

**EDUCATION FINANCIAL SUPERVISORY COMMISSION**

Virtual Zoom Meeting Minutes

July 20, 2022

AGENDA	DISCUSSION/TOPIC		ACTION/ STATUS
In Attendance	Intern - Office of Sen. Telena Nelson Carol Hinkle-Sanchez - Parent Representative Edna Jalandoni - DOA Franklin Cooper-Nurse - GDOE Joy Bulatao - GDOE	Margaret Artero - GDOE Sheena Mitchell - GDOE Tiara Cunningham - GDOE Vanessa Valencia - OFB William “Bill” Taitingfong - BBMR	
I. Call to Order	The Bureau of Budget and Management Research (BBMR) called the meeting to order at 3:06 p.m. on July 20, 2022.		
II. Review and Approval of Minutes			
a. June 23, 2022	The Office of Finance and Budget (OFB) motioned to approve the June 2022 meeting minutes, subject to corrections. Parent Representative seconded the motion.		Approved
III. Old Business			
a. GDOE Cash Update Report	As of July 20, 2022, the Guam Department of Education (GDOE) reported cash receipts as follows:		
	<b>Fund</b>	<b>Cash Receipts</b>	
	General Fund	\$145,090,964.83	
	Guam Education Facilities Fund (GEFF)	\$9,103,996.00	
	Heathy Futures Fund (HFF)	\$553,233.00	
	Public Library Resource Fund	\$350,000.00	
	Sports Facility (Limited Gaming)	\$248,052.00	
	JFKHS Debt Service Maintenance and Insurance	\$2,150,290.00	
	<b>Grand Total</b>	<b>\$157,496,535.83</b>	

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b. DOA Cash Disbursement Report	The Department of Administration (DOA) reported that its report reconciled with the GDOE’s cash report. BBMR asked DOA to change the word “Territorial” from the “Territorial Educational Facility Fund” (or TEFF) to “Guam”. BBMR also noted that DOA labeled GDOE’s “GEFF Debt Service” as “JFK Maintenance” and placed it under TEFF.																																							
c. BBMR Appropriations and Allotment Report	<p>As of July 20, 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>\$142,324,136.00</td></tr><tr><td>GF CHamoru Studies</td><td>\$424,592.00</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>\$2,623,079.00</td></tr><tr><td>GF Salary Increments</td><td>\$846,159.00</td></tr><tr><td>GF Nurse Professional Pay</td><td>\$737,164.00</td></tr><tr><td>GF Menstrual Hygiene</td><td>\$83,334.00</td></tr><tr><td>GF Educator Class./Comp./Ben. Study</td><td>\$100,000.00</td></tr><tr><td>GEFF Operations</td><td>\$11,366,892.00</td></tr><tr><td>GEFF ADRMS</td><td>\$32,500.00</td></tr><tr><td>GEFF School Grounds Maint.</td><td>\$320,850.00</td></tr><tr><td>Public Library Resource Fund</td><td>\$636,000.00</td></tr><tr><td>HFF Operations</td><td>\$6,902.00</td></tr><tr><td>HFF Interscholastic Sports</td><td>\$607,263.00</td></tr><tr><td>HFF Health &amp; Physical Education Activities</td><td>\$234,876.00</td></tr><tr><td>Limited Gaming Fund</td><td>\$442,611.00</td></tr></table>	Fund	Allot. Release	GF Operations	\$142,324,136.00	GF CHamoru Studies	\$424,592.00	GF SSHS Construction	\$500,000.00	GF Advanced Textbooks	\$1,500,000.00	GF Bonuses, Rewards, Incentives Program	\$800,000.00	GF Merit Bonus	\$2,623,079.00	GF Salary Increments	\$846,159.00	GF Nurse Professional Pay	\$737,164.00	GF Menstrual Hygiene	\$83,334.00	GF Educator Class./Comp./Ben. Study	\$100,000.00	GEFF Operations	\$11,366,892.00	GEFF ADRMS	\$32,500.00	GEFF School Grounds Maint.	\$320,850.00	Public Library Resource Fund	\$636,000.00	HFF Operations	\$6,902.00	HFF Interscholastic Sports	\$607,263.00	HFF Health & Physical Education Activities	\$234,876.00	Limited Gaming Fund	\$442,611.00	
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d. GDOE Accounts Payable Aging	<table><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>\$165,736,648.00</b></td></tr></table>	GEFF GDOE Series 2020A COP (JFKHS)	\$2,150,290.00	<b>Grand Total</b>	<b>\$165,736,648.00</b>	
	GEFF GDOE Series 2020A COP (JFKHS)	\$2,150,290.00				
	<b>Grand Total</b>	<b>\$165,736,648.00</b>				
	BBMR stated that the figures were consistent with GDOE and DOA’s reports.					
	As of July 20, 2022, GDOE reported the cumulative total balances as follows:					
	<b>Days</b>	<b>Balances</b>				
	Current	\$2,110,136.03				
	30 to 60 days	\$2,974,782.65				
	60 to 90 days	\$1,947,505.89				
	90 days and over	\$2,762,735.21				
Held Items	\$22,383.09					
<b>Grand Total</b>	<b>\$9,817,542.87</b>					
GDOE noted that “Held Items” is shown due to a system glitch.						
BBMR noted that the Grand Total is higher than last month’s report of \$7.6 million (M). GDOE replied that there was system glitch that showed \$657,000 for the Government of Guam Retirement Fund (GGRF). The amount is not due until Monday (July 25, 2022), because of the holiday on Friday, which GDOE will then pay same day. GDOE fixed the glitch this morning.						
BBMR noted that the 90 days and over increased. GDOE replied that power and Sodexo are one of GDOE’s large contracts and take up the bulk of the accounts payable. GDOE stated, as discussed in the last meeting, GDOE was looking for authority and approval from the U.S. Department of Education (ED) to process GDOE’s utility payments as a						

