

EDUCATION FINANCIAL SUPERVISORY COMMISSION

Virtual Zoom Meeting Minutes

October 28, 2021

| AGENDA | DISCUSSION/TOPIC | | ACTION/STATUS |
|---|--|--|--|
| In Attendance | Carol Hinkle Sanchez, Parent Rep. Franklin Cooper-Nurse, GDOE Helen Legaspi, GDOE Joy Bulatao, GDOE Margaret Artero, GDOE | Mary Grace Edrosa, DOA Sheena Mitchell, GDOE Vanessa Valencia, OFB Vincent Duenas, OPA William Taitingfong, BBMR | |
| I. Call to Order | The Bureau of Budget and Management Research (BBMR) called the meeting to order at 3:01 p.m. on Oct. 28, 2021. | | |
| II. Review and Approval of Minutes | | | |
| a. Aug. 26, 2021 | The Office of Finance and Budget (OFB) motioned to approve the Aug. 26, 2021 meeting minutes, subject to corrections. The Department of Administration (DOA) seconded the motion. | | Approved |
| b. Sep. 23, 2021 | OFB motioned to approve the Sep. 23, 2021 meeting minutes, subject to corrections. Parent Representative seconded the motion. | | Approved |
| III. Old Business | | | |
| a. GDOE Fiscal Year (FY) 2021 Cash Report | As of Oct. 28, 2021, Guam Department of Education (GDOE)’s report is as follows: <div><div>Appropriations</div><div>\$200,272,499.99</div></div> <div><div>Allotment Release</div><div>\$200,272,499.99</div></div> <div><div>Cash Receipt</div><div>\$197,603,067.92</div></div> <div><div>Unpaid per Allotment Release</div><div>\$2,669,432.07</div></div> | | GDOE will update the report on the Google Drive shared for the EFSC. |

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|--|--|---------------|---------------|---------------|-----------------|--------------------|-------------|---------------------|-----|-------------|-----|---|-------------|----------------|--------------|----------------------|-------------|---------------------------|-------------|----------------------|------------|-----------------|-----|--|-----|------------|-----|----------------------------|-----|------------------------------|-----|------------------------|-----|----------------------------|-----|--------------------------------------|-----|----------------------------------|-----|--|-----|--------------------|------------------------|--|
| b. GDOE FY 2022 Cash Report | <p>As of Oct. 28, 2021, GDOE reported cash receipts as follows:</p> <table><tr><th>Fund</th><th>Cash Receipts</th></tr><tr><td>GF Operations</td><td>\$13,183,644.00</td></tr><tr><td>GF CHamoru Studies</td><td>\$39,524.00</td></tr><tr><td>GF SSHS Procurement</td><td>\$0</td></tr><tr><td>GF Textbook</td><td>\$0</td></tr><tr><td>GF Bonuses, Rewards, Incentives Program</td><td>\$76,924.00</td></tr><tr><td>GF Merit Bonus</td><td>\$238,460.00</td></tr><tr><td>GF Salary Increments</td><td>\$76,924.00</td></tr><tr><td>GF Nurse Professional Pay</td><td>\$67,016.00</td></tr><tr><td>GF Menstrual Hygiene</td><td>\$7,692.00</td></tr><tr><td>GF Educator Pay</td><td>\$0</td></tr><tr><td>Guam Education Facilities Fund (GEFF) Operations</td><td>\$0</td></tr><tr><td>GEFF ADRMS</td><td>\$0</td></tr><tr><td>GEFF School Grounds Maint.</td><td>\$0</td></tr><tr><td>Public Library Resource Fund</td><td>\$0</td></tr><tr><td>Interscholastic Sports</td><td>\$0</td></tr><tr><td>Health/Physical Activities</td><td>\$0</td></tr><tr><td>Heathy Futures Fund (HFF) Operations</td><td>\$0</td></tr><tr><td>Sports Facility (Limited Gaming)</td><td>\$0</td></tr><tr><td>JFKHS Debt Service Maintenance and Insurance</td><td>\$0</td></tr><tr><td>Grand Total</td><td>\$13,690,184.00</td></tr></table> <p>Parent Representative asked if the allocations were based on the FY 2022 Appropriations Act or on GDOE management’s decision. For example, was the Merit Bonus in addition to the salary increments given to employees? BBMR replied that the Act specified the allocations.</p> | Fund | Cash Receipts | GF Operations | \$13,183,644.00 | GF CHamoru Studies | \$39,524.00 | GF SSHS Procurement | \$0 | GF Textbook | \$0 | GF Bonuses, Rewards, Incentives Program | \$76,924.00 | GF Merit Bonus | \$238,460.00 | GF Salary Increments | \$76,924.00 | GF Nurse Professional Pay | \$67,016.00 | GF Menstrual Hygiene | \$7,692.00 | GF Educator Pay | \$0 | Guam Education Facilities Fund (GEFF) Operations | \$0 | GEFF ADRMS | \$0 | GEFF School Grounds Maint. | \$0 | Public Library Resource Fund | \$0 | Interscholastic Sports | \$0 | Health/Physical Activities | \$0 | Heathy Futures Fund (HFF) Operations | \$0 | Sports Facility (Limited Gaming) | \$0 | JFKHS Debt Service Maintenance and Insurance | \$0 | Grand Total | \$13,690,184.00 | |
| Fund | Cash Receipts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Operations | \$13,183,644.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF CHamoru Studies | \$39,524.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF SSHS Procurement | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Textbook | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Bonuses, Rewards, Incentives Program | \$76,924.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Merit Bonus | \$238,460.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Salary Increments | \$76,924.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Nurse Professional Pay | \$67,016.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Menstrual Hygiene | \$7,692.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GF Educator Pay | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Guam Education Facilities Fund (GEFF) Operations | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GEFF ADRMS | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GEFF School Grounds Maint. | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Library Resource Fund | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interscholastic Sports | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Health/Physical Activities | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Heathy Futures Fund (HFF) Operations | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sports Facility (Limited Gaming) | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JFKHS Debt Service Maintenance and Insurance | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total | \$13,690,184.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

