

**EDUCATION FINANCIAL SUPERVISORY COMMISSION**

Virtual Zoom Meeting Minutes

June 23, 2022

AGENDA	DISCUSSION/TOPIC	ACTION/ STATUS														
In Attendance	Calen Meno - Office of Sen. Telena Nelson    Mary Grace Edrosa - DOA Edna Jalandoni - DOA    Sheena Mitchell - GDOE Franklin Cooper-Nurse - GDOE    William “Bill” Taitingfong - BBMR Joy Bulatao - GDOE    Vincent Duenas - OPA Margaret Artero - GDOE															
I. Call to Order	The Office of Finance and Budget (OFB) called the meeting to order at 3:05 p.m. on June 23, 2022.															
II. Review and Approval of Minutes																
a. May 19, 2022	The Department of Administration (DOA) asked for the Guam Department of Education (GDOE) to correct Edna Jalandoni’s last name. GDOE noted the correction.  The Office of Public Accountability (OPA) motioned to approve the May 2022 meeting minutes, subject to corrections. DOA seconded the motion.	Approved														
III. Old Business																
a. GDOE Cash Update Report	As of June 23, 2022, GDOE reported cash receipts as follows: <table><tr><th>Fund</th><th>Cash Receipts</th></tr><tr><td>General Fund</td><td>\$131,322,237.83</td></tr><tr><td>Guam Education Facilities Fund (GEFF)</td><td>\$9,103,996.00</td></tr><tr><td>Heathy Futures Fund (HFF)</td><td>\$497,752.00</td></tr><tr><td>Public Library Resource Fund</td><td>\$150,000.00</td></tr><tr><td>Sports Facility (Limited Gaming)</td><td>\$220,513.00</td></tr><tr><td>JFKHS Debt Service Maintenance and Insurance</td><td>\$2,150,290.00</td></tr></table>	Fund	Cash Receipts	General Fund	\$131,322,237.83	Guam Education Facilities Fund (GEFF)	\$9,103,996.00	Heathy Futures Fund (HFF)	\$497,752.00	Public Library Resource Fund	\$150,000.00	Sports Facility (Limited Gaming)	\$220,513.00	JFKHS Debt Service Maintenance and Insurance	\$2,150,290.00	
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	<div> <div>Grand Total</div> <div>\$143,444,788.83</div> </div> <p>GDOE noted a variance of \$59,615 between its report and the AS/400 on the Merit Bonus. GDOE’s report was based on actual cash received today. BBMR noted that the Merit Bonus reconciles with its report.</p>																																	
b. DOA Cash Disbursement Report	DOA reported that its report reconciled with the GDOE’s cash report, even with the Merit Bonus.																																	
c. BBMR Appropriations and Allotment Report	<p>As of May 31, 2022, BBMR reported appropriations and allotment releases as follows:</p> <table> <tr> <th>Fund</th> <th>Allot. Release</th> </tr> <tr> <td>GF Operations</td> <td>\$119,578,968.00</td> </tr> <tr> <td>GF CHamoru Studies</td> <td>\$335,357.00</td> </tr> <tr> <td>GF SSHS Construction</td> <td>\$500,000.00</td> </tr> <tr> <td>GF Advanced Textbooks</td> <td>\$1,500,000.00</td> </tr> <tr> <td>GF Bonuses, Rewards, Incentives Program</td> <td>\$800,000.00</td> </tr> <tr> <td>GF Merit Bonus</td> <td>\$2,146,157.00</td> </tr> <tr> <td>GF Salary Increments</td> <td>\$692,313.00</td> </tr> <tr> <td>GF Nurse Professional Pay</td> <td>\$603,136.00</td> </tr> <tr> <td>GF Menstrual Hygiene</td> <td>\$66,668.00</td> </tr> <tr> <td>GF Educator Class./Comp./Ben. Study</td> <td>\$75,000.00</td> </tr> <tr> <td>GEFF Operations</td> <td>\$9,836,901.00</td> </tr> <tr> <td>GEFF ADRMS</td> <td>\$30,000.00</td> </tr> <tr> <td>GEFF School Grounds Maint.</td> <td>\$256,680.00</td> </tr> <tr> <td>Public Library Resource Fund</td> <td>\$508,800.00</td> </tr> <tr> <td>HFF Operations</td> <td>\$6,902.00</td> </tr> </table>	Fund	Allot. Release	GF Operations	\$119,578,968.00	GF CHamoru Studies	\$335,357.00	GF SSHS Construction	\$500,000.00	GF Advanced Textbooks	\$1,500,000.00	GF Bonuses, Rewards, Incentives Program	\$800,000.00	GF Merit Bonus	\$2,146,157.00	GF Salary Increments	\$692,313.00	GF Nurse Professional Pay	\$603,136.00	GF Menstrual Hygiene	\$66,668.00	GF Educator Class./Comp./Ben. Study	\$75,000.00	GEFF Operations	\$9,836,901.00	GEFF ADRMS	\$30,000.00	GEFF School Grounds Maint.	\$256,680.00	Public Library Resource Fund	\$508,800.00	HFF Operations	\$6,902.00	
