

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
309-38 (COR)	Vincent A.V. Borja Christopher M. Dueñas Tina Rose Muña-Barnes Jesse A. Lujan Sabrina Salas Matanane V. Anthony Ada Frank F. Blas, Jr. Shelly V. Calvo Joe S. San Agustin	AN ACT TO <i>AMEND</i> SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.	4/17/26 4:24 p.m.	4/17/26	Committee on Finance and Government Operations.	Request: 4/17/26 Waiver: 4/21/26	4/28/26 9:00 a.m.	5/6/26	



Office of Senator Christopher M. Dueñas

CHAIRMAN, COMMITTEE ON FINANCE AND GOVERNMENT OPERATIONS

May 5, 2026

The Honorable Frank F. Blas Jr.
Speaker, I Mina'trentai Ocho na Liheslaturan Guåhan
163 W. Chalan Santo Papa
Hågatña, Guam 96910

Via Honorable Vice Speaker V. Anthony Ada
Chairman, Committee on Rules

RE: Committee Report on Bill No. 309-38 (COR) – Vincent A.V. Borja – “AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”

Buenas yan Håfa Adai Speaker,

Transmitted herewith is the Committee Report on Bill No. 309-38 (COR) – Vincent A.V. Borja – “AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”

Committee votes are as follows:

- 4 TO DO PASS
TO NOT PASS
4 TO REPORT OUT ONLY
TO ABSTAIN
TO PLACE IN INACTIVE FILE



COMMITTEE ON RULES

RECEIVED:

May 5, 2026 4:35 p.m.
Marie Crisostomo

Senseremente,

[Handwritten signature]

Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations



Office of Senator Christopher M. Dueñas
CHAIRMAN, COMMITTEE ON FINANCE AND GOVERNMENT OPERATIONS

COMMITTEE REPORT

- **Bill No. 309-38 (COR) – Vincent A.V. Borja**

– **“AN ACT TO *AMEND* SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”**



Office of Senator Christopher M. Dueñas

CHAIRMAN, COMMITTEE ON FINANCE AND GOVERNMENT OPERATIONS

May 5, 2026

MEMORANDUM

To: All Members
Committee on Finance and Government Operations

From: Senator Christopher M. Dueñas
Chairperson, Finance and Government Operations

Subject: Committee Report on Bill No. 309-38 (COR) – Vincent A.V. Borja – “AN ACT TO *AMEND* SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”

Transmitted herewith for your consideration is the Committee Report on:

Bill No. 309-38 (COR) – Vincent A.V. Borja – “AN ACT TO *AMEND* SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”

This report includes the following:

- Copy of COR Referral of Bill No. 309-38 (COR)
- Notices of Public Hearing
- Copy of the Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Copies of Submitted Written Testimony
- Committee Vote Sheet
- Committee Report Digest
- Copy of Bill No. 309-38 (COR), As Introduced
- Fiscal Note/Fiscal Note Waiver
- Related News Reports

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Respectfully,

Senator Christopher M. Dueñas
Chairperson, Committee on Finance and Government Operations




COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

April 17, 2026

To: **Rennae V. C. Meno**
Clerk of the Legislature

Attorney Darleen E.H. Phillips
Legislative Legal Counsel

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Referral of Bill No. 309-38 (COR)**

Håfa Adai,

As per my authority as Chairperson of the Committee on Rules and subject to §6.01(d)(1), Rule VI of our Standing Rules, I am forwarding the referral of **Bill No. 309-38 (COR)** - Vincent A.V. Borja, Christopher M. Dueñas, Tina Rose Muña-Barnes, Jesse A. Lujan, Sabrina Salas Matanane, V. Anthony Ada, Frank F. Blas, Jr., Shelly V. Calvo, Joe S. San Agustin. – “AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”

Please ensure that the subject bill is referred to the Committee on Finance and Government Operations chaired by Senator Christopher M. Dueñas. I also request that the same be copied to the Prime Sponsor of the subject bill, to the Office of Finance and Budget (OFB) and to Management Information Services (MIS) for posting on our website.

A copy of the bill is available on our legislative website.

Should you have any questions or concerns, please feel free to contact Kamarin Nelson, Committee on Rules Director at 671-472-2461.



1N Public Hearing - April 28, 2026 - 9am

Karl Pangelinan <karl.p@guamlegislature.gov>
To: phnotice@guamlegislature.gov
Cc: Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Tue, Apr 21, 2026 at 8:00 AM

FOR IMMEDIATE RELEASE

April 21, 2026

MEMORANDUM

To: All Senators, Stakeholders, and Media

From: Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

Re: FIRST NOTICE of Public Hearing on April 28, 2026

The Committee on Finance and Government Operations will hold a public hearing on **Tuesday, April 28, 2026**, beginning at **9:00 am** at the Public Hearing Room in the Guam Congress Building.

The agenda is as follows:

- **Bill No. 309-38 (COR) – Sen. Vince A. Borja – AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.**
- **Bill No. 306-38 (COR) – Vice Speaker V. Anthony Ada - AN ACT TO ADD A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.**

If you would like to participate in the Public Hearing listed above or submit written testimony, please contact the Office of Senator Christopher M. Dueñas for further assistance via email at senator.duenas@guamlegislature.gov or by phone at (671) 989-9554.

In compliance with Title II of the Americans with Disabilities Act (ADA), all government activities, programs, and services are accessible to individuals with disabilities. *If you or anyone you know requires assistance or special accommodations to participate in the public hearing, please contact the Office of Senator Christopher M. Dueñas at the contact information provided above.*


The Public Hearing will be broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and streamed online through I Liheslaturan Guåhan's YouTube Channel ([@guamlegislaturemedia](#)).

FIRST NOTICE OF PUBLIC HEARING - APRIL 28, 2026 - 0900

 PRINT

FIRST NOTICE OF PUBLIC HEARING - APRIL 28, 2026 - 0900

PUBLIC HEARING

 **Posted on:** 04/21/2026 09:00 AM


 **Posted by:** Karl Pangelinan

 **Public Hearing Date:** 04/28/2026 09:00 AM

 **Department(s):**
GUAM LEGISLATURE (/notices?department_id=92)

 **Division(s):**
OFFICE OF SENATOR CHRISTOPHER M. DUENAS (/notices?division_id=267)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

 **Share this notice**



The Committee on Finance and Government Operations will hold a public hearing on **Tuesday, April 28, 2026**, beginning at **9:00 am** at the Public Hearing Room in the Guam Congress Building.

The agenda is as follows:

- **Bill No. 309-38 (COR)**
([https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20309-38%20\(COR\).pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20309-38%20(COR).pdf)) – **Sen. Vince A. Borja** – AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.

- **Bill No. 306-38 (COR)**
([https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20306-38%20\(COR\).pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20306-38%20(COR).pdf)) – **Vice Speaker V. Anthony Ada** – AN ACT TO ADD A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.

If you would like to participate in the Public Hearing listed above or submit written testimony, please contact the Office of Senator Christopher M. Dueñas for further assistance via email at senator.duenas@guamlegislature.gov (<mailto:senator.duenas@guamlegislature.gov>) or by phone at (671) 989-9554.

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The Public Hearing will be broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and streamed online through Liheslaturan Guåhan's YouTube Channel ([@guamlegislaturemedia](https://www.youtube.com/@GuamLegislatureMedia)) (<https://www.youtube.com/@GuamLegislatureMedia>)).

2N Public Hearing - 4/28/26 - 9am

Karl Pangelinan <karl.p@guamlegislature.gov>
To: phnotice@guamlegislature.gov
Cc: Senator Chris Duenas <senator.duenas@guamlegislature.gov>
Bcc: Chirag Bhojwani <strategy@bluecontinent.solutions>

Fri, Apr 24, 2026 at 9:01 AM

FOR IMMEDIATE RELEASE

April 24, 2026

MEMORANDUM

To: All Senators, Stakeholders, and Media

From: Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

Re: SECOND NOTICE of Public Hearing on April 28, 2026

The Committee on Finance and Government Operations will hold a public hearing on **Tuesday, April 28, 2026**, beginning at **9:00 am** at the Public Hearing Room in the Guam Congress Building.

The agenda is as follows:

- **Bill No. 309-38 (COR) – Sen. Vince A. Borja – AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.**
- **Bill No. 306-38 (COR) – Vice Speaker V. Anthony Ada - AN ACT TO ADD A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.**

If you would like to participate in the Public Hearing listed above or submit written testimony, please contact the Office of Senator Christopher M. Dueñas for further assistance via email at senator.duenas@guamlegislature.gov or by phone at (671) 989-9554.

In compliance with Title II of the Americans with Disabilities Act (ADA), all government activities, programs, and services are accessible to individuals with disabilities. *If you or anyone you know requires assistance or special accommodations to participate in the public hearing, please contact the Office of Senator Christopher M. Dueñas at the contact information provided above.*


The Public Hearing will be broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and streamed online through I Liheslaturan Guåhan's YouTube Channel ([@guamlegislaturemedia](https://www.youtube.com/@guamlegislaturemedia)).


SECOND NOTICE OF PUBLIC HEARING - APRIL 28, 2026 - 0900

 PRINT

SECOND NOTICE OF PUBLIC HEARING - APRIL 28, 2026 - 0900

PUBLIC HEARING

 **Posted on:** 04/24/2026 09:00 AM

 **Posted by:** Karl Pangelinan

 **Public Hearing Date:** 04/28/2026 09:00 AM

 **Department(s):**
GUAM LEGISLATURE (/notices?department_id=92)

 **Division(s):**
OFFICE OF SENATOR CHRISTOPHER M. DUENAS (/notices?division_id=267)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

 **Share this notice**



The Committee on Finance and Government Operations will hold a public hearing on **Tuesday, April 28, 2026**, beginning at **9:00 am** at the Public Hearing Room in the Guam Congress Building.

The agenda is as follows:

- **Bill No. 309-38 (COR)**
([https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20309-38%20\(COR\).pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20309-38%20(COR).pdf)) – **Sen. Vince A. Borja** – AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.

- **Bill No. 306-38 (COR)**
([https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20306-38%20\(COR\).pdf](https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%20306-38%20(COR).pdf)) – **Vice Speaker V. Anthony Ada** – AN ACT TO ADD A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.

If you would like to participate in the Public Hearing listed above or submit written testimony, please contact the Office of Senator Christopher M. Dueñas for further assistance via email at senator.duenas@guamlegislature.gov (<mailto:senator.duenas@guamlegislature.gov>) or by phone at (671) 989-9554.

In compliance with Title II of the Americans with Disabilities Act (ADA), all government activities, programs, and services are accessible to individuals with disabilities. *If you or anyone you know requires assistance or special accommodations to participate in the public hearing, please contact the Office of Senator Christopher M. Dueñas at the contact information provided above.*

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Notice of Public Hearing
Tuesday, April 28, 2026, 9:00 A.M.

The Committee on Finance and Government Operations will hold a public hearing on **Tuesday, April 28, 2026**, beginning at **9:00 am** at the Public Hearing Room in the Guam Congress Building.

The agenda is as follows:

- Bill No. 309-38 (COR) – **Sen. Vince A. Borja** – AN ACT TO *AMEND* SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.
- Bill No. 306-38 (COR) – **Vice Speaker V. Anthony Ada** - AN ACT TO ADD A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.

SENATOR CHRISTOPHER M. DUEÑAS
COMMITTEE ON FINANCE AND GOVERNMENT OPERATIONS



If you would like to participate in the Public Hearing listed above or submit written testimony, please contact the Office of Senator Christopher M. Dueñas for further assistance via email at senator.duenas@guamlegislature.gov or by phone at (671) 989-9554.

