

2020

# Guam Economic Report

*A publication by the University of Guam -  
School of Business and Public Administration  
and Omicron Delta Epsilon International Honor Society  
for Economics - Alpha Chapter of Guam at UOG*

Maria Claret M. Ruane, Ph.D.  
Celia J. Anderson  
Nathaniel J. Dela Cruz  
Grace C. Donaldson, MPA  
Prairie Rose Garrido  
Kamerin M. Guerrero  
Leila C. Kabigting, DBA  
Steve Eric S. Terlaje  
Laarnie D. Vinca  
Mary Catherine Wiley

DECEMBER 31, 2020



**UNIVERSITY OF GUAM**  
SCHOOL OF BUSINESS  
& PUBLIC ADMINISTRATION

---

# Table of Contents

<u>PAGE</u>	<u>SECTION</u>
01	Executive Summary
03	Introduction
04	Macroeconomic Indicators: For Old Time's Sake?
11	COVID-19 Pandemic
14	\$1.6B COVID-19-Related Funding from the U.S. Federal Government
17	Impact on Families
20	Impact on Businesses
26	Impact on Public Safety
30	Impact on Education
35	Tourism
46	Federal Government and Military Realignment
52	Government of Guam Budget and Politics
57	Conclusion
59	Appendixes
71	Acknowledgements
72	References
79	About the Authors

WELCOME TO THE 2020 GUAM ECONOMIC REPORT PUBLISHED BY THE UNIVERSITY OF GUAM-SCHOOL OF BUSINESS AND PUBLIC ADMINISTRATION AND THE OMICRON DELTA EPSILON (ODE) INTERNATIONAL HONOR SOCIETY FOR ECONOMICS- ALPHA CHAPTER OF GUAM AT THE UNIVERSITY OF GUAM.

## EXECUTIVE SUMMARY

What a year 2020 had been! It was certainly a year that brought many changes to lives in Guam and around the world, definitely a year that kept us busy, undoubtedly a year characterized by uncertainty and questioning, and surely a year that many, if not most, of us could not wait to end! We wish we could say that the COVID-19 pandemic of 2020 would instantly go away as the clock strikes midnight on New Year's Eve but, from all indications at this time, the virus that has become our invisible enemy and which, to-date, has claimed 121 of our loved ones, will be joining us as we usher in the year 2021. We might take comfort and perhaps even claim victory against this enemy on account that a vaccine has become available in the past few weeks and several thousands of our local population have been immunized with the first of a two-shot application. We might even be leaving the danger zone that this enemy had pushed us into for months and entering the path toward normalcy, although it is not clear what the "new normal" would look like but it is comforting to know that we have the capacity to create this "new normal". As we continue to speculate as to what our near future, i.e., the year 2021, and our distant future would be, it is clear how the year 2020 and the COVID-19 pandemic have impacted many aspects of our lives. This report focuses on how the pandemic has impacted our economy.

For many years and certainly in recent years, Guam's economy was barely able to maintain its size, with economic growth averaging close to zero as some years posted small positive growth while more recent years posted negative growth, for example, - 0.3% growth in 2018, the last year when official data is available. The *2019 Guam Economic Report* predicted a zero economic growth for Guam for the year 2019, a year when the tourism industry was setting new records in visitor arrivals and spending. Then the pandemic came in mid-March 2020, which impacted our economy in the following ways:

- Our tourism industry was decimated, with 76% less visitors coming to Guam during January-October 2020 compared to the same period in 2019. Less visitors to Guam in 2020 meant less spending, income, jobs and tax revenues for our economy, with our estimate showing a loss of \$1.38B of local income and spending.
- More than \$1.6B of U.S. Federal Government pandemic assistance was infused in our economy, more than enough to offset the estimated loss of \$1.38B reported above.

- Not counting the Federal funds that were transferred to local families and businesses and just looking at their drastically lower incomes this year, one would expect households and businesses to cut back on their spending (Keynes' theory of consumption). By how much would be difficult to say since, to-date, there is no official measure for this negative effect. Consequently, we had to use our best judgement in this report to estimate that, compared to 2019, household spending in 2020 was probably 30% to 50% lower and business spending 50% to 70% lower. We believe these assumptions to be as realistic and as educated a guess as possible.
- With a few more assumptions, we estimated Guam's economy in 2020 to have declined by -0.7% (best scenario) or -18.9% (worst scenario) compared to 2019.
- In the absence of the \$1.6B U.S. Federal Government pandemic assistance to Guam in 2020, the scenario would be expectedly worse, as our economy in 2020 would have declined at the range of 42% to 49% compared to what it was in 2019. This would be worse than the 25% decrease in the U.S. economy during the Great Depression years between 1929 and 1933.
- The official unemployment rate for Guam was 17.3% for June 2020. For comparison, our own estimates for unemployment year-to-date (January to October 2020) were 19.8% using one approach and 26.6% using another approach.
- Inflation estimates for the first and second quarters of 2020 were -0.6% and -0.8%, respectively.

We have chosen to approach our report by providing economic estimates that we have performed ourselves, hence they are original estimates, none of which have been made available to the public before. If what you have read so far intrigues you or if you simply want to know more, then we invite you to continue to read our report.

We hope that it paints for you a fuller picture of Guam's economy in 2020 and yields a better understanding of it, for it is only when we understand that we can design a plan of action to achieve a brighter future for ourselves, our loved ones, our community and our island of Guam.



# INTRODUCTION

Like every country and territory around the world, Guam could not be spared from the impacts of the COVID-19 pandemic, which has changed the landscape of its economy and tilted the balance away from the private sector toward a much larger public sector. These economic changes along with concerns over the COVID-19 virus itself have significantly affected Guam's population. The extent of this effect is more visible in some areas and using some measures than in others. For example, when it comes to standard macroeconomic indicators, one could get the impression that Guam's current economic situation is better than it really is. Partly due to the delay in the latest data (Gross Domestic Product for 2018, two years before the pandemic; employment survey for March 2019, one year before the pandemic), these indicators mask the impact of this pandemic on Guam's economy. Even the admittedly high unemployment data for June 2020, which reflects the early months of the pandemic, was not released until recently (Guam Department of Labor-Bureau of Labor Statistics (GDOL-BLS), 2020 December 2). Therefore, not only do these relevant data suffer from not being as up to date (at least one quarter behind), but are also hampered by definitions (e.g., of who is employed and unemployed).

Even more difficult to measure has been the shift in economic structure and, with it, in economic ideology with regard to the classic debate between the roles of markets and governments in an economy and society that this pandemic has brought on. Like residents in all other countries and territories, Guam residents have seen the enlargement of the public sector at both local and federal levels and increased government role in our economy. This brings into question how an enlarged public sector has affected and continues to affect our personal decisions and freedoms, and whether or not giving up our freedoms (including freedoms to reopen businesses and schools) in order to ensure public and personal safety is a necessary trade-off, or whether both could be achieved through careful and deliberate actions by all parties involved and a combination of self-responsibility and effective government guidance. It is true that mainstream economics justifies government intervention in an otherwise market-oriented economy when market failures exist. However, it recognizes that government failures exist as well, hence, the question arises: which would you prefer to live with? If, as a community, we should err, which side would it rather be: too much government or too much freedom?

The COVID-19 pandemic has definitely given rise to several market failures. The contagious and fatal nature of the virus creates negative external effects where actions and decisions of individuals do not affect just themselves but others around them. The shutdown of businesses caused by this pandemic has created another market failure by reducing competition of markets, or, for that matter, eliminating or shutting down the presence of markets. Lastly, this pandemic has created much uncertainty of the type that John Maynard Keynes refers to and which he distinguishes from 'risk'. According to him, risk can be calculated based on some probability while, with uncertainty, "we simply do not know" (Keynes, 1937 February).

It is this uncertain nature of the COVID-19 pandemic that makes it a challenge to predict the future course of Guam's economy based on historical, i.e., previous years' data. The "new normal" that will follow this pandemic represents a systemic break in data. In the presence of this new pandemic, the absence of updated data and after much deliberation, our team collectively decided not to offer predictions for Guam's economy for the year 2021. We do however offer

our estimates of Guam's economic growth rate for 2019 and 2020 to fill the gap in available GDP, with the latest available being for 2018. We also offer our estimate of the unemployment rate for the January-October 2020 time period using two different but related approaches to supplement the latest official figure for June 2020. Despite using the best acceptable methodology in economics to derive our estimates, we note that these estimates are just that and that they may likely deviate from the actual figures once these figures become available. Readers are therefore cautioned to take our estimates with much grain of salt and are encouraged to update them as more current data and relevant information become available.

There also were some challenges regarding the data used to prepare this report as well as those presented herein. This pandemic has resulted in the inability to or the delays in gathering data, for example, the unemployment survey could not be conducted during the early part of the pandemic (*Marianas Business Journal*, 2020 March 30). Whereas this report's authors would have preferred to use data from primary sources, in many cases, from different agencies of the Government of Guam (GovGuam), they were not easily available, even while invoking the Freedom of Information Act (FOIA). Consequently, this report relied quite a bit on data provided by local news media and consider them to be accurate and reliable on the belief that, first, the data and information reported by news media came from press releases by GovGuam agencies and/or interviews with top administrators of these agencies, and second, data and information reported by the news media if incorrect or inaccurate would have been corrected by the affected parties. Interestingly, even GovGuam reports such as the "FY2020 Government of Guam Federal Stimulus and Assistance Update for the CARES Act and COVID-19 Programs" cite news media as the source of information.

With COVID-19 having taken center stage this year, this report will unavoidably focus on the COVID-19 pandemic and its impact on segments of Guam's population and sectors of Guam's economy. To some extent, this report will serve more as a one-stop, convenient documentation of events during this year, a "year-in-review" of some sort which will prove useful for local stakeholders but also for off-island individuals and entities that have actual and prospective interests in Guam. However, attempts will be made where available to pursue opportunities within this report to provide analysis or raise questions and issues where relevant.

---

## MACROECONOMIC INDICATORS: FOR OLD TIMES' SAKE?

With this pandemic having imposed and continuing to impose a tremendous amount of changes on all of us in Guam and globally, there is a strong clamoring for how things used to be or used to be done. For the sake of wanting some sense of a return to how things used to be but also to effectuate some sense of continuity from this type of report in previous years, this report will begin by presenting an update on the macroeconomy of Guam.

### REAL GROSS DOMESTIC PRODUCT (GDP)

The latest GDP estimate for Guam continues to be for the year 2018, when it was released by the Bureau of Economic Analysis (BEA) under the U.S. Department of Commerce in October 2019. Based on previous years' releases, the GDP forecast for 2019 would have been released around that same time this year but so far none has been made available, although the estimate for American Samoa's 2019 GDP was released recently (U.S. Department of Commerce-BEA, 2020 December 11). BEA's schedule of future releases does not show any plans for release of GDP estimates for Guam, the CNMI and the U.S. Virgin Islands which, in past years, were made available around the same time.



Guam's real GDP for 2020, which will hopefully be released by late-2021 or early-2022, is expected to decline which would reflect the economic impact of this COVID-19 pandemic to include the decimation of tourism and the resulting loss of output, income, employment and tax revenues in other sectors of Guam's economy. This would include reduced spending by families and businesses for which there is no data available to quantify this effect. As a bold attempt in this report to calculate the overall real GDP for Guam for 2020, assumptions have been made about changes in consumer spending and business spending in 2020 compared to estimated figures for 2019. Note that these consumer and business spending levels are assumed to be out of income net of any funds received from U.S. Federal Government (FedGov) or GovGuam sources. This assumption is consistent with the methodology to calculate GDP where any amounts reported as spending by both federal and territorial governments are reported under those categories, even though a large amount of them are transferred to households/consumers and businesses who ultimately spend them. These transfer payments cannot be reported in different categories to avoid double counting them and inaccurately increasing the GDP figure. In our calculation, the \$1.6B COVID-19-related FedGov spending increased the "federal government spending" category of Guam's GDP by 87% between 2019 and 2020. GovGuam spending, which would be under the "territorial government spending" category is assumed to be 5% lower in 2020 than in 2019 to mimic the lower GovGuam revenues in 2020 compared to 2019.

Calculation of tourism spending was based on reduced visitor spending in Guam, estimated in 2020 to be 74% lower than the corresponding figure for 2019. Another assumption made is that the value of imports in 2020 is the same as in 2019. This is done to reflect the trend in increased online shopping by local residents even before the pandemic, which was increased significantly by personal safety concerns and business lockdowns during the pandemic.

Three estimates are presented below:

- *Best scenario* assumes import spending at 2019 level, consumer spending -30%, business spending -50%
- *Middle scenario* assumes import spending at 2019 level, consumer spending -50%, business spending -50%
- *Worst scenario* assumes import spending at 2019 level, consumer spending -50%, business spending -70%

It is absolutely noteworthy to recognize that the impact on local families and businesses and the overall decline in Guam's economy would have been much worse if not for the mitigating effect of the billions of dollars of COVID-19-related funds from the U.S. Federal Government, most of them at the discretion of the office of the Governor of Guam Lou Leon Guerrero and administered through different GovGuam agencies. These funds alone, more than \$1.6B-to-date, more than offset the loss of funds that visitors to Guam would have infused into the local economy, which we estimated to be \$1.38B. The efforts of the 35th Guam Legislature should also not go unnoticed as they sought to address the welfare of local residents and businesses during this pandemic with many well-intentioned bills that they discussed, several passed, and some that even became laws.

Based on these assumptions, Guam's real GDP actual and estimated figures in the past three years are presented in **TABLE 1**.

**TABLE 1: GUAM'S REAL GDP: 2018 TO 2020**

Year	Real GDP in 2009 dollars	% Change from previous year	2020 Real GDP (growth rate) estimates under alternative assumptions		
2018	\$5.203B <sup>1</sup>	-0.30%	<i>Import spending reduced</i>	<i>In the absence of U.S. federal government COVID-19-related funds</i>	<i>In the absence of all U.S. federal government funds</i>
2019	\$5.203B <sup>2</sup>	0.00%	<i>proportionate to overall economy<sup>6</sup></i>		
2020 Best	\$5.169B <sup>3</sup>	-0.70%	\$5.190B (-0.2%)	\$2.993B (-42.5%)	\$1.582B (-69.6%)
2020 Middle	\$4.464B <sup>4</sup>	-14.20%	\$4.924B (-5.4%)	\$2.730B (-47.5%)	\$1.319B (-74.6%)
2020 Worst	\$4.421B <sup>5</sup>	-18.90%	\$4.833B (-7.1%)	\$2.640B (-49.3%)	\$1.229B (-76.4%)

<sup>1</sup> Actual figure from U.S. Department of Commerce-Bureau of Economic Analysis, 2019 October 9

<sup>2</sup> Estimated figure based on Ruane, Barcinas, Cayan, Garrido, Meneses, Salalila, Sayama, Tenorio & Tretnoff, 2020 January 24.

<sup>3</sup> Best scenario, estimated figure, authors' calculations based on the following assumptions: Import spending at 2019 level, Consumer spending -30%, Business spending -50%

<sup>4</sup> Middle scenario, estimated figure, authors' calculations based on the following assumptions: Import spending at 2019 level, Consumer spending -50%, Business spending -50%

<sup>5</sup> Worst scenario, estimated figure, authors' calculations based on the following assumptions: Import spending at 2019 level, Consumer spending -50%, Business spending -70%

<sup>6</sup> Reduced import spending means a lower value of products made outside of Guam and most likely a higher value of products made in Guam, which increases Real GDP, a measure of on-island production.

## PRICES AND INFLATION

While inflation rate was estimated at 0.9% for last year, it has been running at a negative rate this year. Estimates for the first and second quarters of 2020 show that overall prices decreased -0.6% and -0.8%, respectively, compared to the same quarters in 2019 (Guam Bureau of Statistics and Plans, 2020).

## EMPLOYMENT AND UNEMPLOYMENT

The Current Employment Survey (CES) by the Guam Department of Labor-Bureau of Labor Statistics (GDOL-BLS) is not as updated as its latest report continues to be for March 2019. Although not as desirable, the latest unemployment estimates were for September 2019 at the beginning of the pandemic until the December 2019 report was released in October 2020. In the meantime, the pandemic has prevented gathering unemployment data during the first quarter of this year (*Marianas Business Journal*, 2020 March 30). The latest official unemployment report was prepared for June 2020 and released on December 2, 2020 and was shared at the Guam Chamber of Commerce-sponsored event entitled "Guam Economic Forecast Webinar for 2021" on December 4.



GDOL collects data on the employment status of each household members who are 16 years of age or older. The survey week is the calendar week from Sunday through Saturday, within the last four weeks, including the 12th of the month. GDOL defines the unemployed as persons within the scope of the survey week who did not work but made specific efforts to conduct a job search and were available to work during the survey week. Note that E.O. 2020-25 modified this definition to waive proof of job search during the pandemic except when at PCOR4 (*Pacific Daily News*, 2020 July 22).

Individuals considered to be employed are those, during the survey week, who did any work as a paid employee, either in their own business, profession or farms and who worked 15 hours. Unpaid individuals who worked at least 15 hours in an enterprise owned by a family member is also considered to be employed. Employees on leave, paid or unpaid, due to bad weather, labor-management dispute, illness or personal reasons are also considered to be employed. Individuals whose jobs are to care for the household, such as homemakers, are not considered to be employed.

The following individuals are included in the survey:

- Civilians ages 16 years and older
- Citizens of countries who are authorized, under the Compact of Free Association (COFA) to be employed in the United States and territories, including the Federated States of Micronesia, Republic of Palau, Republic of the Marshall Islands.

Who are not included:

- Members of the Armed Forces
- Civilians living in military installations and housing
- Non-immigrant alien
- Inmates of institutions
- Individuals under 16 years of age

These definitions are used to calculate the unemployment rate but differ from eligibility in the U.S. federally-funded pandemic-related unemployment benefits program, which considers as eligible those who, as a result of the pandemic, were laid off/terminated, furloughed or whose hours were reduced (therefore, still employed).

## **ESTIMATING THE UNEMPLOYMENT RATE: OFFICIAL GDOL-BLS FIGURE**

Guam's unemployment situation is expectedly much worse than in 2019 when Guam experienced very low unemployment rates, e.g., 3.6% in September 2019. "The economic slowdown was largely a result of private-sector job losses due to the pandemic, particularly in the tourism industry" (*Pacific Daily News*, 2020 December 14). The official estimate put the unemployment rate at 17.3% in June 2020 (GDOL-BLS, 2020 December 2), "... the highest rate since the bureau began collecting and reporting unemployment statistics in 1974," said Gary Hiles, chief economist of the Guam Department of Labor (*Pacific Daily News*, 2020 December 14). Since then and as the pandemic drags on, the unemployment situation may worsen and the unemployment rate increase in the September 2020 report to reflect the effects of Guam returning to PCOR1 on August 16. The Payroll Protection Program which ended in August, had employers now laying off employees as opposed to simply reducing their hours. The pandemic has also resulted in more individuals deciding not to enter the labor force, which actually has the effect of lowering the unemployment rate.

Prior to the release of the June 2020 unemployment data, our research team has attempted to estimate Guam's unemployment rate for this year. Based on available information, our team used two related but different approaches to estimate the unemployment rate for January-October 2020 to be between 19.8% and 26.6%, both of which are higher than the official estimate for June 2020, perhaps reflecting some of the factors already noted earlier. These two approaches and their resulting estimates are presented below.

## ESTIMATING THE UNEMPLOYMENT RATE: APPROACH #1 USING "65:1 RATIO"

TABLE 2 shows two sectors, the accommodation and food services sector and the retail trade sector, had the highest numbers of employees at 25,114 out of the total 60,538 employees (or almost 42% of all employees). The same report shows these two sectors generated the highest revenue for Guam, making up over 37% of total sales revenue.

**TABLE 2: SELECT INDICATOR FOR GUAM'S ECONOMIC SECTORS/INDUSTRIES**

Sector (NAICS)	Number of employees	Hourly Pay	Sales, value of shipments, or revenue (\$1,000)	Annual payroll (1000s)
Accommodation and food services	15,121	\$8.49	\$1,082,696	\$226,998
	<b>Top employer</b>	<b>Lowest pay</b>	<b>Second highest revenue</b>	
Retail trade	10,073	\$10.64	\$2,063,574	\$222,916
	<b>2<sup>nd</sup> top employer</b>		<b>Highest revenue</b>	
Construction	5,501	\$14.72	\$662,375	\$168,412
Health care and social assistance	4,623	\$20.31	\$545,313	\$195,257
Administrative and support and waste management and remediation services	4,109	\$9.74	\$295,323	\$83,261
Wholesale trade	3,074	\$13.69	\$1,016,175	\$87,524
Transportation and warehousing	2,885	\$17.11	\$378,143	\$102,658
Professional, scientific, and technical services	2,723	\$20.41	\$336,474	\$115,619
Real estate and rental and leasing	2,620	\$10.10	\$296,727	\$55,051
Finance and insurance	2,270	\$21.14	\$647,256	\$99,828
Information	1,998	\$18.68	\$332,409	\$77,611
Other services (except public administration)	1,688	\$10.39	\$139,994	\$36,475
Arts, entertainment, and recreation	1,407	\$9.03	\$94,110	\$26,441
Manufacturing	942	\$12.74	\$95,565	\$24,957
Utilities	709	\$29.89	\$445,082	\$44,076
Educational services	496	\$10.34	\$27,228	\$10,666
Management of companies and enterprises	299	\$20.15	\$6,953	\$12,532
<b>Total</b>	<b>60,538</b>		<b>\$8,465,397</b>	<b>\$1,590,282</b>

Source: U.S. Census Bureau, 2017 Economic Census for Island Areas

Estimating the number of jobs lost in Guam's tourism sector as a result of the COVID-19 pandemic starts with a claim from the Guam Visitors Bureau that, for every 65 visitors to Guam, one job is created. In **TABLE 3**, this ratio of visitors to jobs (65:1) was applied to the visitor arrival figures between January and October 2020 to calculate the monthly numbers of jobs lost as well as the total of 16,058 jobs lost during January to October 2020 compared to that same period in 2019.

**TABLE 3: LOSS OF JOBS USING 65:1 RATIO**

Month	Visitor Arrivals 2019	Visitor Arrivals 2020	Jobs Created 2019	Jobs created in 2020	Gain (Loss) in jobs
January	147,507	157,479	2,269	2423	153
February	137,244	116,746	2,111	1796	-315
March	146,332	35,310	2,251	543	-1,708
April	121,004	1,557	1,862	24	-1,838
May	120,411	1,502	1,852	23	-1,829
June	125,528	2,221	1,931	34	-1,897
July	136,878	1,385	2,106	21	-2,085
August	159,856	2,048	2,459	32	-2,428
September	137,680	2,912	2,118	45	-2,073
October	134,830	2,331	2,074	36	-2,038
<b>Subtotal</b>					
<b>January– October 2020</b>	<b>1,367,270</b>	<b>323,491</b>	<b>21,035</b>	<b>4,977</b>	<b>-16,058</b>

**Source:** Guam Visitors Bureau, Preliminary October 2020 Visitor Arrival Summary

The following information and assumptions are used to calculate Guam's unemployment rate using this approach (Approach#1):

- The latest estimate available is that there were 27,000 individuals who were eligible to receive the Pandemic Unemployment Assistance (PUA) and about 43.8% of those collecting PUA were still receiving income from their employers but at significantly reduced hours (*Guam Daily Post*, 2020 December 7). Therefore, 56.2% or 15,174 are without jobs and became unemployed during the pandemic.
- The number of unemployed prior to COVID-19, for example, in December 2019 is 4,670 while the number of people in the labor force is 74,640 (GDOL-BLS, 2020 December 2).
- Therefore, the estimated number of unemployed during the January-October 2020 period is  $4,670 + 15,174 = 19,844$ . Divided into the labor force of 74,640, this yields an estimated **unemployment rate of 26.6% for January-October 2020**.

It is interesting to note that the estimated figure of 15,174 who lost their jobs during the pandemic is close to the 16,058 jobs lost due to the decrease in the number of visitors to Guam.

## ESTIMATING THE UNEMPLOYMENT RATE: APPROACH #2 USING REDUCED VISITOR SPENDING

**TABLE 4: SELECT VISITOR STATISTICS, JANUARY-OCTOBER 2019 AND 2020**

Guam's Tourist Market	On-island spending per visitor for entire stay <sup>1</sup>	Visitor Arrivals		Visitor Spending		Change in visitor spending
		Jan-Oct 2019 <sup>2</sup>	Jan-Oct 2020 <sup>2</sup>	Jan-Oct 2019	Jan-Oct 2020	(in millions\$)
Japan	\$674.85	553,219	143,864	\$373.34	\$97.09	-276.25
Korea	\$810.10	619,396	124,061	\$501.78	\$100.50	-401.28
Taiwan	\$835.95	23,189	4,553	\$19.38	\$3.81	-15.57
US/Hawaii	\$2,809.42	77,029	30,478	\$216.41	\$85.63	-130.78
Philippines	\$1,057.00	16,314	3,119	\$17.24	\$3.30	-13.94
Remaining 5% of visitors		337,106	16,109			-\$44.10 <sup>3</sup>

**Note:** <sup>1</sup>Authors' calculation using data from Anthology Research (2020), *Visitor Tracker Exit Profile & Market Segmentation Report FY2020 – QTR.1 (OCT-DEC 2019)* for Japan, Korea, Taiwan, Philippines and U.S.

<sup>2</sup> Guam Visitors Bureau, *Preliminary October 2020 Visitor Arrival Summary*

<sup>3</sup> Calculated through proportionality

**TABLE 4** presents the estimated decrease in visitor spending by \$882 million for January-October 2020 which translates to a direct loss of 9,107 jobs in tourism, an indirect and induced loss of 2,732 jobs and a total of 11,839 jobs lost during the period January-October 2020. On the other hand, a conservative estimate of new jobs in the GovGuam sector during the same period is 1,054, including 800 related to Census 2020 (*Pacific Daily News*, 2020 December 14) and 254 calculated as the increase in the number of GovGuam employees based on the staffing pattern for FY2020 Q4 compared to FY2019 Q4. A more thorough approach would also have compared the staffing patterns of autonomous agencies. These figures combined to get the number of unemployed for January-October 2020 of 10,785, which was added to the 2,793 average number of unemployed in 2019 (GDOL-BLS, 2020 December 2) to get an estimated number of unemployed during the January-October 2020 period was 10,785. Divided into the average labor force in 2019 of 68,517, this yields an estimated **unemployment rate of 19.8% for January-October 2020.**

**TABLE 5: SUMMARY OF GUAM'S UNEMPLOYMENT RATE**

Source of data	Time period	Unemployment Rate
GDOL-BLS (official) <sup>1</sup>	June 2020	17.40%
Our team using approach#1	January-October 2020	26.60%
Our team using approach#2	January-October 2020	19.80%

<sup>1</sup> **Source:** Guam Department of Labor-Bureau of Labor Statistics, 2020 December 2.

## THE COVID-19 PANDEMIC

In December 2019, a new strain of a coronavirus disease was identified in Wuhan, China after a cluster of pneumonia cases arose. By the end of January, the World Health Organization (WHO) Director General issued a statement indicating that the virus could be transmitted from human to human. WHO also confirmed 7,818 cases of the novel coronavirus acute respiratory disease worldwide, where 82 cases had spread to 18 countries outside of China. This resulted in the WHO Director General declaring a Public Health Emergency. In February 2020, WHO officially named the respiratory disease, “coronavirus disease 2019” or more commonly known as COVID-19, where ‘CO’ is for ‘corona,’ ‘VI’ for ‘virus,’ and ‘D’ for disease. In March 2020, WHO declared COVID-19 to be a pandemic (World Health Organization, 2020 April 27 and 2020 June 29).

During this current global pandemic, the people of Guam has witnessed its economy deteriorate and its people suffer through waves of infections and deaths. Even before COVID-19, Guam has been known for a population that suffers chronic illnesses such as heart disease, cancer, and diabetes. These chronic illnesses increase the chances of contracting the COVID-19 virus and of death.

### COVID-19 STATISTICS

The first three COVID-19 cases in Guam were identified on March 15, 2020. By the end of the month Guam had 69 positive cases and 2 deaths. As of the end of April positive cases grew by 77 with 3 more deaths. May saw fewer positive cases at 27 for the month and no deaths. However, in June, positive cases increased by 86 with no deaths occurring for the month. July cases increased further by 97, but again no deaths recorded for the month. August saw a surge of 1,039 cases for the month and 5 deaths, with the first death by a 68-year-old individual with underlying conditions (Guam Homeland Security-Office of Civil Defense, JIC Release No. 21, 2020 March. 22). The month of September saw a continued growth in cases with an additional 1,093 for the month and the highest number of deaths per month at 39. As of December 25, 2020, Guam’s COVID-19 deaths had risen to 121. Out of 99,995 total tests, 7,268 cumulative positive cases (or 7.3% positivity rate) had been reported, with 6,937 cases among the civilian population and 329 were United States military service members. Of the total confirmed cases, 404 individuals were placed in active isolation while 6,743 were not held in active isolation. As of December 25, 2020, a total of 17 individuals were hospitalized at Guam Memorial Hospital, Guam Regional Medical Center, and Naval Hospital. 7 individuals were in the intensive care unit and 3 individuals were on a ventilator. Among the 7,233 individuals who were infected, 4,226 (or 58%) were male, 20% were aged between 20-29, 19% between 30-39, another 19% between 40-49 and 15% between 50-59 (Guam Department of Public Health and Social Services (DPHSS) COVID-19 Response Surveillance Team, 2020, December 24).