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	<p>BBMR stated that, since there was no allotment status given during the May EFSC meeting, there is an update dated May 31, 2022 status on the same spreadsheet.</p> <p>As of June 23, 2022, BBMR reported appropriations and allotment releases as follows:</p> <table><tr><td><b>Fund</b></td><td><b>Allot. Release</b></td></tr><tr><td>GF Operations</td><td>\$132,606,932.00</td></tr><tr><td>GF CHamoru Studies</td><td>\$394,835.00</td></tr><tr><td>GF SSHS Construction</td><td>\$500,000.00</td></tr><tr><td>GF Advanced Textbooks</td><td>\$1,500,000.00</td></tr><tr><td>GF Bonuses, Rewards, Incentives Program</td><td>\$800,000.00</td></tr><tr><td>GF Merit Bonus</td><td>\$2,384,618.00</td></tr><tr><td>GF Salary Increments</td><td>\$769,236.00</td></tr><tr><td>GF Nurse Professional Pay</td><td>\$670,150.00</td></tr><tr><td>GF Menstrual Hygiene</td><td>\$75,001.00</td></tr><tr><td>GF Educator Class./Comp./Ben. Study</td><td>\$100,000.00</td></tr><tr><td>GEFF Operations</td><td>\$10,821,901.00</td></tr><tr><td>GEFF ADRMS</td><td>\$32,500.00</td></tr><tr><td>GEFF School Grounds Maint.</td><td>\$288,765.00</td></tr><tr><td>Public Library Resource Fund</td><td>\$572,400.00</td></tr><tr><td>HFF Operations</td><td>\$6,902.00</td></tr><tr><td>HFF Interscholastic Sports</td><td>\$455,447.00</td></tr></table>	<b>Fund</b>	<b>Allot. Release</b>	GF Operations	\$132,606,932.00	GF CHamoru Studies	\$394,835.00	GF SSHS Construction	\$500,000.00	GF Advanced Textbooks	\$1,500,000.00	GF Bonuses, Rewards, Incentives Program	\$800,000.00	GF Merit Bonus	\$2,384,618.00	GF Salary Increments	\$769,236.00	GF Nurse Professional Pay	\$670,150.00	GF Menstrual Hygiene	\$75,001.00	GF Educator Class./Comp./Ben. Study	\$100,000.00	GEFF Operations	\$10,821,901.00	GEFF ADRMS	\$32,500.00	GEFF School Grounds Maint.	\$288,765.00	Public Library Resource Fund	\$572,400.00	HFF Operations	\$6,902.00	HFF Interscholastic Sports	\$455,447.00	
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d. GDOE Accounts Payable Aging	<table><tr><td>HFF Health &amp; Physical Education Activities</td><td>\$213,523.00</td></tr><tr><td>Limited Gaming Fund</td><td>\$331,959.00</td></tr><tr><td>GEFF GDOE Series 2020A COP (JFKHS)</td><td>\$2,150,290.00</td></tr><tr><td><b>Grand Total</b></td><td><b>\$154,674,459.00</b></td></tr></table>	HFF Health & Physical Education Activities	\$213,523.00	Limited Gaming Fund	\$331,959.00	GEFF GDOE Series 2020A COP (JFKHS)	\$2,150,290.00	<b>Grand Total</b>	<b>\$154,674,459.00</b>							
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	As of June 23, 2022, GDOE reported the cumulative total balances as follows:															
	<table><tr><td><b>Days</b></td><td><b>Balances</b></td></tr><tr><td>Current</td><td>\$2,567,077.91</td></tr><tr><td>30 to 60 days</td><td>\$2,199,873.30</td></tr><tr><td>60 to 90 days</td><td>\$1,757,453.54</td></tr><tr><td>90 days and over</td><td>\$1,145,761.68</td></tr><tr><td>Held Items</td><td>\$ 24,102.16</td></tr><tr><td><b>Grand Total</b></td><td><b>\$7,694,268.59</b></td></tr></table>	<b>Days</b>	<b>Balances</b>	Current	\$2,567,077.91	30 to 60 days	\$2,199,873.30	60 to 90 days	\$1,757,453.54	90 days and over	\$1,145,761.68	Held Items	\$ 24,102.16	<b>Grand Total</b>	<b>\$7,694,268.59</b>	
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BBMR noted that the total decreased from last month from \$9.4 million (M) to \$7.7M. GDOE stated that the decrease was primarily due to payments to Sodexo. Sodexo payables decreased from \$4.7M to \$2.5M.																
BBMR noted that the Guam Power Authority (GPA) and Guam Waterworks Authority payables remain as significant payables. GDOE stated that it paid some of the GPA invoices, but also posted new invoices today.																
GDOE added that it would leverage Federal funds to pay utilities as discussed last meeting. A process was established to use local funds to initially pay utility costs and be reimbursed by GDOE’s Third-Party Fiduciary Agent (TPFA). Payment of payables depend on cash flow. The payables for utilities and Sodexo should not significantly increase. The total payables is a good number relative to accounts payable performance, which the GDOE hopes to maintain. As GDOE receives more reimbursements, once the																

