

COLLEGE OF MICRONESIA-FSM
BOARD OF REGENTS

**MINUTES OF THE DECEMBER 8-9, 2010, MEETING
CHUUK STATE**

CALL TO ORDER

Chairman Graceful Enlet called the regular meeting of the College of Micronesia-FSM Board of Regents to order at 8:40 a.m. on Wednesday, December 8, 2010, at the High Tide Restaurant conference room in Chuuk. Chairman Enlet gave the opening prayer.

MISSION STATEMENT

Regent Lyndon Cornelius read the mission statement.

ROLL CALL

The Secretary/Treasurer called roll. Regents Lyndon Cornelius from Kosrae State, Churchill Edward from Pohnpei State, Graceful Enlet from Chuuk State, Mary B. Figir from Yap State, and Kasio Mida representing the National Government were present; a quorum was declared.

Also present for all or part of the meeting were Spensin James, President and *ex officio* member of the Board; Joe Habuchmai, Vice President for Administrative Services; Jean Thoulag, Vice President for Instructional Affairs; Ringlen Ringlen, Vice President for Student Services; Kalwin Kephas, Director of Kosrae Campus; Jojo Peter, Director of Chuuk Campus; Penny Weilbacher, Director of Pohnpei Campus; Lourdes Roboman, Director of Yap Campus; Matthias Ewarmai, Director of FSM FMI; Danny Dumantay, Comptroller; Jimmy Hicks, Director of Institutional Research and Planning; Joe Saimon, Director of Development and Community Relations; Alan Searle, job audit consultant; and Norma Edwin, Executive Assistant to the President and meeting recorder.

ELECTION OF OFFICERS

The following were elected officers for the coming year:

Regent Kasio Mida	Chairman
Regent Lyndon Cornelius	Vice Chairman
Regent Mary B. Figir	Secretary/Treasurer

Regent Mida assumed the chairmanship. He recognized the work of the previous

chairman and expressed sincere appreciation for the accomplishments during his tenure. The Vice Chairman also expressed similar sentiments.

APPROVAL OF MINUTES

The minutes of the September special meeting were reviewed. Chairman asked for an update on plans to upgrade wireless service at all campuses. Details were to be provided during the President's reports. **Regent Cornelius moved and Regent Enlet seconded that the minutes of the September 28-30, 2010, special meeting be adopted. The motion passed unanimously.**

The minutes of the executive session were reviewed. A typo was noted on page 2. Regent Cornelius expressed disapproval with the late distribution of the meeting notebooks which prevented the Board from having adequate time to review the enclosed material. Henceforth, the Board wants to receive the meeting notebooks at least one week prior to the meetings. President James explained about the unusual circumstances that resulted in the delay and assured timely delivery in the future. **Regent Cornelius moved and Regent Enlet seconded that the minutes of the executive session of September 30 – October 1, 2010, as corrected be adopted. The motion passed unanimously.**

Clarification was sought regarding the executive session minutes. Most of the discussions covered unfinished business from the regular meeting. It was agreed that the minutes minus the section on personnel matter is to be distributed with the minutes of the special meeting.

COMMUNICATIONS

President James briefly went over the communiqués in the meeting notebook which included: two notices of public hearing from the Chairman of the Committee on Education regarding nominations of Kasio E. Mida to the COM Board of Regents and re-nominations of Lyndon L. Cornelius, Graceful Enlet, and Mary B. Figir to the COM-FSM Board of Regents (Mr. Mida's nomination has since been confirmed); letter from FSM President's Office requesting a nomination from the college to the National Food Security Steering Committee (Jackson Phillip will represent the college); letter from Secretary of Resources and Development regarding the FSM Statewide Assessment and Resource Strategies Final Consultation Meeting and the college's participation in the Forest Stewardship Committee (VP Currie and instructor Snyder Biza are members of the committee); and letter from Director of SBOC regarding the FY 2009 economic indicators for the FSM and requesting FY 2010 data from the college.

REGENTS' REPORTS

Regent Figir had no report.