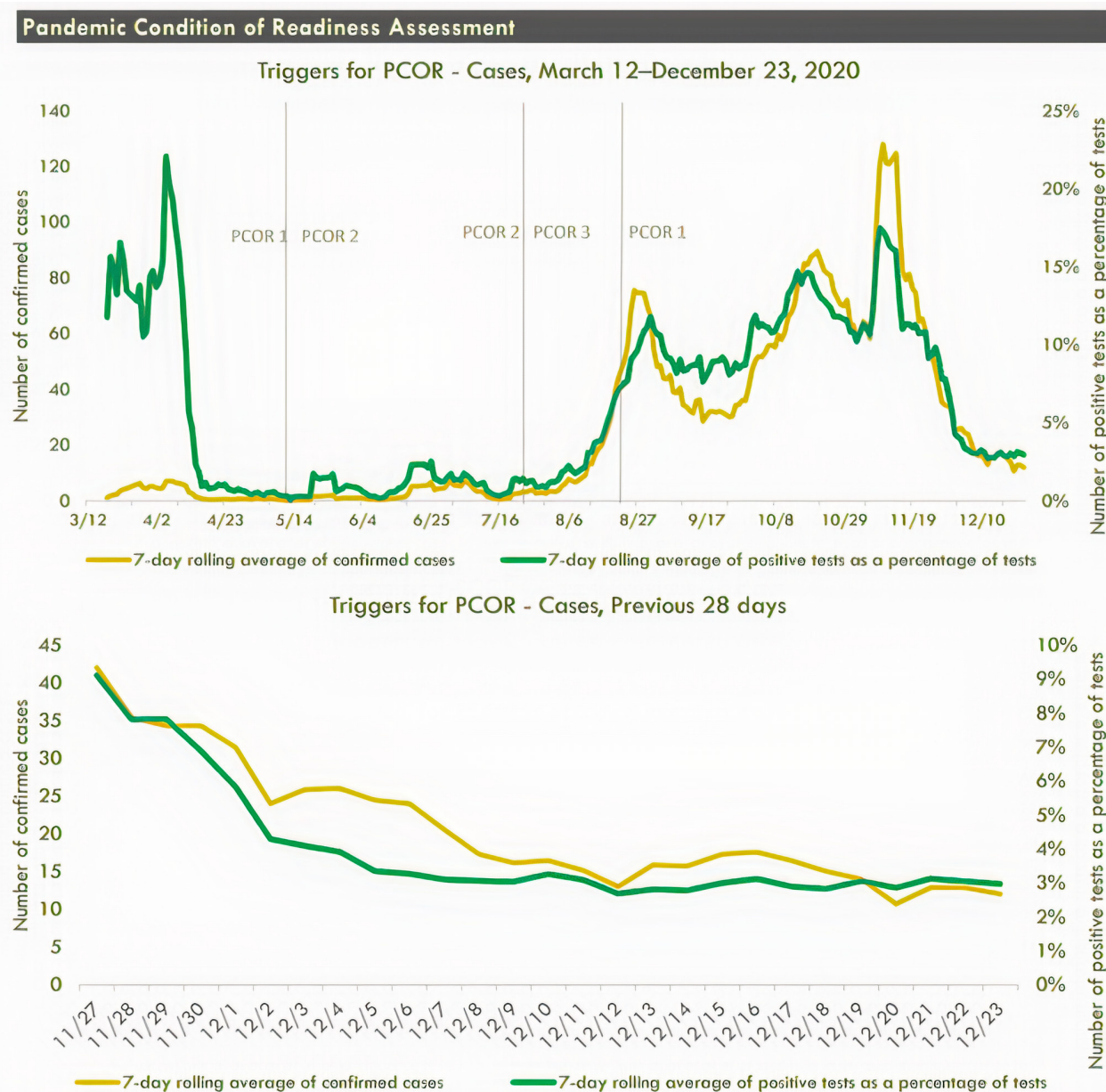
### MANAGING THE COVID-19 PANDEMIC

In the beginning of the pandemic in Guam, the Governor signed E.O. 2020-04 which limited GovGuam to essential operations only, closed all schools, prohibited gatherings of 50 or more people, subjected businesses with fewer than 50 people to operate at no greater than 50% occupancy and no greater than 50% of seating capacity, mandated social distances and restricted entry to the island of (Office of the Governor, 2020 March 14).



After empaneling a recovery advisory group consisting of members from the public and private sector, the Governor adopted the panel's recommended *Chålan Para Hinemlo' Guidelines* on April 30, 2020. The recovery plan which be downloaded [here](#), established the Pandemic Condition of Readiness (PCOR) system in which there are four levels whereby PCOR 1 represents the most urgent condition and justifies imposing maximum restrictions while PCOR 4 represents the state of normal operating conditions and no restrictions. At that time, Guam was placed in PCOR1 (Office of the Governor of Guam, 2020 April 30). The plan also discussed indicators including the number of positive cases hospitalization levels, testing capacity, and contact tracing capacity which would entail transitioning from one level to the next as well as the types of activities authorized at each level (Guam Recovery Panel of Advisors, 2020 April 30).

**CHART 1: TRIGGERS FOR PCOR**



**Source:** Guam Department of Public Health and Social Services-Epidemiology and Laboratory Capacity Program and Office of Epidemiology and Research (2020, December 24). *Guam COVID-19 Situation Report - 192, March 12–December 24, 2020*. Compiled by the Guam DPHSS COVID-19 Response Surveillance Team



## COVID-19 AREA RISK SCORING SYSTEM (CAR)

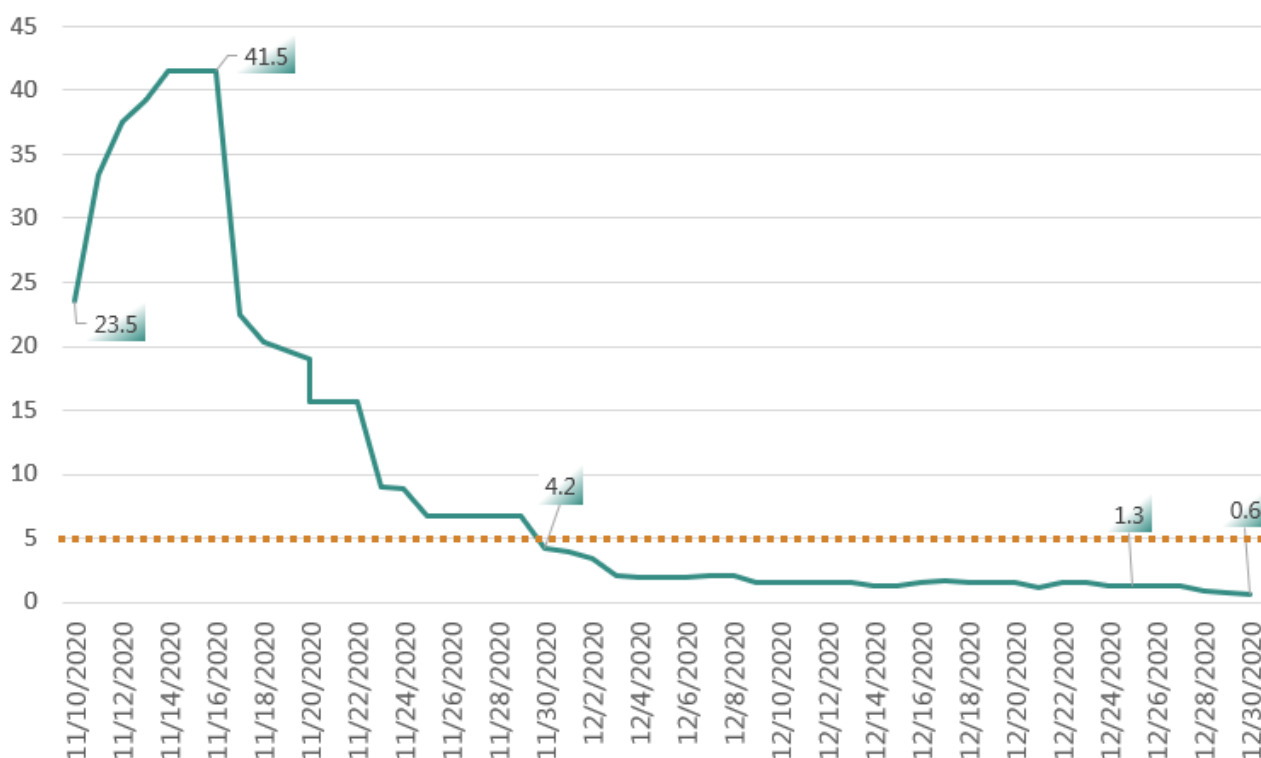
The Governor, together with her Physicians Advisory Group, created the COVID-19 Area Risk (CAR) scoring system on July 1, 2020. The CAR score would assist in assessing the risk of potential spread of COVID-19 to other countries from travelers who enter Guam.

A modified CAR score  $\leq$  (less than or equal to) 5.0 identifies Guam as a low-risk area. In order for Guam to be considered a low-risk area, it would have to display the following:

- Case doubling time > 256 days
- Test positivity rate < 2%
- New cases per 100K of the population < 2

Under the case doubling time, this refers to how quickly COVID-19 can spread in terms of how many days it takes for it to double. The test positivity rate is the ratio between those who tested positive divided by the total tested. Under the new cases per 100,000 of the population, this ratio is the total rate per capita in Guam.

**CHART 2: GUAM'S CAR SCORES OVER TIME**



**Source:** Data compiled by authors from multiple JIC releases, 2020

# \$1.6B COVID-19-RELATED FUNDING FROM THE U.S. FEDERAL GOVERNMENT

## THE CARES ACT / CRF FOR GUAM

The COVID-19 pandemic proved to be burdensome with its negative impacts on businesses, organizations, and families, but the burden would have been heavier if not for the monetary relief provided by the Federal Government. In other words, it is bad enough that Guam, like many countries, have had to deal with the challenges of this pandemic but, it would have been worse if, like many countries, it had to rely on its own limited budgetary resources to do so. On March 25, the Governor submitted a Presidential Disaster Declaration for Guam (Guam Homeland Security, 2020 March 28). According to the U.S. Department of the Treasury (2020), the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed by Congress with overwhelming, bipartisan support and signed into law by President Trump on March 27, 2020, was designed to provide economic aid to American workers and families, small businesses, and to preserve jobs. This funding was made available to state and local governments, the District of Columbia and the U.S. Territories (under the Coronavirus Relief Fund (CRF) program. Guam was therefore eligible for this relief because of its status as an unincorporated territory of the U.S. (U.S. Department of the Treasury, 2020). On May 5, the Governor signed E.O. 2020-12 *aka* The CARES Act Budget, which detailed how the \$117,968,257.80 CARES Act/CRF funding for Guam would be spent (Guam Homeland Security, 2020 May 5; see also the Guam Bureau of Budget and Management Research (BBMR) and [APPENDIX 2.](#))

- **COVID-19 Related Medical Expenses** (*public hospitals, clinics, temporary public medical facilities, testing, etc.*)
- **COVID-19 Related Public Health Expenses** (*communication and enforcement of public health orders, acquisition and distribution of medical and protective supplies, disinfection of public areas, as well as any other COVID-19 related expenses reasonably necessary.*)
- **COVID-19 Related Payroll Expenses for Public Safety, Public Health, Health Care, Human Services** (*executive branch, judiciary, University of Guam, Guam Memorial Hospital Authority, and Guam Visitors Bureau*)
- **COVID-19 Related Actions to Facilitate Compliance with Public Health Measures** (*food delivery to residents, distance learning, improvement of telework capabilities for public employees, etc.*)
- **COVID-19 Related Economic Support** (*grants to small businesses to reimburse costs of business interruption caused by closure*) (Office of the Governor, 2020 May 5).

As of October 31, 2020, Guam has received all but \$41M of the \$118M appropriated to the island from the CARES Act/CRF funding and has spent 51.46% of the total amount received. **TABLE 6** gives a detailed description of how this money was allocated throughout Guam the various sectors of Guam.

**TABLE 6: GUAM'S CARES ACT/CRF FUNDS AS OF OCTOBER 31, 2020**

	<b>Estimated Grant Award</b>	<b>Grant Award Received</b>	<b>YTD EXPENDED OR ENCUMBERED</b>	<b>Available Funds</b>
COVID-19 Related Medical Expenses	\$16,221,445.00	\$9,360,385.00	\$2,724,958.00	\$6,635,247.00
COVID-19 Related Public Health Expenses	\$6,937,164.00	\$17,206,315.00	\$17,997,624.00	-\$791,308.69
COVID-19 Related Payroll Expenses for Public Safety, Public Health, Health Care, Human Services	\$29,152,933.00	\$25,740,870.65	\$16,443,286.00	\$9,297,584.65
COVID-19 Related Actions for Facilitate Compliance with Public Health Measures	\$3,586,453.80	\$5,260,220.68	\$1,124,949.00	\$4,135,271.68
COVID-19 Related Economic Support & Other	\$40,005,000.00	\$43,395,466.00	\$22,115,271.00	\$21,280,195.00
COVID-19 Related Public Health Expenses for the Function of Government	\$22,083,262.00	\$17,005,000.00	\$16,456,314.00	\$548,686.16
<b>Totals</b>	<b>\$117,986,257.80</b>	<b>\$117,968,257.33</b>	<b>\$60,664,402.00</b>	<b>\$41,105,675.80</b>

**Source:** Bureau of Budget, Management and Research (BBMR), 2020 October 31

Guam was awarded \$1.325B of COVID-19 stimulus and assistance funds from FedGov for Executive Branch Line Departments and Agencies, including the Department of Administration (DOA) which received the CARES Act/CRF funding of almost \$118M referenced earlier. In addition, Executive Branch Autonomous and Semi-Autonomous Agencies, and Other Entities were awarded \$323M. All of these COVID-19-related funding from FedGov add up to \$1,661,749,041, which has been referenced earlier as \$1.6B. As of October 31, GovGuam and other entities have received a total of \$1.217B of which \$959.2M was expended or encumbered, leaving a balance of available funds of \$242.2M (based on BBMR, 2020 October 31, with recalculations by our team).

## **FEDERAL ASSISTANCE TO EXECUTIVE BRANCH LINE DEPARTMENTS AND AGENCIES**

As part of the \$1.325B estimated in grants awards to GovGuam Line Departments and Agencies, the largest amount of \$954.5M (or 72% of total) was awarded to the GDOL, primarily for unemployment benefits (Pandemic Unemployment Assistance (PUA) as well as the Federal Pandemic Unemployment Compensation (FPUC) for \$600 per week between April 1 and July 25), followed by \$150.2M (or 11.3% of the total) awarded to the Guam Department of Revenue and Taxation (DRT) to fund the Economic Impact Payments (EIP) program and by \$118M (or 8.9%) to the Department of Administration (DOA) for the CARES Act/CRF funding. Smaller amounts of \$41.5M (or 3.1%) and \$39.8M (or 3%) were awarded to the Guam Department of Education (GDOE) and the Department of Public Health and Social Services (DPHSS), respectively. **TABLE 7** below presents a comprehensive breakdown of the \$1.325B FedGov funds to GovGuam Line Departments and Agencies as of October 31 (BBMR, 2020 October 31).

**TABLE 7: COVID-19 FEDGOV FUNDING TO GUAM EXECUTIVE BRANCH LINE DEPARTMENTS AND AGENCIES AS OF OCTOBER 31, 2020**

<b>By GovGuam Agency</b>	<b>Estimated Grant Award</b>	<b>Grant Received</b>	<b>YTD Expended or Encumbered</b>	<b>Available Funds</b>
Labor	\$954,505,439.00	\$537,480,442.00	\$407,839,965.22	\$129,640,476.78
Administration	\$117,986,257.80	\$117,968,257.33	\$60,664,402.00	\$41,105,675.80
Dept. of Rev & Tax	\$150,213,000.00	\$150,213,000.00	\$144,991,930.00	\$5,221,070.00
Education	\$41,521,997.00	\$41,521,996.89	\$27,212,524.88	\$14,309,472.01
Public Health and Social Services	\$39,810,133.60	\$39,810,493.60	\$19,535,725.31	\$20,274,768.29
Bureau of Statistics and Plans	\$2,932,867.00	\$2,932,867.00	\$1,393,936.54	\$1,538,930.46
GRTA	\$2,704,154.00	\$2,704,154.00	\$94,555.22	\$2,609,598.78
Guam Behavioral Health and Wellness Center	\$1,297,206.00	\$1,297,206.00	\$198,799.45	\$1,098,406.55
GEC	\$600,000.00	\$600,000.00	\$-	\$600,000.00
GHS/OCD	\$280,405.00	\$280,405.00	\$-	\$280,405.00
Guam Council on the Arts and Humanities Agency	\$164,600.00	\$164,600.00	\$-	\$164,600.00
Guam Public Library System	\$15,224.00	\$15,224.00	\$-	\$15,224.00
Agriculture	\$1,000,000.00	\$-	\$-	\$-
Office of I Maga'hagan Guahan	\$12,499,963.00	\$-	\$-	\$-
<b>TOTALS</b>	<b>\$1,325,531,246.40</b>	<b>\$894,988,645.82</b>	<b>\$661,931,838.62</b>	<b>\$216,858,627.67</b>

**Source:** Bureau of Budget, Management and Research (BBMR), 2020 October 31

### **FEDERAL ASSISTANCE TO EXECUTIVE BRANCH AUTONOMOUS AND SEMI-AUTONOMOUS AGENCIES, AND OTHER ENTITIES**

The \$1.6B funding from FedGov included \$323M grants awarded to Autonomous and Semi-Autonomous Agencies and other entities. 85% of this total were awarded to the U.S. Small Business Administration to fund the Paycheck Protection Program (PPP) and the Emergency Injury Disaster Loans (EIDL) Program. As of October 31, 92.15% of the \$323M has been expended or encumbered, leaving approximately \$25M in available funds. **TABLE 8** shows details about the grant recipient and grant amounts as of October 31 (BBMR, 2020 October 31).

**TABLE 8: COVID-19 FEDGOV FUNDING TO GUAM AUTONOMOUS AND SEMI-AUTONOMOUS AGENCIES, AND OTHER ENTITIES AS OF OCTOBER 31, 2020**

BY AGENCY AND OTHER ENTITIES	ESTIMATED GRANT AWARD	GRANT RECEIVED	YTD EXPENDED OR ENCUMBERED	AVAILABLE FUNDS
U.S. Small Business Administration, Guam Branch Office	\$274,212,123.00	\$274,212,123.00	\$274,212,123.00	-
Guam International Airport Authority	\$20,693,369.00	\$20,693,369.00	\$14,693,380.09	\$5,999,988.91
Hospitals and other Healthcare Providers (Guam)	\$13,565,178.00	-	-	-
Guam Memorial Hospital	\$12,310,886.80	\$12,279,024.80	\$5,050,887.78	\$7,228,137.02
Guam Housing and Urban Renewal Authority	\$6,943,144.00	\$6,943,144.00	-	\$6,943,144.00
University of Guam	\$5,862,962.00	\$5,862,962.00	\$2,718,234.65	\$3,144,727.35
Guam Community College	\$1,153,943.00	\$1,153,943.00	\$593,754.00	\$560,189.00
Westcare Pacific Islands, Inc. (Ma'lak na ha'ani or Bright Futures Project)	\$1,000,000.00	\$1,000,000.00	-	\$1,000,000.00
Humanities Guåhan	\$250,600.00	\$250,600.00	-	\$250,600.00
Mañe'lu (formerly Big Brothers Big Sisters of Guam)	\$151,550.00	\$151,550.00	-	\$151,550.00
Sanctuary Incorporated of Guam	\$74,039.00	\$74,039.00	-	\$74,039.00
<b>TOTALS</b>	<b>\$336,217,794.80</b>	<b>\$322,620,754.80</b>	<b>\$297,268,379.52</b>	<b>\$25,352,375.28</b>

Source: Bureau of Budget, Management and Research (BBMR), 2020 October 31

## IMPACT ON FAMILIES

Guam families have been experiencing increased financial burden and stress as a result of the pandemic. However, this negative impact would have been worse if not for several financial and in-kind assistance made available to individual and households during the pandemic, many of them funded through different COVID-19-related FedGov programs. Assistance programs for individuals and households can be categorized into (1) unemployment benefits, (2) one-time cash payments, (3) in-kind assistance, and other programs.

### UNEMPLOYMENT BENEFITS

The most significant income support during this pandemic for approximately 27,000 individuals is the unemployment benefits program funded by the FedGov and administered by the GDOL. This program included several components:

**PUA or the Pandemic Unemployment Assistance** provides up to unemployment benefits up to \$345 per week for up to 39 weeks. This requires that the individual's weekly income minus an earnings disregard (ED) of \$150 be less than \$345 to be eligible for PUA. This program's original expiration date of December 31 was extended to March 14, 2021 by President Trump's signing into law the \$900B COVID-19 Relief Bill on December 28 (*Pacific Island Times*, 2020 December 28; *Guam Daily Post*, 2020 December 29).

**FPUC is the Federal Pandemic Unemployment Compensation** that added \$600 of weekly benefits to recipients of PUA between April 1 and July 25. The newly approved \$900B COVID-19 Relief Bill includes provisions to restart the FPUC program at \$300 per week until March 14 (*Guam Daily Post*, 2020 December 29).

**LWA is the Loss Wages Assistance program**, which became effective after the FPUC expired on July 25. Funded by FEMA, this program added \$300 per week to PUA benefits of a minimum of \$100 per week. It was initially effective for 3 weeks from July 27 to August 15 but was extended to six week and will end on September 5 (*Guam Daily Post*, 2020 October 16).

## **OTHER GDOL PROGRAMS**

**NDW is the National Dislocated Worker program**, which provided funding of \$7.8M to GDOL to employ on a limited term up to 200 workers who were displaced by the pandemic.

## **ONE-TIME CASH PAYMENTS**

On May 5, 2020, the Governor signed the CARES Act Budget, followed by two executive orders that established direct cash payments to Guam's individuals and households. E.O. 2020-12 established the "Prugraman Salappe Ayudon I Taotao" with a \$20M from the \$118M CARES Act/CRF funds. This program made a one-time payment for the amount of \$300 per eligible recipient and up to \$1,200 per household. Eligible recipients included those who were receiving benefits from public assistance programs and those who applied and were approved by June 30. A total of 17,040 checks amounting to \$12.8M were processed by June 12.

E.O. 2020-13 detailed the \$134.8M funding from the U.S. Treasury for the Economic Impact Payments (EIP). The program was designed to provide Americans with financial relief during the pandemic through a one-time payment up to \$1,200 for individuals, \$2,400 for joint filers and \$500 additional for each qualifying child ages 16 and under (Guam Department of Revenue and Taxation, 2020 May 7). Another round of EIP will be forthcoming as a result of the recent presidential approval of the COVID-19 Relief Bill on December 28 (*Pacific Island Times*, 2020 December 28). A bill to increase the amount of EIP to \$2,000 for individuals, \$4,000 for joint filers passed the House of Representatives but did not pass the Senate as of December 30, 2020. For now, the EIP amounts currently approved by law is \$600 for individuals and \$1,200 for joint filers.

The "Ayuda I Mangafa" (AIM) Help for Families Program was a one-time payment of \$500 for each eligible dependent. It was proposed as Bill 367-35 and lapsed into law as Public Law 35-94 on June 30 (*Guam Daily Post*, 2020 June 30). It was implemented on September 27, 2020 and would continue to process payments until March 31, 2021 (Guam Department of Revenue and Taxation, 2020 October 30). The AIM Program has been designed for those eligible Guam families with dependents who were "overlooked under the CARES Act of 2020 and did not receive the economic impact payment (EIP) for these dependents" (Guam Department of Revenue and Taxation, 2020 September 27).

The Recovery Income Support and Empowerment (RISE) Act, which lapsed into law on December 30, was designed to provide a one-time payment of up to \$800 for eligible individuals and up to \$1,600 for joint filers. GovGuam and FedGov employees would not be eligible in this program since they remained employed during the pandemic. One challenge is that this law does not specify its source of funding and simply states a preference for Federal funds, if available (*Guam Daily Post*, 2020 December 30).



**TABLE 9: SUMMARY OF FINANCIAL ASSISTANCE TO FAMILIES IN GUAM**

Program name	Number of eligible individuals	Total amount approved	Source of Funding
Unemployment Benefits administered by the Guam Department of Labor	27,000 estimated	\$924M estimated, \$500M+ paid out as of December 6, 2020 <sup>1</sup>	COVID-19 programs by the Federal Government
“Prugraman Salappe Ayudon I Taotao” administered by the Guam Department of Administration	2,313 as of November 2020 <sup>2</sup>	\$16.6M as of November 2020 <sup>2</sup>	CARES Act /CRF funds from the Federal Government
Economic Impact Payments (EIP) administered by the Guam Department of Revenue and Taxation	85,503 payments processed totaling \$145M as of December 17 <sup>3</sup>	\$145M paid as of December 17 <sup>3</sup> (\$150.2M awarded)	COVID-19 programs by the U.S. Treasury
“Ayuda I Mangafa” (AIM) Help for Families Program	648 payments processed as of as of November 25, 2020 <sup>4</sup>	\$375,000 as of November 25, 2020 <sup>4</sup>	\$10M out of GovGuam’s General Fund per Bill 367-35 which lapsed into law as Public Law 35-94

Sources: <sup>1</sup> *Guam Daily Post*, 2020 December 26

<sup>2</sup> BBMR, 2020 October 31

<sup>3</sup> *Guam Daily Post*, 2020 December 19

<sup>4</sup> *Pacific News Center*, 2020 December 1

## IN-KIND ASSISTANCE PROGRAMS

The Supplemental Nutritional Assistance Program (SNAP) is already in place and provides assistance to thousands of families in Guam. Those currently participating in the program but receiving less than the maximum benefits have had their benefit amounts increased to the maximum level during the pandemic. These additional benefits have been costing the FedGov at least \$2M per month (BBMR, 2020 October 31). The newly approved \$900B COVID-19 Relief Bill includes provisions for a 15% increase in SNAP benefits (*Guam Daily Post*, 2020 December 29).

Despite the school closure since March 16 and even during the summer break, GDOE’s Grab-n-Go school lunch program was continued in order to provide food assistance to families with school-aged children. During the summer months, this program received \$1M funding from the CARES Act/CRF program (Office of the Governor of Guam, 2020 October 16).

Another in-kind program to assist families during this pandemic is the Food Commodities Distribution program which distributes food rations on a first-come, first-served basis through drive-through or door-to-door delivery. The program has been a collaboration among the Guam Department of Education (GDOE), State Agency for the Emergency Food Assistance Program (TEFAP) under the U.S. Department of Agriculture (USDA) Food Nutrition Service (FNS) and the village mayors.

## OTHER PROGRAMS

Other programs to assist families in Guam affected by the pandemic include moratoria on rent and utility payments which are designed to allow for some breathing room and time to sort through their finances during the pandemic. The newly approved \$900B COVID-19 Relief Bill extended the moratorium on rent from December 31, 2020 to January 31, 2021. It also includes “...\$75 million in direct rental assistance, which can also be used to pay past-due household utility bills” (*Guam Daily Post*, 2020 December 29).

Many employers, both in the private and public sectors, have offered flexible work arrangements to allow individuals to continue to be employed and receive their incomes by performing work at home or in their workplace subject to reasonable accommodation for those in high-risk categories and to DPHSS guidance and CDC protocols.

---

## IMPACT ON BUSINESSES

At the beginning of the COVID-19 pandemic, a survey by the Chamber of Commerce on the impact COVID-19 had on its business members in Guam revealed that most of the businesses had to “reduce hours, implement furloughs, or layoffs”. Responses to the survey question, “What measures would benefit their companies in this period of uncertainty?” revealed that 60% of the respondents selected a temporary reduction in business privilege tax, 19% would prefer an increase of benefits of the Dave J. Santos Small Business Act while only 7% indicated that small loans would help them (*Guam Chamber of Commerce*, 2020 March 22).

Within a few months after this survey was conducted, a number of businesses had to make the difficult decision to permanently close as their business operations were very much restricted by the Governor’s executive orders that put Guam in PCOR1 or lock-down when the COVID-19 positivity rates are increasing. As a result, many small businesses suffered from the lack of opportunity to earn income.

## PCOR AND AUTHORIZED BUSINESS ACTIVITIES

On March 16, Guam experienced its first lock-down when Governor Leon Guerrero implemented a 14-day suspension of the operation of schools and non-essential government operations (*Pacific Island Times*, 2020 March 16). A few days later, on March 24, the Governor extended the lock-down until April 13th (E.O. 2020-06), extending the lock-down again until May 5th (E.O. 2020-09) (*Guam Homeland Security*, 2020 March 24). By April 30, the Guam PCOR categories were established (*Guam Homeland Security*, 2020 April 30). On May 8, E.O. 2020-14 placed Guam in PCOR2 effective May 10 (*Guam Homeland Security*, 2020 May 08). Guam remained at PCOR2 until July 20 when it was placed in PCOR3 by E.O. 2020-24, which states that “... most activities are permitted to operate under moderate restrictions.” Unfortunately, the number of positive COVID-19 cases began to increase at alarming rates which reverted Guam back to PCOR1 beginning at 12:01 a.m. on August 16 (*Pacific Island Times*, 2020 August 13) up to the time of this writing (December 31).

The Guam Chamber of Commerce described Guam's return to PCOR1 as placing "... a hardship and burden not only on a vast majority of businesses in Guam but their employees and families as well" (2020 August 15). The Chamber stated that many businesses might not survive the "two-week mandatory pause", adding that "all businesses" are essential. However, "the governor said the economy cannot be built at the expense of the community's health" (*Pacific Island Times*, 2020 August 15). Since then, multiple executive orders extended the Stay-at-Home until January 29 (Guam Homeland Security, 2020 December 29). Several executive orders since September 24 loosened some of the restrictions by increasing the number of individuals who may gather and/or allowing more non-essential businesses to operate and/or the capacity at which they may operate.

## CARES ACT FUNDS FOR GUAM SMALL BUSINESSES

Guam has about 3,566 small establishments in 2020, compared to 3,493 in 2019 and 3,466 in 2018 (U.S. Small Business Administration of Advocacy, various years). Due to the impact of the current pandemic, many businesses of all sizes already had to make the difficult decision of closing down their businesses, several of which are small businesses (see [APPENDIX 1](#)). As bad as this has been, the reality could have been worse if it included many businesses that are still hopeful of surviving once the pandemic is over or trying their best to survive within the business activities allowed under the Governor's executive orders and subject to the increased cost to comply with the DPHSS/CDC guidance and protocols. Some are awaiting the result of lawsuits they have filed against shutdowns and business restrictions (*Guam Daily Post*, 2020 August 29; *Pacific News Center*, 2020 September 14; *Pacific Daily News*, 2020 September 22; *Pacific News Center*, November 24; *Guam Daily Post*, December 12).

Of course, the pandemic has not treated local businesses equally. Some businesses have been more fortunate to remain operational during the pandemic. These include the following:

- those considered "essential" as defined by in the *Chalan Para Hinemlo' Guidelines* by the Guam Recovery Panel of Advisors (2020 April 30), various executive orders and DPHSS guidance;
- those able to align their business operations to the demands of the pandemic restrictions (for example, restaurants that provided drive-through, pick-up or delivery services),
- those that sell furniture (*Marianas Business Journal*, 2020 December 7),
- those that sell vehicles where the latest data from the Department of Motor Vehicles (DMV) show vehicle registrations in June 2020 (in the middle of the pandemic) to be only slightly lower than in June 2019 (pre-pandemic), 524 vs. 532 vehicles registered a year earlier (*Marianas Business Journal*, Databank, 2020 August 3),
- those that provide internet service as the demand for it increases as many activities (work, school, social) had transitioned from in-person, face-to-face to online platforms,
- those involved in construction, especially but not limited to military projects, and
- those involved in months of the quarantine operation, including hotels, catering services, laundry services and others (with \$4M of the federally-funded CARES Act for the Small Business Pandemic Assistance Program (Guam SBPA) administered by GEDA' reallocated towards the payment of "hotel quarantine facilities" (*Guam Daily Post*, 2020 September 16).

These are some of the businesses that have thrived during the pandemic. For many small businesses that could not take advantage of these opportunities, the impact of the pandemic on how well and/or how long they have survived and continue to survive this pandemic could have been worse if not for several programs designed to assist them during this pandemic. These programs are summarized in in **TABLE 10** and briefly discussed below.

