

BEFORE THE 2009 JUDICIAL COUNCIL OF GUAM

RESOLUTION NO. JC 09-005

**RELATIVE TO APPROVAL OF COST-CUTTING MEASURES TO ADDRESS
BUDGET SHORTFALLS FOR FISCAL YEAR 2009**

WHEREAS, the Judicial Branch's budget was subject to a near ten percent (10%) across the board budget cut immediately prior to the Legislature passing the FY2009 budget; and

WHEREAS, in addition to this budget cut, the Judicial Branch of the Government of Guam has failed to receive nearly six million dollars in allotments from the Department of Administration Central Accounting Office as set forth in the attached Exhibit A; and

WHEREAS, the Governor has advised the Judiciary that continued compliance by the Government of Guam with the Order Re: Contempt issued by the District Court of Guam in Civil Case No. 02-00022 United States of America v. Government of Guam will necessitate an even further reduction in the allotments received; and

WHEREAS, the Judiciary has implemented an austerity plan that is set forth in a Memorandum from the Chief Justice to all Judiciary of Guam employees, and communicated in a Memorandum from the Chief Justice to the Executive and Legislative Branches attached as Exhibit B. However, insufficient allotment receipts continue, and the operations of the Judiciary are jeopardized by the continued failure to receive the percentage of appropriated funds due to the Judiciary, and a threat of an additional reduction; and

WHEREAS, the Judiciary must immediately identify and plan significant cost-cutting measures as a result of severe financial shortfalls resulting from the failure of the Department of Administration (DOA) to disburse the full scheduled allotments from the approved FY 2009 budget, as well as the failure of DOA to satisfy prior fiscal year appropriations.

NOW THEREFORE BE IT RESOLVED in recognition of the immediate need to implement drastic cost savings measures as a result of severe financial shortfalls resulting from the failure of DOA to pay the full scheduled allotments from the approved FY 2009 budget, the failure of DOA to satisfy Fiscal Year 2008 appropriations and the threat of an even further reduction in allotments, the Judicial Council hereby supports and approves the implementation of the following cost-cutting measures:

1. Employees are authorized to opt for voluntary salary reductions in the form of (a) a voluntary 32-hour workweek (the "TGI Thursday" Act P.L. 25-72 as amended by 25-74), or (b) "Quality Time Program" (P.L. 25-72 as amended by P.L. 25-74) allowing reduction to either 50% or 75% reduction of work week, or (c) voluntary leave of absence without pay.

2. Civil and criminal jury trials will be suspended for a period of thirty (30) days beginning May 1, 2009, except those criminal jury trials in which the defendant's speedy trial right has been asserted and the crime charged is one of violence against a person or persons.

3. The Judicial Center of Guam will be open to the public from 9:00 a.m. to 6:00 p.m. each day, effective April 15, 2009, for the remainder of FY2009.

4. The Administrator of the Courts, in consultation with the Chief Justice, is authorized to terminate contracts for services with outside vendors as soon as practicable.

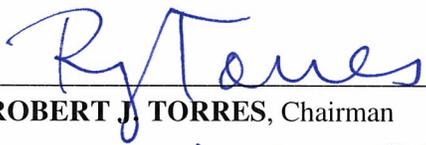
BE IT FURTHER RESOLVED that if the Judiciary does not receive 90% of its full allotments due pursuant to the FY 2009 Budget, as well as its past due allotments, by June 30, 2009, the Judicial Council hereby supports and approves effective July 1, 2009, to the end of the current fiscal year, a mandatory thirty-two (32) hour work week for all employees of the Judiciary of Guam as follows:

5. Mandatory Thirty-Two Hour Work Week for all Judicial Employees, subject to the following terms and conditions:

- a) Such reduction shall not exceed eight hours per week.
- b) There shall not be a reduction in a classified full time employee's rate of compensation; however, weekly earnings shall decrease in direct correlation to a decrease in work hours.
- c) There shall not be a loss of any other benefits for full time employee to which they were entitled prior to the implementation of the reduction of the work-week hours.
- d) Such reduction shall not affect the employee's accrual of years of service for the purposes of retirement.

