

EDUCATION FINANCIAL SUPERVISORY COMMISSION

Virtual Zoom Meeting Minutes

November 23, 2021

AGENDA	DISCUSSION/TOPIC	ACTION/STATUS									
In Attendance	Calen Meno, Office of Senator Telenia C. Nelson Carol Hinkle Sanchez, Parent Representative Franklin Cooper-Nurse, 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 3:00 p.m. on Nov. 23, 2021.										
II. Review and Approval of Minutes											
a. Oct. 28, 2021	The Office of Finance and Budget (OFB) requested to table the minutes due late submission of the recording. The Department of Administration (DOA) motioned to table the Oct. 28, 2021 minutes. Parent Representative seconded the motion.	The Oct. 28, 2021 Meeting Minutes was tabled for next meeting.									
III. Old Business											
a. GDOE Cash Update Report	As of Nov. 23, 2021, the Guam Department of Education (GDOE) reported cash receipts as follows: <table><tr><td>Fund</td><td>Cash Receipts</td></tr><tr><td>GF Operations</td><td>\$26,367,288.00</td></tr><tr><td>GF CHamoru Studies</td><td>\$74,314.00</td></tr><tr><td>GF SSHS Procurement</td><td>\$76,920.00</td></tr><tr><td>GF Textbook</td><td>\$0</td></tr></table>		Fund	Cash Receipts	GF Operations	\$26,367,288.00	GF CHamoru Studies	\$74,314.00	GF SSHS Procurement	\$76,920.00	GF Textbook
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	<p>Parent Representative asked for a breakdown of the expenditures for the Healthy Futures Fund, relative to facilities, and the Limited Gaming Fund. Specifically, Parent Representative would like to know which schools received the funds, for what purpose, and the basis of selection (i.e. how priorities were made). For example, Marcial Sablan and Harry S. Truman Elementary School’s outside basketball courts were in need of repair. Other school facilities were in need of repairs for over two decades, but were still used even in their current state.</p> <p>BBMR asked GDOE to provide the information and recalled a similar request from Fiscal Year (FY) 2021. Last fiscal year, the Sports Facility/Limited Gaming Fund was used for four schools, which may have changed since. A breakdown was not provided</p>	<p>GDOE to provide a breakdown of expenditures for the Healthy Futures Fund, relative to facilities, and the Limited Gaming Fund.</p>																																

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	<p>last year because the Health and Physical Activities Fund was not appropriated last year. GDOE will provide the breakdown to the EFSC.</p> <p>GDOE also shared that weekly meetings are held to assemble a group, with the Guam Power Authority, in assessing infrastructure needs (e.g., plumbing and electrical) and capital improvement projects (CIP). GDOE received nominal amounts of local funding to assist the GDOE in addressing bigger school facility needs. Currently, GDOE anticipates using \$150 million (M) of its Education Stabilization Fund and American Rescue Plan (ARP) funds for CIPs of non-leased schools (e.g., facility upgrades, canopy repairs, playground equipment, and restroom and gym repairs) and \$3M directly to the schools to make immediate, small repairs. GDOE's Facilities and Maintenance division also received an increased budget.</p> <p>Parent Representative asked if some of the COVID-19 funds could be used to implement physical fitness activities. Many students stayed at home for almost two years due to the COVID-19 restrictions. For gym repairs of the aforementioned two schools, Parent Representative used the Sinajana's outside basketball court coverings and barriers as examples of upgrades.</p> <p>GDOE replied that the authorized uses of Federal funds received were broad in scope. GDOE is trying to ensure that funds' usage aligned with the purpose of the funds and were appropriate. Deputy Superintendent Joseph Sanchez is enhancing the curriculum and some GDOE projects. Prior to COVID-19, several sports (e.g., kick ball) were introduced to the schools and Federal funds were made available for basketball courts. Mayors and sports facilities were leveraged and utilized. Money provided to the GDOE is handled by a steering committee. There is an assessment stage, where the administrators voice their biggest needs at the school site. The George Washington High School (GWHS)'s gym is at that stage. Acting Deputy Superintendent of Finance</p>	

