



Speaker Won Pat <speaker@judiwonpat.com>

Messages and Communications

Speaker Won Pat <speaker@judiwonpat.com>

Tue, Aug 23, 2016 at 9:41 AM

To: Guam Legislature Clerks Office <clerks@guamlegislature.org>

8/22/2016 8/18/2016 Department of Educaiton Office of the Superintendent FY 2017 Guam Department of Education Budget Appropriation \* Via email by the Office of Senator Nerissa B. Underwood 33-16-1933

----- Forwarded message -----

From: Ibarra Hernandez <ihernandez@guamlegislature.org>
Date: Mon, Aug 22, 2016 at 3:49 PM
Subject: Request for Messages and Communications - GDOE FY 2017 Budget Appropriation
To: Speaker Won Pat <speaker@judiwonpat.com>

Hafa Adai Speaker!

I'd like to request this document be given to clerks to be put on our messages and communications. The document is GDOE'S FY2017 Budget Appropriation

-
Cheers,

Ibarra "Barry" Hernandez
Policy Analyst
Office of Senator Nerissa Underwood
I Mina'trentai Tres na Liheslaturan Guåhan - 33rd Guam Legislature
671-969-0973

Ufisinan I Etmås Ge'helo 'Gi Liheslaturan Guåhan
Office of Speaker Judith T. Won Pat, Ed.D.
Kumiten Idukasion Tinakhelo', Kottura, Laibirihan Pubbleko siha yan Asuntan Famalao'an
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33-16-1933
Office of the Speaker
Judith T. Won Pat, Ed.D
Date: 8/23/16
Time: 9:41 a.m.
Received By: CJH

2016 AUG 23 AM 9:50

1933



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

## DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT

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August 18, 2016

Honorable Benjamin J.F. Cruz  
Vice-Speaker  
I Mina'Trentai Tres Na Liheslaturan Guahan  
155 Hesler Place, Suite 107  
Hagatna, Guam 96910

**SUBJECT: FY17 Guam Department of Education Budget Appropriation**

Dear Vice-Speaker Cruz,

On July 14, 2016, during the Guam Department of Education (GDOE)'s Fiscal Year (FY) 2017 Budget Hearing, a discussion was held regarding the possible adjustment of the Guam academy charter schools' appropriations. The discussion was in response to GDOE's historical cost per student (CPS) data (based on expenditures and the official September 30<sup>th</sup> enrollment at the beginning of that fiscal year).

GDOE's CPS data is not comparable to the charter schools. GDOE is a unified school district comprised of 41 schools, 14 divisions, and 7 programs and offices. GDOE serves approximately 31,000 public school students, which result in larger overhead costs, and has a separate and distinct cost structure. I would suggest that the CPS for charter schools are more like individual GDOE schools.

The funding for charter schools' is de-appropriated from GDOE's appropriation. Increases in funding for the charter schools further restricts GDOE's cash flow to fund its operations. Again, we would ask for a line item budget for the Charter Schools instead of having funding de-appropriated from GDOE's budget.

Based on Bill 250-33, GDOE's appropriation increased by 1% from \$237.9 million (M) in FY 2016 to \$240.9M in FY 2017. The Guahan and iLearn Academy Charter Schools' aggregate appropriation increased by 40% from \$5.8M in FY 2016 to \$8.1M in FY 2017. The funding for the increase in charter schools' appropriation will be derived from GDOE's minimal increase in appropriation. In other words, less the significant increase for charter schools, GDOE appropriation appears to be in status quo from the previous fiscal year. This places GDOE in a challenging predicament to meet mandated increase in increments, increased costs in benefits, and rising cost of utilities and contractual services. See Table 1.

**Table 1: Changes in Appropriations**

	Max. Enrollment	Deduction per Student	Totals	
FY 2017	(A)	(B)	(A * B)	
GACS	740	\$ 6,500	\$	4,810,000
ILACS	500	\$ 6,500	\$	3,250,000
			\$	8,060,000
FY 2016	(A)	(B)	(A * B)	
GACS	600	\$ 5,500	\$	3,300,000
ILACS	450	\$ 5,500	\$	2,475,000
			\$	5,775,000
	FY 2017	FY 2016	Change in \$	Change in %
	(A)	(B)	(A - B) [C]	(C / B)
GDOE	\$ 240,867,771	\$ 237,855,282	\$ 3,012,489	1%
Charter Schools	\$ 8,060,000	\$ 5,775,000	\$ 2,285,000	40%
GDOE's Appropriation Less Charter Schools	\$ 232,807,771	\$ 232,080,282	\$ 727,489	0.3%

While we appreciate any increase in appropriations, this year's increase will primarily benefit charter schools, which we recognize deserve it, but operate independently of the GDOE school system. Further, the significant increase in their budget appropriations without a comparable increase to GDOE's appropriation can effectuate prioritizing charter school students over GDOE school students.

Additionally, the use of the limited gaming fund is specific to the repair and construction of sports facilities and procurement of sports equipment and supplies. It's not clear whether the proposed budget act removes GDOE's ability to use funds for this purpose or effectively reduces the funds available for operations.

In order to cover existing salaries, utilities, and contracts adjusted for increments and rate increases, GDOE will need \$257,266,145 or an additional \$24,458,374 (\$257M - \$233M) to stay within the status quo.

Additionally, we would offer the following amendments for consideration:

1. Chapter I General Provisions Section 6. Debt Service Continuing Appropriations.  
 6B. GDOE JFK School Project -- \$6,698,600  
 Please change from \$6,698,600 to \$7,235,046 because of increase in Insurance and Maintenance Agreement with CapFa. Note this increase is included in the \$24 million increase mentioned above.
2. Chapter II Education Part 1. GDOE  
 Section 4. Limited Gaming Fund. As discussed above, consider clarifying the language. Is the purpose to authorize spending of \$633,936 according to Limited Gaming requirements i.e.:

sports facilities repairs, sports equipment, supplies or is the purpose to authorize using \$633,939 from Limited Gaming in GDOE operations?

3. Chapter II Education Part 1. GDOE

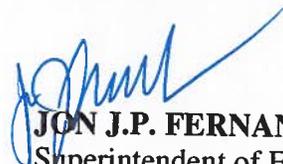
Section 5(a)(2) GDOE Misc Healthy Futures Fund Allocations.

Delete the \$92,000 allotment for busing and add it to the \$520,000 allotment for Interscholastic Sports for new total \$612,000 allotment.

The \$92K is simply not enough money to pay for busing and each year since 2009, GDOE ends up transferring this amount to cover the shortfall in coaches' stipends, league fees, etc. associated with interscholastic sports programs. The addition of Tiyan High School and additional interscholastic sports teams is the driving force in GDOE's need to increase the \$520,000 allotment. Note: this \$520K allotment has not increased since 2009 and average costs for Interscholastic sports has been \$612K plus.

Thank you for the support provided to our students and staff. I hope that you will take these items into consideration as you deliberate on the FY 2017 budget.

Senseramente,



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

CC: Chairperson, Committee on Early Learning, Juvenile Justice, Public Education and First Generation Initiatives, 33<sup>rd</sup> Guam Legislature