



Government of Guam

Citizen-Centric Report | FY 2019

October 1, 2018 - September 30, 2019

ABOUT US

In 1950, the U.S. Congress provided Guam with an Organic Act that organized GovGuam as a constitutional government comprise of locally elected executive and legislative branches and an appointed judicial branch. The executive branch is led by a governor and lieutenant governor. The governor and lieutenant governor are elected as a team, by popular vote, and they serve a four-year term, with a limit of two consecutive terms.

Guam, the largest island of the Mariana Islands' chain and the Micronesian islands, is the most populous and economically developed Micronesian island in the Western Pacific. It has a unique relationship with the United States as it is considered to be an unincorporated territory. It maintains an American community, a government system modeled after the U.S., the American dollar as the official currency, and because of Guam's geographic location over the international dateline, the island has earned a distinction as, "*Where America's Day Begins*".

The island of Guam, best known for its tropical climate, sunny weather and sandy beaches. The official language in Guam is Chamorro and English. Average day temperature is 85 degrees Fahrenheit.



Governor Lou Leon Guerrero
Lieutenant Governor Josh Tenorio

MISSION STATEMENT

We, the leaders of the Leon Guerrero-Tenorio Administration, are passionately committed to serve with excellence, to restore our people's faith and trust in their government, and to improve our quality of life.

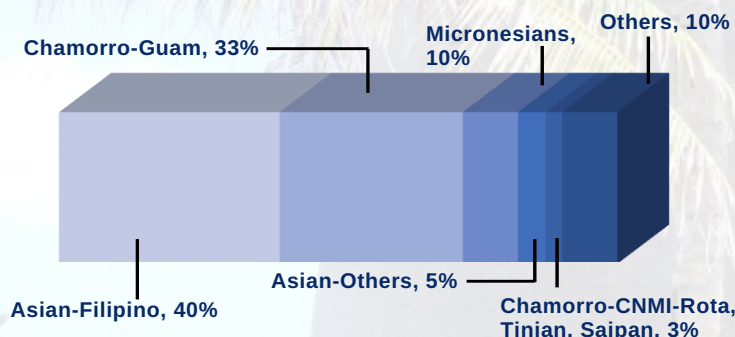
VISION

To build a government that is fair, safe, compassionate, and prosperous for our people.

GOALS AND PRIORITIES

The Leon Guerrero-Tenorio administration is committed to creating a more efficient government and fiscal responsibility. The Administration has focused on stabilizing the finances, collecting taxes due, maximizing cost contributions from federal fund sources and collecting this funding and reviewing spending priorities.

RACE & ETHNICITY



DEMOGRAPHICS

	2018	2019
Population	165,177	166,658
Unemployment Rate	4.93%	5.31%

Our Performance

FINANCE	2018	2019	Improve	Decline
Changes in net position	-0.7%	318.9%		556%
Intergenerational equity	98.8%	103.7%		5%
Level of unrestricted net position	-285.1%	-262.5%		-8%
Level of unassigned general fund balance	-26.8%	-20.9		-22%
Revenue dispersion (controlling revenues)	37.8%	40.3%		7%
Debt to asset	246.2%	223.8%		-9%
Capital asset condition	52%	50%		-4%
Debt per capita	\$25,215	\$22,614		-10%
Taxes per capita	\$4,528	\$4,605		2%

Perfometer methodology developed by Crawford & Associates, LLC.

PUBLIC SAFETY	2018	2019	Improve	Decline
OAG				
Felony and misdemeanor cases filed	1,414	1,326		-6%
Family violence	377	366		-3%
Drug cases	272	227		-17%
JOG				
Possession of scheduled II controlled substance	302	150		-50%
Family violence	287	377		31%
Driving while impaired	198	237		20%
Total case filings	11,021	11,888		8%

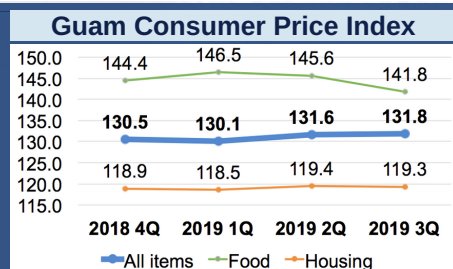
TOURISM	2018	2019	Improve	Decline
Tourist water-related incidents	35	20		-43%
Visitor's arrivals	1,525K	1,626K		7%

