## *I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN* 2011 (FIRST) Regular Session

Bill No. 257-31 (COR)

As substituted by the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land, and further substituted on the Floor.

Introduced by:

Dennis G. Rodriguez, Jr.

2011 NºG -3 FIL 12:1

AN ACT TO APPROPRIATE FUNDS FOR THE **OPERATIONS OF THE GUAM DEPARTMENT OF EDUCATION** FISCAL YEAR FOR ENDING SEPTEMBER 30, 2012, AND TO PROVIDE FOR THE **OPENING** OF ALL EFFICIENT SCHOOLS. **INCLUDING F.O. SANCHEZ ELEMENTARY SCHOOL, FINANCING** BY PROVIDING FOR WORKING CAPITAL **EXPENDITURES** FOR THE 2011-2012 SCHOOL YEAR; AND FOR OTHER PURPOSES.

## **BE IT ENACTED BY THE PEOPLE OF GUAM:**

Section 1. Short Title. This Act *shall* be known as the "Guam Department of Education Appropriations Act for Fiscal Year 2012 (School Year 2011-2012)." *Except* as otherwise provided by this Act, the appropriations made by this Act *shall* be available to pay for obligations incurred on or after October 1, 2011, but *no later than* September 30, 2012. If any appropriation in this Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

8 Section 2 Legislative Findings and Intent. The Fiscal Year 2012 9 budget for the GDOE in this Act represents a status quo budget with the exception 10 of organic payroll growth and an increase in appropriations for utilities. Therefore,

it is the finding of *I Liheslaturan Guåhan* that the GDOE has adequate funding in 1 2 Fiscal Year 2012 to provide a safe and conducive learning environment at all 3 public schools, including F.Q. Sanchez Elementary School.

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Since the FY 2011 authorized operational level includes the fully funding of 5 F.O. Sanchez Elementary School, I Liheslaturan Guåhan finds that presenting the 6 FY 2012 GDOE budget, with appropriation levels consistent with that of FY 2011 7 authorized levels inclusive of the estimated organic growth in personnel and utility 8 costs, is the most fiscally responsible approach to adopt.

9 I Liheslaturan Guåhan finds that the Fiscal Year 2012 revenue projections submitted by I Maga'lahen Guåhan in the Biennial Budget for Fiscal Years 2012-10 11 2013 are sufficient to provide the necessary funding to the GDOE as outlined in 12 this Act. For Fiscal Year 2012, the General Fund and Special Fund revenue projections are Six Hundred Eighty-One Million Seven Hundred Seven Thousand 13 14 Three Hundred Ninety-Six Dollars (\$681,707,396). The GDOE required appropriations for Fiscal Year 2012 represent thirty-one and six tenths percent 15 (31.6%) of projected revenues. In Fiscal Year 2011, GDOE appropriations 16 17 represent thirty percent (30%) of projected revenues.

The increase in support to the GDOE represents I Liheslaturan Guåhan's 18 19 priority toward education.

20 I Liheslaturan Guåhan finds that there is a need to address the educational 21 needs of the students of Guam system-wide, and at the same time provide an opportunity for the communities to reflect their commitment to their schools. 22

23 I Liheslaturan Guåhan finds that there is strong community support by 24 southern residents of *Umatac*, who have repeatedly stated their strong support for 25 the continuing operation of the historically significant F.O. Sanchez Elementary 26 School in Umatac.

1 It is, further, the intent of *I Liheslaturan Guåhan* to ensure that the Guam 2 Department of Education (GDOE) continues to have the requisite resources 3 necessary for the proper education of the students, consistent with the intent and 4 mandates of this Act.

5 I Liheslaturan Guåhan also takes due note that the basis for the closure of 6 F.Q. Sanchez Elementary School was premised upon the 2009 Evergreen Report 7 recommendations, which stated that the closure would save the GDOE the sum of 8 One Hundred Fifty-Seven Thousand Dollars (\$157,000). After legislative review 9 by the sponsor of Bill 257-31 of the GDOE FY 2012 budget submission, it appears 10 that at most the only possible savings the Department will realize with the closure 11 of F.Q. Sanchez Elementary School is approximately One Hundred Thousand Dollars (\$100,000). This calculation, however, does not take into consideration the 12 13 additional financial expenses the Department will incur to preserve and maintain This calculation also does not take into 14 an abandoned school facility. 15 consideration the additional expenses in busing requirements to transport students 16 from Umatac to Merizo Elementary School or Marcial Sablan Elementary School, 17 as well as the additional costs to parents for the purchase of new school uniforms.

