

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
358-38 (COR)	Sabrina Salas Matanane	AN ACT TO <i>ADD</i> A NEW § 58D103 TO CHAPTER 58D, TITLE 5, GUAM CODE ANNOTATED; TO <i>AMEND</i> §§ 58D103, 58D104, 58D105, 58D106, 58D107, 58D108, 58D109, 58D110, 58D111, AND 58D112 OF CHAPTER 58D, TITLE 5, GUAM CODE ANNOTATED TO RENUMBER SAID SECTIONS AS §§ 58D104, 58D105, 58D106, 58D107, 58D108, 58D109, 58D110, 58D111, 58D112, AND 58D113, RESPECTIVELY, AND FURTHER TO <i>AMEND</i> § 58D108 TO REDUCE THE PRINCIPAL AMOUNT OF FINANCING AUTHORIZED THEREUNDER; TO <i>ADD</i> A NEW § 83103 TO CHAPTER 83, TITLE 12, GUAM CODE ANNOTATED; TO <i>AMEND</i> §§ 83103, 83104, 83105, 83106, 83107, 83108, 83109, 83110, 83111, 83112, 83113, 83114, 83115, AND 83116 OF CHAPTER 83, TITLE 12, GUAM CODE ANNOTATED TO RENUMBER SAID SECTIONS AS §§ 83104, 83105, 83106, 83107, 83108, 83109, 83110, 83111, 83112, 83113, 83114, 83115, 83116, AND 83117, RESPECTIVELY, AND FURTHER TO <i>AMEND</i> § 83110 TO REDUCE THE AGGREGATE PRINCIPAL AMOUNT OF BONDS AUTHORIZED THEREUNDER; AND TO APPROPRIATE ONE HUNDRED FIVE MILLION DOLLARS (\$105,000,000) FROM SECTION 30 FEDERAL FUNDS, RELATIVE TO ESTABLISHING AND FUNDING THE SIMON SANCHEZ HIGH SCHOOL MODERNIZATION FUND AND THE GUAM MEMORIAL HOSPITAL CAPITAL IMPROVEMENT FUND AS DEDICATED INFRASTRUCTURE FUNDS FOR CAPITAL IMPROVEMENT PROJECTS WITH A USEFUL LIFE OF TWENTY (20) YEARS OR MORE, AND TO PROPORTIONALLY REDUCE PRIOR DEBT AUTHORIZATIONS FOR THESE PROJECTS.	9/3/26 10:34 a.m.						

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2026 (SECOND) Regular Session

Bill No. 358-38 (COR)

Introduced by:

Sabrina Salas Matanane



AN ACT TO ADD A *NEW* § 58D103 TO CHAPTER 58D, TITLE 5, GUAM CODE ANNOTATED; TO *AMEND* §§ 58D103, 58D104, 58D105, 58D106, 58D107, 58D108, 58D109, 58D110, 58D111, AND 58D112 OF CHAPTER 58D, TITLE 5, GUAM CODE ANNOTATED TO RENUMBER SAID SECTIONS AS §§ 58D104, 58D105, 58D106, 58D107, 58D108, 58D109, 58D110, 58D111, 58D112, AND 58D113, RESPECTIVELY, AND FURTHER TO *AMEND* § 58D108 TO REDUCE THE PRINCIPAL AMOUNT OF FINANCING AUTHORIZED THEREUNDER; TO ADD A *NEW* § 83103 TO CHAPTER 83, TITLE 12, GUAM CODE ANNOTATED; TO *AMEND* §§ 83103, 83104, 83105, 83106, 83107, 83108, 83109, 83110, 83111, 83112, 83113, 83114, 83115, AND 83116 OF CHAPTER 83, TITLE 12, GUAM CODE ANNOTATED TO RENUMBER SAID SECTIONS AS §§ 83104, 83105, 83106, 83107, 83108, 83109, 83110, 83111, 83112, 83113, 83114, 83115, 83116, AND 83117, RESPECTIVELY, AND FURTHER TO *AMEND* § 83110 TO REDUCE THE AGGREGATE PRINCIPAL AMOUNT OF BONDS AUTHORIZED THEREUNDER; AND TO APPROPRIATE ONE HUNDRED FIVE MILLION DOLLARS (\$105,000,000) FROM SECTION 30 FEDERAL FUNDS, RELATIVE TO ESTABLISHING AND FUNDING THE SIMON SANCHEZ HIGH SCHOOL MODERNIZATION FUND AND THE GUAM MEMORIAL HOSPITAL CAPITAL IMPROVEMENT FUND AS DEDICATED INFRASTRUCTURE FUNDS FOR CAPITAL IMPROVEMENT PROJECTS WITH A USEFUL LIFE OF TWENTY (20) YEARS OR MORE, AND TO PROPORTIONALLY REDUCE PRIOR DEBT AUTHORIZATIONS FOR THESE PROJECTS.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Mina'trentai Ocho Na*

3 *Liheslaturan Guåhan* finds that the Government of Guam has identified an
4 unanticipated revenue surplus of approximately One Hundred Five Million Dollars
5 (\$105,000,000) available for appropriation in Fiscal Year 2026. This fiscal windfall
6 presents a unique and critical opportunity to address the island's most pressing
7 infrastructure crises without further exacerbating the territorial debt burden.
8 According to recent revenue projections and audits of the General Fund, the
9 stabilization of Guam's economy has resulted in collections that significantly exceed
10 previous conservative estimates, providing the means to transition from a reliance
11 on high-interest debt financing toward a “Pay-As-You-Go” (PAYGO) model for
12 essential capital improvements.

