

COLLEGE OF MICRONESIA-FSM
BOARD OF REGENTS

**MINUTES OF THE MARCH 14-15, 2011, MEETING
GUAM**

CALL TO ORDER

Chairman Kasio Mida called the special meeting of the College of Micronesia-FSM Board of Regents to order at 9:20 a.m. on Monday, March 14, 2011, at the FSM Consulate Office conference room in Guam. The chairman asked for a moment of silent prayer and that we remember Japan in our prayers.

The Chairman announced that Regent Lyndon Cornelius has been confirmed as the new Director of Education for Kosrae State.

He then apologized for not going to Yap for the Board meeting as intended. Due to circumstances beyond our control – a 24-hour delay of Saturday's flight – the meeting is being held in Guam. He hopes the Board can make it to Yap in the future.

To make meetings more productive, the Chairman asked staff to wait until recognized before speaking. He also said reports distributed just before the meeting is not fair to the Board; reports should be given to the Regents at least two days prior to meetings to give them time to read the reports.

MISSION STATEMENT

Regent Mary Figir 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; Jean Thoulag, Vice President for Instructional Affairs; Ringlen Ringlen, Vice President for Student Services; Jim Currie, Vice President for Cooperative Research and Extension; Joakim Peter, Director of Chuuk Campus; Kalwin Kephass, Director of Kosrae Campus; Penny Weilbacher, Director of Pohnpei Campus; Lourdes Roboman, Director of Yap Campus; Danny Dumantay,

Comptroller; Jimmy Hicks, Director of Institutional Research and Planning; and Norma Edwin, Executive Assistant to the President and meeting recorder.

APPROVAL OF MINUTES

The minutes of the December regular meeting were reviewed. Chairman commented on the section of the minutes regarding the JEMCO resolution and our IDP priorities and inquired about the Board's decision that was made in Chuuk to use college funds to get started with the design of Chuuk Campus permanent site. The President explained that the administration is considering fencing the property and constructing a building. The Board noted a hesitancy from the administration about using college funds to which the President inquired whether the administration should follow the previously Board approved IDP master plan or the recent directive to address Chuuk Campus using the fund balance. Because JEMCO halted the college's IDP projects, the Board did not want to disrupt progress toward a permanent site, and so to show commitment to a permanent site, the Board issued the directive. The Board also inquired about their previous inquiry regarding the fund balance and for an update on helping students manage their financial aid. **Regent Cornelius moved and Regent Enlet seconded that the minutes of the December 8-9, 2010, regular meeting be adopted. The motion passed unanimously.**

COMMUNICATIONS

President James briefly went over the communiqués in the meeting notebook which included: letter from The Sasakawa Peace Foundation Program Officer expressing appreciation for the participation of our students in the Okinawa study tour in December and informing us of the upcoming study tour of students from Okinawa and how the college can assist; letter from the Director of SBOC inviting the college to participate in the National Economic Symposium in Chuuk; and letter from the Acting Director of NORMA regarding the WCPFC meeting to be held in our gym.

The Board wanted to know what presentations were made by the college. The college's presentations were on higher education and vocational education. The college also actively participated in discussions on workforce development and infrastructure.

REGENTS' REPORTS

Regent Edward reported that he was approached by students from Pohnpei Campus regarding their confusion and concern with the streamlining and its effect on them. He agreed to do a presentation based on the information that was presented to the Board. He assured them that streamlining was being done to take

the college to the next level and challenged the students to make their education work.

Regent Figir reported that after the inauguration and organization of the recently elected officials, she and Director Roboman delivered the minutes from the previous Board meeting to the new leadership who were very receptive. They took the opportunity to schedule courtesy calls for the Board when they are in Yap for the Board meeting.

Regent Cornelius has begun working at his new job. As required by the FSM Code and JEMCO, work has begun on the School Improvement Plan. Only two elementary schools and the high school are working on their SIP; he hopes the other schools will do so too. The third floor of the two buildings built by China is now in use for seniors only. He also served the Board minutes to the Speaker and Chairman of the Education Committee, but has yet to visit with the Governor.

Regent Enlet reported that the economic summits that were held in Chuuk have focused the attention of leadership on manpower development needs and role of service providers. The ability of CME to respond to needs of the region in a short time puts a comparative light on the college. The State plans to do a comprehensive manpower development study to see the extent of needs and to prioritize them. Consideration is also given to the establishment of a State Training Council. Plans also include beginning a program on career technical training which would be articulated from K-12. All this has implication to the college.

Regent Mida reported on their fund raising efforts in Guam meetings with companies that do business in the FSM, the hotel and the construction associations and the UOG Foundation. The meetings were very positive; Moylan's promised a donation and the others had good ideas for future collaboration. The Board advised the administration to keep a summary of each meeting to stay on top of the ideas.