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e. GDOE American Rescue Plan Act Breakdown Summary	contractual, equipment, and supplies costs are deemed allowable, GDOE will begin to use some of the cash to pay down past due invoices.																																									
	BBMR noted and confirmed with GDOE that there were no changes from 90 days and over, except for Sodexo. GDOE added that the next round of payments for the 90 days and over is for the TPFA.																																									
	As of June 23, 2022, GDOE reported the American Rescue Plan (ARP) funding for Public School District only as follows.																																									
	<table><tr><th>Object Class</th><th>ARP Funding</th><th>Requisition</th><th>Encumbrances</th><th>YTD Expenditures</th></tr><tr><td>Salaries</td><td>\$ 8,044,168.19</td><td>\$ -</td><td>\$ -</td><td>\$ 499,255.52</td></tr><tr><td>Benefits</td><td>\$ 1,932,217.81</td><td>\$ -</td><td>\$ -</td><td>\$ 198,180.33</td></tr><tr><td>Travel</td><td>\$ 75,600.00</td><td>\$ -</td><td>\$ -</td><td>\$ -</td></tr><tr><td>Contractual</td><td>\$147,336,722.00</td><td>\$67,822,637.08</td><td>\$14,908,683.24</td><td>\$10,677,654.06</td></tr><tr><td>Supplies</td><td>\$ 37,494,030.00</td><td>\$ 4,286,161.16</td><td>\$ 121,983.72</td><td>\$ 1,746,506.70</td></tr><tr><td>Equipment</td><td>\$ 44,545,183.00</td><td>\$ 4,145,040.78</td><td>\$ 33,337.13</td><td>\$ 19,162.87</td></tr><tr><td>Grand Total</td><td>\$239,427,921.00</td><td>\$76,253,839.02</td><td>\$15,064,004.09</td><td>\$13,140,759.48</td></tr></table>	Object Class	ARP Funding	Requisition	Encumbrances	YTD Expenditures	Salaries	\$ 8,044,168.19	\$ -	\$ -	\$ 499,255.52	Benefits	\$ 1,932,217.81	\$ -	\$ -	\$ 198,180.33	Travel	\$ 75,600.00	\$ -	\$ -	\$ -	Contractual	\$147,336,722.00	\$67,822,637.08	\$14,908,683.24	\$10,677,654.06	Supplies	\$ 37,494,030.00	\$ 4,286,161.16	\$ 121,983.72	\$ 1,746,506.70	Equipment	\$ 44,545,183.00	\$ 4,145,040.78	\$ 33,337.13	\$ 19,162.87	Grand Total	\$239,427,921.00	\$76,253,839.02	\$15,064,004.09	\$13,140,759.48	
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BBMR stated that this was the first time it saw this report. BBMR confirmed with GDOE that this summary was only for GDOE schools. BBMR asked GDOE for the ARP expiration date. GDOE replied Sept. 30, 2024.																																										
BBMR asked if GDOE could generate details by elementary and secondary schools. GDOE replied yes. BBMR asked what types of contractual services GDOE expended for? GDOE stated that the utility payments leveraged for this month is under contractual. Contractual expenditures may also include direct student support contracts (e.g., air conditioning, school sanitation, and maintenance). GDOE apologized and	GDOE to provide the EFSC the types of contractual services funded by																																									

