DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

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JON J. P. FERNANDEZ
Superintendent of Education

January 28, 2019

35GL-19-0076
Speaker Tina Rose Muna Barnes
RECEIVED
DATE: 1/29/19
9:01 AM

Honorable Tina Muna Barnes
Speaker
I Mina' Trentai Cinco Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, GU 96910

Dear Speaker Muna Barnes,

Hafa Adai! It is with pleasure that we transmit to you the Guam Department of Education (GDOE) Fiscal Year 2020 Budget Request in the amount of $343,958,925 as approved by the Guam Education Board (GEB) on January 25, 2019. You will find included with this letter, the delivery of the GEB adopted Resolution 2019-01, and a comparative summary of the GDOE Fiscal Year 2020 budget request.

The comprehensive budget documents in BBMR format are in the process of completion. We would like to formally request an extension of 10 business days to submit the completed and certified documents.

Further, **upon receipt** and under separate cover we will transmit to you the Guam Academy School Council's (GASC) Fiscal Year 2020 budget request for charter schools. The Guam Academy Charter Schools Act of 2009 does not provide GEB authority to amend or adjust charter school budgets; and accordingly, charter school funding is not included in the department's $343 million Fiscal Year 2020 request.

We look forward to working with you and the Thirty-Fifth Guam Legislature in completing the Fiscal Year 2020 budgetary process to ensure the department receives adequate resources. We are confident that the Legislature and Executive branch recognize and appreciate the ultimate goal of this budget request, which is to provide our island's children a safe and healthy school environment with the proper learning tools for success in life.

Senseramente,

JON J.P. FERNANDEZ

Attachments

Cc: Chairman and Members, GEB
Vice Speaker and Chair, Committee on Education, Air Transportation & Statistics, Research, & Planning
Chair, General Government Operations, Appropriation and Housing

0076

GUAM EDUCATION BOARD
RESOLUTION NUMBER 2019-01

Introduced by: Guam Education Board Members

RELATIVE TO FISCAL YEAR 2020 ANNUAL BUDGET REQUEST FOR THE GUAM DEPARTMENT OF EDUCATION

WHEREAS, pursuant to Section 3121 of Title 17 of the Guam Code Annotated, the Guam Education Board (GEB) is responsible for approving an annual budget by resolution; and

WHEREAS, on September 19, 2018 the Superintendent issued the FY2020 Budget Call to School Administrators and Division Heads, requesting their budget submissions adequately meet the goals of the 'Every Child is Entitled to an Adequate Education Public Education Act,' be student centered, and based on achieving the goals established by the GDOE State Strategic Plan; and

WHEREAS, in compliance with 11 GCA §52101(a), public hearings were held from October 1 through October 31, 2018 to afford stakeholders the opportunity to participate and provide input to the FY2020 budget process; and

WHEREAS, public comment and participation were additionally solicited and received from students, parents, staff, the community and general public at large through electronic on-line and hard copy surveys; and

WHEREAS, School Administrators and Division Heads submitted and presented their FY2019 Budget requests to the Superintendent from December 17 through 21, 2018; and GEB work sessions were conducted on January 10 and 11, 2019; and

WHEREAS, the GEB has determined an aggregate of Three Hundred Forty-Three Nine Hundred Fifty-Eight Thousand Nine Hundred Twenty Five dollars, **$343,958,925** for FY2020 operations, excluding funding for Charter Schools, is adequate to meet the goals of the 'Every Child is Entitled to an Adequate Education Public Education Act,' which falls within the statutory responsibility of the Department of Education; and

WHEREAS, this aggregate reflects needed personnel and operations for FY2020 and may be categorized in the following five operational areas: $180,823,643 to provide for curriculum and

instruction in 41 schools; $64,158,499 to address student supervision and safety; $54,315,380 to maintain and operate school facilities; $19,432,563 for administrative and central office operations; and $25,228,840 to ensure compliance with mandates, GEB policies, the Collective Bargaining Agreement, and Public Laws; and

WHEREAS, GEB requires specific funding for any new initiatives and $655,245 ($76,110 in additional personnel and $579,135 to retrofit, supply and equip 5 additional classrooms) is included to expand the Early Childhood Education Pre-Kindergarten Program to five (Agana Heights, Inarajan, Daniel L. Perez, Maria Ulloa, and P.C. Lujan elementary schools) additional schools beginning in August 2020 (School Year 2020-2021); and