Establishing a foundation for our endowment fund was further discussed. The Board liked the idea and will devote the next Reflection to furthering the idea. It was suggested that administration prepare plans for the May meeting, however, Regent Edward suggested not rushing into it, but to first gather as much information and explore other possibilities.

PRESIDENT'S REPORT

President's Office. The President reported on: the comprehensive master plan; implementation of the streamlined organization structure and conversion to the new salary scale; fiber optics negotiations with Telecom; signing of agreement for the solar energy project by FSM, Japan, PUC and COM-FSM; increased funding for PPEC; meeting with Governor Simina and Acting Director Noah regarding teachers not yet in a degree program; signing of the follow-up report; and update on things to

do and directives from the last meeting.

The Board sought further information on the grant from the Japanese Embassy, status of other grants, and grants to support operations.

Institutional Research and Planning. The Director reported on: the governance policy evaluation and the comprehensive master plan. The Board inquired about or discussed further the alternative funding sources; policy on shared governance, engaging the college community, the cost of IDP; and CDOE concerns regarding the teacher training program and need for in-house training.

The Director then provided Fall 2010 data on student enrollment by campus, student type, head count and FTE, major, state of origin, gender, credit information, and age; Fall 2010 achievement by course completion rates, academic standing, ACE completion rates, graduates by major and gender, by major and campus, by state of origin; and budget assumptions projection vs. actual, by headcount and credits; and Spring 2011 enrollment by FTE vs. headcount, by student type, credits by campus and student type, and full time vs. part time by campus. The Board wondered about the number of potential students locally. Regent Edward suggested presenting our data to the leadership in the states to make them aware of the facts.

Development and Community Relations. The following activities were reported: monthly newsletter, news releases to FSM PIO; and monitoring fundraising. This year's fundraising effort as of February 25 is only 13% of the annual \$100,000 target. This amount, however, does not reflect amounts raised in Chuuk, Yap, and FMI and interest generated from bank accounts. The Board asked why they were not included and requested full reports in the future.

Chuuk Campus. The Director reported the following: setting up a small conference room for teleconferences; grounds improvement projects; parking lot problem and solution; facilities concerns; request to help teachers not yet in degree programs; and CDOE moving toward decentralization. The need to share our vision was discussed; the college is not doing a good job of telling about our successes nor of being aggressively competitive.

FSM Fisheries and Maritime Institute. Their enrollment is down to 48 from 51.

Kosrae Campus. The director reported the following: spring enrollment; 64% on mid-term deficiency list and discussions on ways to help students; MOU with Kosrae State for use of four classrooms adjacent to campus; partial funding for the agriculture and CES building and search for matching funds; assisting FMI with placement of cadet on MS Islander; and more part-time instructors than full-time due to two math instructors resigning at the end of last semester.

Pohnpei Campus. The director reported the following: enrollment of 561 (FTE of 556); 22 full time and 10 part time instructors; two staff on education leave; turn over

ceremony for the key for the new bus; donation of vehicles to auto mechanics program; AHEC camp for PICS juniors; delay in hiring jeopardizing Gear Up Program; meeting with Governor; participation in Women's Day activities; and condition of old dormitory building and need to replace it. The Board inquired about the cost of the bus, cost of maintenance, and shortfall for utilities. Regent Edward suggested exploring the possibility of using some classrooms at Kolonia Elementary School.

Yap Campus. The director reported on the following: assessment review and resulting improvements; courtesy visits to the new leadership and their concerns; staff development day; vacancies; ongoing IDP projects; website update; enrollment below projection, but meeting projected credits; renaming the tutoring program to Rising Star Club; scheduling powwows between advisors and advisees; COMET testing; scheduling student activities twice weekly; summer planning; submission of Fall 2011 and Spring 2012 class schedules; and request for NSTT Prep Workshop for teachers.

The Board inquired about or discussed further the following: timely issuing of degrees and transcripts; extension of SDSU program to Yap; powwow; teacher training; and vacancies.

Instructional Affairs. The following highlights were provided: COMET essay scoring; assessment update; assessment and program review workshop in Hawaii; hosting US Forestry training; various training programs; UOG NSF project STEM; placement of book orders for summer and fall; update on AHEC grant projects; Sasakawa Peace Foundation project; update on the nursing program; and recognition of Grilly Jack, Director of Vocational, Continuing and Community Education, by USDOL for his outstanding work for the betterment of FSM.

Question and discussions followed on early responders, the history of the \$65,000 appropriated by Pohnpei Legislature for the nursing program; PEC conference; planning strategies; World Park; concerns about summer pay schedule for faculty; and need to respond to concerns raised.

