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JON J. P. FERNANDEZ
Superintendent of Education

September 28, 2018

The Honorable Eddie Baza Calvo
Governor of Guam
513 West Marine Corps Drive
Ricardo J. Bordallo Complex
Hagåtña, Guam 96910

Vice Speaker Therese M. Terlaje
#34GL-18-2359
SEP 28 2018
Time: 10:40a
Received by:

Honorable Therese M. Terlaje
Acting Speaker and Chairman
Committee on Appropriations and Adjudication
Thirty-Fourth Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

2018 SEP 28 AM 11:28

Honorable Joe S. San Agustin
Chairman
Committee on Education, Finance and Taxation
Thirty-Fourth Guam Legislature
361 S. Marine Corps Drive
Tamuning, Guam 96913

Re: GEB Resolution 2018-16 – Relative to Adopting the Spending Priorities for the Guam Department of Education for Fiscal Year 2019

Dear Governor Calvo, Speaker Terlaje and Senator San Agustin:

Håfa Adai! In compliance with Guam Education Board (GEB) Policy 700, I am transmitting the attached Guam Education Board Resolution 2018-16 as approved by the board in the GEB September regular meeting conducted on September 25, 2018. The Guam Education Board has adopted the GDOE Fiscal Year 2019 Budget Plan as outlined in Resolution 2018-16.

Should you have any questions, please contact me at 300-1547.

Senseramente,

JON J. P. FERNANDEZ

Attachment

cc: GEB Members
Deputy Supt., FAS

2359

GUAM EDUCATION BOARD
RESOLUTION NUMBER 2018-16

Introduced by: Guam Education Board Members

RELATIVE TO ADOPTING THE SPENDING PRIORITIES FOR THE GUAM DEPARTMENT OF EDUCATION FOR FISCAL YEAR 2019

WHEREAS, the Guam Education Board used the Every Child is Entitled to an Adequate Education Act to form the basis of the FY 2019 budget; and

WHEREAS, on January 26, 2018 the Guam Education Board (GEB) approved and adopted the Guam Department of Education (GDOE) FY2019 budget (Resolution 2018-02) in the amount of $334,689,422 and transmitted the budget to *I Mina' Trentai Kuåttro Na Liheslaturan Guåhan;* and

WHEREAS, Bill 323-34 (COR), AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS; lapsed into law on August 24, 2018 as Public Law 34-116; and

WHEREAS, Public Law 34-116 appropriates the sum of Two Hundred Thirty Million Three Hundred Sixty-Eight Thousand Nine Hundred Forty One Dollars ($230,368,941) to the GDOE Operations Fund for Fiscal Year 2019; and

WHEREAS, Public Law 34-116, appropriates an additional sum of Twenty Million Four Hundred Two Thousand Seven Hundred Eighty-Seven Dollars ($20,402,787) for debt service and lease payments for John F. Kennedy, Okkodo Expansion, Tiyan high schools and GDOE Central Offices, inclusive of annual maintenance and insurance; and

WHEREAS, Public Law 34-116, Chapter II Part I, Section 2 directs the Department of Administration to deduct from within GDOE's Fiscal Year 2019 appropriations in proportion to the ratio of cash received, $6,088, per enrollee for Fiscal Year 2019, not to exceed 740 students for the Guahan Academy Charter School, 620 students for I'Learn Academy Charter School, and 350 students for the Science Is Fun and Awesome Academy Charter School, totaling $10,410,480; and

WHEREAS, Public Law 34-116, Chapter II Section 3 allocates $1,000,000 from within GDOE's Operations Fund appropriation for the procurement of an Owner's Agent Engineer (OAE), architectural and engineering (A & E) services, and other related services for the construction of a new Simon Sanchez High School pursuant to §58D105, Chapter 58D, 5 GCA for Fiscal Year 2019; and

