# DEPARTMENT OF EDUCATION
## OFFICE OF THE SUPERINTENDENT

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**JON J. P. FERNANDEZ**
Superintendent of Education


October 1, 2019

The Honorable Lou A. Leon Guerrero
Governor of Guam
513 West Marine Corps Drive
Ricardo J. Bordallo Complex
Hagåtña, Guam 96910

35GL-19-1065
Speaker Tina Rose Muña Barnes

OCT - 2 2019
Time 9:26 (AM) ( )PM
Received By:

Honorable Tina Muña Barnes
Speaker
Thirty-Fifth Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Honorable Joe S. San Agustin
Chairman
Committee on General Government Operations, Appropriations, and Housing
Thirty-Fifth Guam Legislature
Ran Care Bldg., CBU 203
761 S. Marine Corps Drive
Tamuning, Guam 96931

Honorable Telena C. Nelson
Vice-Speaker and Chair
Committee on Education, Air Transportation, and Statistics, Research, and Planning
Thirty-Fifth Guam Legislature
173 Aspinall Avenue,
Suite 202A Ada Plaza Center
Hagatna, Guam 96910

2019 OCT -2 AM 10:27

Re: GEB Resolution 2019-17 – Relative to Adopting the Spending Priorities and Cost Cutting Measures for the Guam Department of Education For Fiscal Year 2020

Dear Governor Leon Guerrero, Speaker Barnes, Senator San Agustin, and Senator Nelson:

*Håfa Adai!* I am transmitting the attached Guam Education Board (GEB) Resolution 2019-17 as approved by the board in the GEB September special meeting conducted on September 27, 2019.

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

Senseramente,

JON J. P. FERNANDEZ

Attachments

cc: GEB Members
Deputy Supt., FAS

1065

**GUAM EDUCATION BOARD**
**RESOLUTION NUMBER 2019-17**

Introduced by: Guam Education Board Members

**RELATIVE TO ADOPTING THE SPENDING PRIORITIES AND COST CUTTING MEASURES FOR THE GUAM DEPARTMENT OF EDUCATION FOR FISCAL YEAR 2020**

**WHEREAS**, the Guam Education Board used the Every Child is Entitled to an Adequate Education Act to form the basis of the FY 2020 budget; and on January 25, 2019 the Guam Education Board (GEB) approved and adopted the Guam Department of Education (GDOE) FY2020 budget request (Resolution 2019-01) in the amount of $343,958,925 and transmitted the budget to *I Mina' Trentai Cinco Na Liheslaturan Guåhan;* and

**WHEREAS**, Bill 186-35 (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, 2020, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS; was signed into law on September 4, 2019 as Public Law 35-36; and

**WHEREAS**, Public Law 35-36 the FY2020 Budget Act appropriates the sum of Two Hundred Twenty-One Million Six Hundred Seventy-Four Thousand Eighty-Nine Dollars ($221,674,089) to GDOE operations for FY 2020, and an additional sum of Twenty Million Four Hundred Two Thousand Four Hundred Thirty-Seven Dollars ($20,402,437) 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 35-36 appropriates $122M less than the $344M approved and requested by the GDOE; and with GDOE's $258,462,671 projected and adjusted baseline costs for FY2020 continuing operations, the appropriation is $36,788,582 less than what the GEB has determined is needed to operate at current levels; and

**WHEREAS,** the GEB is concerned cash shortages in GDOE's FY 2019 appropriations ($2.4M estimated in Territorial Education Facilities appropriations) will result in yet another cycle of carrying over outstanding vendor payments, impacting GDOE's FY 2020 operations, and further compound vendor payables from prior year cash shortages; and

**WHEREAS,** Public Law 35-36, Chapter XII §32 mandates the reinstatement of employee increments prescribing employees who received an increment recommendation during FY 2019 be entitled to the increment beginning October 1, 2019, and that such payments shall be made as funds become available; and the impact of restarting affected employees' salaries on October 1, 2019, accounts for a significant portion of GDOE's estimated FY2020 $258M baseline operations funding needs; and

**WHEREAS**, Public Law 35-36, Chapter II Part I, §2 allocates $500,000 from within GDOE's FY2020 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 FY 2019 and mandates unexpended balances of FY2018 and 2019 General Fund appropriations shall be continuous and available for the Simon Sanchez project; these authorized funding amounts totaling

approximately $2.9 million, however, are less than the estimated costs of approximately $3 to $6 million for architectural and engineering services needed for the project to proceed forward; and

**WHEREAS,** while Public Law 35-36, Chapter II §4 allocates $558,692 from within GDOE's FY 2020 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 Chapter XI §12 under Miscellaneous Appropriations appropriates $885,000 from the General Fund to GDOE for capital improvement projects at public schools, totaling $1,443,692, the GEB has determined by prioritizing those repairs and projects that generate such cost savings as utility consumption, reduce personnel, and other (equipment, supplies, contractual services) costs will mitigate the projected FY2020 shortfall; and

**WHEREAS,** Public Law 35-36, Chapter II Sections 5(a) and (5(b) appropriates $884,852 from the Healthy Futures Fund allocating $607,263 for Interscholastic Sports and $277,589 for Health and Physical Education Activities which is $1,198,974 less than the $1,498,850 GDOE had requested respectively, for both programs; the FY2020 $884,852 allotment is a reduction of $6,902 from GDOE's FY2019 $891,754 authorized funding levels and will require a scaling back of activities; and