WHEREAS, lengthening of the school day, as well as, increases in employee salaries has impacted GDOE's Headstart and Special Education programs, requiring 80 new school aides or $2,751,897 and 5 Head Start aides or $195,253 to provide required services to our current number of special education and headstart students; and similarly, GDOE's required level of effort for its U.S. Department of Education Consolidated Grant is $3,875,097 and therefore these funding requirements are included in GDOE's FY2020 request; and

WHEREAS, while GDOE operates six schools (Liguan and Adacao Elementary, Astumbo Middle, John F. Kennedy (JFKHS), Okkodo (OHS), and Tiyan High (THS) schools) and its central offices under lease back/lease to purchase agreements, more commonly referred to as GEFF, GEFFII, CapFa, and Coretech, and wherein the GEB asserts FY2020 funding for these agreements may be construed as debt service and as such, should continue to be appropriated outside of GDOE's FY2020 operating budget; and

WHEREAS, the anticipated FY2020 costs of JFKHS and the OHS Expansion additional rents, maintenance and insurance represent operating expenditures relative to GDOE's occupancy of the facilities, $1,650,000 for OHS Expansion and $2,306,659 for JFKHS are included in GDOE's FY2020 request; and

WHEREAS, the GEB continues to be concerned about the residual impacts of cumulative cash shortfalls: FY18 $14.1M cash shortfall in GDOE appropriations exceeded the $12.3M reduction under the Fiscal Year Realignment Plan, prior cash shortfalls in FY17 $2M, FY16 $5.1M, FY15 $3.1M, FY14 $4.7M, from GDOE's appropriations; and how yet another cycle of outstanding vendor payments carryovers will impede GDOE's current FY19 operations; and

WHEREAS, following the veto of Bill No. 374-34 to redress authority to increase tax assessments on real property land improvements valued at $1M or more, the Bureau of Budget Management and Research has advised reductions, from $13,697,610 to $8,929,033, in GDOE's FY2019 Territorial Education Facilities Fund appropriations; this $4,768,577 reduction represents the

cost (excluding personnel) of operating GDOE schools for nearly one quarter of a school year, directly impacting school operations; and

WHEREAS, under the Guam Academy Charter Schools Act of 2009, the GEB is statutorily required to transmit to the *I'Liheslaturan Guahan* the annual budget request for charter schools, which have yet to be received by the Superintendent from the Guam Academy Charter School Council (GACSC); and

WHEREAS, the Guam Academy Charter Schools Act of 2009 does not provide the GEB authority to amend or adjust the charter school budgets but rather directs that we transmit them to *I'Liheslaturan Guahan*; and

WHEREAS, notwithstanding charter schools operate separate and apart from the Guam Department of Education and do not fall under the purview of the GEB, the GEB asserts the need for reconsideration of the existing funding mechanisms for charter school local appropriations may be warranted to forthwith be separate and apart from the GDOE budget as since 2014 such funding mechanisms has negatively impacted and reduced funds available for GDOE students; and

WHEREAS, in light of any residual and projected revenue losses resulting from the Tax Cuts and Jobs Act of 2017 and any consequent budgetary FY2019 reductions in GDOE's appropriations, as well as, any needed reductions and revisions to GDOE's FY2020 Budget request, the GEB believes it would be prudent to also consider a moratorium on local appropriations and increases in appropriations for existing, as well as, newly chartered charter schools; and that any reductions to the GDOE's annual budgets and related cash allotments be applied and apportioned to charter school budgets;

NOW THEREFORE BE IT RESOLVED, the Guam Education Board does hereby adopt and transmit the Department of Education FY2020 Annual Budget Request for review by *I Mina' Trentai Cinco Na Liheslaturan Guåhan;* and

BE IT FURTHER RESOLVED, that pursuant to Section 3121 of Title 17 of the Guam Code Annotated, the Guam Education Board does hereby approve the FY2020 budget request, to include special appropriations, as outlined:

	MANDATE	AMOUNT
1	A certified teacher for every class in a ratio established by relevant collective bargaining agreements	**142,323,573**
2	Certified Professional Administrators	**10,966,802**
3	Certified Guidance Counselors	**6,523,064**
4	Certified School Health Counselors	**3,875,449**
5	Certified Allied Health Professionals	**1,320,428**