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	<p>and Administrative Services Franklin Cooper-Nurse met with JROTC instructors a week ago to discuss possible re-allocation of unused travel funds (for drill meets and competitions) to purchase school equipment.</p> <p>BBMR asked if GDOE has a preliminary list. GDOE replied that it is still mapping it through. Simon Sanchez High and Chief Brodie Memorial Elementary Schools are the publicly known projects. Canopy work was being performed with funds from the U.S. Department of Interior. GDOE stated that it would share the list of projects to the EFSC once it was finalized.</p>											
b. DOA Cash Disbursement Reports	<p>DOA reported that both of its reports reconciled with the GDOE’s cash reports.</p> <p>BBMR confirmed with DOA that GDOE has not receive any of its outstanding disbursements since the last EFSC meeting. DOA stated that the closing of their FY 2021 books is scheduled for the end of Nov. 2021. After that point, DOA will be assessing any additional revenues collected for the Special Revenue Funds and will disburse new collections to the various government agencies. DOA stated that GDOE submitted its request for the remaining balance of \$500,000 under the FY 21 Textbook fund. The law authorized the Superintendent to reprogram funds or have a transfer authority within the different funding for the GDOE. The DOA Director is reviewing the request and will provide a response as early as tomorrow.</p>	<p>GDOE to provide a list of school-based CIPs to the EFSC.</p> <p>DOA Director to respond to GDOE’s request for the FY 21 Textbook fund remaining balance.</p>										
c. BBMR Appropriations and Allotment Report	<p>As of Nov. 23, 2021, BBMR reported appropriations and allotment releases as follows:</p> <table><tr><td>Fund</td><td>Allot. Release</td></tr><tr><td>GF Operations</td><td>\$26,910,312.00</td></tr><tr><td>GF CHamoru Studies</td><td>\$74,314.00</td></tr><tr><td>GF SSHS Construction</td><td>\$250,000.00</td></tr><tr><td>GF Advanced Textbooks</td><td>\$0</td></tr></table>	Fund	Allot. Release	GF Operations	\$26,910,312.00	GF CHamoru Studies	\$74,314.00	GF SSHS Construction	\$250,000.00	GF Advanced Textbooks	\$0	
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	GF Bonuses, Rewards, Incentives Program	\$200,000.00												
	GF Merit Bonus	\$476,924.00												
	GF Salary Increments	\$153,848.00												
	GF Nurse Professional Pay	\$134,032.00												
	GF Menstrual Hygiene	\$16,668.00												
	GF Educator Class./Comp./Ben. Study	\$0												
	GEFF Operations	\$2,759,623.00												
	GEFF ADRMS	\$5,000.00												
	GEFF School Grounds Maint.	\$64,170.00												
	Public Library Resource Fund	\$127,200.00												
	HFF Operations	\$0												
	HFF Interscholastic Sports	\$128,557.00												
	HFF Health & Physical Education Activities	\$42,707.00												
	Limited Gaming Fund	\$110,653.00												
	GEFF GDOE Series 2020A COP (JFKHS)	\$1,568,000.00												
	Grand Total	\$33,022,008.00												
	d. GDOE	As of Nov. 23, 2021, GDOE reported the cumulative total balances as follows:												
Accounts	<table><tr><td>Days</td><td>Balances</td></tr><tr><td>Current</td><td>\$1,645,680.62</td></tr><tr><td>30 to 60 days</td><td>\$4,655,591.94</td></tr><tr><td>60 to 90 days</td><td>\$2,567,146.12</td></tr><tr><td>90 days and over</td><td>\$3,065,994.95</td></tr><tr><td>Grand Total</td><td>\$11,934,413.63</td></tr></table>	Days	Balances	Current	\$1,645,680.62	30 to 60 days	\$4,655,591.94	60 to 90 days	\$2,567,146.12	90 days and over	\$3,065,994.95	Grand Total	\$11,934,413.63	
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Payable Aging														
	BBMR noted that power, water, and Sodexo were the largest payables. BBMR confirmed with GDOE that payables of 60 to 90 and 90 days and over were for FY													

