

GUAM DEPARTMENT OF EDUCATION FINANCIAL SUPERVISORY COMMISSION (EFSC)

Building A Conference Room, GDOE Central Office Tiyan

August 29, 2019

MEETING MINUTES

AGENDA	DISCUSSION/TOPIC	ACTION/STATUS								
In Attendance	<table><tr><td>Bill Taitingfong, BBMR</td><td>Michelle Dulana, Senator Telena Nelson Office</td></tr><tr><td>Grace Edrosa, DOA</td><td>Lou Perez, GDOE</td></tr><tr><td>Carol Hinkle-Sanchez, Parent Rep.</td><td>Helen Legaspi, GDOE</td></tr><tr><td></td><td>Justin Castro, GDOE</td></tr></table>	Bill Taitingfong, BBMR	Michelle Dulana, Senator Telena Nelson Office	Grace Edrosa, DOA	Lou Perez, GDOE	Carol Hinkle-Sanchez, Parent Rep.	Helen Legaspi, GDOE		Justin Castro, GDOE	
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Grace Edrosa, DOA	Lou Perez, GDOE									
Carol Hinkle-Sanchez, Parent Rep.	Helen Legaspi, GDOE									
	Justin Castro, GDOE									
I. Call to Order	Meeting was called to order at 3:13pm at the Building A, 1st Floor GDOE Conference Room, Tiyan. BBMR expressed apologies on behalf of Vanessa Valencia OFB and Vince Duenas OPA as budget hearings and their training conference prevents them from attending. Item 2 of the agenda, approval of the July 25, 2019 minutes. DOA moved to approve July 25, 2019 minutes, subject to corrections. Motion was seconded by BBMR and without objections, motion passed.									
II Review and Approval Minutes a. July 25, 2019	GDOE distributed FY19 Cash Update as of July 25, 2019: GDOE total FY19 cash received GF Operations \$173,878,251.04; GF Chamorro Studies \$375,948; GF SSHS Procurement \$1M; Textbook \$1,027,545; TEFF \$10,975,496.81; TEFF 1st Gen Trust \$0 cash received. DOA stated that's been adjusted due to the TEFF revenue projection reductions – down about \$80 some thousand per the BBMR Memorandum advising of the adjusted reductions from the original \$9M to \$3.9M reduction. GDOE asked whether the reduction will be reflected in the AS400 system. BBMR reminded members the budget act precludes BBMR from allotment controls so the controls for reductions will occur on the cash distribution or DOA side. GDOE stated it will have to be footnoted in the FY2019 audit. DOA noted UOG and GCC were also affected by the TEFF reductions and consequently, those agencies' contributions to the 1st Generation Trust Fund. Total cash received for PLRF \$896,716; HFF-Sports \$506,469; HPA \$220,909; and Limited Gaming \$131,228 cash received. Simon Sanchez FY18 GF Continuing OEA & A & E \$1,500,000 allotment release, \$0 cash received, \$0 DOA variance, \$1,500,000 allotment vs cash variance. Overall grand total (excluding FY18 GF Continuing and JFKHS FY19 \$1,568,000 Maint. & Insurance) \$189,012,532.62 GDOE cash received. \$190,580,532.62 Grand Total.									
III. Old Business a GDOE Cash Report FY2019										

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b. Reconciliation of Cash Disbursements	<p>BBMR asked whether the \$1M disbursement for Simon Sanchez has been fully expended. Referencing during Legislative Committee of the Whole proceedings for FY2020 Budget bill, Superintendent's request to amend the law to allow the carry-over of the appropriation for SSHS. DOA stated it fully released the cash because the FY2019 Budget Act states if they don't use the funds for SSHS by June 2019, then GDOE can use the funds for operations. BBMR so then that provision GDOE had asked for to carry over is moot because the appropriation is already expended. DOA recommended that full \$1M pay-out for SSHS needs to be communicated to the Superintendent; if the intent is to carry it forward, DOA can make an adjustment. BBMR stated because the \$1M was established under an annual account, GDOE would have needed the law amended to allow the carry forward of the funds as continuing. BBMR asked GDOE to have that clarified by the next EFSC meeting.</p> <p>Parent Representative asked if GDOE had a breakdown of the Textbook Fund and if it could be brought to the next meeting. OFB affirmed.</p> <p>BBMR moving onto DOA Cash Reconciliation Report. DOA stated it reconciles with GDOE. GDOE stated the Secure Our School \$16,022.50 cash release in DOA's report is correct and GDOE will make the corrections in its GDOE report. DOA noted the FY2020 Budget Act bill provides separate appropriations to the charter schools and so it's very likely these will no longer be included in DOA's and all of EFSC members' reporting.</p>	
c. BBMR Appropriation/Allotment Status	<p>BBMR stated let's move to the BBMR Appropriation/Allotment Status Reports item III. BBMR distributed the BBMR Appropriation/Allotment Status Report FY2019 as of August 29, 2019: GF Operations appropriation \$188,360,473, allotment release \$174,963,040, YTD expenditures \$173,878,251.04, available \$1,081,788.96, unallotted \$13,697,703; Charter School appropriation balance \$3,770,283, appropriation \$6,640,197 (\$2,811,411 Guahan, \$3,048,016 Tlearn, \$780,770 Science is Fun), same allotment release, year to date expended \$7,401,954.43, available -\$761,757.43. GF SSHS Procurement appropriation \$1M and allotment fully released, same YTD expenditures; Chamorro Studies appropriation \$401,20, allotment release \$375,948, YTD expenditures same, available \$0, unallotted \$25,259; Textbooks appropriation \$1.5M and same allotment fully released,</p>	

