

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Building A Conference Room, GDOE Central Office Tiyan

February 20, 2020

MEETING MINUTES

AGENDA	DISCUSSION/TOPIC	ACTION/ STATUS										
In Attendance	<table><tr><td>Vince Duenas, OPA</td><td>Carol Hinkle-Sanchez, Parent Representative</td></tr><tr><td>Vanessa Valencia, OFB</td><td>Joy Bulatao, GDOE</td></tr><tr><td>Joaquin Guerrero, BBMR</td><td>Helen Legaspi, GDOE</td></tr><tr><td>Raymond Ricta, DOA</td><td>Justin Castro, GDOE</td></tr><tr><td>Armilynn Lizama, DOA</td><td></td></tr></table>	Vince Duenas, OPA	Carol Hinkle-Sanchez, Parent Representative	Vanessa Valencia, OFB	Joy Bulatao, GDOE	Joaquin Guerrero, BBMR	Helen Legaspi, GDOE	Raymond Ricta, DOA	Justin Castro, GDOE	Armilynn Lizama, DOA		
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I. Call to Order	Meeting was called to order at 3:05pm at the Building A, 1st Floor GDOE Conference Room, Tiyan.											
II Review and Approval Minutes	OFB Item II of the agenda, approval of December 19, 2019 and January 23, 2020 minutes. OPA stated minor (spelling of Superintended) correction on page 4 of January 23rd minutes. OPA motioned to approve the December 19, 2019 and January 23rd, 2020 minutes, subject to corrections. Motion was seconded by OFB and without objection, motion passed.											
a. Dec. 19, 2019												
b. Jan 23, 201												
III. Old Business	GDOE distributed FY20 Cash Update. As of February 20, 2020 GDOE, total FY20 cash received GF Operations \$76,404,678 cash received, GF Chamorro Studies \$202,925 cash received; GF SSHS Procurement \$192,307; Textbook \$0 Cash received.											
a GDOE Cash Report FY2020	TEFF Operations \$699,643.68 cash received; TEFF-ADRMS and TEFF School Grounds Maintenance cash received \$0. Total cash received for PLRF \$348,630 cash received; HFF-Operations \$376,513, HFF-Sports \$299,758 cash received and HFF-HPA \$91,874 cash received; LG- Sports Facilities \$236,102 cash received. Simon Sanchez FY18 GF Continuing OEA & A & E \$0 cash received; and GF-GDOE CIP \$221,250 cash received. Overall grand total (excluding JFKHS FY19 \$1,568,000 Maint. & Insurance) \$78,852,430.68 GDOE cash received.											
b. Reconciliation of Cash Disbursements	DOA distributed the Disbursement Report and affirmed it matches and reconciles with GDOE Cash update.											
c. BBMR Appropriation/Allotment Status	OFB stated let’s move to the BBMR Appropriation/Allotment Status Reports item III. BBMR stated the Appropriation/Allotment Status Report FY2020 as of February 20, 2020 is not ready and without											

