

COLLEGE OF MICRONESIA-FSM
BOARD OF REGENTS

**MINUTES OF THE MAY 18-19, 2011, MEETING
Pohnpei Campus**

CALL TO ORDER

Chairman Regent Kasio Mida called the regular meeting of the College of Micronesia-FSM Board of Regents to order at 9:10 a.m. on Wednesday, May 18, 2011, at Pohnpei Campus conference room. The chairman asked for a moment of silent prayer.

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 Ringlen Ringlen, Interim President and *ex officio* member of the Board; Jean Thoulag, Vice President for Instructional Affairs; Jim Currie, Vice President for Cooperative Research and Extension; Joseph Habuchmai, Vice President for Administrative Services; Jeffrey Arnold, Acting Vice President for Student Services; Joakim Peter, Director of Chuuk Campus; Kalwin Kephos, Director of Kosrae Campus; Penny Weilbacher, Director of Pohnpei Campus; Danny Dumantay, Comptroller; Rencelly Nelson, Director of Human Resources; Jimmy Hicks, Director of Institutional Research and Planning; Francisco Mendiola, Director of Facilities and Security; Gordon Segal, Director of Information Technology; Faustino Yarofaisug, President of National Campus Faculty Staff Senate and social sciences instructor; Maria Dison, Pohnpei Campus Instructional Coordinator; Engly Ioanis, Pohnpei Campus Cooperative Research and Extension Coordinator; Debra Perman, Pohnpei Campus Division Chair; Singeru Singeo, Executive Director of College of Micronesia; Patrick Blank from the Australian Embassy; and Norma Edwin, Executive Assistant to the President and meeting recorder.

APPROVAL OF MINUTES

The minutes of the March special meeting were reviewed. Although no corrections were noted, the Regents commented on several items in the minutes and inquired what progress has been done since they were reported. The Board noted that there seems to be no carry over from meeting to meeting and said that if the administration considered something important enough to report it, then they wanted progress reports at the next meeting. The

Director of IRPO said that the college is moving into work planning and reporting against key performance indicators and that in the future reports would be against those KPIs. The Board asked for a status report on implementation of the energy policy at the next meeting. **Regent Cornelius moved and Regent Enlet seconded that the minutes of the March 14-15, 2011, special meeting be adopted. The motion passed unanimously.**

The minutes of the teleconference meeting were then reviewed. Clarifications were made on the target market percentile and the consultant's recommendation to move the faculty to a higher percentile. **Regent Cornelius moved and Regent Figir seconded that the minutes of the April 5, 2011, teleconference meeting be adopted. The motion passed unanimously.**

COMMUNICATIONS

Communications in the meeting notebook included: award notification from the Project Manager for Islands of Opportunity Alliance-LSAMP at the University of Hawaii at Hilo; letter to Secretary Lorrin from SPC regarding nominations to the PARAVET training consultative meeting in Fiji and letter from Secretary of Resources and Development to the college regarding the meeting; letter from the Japanese Ambassador expressing gratitude to the college community for our sympathies, prayers, and contributions for the victims of disaster in Japan; letter from Chairman Halbert requesting information on the recent audit and restructuring; and letter from Pacific Island Health Officers Association regarding discussions with Fiji School of Medicine to develop programs in Micronesia.

Clarification was made regarding what communications are included in the notebook. The Board asked to see the response to Chairman Halbert's letter.

REGENTS' REPORTS

Regent Mida reported that he wrote to Chairman Urusemal to inform him that the Board is submitting a supplemental budget request to cover unforeseen expenses relating to fundraising, reflection, and presidential search. He is not sure if the request has officially been transmitted to Congress.

Regent Cornelius reported that during the leadership conference in Kosrae, raising the lease rate for Kosrae campus was raised. He mentioned that because of this possibility, he had asked that the college pay the lease in full when the current rate was negotiated. The college can expect communication in this regard.

