



GUAM DEPARTMENT OF EDUCATION AMERICAN RESCUE PLAN UPDATE

FLASH REPORT

April 8, 2021 through August 31, 2024

**OPA Report No. 24-09
September 2024**





Guam Department of Education American Rescue Plan Update

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OFFICE OF PUBLIC ACCOUNTABILITY

Guam Department of Education's American Rescue Plan Update

OPA Report No. 24-09

Status of American Rescue Plan (ARP) Funds as of August 31, 2024

This flash report is for informational purposes only. No audit procedures were applied to substantiate the figures in this report. The objective of this flash report is to provide a status update on the ARP expenditures made by the Guam Department of Education (GDOE). Our audit scope covers the period from April 8, 2021, through August 31, 2024. A more comprehensive review of ARP expenses may be conducted by the Office of Public Accountability (OPA) in a future audit.

ARP Background

The World Health Organization declared a Global Health Emergency in response to the emerging COVID-19 pandemic in January 2020. By March 2020, President Donald J. Trump had declared the outbreak a national emergency, leading Governor Lourdes Leon Guerrero to issue Executive Order 2020-03, declaring a State of Emergency for Guam on March 14, 2020. Nearly two weeks later, on March 27, 2020, President Trump issued a Major Disaster Declaration for Guam and signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law, rendering the island eligible for federal funding.

The CARES Act allowed for the creation of H.R.¹ 1319, also known as the American Rescue Plan Act of 2021. The American Rescue Plan provided critical support to Americans through unemployment assistance and economic impact payments². Under Section 2005 of H.R. 1319, \$850 million (M) was allocated to the U.S. Department of Education (US Ed) for outlying areas like Guam to address their respective needs.

ARP Allocation and Distribution

GDOE received \$287M in ARP funds, with an award period spanning from April 8, 2021, to September 30, 2023. As the primary recipient, GDOE maintains control of the funds and ensures equitable services are provided to charter and private-non-public (PNP) schools. Table 1 below outlines the budget allocated to each institution. The GDOE Public District and the State Administration received the largest share at \$271M, followed by PNP schools with \$12M, and charter schools with \$4M.

Table 1: Allocations per Institution

INSTITUTION		AMOUNT
Public Schools	GDOE Public District	\$ 262,306,591.78
	State Administration	\$ 8,608,219.00
GDOE Allocation Total		\$ 270,914,810.78
Charter Schools	iLearn Academy Charter School	\$ 1,530,622.75
	Guahan Academy Charter School	\$ 1,219,310.39
	Science is Fun and Awesome Learning Academy Charter School	\$ 1,623,731.36
Charter Allocation Total		\$ 4,373,664.50
Private-Non-Public Schools	Office of Catholic Education	\$ 11,201,326.74
	St. John's School	\$ 383.24
	Saint Paul's Christian School	\$ 450,441.74
PNP ALLOCATION TOTAL		\$ 11,652,151.72
GRAND TOTAL		\$ 286,940,627.00

¹ H.R. is the abbreviation for the House of Representatives (the House) and represents bills pushed by the House.

² Also referred to as "stimulus checks".

Table 2 and Figure 1 detail current actual expenditures and their corresponding expense categories as of August 27, 2024. As shown below, there is a nearly even split between Salaries & Benefits and Capital & Contractual expenses. The distribution, based on the total award amount, is as follows: Capital & Contractual accounts for 46% (\$26M), Salaries & Benefits for 44% (\$25M), and Supplies & Equipment for 10% (\$6M).

Table 2 and Figure 1: Expenditures by Expense Category

EXPENSE CATEGORY ³	ACTUAL EXPENDITURES
Salaries & Benefits	\$ 25,347,103.82
Capital & Contractual	\$ 26,477,033.09
Supplies & Equipment	\$ 6,013,224.62
EXPENDITURE GRAND TOTAL	\$ 57,837,361.53

The pie chart illustrates the distribution of total expenditures across three categories. Salaries & Benefits accounts for 44% (yellow), Capital & Contractual accounts for 46% (dark blue), and Supplies & Equipment accounts for 10% (orange). A legend on the right side of the chart identifies the colors for each category.

