



Office of the Governor of Guam

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Felix Perez Camacho
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09 JUN 2005

The Honorable Senator
Edward J. B. Calvo
Chairman, Committee on Finance,
Taxation and Commerce
Twenty-Eighth Guam Legislature
155 Hessler Street
Hagåtña, Guam 96910

Committee on Finance, Taxation and Commerce
Office of Finance and Budget
Date Rec'd: 6/09/05
Time: 1:29 pm
Re: RBW
File Name: Rose SW

Dear Senator Calvo:

Thank you for your letter of May 5, 2005 regarding revised revenue estimates for Fiscal Year 2006 and 2007. I am aware that one of the primary responsibilities of your Office of Finance and Budget, pursuant to P.L. 25-176, is to "make revenue forecasts available to the I Liheslaturan Guåhan and I Maga'lahaen Guåhan."

I am pleased that our fiscal team has been engaging in meetings with OFB to come up with a projection of revenues for FY 2006 and 2007. As instructed by the Governor, the Bureau of Budget and Management Research, the Department of Administration and the Department of Revenue and Taxation, along with myself, will continue to work with your office and OFB in providing the information necessary for us to come up with an agreeable revenue forecast.

In previous meetings between our fiscal team and OFB, we agreed that economic indicators, such as tourists arrivals and military spending, indicate General Fund revenues should exceed the \$410 million originally estimated and presented in our FY 2006 Executive Budget request. In addition, draft revenue statements up through April 30, 2005 were provided to OFB as well as historical data from prior fiscal years.

Based on revenue statements up through May 2005, our revised General Fund revenue estimate for Fiscal Year 2006 is \$435.1 million and \$456.8 million for FY 2007, which is based upon a historical 5% data and continued growth assumptions. As always, BBMR, DOA and DRT, are available to discuss our revised General Fund revenue estimate for FY 2006 and FY 2007. Since we are working on a two year budget, I would like to revisit the revenue forecast for FY 2007 perhaps midway through FY 2006 as actual revenue collection data becomes available. Should you have any questions, please contact me at your earliest convenience.

Si Yu'us Ma'ase,

Handwritten signature of Andy Jordanou
ANDY JORDANOU
Chief Fiscal Advisor