In compliance with Title II of the Americans with Disabilities Act (ADA), all government activities, programs, and services are accessible to individuals with disabilities. *If you or anyone you know requires assistance or special accommodations to participate in the public hearing, please contact the Office of Senator Christopher M. Dueñas at the contact information provided above.*

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GUAM LEGISLATURE
AUDIO VISUAL DEPARTMENT
PUBLIC ANNOUNCEMENT REQUEST FORM

Office Submitting Request: Senator Chris Dueñas

Date of Request: 4/20/26

POINT OF CONTACT

Name: Ashley Shinohara Contact #: 671-989-9554

Email: senator.duenas@guamlegislature.gov

PUBLIC HEARING DETAILS

Notice Type: Public Hearing Informational Briefing Roundtable Discussion

Oversight Hearing Committee Meeting Other: _____

Notice Title / Bill(s) / Resolution(s) / Appointment:
Bills 309-38 (COR) & 306-38 (COR)

Date of Event: 4/28/2026 Start Time: 9:00 AM AM/PM

End Time: 12:00 PM AM/PM

Location: Public Hearing Room

MEDIA HANDLING

Recording Format: MP4 MP3 Other: _____

Delivery Method: Email USB Drive Cloud Link Other: _____

CERTIFIED BY AV:

Name: Zachary Quinata Signature: [Signature]

Posted on/Air Date: 4/20/26 - 4/28/26



Karl Pangelinan <karl.p@guamlegislature.gov>

Invitation for Testimony - Bill #309-38 (COR)

Karl Pangelinan <karl.p@guamlegislature.gov>
To: "jtwonpat@gdoe.net" <jtwonpat@gdoe.net>
Cc: Office of Senator Borja <contact@senatorvinceborja.com>, Senator Chris Duenas <senator.duenas@guamlegislature.gov>, Chirag Bhojwani <strategy@bluecontinent.solutions>

Wed, Apr 22, 2026 at 5:34 PM

Buenas yan Háfa Adai Speaker Won Pat,

The Committee on Finance and Government Operations invites you to participate in a public hearing on **Bill No. 309-38 (COR)** (Attached):

"AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS."

The hearing will be held on **Tuesday, April 28, 2026 at 9:00 a.m.** in the Guam Congress Building.


Your input is important, and we encourage you to attend and share your testimony. If you plan to submit written testimony, please provide 15 copies or email it to the committee at least 48 hours prior to the hearing.

If you are unable to attend in person, you may submit written testimony via email to senator.duenas@guamlegislature.gov no later than 48 hours before the hearing.

Please note: If you intend to present a digital presentation using an external USB drive, submit it to our office at least 48 hours in advance so our MIS department may review it.

We would appreciate confirmation of your receipt of this notice and whether you plan to attend. For any questions or additional information, please contact our office at **(671) 989-9554**.

Respectfully,
Karl Pangelinan - Office of Sen. Christopher M. Duenas

 **Bill No. 309-38 (COR).pdf**
1835K



Office of Senator Christopher M. Dueñas

CHAIRMAN, COMMITTEE ON FINANCE AND GOVERNMENT OPERATIONS

PUBLIC HEARING AGENDA
28 April 2026 - Guam Congress Building

09:00 AM:

The agenda is as follows:

- **Bill No. 309-38 (COR)** – Sen. Vince A. Borja – AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.
- **Bill No. 306-38 (COR)** – Vice Speaker V. Anthony Ada - AN ACT TO ADD A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.

Date: April 28, 2026


I Mina'trentai Ocho na Liheslaturan Guahån

Office of Senator Christopher M. Duenas

Time: 9:00 a.m.

Chairman, Committee on Finance and Government Operations

Bill No. 309-38 (COR) – Vincent A. V. Borja - "AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS."

	Name	Agency / Address	Contact No.	Email	Type of Testimony		Support	
					Oral	Written	Yes	No
1	DR. WOND PAT	GDOE					✓	
2	Franklin Leon Guerrero	GDOE					✓	
3	Mary Okada	PEB-GDOE					✓	
4								
5								
6								
7								
8								
9								
10								
11								
12								



DR. JUDITH T. WON PAT
Acting Superintendent of
Education

DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT

www.gdoe.net

501 Mariner Avenue

Barrigada, Guam 96913

Telephone: (671) 300-1547/1536 Fax: (671) 472-5003

Email: jtwonpat@gdoe.net



April 28, 2026

The Honorable Vincent A.V. Borja
Chairman, Committee on Education, Public Safety and the Arts
I Mina'trentai Ocho I Liheslaturan Guahan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Håfa Adai Chairman Borja and Honorable Members of the Committee:

The Guam Department of Education (GDOE) respectfully submits this testimony in strong support of Bill 309-38 (COR), which authorizes greater flexibility in the use of lapsed prior-year appropriations.

This legislation is both timely and necessary. It ensures that funds previously appropriated for the benefit of our public school system remain available to meet current and emerging needs. By extending the availability of these funds, GDOE will be better positioned to align resources with real-time priorities and respond with greater efficiency and accountability.

A clear example of available resources that could support the Department's critical needs is the approximately \$77 million in restricted funds identified in GDOE's Fiscal Year 2024 financial audit. The restricted funds are divided into two categories: \$26 million prior year GDOE lapsed funds and \$51 million in ARP salary reimbursement. The flexibility provided under Bill 309-38 (COR) would enable the Department to retain and strategically deploy these funds to address pressing priorities across our school system.

GDOE is awaiting a letter of determination from US DOE to allow for the unrestricted expenditure of the \$51M. In the event GDOE receives an unfavorable letter of determination, GDOE will be requesting a budget amendment to cover the \$51M.

GDOE continues to face significant and ongoing challenges across its campuses, including aging infrastructure, deferred maintenance, and the compounding effects of severe weather events, including Typhoon Sinlaku. These conditions directly impact the safety, functionality, and overall quality of learning environments for our students and educators.

Bill 309-38 provides critical flexibility that will allow the Department to strategically deploy available funds toward urgent facility repairs, storm recovery efforts, and essential operational and

instructional needs. Without this flexibility, the Department risks losing access to resources that are vital to addressing these pressing concerns.

Moreover, this measure reinforces responsible fiscal stewardship by ensuring that previously appropriated funds are fully utilized for their intended public purpose. It supports continuity in improvement efforts and reduces inefficiencies associated with funding interruptions.

On behalf of GDOE, I extend our sincere appreciation for the Committee's continued support of public education. We respectfully urge the passage of Bill 309-38 (COR) to ensure that critical resources remain accessible to meet the needs of our schools, support our educators, and provide safe, effective, and resilient learning environments for all students.

Si Yu'os Ma'ãse',



Dr. Judith T. Won Pat,
Acting Superintendent of Education



Office of Senator Christopher M. Dueñas
CHAIRMAN, COMMITTEE ON FINANCE AND GOVERNMENT OPERATIONS

COMMITTEE VOTE SHEET

Bill No. 309-38 (COR) - “AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”

Committee Members	Signature	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Christopher M. Dueñas <i>Chairperson</i>				X		
Senator V. Anthony Ada <i>Vice Chairperson</i>	E-Vote			X		
Senator Frank F. Blas, Jr. <i>Member</i>	E-Vote			X		
Senator Sabrina Salas Matanane <i>Member</i>	E-Vote	X				
Senator Jesse A. Lujan <i>Member</i>	E-Vote	X				
Senator Vincent A.V. Borja <i>Member</i>	E-Vote	X				
Senator Tina Rose Muña Barnes <i>Member</i>	E-Vote	X				
Senator Joe S. San Agustin <i>Member</i>	E-Vote			X		



Karl Pangelinan <karl.p@guamlegislature.gov>

Urgent E-Vote for Bill #309-38 CR - Vincent A.V. Borja - GDOE Lapsed Funds Bill

8 messages

Karl Pangelinan <karl.p@guamlegislature.gov>
To: cmdcommittee@guamlegislature.gov
Cc: Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Mon, May 4, 2026 at 4:55 PM

Hafa Adai Committee Members:

Please find committee report attached for Bill #309 -38 - Sen. Vincent A.V. Borja -
“AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO
GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE
LAPSED FUNDS.”

Your action on this measure is respectfully requested.

Kindly indicate your preferred course of action by selecting one of the following options:

TO DO PASS

TO NOT PASS

TO REPORT OUT ONLY


TO ABSTAIN

TO PLACE IN INACTIVE FILE

Please submit your response as soon as possible by **REPLY ALL** to this email. Your responses will be logged into the vote sheet, which will be submitted as part of the final Committee Report to the Committee on Rules.

Si Yu'os Ma'åse' for your prompt attention to this matter.

Respectfully yours,
Karl Pangelinan
Office of Senator Chris M. Duenas - Chairman Finance & Gov't Operation

 **Bill #309-38 CR.pdf**
7839K

Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
To: Karl Pangelinan <karl.p@guamlegislature.gov>
Cc: cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Mon, May 4, 2026 at 5:34 PM

To Do Pass.



Office of Majority Leader Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

259 Martyr St., Hagatna, Guam 96910

senator.lujan@guamlegislature.gov

(671) 969-6525

[Quoted text hidden]

Office of Senator Borja <contact@senatorvinceborja.com>

Mon, May 4, 2026 at 5:39 PM

To: Senator Jesse Lujan <senator.lujan@guamlegislature.gov>

Cc: Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To do pass

[Quoted text hidden]

Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>

Mon, May 4, 2026 at 8:42 PM

To: contact@senatorvinceborja.com

Cc: Senator Jesse Lujan <senator.lujan@guamlegislature.gov>, Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To report out

On May 4, 2026, at 5:39 PM, Office of Senator Borja <contact@senatorvinceborja.com> wrote:

[Quoted text hidden]

Office of Legislative Secretary Senator Sabrina Salas Matanane

Tue, May 5, 2026 at 8:52 AM

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To: Karl Pangelinan <karl.p@guamlegislature.gov>

Cc: cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To Do Pass.

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Office of Legislative Secretary

SENATOR SABRINA SALAS MATANANE

I Mina'trentai Ocho Na Liheslaturan Guåhan | 38th Guam Legislature

Chairperson, Committee on Health and Veterans Affairs

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Senator Tina Rose Muña-Barnes <senator.munabarnes@guamlegislature.gov>

Tue, May 5, 2026 at 9:51 AM

To: Karl Pangelinan <karl.p@guamlegislature.gov>

Cc: cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

to do pass

On Mon, May 4, 2026 at 4:55 PM Karl Pangelinan <karl.p@guamlegislature.gov> wrote:

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Joe S. San Agustin <senatorjoessanagustin@gmail.com>

Tue, May 5, 2026 at 11:50 AM

To: Karl Pangelinan <karl.p@guamlegislature.gov>

Cc: cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To Report Out Only

The Office of Senator Joe S. San Agustin

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Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov>

Tue, May 5, 2026 at 12:07 PM

To: "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>

Cc: Karl Pangelinan <karl.p@guamlegislature.gov>, cmdcommittee@guamlegislature.gov, Senator Chris Duenas <senator.duenas@guamlegislature.gov>

To Report Out Only



Speaker, Frank F. Blas, Jr.

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COMMITTEE REPORT DIGEST

Committee on Finance and Government Operations

Senator Chirstopher M. Dueñas, Chairman

In accordance with Section 6.04(c)(1) of the Standing Rules of *I Liheslaturan Guåhan*, this committee digest provides a summary of the public hearing detailed below. To assist the general public in navigating this report, please note that all blue-highlighted text contains hyperlinks. Clicking on these links will direct you to the corresponding referenced sections/documents. For any questions or assistance regarding this digest, please contact our office at (671) 989-9554 or email us at senator.duenas@guamlegislature.gov.

- I. **[“Bill No. 309-38 \(COR\)](#) – Vincent A.V. Borja – “AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS.”**

- II. **OVERVIEW [Bill No. 309-38 \(COR\)](#) – Senator Vincent A.V. Borja - AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS** was introduced on April 17, 2026, and was subsequently referred by the Committee on Rules to the Committee on Finance and Government Operations on April 17, 2026. The Committee on Finance and Government Operations convened a Public Hearing on the bill on Tuesday, April 28, 2026, at 9:00 AM in the Guam Congress Building’s Public Hearing Room.

PUBLIC NOTICE REQUIREMENTS: Public Hearing Notices were posted to the Government Public Notices Portal and disseminated via electronic mail to all senators and all main media broadcasting outlets on April 21, 2026 (5-Day Notice), and again on April 24, 2026 (48-Hour Notice).