13 *I Liheslaturan Guåhan* further finds that the reconstruction of Simon Sanchez
14 High School (SSHS) remains the highest priority for the Guam Department of
15 Education. For over a decade, the students, faculty, and staff of SSHS have endured
16 a facility that has been subject to multiple emergency closures, health citations, and
17 structural failures. Reports from the Guam Department of Public Works and the
18 Department of Education indicate that the current state of the campus is not only a
19 hindrance to the learning environment but also a liability to the safety of the
20 community. Despite previous legislative attempts to secure financing through
21 various procurement models and bond authorizations, the project has been
22 repeatedly delayed by procurement protests and financing complexities. By
23 establishing a dedicated infrastructure fund for SSHS, the government can provide
24 the immediate cash flow necessary to break the cycle of delays and ensure the
25 construction of a facility with a useful life exceeding twenty (20) years.

26 *I Liheslaturan Guåhan* also finds that the Guam Memorial Hospital Authority
27 (GMHA) is facing an infrastructure crisis that threatens its ability to maintain

1 accreditation and provide the standard of care required for the people of Guam. The
2 U.S. Army Corps of Engineers and various independent facility assessments have
3 documented significant deficiencies in the hospital's electrical, mechanical, and
4 structural systems, many of which have reached the end of their functional life.
5 Whether through the comprehensive renovation of the existing facility in Tamuning
6 or the development of a new medical complex, the capital requirements for Guam's
7 public healthcare system are immense. Research into public health infrastructure
8 suggests that modernizing hospital facilities directly correlates with improved
9 patient outcomes and operational efficiencies, making this a vital investment for the
10 island's long-term resilience.

11 *I Liheslaturan Guåhan* finds that utilizing surplus revenues for capital projects
12 is a fiscally responsible alternative to long-term borrowing. According to the
13 Government Accountability Office and various fiscal policy institutes, infrastructure
14 projects funded through cash appropriations rather than debt save taxpayers millions
15 of dollars in interest payments over the life of the asset. Furthermore, it is the finding
16 of *I Liheslaturan Guåhan* that any direct cash investment into projects that already
17 have existing debt authorizations should result in a dollar-for-dollar reduction in the
18 government's authority to borrow. This ensures that the government does not
19 maintain unnecessary debt ceilings that could negatively impact Guam's credit rating
20 or lead to future over-expenditure.

21 It is the intent of *I Liheslaturan Guåhan* to establish two (2) distinct special
22 funds: the “Simon Sanchez High School Modernization Fund” and the “Guam
23 Memorial Hospital Capital Improvement Fund.” These funds shall be restricted to
24 capital improvement projects with a minimum useful life of twenty (20) years,
25 ensuring that today's surplus is converted into lasting assets for future generations.
26 It is further the intent of *I Liheslaturan Guåhan* to mandate that all prior debt
27 authorizations for these specific projects be reduced proportionally by the amounts

1 appropriated herein, thereby practicing prudent fiscal management and reducing the
2 overall debt liability of the Territory of Guam.

3 **Section 2.** A new § 58D103 is hereby *added* to Chapter 58D, Title 5, Guam
4 Code Annotated, to as follows:

5 **§ 58D103. “Simon Sanchez High School Modernization Fund” (the**
6 **“SSHS Fund”).**

7 (a) Creation and Purpose. There is hereby created, separate and
8 apart from other funds of the government of Guam, a special fund to be
9 known as the “Simon Sanchez High School Modernization Fund” (the
10 “SSHS Fund”). The SSHS Fund is established for the exclusive purpose
11 of financing capital improvement projects for the design, construction,
12 reconstruction, and furnishing of the new Simon Sanchez High School
13 authorized under this Chapter.

14 (b) Deposits. The following monies shall be deposited into the
15 SSHS Fund:

16 (1) all sums appropriated to the SSHS Fund from Section
17 30 federal funds received by the Government of Guam pursuant
18 to 48 U.S.C. § 1421h, including the appropriation made by this
19 Act;

20 (2) all interest, earnings, and other investment income
21 accruing to the SSHS Fund, which shall remain within the Fund
22 and shall not be transferred to the General Fund; and

23 (3) any additional appropriations, grants, gifts, donations,
24 or other monies made available to the Fund by law.

25 (c) Administration. The SSHS Fund shall not be commingled
26 with the General Fund and shall be kept in a separate bank account

1 within the Treasury of Guam. The SSHS Fund shall be administered by
2 the Guam Department of Education, which shall carry out the purposes
3 of this Section through the Department of Public Works serving as the
4 technical construction agent for the Guam Department of Education
5 pursuant to § 58D105 of this Chapter (formerly designated as §
6 58D104).

7 (d) Authorized Expenditures. Monies in the SSHS Fund shall be
8 expended solely for capital improvement projects related to the new
9 Simon Sanchez High School that have a useful life of twenty (20) years
10 or more. All expenditures from the SSHS Fund shall be made in full
11 compliance with Chapter 5 of Title 5, Guam Code Annotated (the
12 Guam Procurement Law), and no exception, exemption, or waiver from
13 that Chapter is authorized by this Section. The twenty (20) year
14 minimum useful-life requirement shall be strictly applied; provided,
15 however, that this requirement shall not apply to design costs that have
16 not been incurred as of the effective date of this Act.

17 (e) Reporting. Within thirty (30) days after the close of each
18 fiscal quarter, the Guam Department of Education shall submit a report
19 on the status of the SSHS Fund to the Speaker of *I Liheslaturan*
20 *Guåhan*, *I Maga'hågan Guåhan*, and the Office of Public
21 Accountability. Each report shall set forth, at a minimum, the beginning
22 and ending balance of the Fund for the quarter; all deposits and
23 expenditures during the quarter; the status of each capital improvement
24 project financed in whole or in part from the Fund; and any
25 encumbrances or planned obligations for the next quarter.