**TABLE 10: SUMMARY OF FINANCIAL ASSISTANCE TO SMALL BUSINESSES IN GUAM**

<b>Program name</b>	<b>Target businesses</b>	<b>Number of businesses approved in program</b>	<b>Total amount approved</b>	<b>Source of Funding</b>
Payroll Protection Program (PPP) administered by U.S. Small Business Administration	Small businesses, eligible nonprofit organizations, veterans organization, and tribal businesses described in Small Business Act	2,208	\$192M	CARES Act (Federal Government)
Economic Injury Disaster Loan (EIDL) administered by U.S. Small Business Administration	Eligible small businesses, private-nonprofits, agricultural businesses	1,529 for EIDL advances; 1,322 for EIDL direct loans	\$6.3M (advances); \$78.4M (direct loans)	Expanded by CARES Act (Federal Government)
Guam Small Business Pandemic Assistance Grant Program (GSBPA) administered by the Guam Economic Development Authority (GEDA)	Small businesses experiencing "Business Interruption" due to COVID-19	2,313 as of November 2020	\$16.6M* as of November 2020	from CARES Act (Federal Government)
Guam Small Business Rent Assistance Program	"food & beverage establishment, a small retail establishment, and/ or personal care services establishment where services can only be rendered at that physical location <sup>1</sup>	403 companies who received payments as of December 26, another 350 companies waiting for payments subject to availability of additional funding <sup>2</sup>	\$3M initially budget, \$1.7M additional budget request as of December 26, 2020 <sup>2</sup>	from CARES Act (Federal Government)

\* Original funding \$20M originally, reduced to \$16M on September 16, increased to \$17M on September 29

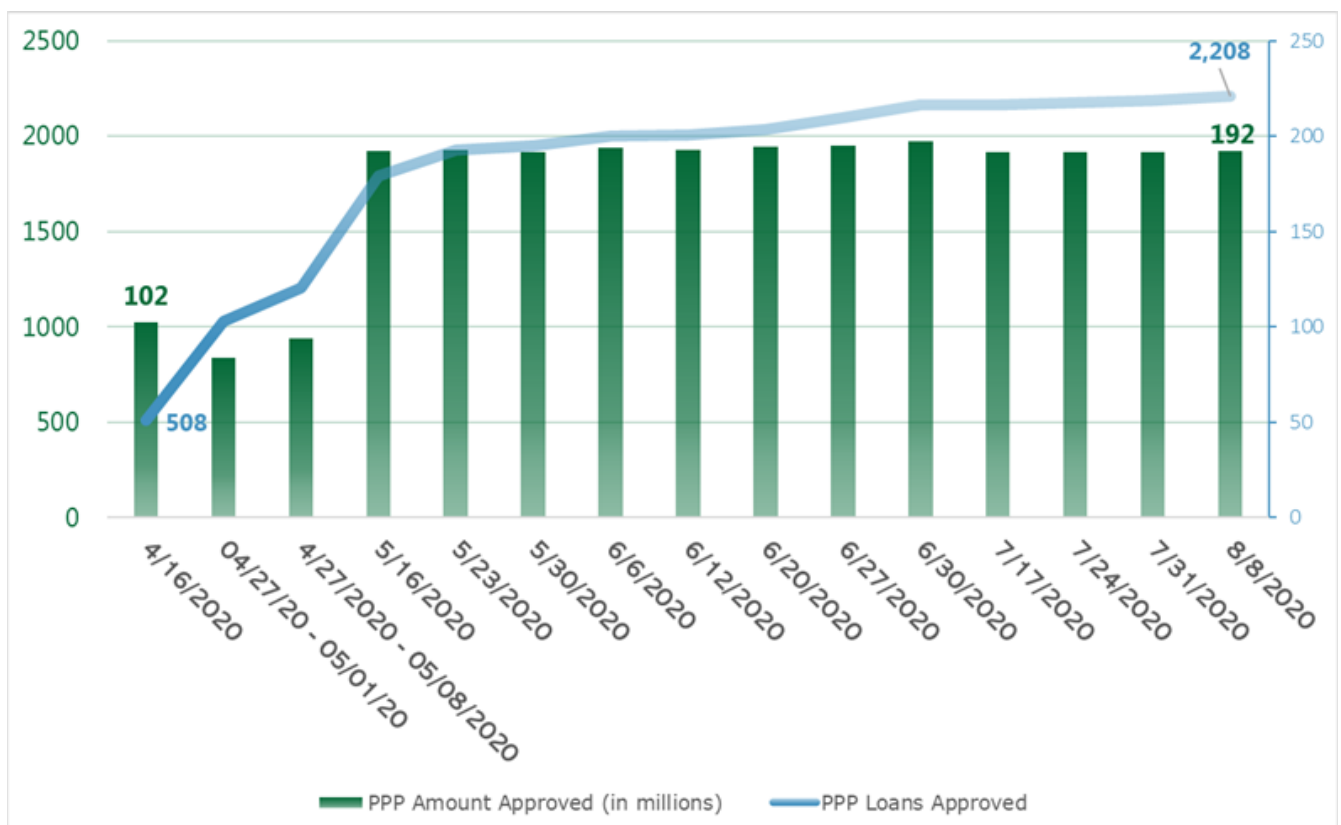
<sup>1</sup> GEDA (2020)

<sup>2</sup> *Pacific Daily News*, 2020 December 26

## PAYROLL PROTECTION PROGRAM

The Paycheck Protection Program (PPP) was established by the CARES Act to provide small businesses with funds to cover payroll costs during the pandemic and to pay interest on mortgages, rent, and utilities (U.S. Department of Treasury, 2020). Lending was facilitated through local banks (Guam Economic Development Authority, 2020 April 6) for approved loan applications by the initial deadline of June 30, 2020 (*Guam Daily Post*, 2020 June 23), later extended to August 8, 2020 (Office of Congressman Michael F.Q. San Nicolas, 2020 July 2). The program stopped accepting application after August 8, 2020 (U.S. Small Business Administration, 2020). The first 508 loans in Guam were approved on April 16, 2020. At the end of the program, a total of 2,208 loans in Guam were approved for a total amount of \$192M (U.S. Small Business Administration, 2020). The newly approved \$900B COVID-19 Relief Bill includes provisions for another round of PPP loans (*Guam Daily Post*, 2020 December 29).

**CHART 3: PPP PROGRAM: CUMULATIVE LOANS AND AMOUNTS APPROVED**



Source: U.S. Small Business Administration

## ECONOMIC INJURY DISASTER LOAN

The Economic Injury Disaster Loan (EIDL) was designed for small business with fewer than 500 employees or private non-profit organization or veterans' organization affected by COVID-19 (U.S. Department of the Treasury, 2020). It provided direct loans as well as forgivable advances at "\$1,000 per employee, up to a maximum of \$10,000" (U.S. Small Business Administration, 2020). By July 12, 2020, a press release stated that all funds for advances were already allocated but



loan applications were still being processed (U.S. Small Business Administration, 2020, July 12). 334 Guam businesses received advance loans for a total amount of \$1.68M on April 24, 2020 and 27 loans for a total amount of \$2.16M on May 17, 2020. By July 15, 2020, a total of 1,529 advance applications were approved at a total amount of \$6.3M while up through November 23, 2020, 1,322 eligible businesses and organizations in Guam have been approved for loans for a total amount of \$78.4M (U.S. Small Business Administration, 2020).

### **GUAM SMALL BUSINESS PANDEMIC ASSISTANCE GRANT PROGRAM (GSBPA)**

The Guam Small Business Pandemic Assistance Grant Program (GSBPA) was launched on May 19, 2020 in accordance with the Governor's executive order (Pacific News Center, 2020 May 19). E.O. 2020-18 mentioned \$20 million from the federally-sourced CARES Act/CRF funding toward this grant program (Guam Homeland Security, 2020 June 1), where grant amounts do not have to be repaid as long as the funds are used for eligible expenses. Eligible grant recipients were business that have experienced "business interruption" defined by the program's administrator, Guam Economic Development Authority (GEDA) as "reduction in gross receipts of 25% or more between the month ending April 2020 and the average monthly Annual or Annualized gross receipts between March 2019 through February 2020" (GEDA, 2020). **TABLE 11** is a reproduction of GEDA's Grant Table. In addition to business having experienced interruption, eligible businesses are required to have a current business license, file income taxes in Guam, and in operation on or before October 1, 2019 (GEDA, 2020).

**TABLE 11: GEDA GRANT TABLE**

	Bracket	Minimum (AGR)	Maximum (AGR)	Max Grant
<b>SERIES 1 + SERIES 2</b>	A	1	250,000	5,000
	B	250,001	500,000	10,000
	C	500,001	750,000	15,000
	D	750,001	1,000,000	20,000
	E	1,000,001	1,250,000	25,000
	F	1,250,001	1,500,000	30,000
<b>SERIES 3</b>	G	1,500,001	1,750,000	35,000
	H	1,750,001	2,000,000	40,000
	I	2,000,001	2,250,000	45,000
	J	2,250,001	2,400,000	50,000
	K	2,400,001	(OR MORE)	50,000

*(AGR) Annual/Annualized Gross Receipts*

**Source:** Guam Economic Development Authority

Applications to the GSBPA Grant Program was on a "first-come, first-serve basis" (Pacific Daily News, 2020 June 11) until the deadline of December 30, 2020, subject to the availability of the funds. By June 6, 2020, 197 small businesses were approved for grants between \$50 to \$10,000 while about 85% of those who applied did not meet all the eligibility requirements (Guam Daily Post, 2020 June 6).



By June 30, 2020, GEDA stated receiving 2,091 grant applications (GEDA, 2020 June 30)<sup>1</sup> By August 21, a total of 2,146 business grants were awarded (*Pacific Daily News*, 2020 August 21). Application submissions increased due to the reinstatement of PCOR1 on August 16, reaching a total of 2,244 (*Pacific Daily News*, 2020 September 17). Consequently, \$1M was reallocated to the program (*Guam Daily Post*, 2020, September 29). By November 2020, 2,313 small businesses were awarded grants totaling to about \$16.6M, with more applications still in process (*Guam Daily Post*, 2020 November 12).

## **GUAM SMALL BUSINESS RENT ASSISTANCE PROGRAM**

On November 23, 2020, E.O. 2020-40 established the Small Business Rent Assistance Grant Program (Guam Recovery, 2020). This program was funded by the CARES Act and was allocated \$3M, to be administered by GEDA. According to GEDA, the purpose of this program was to assist small businesses to pay their rent due to the impact of the COVID-19 pandemic. The application period for this program was from November 25, 2020 to December 11, 2020 at 5:00 p.m. but is “subject to availability of funds”. If an application were approved, the Guam business would be granted awards “equal to two months’ rent (base rent plus common area charges only), or fifteen thousand dollars (\$15,000), whichever is less” (GEDA, 2020). One of the criteria under this program was that the Guam business must be either a “food & beverage establishment, a small retail establishment, and/ or personal care services establishment where services can only be rendered at that physical location” (GEDA, 2020). Other required documents must show tax status, past-due rent and currently operating or planning to resume business operation once allowed. A listing of all 1,039 businesses that applied for this program and their application status is available [here](#).

As of December 26, 403 eligible businesses have received rental assistance payments for a total of \$3M, the entire budget for this program. However, GEDA administrator has requested the Office of the Governor for an additional \$1.7M to assist another 350 eligible business (*Pacific Daily News*, 2020 December 26).

## **OTHER EXISTING GUAM ECONOMIC DEVELOPMENT AUTHORITY LOAN PROGRAMS<sup>2</sup>**

GEDA offers two economic development loan programs to financially assist businesses in response to the impact COVID-19 had on Guam businesses. The loan programs include the Guam Development Fund Act (GFDA) and the State Small Business Credit Initiative (SSBCI).

According to GEDA (2020), the Guam Development Fund Act (GDFA) was established to provide businesses, such as private enterprises and industries, with financial assistance through loans and loan guaranties. However, through this program the goal is also to promote economic development in Guam. This program is for business start-ups and existing businesses who plan to engage in either agriculture, fishing, manufacturing, tourism, or support industries for similar

<sup>1</sup> For information on the business names who applied online between May 19, 2020 to July 8, 2020, please visit Guam Economic Development Authority website. <https://www.investguam.com/>

<sup>2</sup> For more information regarding the GEDA Loan Programs, please visit the Guam Economic Development Authority website. <https://www.investguam.com/programs/>

entities (GEDA, 2020). It provides these businesses with the opportunity to secure either a direct loan or line of credit for the acquisition items such as supplies and inventory. With regard to the Small Business Credit Initiative (SSBCI), GEDA (2020) stated, “The State Small Business Credit Initiative (SSBCI) is a Federal program administered by the Department of Treasury that was funded with \$1.5 billion to strengthen state programs that support private financing to small businesses.” The purpose of this program is to increase entrepreneurship on Guam by providing the community the opportunity to start a business and giving existing businesses the opportunity to expand (GEDA, 2020).

## **PUBLIC LAW AMENDED TO ASSIST SMALL BUSINESSES**

The Dave Santos Small Business Amendment exempted from payment of the Gross Receipts Tax (GRT) of 5% the first \$50,000 of business revenue. The Dave Santos Small Business Enhancement Act, which became Public Law 35-13 in May 7, 2019, amended the earlier law by requiring small businesses with gross annual incomes between \$50,000 and \$250,000 to pay GRT at 3% (not 5%) on its first \$100,000 revenue and 5% for amounts above that threshold (35th Guam Legislature, 2019). In response to the pandemic, Public Law 35-90 was signed into law on June 26, 2020 to amend Public Law 35-13 to apply to businesses with gross annual incomes between \$50,000 and \$500,000 to pay GRT at 3% for the first \$250,000 revenue (35th Guam Legislature, 2020).

---

## **IMPACT ON PUBLIC SAFETY**

The COVID-19 pandemic has brought upon many challenges for Guam as public officials and lawmakers shifted their public safety plans to safeguard the people of Guam from the potential risks of the virus. Guam saw its first positive cases of COVID-19 in March and as a result, the Governor ordered a shutdown of all non-essential business and social gatherings, set up roadblocks, and implemented new public protocols such as mask-wearing and social distancing.

## **PUBLIC SAFETY PRECAUTIONS AND POLICIES IMPLEMENTED**

### **GOVERNOR’S EXECUTIVE ORDERS**

Guam public safety officials and lawmakers implemented a number of measures to limit and prevent the spread of the COVID-19 virus amongst the general public. Upon the announcements of the first positive cases of COVID-19 on March 15, the Governor’s E.O. 2020-05 ordered the closure of non-essential businesses, public parks, and beaches and other non-essential areas of public gathering. It also limited gatherings to 50 people for social, spiritual, and recreational activities (Office of the Governor, 2020 March 19). E.O. 2020-09 stated that mandated social distancing and other COVID-19 preventative measures will be enforced by issuing fines or terminating business licenses of individuals and businesses who do not comply (Office of the Governor, 2020 April 5). It emphasized stay-at-home initiatives and preventative procedures to contain the spread of the COVID-19 virus. As of December 31, 2020, Guam remains in PCOR1 until January 29, 2021, although there has been some loosening of restrictions of business operations, establishment capacity and social gathering limits from previously existing restrictions (Office of the Governor, 2020 December 29).

## **ENFORCEMENT OF CURFEW**

In the early weeks of the pandemic, curfew applied to minors were put in place and enforced by Guam Police Department (GPD). Any minors, those 17 years of age and younger, violating curfew laws would be fined \$500 (*Pacific Island Times*, 2020 March 17). There were also proposals to impose a curfew on adults during certain hours of the day as well as restrictions on making essential trips outside of curfew hours. However, it was not indicated how this curfew will be enforced and what resources will be utilized to fund the enforcement.

## **CRIME**

With stay-at-home mandates in place and face-to-face classes closed, it is questioned whether crime trends have increased or decreased since the onset of the COVID-19 pandemic. In a radio interview in March 2020, GPD reported a rise in home break-ins and break-ins of non-essential business establishments that had been closed during the pandemic (*KUAM*, 2020 March 30). Many of these crimes involved minors violating curfew as well as alcohol consumption. In addition, GPD assured the public that they are working with neighborhood watch groups, Guam Department of Youth Affairs (DYA), as well as parents to solve these crimes (*KUAM*, 2020 March 30) and encouraged community involvement and pro-action. The increase in crimes during the pandemic has prompted residents to be more vigilant. By December, GPD spokesperson reported a decrease in home break-ins this year compared to last year, probably because of residents being at home due to the stay-at-home and because of the increase in the use of electronic devices and sharing of crime photos and videos on social media (*Pacific News Center*, 2020 December 7).

Before the pandemic, Guam residents have become increasingly concerned over a surge in drug-related crimes, as reported by GPD. The main drug in use is methamphetamine, which is highly addictive (*Pacific News Center*, 2020 May 7) and often leads the drug addict to commit other crimes including home break-ins, theft, robbery and aggravated assault. Guam Customs and Quarantine reported that drugs continue to be smuggled through the postal system with a one case in May seizing \$2.5 million worth of methamphetamine (*Pacific News Center*, 2020 June 1). With the pandemic already having a negative effect on physical health, chronic use of illegal drugs can also lead to mental health issues such as aggression, anxiety, depression, paranoid ideas, hallucinations and other problems (SAMHSA, 2015).

## **MENTAL HEALTH**

Millions of Americans have reported coping with stress and anxiety associated with the fear of the disease as well as the financial worries and economic fallout caused by the pandemic (*CNBC*, 2020 May 11). The same can be said for Guam as stay-at-home orders and the added stress of lost jobs or being furloughed have contributed to the negative effects to mental health which has culminated in 15 suicides during the pandemic as of September 2020. A study published by *QJM International Journal of Medicine* indicated that "the coronavirus pandemic is associated with distress, anxiety, fear of contagion, depression and insomnia in the general population and among the healthcare professionals" (*Pacific News Center*, 2020 September 5). The Guam Behavioral Health and Wellness Center, GBHWC's Crisis Hotline has also been receiving calls related to anxiety and depression caused by the pandemic's effect on jobs and quarantine orders.

As of August 31, the hotline has had 2,945 calls with the average number of calls per month increasing by 1,667% (*Pacific Island Times*, 2020 October 15). With an increased number of suicides and hotline crisis phone calls, it is clear that the pandemic has not only affected the physical health but also the mental health of individuals in Guam. Unfortunately, Guam has been facing a shortage of mental health professionals on island as the demand for more counselors and mental health providers grows with a dwindling supply nationwide (*Pacific Island Times*, 2020 October 15). The GBHWC issues highlight that mental health should be prioritized on island amongst policymakers and healthcare professionals in light of increased illegal drug use and mental health issues during this pandemic.

## **ROADBLOCKS**

Between April 11 and 30, 2020, E.O. 2020-10 ordered road closures at four locations around the island to deter motorists from taking non-essential trips and potentially spreading the virus. While the larger island population felt their freedom of movement restricted, with others questioning the necessity and effectiveness of these roadblocks, the resulting activation of the Guam National Guard personnel and equipment for 12 hours from 10 a.m. to 10 p.m. each day came at a time when many were being laid off or working reduced hours and not yet certain whether unemployment benefits and other financial assistance would be forthcoming (*Guam Daily Post*, 2020 April 17). More than three dozen Guard members were assigned to work the roadblocks with the assistance of GPD as authorized by the governor and a total of 123 Guam National Guard soldiers and airmen were issued orders to support COVID-19 response efforts, among them (*Guam Daily Post*, 2020 April 13).

The stated objective of the roadblocks, which were often publicly confused with checkpoints, was to stop motorists and educate residents of the importance of avoiding non-essential travel to prevent the spread of COVID-19. Many questioned the need for such road closures and pointed to the Governor's lack of legislative power to establish any checkpoints that can issue fines and citations. However, the governor expressed her plan to obtain additional authority to penalize offenders (*Guam Daily Post*, 2020 April 13). A civil complaint was filed alleging that these roadblocks were "unilaterally, inorganically, and unlawfully" implemented and are essentially "over-policing the people of Guam" (*Guam Daily Post*, 2020 April 20). Also, if the roadblocks were introduced as an educational campaign, it was not clear whether this approach was more effective than other approaches including social media outreach, televised announcements, or real-time updates in essential GovGuam agencies' websites. The effectiveness of the roadblocks could be questioned as there was no guaranteed way to ensure that the public would be truthful about their daily travels. Despite this, public resources were allocated to these roadblocks while it is still unknown whether it actually prevented the further spread of COVID-19 within the community.

## **GUAM NATIONAL GUARD ACTIVATION**

In addition to roadblocks, the Guam National Guard has been activated to complete various missions in efforts against the spread of COVID-19. The funding to support the activation comes from President Trump's appropriation of \$5.2 million to the Guam National Guard to assist the local government (Guam National Guard, 2020 July 9). As of July, more than \$4.7 million had already been spent

on the activation of the National Guard for missions dealing with “security at COVID-19 isolation and quarantine facilities, traffic and crowd management at testing sites, food distribution, pandemic unemployment sites, disinfection of government facilities, and COVID-19 engineering project” (Guam National Guard, 2020 July 9). The federal government covers the full cost of activation of Guam National Guard personnel up until August 21. After that point until December 2020, President Trump’s Aug. 3 memorandum stated that the federal government will pay 75% of the costs associated with the National Guard’s COVID-19 assistance (*Guam Daily Post*, 2020 August 19).

## **COURTS**

During the early weeks of the pandemic, court facilities were closed to the public while services were limited to essential matters only. Individuals who were diagnosed with or have had contact with someone that has been diagnosed with COVID-19, people who were asked to self-quarantine by a doctor or health agency, and people who are ill or displaying flu-like symptoms were not allowed access to court facilities (*Pacific News Center*, 2020 March 23). The Court recognized the constitutional right of media members to access court proceedings and asked them to contact the Chief Deputy at least one hour before the scheduled hearing for telephone instructions.

As Guam returned to PCOR1 on August 16, the Judiciary of Guam announced that they remained closed to the public, although scheduling continued for magistrate proceedings, preliminary hearings for detained juveniles, hearings for temporary orders of custody, civil protection orders, temporary restraining orders when necessary for the protection of the safety and welfare of a person, search warrants, emergency guardianships, quarantine and isolation petitions, any other locally or federally mandated hearings, and other court proceedings under the Emergency Health Powers (*Pacific News Center*, 2020 August 21).

On October 9, 2020, the Supreme Court of Guam and Superior Court of Guam continued operations limited to essential matters that cannot be resolved remotely, payments for citations, clearances, case-related obligations, and non-essential matters that cannot be resolved remotely and in-person essential appointments (Judiciary of Guam, 2020 September 18). Magistrate proceedings, hearings, and other court services related to civil protection, criminal and noncriminal warrants, guardianships, and probation also continued to be scheduled and heard either in person or remotely through telephone or video conferencing.

## **PUBLIC LAW TO PROMOTE PUBLIC SAFETY DURING ELECTION**

Guam lawmakers worked to propose bills to ensure the health and safety of Guam’s residents during the pandemic. One significant bill turned Public Law 35-96 prioritized public safety and well-being of residents, especially the estimated 16,410-19,145 voters who are most susceptible to contracting the disease.

This law cancelled the Primary Election and reallocated the resources to enhance safety protocols during the General Election (35th Guam Legislature, 2020 August 28). Despite this law and the resulting efforts in support of it, the pandemic discouraged voter turnout during the General Election, with only 29,034 of 55,880 registered voters who actually voted, the lowest since 1950 (*Guam Daily Post*, 2020 November 17).



## IMPACT ON EDUCATION

The pandemic has impacted student learning in Guam and globally as education systems adapt to changes brought on by the pandemic. These changes began when Guam identified its first COVID-19 positive case in March, followed by the Governor's 14-day suspension of non-essential operations, including all educational institutions (Guam Homeland Security, 2020 March 16). Educational institutions spent the 14-day lockdown transitioning campus operations and instructional delivery with safety as a priority, resulting in shifts to remote learning in order to mitigate the spread of the virus and prioritize stakeholder's health and safety.

### SCHOOL SHUTDOWN (SPRING 2020)

When the lockdown was extended after the initial 14-day period, the Guam Department of Education (GDOE) canceled the remainder of School Year 2019-2020 (Guam Homeland Security, 2020 April 7), and students were given the opportunity to participate in remote learning on a voluntary basis. However, at least 30% of students across the public school system lack reliable internet access and computers (*Pacific Daily News*, 2020 May 15) needed to connect to online learning platforms, posing a challenge for GDOE. This is compounded by the fact that students who lack the necessary resources for remote learning come from the island's poorer households. Students in this situation were given the alternative to receive hard copy course materials provided by their school (*Pacific Island Times*, 2020 July 2). As some students face the trouble of acquiring the necessary resources for remote learning, GDOE Superintendent Jon Fernandez announced that teachers will not grade distance learning for SY 2019-2020 (*Guam Daily Post*, 2020 March 31).

Similarly, all Guam private schools closed due to the Governor's executive orders that extended the lockdown. Private school students continued and finished their academic year learning at home and used online platforms to stay connected to their teachers and classmates.

As for higher educational institutions, the University of Guam (UOG) and Guam Community College (GCC) shifted to remote learning for all their students for the remainder of the academic year. UOG transitioned all its courses online for the rest of the spring semester starting on April 6 (University of Guam, 2020 March 26). Accustomed to face-to-face (F2F) classes, students and faculty alike experienced difficulty in adapting to the new changes and new online platforms. As a solution, UOG created an alternative grading option so that undergraduate students could replace their letter grades with the corresponding 'pass', 'credit' or 'no credit' without affecting their overall GPA (University of Guam, April 17). GCC offered students the option to receive an incomplete for their current courses or allowed them to complete their work on a time relaxed basis (*Pacific Daily News*, 2020, April 19).

### THE ISSUE: SCHOOL CLOSURE VS. REOPENING

As the pandemic continued into the new academic year, discussions ensued about whether or not schools across the nation would reopen. President Donald Trump advocated for reopening schools with proper safety measures in place to address students' well-being while enabling parents to go back to work (The White House, 2020 August 12). He argued that he supports reopening schools

as students and teachers have a low risk of contracting the virus (*New York Times*, 2020 October 23). Studies report that, compared to adults, few young children experience severe symptoms or are asymptomatic when they contract the virus.

With the reopening of schools, students can once again experience physical interaction and engagement with teachers, therefore allowing for better learning and comprehension. The United Nations Educational, Scientific, and Cultural Organization (UNESCO) reports that school closure results in poor nutrition because many children from low-income families rely on free school meals for their daily nutrition intake. Children are also faced with the challenge of obtaining the necessary resources for remote learning, such as laptops and tablets. UNESCO also highlights that school closures have high economic costs on parents, most especially for single parents, who have had to miss work so they could stay at home to help their children with remote learning. In addition, some parents in the nation are demanding F2F classes due to the frustration that remote learning brings to households (*New York Times*, 2020 October 23), especially those with special needs children whose ability to learn through online platforms and/or are incompatible for those with hearing or visual impairments.

The CDC reports that school closures will help slow the spread of COVID-19 and better protect individuals with underlying medical conditions. Although young children may be asymptomatic or experience mild symptoms when contracted with the virus, they can still be carriers and spread the virus to adults and the elderly, who have higher chances of experiencing severe symptoms. Various educational institutions across the nation have reopened for the new academic year, with some districts experiencing a rise in COVID-19 cases within the first few weeks of classes. In Guam, the Father Duenas Memorial School started its academic year on August 3, but closed on August 5, due to a member of the school community testing positive for the virus (*Pacific Daily News*, 2020 August 6).

Similar discussions around whether or not to reopen schools had taken place in Guam. A letter from the administration of one of Guam's private schools, Harvest Christian Academy, addressed that online education is inadequate due to the interruption of learning and the lack of social development of students (*Pacific Daily News*, 2020 September 12).

For the start of academic year 2020-2021, all Guam educational institutions offered different instructional models of learning to accommodate students' health and safety. GDOE offered three options: (1) attending F2F classes at their respective schools, (2) online learning at home, or (3) receiving hard copies of academic materials for use at home. However, Guam returned to PCOR1 on August 17 which effectively resulted in distance-learning, mostly through online platforms, although GDOE students did have an alternative to online learning by using hard copies of academic materials while learning at home (GDOE, 2020 August 14). Although schools continue throughout the academic year with distance learning, GDOE Superintendent stated that F2F classes may resume in January 2021 at the earliest (GDOE, 2020 October 16). The Guam Education Board (GEB) has approved the plans for the F2F classes to begin on January 19, 2021 (GDOE, 2020 December 22). However, the reopening of schools continues to depend on the state of the island's health and the authorization of the Governor and GDOE Superintendent. To minimize the spread of the virus in schools, students who will be in the F2F model will be divided into cohorts, along with the implementation of proper safety procedures. Despite these protocols, parents continue to be concerned over their children's safety at school, with only 34% of GDOE parents willing to send their children back school in January, according to a GEB meeting (*Pacific Daily News*, 2020 December 16).

On the other hand, Guam private school students started their academic year during the week of August 10 with options for learning models such as online learning, F2F classes, and a hybrid of both online and F2F learning methods (*Pacific Daily News*, 2020 August 11). Similar to public schools, private schools discontinued F2F learning on August 16 when the island went to the PCOR1 stage.

The announcement of PCOR 1 has also delayed the start of the new academic year for higher education institutions. UOG and GCC planned to offer F2F, hybrid, and online classes for the new academic year. GCC started its academic year on August 12, 2020, allowing students to attend hybrid, F2F, and online courses, but due to an increase in COVID-19 cases, all classes resorted to online platforms, starting August 17 (GCC, 2020 August 14). Initially, UOG was to start the new academic year on August 19 but delayed it until August 26, by that time, all classes were delivered online (UOG, 2020 August 14).

## CARES ACT EDUCATION STABILIZATION FUND (ESF)

In response to the pandemic, the Education Stabilization Fund (ESF) was established under the CARES Act to set aside roughly \$153M federal funding for educational institutions in the insular territories. The ESF consist of three emergency relief funds which are set to expire by September 30, 2021: (1) Governor’s Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief Fund (HEERF).

ESSER provided \$41.5M funding to GDOE to help students adjust to the changes that the pandemic has brought upon their education. **TABLE 12** shows the breakdown of the ESSER budget.

**TABLE 12: BUDGET SUMMARY - ESSER FUND (ESF)**

<b>Expense Category</b>	<b>Amount</b>
Personnel	\$146,095.18
Fringe Benefits	\$52,250.23
Equipment	\$2,993,231.85
Supplies	\$33,224,536.43
Contractual	\$4,053,504.26
Other	\$1,038,500.00
Total Direct Costs	\$41,508,117.95
Indirect Costs (9.5% Rate)	\$13,879.05
Total Costs	\$41,521,997.00

**Source:** Office of Elementary & Secondary Education, 2020.

As seen in **TABLE 12**, the majority of the ESSER funding is allocated towards supplies, which include technology devices, like laptops and tablets, to be lent to qualified students during the current academic year. Students who do not have access to a computer or laptop at home, or who have demonstrated engagement with their classes (*Guam Daily Post*, 2020 October 1) were prioritized to receive laptops. Parents completed a laptop application at their child’s school, are held financially liable for the device, and required to return the laptop to the school by the end of the academic year. The GDOE laptop distribution began at the end of September with 8,000

laptops available to secondary school students. Another batch of laptops were purchased utilizing the ESSER fund and expected to arrive in December. The \$41.5M ESSER funding is to be shared amongst the public, private, and charter schools proportionate to their prior-year enrollment number (*Guam Daily Post*, 2020 June 4). **TABLE 13** shows the share of ESSER funds awarded to each school as of October 31, 2020.