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YTD \$1,027,544.77 expenditures, \$472,455.23 available. Total GF appropriation is \$201,672,430; YTD allotment release \$184,479,185; YTD expenditures \$183,683,698.24; available \$795,486.76, unallotted balance is \$17,193,245.

TEFF Operations appropriation \$13,697,608, allotment released \$13,405,941, YTD expenditures \$10,975,496.81, available \$2,430,444.19, unallotted \$291,667; TEFF - 1st Generation Fund appropriation \$100K and allotment fully released, \$0 expended, \$100K available, \$0 unallotted. PLRF appropriation \$978,23, allotment release \$815,196, YTD expenditures \$652,156, and \$163,040 available, unallotted same; HFF-Interscholastic Sports appropriation \$612K, allotment released \$561,173, YTD expended \$506,439, available \$54,734, unallotted \$50,827; HFF- Health & Physical Activities appropriation \$279,754, allotment released \$270,881, YTD \$220,909 expended, \$49,972 available, unallotted \$8,873. Limited Gaming appropriation \$524,913 and fully released, YTD \$131,228 expenditures, available \$393,685. Grand Total appropriation \$217,864,941, YTD allotment release \$200,157,289, YTD expenditures \$196,169,927.05, available \$3,987,361.95, unallotted balance \$17,707,652.

d. Accounts Payable
Aging

BBMR moving onto Item 3d the Accounts Payables Aging reports: GDOE reported as of August 29, 2019 total AP Aging Balance of \$10,949,230.42 (\$10,024,348.39 Local, \$924,649.19 Federal, \$232.84 is the 99998 Student Account); current balance \$4,459,270.43; 30 to 60 days is \$794,914.91; 60 to 90 days is \$2,103,705.23; 90 days and over is \$3,591,339.85.

Members reviewed and generally discussed the list of outstanding vendor payables. Parent Representative asked what is the problem with paying Sodexo - \$2.5M under 90 days and over. GDOE stated that's related to prior year payables carry overs. GDOE's average local share ranges from \$400K to \$700K; and indicated they do have a payment plan in place; however, payments are subject to available cash. Parent Representative stated looking at the other vendors on the aging list and suggest if we were to classify and prioritize them, GDOE should pay Sodexo first - that's an essential contract for a critical and essential expense - pay what is for the kids. GDOE stated all the vendors listed provide services and goods for the kids. GDOE does not pay for cell phones; the

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Docomo billing is not for cell phones it's an expense that is part of the ERATE contracts to provide WiFi and Internet at the schools, for classroom use and instruction. GDOE pays upon the cash that is made available. Members continued to generally discuss accounts payable aging report.

DOA reported on a positive note, for the first time DOA is going to release all of the General Fund appropriations (cash) to GDOE by September 30th. For the textbooks, GDOE will still need to provide invoices for releases. Same thing with TEFf appropriations – minus the reductions, all the TEFf appropriations (cash) will be released. DOA agreed with GDOE what happened with Sodexo billings may have been compounded by previous fiscal years [when GDOE did not fully receive the cash for its appropriations]. There were years where the full GDOE appropriation and to other autonomous agencies were not paid in full. DOA does try, at least in the first quarter in the next fiscal year to pay them [using next year's cash]. So just like this, when the fiscal year ends September 30th, if everything was perfect all their vendor payments once we give them their appropriations start at zero for the next fiscal year. But I don't think that ever will happen – GDOE will always have a running AP balance. Even if we gave them all of their appropriation this fiscal year and they have obligations that they are going to carry onto the next fiscal year. It's a cycle – even if we give them all of their appropriations for FY2020, unless there are some major cuts in their spending, it will be the same.

