

Forecasting our budget season

Written by BY SEN. BEN PANGELINAN
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THROUGHOUT each year, the people of Guam enjoy either the sunny or the rainy season. Oftentimes, Guam's weather forecasts are predictable on any given week depending on the season. Such is the same with the Guam Legislature during the time in which the government of Guam budget for the upcoming fiscal year is to be analyzed, formulated and debated on the legislative session floor.

As the chairman of the Guam Legislature Committee on Appropriations, I have oversight over the Office of Finance and Budget (OFB). Although the committee and the Guam Legislature received the governor's Executive Budget Request at the end of January of this year, that document did not include the details and supporting documentation backing the expenditure levels that the governor had estimated in his original submission. It is subsequent to the governor's January budget submission that the Committee and the OFB continued to receive the detailed budget requests from the Bureau of Budget and Management Research (BBMR) for all the government of Guam line agencies, and from the specific semi-autonomous agencies of their detailed budget requests inclusive of our third branch of government, the Unified Judiciary of Guam.

It was just a short week ago on May 1, that the committee and the OFB received all the detailed budget requests of all the line and semi-autonomous agencies of the government of Guam. We are now prepared to embark on the full analysis and review of the governor's budget proposal. This marks the beginning of budget season for the Guam Legislature and it is typical that budget hearings are scheduled during the summer months with plans to ensure a budget is passed by the Guam Legislature by the statutory deadline in the month of August each fiscal year.

It is during this legislative budget season that our three branches of government collaborate to ensure that all the government departments and agencies are funded adequately, properly and prudently for the upcoming fiscal year. The committee and the OFB work diligently with the BBMR, the Department of Administration, the Department of Revenue and Taxation, the Guam Economic Development Authority, the Guam Visitors Bureau Research Division, the Office of Public Accountability, economists within the Department of Labor and the Bureau of Statistics and Plans, and other agencies within the government through both the Special Accounting Service and the Special Economic Service. We will gather accurate and relevant data that will assist the committee and the OFB in its analysis and review of both the projected revenues and the expected expenditures of the government.

As we continue to move through the month of May, the committee plans to hold budget hearings during the end of this month to continue throughout the summer months. Through these budget hearings, the committee hopes that collaboration and cooperation can be achieved between the legislative and executive branches of the government such that it is ensured that it has all the accurate information, justifications, and supporting documents relevant to what the governor submitted back in January.

In an effort to continue to uphold transparency, the OFB has created a webpage dedicated to

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the Fiscal Year 2015 detailed budgets that the OFB had received from the BBMR and the other semi-autonomous agencies. We have made this a practice so that the public can be aware of what each agency is requesting and the priorities that the executive branch as well as the semi-autonomous agencies have with regards to their operations. This Web page can be found on my website at www.senbenp.com.

As the budget seasons commences, it is imperative that the actions we make today involve the consideration of the impact it will have in the future, especially the impacts they may have on the fiscal year 2015 budget. We must ensure that education, public safety and public health are of utmost concern and priority and we must be cautious to place any other priorities ahead of these items. Especially with the tens of millions of dollars of increases in expenditures and cash outlay expected during fiscal year 2015 as a result of increased debt service/repayment burdens on our people, a permanent injunction to pay income tax refunds in a timely manner, law enforcement pay increases and Hay Study pay increases, our people, this government and my colleagues must remain steadfast in their efforts to ensure that we are able to cover our expenditure base with reasonable and rational revenue estimates based on more than just conjecture.

I look forward to the opportunities ahead and listening and collaborating with the executive branch as this budget season commences to discuss the forecasted revenues and the estimated expenditures of our government. Our government can only forecast revenues to the best of its abilities with sound rationale and supporting explanations, but we cannot control those things that are out of our hands such as U.S. federal policy, international economic conditions and the like. As we all know, there are times when weather forecasts predict a tropical disturbance or typhoon may be upon us and similarly, I continue to remain cautious during this budget season such that the Guam Legislature is ensured that the revenues predicted by the governor are backed up and supported by rational and detailed explanations.

Si Yu'os Ma'åse'.