26 (f) Non-lapsing; Interest-Bearing; Protected from Transfer.
27 Notwithstanding any other provision of law, appropriations to and

1 balances within the SSHS Fund shall not lapse at the end of any fiscal
2 year and shall carry over from year to year until expended. The SSHS
3 Fund shall be interest-bearing, and all interest earned shall accrue to
4 and remain within the Fund. Monies within the SSHS Fund shall not be
5 subject to any general or special transfer, reprogramming, reallocation,
6 or sweep authority of *I Maga'lahañ Guåhan*, the Governor of Guam, or
7 of any other executive officer, including without limitation any such
8 authority conferred by the annual General Appropriations Act, by any
9 Executive Order, or by any other provision of law. No monies may be
10 transferred out of the SSHS Fund except for expenditures authorized by
11 subsection (d) of this Section or for reversion upon closure of the Fund
12 as provided in subsection (g).

13 (g) Sunset, Reversion, and Repeal. The SSHS Fund shall close
14 upon written certification by the Guam Department of Education,
15 transmitted to the Speaker of *I Liheslaturan Guåhan* and *I Maga'hågan*
16 *Guåhan*, that the capital improvement projects financed from the Fund
17 have been completed and that all obligations of the Fund have been
18 satisfied. Upon closure of the Fund, any unspent balance remaining in
19 the Fund shall revert to the General Fund of the government of Guam,
20 and this Section shall stand repealed effective as of the date of such
21 certification. The Compiler of Laws is directed to strike this Section
22 from the Guam Code Annotated upon receipt of the certification
23 described herein.

24 **Section 3.** §§ 58D103, 58D104, 58D105, 58D106, 58D107, 58D108, 58D109,
25 58D110, 58D111, and 58D112 of CHAPTER 58D, TITLE 5, GUAM CODE
26 ANNOTATED are hereby *amended* to read:

1 **§ 58D1034. Authorization to Enter Into Long-Term Leases.**

2 (a) The GDOE is authorized to lease the school property to the
3 Contractor for the purpose of facilitating the financing, construction,
4 FF&E services, and maintenance of the new Simon Sanchez High
5 School.

6 (b) The GDOE is also authorized to lease back from the
7 Contractor the new Simon Sanchez High School for a period mutually
8 agreed upon between the GDOE and the Contractor as may be
9 reasonably necessary to amortize over the leaseback period the costs
10 associated with the financing, construction, and FF&E services for the
11 new Simon Sanchez High School as provided in this Act. In no event
12 shall the end of such leaseback period be later than the date thirty (30)
13 years from the scheduled date of completion of the new Simon Sanchez
14 High School. The leaseback may be structured as an annually
15 renewable lease with a provision for automatic renewal to the extent
16 that pledged revenue under ~~§ 58D109~~ § 58D110 is available. The
17 leaseback shall not be construed as 'public indebtedness,' as that term is
18 defined in 48 USC § 1423a, §11 of the Organic Act of Guam, or Guam
19 law.

20 **§ 58D1045. Procurement.**

21 (a) Within ninety (90) days of the enactment of this Act, the
22 GDOE, through the Department of Public Works (DPW), shall issue a
23 solicitation in compliance with the Guam Procurement Law, for the
24 following services with regard to the new Simon Sanchez High School:
25 (1) financing; (2) construction; (3) FF&E services; and (4) insurance
26 and maintenance. The services provided shall utilize and incorporate
27 the school design.

1 (b) The determination of responsible offerors and responsive
2 offers shall be made by an evaluation committee comprised of the
3 Superintendent of the Department of Education, serving as the
4 Chairman, and including the Director of Public Works or Deputy
5 Director and the Building Permits Administrator; the Director of Land
6 Management or Guam Chief Planner; the Administrator of the Guam
7 Economic Development Authority or Deputy Administrator; and the
8 Principal of Simon Sanchez High School or his/her designee.

9 (c) The Committee shall evaluate offerors and the offers received
10 based on the requirements set forth in the solicitation.

11 (d) Upon completion of the committee's evaluation, the
12 Superintendent through the Department of Public Works shall issue the
13 award in accordance with the Guam Procurement Law.

14 **§ 58D1056. Responsibilities of Contractor.**

15 The Contractor shall be responsible for all costs, expenses, and
16 fees of any kind or nature, associated with civil improvements, on-site
17 and off-site infrastructure, construction, demolition of the existing
18 facility, permits, FF&E services, and financing associated with the
19 completion of the new Simon Sanchez High School, consistent with the
20 school design, as and to the extent provided in the solicitation. The
21 contractor shall also be responsible for maintenance of and insurance
22 for the new Simon Sanchez High School during the leaseback period,
23 but shall not be responsible for maintenance of the furniture and
24 equipment. The leaseback may provide that if sufficient funds are not
25 appropriated or otherwise available for the payment of amounts due
26 under the lease and any maintenance agreement, the GDOE will have
27 the obligation to vacate the new Simon Sanchez High School, and the

1 contractor shall have the right of use and occupancy of the new Simon
2 Sanchez High School for the remainder of the term of the lease, unless
3 the parties to the contract enter into new mutually satisfactory terms.
4 For this purpose, the lease may provide that its term shall be extended
5 for a period not to exceed the shorter of ten (10) years beyond the
6 original term of the leaseback or such period of time as is necessary to
7 repay in full any financing arranged pursuant to ~~§ 58D108~~ § 58D109.

8 (c) Furniture and equipment maintenance costs shall be paid by
9 the GDOE on a periodic basis as incurred by the contractor on terms to
10 be agreed to in the contract.