Plans for Remaining ARP Funds

The ARP grant was established to combat learning loss and ease the return to in-person instruction. From the ARP funds, GDOE has provided evidence-based summer school, after-school and other extended learning and enrichment programs. The funds also addressed pay adjustments to the Educator’s Pay Plan and employee retention via a one-time Retention Incentive.

GDOE earmarked the remaining ARP funds for maximizing in-person instruction by the following:

- * Procure contractual services, equipment, supplies, and materials to help school facilities meet and maintain Public Health standards;
- * Ensure utility connections for the entire district for the remainder of Fiscal Year (FY) 2023-2024;
- * Pay out Summer 2024 Curriculum Supports activities (Summer School and Professional Development); and
- * Request a waiver to consolidate ARP-OA SEA⁴ funds with FY 2022 Consolidated Grant State Administration funds to address administrative costs, including ARP reporting, monitoring, and close-out activities through March 31, 2026.

Table 3 below details the stages of the expenditure process for the funds allocated to all institutions as of August 27, 2024.

Table 3: Award Breakdown

CATEGORY	AMOUNT	PERCENTAGES
Requisitions	\$ 80,213,440.15	28%
Encumbrances	\$ 105,058,176.20	37%
Actual Expenditures	\$ 57,837,361.53	20%
Amount Remaining	\$ 43,831,649.12	15%
GRAND TOTAL	\$ 286,940,627.00	100%

³ These are OPA-designated expense categories.

⁴ ARP-OA SEA signifies the American Rescue Plan – Outlying Areas State Educational Agency Fund.

The distribution of funds for each stage of the expenditure process is as follows:

- * **Requisition:** A written request or order for goods or services, such as supplies, professional services, or construction. Of the award amount, 28% (\$80M) has been requisitioned, covering items and services which includes:
 - o Contractual services totaling \$55.6M, such as a consultant and logistics contract (\$36.7M), refurbishment (\$8.7M), and restroom facility upgrades (\$7M);
 - o Supplies totaling \$19.3M, such as social studies and science supplies (\$6.2M); and
 - o Equipment totaling \$5.2M, such as cafeteria and kitchen equipment (\$3.5M).
- * **Encumbrance:** An obligation of funds for the anticipated receipt of goods/services, evidenced by a contract or purchase order. Of the award amount, 37% (\$105M) has been encumbered, which includes:
 - o Contractual services totaling \$96.4M, such as school maintenance (\$86.7M), air-conditioning maintenance (\$7.9M), custodial services (\$568K⁵), and pest control (\$136K);
 - o Supplies totaling \$6.4M, such as instructional (\$3.2M), physical/health education (\$404K), and technology supplies (\$207K); and
 - o Equipment totaling \$2.3M, such as classroom (\$771K), library (\$759K), and administrative equipment (\$248K).
- * **Expenditure:** Payment for goods or services received. Of the award amount, 20% (\$58M) has been expended, which includes:
 - o Contractual services totaling \$13M, such as air-conditioning maintenance (\$3M), custodial services (\$1.8M), pest control (\$419K), and a fire alarm system (\$174K);
 - o Supplies totaling \$4.2M, such as instructional (\$628K), carpentry (\$375K), plumbing (\$324K), and electrical supplies (\$245K); and
 - o Equipment totaling \$1.8M, such as nurse (\$369K), library (\$132K), and electrical equipment (\$24K).

As of August 2024, 15% (\$44M) remains unspent. Although the award period ended in September 2023, the Tydings Amendment allowed GDOE to obligate funds for twelve additional months. GDOE has confirmed plans to submit a late liquidation request to continue providing goods and services that were obligated on or by September 30, 2024, until March 31, 2026.

On September 13, 2024, GDOE submitted a final request to US Ed to amend its spending plan. Most of the funds will be obligated for refurbishing several schools, for which US Ed deemed allowable on September 20, 2024.

Analysis of ARP and Education Stabilization Fund in relation to 14 Points Mandate

With \$57.8M of ARP and \$110.6M⁶ of ESF expended, OPA's next flash report will take a look at where ARP and ESF funds were used by GDOE in meeting the 14 Points Mandate for Adequate Education.

⁵ K represents the abbreviation of "thousand".

⁶This data is as of April 2024 per OPA Report No.24-08.

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