e. Parent Re Letter and
EFSC Mandate

BBMR moving on to Old Business Item III. E. Parent Rep Letter and EFSC Mandate. BBMR affirmed because it was a draft, Parent Representative presented a signed letter to GDOE representative(s) to be given to the Superintendent and explained the letter requests all documents she has been requesting be provided to her and to the EFSC; also all schools provide a breakdown of their budgets, what they're asking for, what they need. She thanked GDOE for all the information on what they've been spending on but stated she knows GDOE invests in some schools but doesn't invest in others. Referring to her position at the AG office, she stated she hears it in court, from other attorneys – lots of schools are missing lots of things. She just wants GDOE to now produce those documents requested and hand it to the commission and we can proceed from there. Parent Representative stated she wants to hear from every school what they requested – from books, equipment, their building needs – I want to know

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what they need done; their maintenance; what is wrong with their buildings. As a parent, I go to every Parent Teacher conference – I fill out those surveys every time I walk in, asking me what I think the school needs. I tell the principal what maintenance, books, equipment I think the kids need. I tell them they need a new gym. I tell them they need a security system and they can implement a good security system so they don't need somebody sitting in the front. All they need is a camera and a better intercom pc system.

DOA stated at the last EFSC meeting, OPA had suggested that a work session be scheduled. Parent Representative stated that's fine, EFSC can have a work session when GDOE produces all those documents because this commission has been lacking a lot of stuff has not been done. BBMR stated that's also one of the reasons for the work session is so the EFSC can go through the mandates. Parent Representative stated she agreed EFSC does not have to fulfill all of those mandates; a lot of it is things that doesn't need to be done.

BBMR that is the reason for the work session is to go through each of them and to dispense of the ones that we don't need and work with GDOE on what we require, on what we want from them to provide to us. We need to schedule one because we tried to do one but were unable to get everybody's attendance so we can have one prior [September 12] to the next meeting. The work session will be to review the mandates and if necessary, to amend or change the EFSC's monthly meeting agenda to include/exclude those particular items to be reviewed.

DOA suggested on the request for contracts, that a summary containing scope, terms, services, monthly payments should be enough. BBMR stated it's at the work session that those specifics can be hashed out and decided upon. Members generally discussed various formats for the items ultimately requested, in summary and/or put in electronic format on CDs or thumb drives.

BBMR recalled public hearings were conducted by Senator Nelson for GDOE, for central office operations and she also had hearings for the individual schools' budgets. The budget bill was crafted with a breakdown for the individual schools and now [I'm puzzled] we're hearing that the schools didn't want separated budgets. Parent Representative stated maybe there was a misunderstanding of [the intent of] individual budgets. There's an overall budget, it's their individual needs to have their

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**IV. Financial Status
Designation for FY19
Month Ended**

- a. June 2019**
- b. July 2019**

individual needs being met in that big budget. GDOE is getting a big budget and what your needs of an individual school is going to be met now. And they don't understand that. They've been engulfed in what has been going on in the past. They need to tell the Senators what you need because once you tell them and they create a budget they're going to create it and allocate these portions of what you need in that budget. But I don't think they get it. I've spoken to a lot of them (principals) and they don't get it. And maybe there's a bigger picture – maybe they're being told to not get it which is another problem.

Members agreed 3pm, Thursday September 12, 2019 to conduct the proposed EFSC work session.

BBMR moving onto Item IV. Financial Status Designation for the month ended June and July 2019. OFB had informed BBMR the reports were not completed in time and would need to be tabled for next meeting. GDOE stated concern over the timeliness of the reports; by the time we get the reports the fiscal year will be over; no time to react. BBMR suggested the transition from the previous OFB staff who was preparing the reports may be the reason. DOA suggested that may be a subject to discuss and consider how the report is prepared, should EFSC simplify the report. GDOE stated there were some issues with the report. GDOE staff had reviewed it (the electronic template) to make sure the formulas were operating correctly and so we recommended some changes (corrections to errors). We do not know if Vanessa OFB was able to make those changes (corrections) in time for the meeting. It's the spreadsheet that calculates the projections. Parent Representative moved to table the FSD for the months ended June and July 2019. DOA seconded the motion and without objection, the motion passed.

Next item V. New Business Next Meeting Date. Members agreed OFB tentatively schedule for 3pm, Thursday September 19, 2019 for the EFSC September 2019 meeting and reserve the conference room in GDOE Building A in Tiyan. (Audio cuts out here, however, based on recording, estimated time for adjournment of meeting clocked at approximately 4:18pm.)

- V. New Business**
- a. Next Meeting Date and Time**
- VI. Adjournment**