

OFFICE OF THE GOVERNOR



A report to the Citizens of Guam

A report to the Citizens of Guam that looks at some of the efforts and projects of the last fiscal year, as well as a glimpse into the efforts of the new fiscal year.

FISCAL YEAR 2015 CITIZENS CENTRIC REPORT

OUR MISSION

To improve government services, foster economic growth, reduce poverty, and build the Guamanian Dream for every citizen.

OUR VISION

By 2020, the people of Guam will compete against the best in the world and win. New industries will be built by a strong local workforce. The government will provide the most efficient service.

OUR OBJECTIVE

To improve lives by breaking down barriers, bringing vision into everyday decisions, and making government transparent, responsive, caring, and restrained.

OUR GOALS

- World-class economy
- Excellent career choices
- Best education
- Dependable medical care
- Crime prevention
- Technology
- Infrastructure
- Care for the poor & disabled

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MAJOR ISSUES

The quality of life for Guamanians continues to be the center from which public policies emanate. While things have improved in the last four years, there is so much more to be done and challenges to tackle:

- We continue to deal with unfunded and underfunded federal mandates, including EITC, Clean Air and Clean Water Act, Medicare/Medicaid etc., and continue our attempts to work with the federal receiver on Solid Waste, although the federal receiver refuses to pay its annual debt service of \$15.7M.
- Unemployment rate in March 2015 was 6.9 percent, which was an improvement over March 2014's 7.4 percent.
- Employment in June 2015 was up at 64,670 compared to June 2014 64,150.
- 15,556 households on SNAP
- Private sector hourly earnings: \$13.14 an hour
- The annual cost of the Earned Income Tax Credit went from about \$20 million 10 years ago to \$58 million in 2015 — it went from a fraction of the cost of tax refunds to nearly half.
- In 2015, Guam had an annual cost of \$136.8M in services for Compact migrants. This amount is still not fully reimbursed by the federal government.
- From school year 2013-2014 to 2014-2015, the number of graduates fell from 1,873 to 1,800, respectively, and dropouts increased from 370 to 481, respectively. A lack of high school diplomas is a common theme amongst families struggling with minimum wage jobs or not being able to get a job at all.
- Fiscal 2016 will be a challenge for many executive branch agencies, considering the significant reduction in their budgets.



WHAT WE'VE DONE

Since 2011, the Office of the Governor, under the Calvo Tenorio Administration has:

- Increased the Gross Domestic Product: \$5.7B in 2015.
- Fostered investments and business growth, leading to consistent growth in the private sector employment: 47,220 in June 2015. That's a growth compared to March 2012's 46,970.
- Encouraged diversity in tourism, which in turn has fostered growth. The year 2015 was Guam's best year in tourism history with more tourists arriving than in any other year. The Guam Visitors Bureau reports visitor arrivals of 1,372,531 for FY 2015.
- Piloted the Universal Pre-Kindergarten program, with the support of the Guam Education Board and the drive of the

Department of Education. Studies show that students who participate in pre-k are more prepared for an educational career.

- Built temporary, emergency shelters for those who need a hand, with the Guma San Jose Homeless Expansion Program, and with the restoration of five homes at Lada Gardens.
- Used technology to match employees with their potential employers through the virtual employment center: www.hireguam.com.
- Completed ongoing road repairs and construction totaling \$160 million in investments. In the next few years, we're looking at another \$126 million in road improvements.