He also reported that Tim Donahue was at the FACSSO meeting in Chuuk. At the meeting a resolution was adopted to use the ISD approach in the primary schools language arts curriculum. Kosrae is adjusting their curriculum and will implement this approach next school year.

Regent Edward provided an update on the presidential search. The committee has met twice; the first to organize and the second to develop a survey on the current status of the college and to create the search announcement. The first week in June is the target for

releasing the announcement. The plan is to complete the process within the next three months, pending enough qualified applicants.

Regent Enlet spoke of the challenging situation at Chuuk DOE. With the requirement that all education personnel required to have a degree or at least be in a program toward a degree, they are facing at least 100 openings for teachers and a shortage of staff. To address this crisis, DOE is considering working with PCC to do certificate courses which do not require testing for admission. He said there are many opportunities for COM-FSM to do training in Chuuk, such as training for new teaches and principals, and encouraged the college to get involved.

Regent Figir had no report

Regent Cornelius moved and Regent Enlet seconded that the order of the agenda be suspended to allow taking up action items first. The motion passed unanimously.

NEW BUSINESS

Modifications to the Drug and Alcohol-Free Workplace and College Premises Policy.

The Personnel Committee began reviewing the policy when it was no longer required for financial auditing purpose to annually sign an acknowledgement of the policy. During the review, the committee made further recommendations for modification: changing the word “drugs” to “controlled substance” to reflect the definition in the FSM Code and changing the title to reflect the new definition and substituting the new wording in the policy.

During the discussion, the Board asked for clarification on terminology and the process.

Regent Figir moved and Regent Cornelius seconded that the recommended modifications to the Controlled Substance and Alcohol-Free Workplace Policy be approved effective immediately. The motion passed unanimously.

Investment Options for Reserves. Discussion on this was covered with Dan Roland during the Reflection. The Board reaffirmed their desire to be more aggressive with reserve funds to achieve a higher rate of return given the appropriate risk tolerance level of the investment program. **Regent Edward moved and Recent Cornelius seconded to direct the College to work with Dan Roland to determine the best investment options for the College’s reserves for the Board’s consideration at the next meeting. The motion passed unanimously.**

Regent Cornelius moved and Regent Figir seconded that item 8a Update on Implementation of Streamlining under old business be combined with 9f Delay in Implementation of Streamlining under new business. The motion passed unanimously.

Delay in implementation of streamlining. **Regent Cornelius moved and Regent Enlet seconded that further implementation of the streamlining be delayed. Regent**

Cornelius explained the concerns from within and outside college and for the first time the Board was divided three-way in their decision regarding the streamlining proposal indicates that more discussion and understanding are needed. The question, however, is whether the streamlining and salary conversation were one or two issues. While the two were presented as a package, the migration was approved first, then the streamlining. Also the streamlining was to provide savings that would cover the cost of salary conversion which was not realized. Regent Cornelius on reflection felt that the Board's decision was rushed and wanted to revisit the issue. IP Ringlen said whatever the Board decided the administration will comply. He then gave a history of the restructuring process which began looking into right sizing the college before the job auditor was hired. After seeing the auditor's work, the committee decided to combine their efforts. The Chairman questioned the advisability to put a hold at this time. The Director of IRPO informed the Board that the follow-up report to the accrediting commission included the changes as a result of the streamlining. Another issue is the external perception of the college should we go back on the decision. JEMCO feels our streamlining is not enough. The VPAS said change is hard. External stakeholders are praising the college for taking this bold step. The streamlining is needed to serve our citizens better, but the college is going slowly and will not yet know the results. He praised the Board for their decision and said the administration just needs time to fully implement it. Others are looking to see how we do. Regent Edward agreed we need to make structural changes, but said it must be the right change. The consultant had stated the reasons for making the changes as about funding for survival, about leadership, about sustainability, and about control of programs and expansion. Regent Edward said we, internally, know what is working and what is not and did not need an outsider to point it out. It is about leadership. We should delay if necessary to look for the best option. Regent Cornelius said the discussion indicates differing opinions and views and no agreement on the same thing, but it gives the Board proper perspective on what is happening. Regent Figir wondered if we should wait for the new president and what would be the complications if we did. Regent Mida wondered which would have the greater negative impact – to stop or to continue, and what would be the message for either decision; would it be good to respond to pressure on a decision already made. Regent Enlet said we should do things in the best interest of the college and posed several questions: how does the streamlining bring the college closer to our mission; what is the cost to the college; is this the best option for the college; and what the right size is. He is not convinced this is the right size given our mission and purpose. He hoped we do not proceed full speed ahead but first do a thorough job considering all options. When asked what has been implemented, what is in progress and what is yet to be implemented, VPAS said he had hoped to give his report first, but the order of the agenda has been changed. **Regent Cornelius moved and Regent Enlet seconded that the motion be delayed until after the report is given. The motion passed unanimously.**