*I Liheslaturan Guåhan* finds that F.Q. Sanchez Elementary School is fully funded through September 30, 2011 in accordance with Public Law 30-196, as amended by Public Laws 30-224 and 31-74. As such, *I Liheslaturan Guåhan* finds that addressing an individual school's budget through FY 2012 would *not* be fiscally prudent and responsible without addressing the school system budget in its entirety.

Section 3. Appropriation. Pursuant to §§52101 and 52102 of Chapter 52,
Division 2 of Title 11, Guam Code Annotated, the amounts specified in the
Summary of Base Operational Appropriation in this Section are appropriated out of
the General Fund, Special Funds, and Federal Matching Grants-in-Aid as specified

in the Summary of Base Operational Appropriation Funding Source to the GDOE
Operations Fund for Fiscal Year 2012. This appropriation *shall* be expended in
accordance with the cash disbursement schedules required by §52101(b), and in
accordance with the program, department or divisional object class allocations
outlined below:

6 SUMMARY OF BASE OPERATIONAL APPROPRIATION

7	APPROP. CLASS	OBJ. CL	ASS GEN FU	ND SPCL FU	ND TOTAL
8	REG SALARIES	111	\$121,330,804	\$2,280,862	\$123,611,666
9	OT/SP	112	\$0	\$0	\$0
10	BENEFITS	113	\$37,703,856	\$660,195	\$38,364,051
11	TRAVEL/MILE	220	\$0	\$0	\$0
12	CONT. SERV.	230	\$7,332,437	\$11,073,956	\$18,406,393
13	OFF. RENTAL	233	\$0	\$0	\$0
14	SUP. & MAT.	240	\$1,454,000	\$1,095,091	\$2,549,091
15	EQUIPMENT	250	\$0	\$652,440	\$652,440
16	WORK. COMP.	270	\$100,000	\$0	\$100,000
17	DRUG TEST	271	\$0	\$0	\$0
18	SUBGRANT	280	\$0	\$0	\$0
19	MISC	290	\$1,250,395	\$0	\$1,250,395
20	POWER	361	\$0	\$13,641,896	\$13,641,896
21	WATER/SEWER	362	\$0	\$1,804,089	\$1,804,089
22	PHONE/TOLL	363	\$361,561	\$0	\$361,561
23	CAP. OUTLAY	450	\$0	\$227,324	\$227,324
24	GRAND TOTAL		\$169,533,053	\$31,435,853	\$200,968,906
25	School Lunch Prog	ram-Feder	al Sources \$10,0	069,218 (230-\$1	10,069,218)

1 School Lunch Program Cash Collection \$1,095,091 (240-\$1,095,091) 2 Public Library Resources Fund \$652,440 (240-\$652,440) 3 Territorial Educational Facilities Fund \$19,619,104 (111-\$2,280,862; 113-361-\$13,641,896; 362-\$1,804,089; 4 \$660.195: 230-\$1,004,738; 450-5 \$227,324) BASE OPERATIONAL APPROPRIATION 6 SUMMARY OF FUNDING SOURCE 7 8 **GENERAL FUND** \$169,533,053 9 FEDERAL MATCHING GRANTS-IN-AID \$0 10 SPECIAL FUNDS \$31,435,853 11 TOTAL \$200,968,906 12 Section 4. Increments and Promotions. The amount below in this 13 Section is appropriated from the General Fund to Object Category 111 to the 14 GDOE and *shall* be used to fund all increments and reclassifications in Fiscal Year 15 2012 for eligible classified employees funded within this Section for satisfactory performance pursuant to §6202, Chapter 6 of Title 4, Guam Code Annotated. 16 17 **INCREMENTS AND PROMOTIONS** 111 Total \$1,094,173 18 111 Total \$987,540 RECLASSIFICATIONS 19 Section 5. The sum of Three Hundred Eighty One Thousand One Hundred Twenty Dollars (\$381,120) is appropriated from the General Fund to the Chamoru 20 21 Studies Division administered by the GDOE to be expended for personnel salaries 22 and benefits, contractual services, supplies and materials, and equipment for the support and the implementation of the Content Standards and Performance 23 Indicators of the course syllabi for the emphasis of fluency and for the promotion 24

