

Superintendent Conference Room, GDOE Central Office Tiyan

July 31, 2017

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 Lou Perez, GDOE Travis Carbon, GDOE Helen Legaspi, GDOE Justin Castro, GDOE Barbara Blas, Senator Joe S. San Agustin Office	
I. Call to Order	Meeting was called to order at 3:08pm, Superintendent Conference Room, GDOE Central Office, Tiyan.	
II Review and Approval Minutes a. June 28, 2017 Meeting	Due to the late receipt, BBMR motioned to table approval of June 28, 2017 minutes for next EFSC meeting. Motion was seconded by OPA and with no objections, motion passed.	
III. Old Business a GDOE Cash Update Report,	GDOE reported the report does reconcile with DOA’s report regarding cash received. As of July 31, 2017 GDOE total cash received GF Operations \$165,819,782, variance with DOA \$0 and allotment versus cash received variance of \$5,366,313.84; GF Chamorro Studies \$0, \$0 variance with DOA and allotment versus cash variance	

b. Reconciliation of Cash Disbursements	<p>of \$344,809; GF Textbook (advanced FY18) \$152,994.13 received, \$0 variance with DOA and allotment versus cash received variance of \$1,347,005.87; GF Y Kuentan Salappe \$160,918, \$0 variance with DOA and allotment versus cash variance of \$920,082; 1st Generation Trust \$100K, \$0 variance with DOA and allotment versus cash variance of \$0; TEFF \$9,715,313 cash received, \$0 variance with DOA and allotment versus cash variance of \$6,235,518.</p> <p>Total cash received for PLRF \$539,823, \$0 variance with DOA and allotment versus cash variance \$216,566.62; HFF-Sports \$335,000, \$0 variance with DOA and allotment versus cash variance of \$185K; HPA \$139,877 cash received, no variance with DOA and allotment versus cash variance \$139,877; HFF-Busing \$46,000 cash received, DOA variance of \$0 and allotment versus cash variance of \$46K; and Limited Gaming \$227.5K cash received, \$0 from DOA and allotment versus cash variance of \$406,436.</p> <p>Overall grant total GDOE cash received \$177,237,208; overall variance with DOA of \$0, and overall allotment versus GDOE cash variance of \$15,207,608.13.</p> <p>DOA stated the DOA Cash Disbursement Report matches with the GDOE Cash Update and informed members GDOE's request for a payment (\$868K) for GPA would be subtracted from GDOE's \$3.8M weekly cash allotment on Wednesday. GDOE stated the offset means then that we won't be able to fully meet payment for payroll vendors.</p> <p>Members discussed how GDOE's TEFF appropriations had been used for utilities in past fiscal years. GDOE responded the Budget Act does not mandate GDOE's utilities be paid from TEFF funding.</p> <p>GDOE reminded members GDOE shifted FY2017 utility payments from TEFF to the</p>
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	<p>General Fund because the DOA director had made it very clear GDOE would not be receiving any cash from TEFF appropriations until February 2017. GDOE stated a related issue GDOE is facing: even though DOA did not release cash to pay utilities out of General Fund, because BBMR had already released the allotment BBMR is hesitant to allow GDOE to shuffle monies around for allotments that were already released.</p> <p>DOA stated GDOE’s available appropriation balance under power is \$0 and so any future DOA releases of cash for power may require a modification to object code 361. Members discussed and recalled previous EFSC discussions on how collapsing allotment and cash releases under object classes would simplify this process and negate the need for modifications.</p> <p>DOA also informed members based on actual TEFF revenues collected, all if not nearly all TEFF cash payments have been released and GDOE’s remaining TEFF payment is very small. GDOE stated GDOE’s remaining TEFF payment balance is \$6M. DOA asserted GDOE’s remaining TEFF payment based on actual TEFF collections is much less than the \$6M remaining balance based on appropriations. Members agreed DOA would provide an update on TEFF collections and cash releases for the next meeting and acknowledged GDOE has contractual obligations under TEFF that have already been encumbered.