EDUCATION	2018	2019	Improve	Decline
GDOE				
Cohort graduation rate	84.5%	87.3%		3%
Dropped out	254	302		19%
GCC				
GCC CTE Enrollment	2,719	2,754		1%
# of graduates	11,087	8,307		-25%
UOG				
Enrollment	3,547	3,501		-1%
# of graduates	598	621		4%

TRANSPORTATION	2018	2019	Improve	Decline
Port Authority of Guam				
Container Cargos count	90,923	84,954		-7%
Non-containerized/breakbulk cargoes (tonnage)	116,168	136,588		18%
GIAA				
Arrivals	1,625,932	1,715,346		5%
Departures	1,596,054	1,720,562		8%
Incoming mail (metric tons)	4,387	4,762		9%
Outgoing mail (metric tons)	2,085	2,118		2%

HEALTH	GOAL	ACTUAL	Improve	Decline
GMHA				
Radiologist reports turn around w/in 24 hours	90%	93%		
Avg. time of patient holding in emergency room	< 4hrs.	16 hrs. 55 minutes		
Hand hygiene compliance	100%	97%		
Medication errors	< 1.0%	0.9%		

To learn more about your government's performance, please visit <https://www.opaguam.org/audits-mandates/citizen-centric-reports-ccrs>.



WHERE OUR MONEY CAME FROM

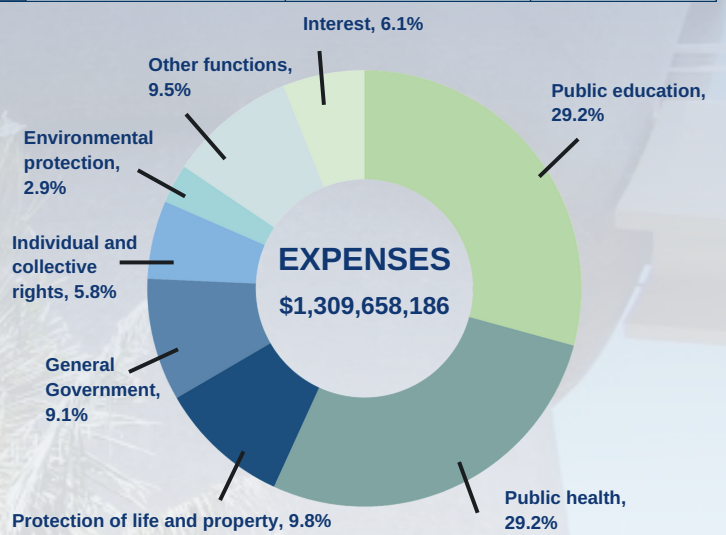
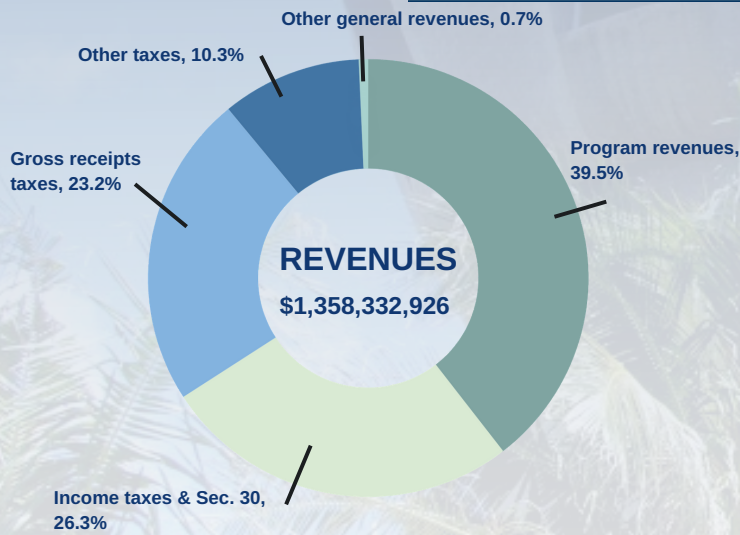
Revenues	2018	2019	% Change
Program Revenues	\$ 464,699,927	\$ 536,695,396	15.5%
Income taxes & Sec. 30	395,919,136	357,834,047	-9.6%
Gross receipts taxes	269,684,874	314,946,414	16.8%
Other taxes	125,782,496	139,391,803	10.8%
Other general revenues	9,654,249	9,465,266	-2.0%
Total Revenues	\$ 1,265,740,682	\$ 1,358,332,926	7.3%

The growth of tax revenues was primarily due to an increase in gross receipts taxes, property tax, and tobacco tax. The income tax revenues decreased as a result of Tax Cuts and Jobs Act 2017.