Regent Cornelius said he shared the COMET results with the Malem School Board and administrators. He also reported on a bridging the gap initiative by the sixth grade parents at Malem Elementary School; they have organized and are partnering with the teachers to upgrade their children's skills in language and math. The parents meet every Friday with the teachers to look at the lesson plans for the next week and plan on how they can help. Seventh grade parents are interested in doing the same.

Regent Enlet reported on (1) the college continuing to be looked as the main service provider for manpower needs, however there still are populations that cannot access the services; (2) three of five regional economic summits completed; (3) education reform in the state as a consequence of funding and other challenges facing certification of all teachers; (4) plans in Chuuk for a leadership academy to develop principals and prepare for unique needs of teachers; (5) discussion regarding year round school in Chuuk; (6) Chuuk Legislature passing unicameral legislation; (7) need to be aware of increasing competition in the area; and (8) possible contract with Chuuk DOE.

Regent Edward said he continues to be supportive of Pohnpei Campus mentioning their infrastructure needs and TRIO and Gear Up programs. Pohnpei State needs more teachers; they are losing instructors with master's degrees because of low salary and local hiring preference. He also mentioned the urgent need for a nursing program to meet their nursing needs.

Regent Mida has been confirmed as the FSM Regent on the COM Board of Regents. He expressed appreciation to the Board and President for their endorsement of his nomination and said he will do his best to represent FSM and the college's interest on that COM Board. He talked about the JEMCO resolution and its impact on the college, especially in Chuuk. The FSM President is concerned and instructed PMU and SBOC to work toward lifting the resolution. The Chuuk leadership was unaware of the resolution and will support efforts to lift the resolution

PRESIDENT'S REPORT

President's Office. The President took note of the training needs mentioned in Regent Enlet's report. He reported that the college has in the past offered training for principals and will work with Chuuk State on their training needs.

He then reported on the following: graduation and retention rates up; ACE program at the state campuses; early registration; approval of Gear Up Program for Pohnpei Campus which is a good bridging the gap model; status of fiber optic connection; establishment of a working group on green energy; impact of JEMCO resolution on accreditation recommendations; Senator Christian's request for design for a track and baseball field; and need for support in getting a share of the MRA funds.

The Board further discussed: the MRA funds; basing IDP on priorities; JEMCO resolution; need to show progress to ACCJC; and need to focus on.

Instructional Affairs. The following updates were provided: end of semester with 182 applying for graduation (6 UOG); conference call with UOG to update partnership; faculty new hires and vacancies; University of Guam National Science Foundation STEM project involving two of our faculty; CAO of PPEC institutions working on articulation matrix with University of Hawaii system; need to showcase our strengths; COMET testing; screening for two positions for the SAMHS grant; member of advisory board for PCC library grant; and difficulties with hiring personnel for the nursing program.

Discussion followed on the nursing program – status of the \$65,000 from Pohnpei Legislature for the nursing program; delay in implementing the program when the funds were first appropriated; and difficulty in hiring nursing faculty. Issue was raised regarding not allowing the public health coordinator help with the program; the VPIA stressed the difference between a public health educator and a nursing educator and the need for nursing educators to ensure program quality. The Board expressed their disappointment with how long it is taking to launch the program and about the confusing information from the administration. Regent Cornelius asked about the next step given the difficulty with hiring nursing educators. If the college does not take immediate action, future requests for funding may not be favorable. Suggestion was to start at a lower level and then build on it. The long delay reflects badly on the college. The chair summarized the discussion and said it was a good exchange and that we should work as one team. He also stressed the need to provide accurate information.

Student Services. The VPSS provided updates on the following: statistics on application for graduation (124 National; 18 Pohnpei; 12 Chuuk; 21 Yap and 7 Kosrae); Pell payments; information sessions with students on the recently approved sexual harassment policy at all campuses; streamlining meetings; early registration; and assessment cycle/reports.

