

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Superintendent Conference Room, GDOE Central Office Tiyan

January 25, 2018

MEETING MINUTES

AGENDA	DISCUSSION/TOPIC	ACTION/STATUS
In Attendance	William Taitingfong, BBMR Ariana Villaverde, OFB Mary Grace Edrosa, DOA Jerrick Hernandez, OPA Taling Taitano, GDOE Lourdes Perez, GDOE Helen Legaspi, GDOE Justin Castro, GDOE Travis Carbon, GDOE	
I. Call to Order	Meeting was called to order at 3:07pm, at the Superintendent Conference Room, GDOE Central Office, Tiyan.	
II Review and Approval Minutes a. December 22, 2017 Meeting	BBMR moved to approve the December minutes, subject to corrections. Motion was seconded by DOA and with no objections, the motion passed.	
III. Old Business a GDOE Cash Update Report b. Reconciliation of Cash Disbursements	GDOE stated its report reconciles with DOA regarding cash received. As of January 25, 2018 GDOE total cash received GF Operations \$64,600,000, variance with DOA \$0; GF Chamorro Studies \$0 cash received, \$0 DOA variance, \$135,292 Allotment vs Cash variance; GF Pre-K \$0 Cash, \$0 DOA Variance, \$409,990 Allotment vs Cash Variance; GF Maint & Repairs \$0 Cash, \$0 DOA Variance, \$125K allotment vs cash variance; Textbook \$0 Cash, \$0 DOA Variance, \$750K allotment vs cash	

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<p>c. BBMR Appropriation/Allotment Status</p>	<p>variance; TEFF \$875,366 cash received, \$1,030,506 variance with DOA, \$1,600,586 allotment vs cash variance; 1st Gen Trust \$0 cash, \$0 variance. Total cash received for PLRF \$160K, \$0 DOA variance, \$172,316 allotment vs cash variance; HFF-Sports \$196,845 cash received, \$0 DOA variance, \$51K allotment vs cash variance; HPA \$72,347 cash \$0DOA variance, \$9,622 allotment vs cash variance; and Limited Gaming \$0 cash, \$0 DOA variance, \$304,259 allotment vs cash variance. Overall grand total \$65,904,559 GDOE cash received, \$1,030,506 DOA variance, \$17,479,182 allotment vs cash variance. DOA distributed the DOA FY2018 Disbursement Report and affirmed, their report reconciles with the GDOE Cash Update, including the variance.</p> <p>BBMR distributed the Appropriation Allotment Status Report as of January 25, 2018: GDOE GF Operations appropriation is \$214,310,861, YTD Allotment \$78,521,117, Expenditures \$64,600,000, Available \$13,921,117, Unallotted \$135,789,744. GF Pre-K appropriation \$1,054,596, YTD Allotment \$409,990, \$0 Expenditures, Available \$409,990, and Unallotted \$644,606. Total Academy Charter Schools appropriation of \$6,128,571, deappropriation to charter schools of \$1,931,429 (\$1,092,686 for Guahan and \$838,743 for I'learn); YTD expenditures \$2,551,750.64 (\$1,378,949.45 for Guahan and \$1,172,801.19 for I'learn). Available is negative \$620,321.64 pending deduction from GDOE's appropriations.</p> <p>Chamorro Studies appropriation of \$401,207, YTD Allotment \$135,292, \$0 expenditures, available \$135,292, unallotted \$265,915; Advanced Textbook appropriation \$1.5M, YTD allotment \$750K, \$0 expenditures, \$750K available, Unallotted \$750; GF Maint & Repairs appropriation \$500K, YTD allotment \$125K, \$0 expenditures, \$125K available, Unallotted \$375K. Grand Total General Fund appropriation \$225,826,664; YTD allotment \$81,872,828, YTD Expenditures \$67,151,750.64; Available \$14,721,077.36, Total Unallotted \$143,953,836.</p>	
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TEFF GDOE Operations Fund appropriation \$4,353,375, YTD allotment \$1,716,285, \$693,365.63 expenditures, available \$1,022,919.37, unallotted \$2,637,090. Appropriation from TEFF Fund Balance for the 1st Generation Trust is \$100K, \$0 YTD Allotment, \$0 expenditure and available, unallotted \$100K. The PLRF appropriation is \$996,946, YTD allotment \$332,316, YTD expenditures \$160K available \$172,316 and unallotted is \$664,630. HFF – Interscholastic Sports total appropriation \$612K, YTD allotment \$247,846, expenditures \$196,846, available \$51,000, unallotted \$364,154; HFF- HPA appropriation \$279,754, YTD allotment \$81,969, expenditures \$72,347, available \$9,622 and unallotted \$197,785. Limited Gaming appropriation \$608,518, YTD allotment \$304,259, expenditures \$0, available \$304,259, unallotted \$304,259. Grand total: appropriation \$232,777,257; YTD allotment released \$84,555,503; YTD expenditures \$68,274,309.27 available balance \$16,281,193.72; unallotted balance \$148,221,754 and total \$0 balance in reserve.

