

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Building A Conference Room, GDOE Central Office Tyan

January 23, 2020

MEETING MINUTES

AGENDA	DISCUSSION/TOPIC	ACTION/STATUS										
In Attendance	<table border="1"> <tr> <td>Vince Duenas, OPA</td><td>Franklin Cooper-Nurse, GDOE</td></tr> <tr> <td>Vanessa Valencia, OFB</td><td>Lou Perez, GDOE</td></tr> <tr> <td>Jason Baza BBMR</td><td>Joy Bulatao, GDOE</td></tr> <tr> <td>Mary Grace Edrosa, DOA</td><td>Helen Legaspi, GDOE</td></tr> <tr> <td>Zeny Asuncion, GDOE</td><td>Justin Castro, GDOE</td></tr> </table> <p>Meeting was called to order at 3:10pm at the Building A, 1st Floor GDOE Conference Room, Tyan.</p>	Vince Duenas, OPA	Franklin Cooper-Nurse, GDOE	Vanessa Valencia, OFB	Lou Perez, GDOE	Jason Baza BBMR	Joy Bulatao, GDOE	Mary Grace Edrosa, DOA	Helen Legaspi, GDOE	Zeny Asuncion, GDOE	Justin Castro, GDOE	
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II Review and Approval Minutes a. Nov. 21, 2019 b. Dec. 19, 2019	<p>BBMR Item II of the agenda, approval of November 21st and December 23rd 2019 minutes. GDOE stated only the November 21, 2019 Minutes are ready for approval and members agreed to table the December 23, 2019 Minutes. GDOE proceeded to introduce GDOE Deputy of Finance and Administrative Services Ms Zeny Asuncion. OPA motioned to approve the November 21, 2019 minutes, subject to corrections. Motion was seconded by OFB and without objection, motion passed.</p>	<p>GDOE distributed FY20 Cash Update. As of January 23, 2020 GDOE total FY20 cash received GF Operations \$61,851,406 cash received, GF Chamorro Studies \$173,406 cash received; GF SSHS Procurement \$86,542; Textbook \$0 Cash received, although \$750K in allotments has been released. DOA then reiterated GDOE has to submit invoices for cash to be released for Textbook appropriations.</p> <p>TEFF Operations \$699,643.68 cash received; TEFF-ADRMS and TEFF School Grounds Maintenance cash received \$0. Total cash received for PLRF \$280,050 cash received; HFF-Operations HFF-Sports \$249,154 cash received and HFF-HPA \$81,886 cash received; LG- Sports Facilities \$130,956 cash received. Simon Sanchez FY18 GF Continuing OEA & A & E \$0 cash received; and GF-GDOE CIP \$153,177 cash received. Overall grand total (excluding JFKHS FY19 \$1,568,000 Maint. & Insurance) \$63,706,220.68 GDOE cash received.</p> <p>DOA distributed the Disbursement Report and affirmed it matches and reconciles with GDOE Cash update.</p>										

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c. BBMR Appropriation/Allotment Status	BBMR stated let's move to the BBMR Appropriation/Allotment Status Reports item III. BBMR distributed the BBMR Appropriation/Allotment Status Report FY2020 as of January 23, 2020; and noted the report which now includes the \$1,568,000 JFKHS Maint. & Insurance disbursement reconciles with both the DOA and GDOE reports: GF Operations appropriation \$189,192,568, YTD allotment release \$65,489,724, YTD expended \$61,851,406, available \$3,638,318, unallotted \$123,702,844; Simon Sanchez appropriation \$500K, YTD allotment release \$250,000, YTD expended \$86,542, and available \$163,458, unallotted \$250K; Chamorro Studies appropriation \$540,545, YTD allotment release \$173,406, YTD expended \$173,406, available \$0, unallotted \$367,139; Advanced Textbooks appropriation \$1.5M, YTD allotment release and available \$750K, unallotted \$750K; GDOE CIP appropriation \$885K, YTD allotment release \$221,250, YTD expended \$153,177, available \$68,073, unallotted \$663,750. Total GF appropriation \$192,618,113, YTD allotment release \$66,884,380, YTD expended \$62,264,531, Available \$4,619,849, unallotted \$125,733,733.
PLRF appropriation \$891,575, YTD allotment release \$297,192, YTD expense \$280,050, available \$17,142, unallotted \$594,383. HFF-Operations appropriation \$891,754, YTD allotment release \$307,145 YTD expended \$0, available \$307,105, unallotted \$584,609; HFF-Interscholastic Sports appropriation \$607,263, YTD allotment release \$249,154, YTD expended \$249,154, available \$0, unallotted \$358,109; HFF-HPA appropriation \$277,589, YTD allotment release \$81,886, YTD expended \$81,886, available \$0, unallotted \$195,703. Total HFF appropriation \$1,776,606, YTD allotment release \$638,185, YTD expended \$331,040 available \$307,145, unallotted \$1,138,421. LG-Sports Facilities appropriation \$558,692, YTD allotment release \$279,346, YTD expended \$130,956, available \$148,390, unallotted \$279,346. Grand total appropriation (excluding \$1,568,000 JFKHS add'l rents maintenance and insurance) \$210,670,089, YTD allotment release \$74,519,666, YTD expended \$63,706,220.68, available \$10,813,445.32, unallotted \$136,150,423.	