**WHEREAS,** Public Law 35-36, Chapter II §6 appropriates $50,000 from the TEFF to GDOE to obtain and provide Alternative Dispute Resolution/Mediation Services to all public schools, and §17 allocates $393,545 from within GDOE's TEFF Operations Fund appropriation for school grounds maintenance, essentially establishes new programs and mandates; and

**WHEREAS,** Public Law 35-36, Chapter II §15 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 §16 provides to the Superintendent budgetary transfer authority in appropriations made to GDOE; and

**WHEREAS,** the GEB recognizes the urgency to address the projected $35M shortfall based on the FY2020 ($221,674,089) authorized funding level will require immediate austerity measures and budgetary cuts including: a hiring freeze, freezing detailed appointments and use of overtime; scaling back and reducing the costs of locally funded programs/activities, reducing the scale and scope and essential contracts and services; a cross-leveling of all staffing to reduce personnel; re-consideration of school bell schedules to realize cost savings; maximizing and re-programming federal funding to supplement the needs of students, teachers and classroom instruction to alleviate local cash pressures; requesting the Governor to earmark both local and federal funding under her authority for GDOE operational offsets, wherever applicable; and requesting the Legislature for a supplemental to GDOE appropriations; and

**WHEREAS,** under the FY2020 ($221,674,089) authorized funding level, regardless of any austerity and cost containment measures taken, GDOE will have to make hard choices affecting classroom instruction, school operations, abating the 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; and

**WHEREAS,** employing alternative energy systems, such as solar energy, may potentially generate cost savings in utility costs which can be utilized to offset GDOE budgetary shortfalls; and Bill 195-35 in proposing to give GDOE the authority to enter into power purchase agreements (PPA) to purchase solar energy from qualified providers(s) will allow GDOE to pursue and accomplish such cost savings; 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 determined prioritization of operations and such spending shall 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 $221,674,089, as outlined below:

| | MANDATE | AMOUNT |
|---|---|---|
| 1 | A certified teacher for every class in a ratio established by relevant collective bargaining agreements | 107,750,521 |
| 2 | Certified Professional Administrators | 8,254,355 |
| 3 | Certified Guidance Counselors | 4,895,073 |
| 4 | Certified School Health Counselors | 2,908,893 |
| 5 | Certified Allied Health Professionals | 739,215 |
| 6 | Air-conditioned or properly ventilated classrooms in which the sensible air temperature is no greater than 78° F | 5,245,833 |
| 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 | 13,886,479 |
| 9 | Proper sanitation to include flushable toilets, clean restrooms, clean dining areas, and classrooms | 3,063,484 |
| *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 | 3,709,345 |
| 12 | A healthy, safe, sanitary learning environment | 53,731,136 |
| 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 | 12,100,912 |
| **14 | Regular; timely school bus transportation to and from the school | 487,762 |
| | **TOTAL** | **221,674,089** |
| *Includes private and charter schools.<br>**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, §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 §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 FY2020; and to exert transfer authority to meet and prioritize the funding needs of GDOE's school operations to adequately provide 180 days of instruction or its equivalent during the school year pursuant to §16 of the Public Law 35-36, Chapter II Part I; and

**BE IT FURTHER RESOLVED,** the GEB hereby authorizes the Superintendent to implement austerity measures to reduce and contain costs of GDOE locally funded programs, activities, and operations, including a hiring freeze on locally funded positions if determined to be necessary;

**BE IT FURTHER RESOLVED,** acknowledging the $2.9 million in funding earmarked for the Simon Sanchez High School project will require additional funding, the GEB hereby authorizes the Superintendent to identify up to $1.1 million for the Simon Sanchez High School project within GDOE's FY2020 appropriations, recognizing the urgent need to proceed forward with the project will result in even harder budgetary decisions;

**BE IT FURTHER RESOLVED,** the GEB supports and urges the passage of Bill 211-35 appropriating an additional $3,700,000 for the construction and renovation of Simon Sanchez High School;

**BE IT FURTHER RESOLVED,** the GEB supports and urges the passage of Bill 196-35 relative to authorizing GDOE to enter into power purchase agreements to purchase solar energy from qualified bidders and that any cost savings generated be utilized for GDOE operations and facilities; and

**BE IT FURTHER RESOLVED,** the GEB hereby authorizes the Superintendent to utilize any savings resulting from the potential decision by the U.S. Department of Education to remove or amend the special condition requiring a third-party fiduciary agent be utilized to support GDOE's plans to absorb the TPFA's functions and responsibilities internally, including the hiring of additional staff within the central office;

**BE IT FURTHER RESOLVED,** the GEB directs GDOE's $1.4M in appropriations for sports facility and capital improvement projects shall be prioritized to fund such projects that will yield operational cost savings to offset shortfalls in GDOE's FY 2020 appropriations;

**BE IT FURTHER RESOLVED,** the GEB will begin preparing a supplemental budget request to ensure that schools and divisions have the necessary resources to fully address GDOE school operations and classroom instruction and to further ensure that any available funds resulting from excess funds in the Rainy Day Fund, higher revenue collections, or new, unanticipated revenues be prioritized for GDOE based on the needs set forth above;

**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, Vice-Speaker and Chairwoman Thirty-Fifth Guam Legislative Committee on Education, the Honorable Governor Lou Leon Guerrero, *I Magá håga Guåhan* and all schools and divisions.

**DULY AND REGULARLY ADOPTED THIS 27th DAY OF SEPTEMBER, 2019.**

**MARK B. MENDIOLA**
**Chairman, Guam Education Board**

**JON J.P. FERNANDEZ**
**Executive Secretary**