	MANDATE	AMOUNT
6	Air-conditioned or properly ventilated classrooms in which the sensible air temperature is no greater than 78° F	**5,398,811**
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	**14,109,988**
9	Proper sanitation to include flushable toilets, clean restrooms, clean dining areas, and classrooms	**3,162,973**
10	Adopted and required textbooks and workbooks issued to each public school student for the classes in which he/she is enrolled	**17,216,156**
11	Libraries, which meet the standards of the American Association of School Librarians, at each school, operated by certified librarians	**4,759,886**
12	A healthy, safe, sanitary learning environment	**106,714,925**
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	**23,884,533**
14	Regular; timely school bus transportation to and from the school	**301,256**
TOTAL		**343,958,925**

BE IT FURTHER RESOLVED, the Guam Education Board urges the Thirty Fifth Guam Legislature to fund the expansion of the Early Childhood Education Pre-Kindergarten Program to five additional schools in FY2020;

BE IT FURTHER RESOLVED, the Guam Education Board requests annual repayments for GDOE schools and facilities under the GEFF, GEFFII, CapFa, and Coretech-Tiyan financing instruments by the Government of Guam be adequately funded and continue to be appropriated outside of GDOE's FY2020 operating budget;

BE IT FURTHER RESOLVED, pursuant to and in compliance with Section 26116(b) of Title 17 of the Guam Code Annotated (the Guam Academy Charter Schools Act of 2009) and notwithstanding charter schools operate separate and apart from the Guam Department of Education and neither fall under the purview nor the authority of the GEB, accordingly, the GEB does not endorse nor approve the charter school budgets but shall upon receipt, shall be transmitting these budgets as mandated by law by separate cover for review by *I Mina'Trentai Cinco Na Liheslaturan Guåhan*;

BE IT FURTHER RESOLVED, the Guam Education Board requests consideration that annual budgets for charter schools be appropriated separate and apart from GDOE's annual budgets and that any budgetary reductions of local appropriations and related cash allotments, be shared and apportioned by charter schools who receive such local appropriations;

BE IT FURTHER RESOLVED, that a copy of this Resolution be transmitted to the Honorable Speaker Tina Muna Barnes, *I Mina' Trentai Cinco Na Liheslaturan Guåhan*, the Honorable Joe S. San Agustin, Chairman of the Thirty-Fifth Guam Legislative Committee on Appropriations, the Honorable Telena Nelson, Chairwoman of the Thirty-Fifth Guam Legislative Committee on Education, the Honorable Governor Lou Leon Guerrero, *I Magá håga Guåhan* and all schools.

DULY AND REGULARLY ADOPTED THIS 25th DAY OF JANUARY, 2019.

MARK MENDIOLA, Chairman
Guam Education Board

JON J.F. FERNANDEZ
Executive Secretary

Guam Department of Education
FY2018, FY2019 GEB APPROVED, APPROPRIATIONS, FY2020 PROPOSED BUDGET COMPARISON