**TABLE 13: SHARE OF \$41.5M ESSER FUND GOING TO EACH SCHOOL AS OF OCTOBER 31, 2020.**

Guam Schools	% of total ESSER Funds
Guam Public School (GDOE)	84.14%
Office of Catholic Education	9.40%
Guahan Academy Charter School	1.83%
Harvest Christian Academy	1.26%
iLearn Academy Charter School	1.24%
St. Paul's Christian	0.90%
SIFA Academy Charter School	0.53%
St. John's Christian	0.40%
Guam Adventist Academy	0.22%
Japanese School of Guam	0.04%
Providence Christian	0.02%

**Source:** Bureau of Budget, Management and Research (BBMR), 2020 October 31.

Since the majority of the island's students are under the GDOE system, GDOE was awarded \$35M (or 84.14%) of the total funding (BBMR, 2020 October 2020). GDOE Superintendent identified top priorities to be funded to include (1) providing a safe environment for students and faculty by purchasing safety supplies and equipment, (2) purchasing technology to prepare students for remote learning, (3) mental and emotional support for employees and students (*Pacific Daily News*, 2020 June 3). As of October 31, 2020, GDOE has expended or encumbered \$24.9M, leaving \$10M of available funds.

In addition to the \$41.5M CARES Act funding for GDOE, the Governor plans to utilize the \$12.5M from the GEER funding to focus on providing more internet connectivity for students and assisting all students on the island (*Guam Daily Post*, 2020 September 26). As shown in **TABLE 14**, the \$12.5M amount will be shared among GDOE, UOG, GCC, Guam Educational Telecommunications Corporation (PBS Guam), Department of Youth Affairs (DYA), the Guam Public Library System, and Administrative and Other for Office of the Governor of Guam. GDOE plans to use its \$8M funds to support students' remote learning by providing internet accessibility through the Internet Service Provider (ISP) Voucher Program, which will be shared with private and charter schools. GDOE's goal is to shift the majority of its students to online learning with the help of the ESF, recognizing that the hard copy learning method increases transmission risk from the actual handling of hard copy materials.

On the other hand, UOG and GCC plan to use their GEER funding to fully reimburse their students' internet/online fees for Fall 2020 and Spring 2021 semesters.

\$1.5M of the GEER funding will go to PBS Guam that provides instructional lesson and learning opportunities accessible through the television or online platforms like YouTube and Facebook. PBS caters to elementary and middle school students. DYA will use its \$220,500 GEER funding to purchase computers and a software system

for its learning centers. To further improve distance learning, \$201,000 of the GEER funding will go towards equipment to expand wireless internet and computers for the six library facilities in Guam.

**TABLE 14: ALLOCATION OF \$12.5M GEER FUND**

<b>Recipient of GEER Funding</b>	<b>Amount</b>
Guam Department of Education (GDOE)	\$8,900,000
University of Guam (UOG)	\$956,000
Guam Community College (GCC)	\$529,200
PBS Guam	\$1,500,000
Department of Youth Affairs (DYA)	\$220,500
Guam Public Library System	\$201,000
Other	\$152,713

**Source:** *Pacific News Center*, 2020 December 22

Higher education institutions received federal funding from the CARES Act in April to help and support their students. The CRS reported that Guam received \$6.23M in HEERF funding, comprised of \$5.8M in direct grants, \$23,000 toward minority-serving institutions (MSI) programs, and \$379,000 toward the Fund for the Improvement of Postsecondary Education (FIPSE) programs. In total, \$5.6M was appropriated to UOG and GCC mainly for tuition rebates of students. UOG received \$4.5M of CARES Act funding, where \$2.3M was disbursed to students for financial support (*Pacific Daily News*, 2020 April 12). UOG and GCC students received rebate amounts based on the number of course credits they registered for the Spring 2020 semester through direct deposit or mail. Full-time students at UOG received \$747.03, whereas part-time students received \$560.27. On the other hand, full-time students attending GCC received \$440, and part-time students received \$220. The newly approved \$900B COVID-19 Relief Bill includes provisions for additional direct funds under the ESF program (*Guam Daily Post*, 2020 December 29).

## **GRAB-N-GO MEAL PROGRAM**

In March 2020, the United States Department of Agriculture (USDA) established a waiver to provide nutritious meals to children across the nation. This nationwide waiver was to remain in effect until June 30, 2020, or until the end of the public health emergency. The programs included in the waiver are the National School Lunch Program (NSLP), School Breakfast Program (SBP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (SFSP).

As educational institutions shifted toward remote learning by Spring 2020, GDOE created the Grab-N-Go meal program that allowed their students who are aged 18 and younger to receive free meals from the designated schools around the island. The program entailed a drive-thru at the local schools where families were able to stay in their car and pick up one free meal per child. The purpose of the meal program was to ensure that students were provided with free meals that satisfied their daily nutritional intake and alleviated the additional stress on students and their families during the pandemic (*Guam Daily Post*, 2020 March 23). Since its establishment, the program saw a high level of participation. Considered successful, the program was extended until July 31, 2020 (GDOE, 2020 May 20) funded by the additional \$1M that GDOE received from the \$118M CARES Act and with the approval from the USDA.



This additional money provided 12,000 breakfast and lunch meals to local families through the summer school break (*Guam Daily Post*, 2020 April 23).

As the global pandemic continues into the current academic school year and the island's return to PCOR1 since August 17, the Grab-N-Go meal program resumed in September with the GDOE Superintendent stating the plan to distribute a bundle of non-perishable breakfast food items per student which was later expanded to include all children aged 18 and younger, including those students outside of the GDOE system, e.g., those who attend private or Department of Defense schools (Guam Homeland Security, 2020 November 16). Furthermore, the USDA announced the extension of the *Nationwide Waiver to Allow Meal Pattern Flexibility in the Child Nutrition Programs*, which applies to the NSLP, SBP, and CACFP for academic year 2020-2021. In addition, the USDA announced that the Summer Food Service Program (SFSP) and the NLSP Seamless Summer Option (SSO) are also extended until June 30, 2021.

---

## TOURISM

### TOURISM MARKET 2020

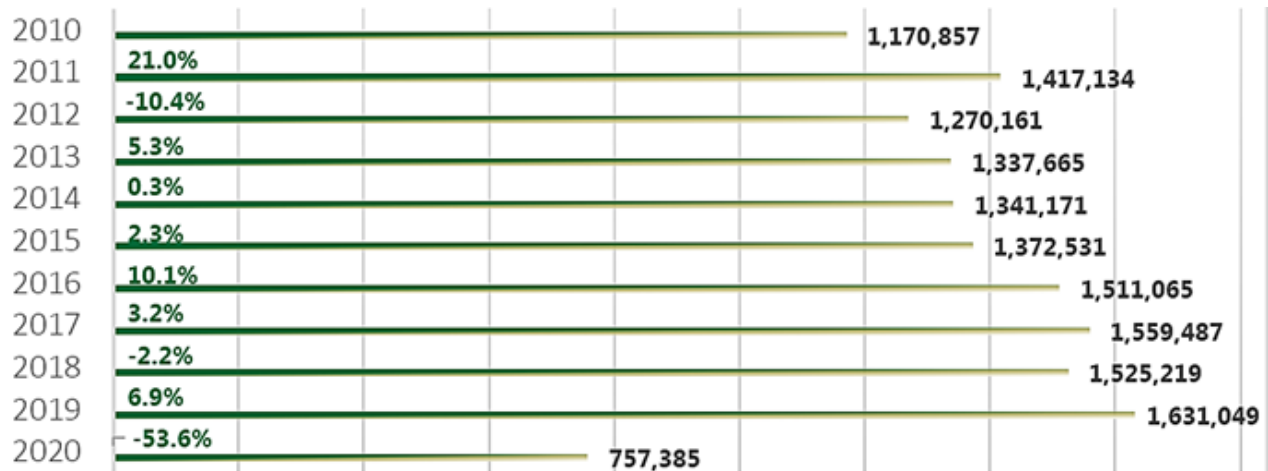
With Guam welcoming record-breaking visitor arrivals in FY2019, forecasts for FY2020 were expected to follow this optimistic trend. In the Guam Tourism Plan for 2020, several goals include welcoming 2 million visitors, growing room inventory from 8,451 to 10,091 competitive rooms, and overall improving average daily rates (ADR). Major opportunities for growth were expected to stem from the Wharf project, opening of Tsubaki Tower, and Tokyo 2020 Olympics. (GVB, 2020)

However, calculations took an unprecedented turn following the COVID-19 pandemic. In the Guam Executive Budget for 2021, speculation of the virus was initially unknown and only identified as potentially significant (OFB, 2020). The pandemic's negative impacts on Guam's tourism were not seen until February and worsened as Guam shut down on March 16.

### TOURISM MARKET COMPARISON

Visitor arrivals during FY2020 were at an all-time low of less than a million visitors since FY2010. This extends beyond to a 30-year low where the last time Guam welcomed around 750,000 visitors was around 1990. (*Guam Daily Post*, 2020 October 20). Represented in **CHART 4**, total arrivals in FY2020 reached 757,385 visitors compared to 1,631,049 in FY2019 or a 54% decline.

**CHART 4: VISITOR ARRIVALS AND % CHANGE: 2010-2020**



Source: Guam Visitors Bureau, Visitor Arrival Statistics, FY2010-FY2020

**CHART 5** presents monthly visitor arrivals in FY2020 vs FY2019. January 2020 was off to a strong start at 157,479 visitors, which was 6.8% higher than the 147,507 visitors in January 2019. Following the World Health Organization (WHO) report of the COVID-19 outbreak on January 30, 2020, visitor arrivals in February 2020 were 116,746, a decline of 14.9% compared to 137,244 in February 2019. This was the first of several months that shows COVID-19’s impact on Guam’s tourism. By March 2020, visitor arrivals dropped by 76% compared to March 2019, worsening further to a decline of 98% in April through September 2020 compared to the same months in 2019.

**CHART 5: MONTHLY VISITOR ARRIVALS: FY2019 VS. FY2020**



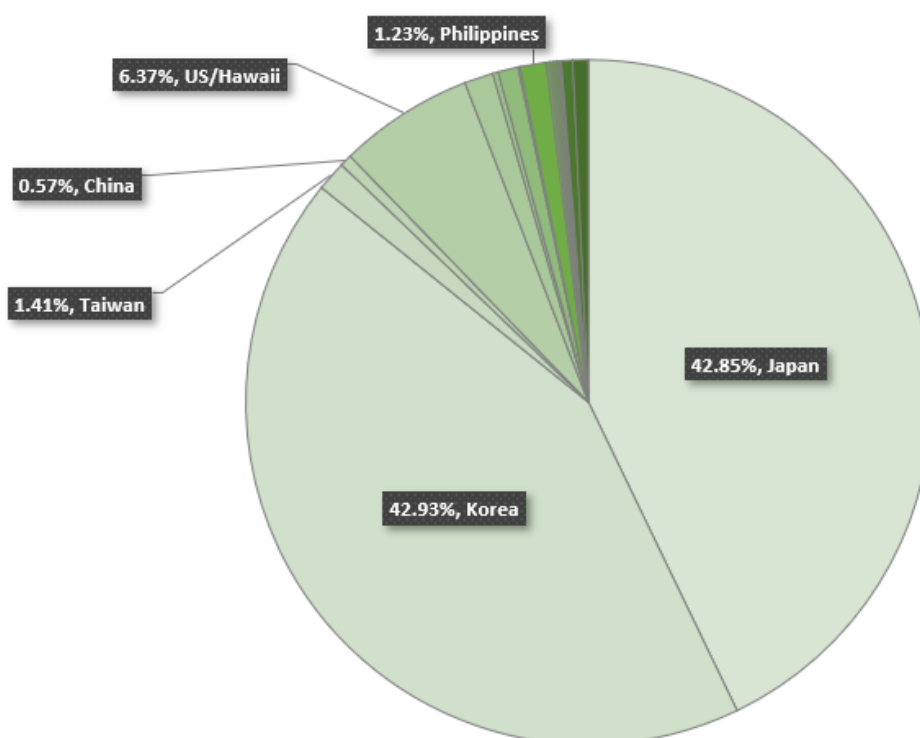
Source: Guam Visitors Bureau, Preliminary October 2020 Visitor Arrival Summary

## SHIFTS IN MAIN MARKETS

In **CHART 6**, an overall picture of Guam's Tourism Market indicates Japan and Korea as major contributors to economy. While this might be the case in terms of visitor arrivals, **TABLE 15** which displays a monthly breakdown of FY2020 visitor arrivals shows a vital shift in demand following the pandemic. From March, Guam suffered multiple flight cancellations from major airlines with Japan, Korea, and Taiwan markets. In February, the pandemic led to the cancelation of flights on Korean-based airlines such as Air Busan, T-Way, Jeju, Korean Airlines, and Jin Airlines. Not long into March, more flights were canceled by Japan Airlines, China Airlines, and Philippine Airlines and while United Airlines made temporary adjustments to its flight schedules as well as suspending flights to additional destinations. (COVID-19 INDUSTRY UPDATE, 2020 March 27)

Due to limited seats and routes, there is an immediate market shift to coincide with available flights. As the rest of the airlines extend suspensions into November, only Jin Air, United Airlines, and Philippine Airlines offered flights to and from Guam. Combined with travel restrictions imposed by source market governments as well as the U.S. government as well as quarantine requirements upon entry to Guam, visitors to Guam were mainly from the U.S. or Hawaii at 71% to 85% of total visitors between April and November 2020, with the exception of July 2020. The other markets of note between April and November 2020 are CNMI (up to 14.5% in July 2020), FSM (up to 6.1% in July 2020) and the Philippines (up to 8.5% in October 2020). Correspondingly, United Airlines maintained operations with daily flights from Honolulu, flights three times a week to Saipan, and twice-monthly hopppers between the FSM islands. Other markets such as Taiwan, Philippines, and Korea are slowly resuming pace as Jin Air and Philippine Airlines operate flights once-a-week (*Pacific Daily News*, 2020 October 8).

**CHART 6: TOURISM MARKET FY2020**



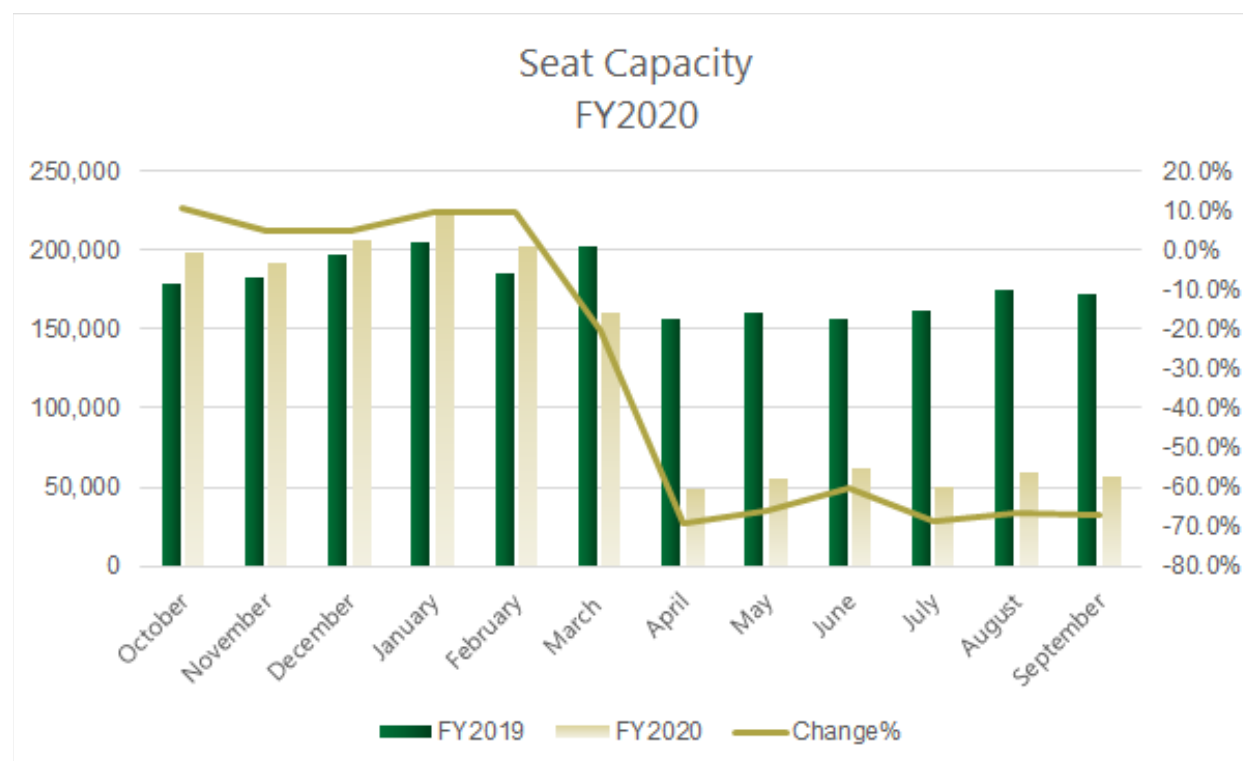
Source: Guam Visitors Bureau, *Summary Report* (September 2020)

**TABLE 15: SHARES OF GUAM'S TOURISM MARKET, FY2020**

Tourist Market	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020
Japan	36.5%	44.3%	43.1%	38.8%	52.2%	60.1%	21.7%	3.8%	1.8%	4.0%	1.9%	0.9%	3.9%	5.7%
Korea	49.8%	43.4%	45.4%	49.9%	34.3%	14.6%	0.4%	0.3%	0.2%	5.6%	4.6%	1.6%	1.6%	1.5%
Taiwan	1.6%	1.4%	1.3%	1.6%	1.2%	1.4%	0.3%	0.3%	0.1%	1.1%	0.7%	0.4%	0.9%	1.5%
China	0.8%	0.4%	0.4%	1.2%	0.1%	0.1%	0.3%	0.1%	0.2%	0.6%	0.2%	0.0%	0.3%	0.0%
US/Hawaii	4.1%	4.7%	4.5%	4.6%	6.6%	14.2%	71.1%	81.3%	84.2%	54.6%	72.6%	83.5%	71.5%	71.9%
CNMI	1.1%	1.3%	1.3%	1.0%	1.3%	3.3%	0.9%	6.1%	5.2%	14.5%	6.5%	2.5%	4.6%	4.2%
Palau	0.3%	0.3%	0.3%	0.2%	0.2%	0.6%	0.1%	0.9%	0.1%	3.2%	0.1%	0.1%	0.0%	0.1%
FSM	0.9%	0.9%	0.8%	0.7%	0.9%	2.4%	0.9%	2.7%	2.3%	6.1%	5.1%	2.0%	4.0%	3.3%
Philippines	1.5%	1.9%	1.1%	0.6%	0.8%	1.8%	0.0%	0.6%	1.0%	4.8%	4.6%	6.2%	8.5%	4.0%

Source: Guam Visitors Bureau (various issues), *Visitor Arrival Summary*

To depict the overall loss in seat capacity over FY2020, **CHART 7** presents a trendline starting with an increase in the beginning of the fiscal year from October through February, before the sharp drop into March followed by minimal operations throughout. A contrast to the capacity expansion in Pre-COVID conditions, operations have slowed by at least -66.3%<sup>4</sup> in effect COVID restrictions.

**CHART 7: SEAT CAPACITY: FY2019 VS. FY2020**

Source: Guam Visitors Bureau, Presentation at the Guam Chamber of Commerce, 2020 December 4

<sup>4</sup>66.3% average of COVID ERA (Mar- Sept) seat capacity.

While majority of Japan-bound flights were cancelled throughout December, tentative plans for tourism re-entry is postponed as flights such as JAL is suspended into March (*Guam Daily Post*, 22 Dec 2020). To note, special operations with Japan Airlines included three trips on December 24, 2020 as well as January 4 and 24 in 2021. Changes to Guam-Narita flights also include United Airlines to only operate 6 times besides Tuesdays in January (GVB, *Industry Recovery Update*, 2020 December 18).

Weekly flights from Korea also look to return to Guam. Although majority of the airlines<sup>5</sup> remain suspended until further notice through December, Jin Air has resumed weekly flights throughout November with a total outbound seat capacity of 756 seats. In good turn, the outbound seat capacity has increased to 945 seats as Jin Air operates special flights throughout December. This may indicate a positive outlook for recovery (GVB, *Industry Recovery Update*, 2020 December 18)

As for other key markets such as Taiwan, airline arrangements have not resumed operations whereas flights through Cathay Pacific Airways and China Airlines show no flight service to Guam into March of next year 2021 (GVB, *Industry Recovery Update*, 2020 November 30). However, tourism talks have developed into facilitating a bubble agreement for a Taiwan-Guam route through the new airline StarLux; and possibly, EVA Air has also been approved to resume operations with Guam (*Pacific News Center*, 2020 December 10).

## TOURISM REVENUE

Revenues from the hotel occupancy tax (HOT) is expected to decline by roughly -18.8%, reflecting GovGuam's projection made in March of an \$8.5 million decrease in HOT revenues in FY2020 compared to a \$45M HOT collections in FY2019. It is estimated by the end of FY2020, hotel tax collections will decrease to \$36 million (*Guam Daily Post*, 2020 April 25). Comparing FY2020 performance to projections, **TABLE 16** presents visitor industry statistics for hotel occupancy, room rates, and taxes from October to September in FY2020 and FY2019. Anticipating a reduction of \$8.5 million, actual collections prove an additional loss by -22%<sup>6</sup> from the \$36 million projected. Reportedly, FY2020 lost \$16,706,959 in HOT collections and saw an overall decrease of -37.1%.

Anticipated in response to the decline in visitor arrivals, the weighted hotel occupancy rate has decreased by -36.3%. Although there was a drop in bookings, several hotels have been shifted as Government Quarantine Holding Facilities. Since May, three hotels contracted for services include the Wyndham Garden Guam, Oceanview Garden Court, and Bayview Hotel. However, effective quarantine operations have issued to consolidate quarantine facilities to the Dusit Beach Resort (Outrigger Guam Beach Resort). While 191 rooms were occupied in the three designated facilities, this move provides increased capacity to 300 rooms with possible extent to 600 rooms (Guam Homeland Security, JIC No.286, 2020 August 24). As hotels are gearing for tourism, the market targets quarantine needs and the community. Due to restricted travel, Guam attractions and hotels reestablish a market in the local population (*Pacific Daily News*, 2020 July 31). Perhaps resulting from cost-friendly promotions or halted operations, the weighted hotel room rates have decreased slightly from \$211.01 to \$188.72, or by -10.6%.

<sup>5</sup> Korean Air, Jeju Air, T'Way, and Air Seoul

<sup>6</sup> -22% results from projected \$36M estimated collections in March to actual \$28M collected.



**TABLE 16: VISITOR INDUSTRY STATISTICS**

	Oct 2018- Sep 2019	Oct 2019-Sep 2020	% Change LY
Hotel Occupancy Taxes	\$ 45,061,822.44	\$ 28,354,863.52	-37.1%
Weighted Hotel Occupancy Rate	88.5%	56.4%	-36.3%
Weighted Hotel Room Rate	211.01	188.72	-10.6%

Source: Guam Visitors Bureau, *Summary Report* (September 2020)

## REALIGNING THE TOURISM INDUSTRY

Considering the crisis facing Guam's tourism industry brought on by COVID-19, the GVB responded quickly through campaigns and shift plans. Initial approaches began immediately after the March decline, in April with marketing promotions such as the first launch of "Give Us A Moment, Together" that encourages residents to continue advocating the island. Along with community members, a webinar for Travel Talks was also held to engage stakeholders and experts to reimagine the tourism industry (GVB, 2020 June 23). Together in creating a new norm, this online tactic was designed to reassure incoming visitors that Guam is a safe and healthy destination. This campaign continues and has transformed to "#ProtectGuam", where GVB encourages following safety guidelines and promotes community support (GVB, 2020 December 21). Leaning towards seamless tourism, Guam will introduce greater integration of technology and alternate operations. GVB leadership notes that shifting changes include revitalizing underperforming industrial zones, attracting technological ventures, and innovations of local businesses to meet growing demands (*Pacific Daily News*, 24 August 2020). This contactless platform is under serious consideration by GVB.

## RECOVERING TOURISM

Not knowing when the tourism industry would recover, efforts focus on initiatives to maintain destination visibility in key markets, enforce hygienic and safe "COVID-19" attractions and protocols, as well as manage crowd density. For crucial neighboring markets, a possible option considered was to pursue "bubble" agreements and easing quarantine requirements for low-risk regions (*Pacific Daily News*, 2020 August 26). The tourism industry has been looking to reclaim key tourist groups from Japan, South Korea, and Taiwan. In hopes of reopening the island, this approach included lifting mandatory quarantine measures and instead opting for pre-flight COVID testing or testing upon arrival at the A.B. Won Pat Guam International Airport. (*Guam Daily Post*, 2020 June 9). However, creating a proper recovery plan proves difficult in accommodating priorities of safety, travel advisories, and reciprocated agreement. While Guam may have planned to lift mandatory quarantine with its larger market mix, Guam has long been considered a high-risk COVID area affecting travel talks. Rather, reopening dates did not reflect Japan's, Korea's, or Taiwan's lifting of quarantine requirements. These main sources of tourists would still be required to quarantine upon return (*Guam Daily Post*, 2020 June 9). Guam's position as a high-risk area also continues to impact quarantine measures. Initially, quarantine for in-bound travelers follows according to point-of-origin locations from low or high-risk areas.

These-high risk areas are continuously monitored, and without a valid pre-test COVID PCR within 72 hours prior arrival, visitors will have to quarantine in a government facility. Travelers from a low-risk area may quarantine at home or in a hotel for 14 days with the option to take a test on Day 7 if they tested negative prior arrival. Without a pre-arrival test, the new test will be taken on Day 10 (*Guam Daily Post*, 2020 July 9). As quarantine needs are constantly shifting restrictions and policies, an update was refocused on low-risk areas. The new protocol allows residents to be tested within five days and a negative result will allow early release (*Guam Daily Post*, 2020 July 9). However, outbreaks implemented stricter measures where all persons entering Guam shall be subject to a 14-day quarantine at a government facility or approved rental lodging or personal residence that meets the criteria to DPHSS guidance (*Pacific News Center*, 2020 September 7). Taking example of the quarantine measures of Asia-Pacific neighbors, Guam may plan for regulations balanced for the community and reopening.

## **TOURISM RECOVERY PLANS**

### **JAPAN**

Observing Japan's approach in recovering cross-border travels, phased measures are implemented by the Government of Japan (GOJ) to facilitate travel activities and quarantine measures. Currently, announced frameworks in plan are the residence track, business track, and tentative plans for super-short stay. Each approach opens necessary target markets and remains effective with respective countries/regions (Japan Ministry of Foreign Affairs, 2020 October 22). Residence track is intended for long-term residents or rotation within business personnel following the arrangement of a 14-day home quarantine or as designated. A paced recovery from shut borders, operations resumed with two countries in July between Thailand and Vietnam. This gradual ease has allowed six additional countries including Malaysia, Cambodia, Laos, Myanmar, Taiwan, and Singapore in September, then Brunei and Republic of Korea in October. The most recent addition to resident track, China makes for the 11th country in the list. The unique measure for residence track does not require both PCR pre-entry test and COVID-19 test upon arrival in Japan.

Also included in the framework, the Business Track partially relaxes restrictions on travelers limited to business activities. While this was only allowed between Singapore and Republic of Korea, Vietnam and China have also been recently included late November. The following members are required to obtain a PCR pre-entry test but will not be required to take the COVID-19 test upon arrival. This has been a crucial step to travelling recuperation. In addition, there are further plans to extend into another framework to Super short stay for urgent business (3-day stay). Tentatively, Japan is moving forward that Guam may be able to follow (GVB, *Industry Recovery Report*, 2020 December 4).

At its most recent general membership meeting, GVB Vice President Perez announced that it is working with the DPHSS on an initiative similar to Japan's PCR pre-entry test where Guam will "...accept visitors from Japan, Korea and Taiwan with proof of negative PCR testing that's done within five days of arrival, so that you don't have to be inspected or go into quarantine" (*Guam Daily Post*, 2020 December 30). At the same meeting, another initiative was shared. This one will involve testing visitors upon arrival at Guam's airport. According to airport administration, there is a plan to pilot this testing program soon. If successful, this airport testing program "could be implemented as early as January" (*Guam Daily Post*, 2020 December 30).

## KOREA

Facing a struggling tourism market, Korea looks to new niche markets characterized by less focus on visitors to Korea for the purpose of tourism and increased targeting of the business traveler market, following Japan's example, as well as the "other" travel. For example, the Flight to Nowhere Product opened in December to fly passengers over other countries before returning to Korea (GVB, *Industry Recovery Update*, 2020 December 18, pp35).

With airline package ideas circulating, Very Good Tour has a special promotion to Guam in April 2021 called "Reservation for hope". The package includes working together with Hyatt Regency, Dusit Thani, and Nikko Hotel Guam, Sheraton Laguna Guam Resort, and PIC Guam (GVB, *Industry Recovery Update*, 4 Dec 2020).

## TAIWAN

Prioritizing safety and control for infection of COVID-19, Taiwan's travel borders concentrate on eligible and low/medium-risk regions as ranked by the Centers for Disease Control (CDC) (GVB, *Industry Recovery Update*, 2020 October 23, pp26). Resuming safe travel, Taiwan discusses travel bubbles that would only require a PCR pre-entry test within 72 hours upon arrival, along with a negative testing at the airport. Easing restrictions with low-risk countries, Taiwan is in talks with Singapore and Australia. A major step forward, Singapore has also opened borders to Taiwan since December 18, 2020 (GVB, *Industry Recovery Report*, 2020 December 18).

Due to the country's low infection rate, GVB considers Taiwan a prime target market. Additionally, Taiwan is listed as one of the key Asia visa waiver countries that has dominated majority of visitor arrivals after Japan and Korea. It has been a cautious strategy to reopen Guam markets, however, GVB does look forward to opening travel opportunities with new and resumed airlines.

## HAWAII

A more business centric approach to reboot the tourism economy, Hawaii initiates a Pre-travel testing program. Since late March, the 14-day mandatory quarantine has deterred most travel plans, however, the new implementation relaxes that policy and allows visitors to provide proof of a negative COVID-19 test instead (Derrick, 2020 November 2). In **TABLE 17**, daily arrivals can be compared throughout the month of October, where a significant increase in passenger count can be observed given the new Pre-travel policy. After enactment on Oct. 15, 2020, passenger counts have increased by at least 105%, with October's daily arrivals averaging a decline of -94.1% prior the introduction of the Pre-travel policy to an average decline of -81.4% after the policy was introduced. This represents a 12.7% improvement in average daily travels before and after the Pre-travel policy was introduced.

Since planning, Guam had been looking to Hawaii's reopening position and market grasp. Appealing aspects included pre-testing conditions, bypassing quarantine, and execution of Hawaii's Safe Travel Program. Creating layers of safety, travelers are required to enter health and travel information in the program which protects residents and visitors alike as well as evolves the travel processes. (Derrick, 26 December 2020) As Guam pushes for inclusion in the island's tourism recovery, a step moving forward confirms Guam as part of Hawaii's Pre-Travel Testing Program (*Guam Daily Post*, 2020 October 23).

