



**DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT**



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Nerissa Bretania Underwood, Ph.D.
Superintendent of Education

August 5, 2010

The Honorable Michael W Cruz, M.D.
Acting Governor of Guahan
Office of the Governor
Adelup, Guam 96910

30-10-0692
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date _____
Time _____
Received by _____
8/05/10
2010 AUG - 6 AM 9:51

RE: Authorization Payment of Prior Period Expense
Followup on July 28, 2010 Request

Hafa Adai Governor Cruz!

A letter was sent on July 28, 2010 to Governor Camacho asking for authorization to pay the following expenses from current FY2010 Department of Education appropriations pursuant to PL 30-55 as amended PL 30-101 and PL 30-104.

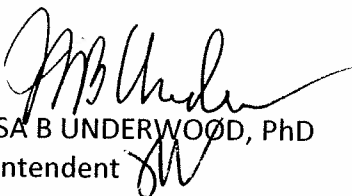
Account Number	Expense	Amount	Comment
5818A109919CT209-361	Guam Power Authority (GPA) Promissory Note	\$1,800,000	Actual from October 1, 2009 - June 30, 2010
		\$600,000	Projected July-September 2010
5818A109919CT209-113	Contributions due the Retirement Fund related to Prior Periods	\$420,246	Actual from October 1, 2009 - June 30, 2010
		\$110,640	Projected July-September 2010
	TOTAL	\$2,930,886	

In FY2003, DOE did not remit payments to the GPA and the Guam Retirement Fund because of lack of funds. On July 20, 2004, DOE signed a promissory note with GPA for the outstanding amount of \$15,855,082.95, resulting in a monthly payment of \$200,000 for interest and principal. If DOE does not pay the note, GPA will disconnect power to the schools or offices. Separately, before any DOE employee is able to retire and receive retirement benefits, any outstanding amounts owed by DOE on the employee's behalf must be paid in full. At September 30, 2009, amounts owing to the Retirement Fund were \$6,571,317.

I hope that you agree that it is necessary to pay these amounts as they were either necessary to keep the schools operating or necessary to allow DOE employees to retire. Please note that the FY2010 Budget did not include amounts for these expenditures. So while we are requesting that DOE be given the authority to make these payments, we would also highlight the fact that these expenditures were not budgeted for in the FY2010 Budget but may be covered with the appropriations made to DOE in PL 30-104.

I would be happy to meet with you at your convenience to discuss this matter further. I hope we can work together to ensure that our students are not adversely impacted by this situation. Once again, DOE is not requesting for any new funds, only access to funds already appropriated.

Senseramente,


NERISSA B UNDERWOOD, PhD
Superintendent

Attachment – July 28, 2010 letter

cc: GEPB without attachment
Speaker, 30th Guam Legislature without attachment
Chair, Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land, 30th
Guam Legislature without attachment