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<p>d. Accounts Payable Aging</p> <p>BBMR moving onto Item 3d the Accounts Payables Aging reports: as of January 23, 2020 total AP Aging Balance of \$6,674,122.67; \$311,758.39 current; \$1,822,013.40 is 30-60 days; \$1,853,596.92 is 60 to 90 days; \$2,685,607.75 is 90 days and over.</p> <p>BBMR asked whether the GPA outstanding invoices is due to payments being budgeted under TEFF appropriations. GDOE affirmed. BBMR asked if the same is true for the Sodexso outstanding invoices. GDOE stated Sodexso expenditures are budgeted under the GF.</p>	<p>BBMR moving onto Item IV. a. FY2020 Financial Status Designation reports for the months of October and November 2019. OFB stated only the draft October 2019 report is ready and without objection members agreed to table the November 2019 FSD report. Members reviewed the October 2019 FSD report indicating B-Warnings in 112 Overtime, 290 Misc, and 363 Telephone categories; and C-Watches in 111 Salary, 112 Overtime, 230 Contractual, 290 Misc, 361 Power, 362 Water, and 363 Telephone.</p> <p>BBMR asked GDOE whether their plans to use solar energy is still proceeding. GDOE affirmed, the plan calls for providing it at the lease schools first. BBMR asked if there are any financials or estimates on projected cost savings. GDOE stated (there is a plan under the AG review indicates) considerable investments upfront and cost savings isn't realized until a long period of time. The initial investment is upwards of over \$100M with break-even not realized until after a period of 25 years or more. So the dilemma is: is there \$100M available to make that investment.</p> <p>BBMR asked so the \$1.1M GPA payable in the October payables report is pretty much GDOE's current monthly average. GDOE affirmed and stated they have been working with GPA to restructure GDOE's billings to 90 days and under, however, GPA is saying 60 days and under. GDOE stated it's working on a cash forecast to capture every liability to see if GDOE can cope with the amount of funding or receipts (cash) that we get from both local and federal (sources). It would be a picture that can be presented to the Superintendent so he can make better decisions on how to address those FY2019 liabilities. As it is right now, knowing what we know on how much of a shortfall we're going to have, it is a piece of paper that can document and validate what we need to do; what other people (parties) like BBMR and DOA may need to do to work with us to make sure we at least address those FY 2019 obligations.</p>
<p>IV. Financial Status Designation for FY20 Month Ended</p> <ul style="list-style-type: none"> a. October 2019 b. November 2019 	

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BBMR asked DOA isn't that all also a part of the deficit when it all comes down to it because part of the audit is the component units with GDOE coming in as a part of all of that. DOA stated no, GDOE is not a part of that. BBMR asked but not even the (GDOE) expenditures that gets accrued. DOA disaffirmed and recalled GMHA's example: GMHA had liabilities that they couldn't catch up in paying so what did they do? They asked for a supplemental appropriation (a bond was also floated and proceeds was used to pay down the debt).

GDOE agreed and stated that is one of the options GDOE may have to pursue because otherwise, its FY2020 obligations will suffer. It's like robbing Peter to pay Paul (scenario) and having to decide which one is the more important person: Peter or Paul. GDOE just cannot have its fixed expenses go down the drain because otherwise it just puts on pressure on Fiscal Year 2019 already. That's been the (cycle) when GDOE is shorted on cash at the end of the fiscal year, they have no recourse than to carry over (what are fixed expenses) expenses and already started the current year with a deficit. Any deficit appropriations that doesn't come to its full realization will exacerbate prior years' obligations and our aging so that's GDOE's continuous problem. GDOE has about \$2.7M in 2019 (invoices) so if the shortfall can only be funded even if it is 100%. We just can't do any more tightening of the belt without additional funding. Without an infusion of cash, there's just no way GDOE is going to be able to catch (these are fixed expenses) up. DOA agreed with GDOE's conclusion. BBMR stated they would share the GDOE input with the BBMR agency and suggested other EFSC members so the same: bring this to the attention to their agency heads and specific office holders.

OFB motioned to approve the FY2020 October 2019 FSD report; motion was seconded by BBMR. motioned to approve the FY2019 September 2019 FSD report. Motion was seconded by OPA and without objection, motion passed.

V. New Business • Next Meeting Date and Time

Next item V. New Business. OFB there being none, moved to Next item next meeting. Members agreed OFB tentatively schedule for 3pm, Thursday February 20, 2020 for the EFSC January 2020 meeting and reserve the conference room in GDOE Building A in Tiyan.

GDOE Deputy Superintendent ^{NF} offered a comment noting in reviewing prior EFSC minutes there are legislators who have come to the meetings and maybe if the right senators come in and understands the

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VI. Adjournment

conditions of GDOE maybe they can be the movers and shakers for GDOE to move forward and be heard (and provided) with the funding that we really need to have – EFSC designees all attend the meetings as financial professionals but if there is no leadership above us who talks to people who make decisions then whatever we say here just goes down the drain. We can talk about it as much as we can but if there is no leadership that pushes for that then it is a fruitless exercise of the discussion.

OFB stated she is the legislative representative (voting member representing OFB) and usually the Legislative Committee on Education has a representative who regularly attends the monthly EFSC meetings. With no further discussion OPA motion to adjourned the meeting; motion was seconded by BBMR and without objection the meeting adjourned at 3:38 pm.

