



OFFICE OF THE GOVERNOR
HAGÁTÑA, GUAM 96932
U. S. A.

EXECUTIVE ORDER NO. 2011-01

RELATIVE TO DIRECTING DEPARTMENT AND AGENCY HEADS TO DEVELOP AND RECOMMEND COST REDUCTION, COST CONTAINMENT, OPERATIONAL EFFICIENCY AND REVENUE ENHANCEMENT MEASURES.

WHEREAS, the Department of Administration's Cash Flow Projection for FY2011, submitted to the Transition Committee's Finance Subcommittee on December 21, 2010, reflects negative cash balances to the end of the fiscal year; and

WHEREAS, the **draft** General Fund Revenue Statements submitted to the Transition Committee's Finance Subcommittee on December 21, 2010, for the month ending September 30, 2010, reflect actual revenues to be \$35.6M below projected revenues for the year; and

WHEREAS, the **draft** General Fund Financial Statements, submitted to the Transition Committee's Finance Subcommittee on December 21, 2010, for fiscal year ending September 30, 2010, reflect expenditures over revenues of \$88.8M; which condition will exacerbate the General Fund deficit; and

WHEREAS, the same **draft** General Fund Financial Statements indicate accounts payable of \$90M, a liability for Tax Refunds of \$287M, and cash overdrafts of \$17.7M among the General Fund liabilities; and

WHEREAS, the Public Auditor is being requested to provide an independent assessment of the Government of Guam's liabilities, to include long-term and short-term debt as well as to determine the financial impact of the Hay Pay Plan implementation; and

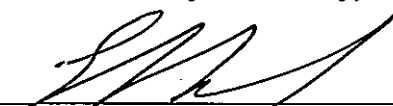
WHEREAS, finding solutions to the Government's financial challenges require collaboration and cooperation of all government entities;

NOW, THEREFORE I, EDWARD J. B. CALVO, *I Maga'låhen Guahan*, Governor of Guam, by virtue of the power invested in me pursuant to the Organic Act of Guam, as amended, do order:



1. All heads of departments, agencies or other government entities, including autonomous and semi-autonomous agencies, to reassess their respective department/agency operations and current budget and to develop and recommend short and long-term cost-reduction and cost-containment measures without affecting service and operational efficiency. Such recommendations shall be accompanied by a plan of action to effectuate each measure.
2. All heads of departments, agencies or other government entities, including autonomous and semi-autonomous agencies, to develop and recommend revenue enhancement measures.
3. Items 1 and 2 above shall be submitted **no later than 21 days** after promulgation of this Executive Order to the Bureau of Budget and Management Research who shall compile and report the foregoing recommendations for submittal to the Office of *I Maga'låhen Guahan*.
4. While assessments and recommendations by the Public Auditor and the heads of government entities are being conducted and developed, all requests for personnel action, to include but not limited to recruitments, transfers, promotions, reinstatements, reemployment and limited term appointments, but excluding any and all federally funded positions, which were approved previous to January 3, 2011 and currently pending action by the Department of Administration (DOA) and Bureau of Budget & Management Research (BBMR), shall be held in abeyance until further notice. DOA shall submit a summary of these pending requests to the Office of *I Maga'låhen Guahan*. Exceptions to this Order shall be for positions directly affecting health, education and public safety, which shall be resubmitted to the Bureau of Budget and Management Research.

SIGNED AND PROMULGATED at Hagåtña, Guam this 10 day of January, 2011.



EDWARD J. B. CALVO
I Maga'låhen Guahan
Governor of Guam

COUNTERSIGNED:



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

