shall be subject to BBMR's final approval. BBMR shall inform the Governor immediately of each request for travel. All air travel taken by government employees, officers, and officials shall be at the lowest fare possible. Except for unusual circumstances, no more than one (1) traveler shall attend the same seminar or training session. All travel requests shall be submitted to BBMR for review at least fifteen (15) working days prior to the commencement date of travel. The travel may be approved if:

- A. The travel is essential to the conduct of pending important government business. This includes accompanying patients or inmates to off-island institutions; or
- B. The travel may result in securing additional revenues to the territory, achieve current or future cost-savings or government operations, programs or relate to the agency's priority work program activities; or
- C. The travel is required per existing contracts, public law or rule; or
- D. The travel is paid from a federal grant;



III. OVERTIME AND NIGHT DIFFERENTIAL PAY: All territorial agencies shall minimize the scheduling of employees which may result in accrual of overtime or night differential payment. Payment for overtime or night differential shall be made only if claims are documented and presented within two (2) weeks of work. Each territorial agency shall adopt an overtime plan for approval by BBMR. Overtime shall be a management tool of last resort.

IV. CONTRACTS:

A. Contracts - General: All contracts specified herein and proposed by any territorial agency shall be approved by BBMR. BBMR shall inform the Governor immediately of each such proposed contract. Each agency must certify that all laws and regulations governing a contract be complied with. After approval, the contract shall be submitted to the Attorney General. All contracts shall be submitted to BBMR at least thirty (30) days prior to their effective date.

B. Office Space: All proposed contracts or renewals for office space shall be approved only if:

1. adequate space is not available in any public building; and
2. the space requested is the minimum space required; and
3. the lowest responsible bidder has been selected; and
4. funding is available or will be available for the entire length of the contract;

C. Procurement: All contracts shall be accompanied by the following before approval:



1. a copy of the specifications in the request for proposal (RFP) as well as the submitted proposal; and
2. a copy of the previous contract, if a renewal; and
3. evidence of funding to meet the obligations; and
4. justification showing that procurement from the supplier is the most cost-effective means.

D. Off-Island Recruitment and Consultant Contracts:

All off-island recruitment and consultant contracts shall be approved by BBMR. The territorial agency shall indicate that the proposed contract complies with all applicable laws and regulations. The territorial agency shall submit proof that the funding for the contract is available throughout the entire contract period.

E. Services and All Other: Executive agencies seeking contractual arrangements shall submit proposals to BBMR for approval. The proposals shall indicate:

1. the agency's inability to perform the services in-house; and
2. a cost savings assessment; and
3. that funding is available for the entire contractual period.

V. AUTHORIZATION TO RELEASE MONEY FROM FUNDS

OTHER THAN GENERAL FUND: The Director of BBMR is authorized to release money from funds other than the General Fund only upon compliance with the requirements set out in this executive order.



VI. MONITORING OF AGENCIES WHICH DO NOT RECEIVE APPROPRIATIONS FROM THE GENERAL FUND:

All agencies which are not within the definition of "territorial agencies", and which are operating without appropriation from the General Fund, shall submit quarterly cash flow statements, financial statements, and staffing patterns to BBMR. Agencies shall also submit copies of their current fiscal year budgets to BBMR upon approval by their respective boards and commissions. In order to fulfill the obligation of these agencies to also provide the level of quality service expected and deserved by our people, these agencies should also submit to BBMR all requests to fill vacancies, for promotions, for travel, for overtime and night differential pay, and for contracts.

SIGNED AND PROMULGATED at Agana, Guam this 3rd day of January, 1995.

CARL T. C. GUTIERREZ
Governor of Guam

COUNTERSIGNED:

MADELEINE Z. BORDALLO
Lieutenant Governor of Guam