of the proficiency skills in the areas of listening, speaking, reading, and writing in
the *Chamoru* language.

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**Section 6. GDOE Miscellaneous Funding.** The following amounts reflect non-base operational funding appropriated to the GDOE:

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3 Interscholastic Sports Fund. (1) The sum of Six Hundred (a) Twelve Thousand Dollars (\$612,000) is appropriated from the Healthy 4 5 Futures Fund to the Interscholastic Sports Fund administered by the GDOE to be expended pursuant to §7108, Title 17, Guam Code Annotated. 6 7 Appropriations made herein *shall* be available to fund the outrigger canoe, 8 rugby, and other sports programs, to include the payment of head coaches, 9 assistant coaches, league fees, and other expenses normally associated with interscholastic sports programs. (2) The sum of Ninety Two Thousand 10 11 Dollars (\$92,000) shall be allocated from the appropriation in Section 6(a)(1) specifically for busing services for interscholastic sports programs. 12

(b) Health and Physical Education Activities. The sum of Two
Hundred Seventy Nine Thousand Seven Hundred Fifty Four Dollars
(\$279,754) is appropriated from the Healthy Futures Fund to the GDOE for
Health and Physical Education programs, intramural sports, and similar
activities.

18 Section 7. JROTC Funds. The GDOE is hereby authorized to expend 19 funds from the JROTC Fund for the sole purpose of expenditures related to the 20 operations for the JROTC program.

Section 8. Support to Eliminate "High-Risk" Status. The sum of Two Hundred Fifty Thousand Dollars (\$250,000) is appropriated from the Indirect Cost Fund (ICF) to the GDOE for the sole purpose of removing the GDOE from "high risk" grant status. The funds *shall* be expended in accordance to a statement of *pro forma* expenditures submitted, in writing, by the Deputy Superintendent of Administration and Finance of GDOE to the Speaker of *I Liheslaturan Guåhan*. The statement of *pro forma* expenditures *shall only* include expenditures related to
 this Section.

Summer School. From the Summer School Fund established 3 Section 9. pursuant to §6119 of Article 1 of Chapter 6 of Division 2 of Title 17, Guam Code 4 5 Annotated, such sums as are necessary to fund the operations of the 2012 Summer School Program are appropriated to the GDOE. The Superintendent of GDOE 6 shall submit a detailed report to I Maga'lahen Guåhan and the Speaker of I 7 Liheslaturan Guåhan regarding the receipt and expenditure of said funds no later 8 9 than thirty (30) days after the close of summer school and post the same on the GDOE website. Such report *shall* include the following: 10

- 11 12
- (a) Total revenues received, including identification of each revenue source;
- 13 (b) Total expenditures and encumbrance by object classification and by
  14 school; and
- 15 (c) The fund balance.

16 Section 10. Textbooks and Collateral Materials. The following are 17 appropriations to the GDOE for the purchase of textbooks, e-book readers, and 18 collateral materials, to include software, sheet music, and music books in 19 accordance with the following terms and conditions:

20 Notwithstanding any other provision of law, the sum of Two (a) 21 Million Dollars (\$2,000,000) is appropriated from the General Fund from 22 Fiscal Year 2013 revenues to the GDOE for the purchase of textbooks, ebook readers and related classroom instructional materials to include 23 software, sheet music, and music books. The Superintendent of GDOE may, 24 25 if necessary, through agreements with textbook vendors, defer payment for said materials until after October 1, 2012, but no later than December 31, 26 27 2012, with the full faith and credit of the government of Guam.