Clarifications were made regarding Pell payments, enrollment management plan and enrollment indicators. Director Peter explained that this is the first time for Chuuk to host a Board meeting in December which falls during finals, so time for the board to meet with students has not been scheduled. Therefore, he held meetings with students last week to gather any input which they might want to present to the Board. If the Board wishes, a time could be arranged during lunch period. Regent Enlet suggested more flexible scheduling of classes to make them accessible to working people. It was noted that head count has been consistent and that about 50% took advantage of early registration which has cut down on the long lines during registration

Cooperative Research and Extension. The VPCRE reported on the following: CRE advisory councils organized at all state campuses; communication sent to states regarding transferring extension component to maximize funds; agreement with UOG on workshop for cooks in hotels and restaurants to utilize local produce; status of Pohnpei research lab; and use for the \$20,000 given to CRE.

The Regents asked for more information on transferring of extension workers to CRE and the possibility for significant research.

Administrative Services. The VPAS reported on the following: the IDP projects pending resolution of the JEMCO resolution which critically impacts the new Chuuk Campus and recommendations from the accrediting commission; comments from Tim Donahue of OIA; extension of backup power to the LRC and faculty buildings pending arrival of pipes for the connection; funding secured to construct wireless towers at each campus; funding sought for phase III upgrades of the SIS; SDSU online masters program in education administration; submission of requested design for baseball and track fields; fund balance minimum and purposes; and status of master plans.

It was pointed out that Mr. Donahue does not understand our needs and the accreditation requirements. The President explained that the commission does not need to approve our plans. It was suggested that the Board write to his superior regarding our priorities. If that does not work, the college should be prepared to present at the mid-year JEMCO meeting.

Business Office: The Comptroller first reported on the financial condition of the college by going over net assets and liabilities; the three external audits; state of revenues; state of cash flow; movement of fund balance; and policy and process for use of fund balance. The Board inquired about fund balance requirements at other institutions and wondered how long it takes to get the information. The Board also inquired about making the financial aid process more efficient.

The Comptroller then reported on the college's statement of revenues and expenditures for unrestricted and restricted funds for the fiscal year ended September 30, 2010, which shows a positive fund balance; comparison of actual revenue against budgeted revenue from tuition and fees for fall 2010 which indicates an increase by 3% or \$116,000; although student head count for fall 2010 dropped by 2%, the number of credits increased by 4% indicating a higher average of credits per student; summary of accounts receivable from students as of September 30, 2010; cash and equivalents; preparations for the FY 2010 financial audit; Finance Committee working on development of a long-term financial plan; increase in market value of the Endowment Fund to \$3.1 million as of September 30, 2010; and shortfall in fundraising goal.

The Board asked for clarification on collections and doubtful accounts and factors contributing to the shortfalls at the state campuses.

Institutional Research and Planning: The Director reported on trends affecting the college and their implications to the college: FSM economy – observations and implications; migration trends; FSM ECE to 12 grade enrollment patterns; college readiness of potential students; U.S. military recruitment; and infrastructure development projects and JEMCO. Mr. Hicks stressed the importance of tracking these external trends as well as internal trends and of addressing negative implications. The college is also beginning to establish ways to sustain funding for the long run.

Discussed briefly were: use of G.I. bill and military recruitment; fallout of military buildup in Guam; and stagnant GDP. It was noted that these trends have challenging implications for the college.

Campuses in the States:

Chuuk Campus Director highlighted the following: Chuuk State Economic Summit in January (Director is on the steering committee); hiring of student activities coordinator, AHEC coordinator and three instructors, possibly two more in spring; co-hosting the PIALA conference; progress at the permanent site; effect of road construction project on the campus; assistance to the COM Board meeting (presentation was made by Chuuk CRE Coordinator); AHEC conference on food safety; collections; shortfall for Fall 2010 semester – looking for summer to make up; bridging the gap proposals; status of Faichuk Teacher Training project; and improvement in working relationship with DOE.

