

EDUCATION FINANCIAL SUPERVISORY COMMISSION

Virtual Zoom Meeting Minutes

December 16, 2021

AGENDA	DISCUSSION/TOPIC	ACTION/STATUS
In Attendance	Carol Hinkle Sanchez, Parent Representative Franklin Cooper-Nurse, GDOE Joy Bulatao, GDOE Helen Legaspi, GDOE Isaiah Aguon, KUAM	Tammy Batac, DOA Sheena Mitchell, GDOE Vanessa Valencia, OFB Vincent Duenas, OPA William Taitingfong, BBMR
I. Call to Order	The Bureau of Budget and Management Research (BBMR) called the meeting to order at 3:02 p.m. on Dec. 16, 2021.	
II. Review and Approval of Minutes		
a. Oct. 28, 2021	The Office of Finance and Budget (OFB) motioned to approve the Oct. 28, 2021 minutes. Parent Representative seconded the motion.	Approved
b. Nov. 23, 2021	Parent Representative motioned to approve the Nov. 23, 2021 minutes. OFB seconded the motion. BBMR commented that the “Action/Status” column of the minutes are helpful. GDOE stated that Isabel Lujan moved to Guam Waterworks Authority (GWA). Joy Bulatao from the GDOE Internal Audit Office is preparing the minutes. The “Action/Status” column is being populated and examined internally to provide updates to the EFSC. BBMR asked, based on the Nov. 2021 minutes, if the GDOE was able to prepare a list of school-based capital improvement projects (CIP). GDOE received \$1 million (M) from the U.S. Department of Interior (DOI), consistent from years past, to fund limited CIP at the schools. There is a summary list of how much of those funds were invested	Approved GDOE to provide the EFSC a summary list of school-based CIPs funded by the DOI.