The next morning the Board returned to the topic and heard the update on the streamlining and salary conversion. The VPAS reported that following the approval of the streamlining in Chuuk, former President James assigned a three-member committee to look into ways to implement it. The April 26 memo changed the reporting structure and provided implementation steps. He said the framework is good providing for better communication and direct lines of reporting. Decision grids and functional responsibilities are being worked on. Changes are needed which may take a year to completely implement, analyze, and make further improvements. However, he stressed that for the streamlining to succeed, everyone must be behind it. Layoff notices have gone out to 17 employees who were then

given opportunity to apply for vacant positions for which they qualified. The HR director also provided update on the salary conversion. While some employees have been migrated to the new salary scale, HR is reviewing some to ensure nobody gets a lower salary than they currently are receiving. Eighteen long-term employees are off the scale and continue to receive their current salaries. The Board inquired whether streamlining/restructuring and salary conversion were one or could they be implemented separately, what have not yet been implemented, and if delayed, what would be the impact. VPAS said the purpose for the change is to fix the communication flow and if we were to stop in the middle, it would be confusing working with the old and the new structure. To which Regent Edward replied that things are already confused and wondered if reporting is centralized to one person, would that person become overwhelmed with information and work. He felt it is not the structure, but people that make communication effective. The Board also asked for clarification on the current role of the job auditor and the uniqueness of the state campuses which lead to the possibility of a chancellor for the system; the matter was tabled for possible discussion in the future. The Executive Director of the College of Micronesia asked to raise his concerns regarding the Land Grant component of the salary conversion. The Director of Pohnpei Campus explained how the restructuring affects the state campuses. After allowing the Cabinet to voice their thoughts on the issue the Interim President said although the process could have been more transparent and inclusive to have allowed us to see the blind spots before taking the plunge, the college has taken the plunge and the public is watching. He wondered if we wavered on the decision already made would it project a negative image of the college. He wants what's best for the college and recommended that we proceed with the restructuring and evaluate it in a year and continue our effort to right size the college. Chairman Mida stated that reform is an on-going process; we should constantly seek ways to make our operation more efficient. Regent Cornelius felt the house is not in proper order and the college must get its act together and withdrew his motion to delay the process indefinitely. **Regent Edward moved and Regent Cornelius seconded that further realignment of programs and services and implementation of the reporting procedures be halted so a task force appointed by the Board can address areas of confusion and recommend clear implementation plan to complete the streamlining/restructuring process to the Board at its next meeting. The motion passed unanimously.**

Pohnpei Small Business Development Center (PSDC) fees. The Director of Pohnpei Campus said this is presented for information only. PSDC is run by Pohnpei Campus in collaboration with Pohnpei State through an MOU. A budget of \$80,000 is needed for operation from the State to fully meet the objectives of the program. For the past two years only \$50,000 has been appropriated. The MOU allows charging for services. The proposed fee structure is an attempt by the program administrator to raise additional funds to help meet the operational needs of the center. It is before the Board to solicit its blessing before submitting it to Pohnpei State. More information on the current operation was shared. Inquiry was made regarding the functions of the PSBDC and SBGL. The Board told Pohnpei Campus Director to go ahead. She will keep them informed of the negotiation with the State.

