

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Virtual Zoom Meeting

July 23, 2020

MEETING MINUTES

AGENDA	DISCUSSION/TOPIC		ACTION/ STATUS
In Attendance I. Call to Order II Review and Approval Minutes a. June 18, 2020 III. Old Business a GDOE Cash Report FY2020 			

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<p>c. BBMR Appropriation/Allotment Status</p>	<p>BBMR stated let's move to the BBMR Appropriation/Allotment Status Reports item III. BBMR distributed the BBMR Appropriation/Allotment Status Report FY2020 as of July 23, 2020: GF Operations appropriation \$189,192,568, YTD allotment release \$156,447,674, YTD expended 156,447,674, available \$0, unalloted \$32,744,894; Simon Sanchez appropriation \$500K, allotment fully released, YTD expended \$413,454, and available \$86,546; Chamorro Studies appropriation \$540,545, YTD allotment release \$443,538, YTD expended \$429,968, available \$13,570, unalloted \$97,007; Advanced Textbooks appropriation \$1.5M, allotment fully released, YTD expended \$1,209,218.40, available \$290,781.60; GDOE CIP appropriation \$885K, YTD allotment release \$774,375, YTD expended \$731,826, available \$42,549 unalloted \$110,625. Total GF appropriation \$192,618,113, YTD allotment release \$159,665,587, YTD expended \$159,232,140.40, Available \$433,446.60, unalloted \$32,952,526.</p> <p>TEFF Operations appropriation \$14,381,558, YTD allotment release \$13,697,074, YTD expended \$13,697,074, available \$.32, unalloted \$684,484; ADRMS appropriation \$50K, YTD allotment release \$40,625, YTD expended \$25K, available \$15,625, unalloted \$9,375; School Grounds Maintenance appropriation \$393,545, YTD allotment release \$341,851, YTD expended \$196,772, available \$145,079, unalloted \$51,694. Total TEFF appropriations \$14,825,103, YTD allotment release \$14,079,550, YTD expense \$13,918,845.68, available \$160,704.32, unalloted \$745,553.</p> <p>PLRF appropriation \$891,575, YTD allotment release \$742,980, YTD expense \$731,552, available \$11,428, unalloted \$148,595. HFF-Operations appropriation \$891,754, YTD allotment release \$753,020 YTD expended \$683,653, available \$69,367, unalloted \$138,734; HFF-Interscholastic Sports appropriation \$607,263, YTD allotment release \$502,174, YTD expended \$502,174, available \$0, unalloted \$105,089; HFF-HPA appropriation \$277,589, YTD allotment release \$220,679, YTD expended \$210,691, available \$9,988, unalloted \$56,910. Total HFF appropriation \$1,776,606, YTD allotment release \$1,475,873, YTD expended \$1,396,518 available \$79,355, unalloted \$300,733. LG-Sports Facilities appropriation \$558,692, YTD allotment release \$558,692, YTD expended \$341,571, available \$217,121, unalloted \$0. Grand total appropriation (excluding \$1,568,000 JFKHS add'l rents maintenance and insurance) \$210,670,089, YTD allotment release \$176,522,682, YTD expended \$175,620,627.08, available \$902,054.92, unalloted \$34,147,407.</p>	
<p>d. Accounts Payable Aging</p>	<p>BBMR moving onto Item 3d the Accounts Payables Aging reports: as of July 23, 2020 total AP Aging Balance of \$8,193,742.67: \$575,192.82 current; \$3,430,806.57 is 30-60 days; \$1,642,371.89 is 60 to 90 days; \$2,545,371.39 is 90 days and over. GDOE stated they do have unposted invoices at \$6,194,707.88 brings Grand Total to \$14,388,450.55.</p>	

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BBMR noted 90 days and over amounts have gone down significantly and GDOE affirmed, depending on the availability of cash GDOE has been trying to reduce those amounts. OFB confirmed last month 90 days and over was at \$4.9M compared to July it is \$2.5M.