EDUCATION FINANCIAL SUPERVISORY COMMISSION

Virtual Zoom Meeting Minutes

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| AGENDA | DISCUSSION/TOPIC | ACTION/STATUS | | | | | | | | | | |
|--|--|---|--------------|-------------|--------------|-----------------|----------------|------------|------------|----------------------------|-------------|--|
| c. DOA FY 2021 and FY 2022 Cash Disbursement Reports | <p>DOA reported that both of its reports reconciled with both of GDOE’s cash reports. DOA clarified that all of the GF appropriations were paid except for Textbooks, which was pending the required proof of purchase (e.g. Purchase Orders or invoices) for disbursements. Special revenue funds (e.g. GEFF or Territorial Education Facilities Fund (TEFF), Limited Gaming, and Public Library Resource Fund) are based on collected revenues. A deficit will occur if cash was disbursed in excess of collected revenues for these funds.</p> <p>BBMR asked DOA if GDOE is still able to receive the outstanding appropriations. DOA replied yes, as previously mentioned, up to their final close for FY 2021. DOA will assess again the collected revenues for the special revenue funds. If additional payments are made between this meeting date and DOA’s final close, DOA will disburse the cash to GDOE.</p> <p>GDOE asked if DOA could communicate the anticipated possible receipt of the revenues. GDOE is undergoing its year-end close as well. DOA replied that GDOE’s accountant conducts a daily follow-up of the cash disbursements, especially with the TEFF. DOA stated that they paid at the beginning of this month. GDOE asked if DOA has a cut-off deadline for the revenue collections. DOA replied that their Director has yet to decide a hard closing date for FY 2021, but their soft closing will be done by the first week of Nov. 2021. DOA will notify GDOE once the hard closing date is set.</p> | <p>DOA will update the report on the Google Drive shared for the EFSC.</p> <p>DOA will assess collected revenues for special revenue funds.</p> <p>DOA will notify GDOE of the hard closing date.</p> | | | | | | | | | | |
| d. BBMR FY 2021 Appropriations and Allotment Report | <p>As of Oct. 28, 2021, BBMR reported available funds as follows:</p> <table><tr><th>Fund</th><th>Avail. Funds</th></tr><tr><td>GF Textbook</td><td>\$511,380.07</td></tr><tr><td>TEFF Operations</td><td>\$1,573,207.00</td></tr><tr><td>TEFF ADRMS</td><td>\$5,000.00</td></tr><tr><td>TEFF School Grounds Maint.</td><td>\$32,086.00</td></tr></table> | Fund | Avail. Funds | GF Textbook | \$511,380.07 | TEFF Operations | \$1,573,207.00 | TEFF ADRMS | \$5,000.00 | TEFF School Grounds Maint. | \$32,086.00 | |
| Fund | Avail. Funds | | | | | | | | | | | |
| GF Textbook | \$511,380.07 | | | | | | | | | | | |
| TEFF Operations | \$1,573,207.00 | | | | | | | | | | | |
| TEFF ADRMS | \$5,000.00 | | | | | | | | | | | |
| TEFF School Grounds Maint. | \$32,086.00 | | | | | | | | | | | |