Pell Grant. The Ambassador had questioned why the college does not charge students the full Pell Grant. Information was provided on the Pell award policy, cost of education in relation to the Pell Grant award, breakdown of the Pell Grant; and general profile of students in relation to use of Pell Grant. It was clarified that Pell Grant is not just for tuition

but also for other direct educational and living expenses, and if tuition cost equaled the Pell Grant, then students would be left with higher costs to pay. Cabinet has decided not to call the balance to student a refund as it is a misnomer. The Interim President is to write to the Ambassador about his misperception.

Accounts Receivable. This is another agenda item to provide more information to correct the Ambassador's perception that the college is not doing enough to collect receivables. The Comptroller provided information on the amount of receivable per the recent audit; the breakdown and details of receivables and causes of unpaid receivables from students which include ineligibility for Pell, failure to complete requirements, and financial aid suspension. The Board felt 15% of students without Pell is high; more follow up is needed by the college to ensure students complete the requirements for Pell grant eligibility. Current processes and possible efforts were discussed as well as how to respond to the Ambassador. Rather than be reactive, the administration must be more proactive in its effort to improve and reduce accounts receivables from students through changes in policy, how we work, and how students think.

PRESIDENT'S REPORT

President's Office. The Interim President began with his efforts to improve communication and relationship problems at the college; he has met with the faculty of all divisions at the national campus and is planning to also have an open session with staff to listen to their concerns. He also reported on: implementing the streamlining process as approved; former president working as summer faculty; meeting with Dan Roland regarding investments; receipt of \$53,000 from the Japanese Embassy for the Yap project; visit from the accrediting commission in April to validate the progress report submitted in March; meeting with the U.S. Ambassador to improve relationship; FACSSO meeting in Chuuk; Founding Day activities; and teleconference for approval of the lay off policy. The Board further discussed the Ambassador's perception of the college and his view on education.

Data Report. The Director of IRPO went over the COMET data that was included in the meeting notebook and explained how to use the data to converse with our stakeholders in the states, such as goal setting in the schools. He then presented updated spring 2011 data on enrollment, academic standing, credit load, and course completion. These are critical data that show how students perform and where we can improve and turn into key performance indicators and track regularly.

The Board inquired about distribution of the COMET information, our cost per student vs in the United States, testing administration and safety, and accuracy of the data. National faculties have noted that the essay score is a good indicator for a student being able to function at the college. The Director also noted a rise in math scores.

IP Ringlen said there is a change in the format for reporting from the departments; he will now summarize all the reports and the VPs are available to answer questions from the Board.

Instructional Affairs. The IP reported on: COMET data assessment; information on graduates; ACE program; FMI spring semester courses which included shipboard training;

three national campus librarians accepted into an on-line masters program offered through University of North Texas; development of four training modules for learning how to use library resources; Robert Yangerluo from Yap Campus submitted his MA thesis; two partnership BA students completed their student teaching internship; visitors from Zhejiang Ocean University; health careers awareness camp; visitors from Fiji School of Medicine; AHEC sponsored early responders course at the airport; STEP UP program for the John Burns School of Medicine; STCW crew training; training of NORMA observers; AHEC conference in D.C.; update on the nursing program; Yap Campus completing the assessment cycle; and training and activities at the state campuses.

The Board sought clarification on what ACE stands for and funding for the AHEC grant, and inquired about the status of the nursing program.

Student Services. The IP introduced the Acting VPSS, Jeff Arnold who is the Student Services Coordinator at Pohnpei Campus. He then provided more data on the outcome of the COMET testing and said processing of applications is ongoing.

The Board asked for clarification on the term “potential students.”