Parent Representative stated compared to the May (aging) report it was \$4.244M and it went down \$2.5M; however, 60 to 90 days went up to \$1M but then 30 to 60 days went from \$964K to \$3.4M, then current went from \$63K to \$575K and overall balance went up to almost a \$1M. BBMR stated the report shows payables are shifting to the right. Parent Representative agreed and noted GDOE is paying the right side (90 days and over) but then that's increasing the left side (current, 30 to 60 days, and 60 days to 90 days). The 60 and 90 days' change (from \$964K to \$3.4M) – that's a big jump. BBMR the report indicates the jump is primarily due to the vendor payment for Sodexo. OFB stated the June aging was provided and affirmed June was \$9.7M and so compared to July \$8.1M – it went down; 90 days and over also went down – from \$4.9M to \$2.5M.

GDOE Deputy Superintendent stated she made the decision to address the 90 days and over, specifically, those 2019 vendor payments. To a certain extent, GDOE has made arrangements with larger vendors whom have accepted a payment plan. So if one looks at the details of the 2019, there is a great bulk in reduction in the 90 days and over. With respect to the current vendor payments, one has to consider the cut off dates (when the reports are prepped and the dates of the EFSC monthly meeting). For example, the Sodexo billing just came in (to be included in the report). The others – invoices that in the pipeline – there are some vendors don't submit their invoices on a regular basis; some vendors whom accumulate their invoices and so that skews the allotments and what needs to be paid for that month. So these are some considerations to be made when comparisons are done with prior months – the cut off does have an impact.

Parent Representative asked how is GDOE prioritizing who they pay. Deputy Superintendent stated she makes the decision for anything that is over 120 days, on the payment of 2019 vendor payments; and defers to the Comptroller on what to pay on the more current (2020) vendor payments. Comptroller stated (based on availability of cash), GDOE makes payments as previously explained by Deputy Superintendent. Parent Representative stated as far as priorities are concerned, the Sodexo payments should be a number 1 priority. Sodexo's bill for May was \$2M and currently it's now \$3M. It doesn't look like GDOE is paying them at least for these 2 months. Payments to the other vendors – these are incidental costs to the operations of the schools but food services are more important.

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<p>e. Requests Docs from GDOE</p> <ul style="list-style-type: none"> • LG Breakdown by school • COVID-19 Cost Savings due to School Closures 	<p>Deputy Superintendent disagreed. GDOE has a payment plan acceptable to the vendor and GDOE does accelerate payments above the plan depending on the availability of cash over and above payroll needs. She is in contact with the Sodexo managers whom are amenable to this processing. GDOE prioritizes its vendors as well, based on their needs; there are some vendors small sized where their lifeline are these payments to pay their employees. But if there is a big ticketed vendor (like Sodexo) who is giving GDOE an opportunity to pay them on a regular basis (payment plan), then GDOE takes that opportunity and we keep to that commitment. Again, Sodexo is acceptable to this arrangement.</p> <p>Parent Representative stated she can't see any GDOE payments to Sodexo because all she can see is the amounts to Sodexo just keep going up. Deputy Superintendent reiterated and reminded members what they see in the accounts payable reports is impacted by the cut off dates. GDOE's payment plan for Sodexo are acceptable to them and GDOE will not pay them more than what is acceptable to them; GDOE has other payables to pay. Parent Representative stated GDOE needs to prioritize what it pays. Deputy Superintendent stated it does have priorities such as payroll and as long as big ticket item vendors are willing to accept these payment plans that is sufficient.</p> <p>BBMR moving onto Item III e. Requested Documents from GDOE -</p> <p>Limited Gaming Funds Breakdown by School</p> <p>BBMR stated GDOE's report indicates payments involving 2 schools George Washington and Southern High schools; there are no dates of disbursements rather the reports show funds totaling \$210,110.56 were expended and asked what projects were covered. GDOE responded air conditioning and maintenance at the gyms. Parent Representative asked how does GDOE determine what schools will the funds be used for. GDOE responded there is a list of projects and it's also dependent on GDOE's Facilities and Maintenance Division manager recommendations to the Superintendent. Parent Representative stated she is hoping the next round of funds would be rotated to another set of schools; there must be some way to equally share the amount of funding so that every school can conduct minimal maintenance to their gyms. Deputy Superintendent stated she would relay that recommendation to the Facilities Manager and the Superintendent.</p> <p>Cost Savings from School Closures Due to COVID-19 [Insert Below]</p> <p>BBMR noted this item is on the agenda for the virtual Roundtable Hearing scheduled by Vice-Speaker and Education Committee Chairwoman Senator Telena Nelson. Deputy Superintendent stated savings as of June 30th and there are still invoices due to COVID-19 that are coming in that may also generate</p>	
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e. Requests Docs from GDOE

- COVID-19 Cost Savings due to School Closures
- Awarded CARES Act Emergency Relief Funds Allocation

additional savings; but these have yet to hit GDOE's General Ledgers.

