



GUAM DEPARTMENT OF EDUCATION

14 Points Analysis (ESF II & ARP)

FLASH REPORT

May 1, 2020 through November 30, 2024

OPA Report No. 25-02
January 2025





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OFFICE OF PUBLIC ACCOUNTABILITY

Guam Department of Education's 14 Points Analysis (ESF II & ARP)

OPA Report No. 25-02

Aligning Expenditures with P.L. 28-45's 14 Points

This flash report examined the Guam Department of Education's (GDOE) use of federal funds from the Education Stabilization Fund (ESF) II and American Rescue Plan (ARP) grants. Although both grants assisted private and charter schools in their COVID-19 response and recovery efforts, this report focused solely on Guam's public schools and how their expenditures aligned with Public Law (P.L.) 28-45's 14 Points for an Adequate Public Education. Our scope covered the period from May 1, 2020, through November 30, 2024.

Disclaimer: This flash report is for informational purposes only. No audit procedures were applied to substantiate the figures in this report.

The 14 Points

The creators of the Organic Act of Guam decreed that the Government of Guam provide its children with an adequate public education system. Emphasizing education as a top priority, Guam's 28th Legislature, alongside the support of Governor Felix P. Camacho, enacted P.L. 28-45, the Every Child is Entitled to an Adequate Public Education Act in June 2005.

The Act outlined 14 key points, collectively referred to as The 14 Points, to assess if students are receiving an adequate education, which are as follows:

1. a certified teacher for every class in a ratio established by relevant collective bargaining agreements;
2. certified professional administrators;
3. certified guidance counselors;
4. certified school health counselors;
5. certified allied health professionals;
6. air conditioned or properly ventilated classrooms in which the sensible air temperature is no greater than 78°F.;
7. potable water sufficient to provide each student a daily ration of drinking and washing water;
8. a reliable supply of electricity;
9. proper sanitation to include flushable toilets, clean restrooms, dining areas and classrooms;
10. adopted and required textbooks and workbooks issued to each public school student for the classes in which he or she is enrolled;
11. libraries, which meet the standards of the American Association of School Librarians, at each school, operated by certified librarians;
12. a healthful, safe, sanitary learning environment;
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 calendared school year; and
14. regular, timely school bus transportation to and from school for his attendance area as established by 17 GCA §6102 for every child in accordance with policies adopted by the Education Policy Board.

Education Stabilization Fund and American Rescue Plan Grants

In March 2020, after the emergence of the COVID-19 pandemic, President Donald J. Trump signed P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, into law to provide critical financial support to American society.

The CARES Act paved the way for the creation of House of Representatives (H.R.) Bill No. 1319, also known as the American Rescue Plan Act of 2021. Under Section 2005 of H.R. 1319, \$850 million (M) was allocated to the U.S. Department of Education (US Ed) for outlying areas such as Guam to address their respective needs, which resulted in the establishment of the ESF II and ARP grants.

Grant Details

In line with the CARES Act, US Ed awarded GDOE \$111M in ESF II funds and \$287M in ARP funds. \$90M of ESF II funding was allocated to the Public Schools District (Public Schools) from January 13, 2021 to September 30, 2022. Whereas, \$265M in ARP funding was allocated to the Public Schools District with a budget period spanning from April 8, 2021, to September 30, 2023.

Tables 1 and 2 below offer a breakdown of the funds, separating each expenditure into its OPA-designated expense category. ESF II's highest expense category is Capital & Contractual, amounting to \$57M; followed by Supplies & Equipment at \$38M; and Salaries & Benefits at \$2M. Unlike ESF II, ARP's highest expense category was concentrated in Salaries & Benefits at \$76M; Capital & Contractual at \$43M; and Supplies & Equipment at \$5M.