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e. GDOE American Rescue Plan Act Breakdown Summary	direct pay. GDOE received ED’s approval and discussed with its Third-Party Fiduciary Agent (TPFA), the other day and this morning, about utilities being directly paid out utilizing the American Rescue Plan (ARP). GDOE expects to have a more streamlined process for timelier payments. GDOE has a call, after this meeting, with the Guam Power Authority (GPA). GDOE hoped that, by the next EFSC meeting, the 60 and 90 days and over and at least GPA’s \$3.8M balance is addressed. Additionally, on the Sodexo, GDOE’s Acting Comptroller will work on reconciliations, ensuring that GDOE will receive full reimbursements, and making payments to Sodexo.	GDOE to address its \$3.8M payable to the GPA by the next EFSC meeting.																																								
	As of July 20, 2022, GDOE reported the ARP funding for Public School District only as follows.																																									
	<table><tr><td>Object Class</td><td>ARP Funding</td><td>Requisition</td><td>Encumbrances</td><td>YTD Expenditures</td></tr><tr><td>Salaries</td><td>\$16,509,168.19</td><td>\$23.99</td><td>\$-</td><td>\$9,052,704.02</td></tr><tr><td>Benefits</td><td>\$2,068,685.31</td><td>\$14.50</td><td>\$-</td><td>\$374,196.67</td></tr><tr><td>Travel</td><td>\$75,600.00</td><td>\$-</td><td>\$-</td><td>\$-</td></tr><tr><td>Contractual</td><td>\$138,735,254.50</td><td>\$70,434,711.03</td><td>\$16,059,956.48</td><td>\$10,767,540.06</td></tr><tr><td>Supplies</td><td>\$37,822,030.00</td><td>\$4,000,935.43</td><td>\$118,582.31</td><td>\$1,754,013.18</td></tr><tr><td>Equipment</td><td>\$44,217,183.00</td><td>\$7,644,846.04</td><td>\$33,337.13</td><td>\$19,162.87</td></tr><tr><td>Grand Total</td><td>\$239,427,921.00</td><td>\$82,080,530.99</td><td>\$16,211,875.92</td><td>\$21,967,616.80</td></tr></table>	Object Class	ARP Funding	Requisition	Encumbrances	YTD Expenditures	Salaries	\$16,509,168.19	\$23.99	\$-	\$9,052,704.02	Benefits	\$2,068,685.31	\$14.50	\$-	\$374,196.67	Travel	\$75,600.00	\$-	\$-	\$-	Contractual	\$138,735,254.50	\$70,434,711.03	\$16,059,956.48	\$10,767,540.06	Supplies	\$37,822,030.00	\$4,000,935.43	\$118,582.31	\$1,754,013.18	Equipment	\$44,217,183.00	\$7,644,846.04	\$33,337.13	\$19,162.87	Grand Total	\$239,427,921.00	\$82,080,530.99	\$16,211,875.92	\$21,967,616.80	
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BBMR asked if Contractual includes capital improvement projects (CIP). GDOE replied that the bulk of CIP is under Contractual. With the request to reprogram, the balances will have downward adjustments based on reprogramming those funds to make payments for retention and teacher salary increases. For the upcoming month, GDOE will provide a separate breakdown of the CIP and net effect of the one-time retention pay and teacher pay.																																										