Observing a steady return of the tourism industry, the Hawaii Lodging and Tourism Association reports that almost 70% of its hotels are now open with a continuous uptick in bookings (*Hawaii News Now*, 2020 November 13). Although the new program had driven up demand, holes in the plan led to several challenges such as

the lockdown of the island of Lanai on October 27, 2020, a revised PCR pre-testing requiring negative results in hand prior boarding flight from the State's approved list of testing partners, and most recently, the island of Kauai opting out of the state's pre-testing program (Rotondo and Ewen, 2020 December 8).

As the recovery process is on watch, Hawaii's re-opening is constantly adapting and calls for comprehensive planning. Moreover, locals are torn between the benefit and consequences of reopening. Such as the fears of surging cases, promoting tourism welcomes back a moving economy—it is truly about finding an appropriate time (*Guam Daily Post*, 2020 November 2).

A survey was given to Guam residents on the question of, *when should Guam welcome visitors back?* The choices offered include travel upon proof of negative PCR testing, closed borders until a vaccine or cure, phased entry from low-risk countries, and arrival with no quarantine. Carrying majority interest, 43% believe visitors should test negative prior arriving followed by 40%, 13% and 3% voted accordingly (Anthology Research, 2020 October).

**TABLE 17: DAILY VISITOR ARRIVALS TO HAWAII, OCTOBER 2020**

October 2020*	October 2019*	Days	Passengers*		
			2020	2019	% Change
1-Oct-20	3-Oct-20	Thu	2,527	30,069	-91.6%
2-Oct-20	4-Oct-20	Fri	1,832	30,838	-94.1%
3-Oct-20	5-Oct-20	Sat	2,015	33,095	-93.9%
4-Oct-20	6-Oct-20	Sun	1,689	30,420	-94.4%
5-Oct-20	7-Oct-20	Mon	1,750	29,955	-94.2%
6-Oct-20	8-Oct-20	Tue	1,686	29,232	-94.2%
7-Oct-20	9-Oct-20	Wed	1,483	30,134	-95.1%
8-Oct-20	10-Oct-20	Thu	1,876	31,051	-94.0%
9-Oct-20	11-Oct-20	Fri	1,619	31,901	-94.9%
10-Oct-20	12-Oct-20	Sat	1,764	30,123	-94.1%
11-Oct-20	13-Oct-20	Sun	1,753	31,258	-94.4%
12-Oct-20	14-Oct-20	Mon	1,743	32,813	-94.7%
13-Oct-20	15-Oct-20	Tue	1,635	29,526	-94.5%
14-Oct-20	16-Oct-20	Wed	1,889	29,369	-93.6%
15-Oct-20	17-Oct-20	Thu	7,598	31,135	-75.6%
16-Oct-20	18-Oct-20	Fri	7,297	30,648	-76.2%
17-Oct-20	19-Oct-20	Sat	7,719	32,874	-76.5%
18-Oct-20	20-Oct-20	Sun	6,204	29,562	-79.0%
19-Oct-20	21-Oct-20	Mon	5,084	29,360	-82.7%
20-Oct-20	22-Oct-20	Tue	4,597	26,990	-83.0%
21-Oct-20	23-Oct-20	Wed	4,535	27,494	-83.5%
22-Oct-20	24-Oct-20	Thu	5,511	29,664	-81.4%
23-Oct-20	25-Oct-20	Fri	5,302	28,725	-81.5%
24-Oct-20	26-Oct-20	Sat	5,765	29,423	-80.4%
25-Oct-20	27-Oct-20	Sun	4,503	26,590	-83.1%
26-Oct-20	28-Oct-20	Mon	4,062	26,188	-84.5%
27-Oct-20	29-Oct-20	Tue	3,572	24,782	-85.6%
28-Oct-20	30-Oct-20	Wed	4,307	26,647	-83.8%
29-Oct-20	31-Oct-20	Thu	5,103	27,594	-81.5%
30-Oct-20	1-Nov-20	Fri	5,125	31,052	-83.5%
31-Oct-20	2-Nov-20	Sat	5,774	32,649	-82.3%

\*Preliminary

Note: Estimated based on information from DOA & DOT

Passenger counts including returning residents, intended residents and visitors

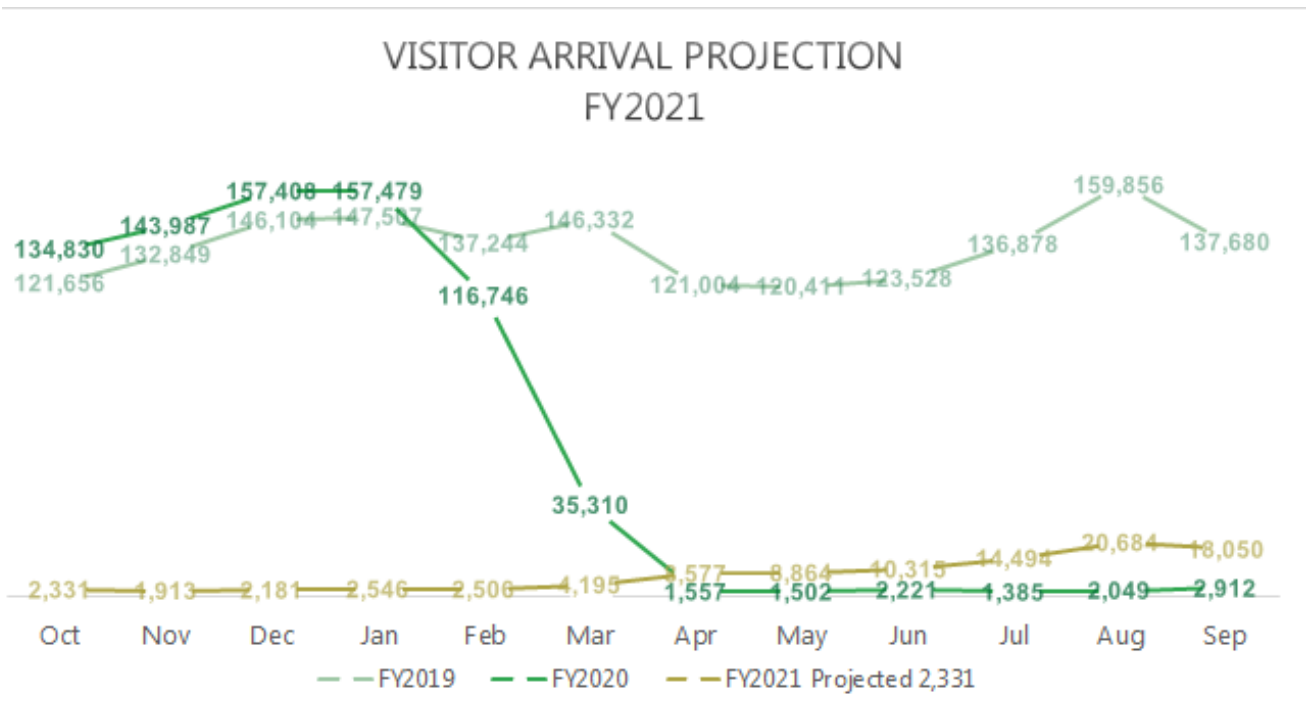
Source: Hawaii Department of Business, Economic Development & Tourism

## TOURISM FORECAST

Reviewing Guam’s tourism forecast in 2021, the Guam Visitor’s Bureau predicted a range of estimations over the pandemic. In July, FY2021 projected arrivals of around 251,437 visitors quoting an airline seat capacity of 70%. This guesstimate assumed 70,779 arrivals from Japan, 111,446 from Korea, 6,553 from Taiwan, and 57,659 from other origins (*Guam Daily Post*, 2020 July 24). This forecast was revised shortly to 400,000 visitors to Guam as GVB officials considered possible bubble agreements and saw positive market effects from Hawaii’s eased travel policies (*Guam Daily Post*, 2020 July 30). This 400,000 figure was used as a basis for the GVB 2021 budget, however, it was reevaluated again as the surge in COVID-19 cases in Guam made it difficult to promote Guam as a COVID-safe destination (*Guam Daily Post*, 2020 October 22).

Despite prospects to open Guam for tourism in the first quarter of 2021, GVB Vice President forecasted no significant recovery in the tourism market until the third or fourth quarter of 2021 (*Pacific News Center*, 2020 December 17) and, as **CHART 8** shows, this recovery in visitor arrivals will be a slow one, leading to a conservative forecast of 96,656 visitor arrivals in FY2021. It is expected that the 2021 figures reflect mainly business and military travelers (*Guam Chamber of Commerce*, 54:57-55:17). At its most recent general membership meeting, GVB Vice President predicted that visitor arrivals would not normalize until three to four years from now (*Guam Daily Post*, 2020 December 30).

**CHART 8: VISITOR ARRIVAL PROJECTIONS, FY2021**



**Source:** Guam Visitors Bureau, Presentation at the Guam Chamber of Commerce, 2020 December 4



Compared to neighboring markets, Guam is trying to provide a viable protocol that is convenient as well as safe. Seeing Hawaii's tourism rebound, Guam aims for something similar with GVB stressing the importance of coordination with airlines, testing upon arrival, and ensuring surveillance efforts to comfort visitors and residents (*Pacific Daily News*, 2020 October 8). GVB has turned these efforts into "PRODUCT, SAFETY, and SOLUTION". Following this theme, GVB prioritizes deterring COVID spread and opening businesses. Product deliverables includes the beautification of beaches as well as cleaning Tumon's drainage systems. (Guam Chamber of Commerce, 40:06-43:14) This effort impedes neglecting Tumon property and maintains safety standards. In addition, GVB continues its visitor safety officer program to survey the area and assure the community. Positioning for the future, GVB emphasizes the solution of implementing a contactless experience and moving forward as a digitized destination (Guam Chamber of Commerce, 55:24-56:15).

Throughout the years, the people of Guam had seen its share of disasters, all of them resulting in drastic and immediate declines in the number of visitors to Guam and, with them, an worsening of local job prospects and increase in unemployment rate. Some of these events are shown in **TABLE 18**. One example is the Great Recession of 2007-2009, which resulted in a 16% decline in visitor arrivals to Guam and an increase in Guam's unemployment rate from 8.3% in 2007 to 13.3% in 2011, two years after the Great Recession ended. This pandemic, also include in **TABLE 18**, has resulted in a 98.2% decline in visitor arrivals in November 2020 and an increase in unemployment rate to what we estimated to be between 19.8% to 26.6%.

**TABLE 18: COMPARISON OF GUAM'S VISITOR ARRIVALS BEFORE AND AFTER A DISASTER\***

Disaster	Visitor arrivals the month or year of / before <sup>1</sup>	Visitor arrivals following month/year after the disaster <sup>1</sup>	% change from prior months/years <sup>2</sup>
2001 September 11 Bombing of the World Trade Center in N.Y. <sup>3</sup>	Year: 2000 Sep: 109,590 Oct: 93,377 Nov: 103,743 Dec: 108,135	Year: 2001 Sep: 71,280 Oct: 46,139 Nov: 54,925 Dec: 72,865	Sep: -35 Oct: -50.6 Nov: -47.1 Dec.: -32.6
2002 December Super typhoon Pongsona <sup>4</sup>	Over 1,020,755	808,074	-26.3
2007 – 2009 Period of Great Recession	2007: 1,223,290 (unemployment: 8.3%) 2008: 1,179,246 (unemployment: no data available) 2009: 1,053,248 (unemployment: 9.3%)	2010: 1,170,857 (unemployment: no data available) 2011: 1,147,134 (unemployment: 13.3%) 2012: 1,270,161 (unemployment: 10.09%) 2013: 1,334,597 (unemployment: 10.0%) 2014: 1,341,171 (unemployment: 7.6%) 2015: 1,409,050 (unemployment: 6.8%) 2019: 1,631,049 (unemployment: 3.6%)	2007 – 2009: -16.14% 2010 – 2019: 39.30%
COVID-19 (Worldwide) before "lock-down" of hotels	Feb-19	Feb-20	-17.70%
COVID-19	135,539 Nov-19 143,987	116,630 Nov-20 2,562	-98.20%

\*Reproduced from Donaldson, G. (2020, June).

**Original Sources and Additional Notes:**

<sup>1</sup> Guam Visitors Bureau.

<sup>2</sup> Authors' own calculation.

<sup>3</sup> Guam Bureau of Statistics and Plans (2003). *2001 Guam Statistical Report*

<sup>4</sup> *Pacific Daily News* (2003 December 11).

Guam Department of Labor, Bureau of Labor Statistics (various years), *Unemployment Situation of Guam*

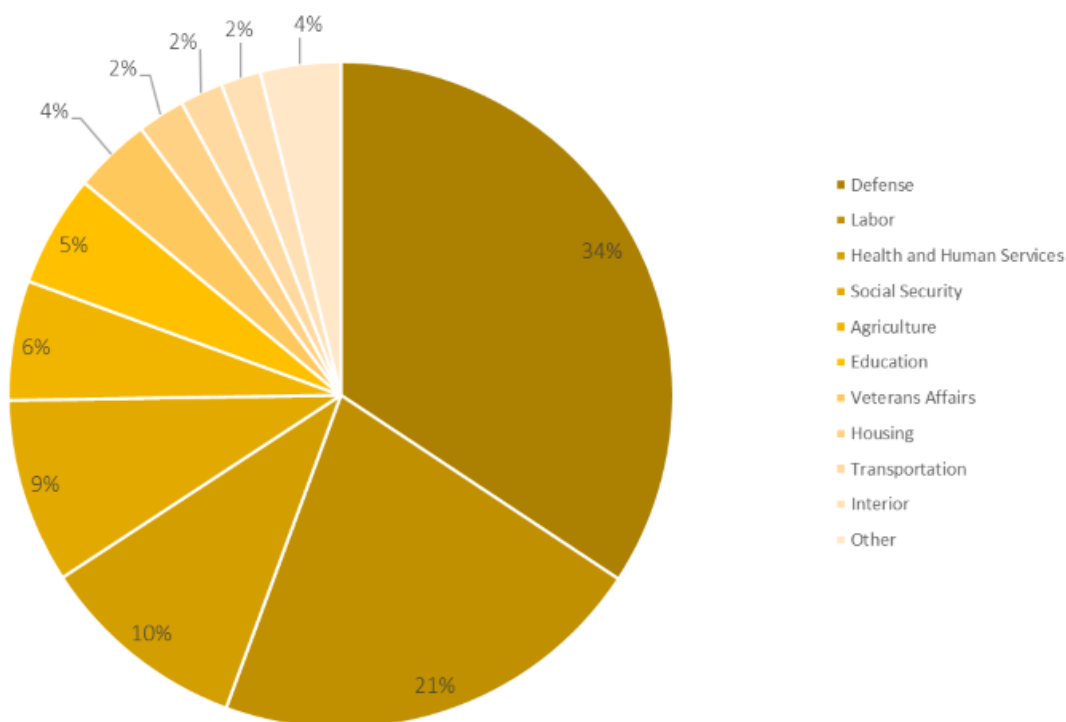
<http://www.worldbank.org>

## FEDERAL GOVERNMENT AND MILITARY REALIGNMENT

Despite President Trump's decision to divert federal funds for border wall construction, the National Defense Authorization Act (NDAA) appropriated a total of \$738 billion for FY2020, a 2.9% increase from FY2019. For Guam, the NDAA 2020 allocated \$310M, resulting in a significant 30% decline compared to the \$438M for FY2019.

**CHART 9** displays the top 10 services in Guam that are funded by the Federal Government throughout FY2020. The Department of Defense (DOD) continues to get the largest share at 34% of total federal funding with \$836M. The Department of Labor (DOL) follows closely, receiving \$519M (or 21% of the total) due to the Pandemic Unemployment Assistance (PUA) for qualified Guam residents who were impacted by the pandemic. Other top agencies that received federal funding include Health and Human Services (\$248M), Social Security (\$218M), and Education (\$132M) at 10%, 9%, and 5%, respectively. As shown in **CHART 9**, other services in Guam that received Federal funds include Veterans Affairs (\$91M), Housing (\$56M), Transportation (\$51M), and Interior (\$47M).

**CHART 9: SERVICES ON GUAM FUNDED BY THE FEDERAL GOVERNMENT FY2020**



Source: USASpending.gov

## MILITARY REALIGNMENT REAFFIRMATION

Since the initial discussion of the Defense Realignment in 2005, recent cuts in the defense budget have spurred questions regarding the agreement between the U.S. and Japan. However, in August 2019 in a meeting held in Guam, both the U.S. Secretary of Defense and the Japan Defense Minister reaffirmed the military realignment plan.

The two ministers also spoke of ways to deepen and expand bilateral defense cooperation (Pacific Island Times, 2020 August 30). As both leaders envisioned a free and open Indo-Pacific region, they found agreements on enhancing technologies such as integrated air and missile defense (IAMD), intelligence, surveillance, and reconnaissance (ISR) functions, and information security protection for advanced defense technologies. Other issues discussed included Beijing's national security law, coercive and destabilizing actions in relation to Taiwan, and eliminating North Korea's weapons of mass destruction. Japan's efforts to strengthen cooperation with the Association of Southeast Asian Nations (ASEAN), India, Australia, and the Republic of Korea was commended. The meeting further reinforced the Japan-U.S. Alliance, which remains one of the largest U.S. defense initiatives in the Pacific region.

Latest information puts the military realignment plan that will relocate 5,000 U.S. Marines in Okinawa to Guam at a cost of \$8B with Japan providing \$2.8B as its share. Local community engagement was recognized to be important in order to ensure a steady military relocation to Guam. For this reason, the U.S. Secretary of Defense met with the Governor of Guam to examine the relationship between Guam and the U.S. The Governor expressed that Guam deserves a greater voice in military activities since it is the "tip of the spear" and the nation's first line of defense in the Pacific. Moving forward with the realignment plan, the Governor sees increased military investments in Guam and stated that a "good partnership does not leave either party in a deficit, and with the support of the Department of Defense, I look forward to working with the military to work on important infrastructure projects" (DOD, 2020 August 29). However, to complete the military projects, Guam first needs to address the island's ongoing labor shortage and a push for foreign skilled labor to fill this gap.

Despite existing issues facing Guam and the world, Guam's military projects continue to be in "full swing" as the U.S., Japan, and Guam confirm that 5,000 Marines and their families are finally moving to Guam by 2025. Military growth is evidently pushing through, despite the COVID-19 pandemic, as it is reported that 25% of a new urban combat training facility is completed, 50% of the live-fire range is done in 4 out of 5 parts, and a portion of the new Marine base, Camp Blaz, is 65% finished (*Pacific Daily News*, 2020 August 7). In October, the Marine Corps officially activated Camp Blaz, making it the first new Marine installation since 1952.

"As the Marine Corps presence on Guam grows, I am confident that we will honor the history of the island of Guam, we will have the courage to defend it, and we will remain committed to preserving its cultural and environmental resources," stated the camp's first commander, Col. Magrath. (*Stars and Stripes*, 2020 October 1)

There has also been positive development in the increasing share of military project contracts in Guam that were awarded to locally based contractors as opposed to non-local contractors. In FY2020, locally-based contractors were awarded 67.86% of contracts (or valued over \$236M). The remaining \$125M worth of projects (or 32.14% of the total) were awarded to non-local contractors.

## MUNITIONS AND EXPLOSIVES OF CONCERN (MEC) HOLD-UP

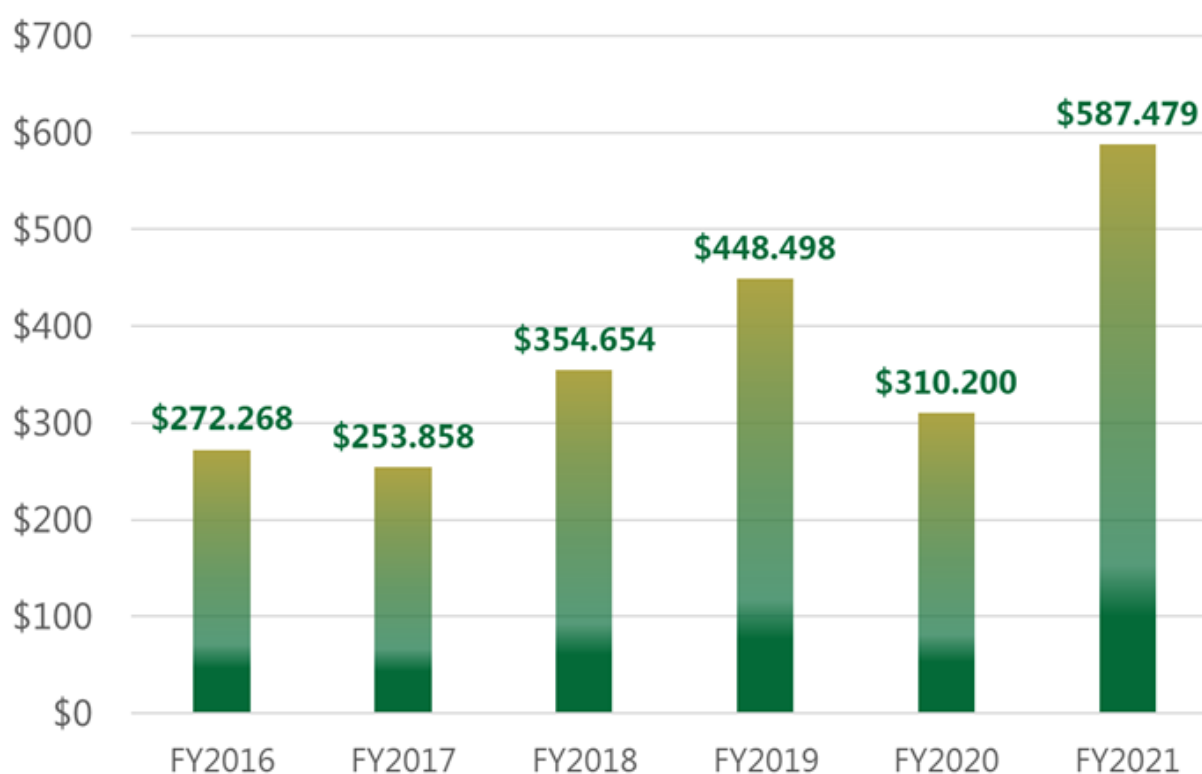
When the DOD began planning military construction in Guam, they underestimated the task of clearing munitions and explosives of concern (MEC) around the island. In the aftermath of World War II, roughly 11,000 unexploded ordinances (UXO) remain across Guam. Decades later, the DOD still struggles to extract and clear UXO and other discarded munitions throughout military construction sites in Guam. According to a report by the DOD Inspector General, military personnel did not properly plan and manage the MEC program at Joint Region Marianas (JRM) (DOD, 2020). Findings reveal that the DOD safety standards and quality assurance controls were inconsistent as the interpretation of explosives safety standards, alternative and appropriate funding, and policies related to risk management for MEC clearances were undefined. Furthermore, the DOD personnel did not establish sufficient plans or processes for managing MEC clearance requirements and safety concerns. The Inspector General found that military construction contracts lacked accurate budgets and schedules for MEC clearances. To date, these existing MEC clearance issues have hindered completion of projects and increased costs by about \$100 million. Delays in critical military construction projects have prevented joint military exercises in the region which decrease readiness and military operations. Investigators insist on better guidance and MEC clearance expenses are necessary to prevent further construction cost increases and delays.

## NATIONAL DEFENSE AUTHORIZATION ACT (NDAA) 2021

According to the DOD, establishing an effective footprint and defense in the Pacific region requires massive investments. Since 2016, the U.S. government has spent more than \$1.6 billion on defense projects in Guam with more projects underway. Approved by the U.S. Congress and the President annually, the NDAA authorizes defense spending and military construction projects in Guam. **CHART 10** shows the NDAA military construction authorization for the past six years, with funding for military construction in Guam increasing during FY2016-FY2019 then decreasing heavily in FY2020. FY2021 experiences a monumental 89.39% increase from the prior fiscal year as seen in **CHART 10**.

U.S. House of Representatives and U.S. Senate reached an agreement on the final FY2021 NDAA and authorizes \$740.5 billion for national defense. The bipartisan compromise version of FY2021 NDAA includes \$587.4 million for military construction projects in Guam.

**TABLE 19** provides details of various military construction projects in Guam authorized by the NDAA for FY2021.

**CHART 10: MILITARY CONSTRUCTION PROJECTS ON GUAM UNDER THE NDAA: FY2016-FY2021 (IN MILLIONS \$)**

**Sources:** Figures for Y2016-FY2020 reproduced from Ruane, Barcinas, Cayanan, Garrido, Meneses, Salalila, Sayama, Tenorio & Tretnoff (2019), CHART 10. Figure for FY2021 was taken from U.S. House of Representatives, 2020 December 3

**TABLE 19: MILITARY CONSTRUCTION PROJECTS IN GUAM APPROVED UNDER THE NDAA FY2021**

Project	Amount
Ordinance Operations Admin	\$21,280,000.00
Bachelor Enlisted Quarters H (INC)	\$68,649,000.00
Base Warehouse	\$55,410,000.00
Central Fuel Station	\$35,950,000.00
Central Issue Facility	\$45,290,000.00
Combined EOD Facility	\$37,600,000.00
DAR Bridge Improvements	\$40,180,000.00
DAR Road Strengthening	\$70,760,000.00
Distribution Warehouse	\$77,930,000.00
Individual Combat Skills Training	\$17,430,000.00
Joint Communication Upgrade	\$22,000,000.00
Stand Off Weapons Complex, MSA 2	\$56,000,000.00
Space Control Facility #5	\$20,000,000.00
Guam Public Health Laboratory	\$19,000,000.00
<b>Total</b>	<b>\$587,479,000.00</b>

**Source:** U.S. House of Representatives, 2020 December 3



FY2021 NDAA also establishes the Pacific Deterrence Initiative which is an effort to deter China's military activities and protect U.S. interests in the Indo-Pacific region. Claiming that efforts in Asia have been annually underfunded, the Senate has budgeted \$6 billion over the next 2 years to fund this initiative. According to the U.S. Indo-Pacific Command (INDOCOM), the best way to protect vital military assets from China is by equipping Guam with an Aegis Ashore ballistic missile defense system (*Stars and Stripes*, 2020 September 18). INDOCOM argues that installing the 360-degree air-missile system is a top priority but would cost \$1.7 billion. The bipartisan compromise bill authorizes a total of \$2.2 billion for the Pacific Deterrence Initiative for FY2021 (U.S. House of Representatives, 2020 December 3).

## **FOREIGN/H-2B LABOR BREAKTHROUGH**

Previously, the NDAA FY2020 approved H2-B visa labor for military projects. However, Guam may see NDAA FY2021 extending the use of foreign labor for non-military construction, according to Congressman San Nicolas. The Governor has previously made this case by stating that most civilian projects are military-related. If approved, the H2-B visa exemption would address the delays and higher labor costs on civilian projects since the H2-B restrictions were put in place since 2017, "...with the Guam Economic Development Authority (GEDA) estimating up to \$1B in cancelled or delayed private sector projects because of this problem." (U.S. House of Representatives, 2020 July 20).

Foreign skilled labor is said to promote Guam's economic growth since construction of new buildings allow businesses to open permanent jobs for residents. In addition, construction of new roads and housing help the island keep up with population growth (*KUAM*, 2020 January 8).

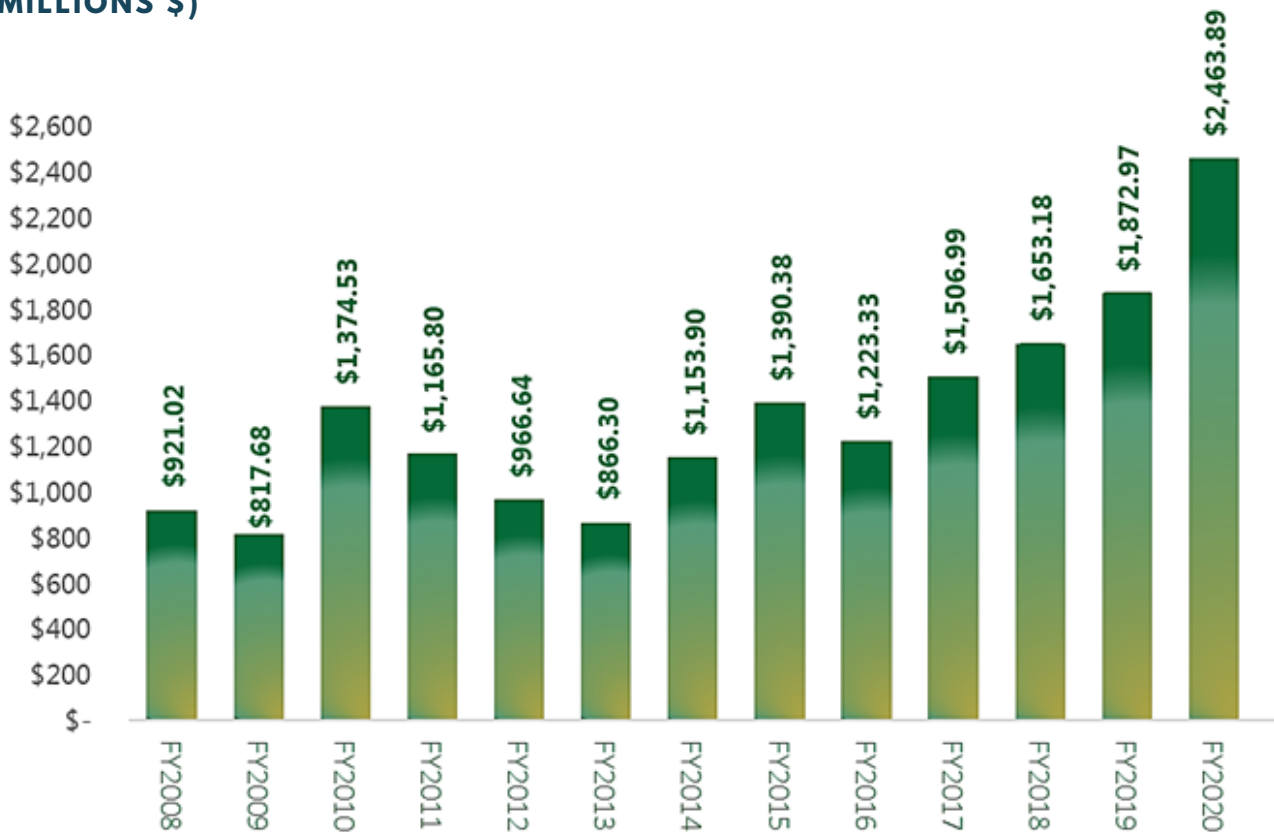
The Governor expressed Guam's labor shortage concerns to the U.S Secretary of Defense and asked to resume use of labor from the Philippines for all projects (*Pacific Island Times*, 2020 August 30). The Philippines remains excluded from the list of countries eligible to participate in the H-2A and H-2B worker visa programs in 2020 due to overstay and human trafficking issues in the U.S. In response, many Guam contractors began sourcing H-2B workers from Mexico which brings Guam's total foreign skilled labor force to 1,470 H-2B workers, close to the normal pre-denial crisis numbers (*Guam Daily Post*, 2020 May 7).

On December 11, 2020, the U.S. Senate sent the FY2021 NDAA to President Trump, who vetoed it on December 23, 2020 and stated that it "...fails to include critical national security measures, includes provisions that fail to respect our veterans and our military's history, and contradicts efforts by my Administration to put America first in our national security and foreign policy actions" (The White House, 2020 December 23).