(b) The Superintendent of GDOE *shall* order materials funded by this Section for Fiscal Year 2013 *no later than* March 1, 2012. The Bureau of Budget and Management Research *shall* release such allotments as are necessary to ensure that said materials are ordered by March 1, 2012. The Superintendent of GDOE *shall* receive said materials and distribute them to schools *no later than* thirty (30) days before the start of the school calendar established pursuant to Title 17, Guam Code Annotated, §4111. All funds appropriated for said materials *shall not* be used for any other purpose.

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On the first (1st) day of each fiscal quarter of FY 2012, the 9 (c)10 Superintendent of GDOE shall provide to I Maga'lahen Guåhan and the Speaker of I Liheslaturan Guåhan, and post on the GDOE website, a 11 12 detailed report regarding all receipts and expenditures for textbooks, e-book readers and collateral classroom instructional materials to include software, 13 14 sheet music, and music books. Said report shall be accompanied by the certified list of textbooks approved by the GEB and a list or copies of all 15 purchase orders issued. The report *shall* summarize: 16

(1) purchases by allotment account number, unit cost, and
the total cost of books charged against an appropriation account, the
vendor, quantity, title, copyright date, and ISBN of books ordered, the
allocation of such books by school and grade, whether books are for
teachers or students, and whether books are textbooks, e-books or
workbooks; and

(2) other information that may be useful or that is requested
by *I Liheslaturan Guåhan* regarding the funds appropriated and
authorized herein.

Non-compliance with these reporting requirements by the Superintendent of
GDOE *shall* result in the sanctions and penalties imposed by this Act.

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Section 11. Website Posting. The Superintendent of GDOE shall post and maintain on the GDOE website:

- All payments for prior year obligations to be paid by current 3 (a) 4 appropriations when authorized, including the funding source to be used.
- 5 (b)Salary adjustments by position, effective date of adjustment and 6 the funding source for each, by month.
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(c)Mandated Cash Disbursement Schedules.

8 Number of filled FTEs, costs and funding sources by school (d)9 and division by month.

Section 12. Reports. The Superintendent of GDOE shall electronically 10 report the following to I Maga'lahen Guåhan and the Speaker of I Liheslaturan 11 12 Guåhan:

- Within fifteen (15) days after the start of Fiscal Year 2012, the 13 (a) 14 Superintendent of GDOE *shall* provide a copy of the GG-1 or contract of employees hired for School Year 2011-2012. 15
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(b)Thirty (30) days after the start of Fiscal Year 2012 and monthly thereafter, the Superintendent of GDOE shall provide a copy of the GG-1 or 17 contract of each employee hired to fill any vacancy or new position. 18

19 Section 13. Utilities Reduction Incentive. Each School Principal of the GDOE is encouraged to practice energy conservation within their respective 20 21 schools. Any school whose Principal and staff is able to reduce their annual utility 22 consumption by at least fifteen percent (15%) of their prior annual billing, measured each quarter for each utility type, shall have that dollar value of savings 23 24 transferred from the utility pool to their respective school to supplement the needs 25 of that school and *shall* be available to be spent to support school activities for 26 students and staff. The savings *shall* be available to the school within thirty (30) 27 days of the close of each quarter.

Section 14. Budgetary Transfer Authority for the Guam Department of 1 Education (GDOE). The Superintendent of the GDOE may transfer funds from 2 3 the appropriations made to GDOE within object classes, except that *no* funds *shall* be transferred into the Personnel Services category, *except* as otherwise provided 4 herein. The Superintendent of the GDOE shall not transfer any appropriation for 5 Increments and Promotions and Reclassifications as provided within Section 4 of 6 7 this Act to supplement or support salaries. If a surplus in funding exists within the 8 appropriation for Increments and Promotions and Reclassifications, such amount 9 may be used to support payment of prior year obligations.

10 The Guam Education Board (GEB) may submit, via a duly adopted 11 resolution of the Board, a request to the Education Financial Supervisory 12 Commission (EFSC) to transfer existing appropriations into the Personnel Services 13 category *only* to alleviate a CODE "C" or a CODE "RED."

