

Charter school seeks \$10,700 reimbursement from DOE for hotel retreat

Haidee V Eugenio, heugenio@guampdn.com

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(Photo: PDN file photo)

Board members for the Guahan Academy Charter School in January attended a retreat at the Dusit Thani Guam Resort, including overnight stays in 10 guest rooms.

The school asked for — and was denied — reimbursement of \$10,704.40 for the retreat, which also included two banquets at the hotel from Jan. 6 to 8, Department of Education officials said.

Franklin J.T. Cooper-Nurse, chief auditor at the Guam Department of Education's Internal Audit Office, said Monday the \$10,704.40 board retreat expense was a part of Guahan Academy Charter School's requested reimbursement of \$440,000 for the month of January.

Cooper-Nurse said more than \$13,000 of that reimbursement was questioned, including the cost of the board retreat at the hotel.

While only nine guest rooms were actually used, the charter school was billed for the 10 guest rooms it reserved for the retreat, Cooper-Nurse said.

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As a result of the denial, Guam DOE's Internal Audit Office validated for payment only \$427,256.40 of the Guahan Academy Charter School invoice for January.

"Not a single penny of taxpayers' money was spent on the retreat because of control put in place by the Legislature. We at the Guam DOE Internal Audit Office did not validate that because it was not an approved use of government funds. We questioned, caught and flagged an attempt to use government funds for a purpose not approved," Cooper-Nurse said.

Cooper-Nurse said because the expense for the retreat was not allowed, it will be up to the charter school to settle the bill with Dusit Thani Guam Resort.

Sen. Joe San Agustin, chairman of the legislative committee with oversight over education, said a board retreat that cost more than \$10,000 raises questions about whether that money benefitted the school's students.

"We have to ask ourselves whether it is worth spending \$10,000 on a school board retreat, with overnight hotel stay for board members," San Agustin said.

San Agustin said he considered holding an oversight hearing to examine how much the Guam Education Board spends on its retreats, but he learned from the Guam Community College and the University of Guam that previous board retreats were held on campus, and that the president's offices paid for board member lunches.

Maria Gutierrez, vice chairperson of the Guam Education Board, said Monday that the last retreat it had was in a conference room of the Guam Department of Education in Tiyan.

"In addition, we pay individually for our own meals," Gutierrez said. The last time the education board held a retreat was in September 2015, Gutierrez said.

"We don't go to hotels or spend overnight for our retreat," Gutierrez said. "Please note that we don't receive stipend for any of our retreats. Our retreat is four to five hours only."

The Pacific Daily News called the management of Guahan Academy Charter School to speak to any board member for comment, but there was no response as of press time Monday.

Charter school funding

Guam's two charter schools, including Guahan Academy Charter School, got a \$1,000 per pupil increase in their fiscal year 2017 budget, which is included in Guam DOE's budget every year.

The budget law for 2017 allocates \$6,500 for each charter school student, up from \$5,500 in 2016, Cooper-Nurse said.

Guahan Academy Charter School had 710 students as of February 2017. That means the school is funded about \$4.6 million for fiscal year 2017 based on that number of students, Guam DOE's Cooper-Nurse said.

Every month, each charter school submits a monthly invoice to the Department of Administration.

After receiving an invoice, DOA remits it to Guam DOE, which has 10 days to verify the invoice for accuracy and report its findings before the money is released.

"The law provides us 10 days to validate the invoice then prepare the report. We raised the red flag on this," Cooper-Nurse said.

The reconstituted Internal Audit Office in Guam DOE helps ensure education funds appropriated by law or raised by schools are spent properly, among other things. The office also does risk assessment, engages in performance audits and investigations, and makes recommendations to management to improve operations.

Eric Palacios, special assistant to Gov. Eddie Calvo for education, environment and natural resources, also expressed disappointment, during the weekend, with Guahan Academy Charter School board incurring more than \$10,000 in billings for a retreat and questioned whether it was necessary to spend overnight at a luxury hotel.

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