SENATORS PRESENT: Christopher M. Dueñas, Chairman, Vice Speaker V. Anthony Ada (Vice Chairman), Senator Vincent A.V. Borja, Senator Eulogio Shawn Gumataoto, Senator Telo Taitague, Senator Jesse A. Lujan, Senator Chris Barnett, Senator Sabina F. Perez and Senator Sabrina Salas-Matanane.

ORAL TESTIMONY: Former Speaker and Acting GDOE Superintendent – Dr. Judith Won Pat.

III. Summary of Testimony & Discussion

GUAM LEGISLATURE

Committee on Finance and Government Operations

Public Hearing

April 28, 2026 – 9:00 a.m.

[Opening Remarks by Chairman Dueñas]

Chairman Duenas: *Manâina si Yu'os todos hamyu*, and welcome to the 38th Guam Legislature, the People's House. Thank you for being here for this morning's public hearing. This hearing is conducted by the Committee on Finance and Government Operations and is now called to order.

The first notice of this public hearing was disseminated to all senators and media outlets, with the second notice issued thereafter. These notices were also posted on the Guam Legislature's website, the legislative calendar, and the Government of Guam's public notice portal.

The committee will hear testimony on the following bills on today's agenda:

- **Bill No. 309-38**, introduced by Senator Vincent A. V. Borja, an act to amend Section 18 of Chapter 2 of Public Law 38-60 relative to granting greater flexibility to the Guam Department of Education to utilize lapsed funds.
- **Bill No. 306-38**, co-introduced by Vice Speaker V. Anthony Ada, an act to add a new Article 15 to Chapter 77, Title 12, Guam Code Annotated, relative to tax credits for the development of affordable housing units.

At this time, I would like to welcome my colleagues joining me: Vice Speaker Tony Ada, vice chair of this committee; Senator Vince Borja, the education chair and author of one of the bills before us; Senator Shawn Gumataotao; Senator Jesse Lujan; and Senator Telo Taitague. Thank you, Senators, for being here.

Before we begin, I'd like to remind everyone in attendance of I Liheslaturan Guåhan's general rules of conduct. Individuals testifying shall first be recognized by the chairperson before speaking and shall state their full name for the record. Testimony and questions must be

confined to the substance of the bill or matters on the agenda. Personal inferences regarding the character or motives of any senator or individual testifying are not permitted. The chairperson may order the removal of any member of the public who fails to observe proper decorum pursuant to the standing rules of the 38th Guam Legislature. Any violation will result in immediate removal from the hearing room.

With that, we will now proceed to hear testimony on Bill No. 309-38. I recognize the author of the bill, Senator Vince Borja. Senator Borja, you are recognized.

Sen Vince Borja: Thank you, Mr. Chair. And thank you to GDOE for coming down to speak in support hopefully for this bill. When I first introduced this amendment during the budget bill at the time, I had a conversation with Dr. Swanson, who was the superintendent at the time, in regards to my intent. And of course the thinking at the time was that we were going to expect some lapse funding because of the ARP revolving funds to fund the ARP projects. And at the time they were estimating about \$1 million to rotate to pay these ARP projects. And at the end they were going to sit with \$9 to \$11 million from ARP. And so when we proposed the amendment, the intent was to prioritize addressing a lot of the sports facilities across the Department of Education.

The amendment passed, and a lot has changed since then. Not only did the superintendent leave, we now have Acting Superintendent Dr. Judith Won Pat, which of course has changed some of the priorities, which is okay. The other thing that has changed is that there is now \$54 million—now I think \$77 million—that has lapsed, and so now we have \$77 million sitting. When Dr. Won Pat first came in, we discussed the flexibility to amend the law, and we talked about putting together a priority spend list which she was preparing with her new leadership team and was going to vet through the board and then submit.

Aside from that, we also had the typhoon which brought us to another crossroads in regards to some of the priorities. FBLG is another thing. Back when this amendment was made, the leadership at the time had identified another source of funding. Not sure what has changed; we're not here to discuss that. But again, when we did that, there was already funding identified for FBLG, which was why there were no objections at the time to support this amendment.

But again, we're here today. New leadership, new priorities. A lot of things have changed. It's not what we thought it was then. And so this bill is to allow flexibility. Am I saying we need to or are going to deprioritize sports facilities? Not necessarily. It's still something that we'll continue to work with my colleagues on and with the Department of Education, Dr. Won Pat and her team, to figure out creative ways to address this concern.



As a coach, many of the sports facilities—the track at JFK, the track at GW—are falling apart. Charles King Fitness Center’s track has gone through two or three renovations in the last several years, whereas GDOE has not done any major renovations or upgrades to its facilities. So that is still a priority. But today we’re here to hear the bill, and I hope my colleagues support this bill and allow GDOE flexibility to address the reopening of FBLG and other priorities.

Thank you GDOE for coming down, and I ask my colleagues to support this. Thank you Mr. Chair.

Chairman Duenas: *Si yu’os ma’ase* Senator Borja and Senator Barnett, thank you for joining us. At this time, I will recognize former Speaker Judith Won Pat to open on the bill, and I understand you’re assisted by Mr. Leon Guerrero, your finance chair for GDOE. Please proceed with your testimony.

Speaker Won Pat: Senator, Vice Speaker, Chairman of Ways and Means, DOE’s chairman as well, Senator Borja. I’d also like to recognize Senator Matanane, Vice Speaker Tony Ada, Senator Lujan, Senator Barnett, and Senator Taitague.

The Guam Department of Education respectfully submits this testimony in strong support of Bill 309-38 COR, which authorizes greater flexibility in the use of lapsed prior-year appropriations. This legislation is both timely and necessary. It ensures that funds previously appropriated for the benefit of our public school system remain available to meet current and emerging needs. By extending the availability of these funds, GDOE will be better positioned to align resources with real-time priorities and respond with greater efficiency and accountability.

A clear example of available resources that could support the department’s critical needs is the approximately \$77 million in restricted or lapsed funds identified in GDOE’s fiscal year 2024 financial audit. The restricted funds are divided into two categories: \$26 million in prior-year lapsed funds and \$51 million in ARP salary reimbursement. The flexibility provided under Bill 309-38 would enable the department to retain and strategically deploy these funds to address pressing priorities across our school system.

GDOE is awaiting a letter of determination from US DOE to allow for the unrestricted expenditure of \$51 million. In the event DOE receives an unfavorable letter of determination, GDOE will be requesting a budget amendment to cover the \$51 million. We are feeling positive about this, but I still have to make sure you are aware of it.

GDOE continues to face significant and ongoing challenges across its campuses, including aging infrastructure, deferred maintenance, and the compounding effects of severe weather

events. These conditions directly impact the safety, functionality, and overall quality of learning environments for our students and educators.

Bill 309-38 provides critical flexibility that will allow the department to strategically deploy available funds toward urgent facility repairs, storm recovery efforts, and essential operational and instructional needs. Without this flexibility, the department risks losing access to resources that are vital to addressing these pressing concerns.

Moreover, this measure reinforces responsible fiscal stewardship by ensuring that previously appropriated funds are fully utilized for their intended public purpose. It supports continuity in improvement efforts and reduces inefficiencies associated with funding interruptions.

On behalf of GDOE, I extend our sincere appreciation for the committee's continued support of public education. We respectfully urge the passage of Bill 309-38 COR to ensure that critical resources remain available to meet the needs of our schools, support our educators, and provide safe, effective, and resilient learning environments for all students.

I am Judith Won Pat, the Acting Superintendent of Education. After reviewing the bill again, I am requesting an amendment. I do not want our hands tied by specifically naming a typhoon, because we currently have FEMA projects ongoing. My recommendation is to reference severe weather conditions or typhoon damages generally, rather than naming a specific typhoon, the language should refer more generally to severe weather conditions or typhoon-related damages. This is important because, similar to what we did with Mawar, we are already in discussions with FEMA. The funding that will come in typically requires an administrative cost share, currently 90/10. We don't yet know what the cost share will be for this event; it could be 85/15, but we simply don't know.

So instead of specifying a particular storm or tying the language to a specific funding source, it would be better to reference a grant or federal program that could supplement what we have.

I believe that covers my recommendation. Thank you very much, senators, for your time.

Chairman Duenas: *Si yu'os ma'ase* Speaker Won Pat. Also, Madam Speaker, as superintendent of the Department of Education, I will say that I personally don't have a problem with that amendment. But one thing I'm looking at, and I know I've asked this before...do you have any testimony, Mr. Leon Guerrero?

I want to advocate once again, Madam Speaker. I don't believe there are any current contracts that have been procured. I know there have been discussions about the \$20 million that was transferred to DLAN. And if that is the case, and I believe we all know it is, I'm going to advocate for recovering that amount to support this amendment.

It doesn't seem to be working out under mold mitigation and the other purposes that were discussed, and I think it is more appropriate for DOE to utilize those funds directly. So, I believe the amendment should include the recovery of the \$20 million so the Department of Education can do what it needs to do.

Speaker Won Pat: What I was able to confirm is that \$6 million of that amount was used to pay the National Guard, who were at all the schools collecting debris. So the remaining balance is about \$14 million.

Chairman Duenas: That's fine. That's \$14 million you don't have today. And to me, that \$14 million belongs with the Department of Education so you can address the many issues you're facing. I believe those funds should be administered by your team. Your finance deputy has proven his capability in managing resources effectively and getting contracts processed.

In fact, thank you, Madam Speaker, for acknowledging earlier that vendors are now willing to do business with DOE again because they know they will be paid within a reasonable time. So we'll work on this together. The bill will go through markup, Madam Speaker, and we'll keep you informed as those developments move forward.

We also have Deputy Franklin Leon Guerrero signed in support of Bill 309-38, as well as Mary Okada, representing herself and the board, also signed in support. Thank you, Dr. Okada, for your testimony in favor of the bill.

I will now turn to the author for any questions.

Sen Vince Borja: Thank you, Mr. Chair. Again, thank you GDOE for coming down here. In regards to lapse funding, what are the amounts and specific categories for any kind of lapse funding that is being restricted by these funds? I know there has been a lot of conversation around PTO—supposedly there are funds that were said to be restricted. So what is the amount in the PTO account that is considered lapse funding, or any account that has any kind of lapse funding, and what those amounts are, whether it be the Healthy Futures Fund or any money that is restricted right now aside from ARP?

GDOE DFAS Mr. Leon Guerrero: Yeah, the school non-appropriated funds don't fall under that; they're in separate bank accounts. The prior-year lapses are a set of cash that is in our

bank account that is on hold. Do we have demands for that cash? Yes. As you said, the landscape has changed from a year ago to now. The revenue and tax challenge with their software and getting revenue in has affected the whole government, including allotments to GDOE for its monthly allotments. So it's been a struggle, honestly. There were invoices popping out of the bushes, so to speak, that we didn't know existed. So we actually have more invoices to pay than expected.

Was the work relevant? The work was relevant. It was on school refurbishments—the twelve school refurbishments—and leaking roofs. Unfortunately, whoever did the estimate for the leaking roofs underestimated the amount of square footage. The contractor came to us and said, “We can only fix this amount of square feet leaking, but there's more. Do you want us to fix more?” It doesn't make sense to go to other work until you fix the roof. So promises were made, work was done, and now the invoices are coming due. A large part of the lapses will go toward resolving those claims by that refurbishment contractor, but also toward the reopening of FBLG. Unfortunately, there were major systems overlooked—fire suppression, cafeteria equipment, bells, the gym. These things weren't part of the money available at the time for FBLG. So now, to open the school, these overlooked items must be addressed. They have to be procured, and there is no money set aside for that. That's why we're asking to release the restrictions so we can get about the important business of getting the school open.

Sen. Vince Borja: But my question again is: funding like PTO—because when we asked earlier in January, there was about two hundred-some thousand. Is that money still available?

Dr. Okada is nodding yes.