The EFSC *shall* vote in the first scheduled meeting after a request to transfer existing appropriations into the Personnel Services category from the GEB. Transfer of any existing appropriations into the Personnel Services category requires a two-thirds vote of EFSC members in which a quorum of voting members is established.

19 Section 15. §3103(15) of Chapter 3 of Title 17, Guam Code Annotated, is
20 hereby *amended* to read:

21 "(15) Adequate Public Education Reporting Requirements. The 22 Superintendent of Education *shall* submit a monthly <u>budget status</u> report of all 23 <u>local and federal</u> funds available to the Department, whether or not their 24 resources require appropriations by *I Liheslaturan Guåhan*. The <u>monthly</u> 25 <u>budget status</u> report *shall* also contain a detailed accounting of expenditures of 26 <del>funds</del>, <u>be designed by the Educational Financial Supervisory Commission and</u> 27 at a minimum contain all appropriations, transfers and adjustments, revised

appropriations, expenditures to date, outstanding encumbrances and 1 2 unencumbered balances. The data for the monthly budget status report *shall* be provided no later than fifteen (15) calendar days after the end of each month, 3 and be used by the Educational Financial Supervisory Commission for its 4 5 monthly Financial Status Designation Reports. The Educational Financial Supervisory Commission shall design an Adequate Public Education Report to 6 7 reorganize the relating such expenditures in the monthly budget status report to the criteria established in Title 1, GCA §715, and the status of compliance with 8 9 the Adequate Education Act. The Monthly Budget Status report and Adequate Public Education reports are is to be completed no later than twenty five (25) 10 11 fifteen (15) calendar days after the end of each month and *shall* be certified by the Superintendent, acknowledging compliance or non-compliance with Title 12 1, GCA §715 and in meeting the objectives of §3125 of this Chapter. The 13 14 reports shall be submitted to the Board, the Speaker of I Liheslaturan Guåhan, 15 and I Maga'lahen Guåhan."

16 Section 16. Cost Saving Incentive. The Superintendent of the GDOE is 17 encouraged to implement a Cost Savings Plan to include, but *not* be limited to, 18 consolidation of programs and entities, maximizing on student-teacher ratios, and 19 practicing energy conservation. If the Superintendent is able to implement any cost 20 savings within the GDOE authorized appropriations level, the Superintendent *shall* 21 have that dollar value of savings available for payments of prior year obligations 22 and the purchase of supplies and materials.

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## Section 17. Appropriation for Equipment for Certain GDOE Schools.

(a) Findings and Intent. *I Liheslaturan Guåhan* finds that the Consolidated
Commission on Utilities (CCU) Resolution No. 2011-32 stated that the agreed-upon "initial
[payment-in-lieu-of-taxes] settlement of Two Million Six Hundred Twenty-Five Thousand
Dollars (\$2,625,000) proposed by the government [of Guam]" was to be paid to the government

of Guam after certain requirements are met by the Guam Power Authority (GPA) and that Public Law 31-74 appropriates only Two Million One Hundred Thousand Dollars (\$2,100,000) from this amount. Such a settlement between the Executive Branch and the CCV, although discounted by almost \$10 million from the over \$12 million billed to the GPA by the DOA, is to be received by the government of Guam which would absolve the GPA from any payment prior to FY2011 in accordance with \$22421 of Chapter 22 of Title 5 of the Guam Code Annotated.

8 Therefore, I Liheslaturan Guåhan finds it prudent that the difference of Five 9 Hundred Twenty-Five Thousand Dollars (\$525,000) between what was agreed to 10 be paid to the government of Guam by the CCU and what was appropriated in 11 Public Law 31-74, be utilized toward the payment of air conditioner equipment and 12 maintenance and collateral equipment for GWHS and collateral equipment for 13 SSHS, SHS and AJMS.

(b) Transfer of funds from the Autonomous Agency Collections
Fund. Notwithstanding any other provision of law, the sum of Five Hundred
Twenty Five Thousand Dollars (\$525,000) is hereby transferred from the
Autonomous Agency Collections Fund to the Supplemental Appropriations
Revenue (SAR) Fund.