NO.	Appropriation Classification	A FY 2018 GEB APPROVED BUDGET	B FY2018 GDOE Total Appropriation Pursuant to PL 34-42	C VARIANCE BETWEEN FY2018 GEB-APPROVED BUDGET AND PL 34-42	D FY 2019 GEB APPROVED BUDGET	E FY2019 GDOE Total Appropriation Pursuant to PL 34--116	F VARIANCE BETWEEN PL 34-116 AND FY2019 GEB-APPROVED BUDGET	G FY 2020 PROPOSED BUDGET	H VARIANCE BETWEEN FY2020 PROPOSED & FY2019 GEB APPROVED BUDGET	I VARIANCE BETWEEN FY2020 PROPOSED & FY2019 APPROPRIATIONS Pursuant to PL 34-116
				B-A			E - D		G - D	G - E
1	PERSONNEL SERVICES									
2	Regular Salaries/Increments/Personnel/Merit Bonus	149,108,511	140,632,669	(8,475,842)	152,798,175	135,020,651	(17,777,524)	153,855,408	1,057,233	18,834,757
3	Reclassification	784,588	593,913	(190,675)	701,040	-	(701,040)	759,838	58,798	759,838
4	Teacher's Prep Pay	117,741	117,741	-	113,561	50,000	(63,561)	100,853	(12,708)	50,853
5	Overtime/Special Pay - Certified Bonus (4GCA CH 6 §6235)	321,444	101,057	(220,387)	1,479,762	-	(1,479,762)	1,263,802	(215,960)	1,263,802
6	Substitute (Inclusive of Benefits)	4,237,379	2,457,031	(1,780,348)	3,379,442	1,859,989	(1,519,453)	3,476,113	96,671	1,616,124
7	Benefits	57,773,795	52,800,791	(4,973,004)	60,310,727	46,538,710	(13,772,017)	60,227,895	(82,832)	13,689,185
8	Consolidated Grant Level of Effort	6,241,652	-	(6,241,652)	3,733,696	-	(3,733,696)	3,697,017	(36,679)	3,697,017
9	FY18 & FY19 - Variance between staffing and (PL 34-42, 34-116) operations funding level	-	(17,413,031)	(17,413,031)	-	(18,321,941)	(18,321,941)	-	-	18,321,941
10	TOTAL PERSONNEL SERVICES	218,585,110	179,290,171	(39,294,939)	222,516,403	165,147,409	(57,368,994)	223,380,926	864,523	58,233,517
11	OPERATIONS									
12	Travel	40,000	17,000	(23,000)	42,500	18,500	(24,000)	31,500	(11,000)	13,000
13	Contractual MISC. APPROPRIATION - JFKHS FY19 $2,306,659 OHS FY19 $1,650,000	45,436,464	35,210,272	(10,226,192)	53,020,269	33,672,639	(19,347,630)	48,522,145	(4,498,124)	14,849,506
14	Supplies & Materials	6,407,749	3,186,514	(3,221,235)	5,804,097	2,809,500	(2,994,597)	5,027,528	(776,569)	2,218,028
15	Equipment	23,983,310	2,578,342	(21,404,968)	26,054,490	2,513,236	(23,541,254)	28,706,686	2,652,196	26,193,450
16	Workers Compensation	27,000	-	(27,000)	27,000	-	(27,000)	27,000	-	27,000
17	Drug Testing	1,000	2,000	1,000	1,000	2,000	1,000	1,000	-	(1,000)
18	Miscellaneous (First Generation Trust)	2,214,357	100,000	(2,114,357)	100,000	100,000	-	100,000	-	-
19	TOTAL OPERATIONS	78,109,880	41,094,128	(37,015,752)	85,049,356	39,115,875	(45,933,481)	82,415,859	(2,633,497)	43,299,984
20	UTILITIES									
21	Power	12,235,748	12,235,748	-	12,831,626	11,548,463	(1,283,163)	13,411,189	579,563	1,862,726
22	Water/Sewer	2,980,685	2,980,685	-	3,401,081	3,401,081	-	3,401,081	-	-
23	Telephone/Toll	260,707	260,707	-	220,720	220,720	-	217,157	(3,563)	(3,563)
24	TOTAL UTILITIES	15,477,140	15,477,140	-	16,453,427	15,170,264	(1,283,163)	17,029,427	576,000	1,859,163
25	CAPITAL OUTLAY									
	FACILITY INVESTMENTS:									
26	Capital Improvement Projects to address Health & Safety at 35 school sites	9,847,500	-	(9,847,500)	8,800,000	-	(8,800,000)	20,094,300	11,294,300	20,094,300
27	MISCELLANEOUS CAPITAL OUTLAY (Early Childhood Education Expansion)	1,273,500	751,300	(522,200)	1,236,300	-	(1,236,300)	513,500	(722,800)	513,500
28	Sports Facility Fund (Limited Gaming)	633,936	608,518	(25,418)	633,936	524,913	(109,023)	524,913	(109,023)	-
29	TOTAL CAPITAL OUTLAY	11,754,936	1,359,818	(10,395,118)	10,670,236	524,913	(10,145,323)	21,132,713	10,462,477	20,607,800
30	GDOE - TOTAL APPROPRIATIONS	323,927,066	237,221,257	(86,705,809)	334,689,422	219,958,461	(114,730,961)	343,958,925	9,269,503	124,000,464
31	Charter Schools	8,060,000	8,060,000	-	8,060,000	10,410,480	2,350,480	10,410,480	2,350,480	-
32	TOTAL APPROPRIATIONS	331,987,066	245,281,257	(86,705,809)	342,749,422	230,368,941	(112,380,481)	354,369,405	11,619,983	124,000,464
33	FULL TIME EQUIVALENCIES (FTE'S)									
34	UNCLASSIFIED	5	5	-	5	5	-	5	-	-
35	CLASSIFIED	3,255	3,024	(231)	3,306	2,948	(358)	3,318	12	370
36	TOTAL FTE'S	3,260	3,029	(231)	3,311	2,953	(358)	3,323	12	370