## OVERALL FEDERAL GOVERNMENT SPENDING IN GUAM

**CHART 11** shows the Federal Government spending on projects in Guam from FY2008 to FY2021-to-date. Except for FY2016, Federal Government spending has steadily increased since FY2013. Mainly due to COVID-19 related funding, Federal Government spending peaked at \$2.46 billion for FY2020, and was 31.5% higher than for FY2019.

**CHART 11: FEDERAL GOVERNMENT SPENDING ON GUAM FY2008-FY2020 (IN MILLIONS \$)**



Source: USASpending.gov

It is clear that the federal government has played a significant role in providing assistance to governments and residents in Guam and other U.S. Territories. As the pandemic has ceased Guam's tourism industry, Guam's economy heavily relies on Pandemic Unemployment Assistance and CARES Act funds. Out of the \$2.2T CARES Act stimulus package, Guam was approved for \$1.6B for pandemic response and recovery. In addition to the CARES Act, the Federal Emergency Management Agency provided \$44B for the Lost Wages Grant in which Guam acquired \$22.6M to fund initially three-weeks' worth, later extended to six-weeks' worth, of unemployment assistance. Among other relief packages, the Technical Assistance Program (TAP) awarded Guam \$3M for the purpose of modernizing public services and digitizing important records, upgrading equipment, training hospital staff, and developing forensic accounting. Guam received additional COVID-19 aid from the CDC through the Coronavirus Preparedness and Response Supplemental Appropriations Act which provided \$1.4M for test kits, lab equipment, infection supplies and control, surge staffing, monitoring of individuals, and data management.

# GOVGUAM BUDGET AND POLITICS

The pandemic has brought about a health and economic crisis that has focused attention on GovGuam to assist in order to survive the ongoing pandemic. Government action and inaction have been especially scrutinized by media and the general public throughout the year for a variety of reasons relating to the spread of the virus. This portion of the report will review the GovGuam budget, local legislation, as well as the island's political landscape in order to identify how they impact Guam amid the COVID-19 pandemic.

## FINANCE AND BUDGET

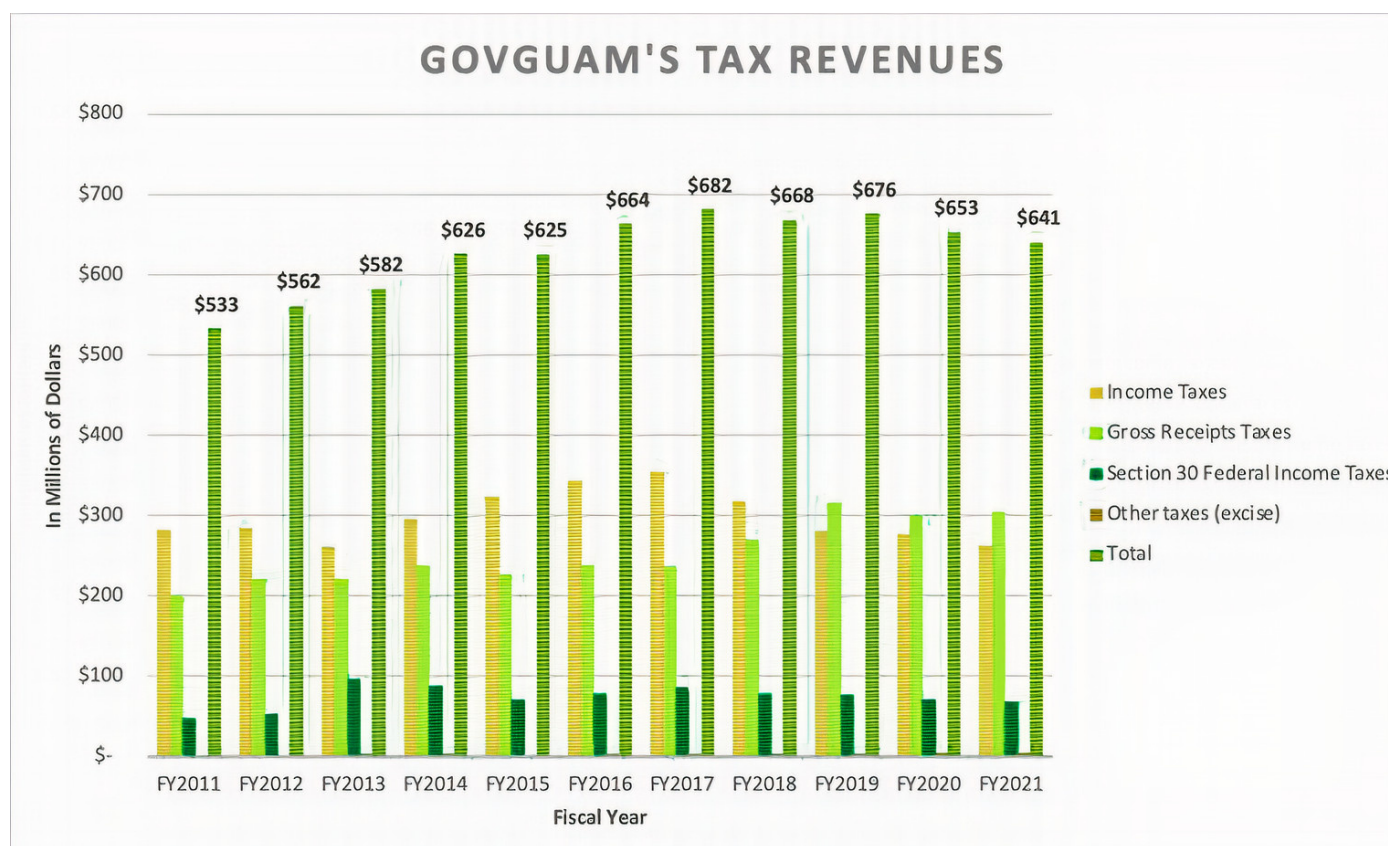
There are four categories that make up the operating revenues of GovGuam which are the: General Fund, Special Revenue Funds, Federal Grants-in-Aid and Semi-autonomous and Autonomous Agencies Operating Fund. Among these, the General Fund is considered to be the chief operating fund or the biggest purse of GovGuam "all government revenues", unless otherwise specified by statute, are deposited into this fund and from "which appropriations are made" (Guam Office of Finance and Budget, n.d.).

Among the various revenue generators for the General Fund, taxes are the largest source of income. **CHART 12** depicts GovGuam's tax revenues that come in the form of Income Taxes, Gross Receipts Taxes or GRT (otherwise known as Business Privilege Tax or BPT), Section 30 Federal Income Taxes, and Other Taxes. **CHART 12** identifies how much each tax category contributes to the overall tax revenues for GovGuam over a ten-year period. As seen in **CHART 12**, GRT became the largest source of GovGuam's tax revenues since local policymakers increased the BPT from 3% to 5% in 2018 through Guam Public Law 34-87.

## REVIEWING FY2020

The prospect for future economic growth in FY2020 seemed viable considering the record-breaking number of arrivals in visitors last year, with GVB reporting the arrival of "1.6 million visitors" in 2019 before the outbreak of the COVID-19 virus in early 2020 (GVB Annual Report, 2019). With Guam's leading industry booming along with the recent tax increases, policy makers settled on a \$954M budget through Public Law 35-36, although there were varying concerns over the budget and some even believed it "was rushed" for approval (*Pacific Daily News*, 2019 September 5). Despite all the apprehensions over the budget and how it had been allocated throughout the government, no policymaker or politician in Guam or anywhere else for that matter, could have expected that the island along with the rest of the world would be facing a much greater drawback than the typical problems of overspending government dollars or underfunding essential agencies. Governments throughout the world have been struggling to support its operations and the health of the society it serves amid the COVID-19 pandemic, and Guam is no stranger to these difficulties.

CHART 12: GOVERNMENT OF GUAM'S TAX REVENUES FY 2011-2021



Source: Guam Office of Public Accountability (various year), *Government of Guam Financial Statements*.

Note: FY 2020 and FY 2021 are unaudited and are derived from Public Law 35-36 and Public Law 35-98 respectively.

## COVID-19 AND GUAM

Before Guam's first cases of COVID-19 on March 15, the impact of the virus had already drastically afflicted the island in the first weeks of March with "almost 50% fewer tourists due to the global COVID-19 pandemic" (*Pacific Daily News*, 2020 March 19). Policymakers in Guam did not seem to have time to implement preventative measures to lessen the burden of COVID-19 and instead simply responded to the pandemic with a variety of legislation to support the economic and physical health of the population only after the pandemic already hit the island.

There were multiple efforts from the government to ease the negative effects of COVID-19 and the following include some pertinent public laws that were enacted by GovGuam:

- Public Law 35-85 introduced by Senator Torres and co-author, suspended depositing 2% of the general revenue fund into the Rainy Day Fund for fiscal year 2020. The Rainy Day fund is intended to be used for expenses during a time of emergency and to eliminate the General Fund deficit.
- Public Law 35-90 introduced by Senator San Agustin and co-authors, intended to help small business owners whose annual incomes are between \$50,000 and \$500,000 by reducing GRT from 5% to 3% on the first \$250,000 of their revenues.

or reducing the BPT to 3% if income is less than five hundred thousand dollars (\$500,000)<sup>7</sup>

- Public Law 35-94 introduced by Senator Shelton and co-authors, established the “Ayuda I Mangåfa” *Help for Families Program* which provides Five Hundred Dollars (\$500) to qualifying individuals as outlined in section 2 on this law<sup>8</sup>

A closer look at E.O. 2020-03 reveals that the Governor’s emergency power allows her to suspend “the provisions of any regulatory statute” “or the orders, rules, and regulations of any Government of Guam agency” if it is perceived to prevent, hinder, or delay any “necessary action” required to combat against the COVID-19 pandemic. Although this is intended to ensure an efficient response from GovGuam, there were concerns over the Governor having too much power to create any law she deems necessary without consent from the other branches of government nor the people of Guam. While her emergency powers may have benefitted Guam in certain respects, it has also caused contention within the public. The earlier months of 2020 was evidence to this when the Governor sought to deter “non-essential travel” by instituting roadblocks and ordering “the closure of several main roads (*Pacific Daily News*, 2020 April 10).<sup>9</sup>

## SURPLUS, DEFICIT AND DEBT

GovGuam has had a history of debt but may have recently shown indications of fiscal responsibility. Audited reports released by the OPA confirms that FY2019 ended with \$35.6M surplus which helped alleviate the General Fund deficit by more than 50% (*Pacific Island Times*, 2020 September 1). The accumulated deficit was decreased from “\$83.4 million to \$47.8 million” (*KUAM*, 2020 August 31). The Governor considered this deficit reduction a “promise kept” since the administration made it a goal to reduce and ultimately eliminate the General Fund debt all together. The administration claimed that this “was achieved through strict fiscal discipline” where efforts were directed at “cost controls, tax collections, and maximizing federal funds” (*Pacific News Center*, 2020 August 11). However, the Republican Party of Guam stated that the Governor “is claiming success for a government budget that was adopted in 2018, before she was elected governor” (*Pacific Daily News*, 2020 September 1).

**CHART 13** illustrates the General Fund balance for the last decade from FY2010 to FY2019 and the revenue collections by GovGuam ending each fiscal year as represented by the blue line. Although the previous fiscal year ended in a surplus, the General Fund still remains in a deficit. While paying off GovGuam’s debt is generally positive for the financial stability of the island, there have also been suggestions by policymakers to utilize the surplus in ways that will help the most vulnerable people within the island community during the pandemic (*Guam Daily Post*, 2020 September 7). However, the Governor reminded us that “deficits hamper government operations” which explains why her administration prioritized decreasing the General Fund deficit as opposed to spending temporary revenues on other obligations (*Pacific Daily News*, 2020 September 1).

The Governor also appeared to be optimistic about collections for FY2020 despite the ongoing pandemic. She anticipated ending this fiscal year with a “\$20.8 million” surplus (*Guam Daily Post*, 2020 September 1).

<sup>7</sup> This was mentioned earlier in the IMPACT TO BUSINESSES section of this report.

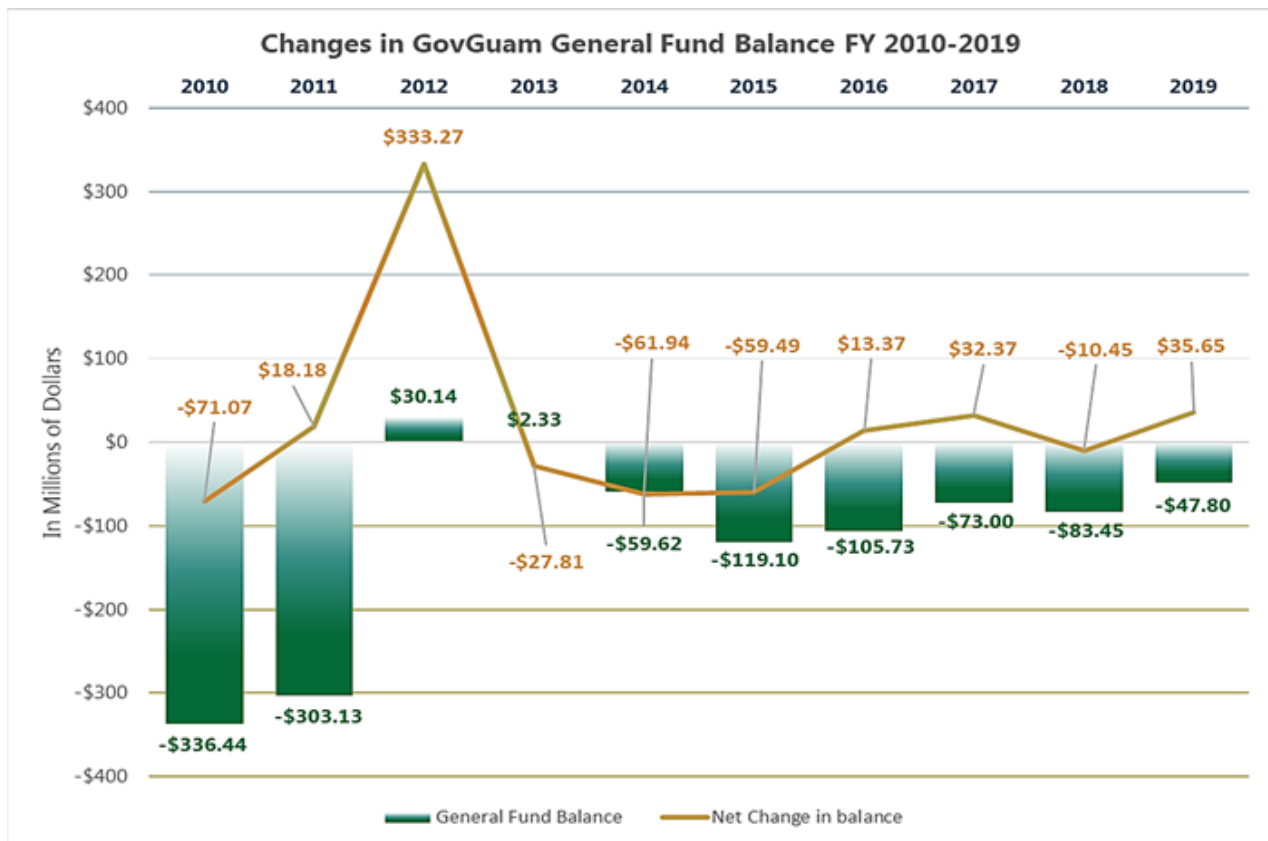
<sup>8</sup> This was mentioned earlier in the IMPACT TO FAMILIES section of this report.

<sup>9</sup> This was mentioned earlier in the IMPACT TO PUBLIC SAFETY section of this report.



Even if the Governor had put an emphasis on cost control as a means of generating a surplus, the matter of the fact is that it was the increase of the BPT in 2018 that played a major role in maintaining a surplus. The Governor believed that “keeping the 5% GRT is also important” because the government “will be receiving less revenues” as a result of the pandemic (*Guam Daily Post*, 2020 March 26). Perhaps this warrants GovGuam to pursue more stringent cost saving measures to match the forecasted decline in revenues during the pandemic.

**CHART 13: GOVGUAM GENERAL FUND BALANCE FY 2010-2019**



**Source:** Office of Public Accountability (various fiscal years), *Government of Guam Financial Statements*

## GUAM'S POLITICAL CLIMATE

The people of Guam seemed to have preferred policymakers with extensive political experience during the island's time of crisis, this time due to COVID-19. The year 2020 ushered in familiar faces for the 36th Guam Legislature with the “top 15 senatorial candidates” having served in the Legislature before. Among Guam's newly elected leaders, only four were not incumbents from the 35th Legislature, although they have served during previous years (*Pacific Daily News*, 2020 November 3). The pandemic has undoubtedly influenced this year's election with the voter turnout rate reaching an all-time low since the establishment of Guam's Organic Act in 1950. Nearly 52% or 29,034 registered voters casted a ballot this year, the lowest in 70 years since the voter turnout rate of 51.96%

in 1950 (*Guam Daily Post*, 2020 November 17).<sup>10</sup> **TABLE 20** contains the complete list of senators that compose the 36th Guam Legislature. Policymaking and debates may now be more contentious with 8 Democrats and 7 Republicans now occupying Guam’s legislature, a notable change from the Democrat led majority last term.

**TABLE 20: LISTING OF SENATORS FOR THE 36TH GUAM LEGISLATURE**

Senator	Party Identification	# of Votes
Terlaje, Therese	Democrat	18,778
Moylan, James	Republican	17,045
Nelson, Telena Cruz	Democrat	15,022
San Agustin, Joe Shimizu	Democrat	14,958
Torres, Mary Camacho	Republican	14,713
Ada, Vicente Anthony Borja	Republican	13,683
Shelton, Amanda	Democrat	13,409
Taitague, Telo Teresa	Republican	13,310
Blas, Frank Flores, Jr.	Republican	13,063
Muña Barnes, Tina Rose	Democrat	11,700
Ridgell, Clynton E	Democrat	11,390
Duenas, Christopher M	Republican	11,108
Brown, Joanne M	Republican	10,113
Perez, Sabina E	Democrat	9,866
Terlaje, Jose Toves	Democrat	9,637
Total: 15	<b>Democrats = 8</b> <b>Republicans = 7</b>	<b>197,795</b>

Source: *Pacific Daily News*, 2020 November 3.

The congressional race ended with the reelection of Congressman Michael San Nicolas securing his second consecutive term. The race started with two candidates from the Democrat Party, former Congressman Robert Underwood and current Congressman Michael San Nicolas, and one candidate from the GOP, former senator William Castro. Although San Nicolas “garnered the most votes at 13,000”, no candidate successfully received “a true majority of the votes (50%+1)” which culminated in an unprecedented runoff election between two democrats. On November 17, 2020, the people of Guam, or at least the 31.06% of registered voters who voted in the runoff, elected Congressman Michael San Nicolas as Guam’s non-voting delegate to the U.S. House of Representatives (*Pacific Daily News*, 2020 November 17).

<sup>10</sup> This was mentioned earlier in the IMPACT TO PUBLIC SAFETY section of this report.

# CONCLUSION

**The COVID-19 pandemic of 2020 is not just a health crisis. It is an economic crisis. It is also a crisis in self-identity.**

As an economic crisis, this pandemic has been a **very loud** wake-up call to our island community to reduce how much our economy and our ability to sustain our lifestyle rely on the tourism industry. For years, even decades, the great minds of this island have created visions on what other industries could feasibly be developed in Guam. Yet, we find ourselves in the economic situation that we are in. If this were any indication of what was lacking in past visions to diversify our economy, then the opportunity is here to address that problem. On the off chance that these visions involved **just talk and no action**, then we have identified what was lacking and can draw lessons from that experience. Perhaps, the creation of the Think Tank committee within the Guam Chamber of Commerce and its partnership with the Guam Economic Development Authority and the Office of the Governor is a start of this new approach to address the old issue of diversifying Guam's economy and the hope that, with this new approach, comes a new and more successful outcome (Guam Chamber of Commerce, 2020 September 15; *Pacific Island Times*, 2020 December 30).

It is usually at this point in our report where we would offer our forecast for 2021. If we were to do so, the safest statement to make is that we will recover. However, our team will be much challenged to provide the numerical details and estimates for how much of a recovery will occur. In the absence of actual economic data for 2019 and 2020, which we had to forecast under hopefully reasonable but potentially speculative assumptions, we are not comfortable in extending our forecast to a third year, 2021, for fear that any error in earlier years' forecasts would be compounded and provide estimates for 2021 that would, at best, not be useful and, at worst, misleading and irresponsible.

Our inability to forecast Guam's economy in 2021 prevents us from forecasting **when** the economy will recover and provides us with no basis on which to judge forecasts and predictions that local experts have already shared with our public. Knowing how difficult it has been to provide such forecasts and predictions, we can only acknowledge our local experts for their **fortitude** and hope that they will be kind to us for finding comfort in our **faint-heartedness** for the reasons that we already explained.

This pandemic is also a crisis in self-identity. Guam has struggled with an identity crisis since the U.S. acquired the island and "granted congressional U.S. citizenship to the residents of Guam" (Perez, 2002). However, even with U.S. citizenship, the island is still excluded from certain rights that the typical American citizen could exercise such as the right to vote for President simply because of our status as an unincorporated territory of the U.S. There have been talks about Guam's right to self-determination which allows the people of Guam to choose among free association with the U.S., independence from the U.S., or U.S. statehood.

This pandemic highlighted some of the advantages and disadvantages of Guam's current relationship with the U.S. On the one hand, Guam was limited in its response to the COVID-19 pandemic and could not shut down the airport because the "Federal Aviation Administration makes the determination regarding ongoing airport operations" (*Pacific Daily News*, 2020 March 19). On the other hand, this pandemic displayed **in clear focus** the contribution of the Federal Government and the benefits of our current relationship with the U.S. Therefore, both realities must be included in discussions of self-determination. Although the decision on this issue should not be guided solely by monetary and material benefits, it must consider all factors involved and consequences anticipated, including the loss of federal funding amounting to 33% of our economy during good, pre-pandemic times, and 76% of our economy during this pandemic.

Would establishing free association with the U.S. be the way to go? Should Guam instead attempt to pursue the path of U.S. statehood, or would political independence from the U.S. be the better path? If Guam were to be independent from the U.S., would we be able to revive our tourism industry while also developing other local industries to replace the amount of economic activities and the income, spending, jobs and tax revenues that our current relationship with the U.S. creates for Guam? As an independent Guam, would establishing a relationship that is better for Guam with another large country, **not the U.S.**, be the way to go, or does this thought scare you? Is there any other large country that would be more benevolent to Guam than the U.S.?

One thing is clear: An independent Guam characterized by a weak tourism industry and a lack of new local industries to diversify our current economic structure would force us to have to learn to live with much less material security and opportunities than our current relationship with the U.S. affords us, even or more so during this pandemic.

**Perhaps, the cry and longing inherent in everyone's heart to want to be free and able to determine his/her own future are worth giving up these material security and opportunities for, or are they?**



## APPENDIX 1

### List of Guam Businesses for Permanent Closure (as of 2020 November 2)

1	ABC Stores (Tumon Sands Plaza)	18	New Box Seats
2	Carmen's Cha Cha Cha	19	Pauline Enterprise Communication
3	Chuck E. Cheese	20	Playport
4	Cold Stone Yogurt Bar	21	Project Matrix
5	Core BBQ & Seafood	22	Royal Hibiscus
6	DNA Evolution -- Billabong Guma	23	Shirley's Coffee Shop (ASC Location)
7	Docomo Pacific (Dededo Mall)	24	Star Sports Cards and Toys
8	Dr. Kabob (Tumon Location)	25	The Hive
9	Foody's Guam (Guam Premier Outlets)	26	Thrifty Car Rental
10	Forever 21	27	Tony Roma's (ASC Location)
11	Fruits (Agana Shopping Center)	28	Village Inn
12	GTA Teleguam (Agana Shopping Center Location)	29	Travel Pacificana
13	Java Junction	30	Ishii Brewing Co., maker of Minagof Beers
14	Kadu	31	Tango Theatres (ASC)
15	Kitchen Lingo	32	Chocolate Store at the Guam Premier Outlet
16	Les Atours Boutique (Leo Palace)	33	Terry's Local Comfort Food
17	MerYenda		

Source: Marianas Business Journal; Guam Daily Post



APPENDIX 2

CARES Act Budget  
May 5, 2020

UFISINAN I MAGA'HÅGA  
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO  
MAGA'HÅGA • GOVERNOR



JOSHUA F. TENORIO  
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR


**Via Hand Delivery**  
**and E-mail: [speaker@guamlegislature.org](mailto:speaker@guamlegislature.org)**

May 5, 2020

**Speaker Tina Rose Muña Barnes**

**HONORABLE TINA ROSE MUÑA BARNES**

Speaker  
*I Mina'trentai Singko Na Liheslaturan Guåhan*  
35<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

MAY 05 2020  
Time 11:06 ( ) AM (X) PM  
Received By: 

**Re: CARES Act Budget**

Dear Madame Speaker:

Since I declared the public health emergency on March 14, 2020, COVID-19 has had dramatic effects on our community. Our economic and physical health has suffered and in the face of that suffering, significant portions of our private and public sectors have risen to address the challenge. To assist the states and territories, the federal government has directed money in direct aid to Guam under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The total amount received of \$117,968,257.80 is substantial, but must be carefully managed.

To that end, I directed the Bureau of Budget Management and Research, in coordination with my fiscal management team, to develop a budget for CARES Act funding. The budget, which I have approved and which is attached herewith, is targeted toward our COVID-19 response and recovery needs and is guided by the United States Department of Treasury's Guidance for State, Territorial, Local, and Tribal Governments that was issued on April 22, 2020.

*Senseramente,*



**LOURDES A. LEON GUERRERO**  
*I Maga'hågan Guåhan*  
Governor of Guam

Enclosure(s): CARES Act Fund Budget  
cc via email: *Sigundo Maga'låhen Guåhan*  
Hon. F. Philip Carbullido, Chief Justice, Supreme Court of Guam  
Hon. Joe S. San Agustin, Senator, 35<sup>th</sup> Guam Legislature

COVID-19 RELIEF FUND		COMMENTS
<b>REVENUES</b>		<b>These comments reflect actual and projected expenses.</b>
<b>CARES ACT: Allocation for Guam</b>		
Funds received	\$117,986,257.80	
	<b>\$117,986,257.80</b>	
<b>EXPENDITURES</b>		
<b>1. COVID-19 Related Medical Expenses</b>		
<b>A. Public Hospitals / Clinics / Similar Facilities</b>		
1. Guam Behavioral Health & Wellness Center	\$23,600.00	Rental of ADA Portable toilet for screening area (\$3.6K) and furniture for COVID isolation unit (\$20K).
2. American Medical Center / FHP / SDA	\$7,000,000.00	Compensation for GovGuam use.
<b>Subtotal</b>	<b>\$7,023,600.00</b>	
<b>B. Temporary Public Medical Facilities, Inclusive of Measures to Increase Treatment Capacity and Related Construction Costs</b>		
1. Office of Homeland Security	\$3,000,000.00	Temporary Hospital Program / COVID related expenses
<b>Subtotal</b>	<b>\$3,000,000.00</b>	
<b>C. Testing, Including Serological Testing</b>		
1. Department of Public Health & Social Services	\$313,237.00	COVID-19 testing
<b>Subtotal</b>	<b>\$313,237.00</b>	
<b>D. Emergency Medical Response, Including Medical Transportation</b>		
1. Guam Behavioral Health & Wellness Center	\$48,126.00	Stipends for crisis hotline workers. Actual expenses is \$6K, projected expenses is \$42K. Water for hotline workers (\$6 actual, \$120 projected)
2. Guam Police Department	\$494,990.00	Projected: Toughbooks for vehicles (\$67.5K), mounts for toughbooks (\$7.5K), Emergency response vehicles (10 total) (\$299,990), Radios for emergency response vehicles (\$120K)
3. Guam Fire Department	\$1,820,834.00	Ambulance repairs, medical oxygen refills, collection of Biohazard wastes (\$35,834). Purchase of three ambulances to be designated solely for COVID (\$285K). Firetrucks (2 total) (\$1.5M)
4. Guam Memorial Hospital	\$3,514,657.61	Contracts for Doctors: Actual expenses to date (\$317,985), projected expenses (\$3,196,672.61)
<b>Subtotal</b>	<b>\$5,878,607.61</b>	
<b>E. Establishing and Operating Public Telemedicine Capabilities for COVID-19 Related Treatment</b>		
1. Guam Behavioral Health & Wellness Center	\$6,000.00	Telehealth Software
<b>Subtotal</b>	<b>\$6,000.00</b>	
<b>Total COVID-19 Related Medical Expenses</b>	<b>\$16,221,444.61</b>	
<b>2. COVID-19 Related Public Health Expenses</b>		
<b>A. Communication and Enforcement of Public Health Orders</b>		
1. Office of the Governor - Emergency Declaration	\$700,000.00	\$350K for E.O. 2020-03; \$350K for anticipated extension.
2. Office of the Governor	\$3,000.00	COVID Communication
3. Guam Visitors Bureau	\$4,002.00	COVID Communication
4. Guam Public Library System	\$120.00	Campaign materials regarding COVID-19
5. Office of the Chief Medical Examiner	\$400.00	Poster instruction metal signs
6. Guam Waterworks Authority	\$32,876.67	Communications / public service announcements (Actual - \$7,045; projected - \$28,831.67)
<b>Subtotal</b>	<b>\$740,398.67</b>	
<b>B. Acquisition and Distribution of Medical and Protective Supplies</b>		
1. Customs & Quarantine	\$51,971.50	Latex gloves, N95 mask, alcohol, disinfectant spray, disinfectant wipes, hand sanitizer (total amount is projected expense, no actual expenses reported)
2. Department of Corrections	\$45,045.40	Alcohol, N95 masks, gloves, hand sanitizers, surgical masks, disinfecting wipes, PPE kits, infrared forehead thermometers, disposable probe covers, ear thermometer, spit sock (actual expenses to date, no projected expenses reported)
3. Civil Service Commission	\$3,225.00	Face masks, hand sanitizer, latex gloves, and hand held digital thermometer. (projected expenses, no actual expenses to date)
4. Guam Behavioral Health & Wellness Center	\$15,048.68	Masks, gloves, face shields, hand sanitizers, germicidal wipes, thermometers. (\$2,498.68 actual expenditures / \$12,550 projected)
5. Department of Youth Affairs	\$11,250.00	PPE masks
6. DISID	\$10,504.00	Thermal body scanner, masks, gloves, first aid kits
7. Guam Police Department	\$196,380.10	Actual expenses to date: Surgical mask with eye shield (\$1,235.10), masks (\$10,125), protective shields (\$1,540). Projected: gloves (\$22.5K), soft earloop and plastic facemasks (\$45,480), duct tape (\$2.2K), N-95 masks (\$67.6K), safety goggles (\$2.7K), Tyvek Suits/boots/kits (\$43K)