Cooperative Research and Extension. The IP explained that CRE is spread out across the nation with each site working independently of each other but all following the same standards and plan of work. He then reported on the courses taught and supported by CRE; on-line reporting; professional training and collaborations; Caripac award for RI; approval of distance education program; Pacific Adaptation of Sustainable Agriculture Project; regional water quality award; NEL Community project in Yap; appropriation for construction of a greenhouse at the Kosrae facility; reinstatement of funding from Rural Development for publishing of agriculture technology materials in the vernacular languages of the FSM; Island Sustainability Conference; and active research and extension projects.

The Board inquired about the water quality project, and then asked the VP for his comments to Dr. Singeru’s concerns expressed earlier. VP said his concerns are: treating CRE staff differently from other COM-FSM staff by freezing CRE salaries until they can be justified and the lack of recognition for the positive work CRE does in the communities. He agrees about the salaries for the coordinators, but is uncomfortable with reducing their current salaries. The Board also asked for clarification on the \$49,000, the coordinator position, and evaluation of the staff. VP Currie expressed his desire for the college to recognize the value of the program and to take advantage of the possibilities. Chairman Mida reported on a Japanese pharmaceutical company that is interested in researching local medicinal plants. He had suggested to them that they work with the Land Grant program. Possibilities were discussed. VP Currie announced that the Land Grant Board will be meeting in June.

Administrative Services. IP reported that the VPAS is chairing the ad hoc committee charged with looking into the possibility of migrating to a higher market percentile. They may have recommendations by the next meeting. Migration to the approved 10th and 20th percentile has been completed. Training on the new schedule will be held. KPI has been introduced as a new management tool. He also reported on the solar energy project, new generator at the national campus, possible usage for the \$1 million earmarked for Chuuk Campus; upgrading wireless connection beginning at the national campus, shuttle service

for students between Pohnpei and national campuses, status of IDP projects, and ongoing construction of the student services building at Yap Campus.

The Board inquired about and further discussed the \$1 million to begin construction of a permanent site for Chuuk Campus. VPAS asked if it was wise to spend the \$1 million with the uncertainty of further funding from the U.S. to complete the project. The \$1 million will only cover preparation work. Options are 1) hold construction until funding is available, 2) build one building now and continue when further funding becomes available, and 3) go head, then wait. Chairman Mida asked what the total cost would be and could the college construct the campus alone. Seeking funding from sources other than the U.S. was suggested, such as the Chinese. Other options were considered. Regent Cornelius noted two competing interests; the accrediting commission saying we must have a permanent site and JEMCO questioning the necessity.

Faculty Staff Senate. The NC FSS President Faustino Yarofaisug went over his report. The first two issues, dissatisfaction on the way that the job audit recommendations and the streamlining committee decisions were implemented and manner of implementation of the new governance structure, have been presented to the Board earlier. The third is a new issue regarding a definitive timeline for resolving the faculty summer compensation. Because 20% would receive less than they would have earned under the former summer pay structure, there is no incentive for those faculty to teach during the summer. As a result, decision was made to continue the faculty under the old schedule for this summer. Mr. Yarofaisug said the high summer enrollment will pay for the increase which would provide the incentive for faculty to teach and requested expeditious resolution. VPAS cautioned there are other operational costs other than salaries to consider. After some discussion he proposed paying the faculty the current salary plus 20% for this summer. He noted, however, that according to the consultant's analysis, the faculty summer pay is already too attractive. The Board questioned the Comptroller regarding the college's ability to meet the proposed increase. Since it had been hoped that the summer scale would be fixed with the salary conversion, but it has not, and per the comptroller that funding is available **Regent Edward moved and Regent Figir seconded that the Board approve for Summer 2011 only a 20% increase above the current summer compensation schedule. The motion passed unanimously.**

Student Body Association. IP reported that the SBA coordinated and organized this year's Founding Day activities. He wanted for the record to commend Richard Porter, SBA president, for his leadership. During this reporting period, the SBA has been involved with educating students on the option to pay only \$15 instead of \$50 at registration, health fair, finals, farewell parties, and graduation. It was clarified that Founding Day activities alternate between fundraising and cultural activities; this year was cultural activities.

