



I Mina'trentai Unu na Liheslaturan Guåhan

The 31st Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com

Tel: (671)472-3545 • Fax: (671)472-3547

September 1, 2011

All Senators

I Mina'trentai Unu na Liheslaturan Guåhan

155 Hesler Place

Hagåtña, Guam 96910

Dear Colleagues,

Hafa adai. In light of the unfortunate veto of Substitute Bill No. 145-31, a shutdown of our government has become a real possibility. While we believe a shutdown to be unacceptable, the governor has made it clear that there is no compromise. He has offered two options: his way, or the highway. Neither option is good for the people we have been elected to serve.

We are all aware that the governor's original budget submittal contained a borrowing plan based on numbers that were not adequately explained. We are well aware that the \$343 Million bond borrowing proposal would push the limits of our debt ceiling, in a time of grave uncertainty that we will be provided the federal funding upon which our local government has become highly dependent. As if that isn't enough, the governor's team indicated that part of the proposed borrowing is to pay for obligations that will not be due for another year.

We urge you to consider that Substitute Bill No. 145-31, while providing a more frugal borrowing package, includes mechanisms to pay past due and future tax refunds, to avoid government layoffs, and to keep our government running, without unnecessarily and irresponsibly maxing out our debt limit in such precarious financial times. This borrowing package truly meets the Governor halfway, at \$180 Million, providing for slightly more than half of his request. There is also a \$105 Million set aside as a provision to pay for upcoming tax refunds. We believe that if the governor is serious about paying for tax refunds, our government will be able to pay for past due refunds, and stay current, resolving this concern by the end of Fiscal Year 2012.

Also important to consider in light of our financial standing, is that Substitute Bill No. 145-31 contains provisions tied to over \$50 Million in federal funds that we *hope* to receive as just a portion of the funding the Federal Government provides to Guam.

Although the governor has spent a great deal of time expressing concern over the possible effects that the federal cuts will have on the buildup, there has been little concern regarding the *trillions of dollars* worth of cuts in federal spending that are certain to affect our government operations and services, aside from even the military buildup itself.



Letter to Senators, *I Mina'trentai Unu Na Liheslaturan Guahan*

Re: Veto of Substitute Bill No. 145-31 (COR)

September 1, 2011

Page 2

Cuts will take place in *every* department that provides federal dollars for Guam, including Agriculture, Commerce, Defense, Education, Energy, Health & Human Services, Homeland Security, Housing & Urban Development, Interior, Justice, Labor, Transportation, Veterans Affairs, the Environmental Protection Agency, and the Small Business Administration. Even Medicare and Social Security funding will take a hit.

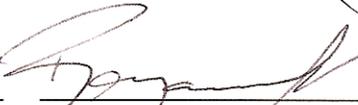
How, in good conscience, can this Legislature support a proposal that pushes our island to the limits of our debt while ignoring the uncertainty in our nation's capitol? How can we consider ourselves responsible elected officials if we turn a blind eye to the realities of the fiscal problems that will affect every American in every state and territory? The most sensible option before us is to override the Governor's veto and give our government the ability to float a bond without having to raise the debt ceiling, while also limiting our exposure to what is happening on a national level.

We urge you to join us and support an override of the Governor's veto of Substitute Bill No. 145-31. Our government will be frugally funded, our people can keep their jobs, we can pay out tax refunds, and we will be able to move forward without crushing our future generations with an insurmountable burden of debt. Please give our people some measure of hope in these very trying times. *Si Yu'os Ma'ãse'.*

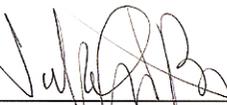
Very truly yours,



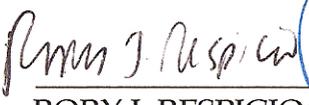
JUDITH T. WON PAT ED.D
SPEAKER



BENJAMIN J.F. CRUZ
VICE-SPEAKER



TINA ROSE MUÑA BARNES
LEGISLATIVE SECRETARY



RORY J. RESPICIO
MAJORITY LEADER
AND RULES CHAIR



JUDITH P. GUTHERTZ DPA
ASST. MAJORITY LEADER
AND MILITARY BUILDUP CHAIR



vicente c. pangelinan
APPROPRIATIONS CHAIR



THOMAS C. ADA
PUBLIC UTILITIES CHAIR



ADOLPHO B. PALACIOS
JUDICIARY & PUBLIC SAFETY CHAIR