8. Guam Fire Department	\$204,240.00	N-95 masks, respirators, sterile gloves, gowns, procedural masks, sanitation wipes, hand sanitizers, electronic thermometers, blood pressure cuffs, reggedized tablets, firefighter bunker gear, spare oxygen tanks, and decontamination tents.
9. Department of Military Affairs	\$150.00	Not specified by department
10. University of Guam	\$32,603.89	Thermometers, KN-95 masks, face shields, masks, gloves, oximeter.
11. Guam Community College	\$169.20	Gloves
12. Guam Visitors Bureau	\$14,557.38	Various PPE and cleaning supplies, thermometers.
13. Guam International Airport Authority	\$16,613.00	Particulate respirator and surgical mask (\$2,970), infrared thermometer for body temperature (\$1,525), palm held thermal imagers (\$11,718), gloves (\$400)
14. Guam Public Library System	\$1,332.00	Face masks (\$1,080), gloves (\$108), first aid kit (\$144)
15. Guam Memorial Hospital Authority	\$319,410.00	Inventory Issues: Actual expenses to date (\$26,338), projected (\$158,028); Supplies: Actual expenses to date (\$19,292), projected (\$115,752)
16. Office of the Chief Medical Examiner	\$3,370.00	Gloves (325), Cadaver bags (\$1,230), cadaver carrier cover (\$810), protective coverall (\$340), medical isolation gowns (\$365), safety goggles (\$20), respiratory mask (\$280).
17. Guam Environmental Protection Agency	\$1,578.00	Actual expenses: N-95 masks (\$139.50), surgical masks (\$46), soft earlop mask (\$13.50), gloves (\$64). Projected: all mentioned items multiplied by six months
18. Department of Agriculture	\$1,500.00	Surgical face masks
19. Port Authority of Guam	\$7,266.30	Personal Protective equipment via purchase orders.
20. Guam Power Authority	\$1,527.11	Respirators (\$1,103.68), non-contract thermometers (\$315), safety kit and glasses (\$108.43)
21. Department of Public Works	\$63,000.00	Purchase of PPEs fo employees & sanitization of fleet used (\$63K) (itemized list not provided)
22. Judiciary of Guam	\$3,808.54	Hand sanitizer, dispensers, N-95 masks, medical masks
23. Guam Waterworks Authority	\$125,858.32	Personal protective equipment (Actual expenses - \$26,969.64; projected - \$98,888.68)
<b>Subtotal</b>	<b>\$1,130,408.42</b>	
<b>C. Disinfection of Public Areas and Other Facilities</b>		
1. Customs & Quarantine (\$30K a month for seven months)	\$210,000.00	Department wants to contract \$30K/month for sanitation. Memo did not specify which facility is being disinfected (i.e. airport or CQA facility) (projected expenses)
2. Department of Corrections	\$8,995.07	Bleach disinfectant, toilet tissue, pine cleaner, trash bags (actual expenses to date, no projected expenses reported)
3. Civil Service Commission	\$560.00	Lysol spray and clorox wipes.
4. Guam Behavioral Health & Wellness Center	\$61,324.00	Paper towel, toilet tissue, bleach, all purpose cleaner, spray bottles, etc. Actual expenditures to date is \$6,554, projected expenses is \$29,770. Also projected \$25K expense for housekeeping/disinfecting service.
5. Department of Youth Affairs	\$80,000.00	Projected sanitizing services (\$30K) and additional sanitation supplies (\$50K)
6. Office of the Governor	\$6,400.00	Cleaning of the conference room (\$375), disinfecting Gov. Complex (\$1,025), disinfection sprayer (\$3.5K). Also rodent control (\$1.5K).
7. DISID	\$22,250.00	Antibacterial handsoap (\$3.7K), alcohol (\$1.3K), hand sanitizer (\$1.5K), lysol disinfecting wipes and spray (\$3K), touch free foam dispenser (\$1.5K), foam hand sanitizer (\$1K), paper towel (\$250) and disinfecting services (\$10K)
8. Guam Police Department	\$80,882.00	Actual expenses to date: Gloves and Hand sanitizers (\$6,480), bleach/clorox/wipes/paper towel (\$2,147), rubbing alcohol (\$1,387.20), disinfecting wipes (\$2,730), gentle hand sanitizer/touch free HS (\$12,022.80), wipes and sanitizer (\$9,125). Projected: rubbing alcohol (\$5.6K), spray bottles (\$1.8K), hand sanitizer (\$1.5K), disinfecting wipes (\$38,090)
9. Department of Military Affairs	\$700.00	Sanitizing products, disinfected solutions
10. University of Guam	\$19,503.98	Disinfection janitorial services, disinfecting wipes, and rubbing alcohol.
11. Guam International Airport Authority	\$10,214.30	Auto electric dispenser stands (\$6,047), sanitizers (\$1,042.80), sanitizer dispensers (\$1,300.50), disinfectant spray (\$1,824).
12. Guam Public Library System	\$28,687.20	Disinfection services (\$7,050), Steam cleaning of carpet/chairs/floors (\$18K), hand sanitizers (\$691.20), hand soap (\$1,020), clorox wipes (\$216), lysol spray (\$180), spray bottles (\$132), kleenex (\$90), trash cans (\$252), masking tape (\$120), clorox (\$60), trash bags (\$192), plastic sheeting (\$144), handwashing station (\$540)
13. Guam Environmental Protection Agency	\$5,476.68	Actual Expenses: Rubbing alcohol (\$2.98), hand sanitizer (\$333), disinfecting wipes (\$563.70), biohazard bags (\$13.10). Projected: all mentioned items multiplied by six months
14. Guam Power Authority	\$6,000.00	Disinfecting contract.
15. Judiciary of Guam	\$63,401.35	Air Duct cleaning (\$35,955) and carpet cleaning (\$27,446.35)
16. Hagatna Restoration & Redevelopment Authority	\$4,200.00	Portable air purifier (\$1.2K), UV Air purifier (\$2.5K), cleaning materials (\$500)
17. Guam Waterworks Authority	\$206,116.67	Cleaning and disinfection for Upper Tumon (Actual - \$14.9K; projected - \$54,633.33). Cleaning and disinfection for five other locations (not specified by department (\$136,583.34)
<b>Subtotal</b>	<b>\$814,711.25</b>	



<b>D. Technical Assistance to Local Authorities on Mitigation of COVID-19</b>		
i. Department #1	\$0.00	No responses to date regarding such expense.
Subtotal	\$0.00	
<b>E. Public Safety Measures Undertaken</b>		
1. Guam Police Department	\$11,290.63	Actual expenses to date: Reflective Cones (\$2,895), 20x20 canopies (4) (\$2,240), pop-up canopies (\$1,199.88), tables and coolers (\$1,739.75), Portable toilet units (4) (\$696). Projected: 10x10 canopies w/ rope (\$1,720), folding chairs (roadblocks) (\$800).
2. Department of Military Affairs	\$98,000.00	National Guard Active Duty (3/16/20 - 3/31/20)
3. Bureau of Budget & Management Research	\$11,432.09	Office reconfiguration to accommodate COVID policies (\$11,432.09)
4. Civil Service Commission	\$2,562.50	Plexi-glass installation (including the plexi-glass and screws).
5. Guam Behavioral Health & Wellness Center	\$11,000.00	Plexi-glass, screws, shelving. (\$1K actual expenditures, \$10K projected expenses.
6. DISID	\$7,000.00	Plexi-glass shields (\$7K)
7. Guam Visitors Bureau	\$5,000.00	Plexi-glass installation (\$5K)
8. Department of Revenue & Taxation	\$46,966.00	Acrylic shields for all rooms and desks that require such installation.
9. Guam Public Library System	\$5,400.00	Plexi-glass installation
10. Guam Environmental Protection Agency	\$25,295.56	Plexi-glass installation (\$295.56) and 10x20 office space container to practice social distancing (\$25K)
11. Judiciary of Guam	\$1,188.73	Plexi-glass installation
12. Guam Waterworks Authority	\$20,196.77	Signs and Plexi-glass shields (\$4,566), drive thru expenses not included in work order (\$7,729.93), drive thru work order (\$7,900.84)
Subtotal	\$245,332.28	
<b>F. Quarantining Individuals</b>		
1. Office of Homeland Security	\$4,000,000.00	Mandatory Quarantine Program
2. Department of Youth Affairs	\$6,300.00	Projected additional water (\$2.7K) and power (\$3.6K) for use of YCF gym for quarantine facility.
Subtotal	\$4,006,300.00	
<b>Total COVID-19 Related Public Health Expenses</b>		<b>\$6,937,150.62</b>
<b>3. COVID-19 Related Payroll Expenses for Public Safety, Public Health, Health Care, Human Services</b>		
A. Executive Branch Line Agencies	\$22,000,000.00	DOA estimated payroll cost for differential pay is \$1,047,619. Effective March 14, 2020, there are 14.3 PPs remaining in FY20. From Oct. 1, 2020 through Dec. 31, 2020, there are approximately 6.7 PPs. Estimated cost is \$1.05M multiplied by 21 PPs.
B. Judiciary, OAG, and OPA	\$3,990,000.00	DOA estimated payroll cost for differential pay is \$190K. Estimate multiplied by 21 PPs.
C. University of Guam	\$70,218.03	As submitted by UOG.
D. Guam Memorial Hospital Authority	\$3,087,714.00	Actual expenses to date (\$441,102), projected (\$2,646,612)
E. Guam Visitors Bureau	\$5,000.00	10% Hazard pay (projected)
<b>Total COVID-19 Related Payroll Expenses for Public Safety, Public Health, Health Care, Human Services</b>		<b>\$29,152,932.03</b>
<b>4. COVID-19 Related Actions to Facilitate Compliance with Public Health Measures</b>		
<b>A. Food Delivery to Residents</b>		
1. Guam Behavioral Health & Wellness Center	\$8,400.00	Nourishment for residential homes. Actual expenditures is \$2,400, projected expenses is \$6,000.
2. Guam Department of Education	\$1,000,000.00	Continuation of food distribution program through summer 2020
Subtotal	\$1,008,400.00	
<b>B. Distance Learning, Including Technological Improvements, in Connection to School Closures</b>		
1. University of Guam	\$842.28	Zoom subscriptions, backup battery, and adobe creative cloud.
2. Guam Department of Education	\$0.00	No responses to date regarding such expense.
3. Guam Community College	\$0.00	No responses to date regarding such expense.
Subtotal	\$842.28	
<b>C. Improve Telework Capabilities for Public Employees to Enable Compliance with Public Health Precautions</b>		
1. Bureau of Budget & Management Research	\$34,238.80	Laptops (\$32,640), wireless mouse for computer (749.40), laptop bag (\$849.40)
2. Civil Service Commission	\$11,260.00	Zoom conference subscription (\$160), live stream/webcast costs (1.6K), 60" smart television (\$2K), Ipad Mini (\$6K), and Laptop (\$1.5K).
3. Department of Youth Affairs	\$10,235.00	Projected expenses for computers (\$6K) and DSL for telework and zoom conferencing (\$4,235).
4. Office of the Governor	\$5,000.00	Video conferencing system
5. DISID	\$33,400.00	Laptops (12) (\$30K), teleworking services to include Zoom (\$1K), Mifi devices (6) (\$2.4K)



6. Guam Police Department	\$4,040.12	Actual expenses to date: Cell phone services (\$452.40), plexi-glass (\$395.22), WiFi router / POE switches (\$3,192.50). Projected: Telecom services for response vehicles (\$8,025)
7. University of Guam	\$15,663.33	Laptops, adobe licenses, printers, ink cartridges, computers to perform remote work
8. Guam Visitors Bureau	\$989.89	Subscriptions from BankCard Center for Pro Power User of five computers (\$989.89)
9. Guam Economic Development Authority	\$16,749.90	Zoom subscriptions (\$149.90), MiFi network (\$4K), laptops (\$7) (\$12.6K)
10. Guam Environmental Protection Agency	\$8,000.00	Laptop computers (\$8K)
11. Judiciary of Guam	\$15,473.40	Video communications (\$2,819.50), interpreters for video translations (\$312) and laptops (\$12,341.90)
12. Hagatna Restoration & Redevelopment Authority	\$10,384.00	Ipad (\$2,443), laptop (\$5,376), battery backup (\$596), external hard drives (\$300), network attached storage (\$1,669)
13. Department of Corrections	\$15,000.00	Video communications to present detainees for court hearing as opposed to physical transport
14. Guam Waterworks Authority	\$9,477.90	Telework related expenses to facilitate COVID-19 services: Adobe (\$1,978), Go-to-Meeting (\$5,580), and microsoft licenses (\$1,919.90)
<b>Subtotal</b>	<b>\$189,912.34</b>	
<b>D. Providing Paid Sick/Family/Medical Leave to Public Employees to Enable Compliance with Public Health Precautions</b>		
1. Department #1	\$0.00	No responses to date regarding such expense.
<b>Subtotal</b>	<b>\$0.00</b>	
<b>E. Maintaining State Prisons and County Jails, Including Sanitation and Improvement of Social Distancing Measures</b>		
1. Department of Corrections	\$2,137,315.76	Expenditures to date: Paint (\$2,866.31), hardware (3,759.71), plumbing (\$1,203.05), electrical (\$5,135.97), small appliances (water heater, hose gasket, etc) (\$541.22), AC supplies (\$1,432), water closets (\$2,932.50), and mattresses (\$22,785).  Projected expenses: food contract services for social distancing (\$1M), fire retardant mattresses (\$25K), bed frames (\$100K), toilet replacements (\$50K), fever screening thermal camera (\$2K), electrical repair/upgrade (\$25K), water system repair/upgrade (\$400K), disposable face masks (\$15K), face shields (\$150K), N95 fit test kits (\$1.5K), isolation gowns (\$25.4K), shoe covers (\$40K), bouffant caps (\$1.4K), gloves (\$60K), sani-cloth (\$10K), clorox wipes (\$8K), isopropyl alcohol (\$3K), biohazard bags (\$9.4K), biohazard trash cans (\$960), alcohol prep pads (\$9K), HEPA Air Filter Tracs (\$24K), thermo-scan thermometers (\$4K), disinfectant spray (\$2K), hand sanitizers (\$13K), hand sanitizer dispensers (\$500), hazardous waste management contract (\$17.5K), separate air conditioning and filtration system (\$100K)
<b>Subtotal</b>	<b>\$2,137,315.76</b>	
<b>F. Care for Homeless Populations Provided to Mitigate COVID-19 Effects and Enable Compliance with Public Health Precautions</b>		
1. Department of Parks & Recreation	\$250,000.00	Safe Haven Program
<b>Subtotal</b>	<b>\$250,000.00</b>	
<b>Total COVID-19 Related Actions to Facilitate Compliance with Public Health Measures</b>	<b>\$3,586,470.38</b>	
<b>5. COVID-19 Related Economic Support</b>		
<b>A. Provision of Grants to Small Businesses to Reimburse Costs of Business Interruption Caused by Required Closures</b>		
1. Small Businesses	\$20,000,000.00	As reported by DOA.
2. Guahan Sustainable - Farmers Emergency Relief	\$5,000.00	As reported by GEDA.
<b>Subtotal</b>	<b>\$20,005,000.00</b>	
<b>B. State, Territorial, Local, or Tribal Government Payroll Support</b>		
1. Department #1	\$0.00	No responses to date regarding such expense.
<b>Subtotal</b>	<b>\$0.00</b>	
<b>C. Public Assistance Payments to Individuals</b>		
1. Public Assistance Payments to Individuals	\$20,000,000.00	As reported by DOA.
<b>Subtotal</b>	<b>\$20,000,000.00</b>	
<b>Total COVID-19 Related Economic Support</b>	<b>\$40,005,000.00</b>	

6. COVID-19 Related Public Health Expenses		
A. Any other COVID-19 Related Expenses Reasonably Necessary		
1. Department of Administration	\$9,500,000.00	Improved financial reporting system to ensure compliance with CARES Act (\$6M). Credit Card fees borne on the Government of Guam as part of the TEAM Plan (\$3.5M)
2. Department of Youth Affairs	\$7,500.00	Projected water filtration system (\$7.5K) to prevent the need to contract water delivery, which prevents human interaction.
3. Guam Police Department	\$2,697.00	Washing machines (3)
4. University of Guam	\$1,962.56	Dryer at Marine lab housing to be used for possible quarantine location (\$655.62), cases of water (\$33.95) for call center, travel change fee (\$150), service/maintenance (unspecified for what) (\$1,021.58), car oil change (\$101.41)
5. Guam Visitors Bureau	\$202,260.91	Workstations (\$15.6K), events cancellation due to COVID-19 (56,574.16), COVID-19 Crisis Communication Plan (\$50K), Crisis Management Plan (\$5K), Research office (who handles customs forms) relocation from GIAA (\$75K). Relocation expense questionable.
6. Guam Memorial Hospital Authority	\$5,000,000.00	GMHA Negative Pressure & Hemodialysis Capabilities Upgrades Project (\$2.5M); GMHA Patient Central Monitoring System Expansion Project (\$2.5M)
7. Guam Economic Development Authority	\$56,667.00	Economist Contract to track COVID impact (May to December)
8. Office of the Chief Medical Examiner	\$30,913.00	Travel expenses fo charter feight plane due to closure of commercial airlines (\$3,213), transport stretcher trolley (\$8.2K), stainless steel morgue body tray (\$4K), portable HEPA Air Purifier (\$15.5K)
9. Department of Public Health & Social Services	\$397,092.53	Total reported expenses to date, for operations, is \$1,241,713.67 (Local - \$710,329.53; Federal - \$531,384.14) (includes amounts prior to date of E.O. 2020-03). However, \$313.2K of such expenses were made prior to E.O. 2020-03. Noting that funds were spent prior to E.O. 2020-03, BBMR has taken the difference of \$313,237 and placed it into testing in category 1C. The remaining \$397K amount will be recategorized above at a later time. It should be noted that DPHSS did not report projected expenses. Per analyst correspondence with DPHSS ASO, no additional local funds required due to other federal assistance grants covering such costs.
10. Department of Public Works	\$784,007.00	Fuel based upon charges from DOA/GSA (34,007). One-Stop Permitting Office (\$750K)
11. Department of Revenue & Taxation	\$6,000,000.00	Improved records keeping and online tax filing to comply with the CARES Act (Placeholder Amount)
12. Judiciary of Guam	\$160.16	Mailing costs
13. Department of Labor	\$100,000.00	MOU with GCC for the Temporary PUA/FPUC Processing Center
Subtotal	\$22,083,260.16	
<b>Total COVID-19 Related Public Health Expenses</b>	<b>\$22,083,260.16</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$117,986,257.80</b>	
<b>TOTAL AVAILABLE</b>	<b>\$0.00</b>	

## APPENDIX 3

**CARES Act Report  
September 30, 2020**

UFISINAN I MAGA'HÅGA  
OFFICE OF THE GOVERNOR

OURDES A. LEON GUERRERO  
MAGA'HÅGA • GOVERNOR



JOSHUA F. TENORIO  
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR

October 16, 2020

**HONORABLE TINA ROSE MUÑA BARNES**

*Speaker*

*I Mina 'trentai Singko Na Liheslaturan Guåhan*

35<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

**Re: CARES Act Report dated September 30, 2020**

Dear Madame Speaker:

In accordance with Executive Order No. 2020-13, please find attached September report for the COVID-19 Relief Fund ("CRF"). These figures are preliminary in nature and subject to further reconciliation.

*Senseramente,*

**SOPHIA SANTOS DIAZ**

*Legal Counsel*

Enclosure(s): Report

cc via email: *Maga'hågan Guåhan*  
*Sigundo Maga'låhen Guåhan*  
Director Edward Birn, DOA  
Director Lester Carlson, BBMR  
Bertha Duenas, Fiscal Discipline

<b>COVID-19 RELIEF FUND</b>				
<b>As of 9/30/2020</b>				
<b>REVENUES</b>				
<b>CARES ACT: Allocation for Guam</b>				
<b>Funds received</b>			<b>\$ 117,968,258</b>	
	<b>BUDGET</b>	<b>EXPENDITURES</b>	<b>ENCUMBRANCES</b>	<b>AVAILABLE</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>1. COVID-19 Related Medical Expenses</b>				
GBHWC Screening & isolation	223,600			223,600
Tier 2/3 clinics	2,000,000			2,000,000
OHS Temporary Hospital	2,400,000			2,400,000
DPHSS COVID testing	313,237	336,313		(23,076)
GBHWC Stipends	48,126			48,126
Guam Police Department	494,990	50,939	345,790	98,261
Guam Fire Department	1,820,834			1,820,834
GMH Contracts for Doctors	3,514,658			3,514,658
GBHWC Telehealth software	6,000			6,000
<b>Subtotal</b>	<b>10,821,445</b>	<b>387,252</b>	<b>345,790</b>	<b>10,088,403</b>
<b>2. COVID-19 Related Public Health Expenses</b>				
Office of the Governor	9,400			9,400
Office of Homeland Security	14,300,000	7,430,562	3,024,816	3,844,622
Customs and Quarantine	261,972	2,250	6,750	252,972
Chief Medical Examiner	3,770	575	1,253	1,942
Guam Visitors Bureau	23,559	93,709		(70,150)
Guam Public Library System	35,539	2,661	18,804	14,074
Guam Waterworks Authority	327,289	99,549		227,740
Civil Service Commission	7,077	1,557	2,855	2,665
Department of Corrections	54,040		11,730	42,310
Department of Integrated Services for Individuals with Disabilities	39,754	2,684	14,810	22,260
Department of Mental Health and Substance Abuse	87,372	18,628	6,648	62,096
Department of Revenue and Taxation	46,966	38,284	166,876	(158,194)
Department of Youth Affairs	97,550	5,660	13,611	78,280
Guam Environmental Protection Agency	32,351	6,304	42	26,005
Guam Fire Department	204,240		29,954	174,286
Guam Police Department	288,553	4,500	104,390	179,663
Hagatna Restoration and Redevelopment	3,261		2,705	556
Guam Community College	169	169		-
Guam Economic Development Authority		35,417		(35,417)
United Judiciary	477,341	132,522		344,819
BBMR	11,432			11,432
Port Authority of Guam	7,267			7,267
Guam International Airport Authority	26,827			26,827
Department of Public Works	63,000			63,000
Guam Power Authority	7,529			7,529
Department of Agriculture	1,500			1,500
Department of Military Affairs	98,850			98,850
GMHA	319,410			319,410
University of Guam	52,107	29,606		22,501
<b>Subtotal</b>	<b>16,888,125</b>	<b>7,904,636</b>	<b>3,405,245</b>	<b>5,578,245</b>



<b>COVID-19 RELIEF FUND</b>				
As of 9/30/2020				
<u>REVENUES</u>				
<u>CARES ACT: Allocation for Guam</u>				
<b>Funds received</b>			\$	<b>117,968,258</b>
	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>ENCUMBRANCES</u>	<u>AVAILABLE</u>
<b>3. COVID-19 Related Payroll Expenses for Public Safety, Public Health, Health Care, Human Services</b>				
Executive Branch Agencies	20,282,000	10,827,731		9,454,269
Judiciary, OAG and OPA	3,517,540	646,129		2,871,411
University of Guam	68,100			68,100
GMHA	3,087,714	2,402,303		685,411
Guam Visitors Bureau	5,000			5,000
<b>Subtotal</b>	<b>26,960,354</b>	<b>13,876,163</b>		<b>13,084,191</b>
<b>3. COVID-19 Related Actions to Facilitate Compliance with Public Health Measures</b>				
Food Delivery to Residents	8,400			8,400
Guam Department of Education	1,000,000	1,000,000		
<b>Subtotal</b>	<b>1,008,400</b>	<b>1,000,000</b>		<b>8,400</b>
Improve Telework Capabilities of Public Employees to Enable Compliance with Public Health Precautions				
Office of Governor	5,000			5,000
BBMR	34,239			34,239
Civil Service Commission	10,530		7,158	3,372
Department of Youth Affairs	10,235			10,235
Department of Corrections	2,152,295			2,152,295
Guam Police Department	4,040			4,040
Department of Integrated Services for Individuals with Disability	33,400		18,816	14,584
Guam Environmental Protection Agency	8,000		7,640	360
Department of Parks & Recreation	1,750,000			1,750,000
Hagatna Restoration and Redevelopment	11,323		8,023	3,300
Guam Economic Development Authority	16,750	13,059		3,691
Guam Visitors Bureau	990			-
Guam Waterworks Authority	67,238	5,760		61,478
United Judiciary	79,153	49,457		29,696
University of Guam	18,622	13,025		5,597
<b>Subtotal</b>	<b>4,201,815</b>	<b>82,291</b>	<b>41,637</b>	<b>4,077,887</b>
<b>4. COVID-19 Related Economic Support &amp; Other</b>				
Economic Support (Other than Small Business, Housing, and Food Assistance)				
Department of Administration	9,683,587	2,307,609		7,375,978
Department of Administration Bereavement Fund	750,000			
Guam Economic Development Authority	61,667	5,000		56,667
Guam Visitors Bureau	202,261			202,261
Department of Labor	100,000		40,392	59,608
Department of Public Health and Social Services	19,369,902	15,979,500		3,390,402
Department of Public Works	784,007			784,007
Guam Police Dept	2,716			2,716
Department of Youth Affairs	7,500			7,500
Office of Chief Medical Examiner	30,913			30,913
University of Guam	1,963			1,963
GMHA	5,000,000			5,000,000
Department of Revenue and Taxation	6,093,603	67,222		6,026,381
Department of Revenue and Taxation Ayuda I Mangafa	-			
<b>Subtotal</b>	<b>42,088,119</b>	<b>18,359,330</b>	<b>40,392</b>	<b>22,938,397</b>
Small Business Assistance				
Guam Economic Development Authority	16,000,000	15,726,894		273,106
<b>Subtotal</b>	<b>16,000,000</b>	<b>15,726,894</b>		<b>273,106</b>
Balance				
<b>TOTAL EXPENDITURES AND ENCUMBRANCES</b>	<b>\$ 117,968,258</b>	<b>\$ 57,336,567</b>	<b>\$ 3,833,063</b>	<b>\$ 56,048,628</b>
10/5/2020				

# ACKNOWLEDGEMENTS

**Annette Taijeron Santos, D.B.A.**

Dean

University of Guam-School of Business and Public Administration

**Kevin K.W. Ho, Ph.D.**

Professor of Management Information Systems

University of Guam-School of Business and Public Administration

**Gena A. Rojas, Ph.D.**

Associate Professor of Public Administration

University of Guam-School of Business and Public Administration

**Fred R. Schumann, Ph.D.**

Professor of Global Resource Management

University of Guam-School of Business and Public Administration

**Kristina C. Sayama, MPA**

Extension Associate II

University of Guam-College of Natural & Applied Sciences

**Jonas Macapinlac, PMBA**

Chief Marketing and Communications Officer

University of Guam-Office of the President

**Jackie Hanson**

Communications Specialist

University of Guam-Office of the President

**Llewelyn R. Terlaje, CGAP, CGFM, CFE**

UOG Alumna and Volunteer Proofreader

**Angelina T. Tretnoff, MPA**

UOG Alumna and Volunteer Proofreader

**John E. Ruane, MPA, CFE**

UOG Alumnus and Volunteer Proofreader

# REFERENCES

- 10, Guam Code Annotated §§ 19-19401-19405 (2020).
- 11, Guam Code Annotated § 26-26203.3 (2020).
- 35<sup>th</sup> Guam Legislature (2019). Public Law 35-13. AN ACT TO ADD A NEW § 26203.2 TO ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING LIMITED EXEMPTIONS TO SMALL BUSINESSES UNDER "THE DAVE SANTOS SMALL BUSINESS ENHANCEMENT ACT.
- 35<sup>th</sup> Guam Legislature (2020 August 28). Bill No. 391-35 (LS) – An act to cancel the 2020 primary election and to provide for a safer 2020 general election.
- 35<sup>th</sup> Guam Legislature (2020). Public Law 35-90. AN ACT TO ADD A NEW § 26203.3 TO ARTICLE 2 OF CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING LIMITED EXEMPTIONS TO SMALL BUSINESSES UNDER THE DAVE SANTOS SMALL BUSINESS ENHANCEMENT ACT TO MITIGATE IMPACTS RESULTING FROM THE COVID-19 PANDEMIC.
- 35<sup>th</sup> Guam Legislature (2002). Public Law No. 35-94, §§ 2-9
- 5, Guam Code Annotated §§ 1-13101-13108 (2020).
- 5, Guam Code Annotated §§ 22-22901-22906 (2020).
- Anthology Research (2020 October). COVID-19 IN GUAM. Community Impacts by the Numbers.
- Anthology Research (2020), *Visitor Tracker Exit Profile & Market Segmentation Report FY2020 – QTR.1 (OCT-DEC 2019)* for Japan, Korea, Taiwan, Philippines and U.S.
- Center for Disease Control and Prevention. Considerations for school closures.
- Civil Beat* (2020 November 1). Japan Is Paying For New U.S. Military Facilities In Guam And The CNMI. Here's Why.
- CNBC (2020 May 11). Expert tips on how to cope with the coronavirus-related money stressor keeping Americans up at night
- Congressional Research Service (2020 August 6). CARES act stabilization fund: background and analysis.
- Derrick, J. C. (2020 June 26). Hawaii reopening to tourism - What visitors need to know. Hawaii Travel Guide: Things to Do in the Hawaiian Islands. <https://www.hawaii-guide.com/hawaii-reopening-what-you-need-to-know>
- Donaldson, Grace C. (2020, June). Can Guam compete in the spaceport industry: An exploratory study, currently under journal review.
- Federal Register (2020 September 4). Temporary Halt in Residential Evictions To Prevent the Further Spread of COVID-19.
- Guam Bureau of Budget and Management (2020 May 5). CARES-Act-Budget.
- Guam Bureau of Budget and Management Research (2020 July 31). FY 2020 Government of Guam Federal Stimulus and Assistance Update for CARES Act and COVID-19 Programs. Retrieved from <http://bbmr.guam.gov/wp-bbmr-content/uploads/2020/08/FY2020-GOVGUAM-Federal-Stimulus-Assistance-Programs-Update-Report-COVID-19-As-of-7-31-20.pdf>
- Guam Bureau of Budget and Management Research (2020 October 31). FY 2020 Government of Guam Federal Stimulus and Assistance Update for CARES Act and COVID-19 Programs. Retrieved from <http://bbmr.guam.gov/wp-bbmr-content/uploads/2020/11/FY2021-GOVGUAM-Federal-Stimulus-Assistance-Programs-Update-Report-COVID-19-As-of-10-31-20.pdf>
- Guam Bureau of Statistics and Plans (2003). *2001 Guam Statistical Yearbook*.
- Guam Bureau of Statistics and Plans (2020). *Guam Consumer Price Index*, XLVI (2).
- Guam Chamber of Commerce (2020 March 22). Chamber Member Poll: 87% of businesses polled confirm adverse impact to global presence of COVID-19.
- Guam Chamber of Commerce (2020 August 15). COVID-19 Resources. August 15, 2020: Statement from the Guam Chamber of Commerce.

Guam Chamber of Commerce (2020 September 15). Proposed Economic Diversification Initiatives for Guam.

Guam Chamber of Commerce. (2020 December 4). Guam Economic Forecast Webinar for 2021. [Video]. YouTube. <https://www.youtube.com/watch?v=Dulxc49LSvY&t=2553s>

Guam Community College (2020 August 14). Guam Community College moves classes online.