Student Services. The VPSS reported on the following: activities geared toward improving retention; review of student services policies; site visits to inform students about the new policy on sexual harassment; planning for Founding Day activities; working on networking student associations; compiling assessment reports; encouraging customer service; EducationUSA Center awareness and outreach activities; and responsibility for dormitory cleaning turned over to students.

The Board inquired about Pell grant authorization, COMET testing results, essay scoring, and reasons for not passing COMET.

Cooperative Research and Extension. The VPCRE reported on the following: submission of the annual report; difficulty in getting data from campuses; five-year plan-of-work meeting in Pohnpei; tree training; assessment of Land Grant

universities; personnel action concerns; workshops presented by researcher; grants in progress; and collaborations with regional agencies; need for entrepreneurship training; and COM Executive Director's concerns.

The Board raised the need to showcase our programs and for unity among campuses and inquired about research data; traditional stakeholders; and training programs.

Administrative Services. The VPAS reported on the following: update on Chuuk Campus access road to the permanent site and walkways at the current site; standby generator at national campus; expanding wireless to all campuses beginning with national; trial use of ADSL at national campus; new cohort for SDSU masters program; ongoing consultation with job auditor; national/Pohnpei bus service data; IMF balance; staff development day; comptroller to WESTOP and PPEC integrating planning workshops; and installation of fundware, a computer program.

The Board noted the different terms reported with regards to the structure for the permanent site; there is a big difference between the terms. The Board expressed the need to be consistent.

Business Office: The Comptroller reported on the college's statement of revenues and expenditures for unrestricted and restricted funds for the three months ended December 30, 2010, which indicates a positive fund balance; comparison of actual revenue against budgeted revenue from tuition and fees for Fall 2010 and Spring 2011 indicates an increase by 3% or \$116,000; summary of accounts receivable from students as of December 30, 2010; cash and equivalents; FY 2010 financial audit underway; market value of the Endowment Fund reflects a gain by 8% or \$263,000; and falling short of the fundraising goal.

The Board asked for clarification on fund balance – amount, restricted accounts, interest from bank accounts and how reflected in reports and uses.

Faculty Staff Senate. Regarding the FSS concern on the need for more communication, the President replied that the President of FSS sits on the Cabinet and FSS representatives are on all committees. The administration is looking into the cost of moving faculty to the 40th market percentile.

The Board inquired about implementation and delay of the salary conversion. The effective date still is January 1, 2011.

Student Body Association. This year the SBA is responsible for planning the Founding Day activities for both Pohnpei and national campuses.

OLD BUSINESS

Responses to Chairman's letter. Following the December Board meeting, the Chairman wrote to the President regarding several concerns from the Board. The President was asked to update the Board on the concerns.

The first concern was regarding the permanent site for Chuuk Campus. The President stated that based on the earlier discussions, the administration will see what can be done to carry out the Board's intention of using the fund balance. Fencing the property and building a structure on the site are being considered. The Chairman noted that the response to #1 and what's written in the follow up report do not say the same thing. The Board then spent considerable time discussing how the following relate to or affect each other: accrediting commission's recommendation; US Ambassador's comments; JEMCO resolution; need for integrated master plan; college's IDP master plan; current Chuuk Campus site; increased cost for construction; needed facilities for Kosrae, Pohnpei and national campuses; and use of fund balance to show college's seriousness and commitment to a permanent site for Chuuk Campus. The Board requested a plan with the required steps to construct the permanent site for Chuuk Campus. **Regent Cornelius moved and Regent Enlet seconded that the Board reaffirm its decision to use up to \$1 million toward construction of a permanent site for Chuuk Campus based on the plan which the Board directed the administration to develop to expedite phase one of the construction. The motion passed unanimously.**

Reports on the concerns regarding the nursing program and Land Grant programs were to be made when the VPIA and VPCRE reported. Regarding the issue of school accreditation, Regent Cornelius noted that the follow up report was to be given to the Board by the end of February, however, that was not so.

Update on streamlining/conversion process. The salary conversion is done and will cost the college \$101,373. The administration is ready to implement as soon as funding is identified. A memo has gone out to all supervisors not to discuss the lay-off process until after March 31st because of the sensitivity of the issue. The notices will be release to affected employees on March 31st. The effective date of the lay-off is June 30th. Affected employees will be given first option at vacant positions for which they qualify. Those not hired will receive severance pay which is the rest of their salary for this fiscal year. The Chairman said the college should help those who are affected through no fault of their own. These are not normal circumstances, so exceptions should be made; he did not see the need to announce the vacancies.