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f. GDOE Limited Gaming Fund Breakdown	<p>stated that it does not have the details on hand, as the Accountant who prepared the report was absent. GDOE will prepare the details for the next meeting.</p> <p>As of June 23, 2022, GDOE reported no expenditures since the last ESFC meeting. Available balance increased to \$1,433,934.96 due to the cash allotment for May 2022.</p> <p>BBMR suggested clarifying that the funding source is from the Limited Gaming Fund appropriations. BBMR noted that the report title states “Sport Facility Fund”.</p> <p>BBMR stated that the appropriations for this year is \$443,000 and confirmed with GDOE that the money is deposited in the Sport Facility Fund. GDOE stated that the report reflects the cash received from the Limited Gaming Fund (e.g., for Fiscal Year or FY 2022, the amount received was \$220,513). The total is an accumulated balance.</p> <p>BBMR asked GDOE if the projects listed (e.g., Southern High School air conditioning and gym chiller) were those funded by the Limited Gaming Fund. GDOE replied that it was based on expenditures to date. BBMR asked if GDOE needed to complete current projects first before other projects are initiated. GDOE replied that it is unsure about the methodology, and that the projects listed were from FY 2022 and completed.</p> <p>GDOE stated that revenues are used for deferred maintenance based on the critical needs of schools. Planned projects are lined up against available cash. With the Federal funding opportunity, GDOE placed a pause on using its local funds for these projects. The balance shown should be consistent for a while. GDOE anticipates using the funds for immediate and smaller projects, whereby not having to go through the Federal approval and reimbursement processes.</p> <p>GDOE is working with the GPA in scoping out the work, getting it into contract form,</p>	<p>the ARP.</p> <p>GDOE to clarify that the Sport Facility Fund reports appropriations from the Limited Gaming Fund.</p>

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	<p>placing it for bid, and using some of the Federal funds. So far, it has been successful and is moving at a slower pace than desired. In the meantime, GDOE has an Acting Administrator for its Capital Improvement Projects (CIP) Division, who has several projects lined up to be funded by Federal funds before drawing limited local funds.</p> <p>BBMR asked if GDOE received Federal approvals for those projects. GDOE replied that it received approval for some and was moving forward with procurement. Air conditioning, certain facilities and maintenance items, and school equipment were approved and in time for summer and school readiness. There were extensive discussions about low hanging fruits and giving dedicated funding to some of the schools for equipment and supplies to do minor repairs timely.</p> <p>DOA asked if GDOE deposited the accumulated balance of the Limited Gaming Fund (\$1.4M total) in a separate bank account or combined with the General Fund cash account. GDOE replied that it was combined. BBMR clarified DOA's question to be whether the \$1.4M total was a mix of Limited Gaming and General Funds. GDOE replied that, while the Limited Gaming Fund collections are deposited into the same bank account as the General Fund collections, the \$1.4M is only the Limited Gaming Fund.</p> <p>OPA asked if GDOE had projects planned for the \$1.4M. GDOE replied that the projects are tied separate and aside from the funding source. GDOE worked with HHF Planners to conduct a summary of deferred maintenance and risk assessment of facilities. That summary provided GDOE with a framework or roadmap into facilities and repairs. GDOE is looking into the Tier 1, 2, and 3 level of need that it could address and prioritize. While the funding source for those projects are tied to ARP, the Limited Gaming Fund may be used to supplement.</p> <p>OPA asked, in anticipation of the Parent Representative's inquiries, for GDOE to have</p>	

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	the list of projects available for the next meeting. GDOE replied that it has the details and could share the plan, if need be. GDOE could share some of the projects lined up and, if the EFSC requests, have its CIP Acting Administrator join the meeting to discuss the planning, scoping, and areas of assessment at the different schools. OPA replied that the Parent Representative would let GDOE know.	
<b>IV. Financial Status Designation Report</b>		
a. May 2022	OFB reported that for: <b>Overall:</b> A-Stable was placed for all object class categories. <b>Monthly Variance:</b> B-Warning was placed for Supplies and Miscellaneous. <b>Year-to-Date Variance:</b> A-Stable was placed for all object class categories. DOA motioned to approve the May 2022 Financial Status Designation Report, subject to corrections. OPA seconded the motion.	Approved
<b>V. New Business</b>	None	
<b>VI. Next Meeting</b>	BBMR proposed for the meeting to be held on July 14, 2022. OPA asked to change the date to July 20, 2022. BBMR confirmed with the EFSC on the July 20 date.	OFB will send notice of next meeting.
<b>VII. Adjournment</b>	OPA motioned to adjourn the meeting at 3:57 p.m. DOA seconded the motion.	