WHERE OUR MONEY WENT

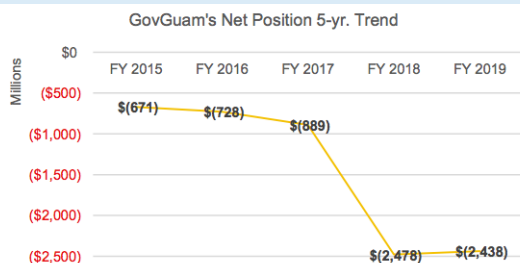
In FY19, expenses increased in public health (\$47.4M), transportation (\$15.1M), and interest (\$4.5M) compared to FY18.

Expenses	2018	2019	% Change
Public education	\$ 391,227,309	\$ 382,743,265	-2.2%
Public health	314,209,429	361,563,089	15.1%
Protection of life	136,607,357	128,222,312	-6.1%
General Government	126,118,109	118,949,721	-5.7%
Individual and collective rights	77,893,126	75,982,993	-2.5%
Environmental protection	43,593,595	38,164,675	-12.5%
Other functions	116,674,649	124,326,181	6.6%
Interest	75,188,590	79,705,950	6.0%
Total Expenses	\$ 1,281,512,164	\$ 1,309,658,186	2.2%



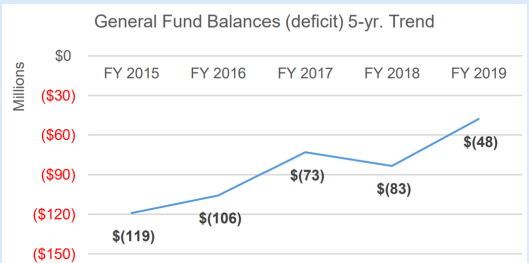
Financial Highlights

- GovGuam's net position deficit decreased from \$2.478 billion to \$2.438 billion. OPEB liabilities and capital lease obligations contributed to reducing GovGuam's deficit, decreasing the debt per capita from \$25,215 to \$22,614 in fiscal year 2019.
- Total revenues increased by \$92.6M mainly due to the operating grants and contributions, and gross receipt taxes.
- GovGuam's revenue dispersion ratio increased to 40.3% compared to 37.8% in fiscal year 2018. Controlling revenues increased by 74% (\$68.4M) and non-controlling revenues increased by 26% (\$24.2M).
- Total expenses increased by \$28M mainly due to higher public health expenses. The largest expenses were for public education (\$382.7M), public health (\$361.6M), and protection of life and property (\$128.2M). The Chamorro Lands (permanent fund) reduced the change in net position by \$8.6M due to the interest and investment earnings loss.
- Tax abatements represent reductions in tax revenues. Total tax abatement is \$19.3M (Guam Registered Apprenticeship Program (\$4.4M), Qualifying Certificate Program (\$14.9M), and Special Hotel Qualifying Certificate Program (\$6.7K).
- General fund budgetary highlights: actual revenues collected exceeded projection by \$34.8M; actual budgetary expenditures were lower than the final appropriation by \$24.6M. The budget was balanced by a combination of raising revenues by increasing Business Privilege Tax (Gross Receipts Tax) by 1% to 5% and by constraining spending.



GovGuam ended with \$40.1M surplus that decreased the deficit.

General fund balance improved by 43% in FY19.



Civilian Development

- Construction of a new 340 luxury hotel
- Planning application for a new 246 room hotel near the Guam International Airport Authority



Military build-up efforts

- 189 military construction projects in progress
- The FY2019 National Defense Authorization Act included \$448.5 million for Guam infrastructure



Infrastructure

- New cell at the Layon landfill site
- Infrastructure stimulation at Guam International Airport Authority, Guam Waterworks Authority, and Guam Power Authority



Hospitality Investments

- New hospitality investments such as Olive Garden, Red Lobster and Jollibee
- Proposal by a Japanese retailer to open retail store in Tamuning



OUR CHALLENGES



COVID-19 outbreak effect on tourism industry

Dip in Japanese tourist arrivals associated with international tensions between the United States and North Korea



Shortages in labor due to U.S. federal restrictions

Reduction in Income and Section 30 taxes revenues due to the Tax Cuts and Jobs Act 2017



Despite the growth Guam is facing, there is a myriad of possible global health, economic, political uncertainties, as well as potential natural disasters that could weaken the anticipated continued growth scenario.



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