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f. GDOE Limited Gaming Fund Breakdown	<p>BBMR replied that GDOE's adjustments is not necessary and only wanted GDOE's clarification. BBMR stated that CIP would be shown under Capital Outlay, but some are charged under Contractual. BBMR's concern is the big ticket items and entire cost of CIP being placed under Capital Outlay.</p> <p>GDOE asked BBMR if they have been receiving financial reports relative to the Education Stabilization Funds (ESF) and ARP. BBMR replied yes, from GDOE's Federal Programs Division (FPD). BBMR has been including the figures in its monthly reports for the Coronavirus Aid, Relief, and Economic Security Act; Coronavirus Response and Relief Supplemental Appropriations Act; and ARP. BBMR reports all three because some are continuous and others have an expiration date. BBMR also posts the reports on its website and tries to update the expenditures on a monthly basis.</p> <p>GDOE stated that it has a new Acting Superintendent and has changes on how it manages grants. GDOE is trying to ensure that the reports are being submitted timely (on a monthly or quarterly basis) to BBMR. GDOE asked if the ESF and ARP are due on a quarterly basis. BBMR replied that it posts the summary of expenditures, submitted by the FPD, on a monthly basis. The summary shows the allocation of the full amount to the public, private, and catholic schools.</p> <p>As of July 20, 2022, GDOE reported no expenditures since the last ESFC meeting. Available balance increased to \$1,461,473.96 due to the cash receipt.</p> <p>BBMR asked if GDOE received the same level for Fiscal Year (FY) 2023 (as FY 2022), when the cash is disbursed, does GDOE deposit it into its revenue account for this Sports Facility Fund? Will it cover the shortfalls being reported? Is it done internally?</p> <p>GDOE replied that, generally speaking, there is a budget set aside for the Limited Gaming Fund. In years past and historically, the Superintendent exercised his transfer</p>	

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<b>IV. Financial Status Designation Report</b>	authority for the shortages and shortages in other areas to cover operational costs. GDOE looks to reallocate the available balances to return it to General Fund operations.	
a. June 2022	BBMR reported that for: <b>Overall:</b> C-Watch was placed for Salary and Benefits. <b>Monthly Variance:</b> B-Warning was placed for Salary, Benefits, Supplies, Power, and Water. <b>Year-to-Date Variance:</b> A-Stable was placed for all object class categories. OFB motioned to approve the June 2022 Financial Status Designation (FSD) Report, subject to corrections. Parent Representative seconded the motion.  BBMR noted that last month's FSD Report showed A-Stable for all object class categories and so, the report was not transmitted.	Approved
<b>V. New Business</b>	BBMR noted a new Acting Superintendent, former Senator, Francis E. Santos and that Acting Deputy Superintendent of Finance and Administrative Services Franklin Cooper-Nurse was Acting Superintendent for a while. GDOE replied that Mr. Cooper-Nurse was Acting at the request of former Superintendent Jon J.P. Fernandez. Superintendent Santos was a former Guam Education Board Chairperson and is no stranger to GDOE.  BBMR noted reading in the newspaper about ED's visit for GDOE's high-risk status. BBMR asked if the high-risk status was until the end of August 2022. GDOE replied that the message is that, what it was working with ED right now is the latest specific conditions. The conditions are very different from years' past. Previously, ED was	

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	specific in naming the conditions (e.g., timely audits, requirement for a TPFA, etc.). The two remaining conditions are completion of the Reconsideration Evaluation Plan, a step-by-step process to back out of the high-risk and specific conditions; and working with the TPFA to transition their services out. ED prescribed the timeline in there through October 2022. Was the timeline meant to be to remove the TPFA (due to their contract expiration in October) or transfer their TPFA Munis data to GDOE Munis? GDOE is looking into it and doing its best to ensure that there is a transition team to mirror the TPFA's oversight and work their way out by October. GDOE believed that the date's significance is due to the TPFA's contract expiration.	
<b>VI. Next Meeting</b>	BBMR proposed for the meeting to be held on August 18, 2022. OFB confirmed with the EFSC on the date and to continue to hold the meetings virtually.	OFB will send notice of next meeting.
<b>VII. Adjournment</b>	Parent Representative motioned to adjourn the meeting at 3:45 p.m. OFB seconded the motion.	