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| e. BBMR FY 2022 Appropriations and Allotment Report | Public Library Resource Fund | \$313,909.00 | |
| | Limited Gaming | \$233,850.00 | |
| | Grand Total | \$2,669,432.07 | |
| | As of Oct. 28, 2021, BBMR reported appropriations and allotment releases as follows: | | |
| | Fund | Appropriations | Allot. Release |
| | GF Operations | \$171,387,360.00 | \$13,455,156.00 |
| | GF CHamoru Studies | \$513,824.00 | \$44,555.00 |
| | GF SSHS Construction | \$500,000.00 | \$0 |
| | GF Advanced Textbooks | \$1,500,000.00 | \$0 |
| | GF Bonuses, Rewards, Incentives Program | \$1,000,000.00 | \$100,000.00 |
| | GF Merit Bonus | \$3,100,000.00 | \$238,462.00 |
| | GF Salary Increments | \$1,000,000.00 | \$76,925.00 |
| | GF Nurse Professional Pay | \$871,197.00 | \$67,016.00 |
| | GF Menstrual Hygiene | \$100,000.00 | \$8,334.00 |
| | GF Educator Class./Comp./Ben. Study | \$100,000.00 | \$0 |
| | GEFF Operations | \$11,366,892.00 | \$1,379,812.00 |
| | GEFF ADRMS | \$40,000.00 | \$2,500.00 |
| | GEFF School Grounds Maint. | \$385,022.00 | \$32,085.00 |
| | Public Library Resource Fund | \$763,194.00 | \$63,600.00 |
| | HFF Operations | \$6,902.00 | \$0 |
| | HFF Interscholastic Sports | \$607,263.00 | \$128,557.00 |
| | HFF Health & Physical Education Activities | \$277,589.00 | \$21,354.00 |
| | Limited Gaming Fund | \$442,611.00 | \$110,653.00 |
| | GEFF GDOE Series 2020A COP (JFKHS) | \$2,150,290.00 | \$1,568,000.00 |
| | Grand Total | \$196,112,144.00 | \$17,297,009.00 |

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| f. GDOE FYs 2021 and 2022 Accounts Payable Aging | <p>BBMR asked GDOE if the aging report is combined for FYs 2021 and 2022. GDOE replied yes, and asked the EFSC if the aging report should be separated by fiscal year. BBMR replied yes, to give the EFSC an idea of each year’s balances. GDOE replied that it would take time to separate the reports. BBMR stated that, for now, the cumulative totals are sufficient as the FY 2022 Appropriations Act appropriated payment for prior year obligations.</p> <p>As of Oct. 28, 2021, GDOE reported the cumulative total balances as follows:</p> <table><tr><th>Days</th><th>Balances</th></tr><tr><td>Current</td><td>\$2,827,005.62</td></tr><tr><td>30 to 60 days</td><td>\$2,665,785.07</td></tr><tr><td>60 to 90 days</td><td>\$892,775.33</td></tr><tr><td>90 days and over</td><td>\$5,178,688.64</td></tr><tr><td>Grand Total</td><td>\$11,564,254.66</td></tr></table> <p>BBMR noted that the 90 days and over significantly increased from last meeting’s report of \$2.5 million (M). GDOE replied that vendors are submitting invoices. BBMR noted that the largest payable is to Sodexo. GDOE stated the amount as \$4.6M. Parent Representative asked if GDOE was still on a payment plan with Sodexo and Guam Power Authority or GPA (\$2.8M). GDOE replied yes for Sodexo and none for GPA. GPA works with GDOE to ensure payments are made to meet their bond covenants. GDOE will verify if it has a payment plan with GPA.</p> <p>Parent Representative asked if the meal costs charged by Sodexo considered the students’ cohort shift schedule. Costs remain high despite the expected decrease in the meals served count. GDOE stated the trend appears to be more meals served during the period of distance learning than face-to-face. GDOE Financial Affairs is not in receipt of the Sept. reports. Parent Representative asked GDOE to examine the meal counts, and stated that it will affect the amount received by students under the</p> | Days | Balances | Current | \$2,827,005.62 | 30 to 60 days | \$2,665,785.07 | 60 to 90 days | \$892,775.33 | 90 days and over | \$5,178,688.64 | Grand Total | \$11,564,254.66 | <p>GDOE will provide separate FY 2021 and FY 2022 aging reports to the EFSC.</p> <p>GDOE to verify the existence of a payment plan with GPA.</p> |
| Days | Balances | | | | | | | | | | | | | |
| Current | \$2,827,005.62 | | | | | | | | | | | | | |
| 30 to 60 days | \$2,665,785.07 | | | | | | | | | | | | | |
| 60 to 90 days | \$892,775.33 | | | | | | | | | | | | | |
| 90 days and over | \$5,178,688.64 | | | | | | | | | | | | | |
| Grand Total | \$11,564,254.66 | | | | | | | | | | | | | |