Regarding BBMR Circular 2018-04, GDOE asked how will cuts be reflected in the EFSC reports. BBMR stated while it is still under discussion, it will probably show up as a reserve. GDOE asked even if the Budget Act exempts GDOE from any reserves being held; GDOE anticipated it would be DOA (in terms of disbursements of cash) that would be managing the cuts. BBMR those issues are still being discussed as to how the government will proceed; with respect to other agencies whom are also exempted. GDOE asked is there something else in the law that overrides that (the allotment exemption) allows for that, maybe related to adjustments in the revenue projections. BBMR we're still looking into that issue because the law says if its below 3% than we'll need to do a fiscal realignment – we're just not sure yet, whether it's going to be a reduction (cash) or a cut in appropriation or just using a reserve.

DOA stated a check has been prepared on the (\$1.030 million variance in cash from

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<p>d. Accounts Payable Aging</p> <p>IV. Financial Status Designation for the Month Ended</p> <p>a. FY2018 December 2017</p>	<p>TEFF appropriations), we should know the status by tomorrow. The GDOE check has been prepared, it's under review waiting to actually receive those (real property collection) payments before the GDOE checks will be released.</p> <p>GDOE distributed and reported as of January 25, 2018 total AP Aging Balance of \$6,448,498.76 with total batched is \$1,808,504.78, unposted \$183,711.19 and so Grand Aging AP Total: \$8,440,714.73. Even though we've just ran payroll, we haven't pulled it into the payables report so that's another \$3.4 million in payroll vendors.</p> <p>BBMR noted that the 90 days and over (aging) seems to be dropping. GDOE affirmed they have been really trying; in FY17 GDOE explained they did a good job in holding down expenditures and we were able to reduce its fund balance. OFB asked the \$401K payable to DPW and GDOE explained it was the year of the Festival of the Pacific FESTPAC. DPW never provided the quote until Summer school ended so we're not able to charge that expense to our Federal Grant so we're trying to figure out what to do about that.</p> <p>OFB stated that the FSD report shows a lapse of \$11.6M which included all the modifications from GDOE. Some were pulled some appropriations down from personnel to operations which addressed the C-Watches, leaving just one C-Watch for Water and no B-Warnings for the month of December 2017.</p> <p>GDOE stated last fiscal year, GDOE ended up spending about \$10M in prior period expenses. BBMR stated that the lapsed amount could have paid for prior period expenses. GDOE agreed and stated that is what GDOE had done. OFB noted the</p>	
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V. New Business	<p>prior period information provided (for FY2018) by GDOE was \$951K of cash which was paid for prior year expenditures. OFB asked if the report was for the month of December. GDOE affirmed; it is not cumulative. OFB asked if GDOE could provide the information on a monthly basis to include YTD to show the cumulative. OFB acknowledged the December 2017 FSD transmittal letter would be addressed to the new GEB Chairman. GDOE stated so if in the BBMR reports they started to move money (reductions following the BBMR Circular 18-04) into reserve, the impact would be lapses would become shortfalls. OFB asked members to discuss that issue under new business of the agenda.</p> <p>With no further questions or discussion, BBMR moved to approve the FY2018 FSD report for (the month ending) December 31, 2017 with C-Watch status for category Water. DOA seconded the motion and without objection, the motion carried.</p> <p>Under new business and referencing last EFSC meeting discussions, BBMR asked any feedback on the language in GDOE's FY2018 TEFF appropriations references to appropriations contained in PL-63, as amended by PL 32-120. OFB stated no direction was provided and suggested BBMR may have to write a letter requesting for an interpretation. BBMR also noted a change in language in the Budget Act for Charter Schools: <i>Chapter II Part I Section 3. Guam Academy Charter Schools</i> '...the Department of Administration (DOA) is hereby authorized and directed to deduct, in proportion to the ratio of cash received from the total Fiscal Year 2018 General and Special Fund appropriations in Section 1 of this Part of this Chapter to the GDOE.' GDOE stated the (reason for) language for Charter Schools in the Budget Act was to ensure fairness be applied to cash shortages for GDOE be shared proportionately to Charter Schools. The FY2018 Budget Act language clarifies this issue and GDOE believes DOA now has a mechanism to apply a proportionate share of any cash shortages to charter schools.</p>	
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	<p>DOA stated January 31, 2018 would be the last day for DOA Director Christine Baleto whom will be leaving DOA and expects an announcement of her replacement is imminent. GDOE asked and BBMR confirmed by next EFSC meeting, BBMR should be able to report how the cash reductions under BBMR Circular 2018-04 would be applied, reported and handled.</p> <p>General discussion ensued on whether any government wide initiatives such as hiring freeze, increments, to address anticipated revenue losses in FY2018 and FY2019. BBMR stated, there a host of ideas being reviewed, however, at the moment agencies including UOG and GCC have submitted and have been asked how they would weather the cuts. OFB asked whether GDOE would be appending the Charter Schools' Budgets for FY2019. GDOE stated they have not received the request, however, GEB would be approving GDOE FY2019 request and decide if received, whether Charter Schools FY19 would be included or excluded. BBMR stated, the FY2019 Executive Budget would also be released soon and thereafter, in February 2018 the individual FY2019 executive branch agencies FY19 budget packets would be transmitted.</p>	
a. Next Meeting Date and Time	Members agreed OFB tentatively reserve the GDOE Superintendent's conference room for 3pm February 22, 2018 for the EFSC February 2018 meeting.	
VI. Adjournment	DOA moved to adjourn; motion was seconded by OPA and without objection, meeting was adjourned at 3:50 pm.	