Speaker Won Pat: Dr. Okada also said yes. So we'll look into it. But if I may add, in addition to what my deputy said: the restricted ARP funds—we used up most of it because of the expiration date. What we weren't able to use it for were modifications done for the twelve refurbishments, and then there's the interest cost added to that. All of those now must be paid out of local funds because we don't have the federal funds to pay them.

Sen. Vince Borja: How much is left from ARP—or rather, from the revolving money used to pay ARP? How much is left after paying the final bill before the deadline from lapse funding?

Speaker Won Pat: I think it's about three million.

Sen. Vince Borja: Three million. Is there a reason—because there are still outstanding bills from ARP that need to be paid?

GDOE DFAS Mr. Leon Guerrero: Three million is a lot of money in anybody’s checkbook. But what happened here was circumstantial. President Trump called for a strategic pause on the U.S. Department of Education, and they stopped the money flow on ARP. So, management did the prudent thing and sent letters to Guam contractors working on ARP projects telling them to stop because we weren’t sure the money would be turned back on. So, the contractors stopped. Eventually the go-ahead was given, but by then many things had happened—demobilization costs, remobilization costs, changes in supply costs, and federal grant timeframes. Some contractors requested contract modifications because of increased costs, but those requests came outside the window to obligate ARP funds. It was a sequence of events—not negligence—that prevented full expenditure. In the closing days of the grant, we worked diligently to spend what we could.

Sen. Vince Borja: How much in invoices do we still owe for ARP?

GDOE DFAS Mr. Leon Guerrero: Twenty million. Twenty to thirty million.

Sen. Vince Borja: Is this to one contractor? What’s the breakdown?

GDOE DFAS Mr. Leon Guerrero: There are two contractors—one with the bulk of it, and another with a smaller amount.

Sen. Vince Borja: Regarding that, I know the priority list you sent—CoreTech is one of the larger bills we received, but in your priority list you only allocated \$875,000 to CoreTech. How do you plan to fully pay CoreTech and any interest that may come up?

GDOE DFAS Mr. Leon Guerrero: There was discussion about that. We have two pots of money: the prior-year lapses and the ARP prior-year lapses. The \$26 million was going to go to CoreTech primarily. The spending plan was identified for the \$51 million from the south.

Sen. Vince Borja: You don’t have a breakdown of how much is owed to each contractor?

GDOE DFAS Mr. Leon Guerrero: I don’t have it with me, but I can tell you the contractor owed the significant amount is very aggressive. As Dr. Won Pat said earlier, there are late fees and interest, and now they are asserting their right to charge interest on the interest if we don’t resolve this. They are very aggressive in their collection methods, and the money meter keeps ticking.

Sen. Vince Borja: Going back to lapse funding—aside from PTO, what other accounts and amounts are restricted?

Speaker Won Pat: There are none, really. Many federal grants have already requested liquidation. There are SPED grants, consolidated grants, and GovDev grants totaling about \$81 million, but those are not restricted—we just need to draw them down and obligate them

before the end of the fiscal year. There are other amounts left on the table from FY23, FY24, and FY25 grants—about \$20 million. Those are not restricted by this legislation; they are tied to specific grant years and deadlines. Locally, the primary issue is the \$26 million lapses and the \$51 million, because what we’re requesting is not specific only to sports facilities or field lights. Although we included playgrounds and equipment in the spend plan, the largest bulk we cannot address are the nine construction items needed at FBLG. We didn’t anticipate the gym being damaged—that happened as a result of Mawar—so we needed to include that as well.

Sen. Vince Borja: For FBLG, what is the breakdown of the amount needed?

GDOE DFAS Mr. Leon Guerrero: Approximately ten million. It’s holding up procurements—temporary campus needs, collateral equipment, classroom furniture, fire suppression, alarm system, bell system, intercom system, the ANCEL system for the cafeteria, IT infrastructure, wiring for network and phones, gym supplies, two water heaters costing \$200,000, gym maintenance, temporary classroom demolition. These are longer-term items. Procurement is on hold. Releasing the restrictions allows us to get procurements flowing—that’s one of the greatest positives of this bill.

Sen. Vince Borja: Based on the current appropriation, where are you in terms of cash position? Are you spending your appropriation? Are you anticipating lapses?

GDOE DFAS Mr. Leon Guerrero: Right now, based on analysis and comments from our internal auditor, we’re looking at deficit spending—not lapses. When you take all these invoices coming out of the woodwork, if we pay all invoices we have now, we are potentially looking at a deficit.

Sen. Vince Borja: And that’s where I struggle—you say you’re looking at a deficit, but you can’t give me a breakdown. If you’re expecting a deficit, I would assume you’d have a breakdown of contractors owed and items needed. When can we get that to the committee?

GDOE DFAS Mr. Leon Guerrero: We can get that tomorrow or the next day. Part of the hesitancy is that some invoices are just becoming known to us, and they’re not from construction companies—they’re from special education vendors. Somehow invoices weren’t paid and are now coming forward. Tiny Eye, for example, was owed \$1.7 million in arrears. We’re addressing it and buying it down, but we need the release of prior-year funds to pay them fully. Another contractor has also come forward saying they weren’t paid. I can tell you what I know and put that down for you.

Sen. Vince Borja: My last question: should you get approval to use the \$77 million, are you confident you can spend it by the end of the fiscal year?

GDOE DFAS Mr. Leon Guerrero: Absolutely. And if you found more millions, we could spend that too.

Sen. Vince Borja: Considering procurement constraints, you're still confident?

GDOE DFAS Mr. Leon Guerrero: Yes. We need FBLG to open. Everyone wants FBLG to open. We need to get procurements moving. Many procurements are federal funds with windows of opportunity. If I stop those to prioritize FBLG, the clock starts ticking on others. It's a constant balancing act—rob Peter, pay Paul. Procurement timelines are long. Sometimes we have to stop accepting new procurements to clear the logjam. It's a challenge.

Sen. Vince Borja: Federal funds—are we giving any back? How much ARP did we return?

GDOE DFAS Mr. Leon Guerrero: Approximately three million.

Sen. Vince Borja: What about consolidated grants? Any other federal funds returned?

GDOE DFAS Mr. Leon Guerrero: ARP was the big one. Anything else was much smaller—maybe \$100,000 here or there. There are multiple reasons—timeframes, etc. But ARP was the only significant one.

Sen. Vince Borja: What about special ed spending—IDEA? How much have we returned?

Speaker Won Pat: For SPED—older years, FY23, FY24, FY25—about eighteen million. That's why I said the total amount for aging grants is about twenty-something million. What we can and should spend before the end of this year is about \$80 million. Two large ones are consolidated grants—\$31 million and \$33 million—and SPED and (inaudible). Those are the three big ones.

Sen. Vince Borja: Thank you, Mr. Chair. I have no further questions at this time. Thank you, Dr. Won Pat and Mr. Leon Guerrero.

Chairman Duenas: *Si yu'os ma'ase* Senator Borja. Mr. Leon Guerrero, I just want to clarify something. When we met during your pre-budget meeting, and then when Typhoon Sinlaku booted your budget meeting, your fixed costs were not deficit spending. Your salaries and benefits are tracking correctly because these are contractual obligations.

Unfortunately, when we returned the \$3 million because prior management wasn't paying their bills, all these things coming out of the woodwork are outside the budget process and outside our contractual obligations. Fortunately, we are now reprogramming funding and expenditure capabilities to handle that. Correct?

GDOE DFAS Mr. Leon Guerrero: That's correct.



Chairman Duenas: So your salaries, benefits, and operational costs are not deficit spending. Those are on track. But the discussion we're having today is about the contractual obligations that otherwise could have been covered by ARP, as well as our other contractual obligations tied to procurement outside of fixed costs.

GDOE DFAS Mr. Leon Guerrero: Absolutely

Chairman Duenas: Okay. Just because I know where this might go and I want to make sure we have taken care of you when it comes to operating Department of Education. Contractual obligations are a separate entity.

GDOE DFAS Mr. Leon Guerrero: Yes, they are.

Chairman Duenas: Thank you, sir. And once again, keep up the great work. Senator Gumataotao, and before that, I want to recognize Senator Matanane. Welcome. Also, Senator Perez, welcome.

Sen. Shawn Gumataotao: Uh, thank you so much, Mr. Chair. And thank you to DOE for being with us this morning. Acknowledging that BBMR and the administration considers unexpended prior-year appropriations as basically non-existent for line agencies, including GPD, DOC, and GFD, does GDOE have a spend plan to maximize any available surplus for specific and planned expenditures within a certain period of time? And should the Legislature consider establishing a deadline of 6 months, 12 months, or 18 months for GDOE to encumber its carryover funds?

Speaker Won Pat: Senator, I know that's the exact same thing I was told—that we have no lapses. The difference is that we do, because the money is in the bank versus paper lapses versus actual cash in the bank. So that part has been established now based on our spending plan, and it could change, but a lot of these are expenditures that we must expedite as soon as we can, barring any delays at the AG's office. The largest amount, approximately \$10 million, would be to get FBLG ready for operation in August. That's a large amount we're talking about. Then, of course, there are all the others.

So we do have a plan, and the plan was to go in and start cutting all of these RFPs and requisitions as quickly as we can to expend. Another large amount we would have to pay out of local funds is the remaining balance for the 12 schools that were being refurbished with ARP monies. That in itself right now is about twenty-some million dollars. So, you would expect that to be done quickly.

Sen. Shawn Gumataotao: So, what about establishing a deadline—6 months, 12 months, 18 months—to encumber those carryover funds? What's your take on that?

Speaker Won Pat: Well, right now I would say for the most part, when you look at our plans, we're looking at the opening of the school year. So, we're looking at August for the majority of these things to be expended. Others might take a little longer in terms of encumbering, we can do an RFP, for example, to order bleachers, cafeteria equipment, playground equipment. Those will come. I'm not going to say right now, we only have approximately eight months left before the end of the year, so we have only about eight months to expend this. So, the plan is to spend it by this year.

Sen. Shawn Gumataotao: No, I know you can spend it, but are we looking at 6, 12, 18 months? What's the sweet spot, do you think? Because this is going to affect future uses, right?

Speaker Won Pat: Yes. We gave a plan; we shared a plan with the senators. I've informally shared the plan with the board as well, to the tune of \$51 million. But we still need more workshops. Sometimes other problems surface, and then financial issues we have to address. For example, we just found out last week, not specifically for local funds but for federal funds, that we haven't paid for years, and now we're doing a catch-up.

Sen. Shawn Gumataotao: And I guess that's my concern, that we allow it and then we wait for years. So, I'm thinking if we put it at, let's say, 12 months, it forces the agency, in this case GDOE, to move quickly and prioritize spending versus waiting.

GDOE DFAS Mr. Leon Guerrero: I think 12 months would be adequate. Just understand that there's always the balance, we have 300 requisitions in our system today for our procurement staff to deal with. This is, of course, going to add to that. There are different types of procurements, small purchases, IFBs, RFPs, they all take different amounts of time. But I think 12 months is adequate time for me to take all that into account and still clear through the money.

Sen. Shawn Gumataotao: All right. Thanks, Frank.

GDOE DFAS Mr. Leon Guerrero: Yes, sir.

Sen. Shawn Gumataotao: The \$77 million general fund surplus that Bill 309-38 would authorize GDOE to spend was substantially created, as we talked about earlier, by the USDOE's approval of \$54 million in extended ARP liquidation for GDOE's teacher payroll costs. Has the US Department of Education's Office of Inspector General, Program Office, or any other federal oversight body opened a review, audit, or inquiry into GDOE's ARP extended liquidation approval? And what is the current federal audit status of these funds? And has GDOE received any correspondence from USDOE indicating any risk of fund recovery?

Speaker Won Pat: The only...how should I say this, the Secretary of Education and her assistant, at the most recent CCSSO meeting in DC, basically told us that March 28 is the final deadline to expend any ARP monies. Therefore, whatever we didn't expend or obligate before that, we can't, there's no extension whatsoever. That is why we were saying that the 12 projects that did not meet that timeframe, because there was this technicality we were grappling with, where we brought in the controller, our auditors, our attorneys, the procurement office, because we found out that on December 31 of last year, all of those 12 contracts had expired. But work was still ongoing. And how do we continue to expend ARP monies knowing that these contracts have expired? That's why we had to bring in our attorneys.