11 **§ 58D1067. Contractual Safeguards.**

12 The contract for the new Simon Sanchez High School shall
13 provide for the construction of and FF&E services for the new Simon
14 Sanchez High School in accordance with the Guam Building Code
15 under Chapter 67 of Title 21, Guam Code Annotated, and any other
16 applicable requirements. The contract shall contain contractual
17 obligations typically found in government of Guam construction
18 contracts, including, but not limited to, the following:

19 (a) all major subcontracts shall be covered by a
20 performance bond;

21 (b) the government of Guam and financing entities, or
22 bondholders, shall be the named obligee under the bond;

23 (c) the government of Guam shall have the sole right to
24 call on the bid bond;

25 (d) requirements to obtain performance and or payment
26 bonds, indemnification, standard insurance specifications,
27 technical building/construction specifications, construction

1 progress schedule, applicable and or necessary maintenance
2 schedules, and compliance with applicable rules, regulations,
3 and Guam law; and

4 (e) there shall be a specific delivery date with liquidated
5 damages for failure to deliver the new Simon Sanchez High
6 School by the specified date, which may include warranties for
7 liquidated damages.

8 **§ 58D1078. Assignments.**

9 To facilitate the purposes of this Act and to provide security for
10 the holders of any financing instruments issued pursuant to this Act, the
11 Contractor may assign, with the consent of GDOE, the contract, the
12 lease, and the leaseback to any underwriter, trustee, or other party as
13 appropriate, to facilitate the issuance of the tax-exempt obligations,
14 other financial instruments or alternative financing for the new Simon
15 Sanchez High School.

16 **§ 58D1089. Financing.**

17 To minimize the cost to the government of Guam, financing
18 utilized by the Contractor to fund the construction of and FF&E
19 services for the new Simon Sanchez High School shall be through tax-
20 exempt obligations, or other financial instruments; provided, that such
21 financing is available at an interest rate of no more than eight-and-a-
22 half percent (8.5%). The contractor may use an alternative method of
23 financing, including, but not limited to, a short-term debt, mortgage,
24 loan, federally guaranteed loan, or loan by an instrumentality of the
25 United States of America if such financing will better serve the needs
26 of the people of Guam, subject to approval by *I Liheslaturan Guåhan*.
27 The principal amount of financing authorized under this Section shall

1 not exceed ~~One Hundred Sixty six Million Three Hundred Sixty five~~
2 ~~Thousand Dollars (\$166,365,000)~~One Hundred Thirteen Million Eight
3 Hundred Sixty-five Thousand Dollars (\$113,865,000).

4 **§ 58D10910. Leaseback Payments Under the Lease Payable from**
5 **Lawfully Available Monies.**

6 (a) Payments under the lease and the leaseback may be secured
7 by a pledge or other reservation of revenues payable from any lawfully
8 available monies of the government of Guam, and may be secured by a
9 pledge or other reservation of such monies on an annual basis.

10 (b) Any amounts pledged or reserved as provided in this Section
11 and subsequently appropriated for the purpose of making leaseback
12 payments may thereafter be pledged toward making leaseback
13 payments; provided, however, that any amounts reserved as provided
14 in this Section shall be subject to an annual appropriation by the Guam
15 Legislature for the purpose of funding the activities set forth in §
16 ~~58D104~~§ 58D105 of this Chapter, and making leaseback payments.

17 (c) Any such pledge or reservation authorized hereunder shall be
18 valid and binding from the time the pledge or reservation is made and
19 shall be limited to the sum of Sixteen Million Three Hundred Seventy-
20 seven Thousand One Hundred Twenty-five Dollars (\$16,377,125) per
21 year during the pre-development, construction, and leaseback period.
22 The revenues pledged or reserved and thereafter received by the
23 government of Guam or by any trustee, depository or custodian shall
24 be deposited in a separate account and shall be immediately subject to
25 such reservation or the lien of such pledge without any physical
26 delivery thereof or further act, and such reservation or the lien of such
27 pledge shall be valid and binding against all parties having claims of

1 any kind in tort, contract or otherwise against the government of Guam
2 or such trustee, depository or custodian, irrespective of whether the
3 parties have notice thereof. The instrument by which such a pledge or
4 reservation is created need not be recorded.

5 **§ 58D14011. Utilities and Routine Maintenance and Repair.**

6 The contractor shall be responsible for the connection of all
7 utilities, including without limitation, power, water, sewer, telephone
8 and cable, and all routine interior and exterior maintenance and repair,
9 and exterior groundskeeping and landscaping, and upkeep of the new
10 Simon Sanchez High School.

11 **§ 58D14412. Maintenance Fund.**

12 The contract and the leaseback shall provide that all maintenance
13 of the new Simon Sanchez High School not described in ~~§ 58D140§~~
14 58D111 be performed by the Contractor as a separate cost, the terms of
15 which, and the manner for establishing the amount of payment, shall be
16 determined as a part of the contract; provided, however, that the
17 contract may, at the discretion of the GDOE, provide that maintenance
18 with respect to equipment (including collateral equipment), onsite
19 utilities, offsite utilities, access roads and other similar improvements
20 need not be performed by the Contractor.

21 (k) Section 58D112 of Chapter 58D, Title 5, Guam Code Annotated, is
22 hereby amended to read:

23 **§ 58D14213. Severability.**

24 If any provision of this Act or its application to any person or
25 circumstance is found to be invalid or inorganic, such invalidity shall
26 not affect other provisions or applications of this Act that can be given

1 effect without the invalid provision or application, and to this end the
2 provisions of this Act are severable.