Table 1: ESF II Expenditures

| Category | Amount |
|-----------------------|-------------------------|
| Capital & Contractual | \$ 56,720,046.23 |
| Supplies & Equipment | \$ 38,161,608.07 |
| Salaries & Benefits | \$ 2,448,845.37 |
| Grand Total | \$ 97,330,499.67 |

Table 2: ARP Expenditures

| Category | Amount |
|-----------------------|-------------------------|
| Salaries & Benefits | \$ 75,522,140.93 |
| Capital & Contractual | \$ 43,389,729.11 |
| Supplies & Equipment | \$ 5,115,576.16 |
| Grand Total | \$124,027,446.20 |

Based on data as of November 6, 2024, ESF II reported **\$2M** in encumbrances and **\$97M** in actual expenditures, resulting in a potential **\$9M** over-expenditure for the Public Schools budgeted allocation. Similarly, ARP reported **\$145M** in encumbrances and **\$124M** in actual expenditures, leading to a potential **\$4M** over-expenditure. It's important to note that although the Public Schools District appears to have exceeded their allocated budget amount, the overall ESF II and ARP grants were not over-expended. Despite several follow-ups, GDOE has yet to provide an explanation for the reported over-expenditures of the Public Schools allocations.

Unveiling the Connection Between Funds Expended and the 14 Points

Table 3 on the following page illustrates how ESF II and ARP expenditures align with the 14 Points. It must be noted that the ESF II and ARP grants were not specifically intended to address 14 Points. Expenditures were made to meet a variety of needs, and alignment with the 14 Points were determined subsequently based on the data provided.

Table 3: 14 Points Alignment

| No. | Mandate | ESF II Amount | ARP Amount |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| 1 | A certified teacher for every class in a ratio established by relevant collective bargaining agreements | \$1,936,102 | \$7,368,038 |
| 2 | Certified Professional Administrators | \$ - | \$1,216,391 |
| 3 | Certified Guidance Counselors | \$ - | \$245,428 |
| 4 | Certified School Health Counselors | \$ - | \$32,904 |
| 5 | Certified Allied Health Professionals | \$ - | \$ - |
| 6 | Air Conditioned or properly ventilated classrooms in which the sensible air temperature is no greater than 78 degrees | \$248,970 | \$3,016,484 |
| 7 | Potable water sufficient to provide each student a daily ration of drinking and washing water | \$9,727,389 | \$3,198,455 |
| 8 | A reliable source of electricity | \$28,985,650 | \$12,228,431 |
| 9 | Proper sanitation to include flushable toilets, clean restrooms, dining areas and classrooms | \$4,851,140 | \$2,719,179 |
| 10 | Adopted and required textbooks and workbooks issued to each public school student for the classes in which he or she is enrolled | \$159,550 | \$ - |
| 11 | Libraries, which meet the standards of the American Association of School Librarians, at each school, operated by certified librarians | \$ - | \$787,956 |
| 12 | A healthful, safe, sanitary learning environment | \$8,385,156 | \$23,299,701 |
| 13 | At least 180 instructional days each school year with school years ending no later than 30 days | \$43,036,543 | \$69,914,481 |
| 14 | Regular, timely school bus transportation to and from school | \$ - | \$ - |
| Grand Total | | \$97,330,500 | \$124,027,446 |

Of the **\$97M** expended under ESF II, the most significant expenditures included:

- \$43M for Point 13, with \$23M for supplies and \$7M for contractual expenses.
- \$29M for Point 8, covering power expenses.
- \$10M for Point 7, addressing water expenses.

Of the **\$124M** of ARP funds expended, the largest expenditures included:

- \$70M for Point 13, with \$60M going to regular salaries and \$6M for contractual expenses.
- \$23M for Point 12, which was primarily for school maintenance, including funding refurbishment projects in the Kattan (\$4.03M), Luchan (\$3.57M), Lagu (\$2.98M), and Haya (\$921K) regions.
- \$12M for Point 8, covering power expenses.

Grant Status Updates

US Ed approved liquidation extensions for ESF II until March 28, 2025, and for ARP until March 28, 2026. Funds drawn during these extensions must be used to liquidate obligations incurred on or prior to September 30, 2023, for ESF II and incurred by September 30, 2024, for ARP, with approval by US Ed.

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