



EXECUTIVE ORDER NO. 2013-004

**RELATIVE TO LIFTING THE FREEZE ON
SALARY STEP INCREASES FOR ALL
GOVERNMENT OF GUAM EXECUTIVE BRANCH
EMPLOYEES BY RESCINDING EXECUTIVE
ORDER NO. 2011-14**

WHEREAS, this office took steps to curtail a cash crisis, a growing deficit, and the structural imbalance of the General Fund since the start of this administration. Part of the comprehensive fiscal plan toward stability included the freeze on salary step increases for classified employees and raises for unclassified employees, which was ordered on October 12, 2011 through Executive Order No. 2011-14; and

WHEREAS, because of these efforts and the sacrifices of government of Guam employees, for the first time in decades structural balance has been restored to the General Fund, cash flow is positive, and the cumulative deficit has been replaced by a surplus; and

WHEREAS, the decades of fiscal mismanagement led to the withholding of retirement benefits, tax refunds, public services, and other unpaid fiscal obligations. Government was, in essence, living beyond its means, promising core services to its constituents and compensation to its employees it simply could not afford; and

WHEREAS, it was necessary to curtail spending, be honest with taxpayers and with government employees about the condition of their government, require sacrifice from all quarters, and operate under austerity until this government could once again afford the promises it had made. This included the freezing of increments, among other financial decisions inclusive of the implementation of the 15 percent reserve, the suspension of the pay adjustment plan, massive attrition, and others; and

WHEREAS, thanks to the patience and sacrifice of government of Guam employees, the formula worked. Since December of 2012 the government of Guam has been in a position of increasing fiscal strength, able to pay tax refunds on time, operate services within budget, and begin to pay down outstanding liabilities, such as overtime and the meritorious bonuses; and

WHEREAS, now is the time to alleviate the burden that has been placed on government of Guam Executive Branch employees, and to reduce the sacrifices they have been making to set this government on the road to fiscal recovery. Indeed, the government of Guam now is in an increasing position of fiscal strength.




NOW, THEREFORE, I, EDWARD J.B. CALVO, *I Maga'lahaen Guahan*, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, as amended, do order:

1. Effective upon my signature below Executive Order No. 2011-14 is rescinded, and salary step increases for all classified employees and raises for unclassified employees of the Executive Branch shall commence as the law, rules and regulations allow.
2. All increments earned during the period of the freeze shall be paid by the Director of Administration to all eligible employees of all line agencies and the Department of Education.
3. All increments earned during the period of the freeze by the employees of the other semi-autonomous and autonomous agencies, public corporations and instrumentalities of the government shall be paid by those agencies, in conformance with their budgetary authorizations.

SIGNED AND PROMULGATED at Hagatna, Guam this Thirtieth day of May, 2013.





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