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d. Accounts Payable Aging	<p>objection, the report was tabled for next meeting.</p> <p>OFB moving onto Item 3d the Accounts Payables Aging reports: as of February 20, 2020, total AP Aging Balance of \$8,370,203.03: \$1,102,425.53 current; \$3,431,015.52 is 30-60 days; \$698,809.96 is 60 to 90 days; \$3,136,805.90 is 90 days and over; \$1,146.12 are held items. Unbatched invoice \$1,830,049.56; batched invoices \$4,975,525.70; and overall grand total payables is \$15,175,778.29</p> <p>OFB asked for extra copies of the report. DOA asked is GDOE taking care of its 90 days and over as some of those payables are for water and utilities. GDOE stated they are trying (based on cash availability); they are waiting for the real property taxes collections to receive cash from the TEFF. DOA stated the posting of real property taxes (collected) are being reviewed and expects the next TEFF payment release to GDOE will be in March; and asked depending on the timing (of the release) how that will affect the GWA outstanding. GDOE affirmed they are working very closely with GWA and GPA and that a cash release in first week of March will help.</p> <p>DOA asked in looking at the oldest invoices – that’s a lot of years (prior year payables) – the retirement fund: are those for retirement contributions and what is the resulting affect knowing that it has not been paid. GDOE stated those retirement fund items are interest and penalties – GDOE did pay the principal amounts and the reason why those are pending is because it’s in GDOE’s legal office right now, being hashed out with GDOE’s legal department. DOA asked but is it growing. GDOE stated no, it’s been suspended. DOA asked Oceanic Lumber items are in such small amounts totaling less than a thousand owed; was there a dispute that is why payment is still pending. GDOE stated they are in the process of paying that and have been working very hard towards clearing smaller amounts of payables (wherever possible, however, it is all still subject to the availability of cash). OPA asked whether by next meeting those smaller amounts should be cleared and GDOE affirmed.</p> <p>DOA stated they received a GDOE payment request for \$34K under the Textbook appropriation and should be processing that release, as well as, the \$21K payment request under the Alternative Dispute Resolution Services appropriation.</p> <p>General discussion continued the dates of prior year payables and their impacts. GDOE stated all prior year payables between 2013 to 2015 is all in the GDOE legal office whom has advised for now, these</p>
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IV. Financial Status Designation for FY20 Month Ended a. November 2019	<p>items should continue to be recognized.</p> <p>OFB moving onto Item IV. a. FY2020 Financial Status Designation reports for the month of November 2019. Members reviewed the November 2019 FSD report indicating B-Warnings in 112 Overtime, 290 Misc, 361 power, 362 water, and 363 Telephone categories; and C-Watches in 111 Salary, 112 Overtime, 290 Misc, 361 Power, 362 Water, and 363 Telephone.</p> <p>GDOE asked under the TEFF, what the \$250,440 allotment in the 233 Rent category for is. OFB responded it shouldn't be there and reiterated the data inputted in the report comes from GDOE. GDOE stated they would look that up and get back to the commission. At this point, Parent Representative joined the meeting.</p> <p>Parent Representative asked GDOE for the breakdown (distribution by school) of GDOE's Limited Gaming funding; a request for information she had previously requested in a prior EFSC meeting. DOA stated Limited Gaming cash releases to date is \$236,102 and so GDOE's response to Parent Representative query would be on how that amount was disbursed and expensed. Parent Representative agreed that's the information for this year but she also wants to see the information from last year (FY2019) – what those totals were. She stated she thinks every school, that has a gym, should be given an equal share. OFB asked if the information could be emailed to Parent Representative. Parent Representative stated emailing the information would be fine and also asked the information from previous two years also be included. GDOE stated they would check with GDOE Comptroller for the information and get back to the Commission.</p> <p>DOA asked about the C-Watches for utilities and suggested utilities' projections shouldn't be difficult, however when you look at appropriation (allotment) for power at \$9,000,000 – the projected shortfall is half of the \$9M appropriation (allotment) – why is the appropriation short. Using what GDOE expensed for power in FY19 (the appropriation and allotment), GDOE should already know (and be able to allot what they need) unless there's another explanation that GDOE expects power expenses to go down (be less than what they expensed in FY19). That's a huge gap – GDOE allotted \$9M for power and the shortfall (in the November 2019 FSD Report) is showing \$5M; and it's the same for water and everyone already knows water (rates) are going up. DOA asked is it because GDOE expects the solar power (potential) savings to kick-in that the projected shortfall is so high. DOA noted GDOE is having its</p>
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hearing tomorrow (on the FY21 request) and if they (Senators) are looking at these reports (EFSC FY2020 FSD reports), it's now November and it's a matter of GDOE not getting sufficient appropriation or if they expect savings, the numbers (for FY20 and the FY21 request) shouldn't be too far apart.

OFB affirmed the hearing tomorrow (February 21, 2020) is on GDOE's budget (FY21 Budget Request) which was submitted to the Legislature; members can access the submission on the OFB website. Parent Representative asked whether EFSC has seen GDOE's budget (FY21 request) and if GDOE submitted it to EFSC. Parent Representative stated going back to the EFSC mandates which were clarified by the Attorney General's office, clarifications made to GDOE as to the role of the EFSC. She stated it (the FY21 budget) should be coming to the EFSC; it should have been submitted to EFSC the minute GDOE started working on the budget. Parent Representative stated until the Legislature changes the EFSC mandates, it (the FY21 request) is supposed to be submitted to the EFSC. GDOE submitted a proposed budget bill without the EFSC knowing what is on it. Parent Representative stated EFSC is supposed to be looking at GDOE's 12-month budget; the amount GDOE is requesting – though, we haven't gotten what is going to be allocated. OFB stated the EFSC did look (and approved) GDOE's 12-month Operations Plan several months ago.