WHEREAS, Public Law 34-116, Chapter II Section 5 allocates $524,913 from within GDOE's Fiscal Year 2019 appropriation from the Limited Gaming Fund pursuant to §5204(d)(3) of Chapter 5, 11 GCA relative to repairs, renovation, and construction of sports facilities; and

WHEREAS, Public Law 34-116, Chapter II Section 8 allocates $100,000 from within GDOE's Fiscal Year 2019 appropriation from the Territorial Educational Facilities Fund for transfer and deposit into the First Generation Trust Fund created under Article 2, Chapter 14, Division 3, 17 GCA; and

WHEREAS, Public Law 34-116, Chapter II Section 16 exempts GDOE from the Bureau of Budget and Management Research allotment release control (§1303, Article 3, Chapter 1, 5 GCA), and requires GDOE to transmit a drawdown schedule, detailed by fund, to the Director of Administration and the Speaker of *I Liheslaturan Guåhan*; and

WHEREAS, Public Law 34-116, Chapter XIII, as amended by Bill 339-34 and PL 34-119, mandates a number of spending control provisions to include: 1) a hiring freeze effective September 1, 2018 to December 31, 2018, except for the hiring of teachers, and positions vacated between September 1, 2018 to December 31, 2018 due to retirement, termination, resignation, or death; 2) a freeze on increments, promotions, reclassifications, merit bonuses, any other upward pay adjustments from October 1, 2018 to September 30, 2019; and 3) the suspension of certification pay differential under 4 GCA §§6235 Chapter 6 Article 2; and

WHEREAS, on September 9, 2018 Bill 339-34 was vetoed by the Governor asserting Bill 339-34 which sought to amend the hiring freeze provision as contained in PL 34-116:XIII:1 is inorganic and void *ab initio*; the inorganic hiring freeze provision has no legal effect and consequently, may be severed while the remaining provisions in PL 34-116 are given effect; and

WHEREAS, these spending control provisions meant to contain costs may also thwart the mandate to sustain certified teachers in the classrooms by adversely affecting recruitment and retention, already compounded by a shortage of teachers, and further prohibiting reclassifications for more than four dozen GDOE teachers who have or are currently pursuing higher education with the expectation that their positions will be reclassified and they can apply those credentials in the classrooms and curriculum; and

WHEREAS, these controls further prohibit $5.5M in projected personnel expenditures: $1,344,829 in increments, $701,040 teacher reclassifications, $1,252,311 in prior year BRIP and $2,218,508 Merit Bonus; and may impair the department's ability to maximize its human resources, and sustain employee morale; and

WHEREAS, Public Law 34-116 appropriates $114.7M (less charter schools) less than the $334.6M approved and requested by the GEB; represents $17.2M in reductions when compared to GDOE's FY18 appropriations ($237,221,257 excluding charter schools); and

WHEREAS, the GEB is concerned cash shortages in GDOE's Fiscal Year 2018 appropriations may potentially result in yet another cycle of carrying over outstanding vendor payments, impacting GDOE's Fiscal Year 2019 operations, and may compound vendor payables from prior year cash shortages in either GDOE's General Fund or TEFF appropriations; and

WHEREAS, while the GEB has determined GDOE's total projected and adjusted baseline cost in FY2019 continuing operations amounts to $238,280,402 or $18,321,941 more than the $219,958,461 appropriated (less Charter schools) to GDOE, Public Law 34-116 authorizes the Superintendent to transfer funds from GDOE appropriations within object classes, and also authorizes and encourages the Superintendent to implement a Cost Savings Plan; and

WHEREAS, under the FY2019 ($219,958,461) authorized funding level, regardless of the *in-organicity* of the hiring freeze, GDOE will have to make hard choices in which positions to fill which will affect classroom instruction, school operations, and abate progress in lifting the department from its high risk grant status; forego the purchase of SPED buses, the use of overtime to address emergency school facilities' needs and staff shortages, no expansion of the Pre-K Early Childhood Education program, curtail and reduce the scale and scope of critical school maintenance contracts; and