Accreditation. The report on accreditation was given by the IP during his report. Commission received the report on the 16th and will be considered in June.

OLD BUSINESS

Options to move forward on all IDP projects and options for construction of Chuuk Campus permanent site. VPAS reported that currently IDP projects are continuing only

in Yap as they were approved before the Resolution. Issues to consider are: 1) increasing cost for construction; 2) lack of building codes in the FSM; 3) expensive to expand; 4) college presence in the states requested by leadership; 5) U.S. prefers Compact funds going to K-12 rather than the college; 6) total cost of ownership; 7) funding after 2023; 8) not maximizing use of facilities; and 9) need to prioritize academic programs to drive facilities decision. The options are 1) reprioritize new construction; 2) hold new construction; and 3) seek alternative funding for new construction. Regarding Chuuk Campus and accreditation, the VPAS explained that if the current site addresses its training needs, the college is in compliance. But if the college states it will construct a permanent site, then we must show progress. The original order of construction was Yap Campus, then Kosrae, Pohnpei, national, and Chuuk. Eight million has already been approved, but not yet appropriated.

The Board inquired what it would take to lift the suspension. The lack of support from SBOC, information not transmitted to JEMCO, and wrong information are examples of the challenges. Solutions proposed were talking directly with JEMCO personnel, providing the Ambassador with correct information about the college, and to separate Chuuk Campus from the request.

The VPAS presented three options for construction of Chuuk Campus permanent site: 1) continue as planned to use the \$1 million to do the water, road, sewer, and power to the site, and then wait to see if JEMCO will lift the restrictions on the fund; 2) put a hold on construction of the permanent site until JEMCO releases funds for the project; and 3) use the \$1 million to begin construction of one building and construct additional buildings once funding is available from any source. During their Reflection, the Board had discussed a fourth option. **The Board directed the administration to aggressively seek funding from various sources for construction of a permanent site for Chuuk Campus and raise enough funds to supplement the \$1 million earlier approved by the Board.**

MISCELLANEOUS

Grant writing assistance for TRIO programs. Regent Edward said TRIO programs are having a rough time competing for funds. They bring in funds and services to the college and wondered what the college is doing to support them. He asked that a professional grant writer be hired to help them write their grants. The Director of Pohnpei Campus provided historical information on using outside assistance for preparation of TRIO grant proposals. She said an in-house grant writer is needed. The high price of an expertise was noted. Suggestions were made to hire on contract as needed, award a percentage if the proposal is funded, or to receive a minimal salary and earn percentages of all grants funded. **The Board noted the request.**

Clarification. The IP asked the Board for clarification on the directive to halt further implementation of the restructuring. Things that have been implemented, such as the salary conversion and layoff, are not to be undone. The Board asked the administration to carefully analyze things that have not yet been implemented and develop an implementation plan, especially for areas of confusion, and report at the next meeting. The budget will not be affected by the delay.

NEXT MEETING

The Board decided to hold the next meeting in Pohnpei to follow the President's Retreat and due to the presidential search.

ADJOURNMENT

The Chairman thanked Director Weilbacher and Debra for their hospitality, IP and staff for participation, his colleagues for the contributing toward moving the college forward and all for their support. IP expressed his gratitude to the Chairman and other Regents for the productive meeting, Pohnpei Campus for hosting the meeting and his Cabinet and staff for their reports and contribution. Director Weilbacher gave credit to her staff, presented "streamlined" gifts and reminded all about the traditional party tomorrow. The meeting adjourned on May 19, 2011, at 4:30 p.m.

Minutes of the COM-FSM Board of Regents meeting of May 18-19, 2011, approved this 7th day of September, 2011.

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