So, what we were able to do, based on the dates of the invoices coming in, is pay out what we could before March 28. The amount I gave you is \$3 million. The exact amount is \$3.4 million.

Sen. Shawn Gumataotao: All right. Thank you.

GDOE DFAS Mr. Leon Guerrero: Shawn, I would just like to add, Senator, that as far as I'm aware, there's no formal audit on the ARP monies that identified this \$51 million restriction or hold. But there was a local audit by Ernst & Young—an annual audit for DOE—and it was the local auditors who said, "We're not sure, even though USDOE paid you the \$51 million, that all the i's were dotted and t's were crossed." So, the local auditor said that.

So, out of an abundance of caution, because of the local auditor, we said: hold, and let's get a letter of determination from USDOE. Because of the reshuffling under President Trump, USDOE is somewhat in disruption. So, we have been trying to get that letter of determination. It wasn't anything issued on their part. But because of our local auditor's caution flag, we are, out of caution, not spending something we might have to pay back. That's why we're asking for a letter of determination, and we have asked for it and will continue to ask for it.

Sen. Shawn Gumataotao: All right, thank you for that clarification.

Speaker Won Pat: And Senator, when I was in DC, I also met with USDOE, Dr. Forester, and he's correct. We were informed that USDOE staff have been spread out, sent to the Department of Labor, Department of Justice, Department of Treasury. When I met with Dr. Forester and asked about the letter of determination, she wasn't able to respond because in her unit, she is the only person from USDOE who will now be moved to the Department of Labor. So, they don't have the individuals to refer the request. We've requested three times, and we have not received anything. We even asked our consultant with Bruman to inquire on our behalf, and they too have not heard anything.

Sen. Shawn Gumataotao: And that’s important for the community to understand. As you are leaning forward to double-check to make sure you’re spending the money correctly, there will be a lot of scrutiny, fraud, waste, and abuse, especially from Treasury, which has been the most public about going after these programs. So, I asked that just for clarity, and I appreciate your insight. We’re all going to be watching that closely.

Speaker Won Pat: And the way we’re looking at this as well, because we’ve requested three times and we’ve been very cautious about it, and that’s why I mentioned it to the Legislature just in case, but I think the fact that we’ve made several attempts, and then proceed with it and document all expenditures, it’s going to get to the point where they’re going to say, “Well, they haven’t responded, so we have to move. We can’t just continue to let it sit there knowing we need to start drawing down these monies.”

Sen. Shawn Gumataotao: Got it. If you can, can you tell us, looking at it from a different lens here, what portion of your share of the Limited Gaming Fund has been expended by the department over the last couple of years, maybe three? Are there specific sports facility projects supported using the Limited Gaming Fund?

Speaker Won Pat: No. Yes. We do know that it goes to coaches’ salaries for interscholastic sports. And we’re up to date with those.

Sen. Shawn Gumataotao: But not actual sports facilities themselves?

Speaker Won Pat: No.

Sen. Shawn Gumataotao: Okay. Because I was going to ask how you use that to improve sports facilities. I think OPA said there’s close to \$80 million in unspent general fund revenues at the end of FY24, which was exacerbated by about \$12.1 million in expired federal funds as of December 2025. Would you support reprioritizing a share of the LGF to support other facilities across the villages, whether DOE, village, or DPR facilities?

GDOE DFAS Mr. Leon Guerrero: There have been requests from some mayors—where we have schools, if they could co-share. They would help with maintenance, lawn cutting, things like that. Everybody knows the sports fields are in disarray. Southern High can’t even play on their field; they have to be bused somewhere else. So yes, we recognize the need. But when we have contractors threatening penalty interest, my first day of work, a contractor said, “You owe me \$23,000 for late payment”, I’m like, okay, the sports fields and tracks are important, everything is important, but from a DEFAST perspective, I need to mitigate money loss.

So, does it make sense to fix fields while I’m incurring penalties and late interest for school canopies and other critical work?

Sen. Shawn Gumataotao: No. I think the priority would be school facilities first, and the fields somewhere after that.

GDOE DFAS Mr. Leon Guerrero: It's there, we've recognized it in the spend plan. We put money for bleachers and floodlights at some fields. That's all in the spend plan.

Sen. Shawn Gumataotao: Got it. Okay. Thank you so much for that Frank. And thank you, Mr. Chair for the time today.

Chairman Duenas: *Si yu'os ma'ase* and reminder to our colleagues, we are using the 5-minute clock. Vice Speaker, you're recognized.

Vice Speaker Ada: Thank you, Mr. Chair, and Madam Superintendent. Thank you for being here. And Mr. Leon Guerrero, was there a transition between the previous leadership and the current leadership? Did you have a transition plan, and was all documentation and everything previously done under that leadership provided to you?

GDOE DFAS Mr. Leon Guerrero: I can speak from my swim lane as the incoming Deputy Superintendent for Finance. My predecessor was busy. Was there a schedule? Was there an agenda? Was there a methodical transition? No. Was he available from 8:00 to 11:00? Yes. And it was to shadow him in some of his meetings. Unfortunately, there was not time, or time was not made, or I was not afforded time to sit down and be told: these are the priorities, this is where the money needs to go, these are the challenges, this is where we're on thin ice. There was none of that.

And I have to tell you, it's not my place to say, but as minimal as that transition was, another deputy had even less. Unfortunately, the transition wasn't planned, it wasn't methodical, and it didn't define where prioritization should be or what the challenges were. Some of the things we're dealing with today were challenges a year or 18 months in the making. Had they been addressed then, they would have been easier and less costly. But we were not afforded that. So, we were on a journey of discovery, sir, and we're still standing, and we're committed to getting the right things done the right way.

Vice Speaker Ada: And I think when you're dealing with hundreds of millions of dollars, you would think there would be a proper transition—documentation of finances, contractors, and everything going on. I'm taken aback that there was no proper transition.

GDOE DFAS Mr. Leon Guerrero: There was no handoff, no piece of paper.

Vice Speaker Ada: Madam Superintendent, when you and the previous superintendent met, was there any communication that there would be a proper transition of teams to ensure smooth operation of GDOE from their leadership to yours?

Speaker Won Pat: Yes. I met several times with the superintendent, and I asked him whether certain individuals in the department could assist or be a go-between to request information we needed to read and prepare. There were so many documents, and it couldn't be done in two or three meetings. He did authorize that and made sure the deputies would respond and provide information. So that's what we did, reading a lot of the information. I asked what outstanding issues we should be looking at, and now, when I think about it, those were not revealed at all. For example, the issue we are currently facing with special education and where we are financially.

So, as my deputy said, we were on a journey of discovery. When vendors came to us, we found invoices that were out of sight, out of mind, sitting on desks, not making it to the finance office. All we knew was that they were late, and we needed to catch up and figure out how to pay many of these through federal funds before the grants expired. The worst part was others we found that we couldn't use local funds for. Then we got requests to use indirect costs, and we couldn't do that because we have not finalized a negotiated rate with USDOE. So, I put a stop to expending any of those monies except for what is currently existing, like salaries for individuals who are 50% local/50% federal or 100% local but being paid out of IDC.

Vice Speaker Ada: And you know, Mr. Leon Guerrero, you're mentioning that you'll be able to spend—I'm looking at your spend plan here—the \$51 million. You'll be able to spend that in the next five months?

GDOE DFAS Mr. Leon Guerrero: I said 12 months. It's a balance. And if I could add one last view: there wasn't a comprehensive transition. One of the things we found out when we started January 1st was that the heavy-duty school refurbishment contractor had submitted a modification request for extended work. He turned it in four months before the contract expired. You cannot modify a contract once it's expired. He turned in the modification request four months before expiration, and DOE at that time did not act on it. The contract expired on December 31st. We started January 1st. The transition had no information on why the proposed modification wasn't acted on.

All I know is you cannot modify an expired contract. So now we have got into problems. When we found out the contract had expired and there were mods on the table, and not only were the mods on the table, but the contractor was working as if the mods were approved, which they weren't, you can imagine the legal nightmares we started getting into. And the money that was going to pay for that was ARP, which was getting ready to expire. So, with the legal requirements and the contractor coming out of the woodwork, it was quite the challenge. It was a journey of discovery because we had no word that this was waiting for us.

Vice Speaker Ada: Okay, thank you for that Mr. Chair and maybe a question later, but thank you for that. I appreciate your time.

Chairman Duenas: *Si yu'os ma'ase* Mr. Vice Speaker. Senator Taitague, you are recognized.

Sen. Telo Taitague: *Si yu'os ma'ase*, Mr. Chair, and good morning to my colleagues. Good morning to DOE. I do have a couple of questions regarding the scenario you mentioned earlier about an amendment. I think I heard you say something about an amendment because when I read the fiscal note from BBMR, they mentioned that you wanted to make some arrangements or amendments in the bill. Can you clarify what that amendment would be?

Speaker Won Pat: The amendment was basically to expand the language from school sports facilities to now open it up for all of the items we said we needed to address under this particular bill.

Sen. Telo Taitague: Yes, this particular bill. But it does allow that authority?

Yes, this bill definitely will allow it.

Sen. Telo Taitague: So, when you first had the funding available, what actually stopped you from using the funding?

Speaker Won Pat: The law. Your budget law. There was a section in the budget law that said any lapse monies should be used for sports facilities—primarily for sports—and we needed to go beyond that.

Sen. Telo Taitague: Was that in the budget bill before we went to session?

That was in the final budget law.

Sen. Telo Taitague: Okay, but it wasn't in the budget bill that you reviewed? The budget that went on the session floor? ((Speaker Won Pat Interject) No)). This was something included on the session floor.

Okay. Now, before that, did you have the authority to use this funding? If we didn't put it in the budget bill, would you have been able to use this funding?

Speaker Won Pat: Yes. Usually there's language allowing us to carry over.

Sen. Telo Taitague: Okay, so you had that authority. The question I have, because there was another bill introduced that had a lot of things in it, like continuing appropriations, versus this bill, 309. It allowed DOE to carry over unspent funds for the next year, general operations, previously approved projects. Have you seen Bill #284?

Have you seen Bill 284?

Okay, that comes before 309, but yes, there was a bill previously introduced. I thought maybe we could do a comparative because obviously this bill came before Bill 284, and I was wondering if you had an opportunity to see that bill, which actually did almost the same thing. If there's anything in that bill we can incorporate into 309, because for some reason, that bill is in front of us today. So, have you had a chance to see 284?

Speaker Won Pat: If you're saying it's similar...

Sen. Telo Taitague: Actually, it gives you more flexibility

Speaker Won Pat: then I can only speak from my previous experience in the Legislature. Depending on the standing rules, either the first bill introduced is taken up, or bills are consolidated based on markup, or it depends on the rule of the majority. So, I'm leaving it up to you senators to decide what will be best. We are the beneficiaries of what you pass. I look to your experience and wisdom to make that decision.

Sen. Telo Taitague: Unfortunately, sometimes, even when it's in the best interest of the people, it gets put aside. But what we're here to discuss today is this bill, which can actually be better. I'm surprised we had to do this in the first place. And as you know, Superintendent, things can be changed in committee reports. We can incorporate what needs to be done. You can also provide a second testimony, an amended or revised testimony, to this bill, maybe incorporating some of the items in Bill 284 if you've had an opportunity to read it.

The second part I noticed in the bill is that it really didn't have a lot of accountability. Do you actually have a plan, not just itemizing what you're going to spend the money on, but giving a priority list of which project is first, second, third, and a timeline for completion? Do you have that?

Speaker Won Pat: We don't have it written, but in our discussions, and what I mentioned earlier today, one of the top priorities will be to get F.B. Leon Guerrero Middle School fixed and ready for the opening of the school year. That is definitely a top priority. They're all important, but that's why we gave a time frame of 12 months. Some items we can move further behind, like social studies and science textbooks, emotional intelligence curriculum, those can come months later. That's the time frame we're looking at.