3 **Section 4.** A new § 83103 is hereby *added* to CHAPTER 83, TITLE 12,
4 GUAM CODE ANNOTATED as follows:

5 **§ 83103. “Guam Memorial Hospital Capital Improvement Fund”**
6 **(the “GMHA Fund”)**

7 (a) Creation and Purpose. There is hereby created, separate and
8 apart from other funds of the government of Guam, a special fund to be
9 known as the “Guam Memorial Hospital Capital Improvement Fund”
10 (the “GMHA Fund”). The GMHA Fund is established for the exclusive
11 purpose of financing capital improvements at the Guam Memorial
12 Hospital Authority facility, including the comprehensive renovation of
13 the existing hospital in Tamuning or the design and development of a
14 new hospital complex for the Territory of Guam, or both.

15 (b) Deposits. The following monies shall be deposited into the
16 GMHA Fund:

17 (1) all sums appropriated to the GMHA Fund from Section
18 30 federal funds received by the Government of Guam pursuant
19 to 48 U.S.C. § 1421h, including the appropriation made by this
20 Act;

21 (2) all interest, earnings, and other investment income
22 accruing to the GMHA Fund, which shall remain within the Fund
23 and shall not be transferred to the General Fund; and

24 (3) any additional appropriations, grants, gifts, donations,
25 or other monies made available to the Fund by law.

1 (c) Administration. The GMHA Fund shall not be commingled
2 with the General Fund and shall be kept in a separate bank account
3 within the Treasury of Guam. The GMHA Fund shall be administered
4 by the Board of Trustees of the Guam Memorial Hospital Authority
5 pursuant to its powers under § 80109 of Chapter 80, Title 10, Guam
6 Code Annotated.

7 (d) Authorized Expenditures. Monies in the GMHA Fund shall
8 be expended solely for capital improvements at the Guam Memorial
9 Hospital Authority facility, including, without limitation, the
10 renovation of the existing hospital or the development of a new hospital
11 complex, provided that any such project has a useful life of twenty (20)
12 years or more. All expenditures from the GMHA Fund shall be made
13 in full compliance with Chapter 5 of Title 5, Guam Code Annotated
14 (the Guam Procurement Law), and no exception, exemption, or waiver
15 from that Chapter is authorized by this Section. The twenty (20) year
16 minimum useful-life requirement shall be strictly applied; provided,
17 however, that this requirement shall not apply to design costs that have
18 not been incurred as of the effective date of this Act.

19 (e) Reporting. Within thirty (30) days after the close of each
20 fiscal quarter, the Board of Trustees of the Guam Memorial Hospital
21 Authority shall submit a report on the status of the GMHA Fund to the
22 Speaker of *I Liheslaturan Guåhan*, *I Maga'hågan Guåhan*, and the
23 Office of Public Accountability. Each report shall set forth, at a
24 minimum, the beginning and ending balance of the Fund for the quarter;
25 all deposits and expenditures during the quarter; the status of each
26 capital improvement project financed in whole or in part from the Fund;
27 and any encumbrances or planned obligations for the next quarter.

1 (f) Non-lapsing; Interest-Bearing; Protected from Transfer.
2 Notwithstanding any other provision of law, appropriations to and
3 balances within the GMHA Fund shall not lapse at the end of any fiscal
4 year and shall carry over from year to year until expended. The GMHA
5 Fund shall be interest-bearing, and all interest earned shall accrue to
6 and remain within the Fund. Monies within the GMHA Fund shall not
7 be subject to any general or special transfer, reprogramming,
8 reallocation, or sweep authority of *I Maga'lahaen Guåhan*, the Governor
9 of Guam, or of any other executive officer, including without limitation
10 any such authority conferred by the annual General Appropriations Act,
11 by any Executive Order, or by any other provision of law. No monies
12 may be transferred out of the GMHA Fund except for expenditures
13 authorized by subsection (d) of this Section or for reversion upon
14 closure of the Fund as provided in subsection (g).

15 (g) Sunset, Reversion, and Repeal. The GMHA Fund shall close
16 upon written certification by the Board of Trustees of the Guam
17 Memorial Hospital Authority, transmitted to the Speaker of *I*
18 *Liheslaturan Guåhan* and *I Maga'hågan Guåhan*, that the capital
19 improvement projects financed from the Fund have been completed and
20 that all obligations of the Fund have been satisfied. Upon closure of the
21 Fund, any unspent balance remaining in the Fund shall revert to the
22 General Fund of the government of Guam, and this Section shall stand
23 repealed effective as of the date of such certification. The Compiler of
24 Laws is directed to strike this Section from the Guam Code Annotated
25 upon receipt of the certification described herein.

1 **Section 5.** §§ 83103, 83104, 83105, 83106, 83107, 83108, 83109, 83110,
2 83111, 83112, 83113, 83114, 83115, AND 83116 OF CHAPTER 83, TITLE 12,
3 GUAM CODE ANNOTATED are hereby *amended* as follows:

4 **§ 831034. Authorization to Enter into Long-Term Leases.**

5 (a) For the purpose of facilitating the financing, design, build and
6 maintenance of the Guam Twenty-First Century Healthcare Center
7 encompassed by this Act, the Government of Guam is authorized to
8 lease property that will be used for the Guam Twenty-First Century
9 Healthcare Center, as required, to the Guam Economic Development
10 Authority and/or the contractor/developer sufficient Government of
11 Guam real property; provided, that such property is in the inventory of
12 the Government of Guam.