</p> <p>GDOE asked whether DOA anticipates cash releases from Salappe Prinsepat and Chamorro Studies; Salappe Prinsepat normally funds school supplies and cash receipt of even half of the appropriations would pay outstanding vendor payments. DOA responded right now because the funding source for operations, Salappe, and Chamorro Studies – they’re all the same, which is the General Fund - it’s the same application. If we give you money for your Kuantan Salappe, it’s going to be reduced from your (\$3.8M weekly) operations.</p>	
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c. BBMR Appropriation/Allotment	<p>DOA affirmed they are keeping to that \$3.8M weekly scheduled disbursement until the end of the fiscal year, then total GDOE may be shorted in cash would be \$16M. Members agreed GDOE would be unable to manage that amount of cash shortfall. GDOE stated it would not be able to cut \$16M in expenditures with only 2 months (August and September) remaining in the fiscal year. All that's left is going to be needed to pay salaries. The issue is GDOE has power, water, custodial contracts (these are fixed costs). The reason why GDOE is meeting with the DOA Director today is because we haven't paid our food services vendor (for lack of cash) and schools are starting up. GDOE owes Sodexo \$4M, that's the local portion; total food services is \$1.8M a month -- \$1M comes from the federal funding and GDOE pays the \$800K in local funds times the months we haven't paid equals the \$4M GDOE currently owes.</p> <p>DOA noted there are some other obligations unpaid in the previous fiscal years that were being paid this year. GDOE stated while it may be good to say we're not going to pay for prior period with current funds. The reality is: it's not like Retirement is going to say okay, you don't have to pay us, the fiscal year closed, or even National Office Supply. If we don't pay them then they'll stop taking our purchase orders; and we keep changing vendors because we're finding vendors we haven't sifted so much and are still willing to do business with us.</p> <p>DOA agreed to express the concerns of EFSC members and provide an update in next meeting. BBMR asked and DOA reaffirmed DOA will still be able to meet the \$3.8M weekly disbursement. GDOE reminded members the \$3.8M weekly payments would only cover GDOE's payroll.</p> <p>GDOE GF Operations Fund appropriation is \$200,177,066, YTD allotment release is \$171,186,096 YTD expenditures \$165,819,782.16, available \$5,366,313.84.</p>
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Status	<p>unallotted balance \$28,990,970 with \$0 in reserve. Guahan Academy Charter School appropriation \$6,388,931 with breakout to the charter schools for Guahan at \$3,703,635 and for I’learn \$2,685,296 for a total of \$6,388,931 YTD allotment release, total \$6,388,927.16 YTD expenditures (\$3,703,632.76 for Guahan and \$2,685,294.85 for I’learn); total available \$3.39.</p> <p>Chamorro Studies appropriation \$401,207, YTD allotment release \$344,809, YTD expenditures \$0, available \$344,809, unallotted balance \$56,398 with 0% in reserve; Y Kuantan Salappe appropriation \$1,081,000, YTD allotment fully released \$1,081,000, YTD expenditures \$160,918, available \$920,082, unallotted balance \$0 with \$0 in reserve; Advanced Textbooks appropriation \$1.5M; YTD allotment fully released \$1.5M; YTD expenditures \$152,994.13, available Balance \$1,347,005.87, unallotted balance \$0 with \$0 in reserve; 1st Generation Trust appropriation \$100K, YTD allotment release \$100K, YTD expenditures \$100K, available balance \$0, unallotted balance \$0 and \$0 reserve. Total GF appropriation \$211,319,273; YTD allotment release \$180,600,836; YTD expenditures \$172,622,621.90; available \$7,978,214.10; unallotted balance \$30,718,437 and \$0 in reserve.