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| g. Sep. 2021 Financial Status Designation Report | <p>Pandemic - Electronic Benefits Transfer program. GDOE confirmed with its Food Services Administrator the reduction of daily meals served to about half. Costs are expected to slowly decrease, but yet to be shown on the invoices received. Parent Representative hoped that GDOE continues to pay Sodexo the same or lower amount for Sodexo to pay their arrears.</p> | |
| | <p>BBMR asked if the \$734 thousand (K) payable of 90 days & over to Taniguchi Ruth Makio was for the SSHS. GDOE confirmed. BBMR asked if this meant progress in the SSHS procurement as \$500K was appropriated for this purpose. GDOE will research.</p> | <p>GDOE to confirm SSHS procurement progress.</p> |
| | <p>BBMR asked if American Rescue Plan (ARP) funds could be used in lieu of the local match for Sodexo's payable, as the GDOE is still operating under COVID-19 restrictions. GDOE would look into the ARP provisions and noted the availability of Federal funds to provide financial assistance. GDOE noted that the Federal assistance provides a lot of opportunity and so, would like to verify with management first on the use and allocation of those funds.</p> | <p>GDOE to determine whether Federal funds could be used in lieu of the local match for school meals served.</p> |
| | <p>BBMR reported that for:</p> <p>Overall: C-Watch was placed for Salary and Benefits.</p> <p>Monthly Variance: B-Warning was placed for Salary, Benefits, Travel, Equipment, Water, and Capital Outlay.</p> <p>Year-to-Date Variance: B-Warning for Benefits.</p> <p>BBMR asked if the \$14.3M projected shortfall for Personnel reflects how GDOE's balance will end. GDOE hoped that it would not, as adjusting entries have yet to be entered, but shared that the balances were trending a deficit. GDOE anticipates a more accurate figure after its close on Nov. 15. BBMR reminded GDOE of the</p> | <p>Approved</p> |

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| | <p>Coronavirus Aid, Relief, and Economic Security Act, Coronavirus Response and Relief Supplemental Appropriations Act, and ARP funds. GDOE confirmed that it is aggressively looking at those funds. BBMR believed that the \$2M outstanding disbursement should help reduce some of that Personnel shortfall.</p> <p>Parent Representative motioned to accept the Sep. 2021 Financial Status Designation (FSD) Report. DOA seconded the motion. BBMR did not recall the transmittal of the Aug. 2021 FSD Report; and asked OFB to transmit both the Sep. and Aug. 2021 FSD Reports. OFB recalled transmitting the Aug. report, but will verify. BBMR stated that GDOE transmitted their corrective actions to the EFSC.</p> | |
| IV. New Business | | |
| a. GDOE 12-month Operations Plan | BBMR asked the EFSC to review and asked if their approval was required. OFB replied that the law requires the EFSC to review GDOE's plan. OFB suggested that, since it was sent a few days ago, OFB will email it to the EFSC for next meeting discussion. | OFB to transmit Aug. and Sep. 2021 FSD Reports to the GDOE. |
| b. GDOE Allotment Schedules | BBMR received GDOE's allotment schedules and worked with GDOE to establish accounts to load FY 2022 appropriations in Oct. 2021. BBMR will review to reconcile with the drafts they previously worked on with GDOE. | OFB will email GDOE's plan to the EFSC for next meeting. |
| V. Next Meeting | OFB suggested for the meeting to be held on Nov. 18 or 23, 2021. GDOE stated that Nov. 23 was better. OFB confirmed with the EFSC on the date. | BBMR will review GDOE's allotment schedules. |
| VI. Adjournment | The Office of Public Accountability motioned to adjourn the meeting at 4:04 p.m. OFB seconded the motion. | OFB will email the meeting notice. |