FSM FMI Director reported on: recruitment in the states; assisting graduates find jobs; sea time for students on Kyowa Lines; problem with and proposal to address re-valuation, however funding is a problem; on-campus staff continuing to pay \$50 a month for electricity; request for course on outboard motor repair, but no instructor; and new fire engine station at FMI, training Yap fire department, and concerns regarding liability and maintenance.

The following were further discussed: enrollment and student population; bringing FMI closer into the fold; budget limitations and expanding course offerings; Pell Grant benefits and shortcomings; curriculum possibilities; and review of MOU with FSM.

Kosrae Campus Director reported on the following: exam week; departure of two instructors; impact and challenges of finding replacements; update on ACE program; and establishment of seven-member CRE advisory council.

Clarification was requested regarding the CRE council.

Pohnpei Campus Director highlighted the following: preregistered 144 students; administered COMET to 240 students; promoting three new sports on campus; mumps outbreak on campus; impact of frequent power outage; IC attended training in Systematic Curriculum and Instructional Development; faculty access to Outlook and MyShark; 18 technology and trade students placed in workforce through the cooperative education course; outreach activities; status of Gear Up Program; assistance to first World Park Project to develop the center of Pohnpei State Administration building; and theme for their regular semester retreat – How to Cope with Dramatic Changes.

More information on the Gear Up program was requested.

Yap Campus Director reported on: completing another assessment cycle; FY 2012 budget development at Yap Campus; conducting COMET prep workshops for campus and high school students; administering the COMET; status of IDP projects; graduated 21 students during mid-year graduation; and hiring of an administrative assistant.

Faculty Staff Senate. An update was requested on FSS concerns raised during the last meeting for reevaluation of summer pay for faculty, relocation of Pohnpei Campus faculty should restructuring be implemented; regular contracts for those on special

contracts for needed services; and update on the faculty resolution previously submitted. The President reported that most are pending completion of the job audit. Their written report raised two more concerns regarding lack of accessibility for people with disabilities and the sense of fear among college employees resulting from a recent incident.

The Board emphasized the need to follow up on previous concerns to provide closure and not let things fall through the cracks. The President was directed to provide status reports on previous concerns. A Regent noted that reports do not address critical problems and how they are being addressed.

Student Body Association. The report in the notebook is only from the National Campus as the SBAs from the campuses are not yet linked. The VPSS reported on the activities held and planned including review of the Bylaws, workshop on roles, inquiry into availability of scholarships for all, holiday bash, fundraising; and involvement in recruitment.

The following were discussed: types and availability of scholarships, financial need, and impact of financial stress on retention; helping students with financial planning and controlled spending. Suggestion was made to have students enter into a financial contract with the college at the beginning of each semester. The college was asked to provide a draft and work with students and stakeholders on being financially responsible.

OLD BUSINESS

Special Contracts. During the last Board meeting the job audit consultant raised the issue of the large number of special contracts and its cost to the college. The Board tasked the President to establish an ad hoc committee to systematically review all special contracts and identify policy implications for the Board's consideration. A committee was established and began the review by separating the contracts by the purposes of the contract. The review excluded special contracts for teaching and for TRIO programs because justifications for those contracts are based on course demands and on grant activities. The committee reviewed Section VII Employment Contract, data on special contracts, President's memos of May 27, 2008, and November 23, 2009, Tab 10 from the Job Audit Study, and updated enrollment management indicators and made the following recommendations: 1) for the current fiscal year, limit contracts to needed service areas that do not have budgeted positions; 2) strict adherence to Section VII; 3) limit contracts for vacant positions to three months while the position is being announced; and 4) desist use of special contracts for professional employees to work overtime.