X COVID 19 - COST Savings Report as of 6.30.2020.xlsx			
A	B	C	D
Cost Savings due to COVID-19 Pandemic (through 6.30.2020)			
A.	Guam Power Authority	\$	1,109,437.85
B.	Guam Waterworks Authority	\$	39,056.68
C.	Reduction of Contractual Services		
	1) Lucky Kid Custodial Services	\$	146,141.14
	2) LAGU Sanitation	\$	126,564.00
		\$	272,705.14
	Total Cost Savings	\$	1,421,199.67

OFB stated they had expected larger utility savings and asked if there were any extenuating circumstances wherein air conditioners couldn't be turned off. GDOE responded where they could they did shut down a/c units (the newer ones), however, in other buildings were unable to do so because it grows mold. GDOE had pulled freezers that were not being 100% used and in the newer facilities and the a/c's were adjusted to lower consumption. BBMR asked savings for utilities could be used to address GDOE's payables. GDOE stated GDOE did have some COVID-19 expenses (which were not budgeted for) and had to use its GF operations funds. BBMR surmised then that doesn't really help GDOE in paying down its payables and GDOE affirmed.

Awarded CARES Act Emergency Relief Funds Allocation

Deputy Superintendent stated she doesn't have oversight on that funding; she has requested info from Federal Programs Administrator Ignacio Santos, however there may be some pending approvals by USED and asked the EFSC to direct their query to Mr. Santos. OFB affirmed they would do so with a cc to the Superintendent. Parent Representative asked the request to be expedited as she surmised it will be discussed and has an impact on the scheduled Roundtable Hearing. Deputy Superintendent stated Mr. Santos is invited to the Roundtable Hearing. Parent Representative also asked if Mr. Santos could be invited to the next EFSC meeting.

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<p>IV. Financial Status Designation for FY20 Month Ended</p> <p>a. December 2019</p> <p>b. January 2020</p> <p>c. February 2020</p>	<p>BBMR Moving on to Item IV. a. FY2020 Financial Status Designation reports for the months ending December, January, and February. OFB confirmed they received GDOE financials up through May and had only completed the FSD for the 3 months. BBMR asked the headers of the reports be corrected. While members reviewed the December 2019 FSD – OFB stated they would add and upload the Labor page. BBMR noted the December 2019 Fund 130 and 190 TEFF – C Watches were triggered by no appropriation in certain categories (supplies, misc.). BBMR also noted consolidated pages for December, January, and February FSDs – indicated same C Watches for 111 Salary; 112 OT; 290 Misc.; 361 Power, 362 Water; and 363 Telephone. DOA asked whether the EFSC still needs to approve these earlier months because the information is no longer relevant to the current (July). While BBMR recalled the EFSC has been late by several months, in those instances the EFSC had approved each FSD; and suggested the EFSC do the same in this instance. OFB motioned to approve the December, January, and February FSD reports with corrections and the inclusion of the payroll information. Motion was seconded by DOA and without objection, the motion passed. BBMR asked if by next meeting (August), the FSD reports for the remaining financials already received (March to May) could be prepared (maybe also June and July once financials are received) and OFB affirmed.</p>	
<p>V. New Business</p> <p>. Next Meeting Date and Time</p>	<p>Next item V. New Business / Next meeting. OFB asked if members could discuss the Education Committee’s virtual Roundtable Hearing. The notice was posted on EFSC shared drive and includes 3 topics: explanation of EFSC functions; COVID-19 Cost Savings; Payables and Aging. Senator Nelson’s Representative stated the second notice included the zoom links for the July 28th Virtual Roundtable and noted the Committee is also hosting an information hearing the day before and hopes to collect information regarding the CARES Act funding under Consolidated Grants.</p>	
<p>VI. Adjournment</p>	<p>OFB suggested next EFSC meeting for August 20, 2020 and without objection, EFSC August Meeting be scheduled for August 20, 2020 via virtual zoom. With no further business, BBMR asked for a motion to adjourn; OFB motioned to adjourn seconded by DOA and without objection meeting was adjourned at 4:58 pm.</p>	