BE IT FURTHER RESOLVED that the Judicial Council hereby recommends that the Administrator of Courts provide all Judiciary employees with sixty days' notice prior to implementation of the Mandatory Thirty-Two Hour Work Week.

DULY ADOPTED this 2nd day of April, 2009 at a duly noticed meeting of the Judicial Council of Guam.



ROBERT J. TORRES, Chairman
Date: 4-2-09

ATTEST:



JOLEEN F. RESPICIO, Secretary

Date: 4-2-09

FY2009
Judiciary of Guam
Budget/Allotment Schedule as of April 1 , 2009

PL29-113	19,543,645	Judiciary Operation
PL29-113	931,304	NCS
PL29-113	498,374	Adult & Juvenile Drug Courts
PL29-113	659,232	Court Appointed/Client Services Fund
PL29-105	624,529	Law Enforcement Compensation

Total Budget 22,257,084
20,168,174

	Allotment Schedule	Cash Collections	Allotment Due
1 October	1,899,822.00	-	1,899,822.00
2 November	1,899,821.00	245,620.00	1,654,201.00
3 December	1,899,821.00	2,200,000.00	(300,179.00)
4 January	1,899,821.00	1,628,638.00	271,183.00
5 February	1,899,821.00	1,406,067.00	493,754.00
6 March	1,899,821.00	1,847,777.00	52,044.00
7 April	1,859,053.00	-	
8 May	1,799,821.00	-	
9 June	1,799,821.00	-	
10 July	1,799,821.00	-	
11 August	1,799,821.00	-	
12 September	1,799,820.00	-	
Total	22,257,084	7,328,102.00	4,070,825.00

Cash Receipt Breakdown:

11/20/2008	3,799,643.00	52,045	3,747,598.00
11/26/2008	3,747,598.00	193,575.00	3,554,023.00
12/1/2008	5,453,844.00	500,000.00	4,953,844.00
12/12/2008	4,953,844.00	850,000.00	4,103,844.00
12/24/2008	4,103,844.00	850,000.00	3,253,844.00
1/9/2009	5,153,665.00	500,000.00	4,653,665.00
1/16/2009	4,653,665.00	300,000.00	4,353,665.00
1/23/2009	4,353,665.00	828,638.00	3,525,027.00
2/12/2009	5,424,848.00	500,000.00	4,924,848.00
2/20/2009	4,924,848.00	500,000.00	4,424,848.00
2/26/2009	4,424,848.00	406,067.00	4,018,781.00
3/6/2009	5,918,602.00	500,000.00	5,418,602.00
3/16/2009	5,418,602.00	533,458.00	4,885,144.00
	4,885,144.00	814,319.00	4,070,825.00
Total		7,328,102.00	

Breakdown of Outstanding	Allotment	Collections	Balance
Judiciary Operation	9,771,828.00	6,514,552.00	3,257,276.00
Adult & Juvenile Drug Courts	249,186.00	124,593.00	124,593.00
NCS	465,648.00	232,824.00	232,824.00
Law Enforcement Uniform	312,265.00	156,133.00	156,132.00
Client Services Fund	600,000.00	300,000.00	300,000.00
Total	11,398,927.00	7,328,102.00	4,070,825.00

Judiciary Expenditure 4/1/09	\$ 9,949,102.01
Judiciary Encumbrance 4/1/09	\$ 1,161,980.42

Due from General Fund FY 04	\$100,000.00
Due from General Fund FY 06	\$862,898.00
Due from General Fund FY 07	\$872,317.00
Total Owed Prior Years	\$1,835,215.00



JUDICIARY OF GUAM

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ROBERT J. TORRES

Chief Justice

ALBERTO C. LAMORENA III

Presiding Judge

PERRY C. TAITANO

Administrator of the Courts

MEMORANDUM

To : Judiciary of Guam Employees

From : Chief Justice Robert J. Torres

RJT

Date : March 24, 2009

Subject : **Cost Containment Measures**

As you all know, the U.S. District Court recently issued an Order, holding the government of Guam in contempt and requiring the government to make weekly payments with regard to the closure of the Ordot Landfill. Not surprisingly, this obligation has created much financial uncertainty within the government. Like all branches and agencies, the Judiciary of Guam shares in this reality.