</p> <p>GDOE Operations Fund from TEFF appropriation \$15,950,831, YTD allotment fully released, YTD expenditures \$9,715,313 available balance \$6,235,518, unallotted balance \$0, and \$0 balance in reserve; TEFF appropriation for the JFKHS maintenance \$1,568,000, allotment fully released, fully expended and no reserve.</p> <p>PLRF appropriation \$907,668, YTD allotment \$756,390, YTD expenditures \$539,823.38 available \$216,566.62, unallotted balance \$151,278 and \$0 balance in reserve. HFF – Sports appropriation \$520K, allotment fully released, YTD expenditures \$335K, available \$185K, unallotted balance \$0 with \$0 in reserve; HFF-Busing appropriation \$92K, allotment fully released, YTD expenditures \$46K, available \$46K, unallotted \$0 with \$0 in reserve; and HFF- Health and Physical</p>	
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d. Accounts Payable Aging	<p>Education appropriation \$279,754, allotment fully released, YTD expenditures \$139,877, available \$139,877, unallotted balance \$0 and \$0 in reserve.</p> <p>Limited Gaming Fund appropriation \$633,936; allotment fully release \$633,936; YTD expenditure \$227,500; available balance \$406,436; unallotted balance and reserve \$0. Overall GDOE Totals: appropriation \$231,271,462; YTD allotment released \$200,401,747; YTD expenditures \$185,194,135.28, available balance \$15,207,611.72; unallotted balance \$30,869,715 and total \$0 balance in reserve.</p> <p>GDOE distributed and Members reviewed GDOE's Accounts Payable Aging report. As of July 31 2017 total outstanding is \$11,684,710.28; current past due \$8,718,145.61; 30 to 60 days \$260,757.63, 60 to 90 days \$355,160.62, and 90 days and over past due \$2,350,646.42. Of the total outstanding, \$11,045,483.76 is local, federal portion is \$639,226.52.</p> <p>DOA noted if DOA continues the \$3.8M for the remaining 2 months which is about 9 weeks, all of GDOE's operations should be paid out (the remaining \$34M). DOA stated and members agreed DOA would find out the statuses of the other General Fund appropriations – Chamorro Studies, Salapue, Textbook, as well as, the statuses of Special Fund appropriations (HFF, TEFF, PLRF, and Limited Gaming) and provide an update for next meeting.</p> <p>GDOE asked and both BMFR and DOA affirmed the Limited Gaming fund is a continuing account. GDOE noted they had only received (cash) for one fiscal year; then \$0 cash in the next 2 fiscal years; and \$0 cash for FY2017. Because the funds are continuing, GDOE should be able to go back and request for those funds for sports related expenses. DOA concurred and stated they would also get an updated report on the prior year Limited Gaming continuing funding.</p>
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<p>IV. FY2017 Financial Status Designation for the Month Ended a. June 2017</p> <p>V. New Business a. Next Meeting Date and Time</p> <p>VI. Adjournment</p>	<p>GDOE asked whether any (previous fiscal year Limited Gaming funds) amounts were loaded in the AS400. DOA affirmed, yes the funds would have been loaded, and DOA would get a full status report and get back to the EFSC. OFB also recalled there was no Limited Gaming funding (cash) provided to GDOE in FY2016.</p> <p>OFB distributed and Members reviewed the EFSC Financial Status Designation (FSD) report for the month ending June 30, 2017, reflecting C-Watches for Contractual, Water, and Telephone object categories; and YTD Variances indicating a B-Warning for telephone. BBMR noted the designations are similar to last month's report.</p> <p>After some discussion relative to the Financial Status Designation Reports and clarification that such reports are based on the enabling statute for the EFSC, BBMR motioned to approve June 2017 FSD report with C-Watches for contractual, water and telephone and B-Watch for telephone; motion was seconded by DOA and without objection motion passed.</p> <p>Members agreed OFB tentatively reserve the GDOE Superintendent's conference room for August 30th for the EFSC August meeting.</p> <p>OPA motioned to adjourn; motion was seconded by BBMR and without objection, meeting was adjourned at 3:53 pm.</p>	
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