Parent Representative stated she has talked to the principals and asserted GDOE is pressuring the schools; it should be they (the schools) tell you what they need, what is required, what fixtures and classrooms have needs, what books they need and you guys put it into a budget that is specifically theirs. And you guys add every school together and that's the total amount that you guys want for the entire year. We all need to see what each school wants; and we need to see where you guys are cutting it. And if it means talking to the legislators about specifically allocating an amount for each school to avoid you guys touching their money then that is what needs to be done. These schools are suffering and paying for Simon Sanchez isn't cheap, you're going to be paying for a lot of other schools soon. Everything is dilapidating in every school I see. I go to every school; I go for sports 3 days a week to different schools; I see the athletic directors and I see the principals out in public. They come up to me and they say the same thing repeatedly. The school principals tell me they ask for things and they never get it; that's all I ever hear.

OFB stated based on the new public law (FY20 Budget Act), they included language for GDOE to submit

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quarterly reports at the school level. Parent Representative stated that is correct and she's heard they are going to submit specific budgets for each school but I'm just saying it doesn't help. If they (GDOE) has the authority to transfer and move money around like none of us (other government agencies) do, it will never help. What I am saying is we can't move object category funds anywhere; we're prohibited. If it's given, we either make a request; ask for a supplemental but we (other agencies) do not have that ability to move money around – they (GDOE) do. And this committee (EFSC) is supposed to be watching all of that because these schools are suffering. Every gym I've gone to – I can tell you the nicer gyms from the ugly gyms. I could tell you which gyms smells like sewer and which gym is shooting out water at me when I flush the toilets. All these numbers (in the reports) they matter but I think at the end of the day, it's really the way you spend your money. And it should be equal among every school – if you ask me my opinion. If a school thinks something is really important, they would use the money for that reason. Not it's important but I don't have the money to do it because they took my money and gave it to somebody else or another school that they felt was more important. It doesn't tell you the South isn't being taken care of; I've been to every school in the south and I'm from the south and none of them look nice. Not like the North. I want an Astumbo Field (Okkodo) in the south. Every school deserves a field like – these kids should be treated the same no matter where they are from. It's really unfortunate that people can tell which schools are favored; the administrators can tell which schools are favored.

Parent Representative stated these amounts, these balances (referring to the accounts payables aging report) means GDOE is overspending – and asked who hits \$6M, now we're at \$8M. If you ask us (the AG office) if we have a negative balance, I can tell you we don't; any of the other government agencies are going to tell you we don't. And when we need money, we run to the Senators and we tell them we need money and if they feel that it is important then they will find a way to get us money. This is called overspending; like you have a blank check and you keep spending it.

Parent Representative recognized GDOE individuals present at the meeting are not the principal EFSC members and should bring this (these issues) back to GDOE: concern GDOE's 12 Month Plan was not submitted to EFSC and the GDOE FY21 budget hearing is tomorrow because if the Senators do call us and ask I am going to say I never saw it. That's what I'm going to say because they (the Legislators) are now looking at the functions of the EFSC. I'm going to say I never saw anything, and I don't know what they are asking for.

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<p>V. New Business</p> <p>. Next Meeting Date and Time</p>	<p>OPA motioned to approve the FY2020 November 2019 FSD report indicating C-Watches in 111 Salary, 112 Overtime, 290 Misc, 361 Power, 362 Water, and 363 Telephone; motion was seconded by BBMR and without objection, motion passed.</p> <p>Next item V. New Business. DOA suggested adding to the agenda any pending items and/or requests would be helpful and serve as reminders, as well as, getting reports in advance of the meetings and ensuring the higher ups are made aware of outstanding items and issues. Parent Representative asked who is representing the Superintendent at this meeting and noted no one present is representing the Superintendent. She noted the presence of the representative of the GDOE Deputy of FAS.</p>	
<p>VI. Adjournment</p>	<p>OPA suggested next EFSC meeting for March 19, 2020. OFB asked GDOE to reconfirm they usually submit financials by the 15th of the month; GDOE affirmed and OFB stated the March 19th date should be fine. Members agreed OFB tentatively schedule next meeting for 3pm, Thursday March 19, 2020 and reserve the conference room in GDOE Building A in Tiyan.</p> <p>Parent Representative asked on GDOE's budget did they include every school's budget. OFB affirmed GDOE did so and members agreed to share the OFB link. Parent Representative asked whether she could get the budget on a CD and to also provide anything that was submitted over \$1M that GDOE planned to purchase. GDOE noted the 12-Month Operations Plan was submitted to the EFSC on October 24, 2019 and it is also posted on the GDOE website. GDOE stated they would find out if a CD of the FY21 budget could be provided. OFB reiterated if members want to review the GDOE budget it is posted on the OFB website.</p> <p>With no further business, OFB adjourned the meeting at 3:48 pm.</p>	