Top management of the Judiciary recently met with Governor Camacho, and has learned that the government has sufficient funding to meet its obligations under the federal court order for the next two weeks. After that point, however, the Governor anticipates there will be a significant impact felt throughout the government as we try to comply with the additional weekly payments. To compound the problem, the Judiciary's 2009 budget was slashed by nearly 10% and the Judiciary has not been receiving its regular monthly cash allotments. To date, the Judiciary has only received approximately 60% of its scheduled cash allotments.

The Judiciary is currently evaluating a range of options and cost-cutting measures to address the financial shortfalls. Please know that any option that will directly impact the Judiciary employees, such as reduced working hours, will be considered only as a last resort. If it becomes absolutely necessary to reduce working hours, we will do our best to defer implementation until as close to the end of the fiscal year as possible. We value your work greatly, and we fully appreciate that these are tough economic times for everyone. We want to assure you that we will not take lightly any decisions that will impact you and your family's financial well-being.

To address the reduction in our Fiscal Year 2009 budget, we have already implemented a myriad of cost-cutting measures, including the following:

- freeze on all hiring and holding vacant the positions of employees who leave, except for the most critical positions
- freeze on spending in various non-personnel areas, such as travel and training

EXHIBIT B
JC09-005

- deferring the opening of the Northern Court Satellite (NCS)
- reducing the number of new magistrates from the number that is recommended
- curtailing paid lunches for committee and working meetings
- cutting unnecessary phone lines, fax lines, and IDSN lines
- suspending or cancelling various subscriptions
- eliminating memberships in certain professional organizations
- suspending all outside printing unless printing requirements are beyond the Judiciary's capability
- terminating purified water services to the Judiciary
- imposing tighter management oversight over requests for supplies, materials, and services
- creating an energy-savings checklist for court-wide implementation
- monitoring air conditioning operations to reduce energy costs
- implementing "green computing" court-wide (turning off computer equipment, reducing paper usage by maximizing use of email, printing double-sided documents, etc.)
- pursuing uncollected court fines and fees that are due to the court
- reducing the number of hours parking lot lights will be left on

Thanks to these efforts, the anticipated gap between estimated budget requirements and funding levels has shrunk. However, continued vigilance is necessary, especially in light of the potential 10% additional cut in our budget as a result of the federal court order. In order to meet this further budget reduction, we are considering and/or planning the implementation of the following measures:

- suspending weekend hours for magistrate hearings
- suspending all civil and criminal jury trials for a minimum of 30 days
- reallocating resources toward a traffic warrant task force
- terminating contract services such as private security services, armor delivery services, etc.
- reducing certain court services and shutting down the Judiciary one or more days a week
- implementing a reduced-hour work week for all Judiciary employees

We realize that these options will have an impact not only on our employees, but may also affect public safety, public services, and the business community. In determining our options, we are trying our best to be as even-handed as we can between affecting the public interest and the judicial employees. We are all in this together, and must all share in the sacrifice. Cost containment is part of our obligation to be good stewards of the taxpayers' money. Budget cuts in the Judicial branch are particularly difficult because

much of our budget is made up of the cost of employees and resources needed to accomplish our mission.

With the planning that we here in the Judiciary have done since the last budget went into effect in September 2008, we may be able to manage without taking the most drastic measures being considered, so long as we get the full share of allotments due to us. If we continue to receive less than our full allotments, then we may have no choice but to carry out the more serious alternatives, including implementing a 32-hour work week for all Judiciary employees across the board.