The following were further discussed: special contracts for federal programs; use of overtime; privatization and liability; problems with privatization; noncompliance with Section VII; and advantage of using special contracts. The Board concluded that this is not a cost issue, but that of a management issue. They further discussed whether action

is necessary if it is a compliance issue. Administration wanted a directive to emphasize the need to comply and reduce the number of special contracts. **Regent Cornelius moved and Regent Figir seconded that the Board endorse the recommendations from the ad hoc committee. The motion passed unanimously.**

Salary conversion. The job audit consultant, Mr. Alan Searle, presented stage three, the implementation stage, of his compensation and benefits study. He described the following: job evaluation results and internal regression analysis (base salary) from his earlier report; implementation ranges to the 10th, 15th and 20th market percentile; implementation criteria for the various classes of employees; current pay schedules; proposed pay schedule; proposed faculty pay schedule; implementation cost (\$112,000); and proposed performance management tools. He stated that for faculty the impact cost is small and inquired whether the 20th market percentile is sufficient for faculty. He offered to cost out to the 30th, 40th, or 50th percentile.

Streamlining. During the last meeting, the Board deferred action on the proposed streamlining. The administration was asked to provide more information on how the proposed organization structure would work and its impact on students, finances, needs, and the mission and what benefits and cost savings would be realized. They wanted this information to be shared with the college community for input and to be reported at this meeting. A matrix addressing the above concerns was presented to the Board. Mr. Searle went over the proposed organization chart and estimated a cost saving of \$217,000 if the proposed chart is adopted.

The Board questioned or requested more information on the following: number of positions cut and added; effect on sponsored programs; impact on productivity and output; ability to meet the mission; ensuring delivery of services to students; determining the formula for right sizing; assuring savings remain savings over time; enrollment caps; and factoring in student populations. Mr. Searle said that if employees are productive, the quality of services will not be compromised and emphasized that the success of the changes depends on increased productivity of individual employees and on a quantum leap in management to ensure key performance indicators are met. A new performance management tool is proposed. Regent Enlet felt the college acted responsibly in initiating the streamlining exercise to position the college for the future. However, he does not see the urgency in making a decision now; he feels there are still time and the need to explore further. Instead of aiming at a worse case scenario, he would like the institution to aim higher. He feels that all possibilities have not been explored; the exercise was too academic and not innovative enough. He does not see the exercise as futile, but feels we may be cutting too early. He would like to defer action on streamlining until all options have been explored. Regent Figir while in agreement with Regent Enlet also recognized the hard work and long hours spent on the exercise with the consultant. She feels it was a learning process from which we need to go forward now and, if needed, make corrections later. Regent Edward said we are looking at streamlining from different views; the emphasis has been on cost, but he wants to look at it from its impact on students, delivery of services, stakeholders' needs, and program relevancy. He feels all options have not been explored. He preferred to have been presented with several options to consider instead of only one. While in agreement that

the college needs to streamline, he does not agree with focusing on cost alone, but wants other factors to be considered also. He feels the major concern should be our ability to serve our constituents. We should not act hastily and later have to undo things. He offered a compromise that we go ahead with the streamlining but not touch student services and look at and explore other areas more thoroughly. Regent Mida said this is not an easy decision to make and wants to take the plunge to implement the changes; however, with the understanding that adjustments can be made in the future if things do not work. He said it is the Board's duty to challenge the college to do more with less people. Options before the Board are to approve the streamlining as submitted, approve it with modifications, disapprove it, or defer decision to a later meeting. The Board deliberated on the options. Regent Cornelius suggested going forward and tasking the administration with what Regent Edward requested. Regent Figir agreed that the concerns raised should be addressed. **Regent Cornelius moved and Regent Figir moved that the Board endorse the streamlining proposal as submitted. The motion passed with 3 ayes, 1 nay, and 1 abstention.**

Regent Cornelius expressed for the record that this has been a complicated issue because it affects the community and staff. The decision was difficult as reflected by vote. From diverse views, he hopes all will come to one understanding. He respects the dissenting views and found the exercise helpful and a learning experience.

NEW BUSINESS

FY 2012 operations budget. A balanced performance based budget of \$11,139,702 was proposed for FY 2012 operations. Issues that impacted the development of the FY 2012 operations budget are: streamlining exercise; job audit and compensation study, FY 2011 level for base allocation; student headcount; assessment cycle; and linkage between planning, assessment and resource allocation. The budget development process, which began with training in performance budgeting, and the steps taken to migrate to the new salary schedule were explained. FSM appropriation remains at \$3.8 million.