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	<p>in the schools. The list is being updated and will be routed for approval to issue to the EFSC.</p> <p>GDOE added that, as the EFSC is aware, there is an increase in the Education Stabilization Fund (ESF) and American Rescue Plan (ARP) Act fund dedicated for CIP. GDOE is on the initialization and planning stages to address immediate, short-term, and long-term concerns. GDOE is working with the Guam Power Authority (GPA) on drafting the scope of work and assessing the services needed for the schools. GDOE can provide DOI’s update/schedules of work performed. As for the ARP, GDOE can provide an update to the EFSC upon project initialization.</p>	<p>GDOE to provide the EFSC schedules of work performed based on DOI’s updates.</p>																										
III. Old Business																												
a. GDOE Cash Update Report	<p>As of Dec. 16, 2021, the Guam Department of Education (GDOE) reported cash receipts as follows:</p> <table><tr><th>Fund</th><th>Cash Receipts</th></tr><tr><td>GF Operations</td><td>\$36,255,021.00</td></tr><tr><td>GF CHamoru Studies</td><td>\$108,691.00</td></tr><tr><td>GF SSHS Procurement</td><td>\$105,765.00</td></tr><tr><td>GF Textbook</td><td>\$0</td></tr><tr><td>GF Bonuses, Rewards, Incentives Program</td><td>\$211,541.00</td></tr><tr><td>GF Merit Bonus</td><td>\$655,765.00</td></tr><tr><td>GF Salary Increments</td><td>\$211,541.00</td></tr><tr><td>GF Nurse Professional Pay</td><td>\$184,294.00</td></tr><tr><td>GF Menstrual Hygiene</td><td>\$21,153.00</td></tr><tr><td>GF Educator Pay</td><td>\$21,153.00</td></tr><tr><td>Guam Education Facilities Fund (GEFF) Operations</td><td>\$323,894.54*</td></tr><tr><td>GEFF ADRMS</td><td>\$0</td></tr></table>	Fund	Cash Receipts	GF Operations	\$36,255,021.00	GF CHamoru Studies	\$108,691.00	GF SSHS Procurement	\$105,765.00	GF Textbook	\$0	GF Bonuses, Rewards, Incentives Program	\$211,541.00	GF Merit Bonus	\$655,765.00	GF Salary Increments	\$211,541.00	GF Nurse Professional Pay	\$184,294.00	GF Menstrual Hygiene	\$21,153.00	GF Educator Pay	\$21,153.00	Guam Education Facilities Fund (GEFF) Operations	\$323,894.54*	GEFF ADRMS	\$0	
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	<table><tr><td>GEFF School Grounds Maint.</td><td>\$0</td></tr><tr><td>Public Library Resource Fund</td><td>\$0</td></tr><tr><td>Interscholastic Sports</td><td>\$67,138.00</td></tr><tr><td>Health/Physical Activities</td><td>\$30,689.00</td></tr><tr><td>Heathy Futures Fund (HFF) Operations</td><td>\$0</td></tr><tr><td>Sports Facility (Limited Gaming)</td><td>\$64,421.00</td></tr><tr><td>JFKHS Debt Service Maintenance and Insurance</td><td>\$2,150,290.00</td></tr><tr><td>Grand Total</td><td>\$40,411,356.54</td></tr></table> <p>*Note: This is not actual cash and is a pass-through of lease payments.</p> <p>Based on OFB’s discussions with GDOE, OFB asked the EFSC if GDOE could only report on cash received for brevity and to avoid redundancy with BBMR’s reporting. OFB also asked if GDOE could condense its reporting to compare with DOA’s report; or if there was a reason for the format. BBMR replied that GDOE came up with the format and that the EFSC agreed to each entity’s reporting method. BBMR believed that reading the reports line by line was to assist the EFSC members in absorbing the information. Parent Representative stated that the report should remain as is, and the entities could just indicate changes instead of reading all the amounts. OFB stated that the GDOE could keep the form for details and only report on cash receipts during the meeting.</p>	GEFF School Grounds Maint.	\$0	Public Library Resource Fund	\$0	Interscholastic Sports	\$67,138.00	Health/Physical Activities	\$30,689.00	Heathy Futures Fund (HFF) Operations	\$0	Sports Facility (Limited Gaming)	\$64,421.00	JFKHS Debt Service Maintenance and Insurance	\$2,150,290.00	Grand Total	\$40,411,356.54	GDOE is to report only on cash receipts during the EFSC meeting.
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b. DOA Cash Disbursement Report	DOA reported that its report reconciled with the GDOE’s cash report.																	
c. BBMR Appropriations	As of Dec. 16, 2021, BBMR reported appropriations and allotment releases as follows: <table><tr><td>Fund</td><td>Allot. Release</td></tr></table>	Fund	Allot. Release															
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and Allotment Report	GF Operations	\$40,365,468.00										
	GF CHamoru Studies	\$137,922.00										
	GF SSHS Construction	\$250,000.00										
	GF Advanced Textbooks	\$750,000.00										
	GF Bonuses, Rewards, Incentives Program	\$300,000.00										
	GF Merit Bonus	\$715,386.00										
	GF Salary Increments	\$230,771.00										
	GF Nurse Professional Pay	\$201,048.00										
	GF Menstrual Hygiene	\$25,002.00										
	GF Educator Class./Comp./Ben. Study	\$25,000.00										
	GEFF Operations	\$4,139,434.00										
	GEFF ADRMS	\$10,000.00										
	GEFF School Grounds Maint.	\$96,255.00										
	Public Library Resource Fund	\$190,800.00										
	HFF Operations	\$6,902.00										
	HFF Interscholastic Sports	\$151,815.00										
	HFF Health & Physical Education Activities	\$64,060.00										
	Limited Gaming Fund	\$110,653.00										
	GEFF GDOE Series 2020A COP (JFKHS)	\$2,150,290.00										
	Grand Total	\$49,920,806.00										
d. GDOE Accounts Payable Aging	As of Dec. 16, 2021, GDOE reported the cumulative total balances as follows: <table><tr><td>Days</td><td>Balances</td></tr><tr><td>Current</td><td>\$235,347.65</td></tr><tr><td>30 to 60 days</td><td>\$1,576,157.11</td></tr><tr><td>60 to 90 days</td><td>\$5,588,617.97</td></tr><tr><td>90 days and over</td><td>\$4,049,702.12</td></tr></table>	Days	Balances	Current	\$235,347.65	30 to 60 days	\$1,576,157.11	60 to 90 days	\$5,588,617.97	90 days and over	\$4,049,702.12	
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	<table><tr><td>Held Items</td><td>\$24,782.33</td></tr><tr><td>Grand Total</td><td>\$11,474,607.18</td></tr></table> <p>BBMR asked if GDOE was able to pay invoices for 90 days and over. GDOE noted that 90 days and over increased by \$1M from last month’s report.</p> <p>BBMR asked if the report contains local and Federal invoices. GDOE replied that most of the invoices were local. Parent Representative asked if the local invoices could be paid with Federal and if they were related to COVID-19. GDOE replied that it would need to review the invoices.</p> <p>BBMR recalled the topic was discussed during the last EFSC meeting (i.e., which items could be covered by the ARP or ESF). GDOE replied that it is looking at shifting the costs of allowable contractual services and supplies from local to Federal. GDOE is pending the U.S. Department of Education’s guidance and approval to use Federal funds for custodial services, kitchen supplies, CIP, security systems, and maintenance and construction supplies.</p> <p>BBMR noted that Sodexo and GPA remain the biggest line items under 60 to 90 days; and asked if it is due to GDOE’s payment plans with these vendors. GDOE replied that it has a payment plan for Sodexo and it works directly with GPA and GWA for payment. GDOE is trying to develop a payment plan with GPA by this Friday. Payments are subject to cash availability. The expectation is for GDOE to be current with its payable by March 2022. BBMR hoped GDOE receives cash from GEFF for utility payments.</p> <p>Parent Representative asked GDOE if “current” meant paying in full (including arrears) or only the current balance. GDOE replied that it meant current billing cycle by March. Based on GDOE’s conversations with GPA, GPA was looking for an</p>	Held Items	\$24,782.33	Grand Total	\$11,474,607.18	
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e. GDOE 12-Month Operations Plan	<p>additional \$500,000 payment this week and a proposed payment plan of at least two payments per month.</p> <p>Parent Representative asked if the other bills, on the aging report, had payment plans. GDOE replied that it has a plan to pay the aging, starting from 90 days and over. GDOE will pay down the invoices quickly once it is in a better financial standing.</p> <p>BBMR stated that Guam Education Board (GEB) approved GDOE's operations plan and requires approval from the EFSC. BBMR asked if Parent Representative had a chance to review the plan. Parent Representative confirmed reviewing the plan and did not have any problems approving the plan today.</p> <p>Parent Representative reiterated her concern that GDOE does not follow its own plan. GDOE transfer significant amounts of money, similar to other government agencies, when conditions are not to their favor. The EFSC should know what GDOE does with the money, specifically. BBMR believed GDOE's plan was based on its weekly cash receipts from DOA and the financial status designation (FSD) reports show GDOE's expenditures in detail. BBMR asked DOA for the average weekly cash disbursed to GDOE. DOA replied \$3.4M.</p> <p>OFB motioned to approve GDOE's 12-month Operations Plan for Fiscal Year 2022. DOA seconded the motion.</p>	Approved
f. Oct. 2021 FSD Report	<p>BBMR reported that for:</p> <p>Overall: C-Watch was placed for Salary, Benefits, Miscellaneous, Power, and Water.</p> <p>Monthly Variance: B-Warning was placed for Benefits, Miscellaneous, Power, Water, and Capital Outlay.</p>	