13 (b) The Government of Guam is also authorized to lease-back the
14 property from the Guam Economic Development Authority and/or the
15 contractor/developer for a period mutually agreed upon between the
16 Government of Guam and the Guam Economic Development Authority
17 and/or the contractor/developer as may be reasonably necessary to
18 amortize the lease-back period of no more than forty (40) years of the
19 cost associated with the design, construction, and maintenance of the
20 Guam Twenty-First Century Healthcare Center. In no event shall the
21 end of such lease-back period be structured as an annually renewable
22 lease with a provision for automatic renewals to the extent that pledged
23 revenue under ~~§ 83109~~ § 83110 of this Chapter is available. The lease-
24 back shall not be construed as a debt under any applicable debt
25 limitation under the Organic Act of Guam or Guam law.

1 **§ 831045. Hospital Project Supervision, Reuse Study, and**
2 **Appropriation.**

3 (a) The Guam Twenty-First Century Healthcare Center project
4 undertaken under the provisions of this Act shall be in accordance with
5 the plans, specifications, standards and costs approved by GEDA and
6 shall be under the supervision of GEDA.

7 (b) A detailed reuse study which compares the feasibility of
8 either converting the existing GMH inpatient hospital to a Government
9 of Guam facility or developing a new Government of Guam facility for
10 the purposes of housing Government of Guam agencies that are
11 currently renting commercial spaces shall also include financing
12 options for the purpose of funding the reuse or development of the said
13 Government of Guam facility by utilizing the savings from annual rent
14 realized by the Government of Guam based on moving from
15 commercial spaces to the redeveloped facility. Further, the reuse study
16 shall include the estimated costs associated with the design, financing,
17 renovation and/or new construction of the central government office
18 complex separate and apart from the Guam Twenty-First Century
19 Healthcare Center.

20 (c) GEDA may solicit the services for a Program Management
21 Office, which shall include, but is not limited to, creating scopes of
22 work, coordinating projects, performance targets, conducting periodic
23 quality control reviews, assuring timely product generation and
24 response, and managing the project to produce a quality product within
25 the budget and schedule during the construction of the Guam Twenty-
26 First Century Healthcare Center.

27 **§ 831056. Identification of Projects and Procurement.**

1 (a) The Guam Economic Development Authority, in consultation
2 with the administrators and directors of healthcare agencies on Guam,
3 shall utilize the program study generated by each of the healthcare
4 agencies and the report generated by the U.S. Department of the Interior
5 funded assessment report by the U.S. Army Corps of Engineers and the
6 Guam Fire Department to identify and prioritize potential projects from
7 such program studies and assessment reports to be completed. Upon
8 receipt of the program study of each healthcare agency, the Guam
9 Economic Development Authority, in consultation with the
10 administrator or director of the respective healthcare agency, shall
11 solicit Request for Proposals (RFP), in compliance with the Guam
12 Procurement Law, for the design, build, finance, lease, transfer, and
13 maintenance of the Guam Twenty-First Century Healthcare Center,
14 according to the needs of all the healthcare agencies and consistent with
15 this Chapter. The choice of the contractor/developer shall be made by
16 the Guam Twenty-First Century Healthcare Center Committee. The
17 Committee shall assess the prior performance of the
18 contractor/developer on similar projects and shall be free to disqualify
19 any contractor/developer that does not have a successful record of
20 project completion on Guam or in any similar isolated locality.

21 (b) The Committee shall also specifically consider the
22 contractor/developer's ability and performance with regards to
23 financing, development, and construction of healthcare facilities.

24 (c) The selection of a contractor/developer shall be based upon
25 the proposal that delivers the lowest cost value for Guam in meeting the
26 objectives of all healthcare agencies.

27 **§ 831067. Responsibility of Contractor/Developer.**

1 The contract shall require that the contractor/developer be
2 responsible for all costs, expenses, and fees of any kind or nature
3 associated with the design, civil improvements, on-site and off-site
4 infrastructure, construction, permits, and financing associated with the
5 completion of the Guam Twenty-First Century Healthcare Center to the
6 extent provided by GEDA in consultation with the Guam Twenty-First
7 Century Healthcare Center Committee in the Request for Proposals.
8 The lease may, for its purposes, provide that its term shall be extended
9 for a period not to exceed ten (10) years beyond the original term of the
10 lease-back.

11 **§ 831078. Contractual Safeguards.**

12 (a) The contractor/developer shall build the Guam Twenty-First
13 Century Healthcare Center in accordance with the Guam Building Code
14 under Chapter 67 of Title 21, Guam Code Annotated, and any other
15 applicable requirements. The construction contract shall contain
16 contractual obligations typically found in Government of Guam
17 construction contracts, including, but not limited to:

- 18 (1) warranties;
- 19 (2) liquidated damages;
- 20 (3) performance and payments bonds;
- 21 (4) indemnity;
- 22 (5) insurance;
- 23 (6) standard specifications;
- 24 (7) technical specifications;
- 25 (8) progress schedule;
- 26 (9) maintenance;
- 27 (10) compliance with Guam labor regulations;

1 (11) compliance with Guam prevailing wage rates for
2 employment of temporary alien workers (H2) on Guam;

3 (12) compliance with Public Law 28-98: restriction
4 against contractors employing convicted sex offenders to work
5 at Government of Guam venues; and

6 (13) the 2017 Guam Tropical Energy Code.

7 (b) The contract must be approved as to form and legality by the
8 Attorney General of Guam.

9 **§ 831089. Assignments.**

10 To facilitate the purpose of this Act and provide security for the
11 holders of any financing instruments issued pursuant to this Act, the
12 contractor/developer may assign, without the need of the consent of the
13 Guam Economic Development Authority, the contract, the lease, and
14 the lease-back to any underwriter, trustee, or other party as appropriate
15 to facilitate the contractor/developer financing.