WHEREAS, the repeal (PL 34-113) of 2% sales tax, to begin October 1, 2018 under PL 34-87, eliminated a dedicated and new revenue (nearly $10M projected in FY2019) source to help fund

GDOE school maintenance and facilities repairs; GDOE will face challenges with its FY2019 funding level; and

WHEREAS, pursuant to 17 GCA §3112(17) the Guam Education Board continues to utilize the 14 points of the Every Child is Entitled to an Adequate Education Act as a basis for spending priorities; and has determine prioritization of operations and such spending be in the areas of curriculum, safety, and facilities;

NOW THEREFORE BE IT RESOLVED that pursuant to 17 GCA §3112(17) the Guam Education Board does hereby approve the spending priorities, in the amount of $219,958,461 (less Charter schools), as outlined below:

	MANDATE	AMOUNT
1	A certified teacher for every class in a ratio established by relevant collective bargaining agreements	110,968,029
2	Certified Professional Administrators	8,866,863
3	Certified Guidance Counselors	5,419,860
4	Certified School Health Counselors	3,134,402
5	Certified Allied Health Professionals	628,476
6	Air-conditioned or properly ventilated classrooms in which the sensible air temperature is no greater than 78° F	1,693,975
7	Potable water sufficient to provide each student a daily ration of drinking and washing water	3,401,081
8	A reliable supply of electricity	12,105,045
9	Proper sanitation to include flushable toilets, clean restrooms, clean dining areas, and classrooms	3,098,819
10	Adopted and required textbooks and workbooks issued to each public school student for the classes in which he/she is enrolled	1,500,000
11	Libraries, which meet the standards of the American Association of School Librarians, at each school, operated by certified librarians	3,914,118
12	A healthy, safe, sanitary learning environment	52,026,109
13	At least one hundred eighty (180) instructional days each school year with school years ending no later than thirty (30) days following the end of the calendared school year; and	12,947,331
*14	Regular; timely school bus transportation to and from the school	254,354
TOTAL		**219,958,461**
*Includes GDOE SPED bus drivers and excludes DPW Bus Operations.		

BE IT FURTHER RESOLVED that the Guam Education Board fully supports Public Law 28-45, Section 13 which states:

> "*I Liheslaturan Guåhan* shall annually appropriate from the General Fund or any other funds determined to be appropriate by *I Liheslaturan Guåhan* to the Guam Department of Education all amounts necessary to provide an adequate public educational system as required by Section 29(b) of the Organic Act, as amended, and to that end provide an adequate Public Education for all Public School students as those terms are defined in 1 GCA §715."

BE IT FURTHER RESOLVED, that the Guam Education Board hereby directs the Superintendent to utilize the approved spending priority in creating individual school and division budgets centered on curriculum, safety, and facilities for FY2019; and to exert transfer authority to

meet the needs of the department pursuant to Section 17 of the Public Law 34-116, Chapter II Part I; and

BE IT FURTHER RESOLVED, that the Superintendent is directed to prepare a supplemental budget request to ensure that schools and divisions have the necessary administrative authorities and financial resources to operate and to fully address the personnel needs of the department; and

BE IT FURTHER RESOLVED, that a copy of this Resolution be transmitted to the Honorable Interim Speaker Therese M. Terlaje, *I Mina' Trentai Kuåttro Na Liheslaturan Guåhan*, the Honorable Joe S. San Agustin, Chairman of the 34th Guam Legislative Committee on Education, Finance and Taxation, the Honorable Governor Edward Baza Calvo, *I Magá låhen Guåhan* and all schools and divisions.

DULY AND REGULARLY ADOPTED THIS 25th DAY OF SEPTEMBER, 2018.

MARK B. MENDIOLA
Chairman, Guam Education Board

JON J.P. FERNANDEZ
Executive Secretary