The Board asked about the effect on the budget should the proposed streamlining be adopted. Provisions have been included for the eventuality because the budget must be submitted on time to the National Government. It was noted that last year campuses were under budgeted and had to resort to supplements; question was raised if that is the case again. It is because instead of headcount, PBB takes into account quality indicators. The President assured that savings from reduction of special contracts will offset any shortfall. **Regent Figir moved and Regent Enlet seconded that the proposed balanced performance budget for operations for FY 2012 in the amount of \$11,139,702 be adopted and a request for \$3,800,000 appropriation be submitted to the National Government. The motion passed unanimously.**

FY 2012 FSM FMI budget. The proposed budget for FSM FMI is at the same level as previous years. Although they have additional needs, the Director was directed to prepare the budget at \$655,110. **Regent Enlet moved and Regent Edward**

seconded that the FY 2012 budget of \$655,110 for FSM FMI be approved for submission to the National Government. The motion passed unanimously.

FY 2012 auxiliary enterprise budgets. Operating budgets for the bookstore and cafeteria for FY 2012 are at the same level as for FY 2011. The operating expenditure budgets remain the same except for a slight increase for salaries. For the bookstore, the revenue projection is based on 20% gross service charge for total procurement of inventory. For the cafeteria, a slight drop in revenue from non-COM-FSM patrons is anticipated due to the college discontinuing the use of styrofoam as part of its Go Green effort. **Regent Figir moved and Regent Enlet seconded that the FY 2012 operating budgets for the bookstore in the amount of \$108,526 and for the cafeteria in the amount of \$181,238 be approved. The motion passed unanimously.**

FY 2012 IDP budget. Due to the JEMCO resolution, IDP projects have been put on hold, except for projects previously approved. An update was provided on efforts to lift the resolution. Projects affected are: Kosrae Campus student center, Kosrae Campus learning resources center, Pohnpei Campus learning resources center, Pohnpei Campus classrooms and vocational center, National Campus student center, and Chuuk Campus phase I and II of the permanent site.

FY 2012 Board of Regents budget. The proposed FY 2012 budget is at the same level as appropriated for FY 2011. **Regent Enlet moved and Regent Figir seconded that the FY 2012 budget in the amount of \$75,000 for the COM-FSM Board of Regents be approved for submission to the National Government. The motion passed unanimously.**

Supplemental budget requests. Per policy allowing the use of fund balance, the following requests were made: \$195,000 for National Campus covered walkways, \$85,000 for SIS phase III upgrades, \$85,000 for Pohnpei Campus utilities, and \$55,000 for Pohnpei Campus employees' benefits.

Discussed further were: inadequate budget for utilities and benefits to balance the budget, issues with distribution of resources, possible resolution in the future as a result of the streamlining process, and need for reserves. **Regent Figir moved and Regent Edward seconded that supplemental budget for FY 2011 from the fund balance be approved for the following:**

\$195,000	National Campus covered walkways
85,000	SIS phase III upgrades
85,000	Pohnpei Campus utilities
55,000	Pohnpei Campus employees' benefits

The motion passed unanimously.

Establishment of new bank account. CRE is negotiating a grant with the Embassy of Japan. A grant requirement is a new bank account to receive the grant funds. Establishment of new bank accounts requires the Board's approval. The Board

requested more information on the grant; then admonished the administration by directing that in the future complete information be available. **Regent Figir moved and Regent Edward seconded that a new bank account be established to accommodate the grant from the Embassy of Japan. The motion passed unanimously.**

NEXT MEETING

The next Board meeting will be held in March in Yap. The exact dates will be determined later.

ADJOURNMENT

The general meeting ended on December 9, 2010. The Board then met in executive session to discuss personnel matters and do evaluations. The meeting adjourned *sine die*.

Minutes of the COM-FSM Board of Regents meeting of December 8-9, 2010, approved this 14 day of March 2011.

By: _____
Kasio E. Mida, Chairman of the Board