16 **§ 8310910. Pledge or Reservation of Revenues.**

17 Rental payments under the lease and the lease-back may be
18 secured by a pledge or other reservation of revenues collected by the
19 Government of Guam from the following:

20 (1) The sum of no more than Thirty-five Million Dollars
21 (\$35,000,000) from the revenues received pursuant to 11 GCA
22 Chapter 42, Earned Income Tax Credit, will be available for
23 Fiscal Year 2022 only.

24 (2) The sum of no more than Thirty-five Million Dollars
25 (\$35,000,000) from the General Fund shall be appropriated
26 annually thereafter.

1 (3) The Governor of Guam may use federal funds that is
2 made available to the Government of Guam by the United States
3 federal government for such purposes.

4 (4) The use of other financing options is authorized for the
5 purposes of this Act, including, but not limited to, loans, grants,
6 bond financing, and other alternate funding or financing options,
7 subject to legislative approval.

8 (b) Any amounts reserved or pledged as provided in this Section
9 shall be subject to annual appropriation for the purpose of making lease-
10 back payments. The revenues pledged or reserved and thereafter
11 received by the Government of Guam or by any trustee, depository or
12 custodian shall be deposited in a separate account and shall be
13 immediately subject to such reservation or the lien of such pledge
14 without any physical delivery thereof or further action, and such
15 reservation or the lien of such pledge shall be valid and binding against
16 all parties having claims of any kind in tort, contract or otherwise
17 against the Government of Guam or such trustee, depository or
18 custodian, irrespective of whether the parties have notice thereof. The
19 instrument by which such pledge or reservation is created need be
20 recorded.

21 **§ 8314011. Use of Tax-Exempt Bond, Taxable Bond, and Other**
22 **Financing Instruments for Financing.**

23 (a) To minimize the financing cost to the Government of Guam,
24 financing utilized by the contractor/developer to fund the design,
25 construction, and maintenance of the Guam Twenty-First Century
26 Healthcare Center shall be through tax-exempt obligations, taxable
27 bond obligation, or other financial instruments; provided, such

1 financing is available at interest rates determined by the Guam
2 Economic Development Authority to be reasonable and competitive.
3 The Guam Economic Development Authority shall be the issuer of any
4 financial instruments or obligations, unless the Guam Economic
5 Development Authority waives its right to serve as the issuer of
6 financial instruments or obligations. Alternatively, the
7 contractor/developer may use an alternative method of financing,
8 including, but not limited to, a short-term debt, mortgage, loan,
9 federally guaranteed loan or loan by an instrumentality of the United
10 States of America if such financing will better serve the needs of the
11 people of Guam. Such alternative financing shall be approved by *I*
12 *Liheslaturan Guåhan*. The purpose for the requirements of this Section
13 is to assure that the Government of Guam pays the lowest possible
14 interest rate so that the cost of the Government of Guam's financing of
15 the design and construction of the Guam Twenty-First Century
16 Healthcare Center, amortized through the lease-back payments from
17 the Government of Guam to the Guam Economic Development
18 Authority and/or the contractor/developer, will be lower than regular
19 commercial rates.

20 (b) *I Liheslaturan Guåhan*, pursuant to § 50103(k) of Chapter 50,
21 Title 12, Guam Code Annotated, hereby authorizes the Guam
22 Economic Development Authority to issue one or more additional
23 series of tax-exempt and/or taxable obligations (in any case, the 'bonds')
24 for the purposes of financing the Guam Twenty-First Century
25 Healthcare Center in an aggregate principal amount not to exceed ~~Six~~
26 ~~Hundred Million Dollars (\$600,000,000)~~ Five Hundred Forty-seven

1 Million Five Hundred Thousand Dollars (\$547,500,000) for the
2 following purposes:

3 (1) to finance the design, construction, and/or maintenance
4 of the Guam Twenty-First Century Healthcare Center;

5 (2) to fund a deposit to a debt service reserve fund;

6 (3) to fund capitalized interest with respect to the bonds;

7 (4) to pay expenses relating to the authorization, sale and
8 issuance of the bonds, including without limitation, printing
9 costs, costs of reproducing documents, credit enhancement fees,
10 underwriting, legal, feasibility, financial advisory and
11 accounting fees and charges, fees paid to banks or other financial
12 institutions providing credit enhancement, costs of credit ratings
13 and other costs, charges and fees in connection with the issuance,
14 sale and delivery of the bonds, subject to the following additional
15 conditions:

16 (A) The terms and conditions of the bonds shall be
17 as determined by the Guam Economic Development
18 Authority by the execution of a certificate, trust agreement
19 or indenture authorizing the issuance of the bonds;
20 provided, however, that such terms and conditions shall be
21 consistent with this Section, that the bonds shall have a
22 final maturity not to exceed forty (40) years; and an
23 interest rate not to exceed seven percent (7%).

24 (B) No bonds authorized by this Section shall be
25 sold until the Board of Directors of Guam Economic
26 Development Authority has approved the sale by

1 resolution, as provided in Chapter 50 of Title 12, Guam
2 Code Annotated.

3 (C) The issuance of bonds pursuant to this Section
4 shall not be subject to the approval of the voters of Guam.

5 (c) The Guam Economic Development Authority and the
6 Government of Guam shall undertake their respective best efforts to
7 prioritize application of the portion of the net proceeds of the bonds
8 allocated towards the design, construction, and/or maintenance of the
9 Guam Twenty-First Century Healthcare Center first towards the
10 construction of the new GMHA hospital facility, if and to the extent
11 that such prioritization is practical, does not impact the marketing of
12 the bonds and does not increase the costs to the Guam Economic
13 Development Authority and/or the Government of Guam of issuing and
14 repaying such bonds.