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	<p>Year-to-Date Variance: B-Warning was placed for Benefits, Miscellaneous, and Water.</p> <p>BBMR noted C-Watches under Public School Library Resources (PSLR) fund for Salary and Benefits. BBMR confirmed with GDOE that the personnel expenditures were in error. BBMR noted that the watches were mostly on utilities per usual. BBMR asked OFB to correct the report. OFB replied that it would make the corrections before submitting the letter to BBMR. Afterwards, BBMR will transmit the report to the GEB.</p>	<p>GDOE to review the personnel expenditures under the PSLR fund. OFB to correct the Oct. 2021 FSD report before transmittal to BBMR.</p>
	<p>OFB motioned to approve the Oct. 2021 FSD Report, subject to corrections. Parent Representative seconded the motion.</p>	<p>Approved</p>
	<p>OFB acknowledged receiving GDOE's Nov. 2021 information, but is yet to prepare the FSD report. BBMR tabled the Nov. 2021 FSD Report for the next meeting.</p>	
IV. New Business	<p>BBMR asked about GDOE's oversight hearing yesterday. GDOE recalled and noted questions about the budget, AS/400 balances from prior years, and covering shortfall using the ESF and ARP funds. GDOE will be responding to the oversight chairperson.</p>	
V. Next Meeting	<p>OFB suggested for the meeting to be held on Jan. 20, 2022. OFB confirmed with the EFSC on the date.</p>	<p>OFB will send notice of next meeting.</p>
VI. Adjournment	<p>OFB motioned to adjourn the meeting at 4:09 p.m. Parent Representative seconded the motion.</p>	