As soon as we're able, we want to go back and have our procurement office start putting out RFPs for all the work needed at FBLG. That's about nine projects totaling approximately \$10 million. So that, at least, I can tell you is a top priority. But if you like, we can go back, meet with our team, and submit to the chairman a priority plan and timeline, listing them accordingly.

GDOE DFAS Mr. Leon Guerrero: I'd like to add that the Board of Education reviews the spend plans and prioritization. We are constantly monitored by them. There's a working committee of the board, financial. So, we don't arbitrarily say we're going to spend this money. There is a process. The board is first and foremost in that process, and then of course the Legislature. We can give you any report you want.

This management team the Superintendent has put together is nothing if not accountable. We are totally accountable. Prioritization can be approached in two ways: FBLG is absolutely the number one priority. But then you step down and ask: what can be done quickly? Low-hanging fruit. What can we do while we're working on the RFPs for FBLG? What can we do simultaneously, a big heavy hitter and a smaller item? We're trying to maximize throughput through the procurement process. We have to do it right, we dot the i's and cross the t's. It's a process.

Sen. Telo Taitague: Thank you, Mr. Leon Guerrero. And you know, dot your i's and cross your t's, that's something I appreciate. But there's another thing: incorporating that into the law. If you have no problem with transparency and accountability, then I think it would be prudent to put that in this legislation, to incorporate a priority listing and an itemized list of how you're going to spend the money, but most especially with a timeline.

Money has been tossed around left and right, and everyone has an excuse why they're not doing it. But I know the former oversight chair of DOE had accountability every month by meeting with the school and putting a timeline and spreadsheet list so that not only we, but the public, especially parents, can follow what DOE is doing.

In the fiscal note, they suggested officially involving the Board of Education and including definitions on how the funds may be used. I think that would be a great idea considering there's a lot of mistrust in DOE with all these audit reports coming out, everything from air conditioners to textbooks to laptops. It's one thing after another, and unfortunately, you've inherited a lot of these issues.

So, I think it's important that you incorporate this, or request that it be part of this legislation. Thank you, Mr. Chair, for the opportunity, and thank you DOE for continuing to try to bring that transparency to fruition. Thank you.

Speaker Won Pat: Mr. Chairman. Can I respond?

Chairman Duenas: Yes, I also have a clarification for you...but go ahead.

Speaker Won Pat: Okay. I mean, I totally understand where the senators are coming from in terms of trying to hold the department accountable and setting timelines, reporting requirements, and all of that. My only request is that you do not make it so specific that you

tie our hands, and that you give us some wiggle room, so to speak. Because if you are going to be the ones to decide which of these items we list in the spend plan is the priority, I want to make sure we are still the ones able to make those decisions.

Yes, we are saying FBLG is important, that's our top priority, but I don't want any of the other items to be placed above it or set for us in a way that prevents us from adjusting. Sometimes we just don't know what is happening in the department or what unforeseen circumstances or problems may arise. And then we couldn't move because the law was too specific. And I will follow the law.

Chairman Duenas: Madam Speaker, also, because I just want to be clear on this, when we have discussed not only this bill but also consistently during budget hearings, we have consistently asked you for a spend plan. Correct? And we wanted supporting documentation for any appropriation going forward. Correct?

Speaker Won Pat: Correct. Most definitely, because that's the one thing we said, we want to rebuild the trust with the department. That's why we're very open about our findings, to let you know what they are and what actions we're taking to correct them. We're doing the exact same thing with the board and with the Public Auditor.

So, when he sends back the audit, a committee is already established to go through corrective actions, like for the textbooks, which is currently happening, and for the curriculum management audit. We did the same thing. We met with the consultants, and they agreed to make the changes and correct the mistakes.

We are also going through each division. We brought in members of all the divisions because the problems they identified as issues require corrective plans and corrective actions from each of them. All of that is being done currently.

Chairman Duenas: Correct. And Madam Speaker, let's be clear. The first amendment that you discussed—and that's why, when we discussed this bill with you, it had much more flexibility going forward—was that you not only said you want authority for Sinlaku, but you want other disasters to be included. That's why I said I'm going to advocate for you clawing back the \$14 million that is currently in a governor's account, so you can use it.

Speaker Won Pat: Correct.

Chairman Duenas: Yes, that was your amendment and your request. And this bill also takes care of Sinlaku.

Speaker Won Pat: Correct.

Chairman Duenas: Thank you very much. Senator Lujan, you are recognized.

Sen. Jesse Lujan: Thank you, Mr. Chair. Good morning, Madam Speaker, and Mr. Leon Guerrero. You know, it's upsetting to hear that there was no transition between individuals and your new management team. What was the condition? Did the previous individuals who held those positions give their standard two-week notices, or did they abruptly leave, or were they abruptly given notice to vacate? Because if they gave their standard two weeks, you should have had a transition period.

Speaker Won Pat: No. So, the superintendent, basically, as soon as the board hired me, but not to go into effect until the end of the superintendent's contract, which was December of last year, because he appointed all of his deputies, and he told his deputies that they were all classified and appointed by him. So, when his term ends on December 31st, their term would also end on December 31st. But it wasn't two weeks' notice. It was a couple of months' notice, and he informed them that they could apply for any of the deputy positions.

Sen. Jesse Lujan: Okay. So they were given enough time; there just wasn't a transition. Got it. And I see you're still acting. How much longer are you going to be acting?

Speaker Won Pat: Well, hopefully tonight at the board meeting. Our legal counsel personally had a conversation with the acting AG to go through everything they want us to do. They want us to advertise and follow the Open Government Law. They want it on our website, on the regular portal, and on our agenda, and they want us to be specific. In addition, I'm even providing the contract in case anyone wants to look at it. So tonight that will happen, and then we will send all the documents, including the minutes.

Sen. Jesse Lujan: Okay. I just want to make sure you're in a position where you can sign off on things and it's not challenged later because you're still in an acting position.

Speaker Won Pat: Yes.

Sen. Jesse Lujan: Good. And hopefully tonight the "acting" will be removed?

Speaker Won Pat: No, next week, because I will have to give them all the documents.

Sen. Jesse Lujan: Okay. On what Senator Telo had asked, do you have a formal payment policy in place now with your new team that requires bills to be paid on a first-in, first-out basis? And if not, will one be implemented?

GDOE DFAS Mr. Leon Guerrero: So, we have implemented new guidelines for accounts payable. We've had problems with some DOE employees receiving invoices from a contractor, squirreling them away in their desk to get to next week, and forgetting. It's been very painful. So, the guidance that has gone out to all contractors is: if you want to be paid

for the work or materials you've provided, attach your invoice to an email and send it to accounts payable at gdoe.net.

That comes into the DFAS arena. It gets on my radar. My people record it as a liability; we need to get it on the books that we owe someone money. Then we contact the end user who requested the service or material and ask them to validate and verify it. Once the invoice has come to us, and it's validated and verified, accounts payable have guidance to pay it within three workdays. If not, they have to come to DFAS and explain why it cannot be paid within three workdays. So yes, we put provisions in place.

Sen. Jesse Lujan: Thank you for that, because my next question was related. You said invoices were being put in desks. So my question is: if there are deviations from first-in, first-out, if that occurs, what criteria or exceptions are granted, and who approves them? Because if it came to my desk and I forgot it, but the date was January 1st, that invoice should be ahead of a March invoice. Who approves that exception?

GDOE DFAS Mr. Leon Guerrero: When something is found, if an invoice that was squirreled away is found, and it's verified and validated, it does not go to the end of the list. It goes to the top of the list. Especially because we feel the pain for those who have been waiting and waiting. They almost go to the top of the list. They are not further penalized by being placed at the end. We understand and are sympathetic to the fact that many vendors are small businesses with payrolls to meet.

Within the first 30 days of us coming on board, we liquidated accounts payable by 89% for local vendors, and we have maintained that pace. We are paying our vendors, especially our local vendors, and people are starting to do more business with us than before. Things are healing.

Sen. Jesse Lujan: Great. If you can provide us with the current aging report of all payables, broken down by vendor, amount, and number of days outstanding.

GDOE DFAS Mr. Leon Guerrero: Be glad to do that, sir.

Sen. Jesse Lujan: Thank you. And last question: what's your plan to bring all outstanding balances current, and what timeline do you give yourselves for that?

GDOE DFAS Mr. Leon Guerrero: One of the things is that we have some restrictions on prior-year lapses. So, if the restrictions are lifted or the money becomes available to us, we will immediately address any outstanding accounts. There are a few exceptions, for example, some software was purchased twice accidentally. Now we have to figure out how to work with that. I've delved into it and found that although it was a double purchase,

\$380,000, the licenses are upgradable. So, we can upgrade to the latest version of Windows and put it on laptops or whatever we buy, and salvage that double purchase. That takes time.

We also owe some money to the retirement system, and we are negotiating the proper payment. Once that negotiation is resolved, it will be paid. So, I can say that 99% of what's in our accounts payable is either current or within 30 days, or there's an issue we're working through. We are paying our bills, and the contractors and vendors appreciate it.

Sen. Jesse Lujan: Thank you for that. One last question, thank you for pointing this out when you first came in regarding the double session at JFK, where the legal owner of the school was charging twice because you had two schools there. Was that resolved? Did we get that down to one billing?

GDOE DFAS Mr. Leon Guerrero: I will say you're absolutely right, and it's a work in progress. I've made inquiries as to the authorization levels for this double payment and who authorized it. It's one thing to have an authorization document that is legally binding, even if it was a poor choice, but that is not the case. I have not been able to locate the magic document that says we should be paying twice. There are discussions that someone saw it, but I don't have it. That's hearsay. As a finance person, I need to see the document. I do not have that.

So, I've asked for help from the auditors because we're going to dig deeper. Right now, my feeling is it wasn't authorized legally or formally. If that's the case, the money that was paid should be looked at for reimbursement. But I'm not a lawyer. I'm not a judge. What I can tell you is: no further payments are being made until this is resolved.

Sen. Jesse Lujan: Well, thank you for that, because it doesn't make any sense at all. Even if you had three schools using that facility, does that mean you pay three times? But thank you for catching that and thank you for your management and leadership. We look forward to working closely with you in the days and months to come. Thank you very much, Mr. Chair.

Chairman Duenas: *Si yu'os ma'ase* Senator Lujan. Senator Barnett, you are recognized.

Sen. Chris Barnett: *Si yu'os ma'ase*, Mr. Chairman. *Dangkulo na si Yu'os ma'ase'*, Acting Superintendent Won Pat and Mr. Leon Guerrero. If I may, because it was brought up by the chair, can I start with a question on the PTO funding? This is funding I believe was provided through my amendment to the budget bill two cycles back. It provided \$205,000. Is this funding still available? Some PTOs have asked me if it's available because they're trying to go through the paperwork required at Rev and Tax so they can become legitimate nonprofits and avail of the funding.

Speaker Won Pat: I can tell you that there is a set-aside funding in the cash account, so that means the money is still available.

Sen. Chris Barnett: Okay, thank you for that. And then, as we discuss the bill, I want to go through the timeline of what necessitated the need for this bill and also for my bill, 284, which I introduced on March 6. Back during the budget cycle, the chair of education proffered an amendment that restricted the use of your lapses to just playgrounds and sports facilities, which we support. There was an intent to provide funding for playgrounds with some of the ARP funding, but I think it got lost in the shake-up with some of these change orders. Of course we want playgrounds, our public school kids are running around a field of grass. But at the time, I and several of my colleagues argued against this amendment because I believed it tied GDOE's hands, especially when we're talking about significant lapses, upwards of \$50 million. I argued that this was a large amount of funding and GDOE needed flexibility, because the superintendent and his team at the time had basically said that.

The amendment passed over the objections of, I think, Senator Terlaje, Perez, Taitague, and myself. Later, we heard the outgoing team talk about how this amendment tied their hands and prevented them from using the significant lapses for things they needed, like instructional supplies for F.B. Leon Guerrero, classroom equipment for the temporary Simon Sanchez campus.