15 **§ 8314-12. Hospital IT and Building Management System.**

16 (a) For the purpose of extending the useful life of the Guam
17 Twenty-First Century Healthcare Center, GEDA may include, in the
18 specifications for the new facilities, the requirement for a medical
19 information management system, an electronic medical records system,
20 and a building management system. These systems identified must be
21 done in consultation with the healthcare agencies and comply with
22 federal mandates related to medical records, and foster compliance with
23 requirements of the Centers for Medicare and Medicaid Services and of
24 the accrediting organizations.

25 (b) GEDA, in consultation with the healthcare agencies, shall
26 determine the specifications for such systems based on comprehensive,
27 state-of-the-art technology generally accepted within the United States

1 healthcare industry in connection with the development of new
2 healthcare facilities.

3 (c) In order to ensure immediate response to system downtimes
4 or failure, GEDA shall include in the specifications the requirement that
5 the provider of these systems have a local Guam office and service
6 technicians stationed on Guam.

7 **§ 8314~~2~~13. Utilities and Routine Maintenance and Repair.**

8 The contractor/developer shall be responsible for the connection
9 and payment of all utilities, including without limitation, power, water,
10 sewer, telephone, cable, and all maintenance and repair and exterior
11 groundskeeping and landscaping and upkeep of the Guam Twenty-First
12 Century Healthcare Center.

13 **§ 8314~~3~~14. Maintenance Fund.**

14 The contract with the contractor/developer, and the lease-back, shall
15 provide that all capital maintenance and repair of the Guam Twenty-First
16 Century Healthcare Center facilities be performed by the
17 contractor/developer. The contractor/developer shall provide sufficient
18 funding for a separate maintenance fund for this purpose; sufficient funds for
19 this purpose shall be defined as the cost of capital maintenance and repair for
20 the remaining period of the lease agreement with the Government of Guam
21 after the completion of the Guam Twenty-First Century Healthcare Center.
22 The maintenance fund shall be used exclusively for the purpose of capital
23 maintenance and repair and shall be in an interest-bearing account segregated
24 from other funds held in escrow.

25 **§ 8314~~4~~15. Rules and Regulations.**

1 The Guam Economic Development Authority, in consultation with the
2 healthcare agencies, may promulgate rules and regulations pursuant to the
3 Administrative Adjudication Law to implement the provisions of this Chapter.

4 **§ 8314516. Financial Plan Required.**

5 GEDA shall prepare a financial plan in accordance with the following:

6 (a) At a minimum, the financial plan shall include a
7 comprehensive report of the associated costs and sources of revenues
8 required for the duration of the Guam Twenty-First Century Healthcare
9 Center (Project). The financial plan should reflect the total Project cost
10 and any phases that represent the Project development priorities. All
11 anticipated Project revenues shall be matched and allocable to the
12 anticipated Project costs and shall detail its impact on the overall debt
13 ceiling.

14 (b) The financial plan shall be submitted to *I Maga'hågan*
15 *Guåhan* and transmitted to the Speaker of *I Liheslaturan Guåhan*. No
16 solicitation of Request for Proposal or Invitation for Bid authorized to
17 effectuate the requirements of this Act may be issued until the financial
18 plan is delivered to the Speaker of *I Liheslaturan Guåhan*.

19 **§ 8314617. Public Notices of Guam Twenty-First Century**
20 **Healthcare Center Committee Meetings.**

21 (a) All meetings, including working meetings and subcommittee
22 meetings of the Guam Twenty-First Century Healthcare Center
23 Committee shall be subject to the Open Government Law pursuant to 5
24 GCA Chapter 8 and the public shall be allowed to attend. It is intended
25 that the Guam Medical Association and the Guam Medical Society
26 shall notify their members of meetings via email.

(b) All meeting minutes shall be posted on the Guam Economic Development Authority website, the audio recording of each meeting shall be provided to the Office of Public Accountability within seven (7) calendar days after the meeting, and electronic copies of the meeting agendas, minutes, and other attachments and addendums as discussed in each meeting shall be provided to the Speaker of *I Liheslaturan Guåhan* no later than fifteen (15) days after the meeting.

Section 6. Proportional Reduction of Prior Debt Authorizations.

Notwithstanding any other provision of law, any debt authorization enacted prior to the enactment of this Act for the construction of a new Simon Sanchez High School and/or a new hospital for the Territory of Guam shall have its respective debt authorization ceiling reduced by an amount equal to the sums appropriated by this Act into the Simon Sanchez High School Modernization Fund and the Guam Memorial Hospital Capital Improvement Fund, respectively.

This reduction shall take effect immediately upon enactment and shall include, without limitation, the debt authorizations reduced in subsections 3 and 5 of this Act.

Section 7. Appropriation. There is hereby appropriated from unanticipated Section 30 federal funds (48 U.S.C. § 1421h) received or projected to be received by the Government of Guam in Fiscal Year 2026, the sum of One Hundred Five Million Dollars (\$105,000,000), as follows:

(a) Fifty-two Million Five Hundred Thousand Dollars (\$52,500,000) into the Simon Sanchez High School Modernization Fund created by § 58D103 of Chapter 58D, Title 5, Guam Code Annotated, as added by Section 2 of this Act.

1 (b) Fifty-two Million Five Hundred Thousand Dollars (\$52,500,000)
2 into the Guam Memorial Hospital Capital Improvement Fund created by §
3 83103 of Chapter 83, Title 12, Guam Code Annotated, as added by Section 4
4 of this Act.

5 **Section 8. Severability.** If any provision of this Act or its application to any
6 person or circumstance is found to be invalid or inorganic, such invalidity shall not
7 affect other provisions or applications of this Act that can be given effect without
8 the invalid provision or application, and to this end the provisions of this Act are
9 severable.

10 **Section 9. Effective Date.** This Act shall take effect upon enactment.
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