

# DOL: Defense projects in FY18 could increase construction, employment

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(Photo: Cpl. Jacob Snouffer/Department of Defense)

Several of Guam's economy experts met with lawmakers Tuesday to discuss how tourism and construction will continue to grow Guam's economy during the upcoming fiscal year.

The Legislature's Committee on Appropriations, as part of a series of budget hearings, heard from economists and officials from the Guam Visitors Bureau, Department of Labor and Guam Economic Development Authority as they presented the territory's economic outlook for fiscal year 2018.

Appropriations Chairman Speaker Benjamin Cruz, D-Tumon, first noted that his committee is trying to determine what the government's revenue projection will be for next fiscal year.

Gov. Eddie Calvo's executive budget request, submitted to lawmakers earlier this year, anticipates General Fund revenue to reach \$885.2 million next fiscal year, giving the government roughly \$722 million available for spending.

Department of Labor Chief Economist Gary Hiles noted that one of Guam's key economic drivers, construction, could be critical for the island in fiscal 2018. With several Department of Defense contracts waiting to be awarded soon, Guam could see increased construction activity and employment.

"So DoD construction awards haven't occurred so far this year, based on the bid solicitations we expect some substantial DoD construction awards within the year that should translate into increased construction activity and employment," Hiles said, adding: "But the timing is critical how much of that will affect the economy in fiscal 2018, just depends on fast it gets going."

As for Guam's H-2b visa issue, Hiles said noted that as of June, the total number of H-2b workers on Guam was down to 127, with 97 of them in construction. By now, he said, it's likely dropped to below 100.

A dozen businesses that use foreign labor through H-2B visas sued the federal government last year after federal officials started to deny nearly all of Guam's request for new or renewed visas. Federal officials have stated Guam businesses have long abused the visas, which are intended only for temporary labor needs.

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