PROGRESS & SOLUTIONS

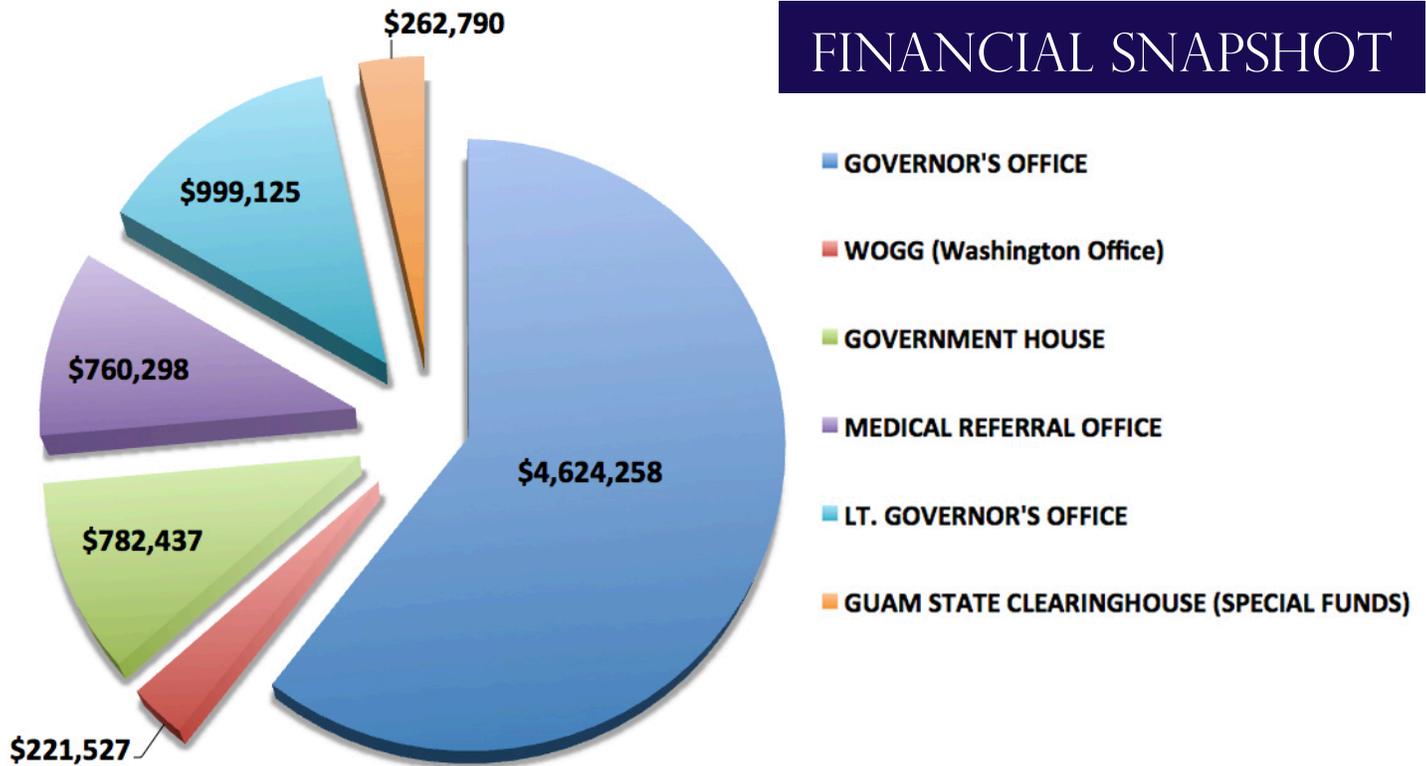


Here's a list of some of additional efforts Governor Calvo and Lt. Governor Tenorio have made to solve some of the problems:

