



# COLLEGE OF MICRONESIA –FSM

P.O. Box 159, Kolonia, Pohnpei  
Federated States of Micronesia 96941

Phone: (691) 320-2480/481/482

Fax: (691) 320-2479

Office of the President & CEO

December 19, 2018

Dr. Richard Winn  
President  
Accrediting Commission for Community & Junior Colleges  
10 Commercial Blvd, Suite 204  
Novato, CA 94949

President Winn,

I write to provide you with an update from the College of Micronesia–FSM in regards to your letter dated August 3, 2018. This update provides a status report in the form of a written verification consistent with the provisions of Eligibility Requirement 21 regarding certain operational practices at the college, centering on the role of the governing board and its appropriate exercise of authority in the operations of the college -- specifically in regards to Commission Standards IV.C.7, 11, and 12.

Chairman Waguk and I are pleased to report that over the past several months the Board of Regents and President have identified a mutually agreed-upon pathway to address these concerns. This update outlines the path we have set forth and the steps already begun to address these concerns.

In August and early September Chairman Waguk and I worked closely to draft a plan for the Board's consideration and approval. This plan would serve as the basis for the response to the August 3rd letter and provide a direction forward for the college. Conceptually, the plan had three components:

- Implementation of a new two-year Board Development and Training Program led by an external consultant selected by an Request for Proposal (RFP) process,
- Tasking the president to review BOR HR Policies and Practices and providing a written report of findings and recommendations after dialoging with Regents regarding their issues and concerns.
- Engaging with the Regents in purposeful dialogue to develop administrative procedures for Board Policies to promote effective board governance, guide the Board's policy and fiduciary responsibilities, ensure compliance with the FSM Enabling Law, Board By-Laws, ACCJC Standards for Accreditation, and ACCJC Eligibility Requirements.

Following discussions between the Chair and the President, communications with Regents, and public consideration at its quarterly meeting on September 20, 2018, the board adopted this three-part plan to address the governing board issues raised by the August 3<sup>rd</sup> letter.

Since then a series of constructive measures have been taken to put the first steps of the plan into action:

- A formal opportunity to engage in fruitful conversations about the self-enforcing nature of board ethics, conflict of interest, and by-laws occurred when all three Board officers and the President participate in workshops specifically related to relevant board best practices at The ACCT Workshop in New York City in November 2018.
  - Three members of the Board (Chairman Waguk, Vice Chairman Berdon, Secretary Salalu) and the President attended the ACCT Leadership Congress in New York City.
  - Chairman Waguk and the President also attended the ACCT Pre Congress Academy: The Leadership Team of the Board which focused on the Effective Board Chair/Team, and Building a Strong CEO-Board Relationship.
- Regents attended the Asia Pacific Association for Fiduciary Studies (APAFS) Annual Pacific Region Investment Conference in December which included workshops on Fiduciary Essentials Training and Behavioral Governance Training.
- After considering four proposals submitted for Board Development and Training program, in late November the Board selected and entered into a two-year contract with an experienced, AGB-trained consultant. A dialog between the Chair, President, and consultant is developing the agenda topics for the 2019 board development sessions – the first of which is scheduled for the quarterly board meeting in Kosrae during the week of March 18-22, 2019.
- At the December 5, 2018 board meeting, the Chairman, Vice Chairman and the President & CEO discussed additional ways to continue the process to strengthen the relationship between the board and the President & CEO, including increased communication via Skype, and a board/President & CEO retreat.
- Regarding college operations, including Human Resources, the Board of Regents will confer with the President & CEO when there are questions or concerns.
- An RFP for a Facilitated Workshop on Purposeful Dialogue has been posted with requests for submission by January 10, 2019. The work to complete this component of the plan is scheduled for implementation during the week of March 18-22, 2019.

Additionally, the Board of Regents is aware that one regent's term expired on January 22, 2016 and yet continues to serve beyond his six year term limit. Accordingly, the continued service of this regent places the college in non-compliance with ACCJC Standard IV. Governance, for which the college is in jeopardy for sanction by ACCJC. The Board will take corrective action to address this conflict of interest by requesting the regent resign before January 22, 2019.

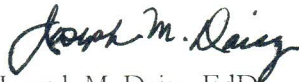
These are important steps in the right direction and I am now optimistic that we will continue to move forward in good faith. It is critical that we (the Board of Regents and the

President), having now found a path forward, rededicate ourselves to addressing these concerns and embedding the emerging “self-correcting” ethic within both our board’s leadership and membership.

I look forward to the opportunity to share our continued progress with you during your planned travels to the Pacific in January 2019 and to briefly engage you in our dialog when you visit COM-FSM.

We will keep you apprised of our progress and provide you with a formal update as part of the college’s Midterm Report on March 15, 2020.

Regards,

A handwritten signature in black ink that reads "Joseph M. Daisy". The signature is written in a cursive, flowing style.

Joseph M. Daisy, EdD  
President & CEO  
College of Micronesia-FSM