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e. GDOE 12-month Operations Plan	<p>2021. GDOE stated that Current payables were for FY 2022 while 30 to 60 days is a mix. Items delivered after October 2021 were recorded for FY 2022.</p> <p>BBMR asked GDOE if Federal funds could pay some of the payables (e.g., data or technology-related purchases). GDOE stated that some of the items were FY 2021 billings and would need to be traced to the requisitions to determine if some could be recovered. Moving forward, funds are available and GDOE is looking into maximizing the use of Federal funds with the decrease in local appropriations. In the next budget, \$35M of the \$45M will be funded by ARP. GDOE will be seeking the U.S. Department of Education's approval to use grant funds for some of the technology expenses. The plan was to shift some of the expenditures from local to Federal.</p> <p>BBMR asked if the G4S payable was for schools. GDOE stated that it was on the list of items to be shifted and sought for approval for allowable use.</p> <p>BBMR asked if the Lucky Kids Lawn Care payable was funded by the Grounds Maintenance appropriation. GDOE stated that it was an FY 2021 payable and was not paid by the appropriation. Grounds maintenance is provided by JJ Global and Lucky Kids is primarily custodial.</p> <p>BBMR stated that GDOE submitted its plan to the EFSC on Oct. 27, 2021. Parent Representative asked for more time to review. BBMR asked the rest of the EFSC members and they agreed to save the discussion for the next meeting. Parent Representative motioned to table the review and approval of GDOE's 12-month Operations Plan for the next meeting. DOA seconded the motion.</p> <p>Parent Representative stated that money could still be transferred, despite GDOE's plan, and asked for details on specific uses of the funds. BBMR replied that the plan was for monthly expenditures, the law does not specify object class categories for</p>	<p>GDOE's 12-month Operations Plan was tabled for next meeting.</p>

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	<p>appropriations, and GDOE's expenditures should be aligned with its FY 2022 Budget Request.</p> <p>Parent Representative stated that figures do not depict actual uses. For example, the Limited Gaming Fund has appropriations but GDOE did not share how it will be used. Some schools will use it and GWHS will be the first based on earlier discussions. Parent Representative visited and noted the southern schools' gyms appear neglected for decades. Parent Representative would like to see the funds allocated equally amongst all schools. None of the documents show where the funds go unless questioned or noted in a footnote.</p> <p>GDOE understood the Parent Representative's concerns and asked the EFSC if they would like GDOE to revise the plan. GDOE shared its budget process from stakeholder meetings to the approval of a spending plan after the legislature appropriates local funds. GDOE's financial statements are audited annually and the Office of Public Accountability (OPA) could confirm that the reports show expenditures.</p> <p>Parent Representative replied that GDOE does not have to change its operations plan and suggested for the GDOE to place comments on its Appropriations and Allotments report. BBMR confirmed with Parent Representative that the cash received should be detailed to show allocation and for what purpose. BBMR stated that the GF Operations fund is \$26M and would be lengthy to detail. Parent Representative stated that most of the funding is going to salaries and that object class does not need to be detailed. GDOE suggested for the EFSC to provide guidelines for the format and presenting a draft for the EFSC's approval.</p> <p>BBMR explained that the GDOE's budget digest provides the detailed expenditure plan for the year. For example, GDOE asked for \$300M but only received \$200M.</p>	<p>EFSC to provide GDOE with guidelines for the format of expenditures report.</p>

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	<p>GDOE will need to revise their digest to bring it to that level. GDOE confirmed BBMR's assumption and shared that it was going through the process of meeting the \$45M shortfall by leveraging Federal funds and implementing cost containment strategies. Parent Representative stated that schools do not necessarily receive their requested amounts and GDOE's budget is not completely followed.</p> <p>GDOE stated that the information being sought is covered under the OFB's Financial Status Designation Report. BBMR replied that the report shows object class expenditures but does not show what or who is paid. GDOE stated that the details are voluminous and could prepare as much details as possible for the EFSC's review. GDOE stressed that many of the payables are not paid timely as shown by the aging report.</p>	
f. Oct. 2021 Financial Status Designation Report	<p>BBMR stated that Aug. and Sept. 2021 Financial Status Designation (FSD) reports were sent to GDOE and are pending GDOE's response.</p> <p>OFB motioned to table the Oct. 2021 FSD report. GDOE is pending approval to transmit its financials to the OFB. Parent Representative seconded the motion.</p>	The Oct. 2021 FSD report was tabled for next meeting.
IV. New Business		
V. Next Meeting	OFB suggested for the meeting to be held on Dec. 16, 2021. GDOE stated that Dec. 16 works fine. OFB confirmed with the EFSC on the date.	OFB will send notice of next meeting.
VI. Adjournment	DOA motioned to adjourn the meeting at 4:09 p.m. OPA seconded the motion.	