The consultant is now saying the 30th market percentile for faculty is not competitive enough; the college is currently already at the 20th market percentile. He is recommending moving faculty to the 40th market percentile to be competitive and others to 20-30th market percentile. The streamlining committee suggests a teleconference when they have more information to justify moving the faculty to the

40th percentile. The Board questioned the miscalculation. The chairman of the streamlining committee said miscalculation is his term and that we should not speculate; the consultant can be consulted. He also reported that transfer date of the nursing and public health programs to Pohnpei campus and the ACE program to the national campus is yet to be determined. Concern about the nursing program was briefly discussed, especially the funds appropriated by Pohnpei Legislature. The Board expressed concern that the savings from streamlining that was originally reported and assured are not realized. The Board inquired why the administration did not question the discrepancies. The Board inquired what assurance is there that a “quantum leap” in performance would be made. The proposed management tool was explained. The chairman commented that the Board made decisions based on faulty information. **The Board reaffirmed its decision to convert faculty and staff to the 20th and 10th market percentiles and directed the administration to provide justification to migrate faculty to the 40th market percentile, as recommended by the consultant, for future consideration.**

NEW BUSINESS

Out-of-pocket payment. During the early years of COM-FSM, the Board felt students would appreciate their education more if they had to pay something from out of their pockets toward their education and required that students pay \$50 upon registering. The \$50 included \$15 registration fee, \$20 student activities fee, and \$15 health fee. Because state campuses did not provide dispensaries and student activities then, students at the state campuses paid only the \$15 registration fee. When the accrediting commission raised the equity issue, state campuses began providing student activities and health services, and state campus students were required to also pay \$50 upon registration. Recently state campus have reported that students are having difficulty coming up with \$50 which prevents them from registering. The Finance Committee during their review of the registration policy recommended reducing the out-of-pocket requirement to the \$15 registration fee and allowing the other fees to be charged to their Pell Grants. The Cabinet agreed this would be a win-win situation whereby registration would be more affordable to students which would mean more students registering. The Board agreed that students should continue to pay something out of their pockets. **Regent Enlet moved and Regent Edward seconded that students be required to pay only the \$15 registration fee upon registering. The motion passed unanimously.**

Replacement of large value equity manager. During the last Board meeting, our investment consultant expressed concern over the recent management changes at Metropolitan West Capital Management. They are now recommending replacing them with Cambiar, a manager with similar investment style as MetWest. It was reported that the College of Micronesia Board has already made the change. The Board required no further discussion since that is the investment consultant’s job to do the research and advise the college. The Board wanted to know how much he is

being paid. **Regent Figir moved and Regent Cornelius seconded that Metropolitan West Capital Management be replaced by Cambier as the large value equity manager. The motion passed unanimously.**

Board budget shortfall. The Board is experiencing budget shortfall due to unbudgeted travel to the investment conference and confirmation hearings and for extra per diem to accommodate Board's Reflection prior to each meeting. Suggestions were to charge the March meeting to fundraising account since the Board's focus during the Reflection was fundraising and to request supplemental funding from Congress in May. **Regent Cornelius moved and Regent Enlet seconded that the Board seek supplemental funding from Congress. The motion passed unanimously.** Norma and Danny are to determine the amount needed.

Revisions to Section VII Employment Contract policy. The Job Audit Study highlighted the huge cost of special services contracts at the college and recommended the college establish an ad hoc committee to systematically review each special contract currently in operation and all new ones put forward for consideration and to identify policy implication for the Board's consideration. The committee found the employment contract policy sound, but not enforced. It proposed some modifications to Section VII to make it clearer and easier to follow. The Board made two small changes; added "or" in section 2.a.ii before "the grant period for externally funded projects" and deleted "and" at the end of section 2.b. vi. The Board noted that this is not a money issue, but a management issue. **Regent Cornelius moved and Regent Figir seconded that modifications made to Section VII Employment Contract be approved for immediate implementation. The motion passed unanimously.**

Energy management policy. Conservation of energy and alternative energy has become a global issue. The FSM is also working on a policy. This policy will commit the college to a policy of energy efficiency and conservation in all functions of the college and to educate the public on energy management. **Regent Figir moved and Regent Cornelius seconded that the following energy management policy be approved:**

It is the policy of the College of Micronesia-FSM to reduce energy consumption whenever possible in all activities of the college through active efforts of the administration, faculty, staff, and students. Reducing energy consumption is a significant issue for the entire college community. Energy conservation awareness is an integral component of all appropriate curricula and construction and is demonstrated through all college functions.

The motion passed unanimously.

NEXT MEETING

The May Board meeting is set according to the bylaws for the third Monday in May. The venue will be Pohnpei because of congressional budget hearings.

ADJOURNMENT

Regent Cornelius moved and Regent Figir seconded that the meeting be adjourned. The motion passed unanimously. The meeting adjourned at 5:25 p.m. on March 15, 2011.

Minutes of the COM-FSM Board of Regents meeting of March 14-15, 2011, approved this 18th day of May 2011.

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