So, Madam Superintendent, would you agree with that assessment of the amendment to the budget law?

Speaker Won Pat: Senator, okay, let me see. I don't want to get into a fight between you all. From our perspective: if I didn't have all of these other problems that we found when we came on board, could I use the money we have for all of our sports equipment? Absolutely. Not having any of these issues, I would go out and build gyms for all our schools. I'd buy playground equipment for all our elementary schools. I'd put bleachers outside, bleachers inside the gym. Trust me, I can do that.

But because we now have these other issues, I couldn't do that. I needed to set priorities. And that's why yes, the amendment, continuing to put sports facilities, I'm not ignoring that at all. We even added playground equipment because several principals requested it. But there's a slew of items we need to address, and that's why I needed the amendment.

Sen. Chris Barnett: And this is exactly what I argued during the budget session. What I'm seeing up here is some of my colleagues breaking their arm to pat themselves on the back when they're really just solving a problem they created because they couldn't get out of their own way. Had that amendment not passed, we would have seen procurement of supplies for F.B. Leon Guerrero, because we met about this, Superintendent, and you told me it was urgent. You told me it was an emergency. I believe it is urgent. I believe it is an emergency

because right now, at this hour, you have families of FBLG kids sitting at home while their parents work because they don't go to class until noon.

Had this amendment not passed, all of this equipment could have been procured and we could have hopefully seen a quicker opening of F.B. Leon Guerrero. I just have to call it for what it is. We met in early March. I introduced Bill 284, which is basically word-for-word the same as this bill. I asked the finance chair to expedite a public hearing. He ignored my request, and now we're here.

It's not about who gets the credit. I'm just saying: don't take credit for a problem you created and are now trying to solve in an election year. Unfortunately, there are so many families caught in the crossfire. We could have procured the equipment for the temporary Simon Sanchez classes you're working on, and the equipment for FBLG, with the capital improvement flexibility this bill provides.

Is it going to go toward the gym at FBLG?

Speaker Won Pat: Yes. As a matter of fact, it is. Because we didn't anticipate it. The previous superintendent, when they provided a funding source to address the facility, didn't include the gym because the gym was fine. But when Mawar hit, that's when the gym was damaged, and now we have to include it.

I mean, I could waive P.E. for whatever time frame until we get money to repair it, but because these funds are now available, I've included it as one of the plans to continue the refurbishment of FBLG.

Sen. Chris Barnett: Well, obviously it's very clear that you need this flexibility to spend those significant lapses. If this bill and my bill hadn't been entertained, we'd be looking at \$50 million for playgrounds and sports facilities, that's a little much unless we're talking about diamond-coated playgrounds.

The flexibility provided here is needed. It's late. Frankly, this shouldn't have passed in the budget. The arguments our colleagues presented were compelling relative to what you yourself said this morning, that it tied GDOE's hands.

Exercises like this erode the trust of the people of Guam and the students and families at FBLG who have waited. My son went through sixth, seventh, and eighth grade. He's now in high school. My other son is in sixth grade, and we're hoping they can just get back to Yigo because this situation is an almost impossible burden on our families.

And I don't want any of our colleagues or the superintendent to lose sight of that simple fact: we have students waiting at home right now because they can't go to school.

Thank you, Mr. Chair.

Speaker Won Pat: So, if you look at the list, and I'm not saying it's a finite list, there have been many requests from the other division heads to be able to use the \$51 million. But if you look at the list, I've basically told everyone that this is a one-time amount of money we have, and it's not going to occur again. We're not going to have ARP. We're not going to have ERA. We're not going to have ESF. And I'm sure we're not going to have lapses at all when we're talking about a deficit.

So, all of these items listed here are things that are more permanent, one-time, structural needs. There was a request to take \$5 million out of this for me to go and hire 160 one-to-one school aides, and I said I couldn't do that because that cannot be sustained. That means I spend it now, \$5 million, and next year in my next budget, will I have \$4 to \$5 million to sustain that? I can't guarantee that. Only you can.

So, to be on the safe side, the list I have here is something more structural, something more permanent, something that I don't have to come back next year in my next budget to request funding again to sustain that program.

Chairman Duenas: Correct. And for further clarification, so we stay with the entitlement to facts. When you met with me, Madam Superintendent, as well as the finance chair (DFAS) just a short couple of weeks ago, you were still uncertain about the \$52 million because of your internal audit. Correct? In terms of it being available, I need you on the record for that, sir.

GDOE DFAS Mr. Leon Guerrero: That's correct.

Chairman Duenas: And it's still, actually we are getting further clarification to ensure that we can expend those funds. Correct?

GDOE DFAS Mr. Leon Guerrero: That's correct.

Chairman Duenas: And the 23 million that we know in lapses that exist had already been committed for other projects. Correct?

GDOE DFAS Mr. Leon Guerrero: Well, we have a ton of projects including...yes, that's correct.

Chairman Duenas: So, if we're talking about first in, first out, it's actually now with the availability of these funds that allows us to pass this bill and allows you to expend it. Correct?

GDOE DFAS Mr. Leon Guerrero: Absolutely

Chairman Duenas: Thank you. Because, and I know the Chair of Education will close with this, we did not anticipate, at the time the amendment was passed, the \$52 million as well as the possibility of up to the \$23 million that ended up becoming available. And that's the reason for this change. As the Superintendent said, there were many other, and there still exist many sports facility programs that need to be taken care of. But of course, with this corpus of funding, it's a much different story. In terms of, one more time, Mr. Leon Guerrero, because I think some of our colleagues aren't hearing a lot of your fourth presentation now, what you took over when you came in. You found invoices not paid to contractors. Correct?

GDOE DFAS Mr. Leon Guerrero: Absolutely

Chairman Duenas: To include those change orders for FB. Correct?

GDOE DFAS Mr. Leon Guerrero: Correct

Chairman Duenas: Thank you. Because those are actually what was discovered that was not turned over. And also, with the Chair, because this clarification is so important as the Chair of Finance. When we met several times with the old crew, they were the ones who were uncertain whether or not they were going to use funds. We gave them other opportunities for different funding to be able to go forward with change orders on contracts. They never pulled the trigger. So, they dropped that in your lap when you came in, and you ended up having to wrestle with this football.

GDOE DFAS Mr. Leon Guerrero: Pick up the pieces. It's very unfortunate.

Chairman Duenas: Absolutely. And that's why we're here now with this corpus of funding, which is now available for appropriation. It was not going to be available during the budget because it was not understood that this reimbursement, in fact, we were on the phone to DOE with the Vice Speaker and others consistently about whether or not that reimbursement was going to come back to the Government of Guam. And that was the money that was given for pay raises to the individuals in the Department of Education and needed to be reimbursed to the Government of Guam.

Next up is Senator Perez. Senator Perez you're recognized.

Sen. Sabina Perez: Yeah. Thank you, Mr. Chair. So, I think it's very clear, very clear that you need this money today, and maybe yesterday, or maybe back when we passed the budget. And you know, my concern is that this delay really has put our students, especially FBLG, at a disadvantage. This is the money that could have gone to their school so they wouldn't have to go through double session.

So, my question is: if you had access to this money back in October, what is the timeline in which FBLG students could return to FBLG, *their* school?

Speaker Won Pat: October of this year?

Sen. Sabina Perez: So that when the budget bill was passed, had this amendment not been included in the budget bill, you would have had access, you would have had the flexibility to use funds to ensure that FBLG repairs were done so there would be no double session.

So, I guess the question that I have is: to what extent did it delay the process or the progress with FBLG? If you had access to the funding then, versus not having it today, how far back have you been put as far as the deadline or the progress?

Speaker Won Pat: Well, of course, it's unfortunate that we didn't know about the fact that there wasn't sufficient funding to complete FBLG. We didn't know about Mawar, that happened after, and we didn't know about the law until we came in. So we can only go forward from what we have discovered and how the School Readiness Task Force, which has been meeting on a weekly basis, has addressed this and provided to management what needed to be done to not just get FBLG and Simon Sanchez, but the other schools, ready for the opening of the new school year.

Sen. Sabina Perez: Okay. And in regard to the contractors, they're saying that we have to pay money because of the delay. Is that correct? If you can correct me, Franklin: what's the situation with the contractors not getting paid on time? What kind of additional, you know— I guess, what's the...

GDOE DFAS Mr. Leon Guerrero: There's late fees and requests for interest on late fees.

Sen. Sabina Perez: Okay, and how much is that equal to?

GDOE DFAS Mr. Leon Guerrero: Approximately \$1.2M

Sen. Sabina Perez: Okay. So, you know, at the bare minimum, if we had access to that funding in January, let's say January was when you came in, and you found out all of this, we wouldn't have to pay this \$1.5 million. So that's the cost of the errors that were made with the budget bill?

GDOE DFAS Mr. Leon Guerrero: Uh, the \$1.2 million may not have accrued, because if we paid immediately, that was a delayed cost.

Sen. Sabina Perez: Right?

GDOE DFAS Mr. Leon Guerrero: Paying it up front, we wouldn't have accrued that \$1.2 million.

Sen. Sabina Perez: Yeah. But at least when you came in, you would have put a stop to that. And so, I mean, it's really clear this bill should have been, needs to be corrected in the budget bill so we don't have to pay these costs. We could have avoided these costs. I feel...if the budget bill wasn't...

GDOE DFAS Mr. Leon Guerrero: If you go back to October of last year, when we weren't here yet, but had things been done a little differently, and the money and the restrictions been lifted at that time, the procurement cycle could have started last October.

And right now, we're constrained in that sense. So, the procurement cycle is the procurement cycle.

Sen. Sabina Perez: Correct. So, we've lost 6-months about half a year of progress. Can we make up the time if we were to have an emergency session?

GDOE DFAS Mr. Leon Guerrero: Number one priority. It's the number one priority, and we're all eternally hopeful. But it is the number one priority. We're just waiting. We have the procurement waiting in the wings right now to engage. All we need is the restriction lifted.

Sen. Sabina Perez: Okay. And you're waiting for this bill to pass?

GDOE DFAS Mr. Leon Guerrero: Yes.

Sen. Sabina Perez: Okay. So, you know, I think that's really a reason to have an emergency session to correct this problem, correct the budget bill. Because our next session is in May, and the sooner we can get this through, the better. It's obvious that you all need this money, and it's unfortunate that the mistake happened.

So that's just my concern as far as the deficit. What is the deficit due to that you project, and how much are we talking about as far as the deficit?

GDOE DFAS Mr. Leon Guerrero: We have some preliminary analysis from our internal audit on that, but we don't have the final number. And one of the reasons is because there's a journey of discovery, and more invoices from contractors are coming to light that we did not know about. Bills that weren't paid for four years are coming to light.

And in that particular case, the one I'm talking about right now, for four years, it's \$20,000, which, you know, in the scheme of things isn't a huge amount of money. But the question becomes: how many more bills are waiting in the shadows? So, we have invoices, and we have to figure it out as we go on.

Now, having said that, I want to also say that we are taking steps now to ensure that going forward, that does not continue to happen. There were not enough checks and balances in



place, and the Superintendent has taken strong measures to ensure this doesn't happen again. But we don't know what we don't know. How many other contractors can say, "You failed to pay me in a timely manner"? I don't know.

Sen. Sabina Perez: Okay. I guess we will definitely keep up. If you can provide that information so that we are updated. There is another bill that's been heard and, you know, it's waiting in the wings that could provide more funding, and this will be sustainable funding, to DOE. I just need to talk to the Chair to ensure that this gets on the session agenda. It's Bill 126-38. The source of funding is from the Use Tax.

Right now, use tax is not performing the best that it could, but at least it's something to help you guys, and I just hope we can get that on the agenda. Thank you. Thank you, Mr. Chair, and I hope to speak with you further on that one. Thank you.

Chairman Duenas: *Si yu'os ma'ase.* We are here on Bill 306-38. Thank you. So, my question...once again, let's be clear. You told me a couple of weeks ago that you **would not** have spent this \$51 million until you got clarification. Correct?