We deeply appreciate your dedication and the outstanding work you perform for our courts of justice. We will continue to keep all of you abreast of the Judiciary's financial situation, and will advise you if or when it becomes necessary for us to take additional steps to deal with the anticipated monetary shortfalls.



JUDICIARY OF GUAM

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ROBERT J. TORRES

Chief Justice

ALBERTO C. LAMORENA III

Presiding Judge

PERRY C. TAITANO

Administrator of the Courts

March 24, 2009

Honorable Felix P. Camacho
Governor of Guam
P.O. Box 2950
Hagåtña, Guam 96932

Re: Judiciary Budget Issues

Dear Governor Camacho:

On behalf of the Judiciary, I want to thank you for taking the time to meet with me, Justice Carbullido, Perry Taitano, and other key members of our court management team regarding the financial impact of the government's order to comply with the terms of the Ordot Landfill consent decree. There is no doubt that the government's obligation to make the weekly payments has created much financial uncertainty. Like all branches and agencies in the Government of Guam, the Judiciary of Guam shares in this reality and in the sacrifices that these times demand of us.

However, compounding the financial impact on the Judiciary is the fact that the Judiciary's 2009 budget was already slashed by nearly 10% and the Judiciary has not been receiving its regular monthly cash allotments. To date, the Judiciary has only received approximately 60% of its scheduled cash allotments. With the planning that we here in the Judiciary have done since the last budget went into effect in September 2008, we may be able to manage without resorting to personnel cuts, so long as we get the full share of allotments due to us. If we continue to receive less than our full allotments, then we may have no choice but to carry out more serious alternatives, including implementing a 32-hour work week for all Judiciary employees across the board.

To address the reduction in our Fiscal Year 2009 budget, the Judiciary has already implemented a broad range of cost-cutting and containment measures, including the following:

- freeze on all hiring and holding vacant the positions of employees who leave, except for the most critical positions
- freeze on spending in various non-personnel areas, such as travel and training
- deferring the opening of the Northern Court Satellite (NCS)
- reducing the number of new magistrates from the number that is recommended

- curtailing paid lunches for committee and working meetings
- cutting unnecessary phone lines, fax lines, and IDSN lines
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Thanks to these efforts, the anticipated gap between estimated budget requirements and funding levels has shrunk. However, continued vigilance is necessary, especially in light of the potential 10% additional cut in our budget as a result of the federal court order. In order to meet this further budget reduction, we are considering and/or planning the implementation of the following measures:

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- reducing certain court services and shutting down the Judiciary one or more days a week
- implementing a reduced-hour work week for all Judiciary employees

The reality is that most, if not all, of these options will undoubtedly have a negative impact not only on the Judiciary's employees, but will impact the business community, public safety, and the maintenance of law and order – all of which depend upon the courts of justice to enforce contracts, resolve disputes, protect victims and hold offenders accountable for their actions. Cost containment is part of our obligation to be good stewards of the taxpayers' money. However, budget cuts in the judicial branch are particularly difficult because much of our budget is made up of the cost of employees and resources needed to accomplish our mission.

In determining our options, we in the Judiciary of Guam are trying our best to be as even-handed as we can between affecting the public interest and the judicial employees. We are all in this together, and must all share in the sacrifice.

We know this is a difficult time for our island and we are trying to do what we reasonably can to help. If you have any questions or wish to discuss this matter further, please do not hesitate to contact us. Si Yu'os Ma'åse.

Very Truly Yours,

A handwritten signature in blue ink that reads "R. Torres". The signature is fluid and cursive, with the first name "R." and the last name "Torres" clearly legible.

Robert J. Torres
Chief Justice of Guam

cc: Honorable Tina Muña Barnes, Acting Speaker
Honorable Frank B. Aguon, Jr., Senator and Chairman of Committee on Judiciary
I Mina' Trenta Na Liheslaturan Guåhan