19 Appropriation to the Guam Department of Education. The sum of (c) 20 Five Hundred Twenty-Five Thousand Dollars (\$525,000) is hereby appropriated 21 from the Supplemental Appropriations Revenue (SAR) Fund to the Guam 22 Department of Education for the payment of air conditioner equipment and maintenance and collateral equipment for George Washington High School and for 23 24 collateral equipment for Simon Sanchez High School, Southern High School, and Agueda Johnston Middle School. The funds appropriated in this section shall be 25 allocated to each school as follows: 26

27 George Washington High School: \$328,000

1	Simon Sanchez High School:	\$87,000
2	Southern High School:	\$70,000
3	Agueda Johnston Middle School:	\$40,000
4	Total	\$525,000

(d) Continuing Appropriation. The appropriations made to Section
17(c) of this Act *shall not* lapse and *shall* continue until fully expended for the
purposes of this Act.

8 Section 18. Notwithstanding any other provision of law, the Guam Board of 9 Education may authorize the use of shared human resources for school populations 10 below 325 in Fiscal Years 2011 and 2012.

Section 19. Temporary Budgetary Transfer Authority for the Guam 11 Department of Education for FY 2011. The Superintendent of the GDOE may 12 transfer funds from the appropriations made to GDOE in Public Law 30-196 as 13 14 amended by Public Laws 30-224 and 31-74 from Object Classes 220, 230, 233, 15 240, 250, 270, 271, 280, 290, 361, 362, 363, 450 and the appropriation in Chapter 16 II, Part I, Section 9 (a) of Public Law 30-196 in to Object Classes 111 and 113 up to a limit of Six Million Dollars (\$6,000,000) only to cover shortfalls in Object 17 18 Classes 111 and 113 that the GDOE may have in FY 2011.

Section 20. Reprogramming and Appropriation of Funds for F.Q. 19 20 Sanchez Elementary School, Umatac. Upon enactment of this act, the sum of One Hundred Thousand Dollars (\$100,000) is hereby reprogrammed from the 21 22 available funds of the 2007 Tobacco Bond Proceeds account, managed by the Guam Economic Development Authority, and appropriated to the Guam 23 24 Department of Education for the sole purpose of financing working capital 25 expenditures for F.Q. Sanchez Elementary School, Umatac, as has been 26 determined to be necessary so as to provide an offset of the potential financial

savings the GDOE might otherwise have realized as a result of shutting down the
 school.

3 Section 21. Maintenance of Personnel, Educational Opportunities and 4 Resources. Upon enactment of this Act, the requisite staffing and resources as are 5 necessary for the proper education of the children are made available, and to that 6 end, educational programs and the provision of resources are provided in the 7 annual budget of the GDOE including FQ Sanchez Elementary School for the 8 duration of the term of the FY-2011-2012 school year.

9 Section 22. Continuing Appropriation. Upon enactment of this Act, the
10 appropriations made pursuant to Section 23 *shall not* lapse and *shall* continue until
11 fully expended.

Section 23. School to Reopen. Notwithstanding any other provision of 12 law, upon enactment of this Act, the GEB shall have the authority to explore and 13 14 implement alternative measures to feasibly maintain the operations of FO Sanchez for the school for School Year 2011-2012. Such measures may include but not 15 16 limited to the sharing the human resources between other schools; the transform 17 reassignment, recruitment, or retention of personnel; or the contracting of private entitles to deliver such services at FQ Sanchez. As provided for in Section 3 and in 18 19 Section 2 of this Act, I Liheslaturan Guåhan hereby provides the necessary 20 funding for the staffing and operations of FQ Sanchez.

Section 24. Governor Authorized Keep School Open. If the GEB votes
to maintain its decision to close FQ Sanchez, the Governor is authorized by the
issuance of an Executive Order, detailing the conditions, keep the school open
for School Year 2011-12.

25 Section 25. Severability. *If* any provision of this Act or its application to 26 any person or circumstance is found to be invalid or contrary to law, such 27 invalidity *shall not* affect other provisions or applications of this Law which can be given effect without the invalid provisions or applications, and to this end the
 provisions of this Law are severable.