*Guam Daily Post* (2020 March 23). GDOE to launch free meals program Monday

*Guam Daily Post* (2020 March 26). Governor: Keeping 5% BPT is 'important'.

*Guam Daily Post* (2020 March 31). GDOE launches online learning - without grades.

*Guam Daily Post* (2020 April 13). Road closures begin today

*Guam Daily Post* (2020 April 17.) SBA: \$53.6M in payroll relief loans approved for 238 Guam businesses.

*Guam Daily Post* (2020 April 20). Lawsuit challenges legality of 'checkpoints'.

*Guam Daily Post* (2020 April 23). \$1M approved to keep Grab-N-Go running through summer.

*Guam Daily Post* (2020 April 25). Hotel tax collections expected to dip by \$8.5M.

*Guam Daily Post* (2020 May 7). Guam's first batch of H-2B workers from Mexico completes quarantine.

*Guam Daily Post* (2020 June 4). \$41.5M in CARES Act to purchase books, help improve internet access.

*Guam Daily Post* (2020 June 6). 197 approved for GEDA's small business grant; some for \$50.

*Guam Daily Post* (2020 June 9). Tourists likely to stay home during Guam's reopening date

*Guam Daily Post* (2020 June 23). Deadline for PPP applications looms for small businesses.

*Guam Daily Post* (2020 June 30). \$10M aid program, other bills now law.

*Guam Daily Post* (2020 July 9). Guam not ready to set tourism reopening

*Guam Daily Post* (2020 July 24). Tourism forecast: From 1.6M to 251K arrivals

*Guam Daily Post* (2020 July 30). GVB's new forecast: 400K tourists

*Guam Daily Post* (2020 August 19). Guam guard ramps up COVID response

*Guam Daily Post* (2020 August 29). Local businesses file pandemic lawsuit.

*Guam Daily Post* (2020 September 1). Adelup expects more federal funds to shore up GovGuam finances.

*Guam Daily Post* (2020 September 7). Where did the surplus go?

*Guam Daily Post* (2020 September 16). \$4M from GEDA grant program shifted toward quarantine costs.

*Guam Daily Post* (2020 September 26). Breaking down CARES Act funds for education institutions.

*Guam Daily Post* (2020 September 26). Protecting children, ensuring justice during the pandemic

*Guam Daily Post* (2020 September 29). Banker: Guam economy 'shattered'

*Guam Daily Post* (2020 October 1). Distribution of laptops begins at some schools.

*Guam Daily Post* (2020 October 15). GDOE schools may reopen campuses in January.

*Guam Daily Post* (2020 October 16). FEMA doubles Guam jobless aid to 6 weeks.

*Guam Daily Post* (2020 October 22). 400K arrivals forecast for 2021 looks dim as coronavirus continues spread

*Guam Daily Post* (2020 October 23). Guam added to Hawaii's trusted traveler program

*Guam Daily Post* (2020 October 29). Should schools reopen?

*Guam Daily Post* (2020 November 12). Bars, restaurants, stores can apply for \$20K rent relief soon.

*Guam Daily Post* (2020 November 17). General election turnout lowest level since 1950

*Guam Daily Post* (2020 November 2). Locals split on Hawaii reopening

*Guam Daily Post* (2020 December 12). Federal judge reviews request to dismiss lockdown lawsuit.

*Guam Daily Post* (2020 December 12). Federal judge reviews request to dismiss lockdown lawsuit.

*Guam Daily Post* (2020 December 29). \$600 aid, jobless benefits now law.

*Guam Daily Post* (2020 December 30). \$503M paid over 6 months to 27,000 pandemic-hit workers.

*Guam Daily Post* (2020 December 30). Airport testing to launch soon; full tourism recovery by 2024

- Guam Daily Post (2020 December 30). RISE Act lapses into law.
- Guam Daily Post (2020 December 7). Record 17.3% unemployment.
- Guam Department of Education (2020 May 20). Grab-N-Go meals continue through summer.
- Guam Department of Education. (2020 August 14). GDOE operations during PCOR 1; Distance learning begins August 17.
- Guam Department of Education. (2020 August 15). GDOE postpone face-to-face instruction until January; Distance learning to continue through second quarter.
- Guam Department of Education (2020, December 22) GEB approves conditional reopening plans.
- Guam Department of Labor, Bureau of Labor Statistics (2020 December 2). The Unemployment Situation on Guam.
- Guam Department of Labor, Bureau of Labor Statistics (various issues). The Unemployment Situation on Guam.
- Guam Department of Public Health and Social Services (various dates). Guidance Memo.
- Guam Department of Public Health and Social Services-Epidemiology and Laboratory Capacity Program and Office of Epidemiology and Research (2020, December 24). Guam COVID-19 Situation Report – 192, March 12–December 24, 2020. Compiled by the Guam DPHSS COVID-19 Response Surveillance Team
- Guam Department of Revenue and Taxation (2020 May 7). Economic Impact Payment (EIP) Updated FAQs.
- Guam Department of Revenue and Taxation (2020 September 27). The Department of Revenue and Taxation Announces the Implementation of the Ayuda I Mangafa Help for Families Program; Issues Frequently Asked Questions (FAQs)
- Guam Department of Revenue and Taxation (2020 October 30). The Department of Revenue and Taxation Announces the Release of 305 Ayuda I Mangafa Help for Families (AIM) Program Payments; Deadline for Filing of Form 3594GU is November 12, 2020
- Guam Economic Development Authority (2020 April 6). Coronavirus Aid, Relief, and Economic Security (CARES) Act Selected Programs, presented by Artemio Ricky Hernandez.
- Guam Economic Development Authority (2020 June 30). More Small Businesses Able to Apply for Guam Small Business Pandemic Assistance Grant.
- Guam Economic Development Authority (2020). GUAM DEVELOPMENT FUND ACT.
- Guam Economic Development Authority (2020). Guam Small Business Pandemic Assistance Grant Program.
- Guam Economic Development Authority (2020). Guam Small Business Rent Assistance Grant Program.
- Guam Economic Development Authority (2020). STATE SMALL BUSINESS CREDIT INITIATIVE.
- Guam Homeland Security-Office of Civil Defense (2020, various dates). JIC RELEASE
- Guam National Guard (2020 July 9). Guam National Guard prepares for COVID-19 drawdown.
- Guam Office of Finance and Budget (2020). FY 2021 Executive Budget Request. The Office of Finance and Budget. [https://www.dropbox.com/s/7a68l9utw8y408m/FY2021%20EXECUTIVE%20BUDGET%20REQUEST%20\(E-VIEW%20VERSION\).pdf?dl=0](https://www.dropbox.com/s/7a68l9utw8y408m/FY2021%20EXECUTIVE%20BUDGET%20REQUEST%20(E-VIEW%20VERSION).pdf?dl=0)
- Guam Office of Finance and Budget (n.d.). Government of Guam Revenues.
- Guam Office of Public Accountability (OPA) (2020 August 18). *Government of Guam – FY 2019 Financial Highlights*.
- Guam Office of Public Accountability. (2020 June 26). Tourism Attraction Fund- FY2019 Financial Highlights. Guam | Office of Public Accountability. [https://www.opaguam.org/sites/default/files/taf\\_hl19.pdf](https://www.opaguam.org/sites/default/files/taf_hl19.pdf)
- Guam Office of Public Accountability (2020 November). OPA Report No. 20-08 Government of Guam Coronavirus Relief Fund Expenditures Part 1 Performance Audit from March 1,2020 through July 31, 2020
- Guam Recovery Panel of Advisors (2020 April 30). *Chålan Para Hinemlo' Guidelines*.
- Guam Recovery Team (2020 July 24). *COVID-19 Area Risk (CAR) Score Developed for Quarantine and Testing Requirements*.



- Guam Recovery (2020). Executive Order No. 2020-40: Relative to establishing the small business rent assistance grant program.
- Guam Visitors Bureau (2010). *FY2010 Guam Visitor Arrivals, By Air and Sea*.
- Guam Visitors Bureau (2011). *FY2011 Guam Visitor Arrivals, By Air and Sea*.
- Guam Visitors Bureau (2012). *FY2012 Guam Visitor Arrivals, By Air and Sea*.
- Guam Visitors Bureau (2013). *September 2013 Visitor Arrival Summary*.
- Guam Visitors Bureau (2014). *September 2014 Arrival Summary*.
- Guam Visitors Bureau (2015). *September 2015 Arrival Summary*.
- Guam Visitors Bureau (2017). *September 2017 Visitor Arrival Summary*.
- Guam Visitors Bureau (2018). *September 2018 Arrivals Summary*.
- Guam Visitors Bureau (2019). *2019 Annual Report*.
- Guam Visitors Bureau (2019). *Fiscal Year 2019 Summary*.
- Guam Visitors Bureau (2020 December 18). *Industry Recovery Update*.
- Guam Visitors Bureau (2020 June 23). *GVB launches Give Us A Moment, Together*.
- Guam Visitors Bureau (2020 October 23). *Industry Recovery Update*.
- Guam Visitors Bureau (2020 September). *FY2020 Arrivals Summary Cover Page*.
- Guam Visitors Bureau (2020). *Preliminary October 2020 Visitor Arrival Summary*
- Hawaii Department of Business, Economic Development & Tourism. (2020 October). Visitor Statistics. Hawaii.gov. [https://files.hawaii.gov/dbedt/economic/data\\_reports/special/total/Total-Oct20.pdf](https://files.hawaii.gov/dbedt/economic/data_reports/special/total/Total-Oct20.pdf)
- Hawaii News Now* (2020 November 13). Slow but steady tourism comeback prompts more Hawaii hotels to reopen
- Judiciary of Guam. (2020 September 18). Administrative Order 2020-413, Re: Eleventh Updated order relative to court operations under exigent circumstances related to COVID-19
- Keynes, John Maynard (1937 February). The general theory of employment. *Quarterly Journal of Economics* 51(2): 209-223.
- Korea Tourism Organization (2020). Korea, monthly statistics of tourism | Key facts on tourism | Tourism statistics. 한국관광공사. <https://kto.visitkorea.or.kr/eng/tourismStatics/keyFacts/KoreaMonthlyStatistics/eng/inout/inout.kto>
- KUAM (2020 January 8). Foreign labor shortage cited in Guam's lack of economic growth.
- KUAM (2020 March 30). Is Guam seeing a spike in island crime during the pandemic crisis? [Video]. YouTube.
- KUAM (2020 August 31) by Licanto. Governor details public sector's surplus, deficit reduction.
- Marianas Business Journal* (2020 March 30) by Chargualaf. Gathering of Guam unemployment numbers impeded by shutdown.
- Marianas Business Journal* (2020 August 3). Data Bank.
- Marianas Business Journal* (2020 November 2). Pandemic results in business closures, delays in re-opening.
- Marianas Business Journal* (2020 December 7). Take a seat: Record season sales at Guam furniture stores
- Military.com* (2020 October 1). Marines Activate Camp Blaz on Guam, The Corps' First New Base Since 1952.
- Ministry of Foreign Affairs of Japan-Consular Services. (2020 October 22). *Phased measures for resuming cross-border travel*.
- New York Times* (2020 October 23). Trump and Biden finally talk schools.
- Office of Congressman Michael F.Q. San Nicolas (2020, July 2). CONGRESS EXTENDS PAYCHECK PROTECTION PROGRAM (PPP) DEADLINE TO AUGUST 8, 2020.
- Office of Elementary & Secondary Education (2020). Guam Education Stabilization Fund - State Education Agency (ESF-SEA) initial report.
- Office of the Governor of Guam (2020, October 16). CARES Act Report dated September 30, 2020.

Office of the Governor of Guam (2020, various dates). Executive Order

*Pacific Daily News* (2003 December 11). Guam Tourism on Road to Recovery.

*Pacific Daily News* (2020 March 17). Guam military bases close programs, limit access in response to COVID-19.

*Pacific Daily News* (2020 March 19). 'It's impossible for anyone to predict': Layoffs, uncertainty in the face of COVID-19.

*Pacific Daily News* (2020 March 19). Guam delegates joins other leaders in asking for lockdown.

*Pacific Daily News* (2020 April 5). Senators propose curfew for all Guam residents to prevent COVID-19 spread

*Pacific Daily News* (2020 April 10). Governor orders daily road closures to deter non-essential travel.

*Pacific Daily News* (2020 April 12). UOG, GCC students will get CARES Act funding

*Pacific Daily News* (2020 April 19). GCC students have alternatives on coursework disruption.

*Pacific Daily News* (2020 May 4). UOG began sending of CARES Act checks to students

*Pacific Daily News* (2020 May 5). About 21K Guam department of education grab-n-go meals given out daily amid COVID-19.

*Pacific Daily News* (2020 May 15). Guam could spend \$12.5 million to expand internet to students.

*Pacific Daily News* (2020 May 22). GEDA: 700 emails about \$20M small business grant program.

*Pacific Daily News* (2020 May 27). Almost 70% of Guam's small businesses received pandemic loan relief.

*Pacific Daily News* (2020 June 3). Guam DOE sets priorities for \$41.5M from CARES Act.

*Pacific Daily News* (2020 June 10). GEDA approves hundreds of small business pandemic grants.

*Pacific Daily News* (2020 June 10). Almost 500 Guam businesses received federal economic injury loans.

*Pacific Daily News* (2020 June 11). GEDA has approved about \$2 million in small business grants related to COVID-19.

*Pacific Daily News* (2020 July 22). Governor suspends work-search requirement for unemployment checks

*Pacific Daily News* (2020 July 31). Instead of a vacation, experience a staycation on an amazing tropical island

*Pacific Daily News* (2020 August 5). Safe and touchless: Guam visitors bureau describes future of tourism.

*Pacific Daily News* (2020 August 6). 8 test positive for COVID-19, bringing Guam's total to 397 coronavirus cases

*Pacific Daily News* (2020 August 7). Buildup projects in full swing; Prutehi Litekyan appeals to United Nations.

*Pacific Daily News* (2020 August 11). Private schools adjust technology, schedules to stay safe as classes resume.

*Pacific Daily News* (2020 August 21). More than 2,000 local businesses received pandemic grants, about \$5M left in funds.

*Pacific Daily News* (2020 August 24). Gutierrez: Reimagine tourism, employment for 21st century.

*Pacific Daily News* (2020 August 26). Guam added to travel warning list for three states

*Pacific Daily News* (2020 September 1). Higher taxes, less spending, help cut general fund deficit.

*Pacific Daily News* (2019, September 5). Governor signs \$954M budget bill, 5 other measures into law.

*Pacific Daily News* (2020 September 12). Letter: Schools need to be able to offer face-to-face education

*Pacific Daily News* (2020 September 17). GEDA: Uptick in small business grant requests; 'businesses are being hurt'.

*Pacific Daily News* (2020 September 22). Livehouse, Shady Lady owner sues governor over shutdown.

*Pacific Daily News* (2020 October 6). Guam Department of Education working on \$8M plan to provide home internet to students

*Pacific Daily News* (2020 October 8). Guam airport remains at a standstill: Most airlines cancel through November.

*Pacific Daily News* (2020 November 3). Familiar faces voted into 36th Guam Legislature.

- Pacific Daily News* (2020 November 17). Del. Michael San Nicolas secures second term in Congress.
- Pacific Daily News* (2020 December 14). Guam unemployment issues may worsen, particularly for women and immigrants
- Pacific Daily News* (2020 December 16). 34% of parents would send kids back to school.
- Pacific Daily News* (2020 December 26). GEDA waits for \$1.7M for rental assistance payments
- Pacific Island Times* (2020 March 17). Guam imposes curfew for minors, businesses adjust operating hours
- Pacific Island Times* (2020 July 2). How Covid-19 has affected education in Guam.
- Pacific Island Times* (2020 August 13). Guam going back to PCOR1.
- Pacific Island Times* (2020 August 30). US, Japan reaffirm Marines realignment plan; Leon Guerrero says Guam must have stronger voice in defense talks
- Pacific Island Times* (2020 September 1). Leon Guerrero says this is the best fiscal year ever, but Republicans say she needs a 'reality check'.
- Pacific Island Times* (2019 October 15). Gruesome twosome: Amid suicide surge triggered by Covid-19, Guam is facing a shortage of mental heal
- Pacific Island Times* (2020 December 28). New Covid relief measure signed; Leon Guerrero vows to roll out programs as soon as funds roll in.
- Pacific Island Times* (2020 December 30). Economic diversification working group formed to explore new industries for Guam.
- Pacific News Center* (2020 March 23). District Court limits operations in response to coronavirus
- Pacific News Center* (2020 May 7). GPD sees increase in drug related crimes as price of meth drops
- Pacific News Center* (2020 May 19). GEDA launches grant program to aid in small businesses hurt by COVID-19.
- Pacific News Center* (2020 June 1) Illegal drugs continue to come through the mail
- Pacific News Center* (2020 August 11). Governor's Office: 'We've cut the cumulative general fund deficit by nearly half'.
- Pacific News Center* (2020 August 21). Judiciary of Guam issues guidance under new restrictions; all court facilities closed to the public
- Pacific News Center* (2020 September 5). 15 suicides on Guam in the past three months of COVID year
- Pacific News Center* (2020 September 7). Guidance memo issued on quarantine requirements for all Guam arrivals
- Pacific News Center* (2020 September 14). Guam business owners coalition formed to lobby against lockdown.
- Pacific News Center* (2020 November 3). Public safety remains a concern among many voters
- Pacific News Center* (2020 November 24). Judge to hear motion to dismiss lawsuit against lockdown.
- Pacific News Center* (2020 December 10). Guam-Taiwan travel 'bubble' eyed; Governor plans to visit next year
- Pacific News Center* (2020 December 17). GVB: 'Significant' tourism recovery won't start until the 4th quarter of next year.
- Pacific News Center* (2020 December 22). Adelup secures \$12.5M in Education Stabilization Funds; \$8.9M for home internet access, distance learning.
- Perez, Michael P. (2002). Pacific identities beyond US racial formations: The case of Chamorro ambivalence and flux. *Social Identities* 8(3): 457-479.
- Rotondo, Andrea M. & Ewen, Nick (2020 December 8). Hawaii's reopening highlights problems facing tourist destinations, but there's hope for 2021
- Ruane, Maria Claret M.; Barcinas, Efigenia Rose; Cayan, Daniel; Garrido, Prairie Rose; Meneses, Sofia Diane; Salalila, Jun-Patrick; Sayama, Kristina, C; Tenorio, Luisa V. & Tretnoff, Angelina T. (2020 January 24). *2019 Guam Economic Report*. University of Guam-School of Business and Public Administration-Regional Center for Public Policy.
- SAMHSA (2015). Center for Behavioral Health Statistics and Quality, National Survey on Drug Use and Health

- Stars & Stripes* (2020 September 18). Indo-Pacific Command leader underscores need for stronger missile defense on Guam.
- U.S. Census Bureau (n.d.). *2017 Economic Census of Island Areas*. Retrieved December 2, 2020, from U.S. Department of Commerce, Bureau of Economic Analysis (2019 October 9). News Release: Guam GDP Decreases 0.3 in 2018
- U.S. Department of Commerce, Bureau of Economic Analysis (2020 December 11). News Release: American Samoa GDP Decreases in 2019
- U.S. Department of Defense (2020 June 18). Audit of the Department of Defense's Processes to Identify and Clear Munitions and Explosives of Concern During Construction on Guam (DODIG-2020-093).
- U.S. Department of Defense (2020 August 29). Readout of Secretary of Defense Mark T. Esper's Meeting With Japanese Defense Minister Taro Kono.
- U.S. Department of the Treasury (2020). The CARES Act Provides Assistance for State, Local, and Tribal Governments.
- U.S. Department of the Treasury (2020). The CARES Act Provides Assistance to Small Business.
- U.S. House of Representatives (2020 July 20). Breakthrough H2-B Authorization civilian projects on Guam.
- U.S. House of Representatives (2020 December 3). William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 Conference Report.
- U.S. Senate-Armed Services Committee (n.d.) FY2021 National Defense Authorization Act (NDAA).
- U.S. Small Business Administration (2020 July 12). SBA Provided \$20 Billion to Small Businesses and Non-Profits Through the Economic Injury Disaster Loan Advance Program.
- U.S. Small Business Administration (2020 July 14). SBA Programs – Scams and Fraud Alerts.
- U.S. Small Business Administration (2020, July 28). Serious Concerns of Potential Fraud in EIDL Program Pertaining to the Response to COVID-19.
- U.S. Small Business Administration (2020). Economic Injury Disaster Loans.
- U.S. Small Business Administration (2020). Notice: Paycheck Protection Program Closed August 8, 2020.
- U.S. Small Business Administration (2020, various dates). COVID-19 EIDL Advance Report 04/24/20.
- U.S. Small Business Administration (2020, various dates). COVID-19 EIDL Loans Report
- U.S. Small Business Administration (2020, various dates). Paycheck Protection Program Report
- U.S. Small Business Administration Office of Advocacy (various years). Small Business Profile: Guam
- U.S. Small Business Administration (2020). GU 16388-01 SBA Offers Disaster Assistance to Guam Small Businesses Economically Impacted by the Coronavirus (COVID-19).
- United Nations Educational, Scientific and Cultural Organization. Adverse consequences of school closures.
- University of Guam (2020 March 26). Press release: UOG classes will go online for the rest of the semester.
- University of Guam (2020 April 17). Message from the senior vice president.
- University of Guam. (2020 August 14). Campus advisory #8 | PCOR1, campus closed to the public, start of classes delayed to 8/26.
- USASpending.gov
- White House (2020 August 12). President Donald J. Trump is supporting America's students and families by encouraging the safe reopening of America's schools
- White House (2020 December 23). *Presidential Veto Message to the House of Representatives for H.R. 6395*
- World Health Organization (2020 April 27). Archived: WHO Timeline – COVID-19.
- World Health Organization (2020 June 29). Timeline of WHO's response to COVID-19.
- World Health Organization. (2020). Novel Coronavirus(2019-nCoV) Situation Report (pp. 1-7, Rep. No. 10).
- Worldbank.org

## ABOUT THE AUTHORS



**Dr. Maria Claret M. Ruane** is currently a tenured Professor of Economics at the University of Guam-School of Business and Public Administration (UOG-SBPA), formerly the Resident Development Economist for the University of Guam-Pacific Center for Economic Initiatives (PCEI) and formerly the Resident Development Economist and Research Contributor/Supervisor to the University of Guam-Regional Center for Public Policy (RCPP). She earned her B.S. (with Great Distinction) and M.A. in Economics from San Jose State University and her Ph.D. in Economics from the University of California-Riverside where there were 25 students in her cohort and she was the first of only 7 students in her cohort to complete their Ph.D. She has 29 years of experience in International Macroeconomic Development and is trained in quantitative approach to analyze available data and, when necessary, design methodologies to address limitations in data. Dr. Ruane has written several socio-economic studies at regional, national and international levels, including RCPP's *2018 Guam Economic Report* and *2019 Guam Economic Report*, "Factors that Explain Corruption in the 50 States of the United States of America: A Regression Analysis" published in the double-blind, peer-reviewed, internationally circulated *Asia Pacific Business and Economics Research Perspectives*, and a 20-equation simulation model to analyze the effect of development aid on a recipient economy. Her other work includes contribution to the generation and analysis of much-needed economic and business indicators and analysis in Guam, including consumer and business confidence survey, corruption perception, buying local behavior, local spending multiplier, effect of exchange rate changes on tourist arrivals to Guam, local farmer and village residents surveys in the context of the One Village-One Product (OVOP) approach to Guam's economic development. She believes that research is a search for the truth and aims at developing local capacity in Guam to produce ethical, relevant and impactful economic research and analysis.



**Ms. Celia J. Anderson** is an undergraduate student pursuing a degree in Business Administration with a focus in Finance and Economics at the University of Guam (UOG). She is also a young entrepreneur and operates her small business, Dudus Girl Jewelry, while also operating her family business, Bonita Trading Company. Her greatest achievements consist of numerous awards and recognition. Throughout her undergraduate program, she has made it to the SBPA's Dean's List and UOG's President's List. She was awarded the Guam Chamber of Commerce Dave J. Santos Scholarship and served an internship with the organization in 2019. Acknowledging her entrepreneurial spirit, she was also awarded the Karri Perez Entrepreneurial Scholarship in 2020. Additionally, she was a proud contributor to the Guam Economic Development Administration's LEAP Conference 2020 and presented advice about enhancing small business growth. She plans to use her research abilities and knowledge to participate in the upcoming 2021 International Conference on Business Economics and Information Technology (ICBEIT). In the future, she aspires to use research to strengthen local businesses so that they can better contribute to Guam's economic growth.





**Mr. Nathaniel J. Dela Cruz** is an undergraduate student pursuing a Bachelor's in Business Administration with a concentration in Finance and Economics at UOG. He plans to graduate during the Fañomnåkan (Spring) 2021. As a student, he has made the Dean's and President's list each semester, qualifying him to be a Regent Scholar. In addition, he served as Co-Vice President during the Fanuchånan (Fall) 2020 for the Collegiate Chapter of the Society for Human Resource Management (SHRM) and will serve as Treasurer Fañomnåkan (Spring) 2021. He is also a member of Triton Investments (TI), where he has gained an interest in stock market portfolio management. He credits his professor, Dr. Ruane, for pushing him to maximize his learning abilities in Economics, Statistics, and Personal Finance. After he graduates, he hopes to pursue a career in Guam's financial industry, especially in banking. In the future, he looks forward to pursuing a Professional Master of Business Administration (PMBA) degree at UOG as well as obtain various certifications in his field of study.



**Ms. Grace C. Donaldson** graduated with a Master of Public Administration degree in 2019 from UOG. She is currently pursuing a Ph.D. degree from the Graduate School of International Relations at Ritsumeikan University in Kyoto, Japan. Her masters' thesis examined the perception that UOG students from the Federated States of Micronesia (FSM) have about China's soft power influence in the Micronesia/Western Pacific region. She continues to research China's influence on FSM by studying how FSM manages its relationship with China and the United States while retaining its culture and environment. Her interest in Guam's economy developed as a result of her background and years of work experience in Human Resources. She is a certified Senior Human Resource professional and practices as a Human Resource professional through her consulting work with the private sector. In recent years, she has developed an interest in the field of Economics, which was deepened by the Economics education she received at UOG and the opportunity to co-author *2020 Guam Economic Report*.



**Ms. Prairie Rose Garrido** graduated *Summa Cum Laude* from UOG with a dual degree of a B.A. in Political Science and a B.S. in Public Administration during the Fañomnåkan (Spring) 2020. She was formerly a Research Fellow at the Regional Center for Public Policy where she co-authored the *2019 Guam Economic Report*. Prairie also has experience researching, creating, and debating public policy during her time as a Representative in the 32nd Guam Youth Congress. Her passion for research combined with her political background has motivated her to enroll in De La Salle University in the Philippines where she is currently pursuing a Master's degree in Political Science. In the future, she aspires to work in public service in Guam and recognizes the importance that research and data can have on improving both the public and private sectors. She hopes to use research as a instrument to tackle many issues that are relevant to the island of Guam such as economic adversities and the struggle towards self-determination.



**Ms. Kamerin Marie Guerrero** is currently an undergraduate student pursuing a Bachelor's degree in Business Administration with a concentration in Finance and Economics at UOG. She is a first-generation college student, a Merit and Regent Scholar, and consistently earns a spot on the President's List each semester. On top of her academics, she is an entrepreneur operating Kadena by Kam, a small local business specializing in handmade jewelry and crystal gemstones. She anticipates to graduate during the Fañomnåkan (Spring) 2021 and intends to pursue a graduate degree in Finance or Economics and Public Administration. She hopes to combine her interest in these fields of studies to improve the local public and private sectors and contribute to Guam's pursuit for economic diversification. She credits her professor, Dr. Maria Claret Ruane, for inspiring and enlightening her about Economics and being part of her undergraduate journey at UOG.



**Dr. Leila C. Kabigting, DBA**, is an Associate Professor of Finance of the University of Guam School of Business and Public Administration, teaching in both undergraduate and graduate levels. She is also the chair of the Professional Master of Business Administration (PMBA) program. Prior to joining the University of Guam, she worked at De La Salle University Manila (DLSU Manila) for nearly twenty years, where she held both teaching and administrative positions in the undergraduate and graduate levels. Dr. Kabigting graduated with a degree in Bachelor of Science in Commerce major in Management of Financial Institutions from DLSU Manila. She obtained both her Master of Business Administration and Doctor of Business Administration from the same institution. She is also an Accredited Investment Fiduciary AIF®.



**Mr. Steve Eric Terlaje** is an undergraduate student pursuing a Bachelor's degree in Business Administration with a concentration in Finance and Economics at UOG. He collectively has over 15 years of experience in the fields of property and casualty insurance, life and health insurance, real estate, retail, and hospitality. With his years of experience, he decided to return to UOG as a full-time student and pursue his undergraduate degree, which he plans to earn during the Fañomnåkan (Spring) 2021, the semester he also will be conducting another research project and make a presentation at the 2021 ICBEIT. He aspires a position in the field of financial or risk management where he sees opportunities to combine his work experience and education to contribute in areas most needed in Guam. After graduation, he also endeavors to become a Certified Fraud Examiner (CFE), and pursue a Master's degree. He credits his success to his wife, Llewelyn, who is an alumni of UOG.



**Ms. Laarnie D. Vinca** holds an Associate of Arts degree in Education with an emphasis in Pre-Professional from the Guam Community College where she graduated with honors in 2015. She is currently an undergraduate student pursuing a Bachelor's degree in Business Administration under the Professional Pathway in the area of Finance and Economics at UOG. Her interest in Finance has led to her decision to take the CFA exam by the time she earns her degree during the Fanuchånan (Fall) 2021. She is a Regent Scholar and has made it multiple times to the UOG President's List. Post-graduation, she plans to gain experience in the finance industry and hopes to continue her education through earning a PMBA in the future. In addition, her experience as co-author of the 2020 *Guam Economic Report* has led to her interest in research, analysis, interpretation of data, and further cultivating her skills in an effort to continue to contribute to future research work and consider journalism.



**Ms. Mary Catherine Wiley** is currently an undergraduate pursuing a major in Accounting with a concentration in Finance and Economics at UOG. She strives to learn and be involved and to use her knowledge and energy to contribute back to her community and pursue endeavors. Devoted to the quality of her work and studies, she placed on the Dean's List several times and is a practicing member of the Junior Accountants Society (JAS), Triton's Investment (TI), as well as secretary for the local chapter of the Omicron Delta Epsilon (ODE) International Honor Society for Economics. She understands the challenges and unique characteristics among the Small Island Developing States (SIDS), which motivated her membership in the Republic of Palau Student Organization (RPSO) and her awareness through Independent Guåhan. She credits her "economic pillar", Dr. Ruane, for setting high standards and providing effective guidance. She strives to put knowledge into practice and accepted the challenge to make a research presentation at the 2020 ICBEIT as well as serve as a research assistant and the study coordinator for "Guam Consumer's Knowledge of and Attitude towards GMO Foods and Labeling Practices". She sees research as a venue for scholarship and community service and plans to combine the technical aspects in Accounting with the analytical focus in Economics to produce pioneering research that will enhance small island development in Guam and the neighboring states.