1. **Fiscal Reform:** The administration has practiced prudent fiscal management that has caught the attention of investors and credit rating agencies.
2. **Tax Refunds:** In 2011 and 2012 more than \$400 million in tax refunds were paid out for years going back as far as 2006. For fiscal years 2013, 2014, and 2015 the administration has paid out another \$400 million in tax refunds WITHOUT borrowing.
3. **The Governor signed into law** a measure that would help investors in tourism increase capacity at their hotels. Ken Corporation recently announced plans to build a new hotel with 348 rooms. Construction on the \$120 million hotel is scheduled to start this year and has a completion date of 2018. There is no doubt this investment will also provide hundreds of jobs for our people.
4. **Education reform:** Ongoing efforts to transform Guam's public education into a system that is standards-based and aligned with the needs of the current and future workforce.
5. **Job Training:** Ongoing emphasis on job-and skills-training for adults so they can earn or increase their wages.
6. **Affordable Housing:** More projects are underway to create affordable homes and rentals. As of 2015, about 2,000 affordable homes for Guamanians were either built or are in the plans.
7. **There have been more than 5,600** civilian construction projects totaling \$1.4 billion in the last four years. Of that amount, \$250 million were for apartments and homes.
8. **CLTC Lease support:** Continue to find ways to help CLTC recipients have their properties surveyed, and attached to necessary infrastructure.
9. **Improve GMH:** The new ER & ICU expansions are helping more Guamanians. Another project, this time to expand and modernize the maternity ward and labor & delivery, is underway.
10. **Capital Projects:** A \$100 million project to modernize schools is about to start. This comes after the opening of a new high school that eased crowded conditions in three older schools, and badly needed renovations at Untalan Middle School. The \$100 million project also follows a huge investment in renovating middle and high school classrooms to support Science, Technology, Engineering and Mathematics focus.
11. **Foreign Capital:** Ongoing outreach to bring foreign investment to Guam.
12. **Tourism:** Tourism numbers continue to increase with benchmark arrivals as a result of efforts to diversify our markets.
13. **Guam buildup:** Active efforts through projects like Imagine Guam to ensure the island is able to thrive beyond the boom of the military buildup.
14. **Reducing Crime:** Neighborhood Watch is bringing village residents together so neighbors are watching over neighbors.
15. **Increased Focus on Safety:** The Administration has hired more than 100 new police and corrections officers in the last year. This is augmented by an increase in police volunteers and reserves.
16. **Roads:** On top of major highway and bridge construction projects, DPW has purchased equipment for village street projects — an effort that hasn't been undertaken in about 15 years.
17. **GMH has an urgent care clinic,** and a larger emergency room. We are modernizing the GMH maternity ward. Northern and southern public health centers are able to help more people with their extended hours. Health care is on the rise for our people and our veterans
18. **All fire stations have a fire truck** — for the first time in a long time, if ever.

FY2015 GOVERNOR'S OFFICE EXPENDITURES

FINANCIAL SNAPSHOT



A HELPING HAND, LIFTING UP THE MOST VULNERABLE



The Governor and Lt. Governor have been focused on improving the quality of life for all Guamanians. We have more businesses opening, and more airlines servicing our island, all of which help to provide more jobs and more entrepreneurship opportunities for our people.

In all of this, they continued their efforts to help the most vulnerable in our community.

We increased food services to our manamko to include weekends. This meant our senior citizens are getting the nutrition they need, seven days a week.

The community blessed the ground on what will be the first shelter for foster children. The shelter was made possible through the hard work of the Rigalu Foundation, Department of Public Health and Social Services, Department of Land Management, and the many volunteers who have given their time to ensure our foster children have a safe place to sleep. This is particularly important during times of emergencies when there is no other family able to care for a child and there is no room in other shelters.

First Lady Christine Calvo also continues her bus stop projects, providing bus shelters to students throughout the island.

Additionally, the Department of Youth Affairs has opened new youth centers to help children with homework after school. The centers provide different activities that challenge them mentally and promote healthy life habits.

And if we truly believe education is the key to success, then we need to ensure the next generations of Guamanians receive the education they need to become successful. Guam's public schools have a new curriculum standard that, for the first time, marries the skills needed in the work force to what students are learning in the classroom. The Common Core Standards is a new curriculum that reflects a global shift in understanding that our children will be competing against the best in the world for jobs.



The Hagåtña of Our Future



2015 was likely the last year in which the Governor addressed the island in the State of the Island address from the old Legislative building. If all goes according to plan, renovation of the old Guam Congress Building will soon be completed.

Now, as we prepare for the Festival of Pacific Arts, or FestPac, next year, we're going to open Hagåtña for everyone's enjoyment. A revamped Paseo Park will be the center of the festival, which we anticipate will host about 2,500 artisans along with an estimated 10,000 supporters from more than 27 countries in the Pacific region. As our guests tour Hagåtña, they'll see the Cathedral, the new Guam Museum at Skinner Plaza, and Plaza De España.

Festival participants also will be able to walk to the soon-to-be completed Fishermen's Co-op Fishing Platform and see the site where our fishermen are growing our fishing industry – while also teaching the next generation this important tradition.