GDOE DFAS Mr. Leon Guerrero: That's correct.

Chairman Duenas: So, you didn't lose time on the \$51M?

GDOE DFAS Mr. Leon Guerrero: We did not lose time on the \$51M. This is prior year lapses.

Chairman Duenas: Correct. Senator Matanane, you're recognized.

Sen. Sabrina Salas-Matanane: Thank you, Mr. Chair, and thank you for the clarification— for the fourth time now. I think a lot of times what happens here in the Legislature is we have different senators saying one thing and just trying to confuse people, but I think it's clear, it's on the record, what's happening.

And I also just want to say that I sympathize with this new leadership in terms of this lack of transition, because that's what happened when the 38th Guam Legislature, this new majority, came into the Legislature. There wasn't any transition, really. Matter of fact, we didn't even have computers or internet, but yet we were blamed for not being able to process bills on day one.

So, I understand that you guys inherited a mess, and I appreciate the leadership of the Committee Chair on Education, constantly communicating with you and trying to find real solutions instead of, as I've said before, just giving out sound bites. So, thank you. Thank you, Mr. Chair.



Chairman Duenas: *Si yu'os ma'ase* Senator Matanane. To close on Bill #309-38, Senator Borja, you're recognized.

Sen. Vince Borja: Thank you, Mr. Chair, and thank you, colleagues, for today's discussion. Since we're trying to clear the record and put on the record why we're here today, and since we're giving credit where credit is due, let's offer again some history.

Colleagues, today we're going in circles about this amendment and pointing fingers at the amendment being the problem of FBLG. But to remind the public and the listening audience: the problem of FBLG existed way before we got here, before I came into this Legislature. We're not sitting here because my amendment shut down FBLG. And we're not sitting here because my amendment took years for FBLG to get where it is today.

Our commitment still stands the same. We're committed to working with the Department of Education to ensure that their bills get paid, to ensure that FBLG gets open, to continue to push that the field and the sports facilities become a priority, because again, these are issues that have existed for the last 10, 15, 20, 30 years.

Again, I'm not here to take credit. I'm not here to pat myself on the back. So, if any of my colleagues would like to be patted on the back and need credit, I'd like to give a few minutes, or a few seconds, for them to be recognized, because for me it's not even about that. Like always, I'm here to support. I'm a professional first before I'm a politician. I'm here to do whatever it is we need to do to help the agencies that we're here to support.

And for the record again, the \$54 million, or the \$51 million, which we're still not sure whether or not we can use, we're still waiting on an interpretation. And again, at the time of the amendment during the budget bill, and again, the problem of FBLG existed way before that amendment, we were expecting \$11 million. Even right now, based on what was discussed today, there was only \$3 million that was sent back. All these other lapses are lapses that have come up after the fact.

And thank you again to the Budget Chair for working with the Department of Education and working with our committee to ensure that we get the spend that was approved by the Board, which we had asked Dr. Won Pat for in January when she first came in and said she needed an amendment. We did not get that, and we also did not get that list until maybe three or four weeks ago, which is fine, because again, we allowed them the opportunity to continue to do their assessments based on the transition.

So again, thank you, colleagues, for the discussion, and thank you, Mr. Chair, and thank you, GDOE and Dr. Okada, for joining us today. And thank you, colleagues.

Chairman Duenas: *Si yu'os ma'ase*, Senator Borja, thank you. Superintendent and Speaker Won Pat, thank you for being here. Mr. Leon Guerrero, continue the great work you're doing at the Department of Education. And that will conclude the hearing on Bill 309-38 COR.

IV. FINDINGS AND RECOMMENDATIONS

Findings

The Committee finds that **Bill No. 309-38 (COR)** seeks to amend Section 18 of Chapter II of Public Law 38-60 to grant the Guam Department of Education (GDOE) greater flexibility in utilizing lapsed prior-year appropriations. Based on testimony received, this flexibility is both **necessary and time-sensitive** to address significant operational, fiscal, and facility-related challenges currently facing the department.

The Committee finds that GDOE has identified approximately **\$77 million** in restricted or lapsed funds, consisting of **\$26 million in prior-year lapses** and **\$51 million in ARP salary reimbursement**, as confirmed in the FY 2024 financial audit. As stated by Acting Superintendent Dr. Judith Won Pat, *“A clear example of available resources...is the approximately \$77 million in restricted or lapsed funds identified in GDOE’s fiscal year 2024 financial audit.”*

The Committee further finds that GDOE continues to face **urgent facility and operational needs**, including aging infrastructure, deferred maintenance, and storm-related damages. Testimony highlighted that **F.B. Leon Guerrero Middle School (FBLG)** requires approximately **\$10 million** in additional construction, equipment, and system upgrades to reopen safely. As GDOE DFAS Deputy Franklin Leon Guerrero testified, *“Approximately ten million...is holding up procurements—temporary campus needs, collateral equipment, classroom furniture, fire suppression, alarm system, bell system, intercom system...gym supplies...temporary classroom demolition.”*

The Committee also finds that GDOE faces **substantial outstanding contractual obligations**, including **\$20–30 million** in unpaid ARP-related invoices, interest, and late fees. These obligations emerged due to federal pauses, procurement delays, and demobilization/remobilization costs. As stated in testimony, *“There are two contractors— one with the bulk of it...they are very aggressive in their collection methods, and the money meter keeps ticking.”*

The Committee additionally finds that GDOE is experiencing **cash flow strain** due to delayed allotments and previously undisclosed invoices, including special education vendor arrears. Despite this, the department’s **salaries, benefits, and fixed operational costs remain on**

track, with the deficit risk tied primarily to contractual obligations that would otherwise have been covered by federal funds.

The Committee also acknowledges GDOE’s request to amend the bill to reference **general severe weather conditions** rather than a specific typhoon, ensuring flexibility for FEMA cost-share requirements and future storm-related expenditures. As Dr. Won Pat testified, *“I do not want our hands tied by specifically naming a typhoon...instead...refer more generally to severe weather conditions or typhoon-related damages.”*

Finally, the Committee finds that GDOE has expressed confidence in its ability to **encumber and expend the released funds within the fiscal year**, with Deputy Leon Guerrero stating, *“Absolutely. And if you found more millions, we could spend that too.”*

Recommendations

Based on the testimony and evidence presented, the Committee recommends the following:










1. The bill provides essential fiscal flexibility that will allow GDOE to address urgent facility needs, outstanding contractual obligations, and critical operational requirements.
2. **That the bill be amended to reference general severe weather conditions or typhoon-related damages**, rather than naming a specific storm, to ensure alignment with FEMA requirements and future disaster-related funding needs.
3. **That the Committee support efforts to recover the remaining balance of the \$20 million transferred to DLAN**, as discussed during the hearing, to ensure that these funds are returned to GDOE for direct use in addressing school facility and recovery needs.
4. **That GDOE provide the Committee with a detailed breakdown of all outstanding invoices, contractor obligations, and priority expenditures**, as requested during the hearing, to support transparency and legislative oversight.
5. **That GDOE continue to refine and implement its spend plan** to ensure timely encumbrance and expenditure of released funds, particularly those tied to the reopening of FBLG and the completion of ARP-related construction obligations.

Based on the discussion, the Committee on Finance and Government Operations recommends that Bill No. 309-38 (COR), "AN ACT TO AMEND SECTION 18 OF CHAPTER II OF PUBLIC LAW 38-60, RELATIVE TO GRANTING GREATER FLEXIBILITY TO THE GUAM DEPARTMENT OF EDUCATION TO UTILIZE LAPSED FUNDS," be reported out with the recommendation "To Report Out Only"

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÁHAN
2026 (SECOND) Regular Session

Bill No. 309-38 (COR)

Introduced by:

Vincent A.V. Borja 
Christopher M. Dueñas 
Tina Rose Muña-Barnes 
Jesse A. Lujan 
Sabrina Salas Matanane 
V. Anthony Ada 
Frank F. Blas, Jr. 
Shelly V. Calvo 
Joe S. San Agustin 

**AN ACT TO *AMEND* SECTION 18 OF CHAPTER II OF
PUBLIC LAW 38-60, RELATIVE TO GRANTING
GREATER FLEXIBILITY TO THE GUAM
DEPARTMENT OF EDUCATION TO UTILIZE LAPSED
FUNDS.**

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

2 **Section 1.** Section 18 of Chapter II of Public Law 38-60 is hereby *amended*
3 to read as follows:

4 **“Section 18. Guam Department of Education Continuing**
5 **Appropriation Authorization.** Notwithstanding any other provision of law,
6 funds appropriated to the Guam Department of Education (GDOE) through
7 Public Law 37-125 shall not lapse and shall remain available until fully
8 expended. ~~for the purposes of advancing American Rescue Plan (ARP)-~~
9 ~~related expenses through March 28, 2026. After such time, the continuing~~
10 ~~appropriation shall be used for the purposes of refurbishing and upgrading of~~

1 ~~GDOE school sports facilities and playgrounds.~~ Permissible uses of such
2 funds shall include, without limitation, expenditures for capital improvement
3 projects; costs associated with recovery from damages incurred as a result of
4 Typhoon Sinlaku; improvements and upgrades to Guam Department of
5 Education (GDOE) sports facilities and playgrounds; measures necessary to
6 ensure compliance with applicable public health and sanitation requirements;
7 payment of utility expenses; and the procurement of instructional equipment.

8 The Superintendent of the Guam Department of Education shall submit a
9 detailed report of any expenditures made pursuant to this section to *I*
10 *Liheslaturan Guåhan* no later than thirty (30) days after the end of each fiscal
11 quarter.”

12 **Section 2. Severability.** If any provision of this Act or its application to any
13 person or circumstance is found to be invalid or inorganic, such invalidity shall not
14 affect other provisions or applications of this Act that can be given effect without
15 the invalid provision or application, and to this end the provisions of this Act are
16 severable.

17 **Section 3. Effective Date.** This Act shall become effective upon
18 enactment.



COMMITTEE ON RULES


Vice Speaker V. Anthony Ada, Chairperson

I Mina'trentai Ocho Na Liheslaturan Guåhan

38th Guam Legislature

April 21, 2026

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Fiscal Note Waiver for Bill No. 309-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note Waiver for the following bill:

Bill No. 309-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly copy the same to Management Information Services (MIS) for posting on our website.





BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR
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LOURDES A. LEON GUERRERO
GOVERNOR

LESTER L. CARLSON, JR.
DIRECTOR

JOSHUA F. TENORIO
LIEUTENANT GOVERNOR

APR 21 2026

Vice Speaker, V. Anthony Ada
Chairperson, Committee on Rules
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Hafa Adai, Vice Speaker Ada:

The Bureau requests that Bill No. 309-38 (COR) be granted a waiver pursuant to Public Law 12-229, as amended for the following reason(s):

Bill No. 309-38 is an act to amend section 18 of Chapter II of Public Law 38-60, relative to granting greater flexibility to the Guam Department of Education (GDOE) to utilize lapsed funds.

The proposed Bill 309-38 revises the current language of Section 18 relative to the authorized uses of the funds available appropriated to GDOE through Public Law 37-125 under the continuing appropriation authorization provision for Fiscal Year 2026. The proposed language will authorize the permissible uses of these funds, without limitation, for expenditures for capital improvement projects; costs associated with recovery from damages incurred as a result of Typhoon Sinlaku; improvements and upgrades to GDOE sports facilities and playgrounds; measures necessary to ensure compliance with applicable public health and sanitation requirements; payment of utility expenses; and the procurement of instructional equipment. Please note that based on comments received from the GDOE, there should be no major fiscal impact from the proposed legislation as this will only affect cash already in GDOE's hands and does not increase or decrease revenue requirements. However, they do request for revised language to provide clarity, to include the GEB (Guam Education Board) and simplify the allowable uses.

As introduced, the Bureau has determined that the Bill is administrative in nature and poses no additional fiscal impact upon any of the funds of the Government of Guam.

Senseramente

LESTER L. CARLSON, JR.