

COLLEGE OF MICRONESIA-FSM
BOARD OF REGENTS

**MINUTES OF THE MAY 23-24, 2012, MEETING
National Campus**

CALL TO ORDER

Chairman Mida called the regular meeting of the College of Micronesia-FSM Board of Regents to order at 9:05 a.m. on Wednesday, May 23, 2012, in the New Zealand Reading Room of the Learning Resources Center. He then asked for a moment of silent prayer.

MISSION STATEMENT

Regent Figir read the mission statement.

ROLL CALL

Secretary/Treasurer Figir called roll. With Regents Lyndon Cornelius representing Kosrae, Graceful Enlet representing Chuuk, Churchill Edward representing Pohnpei, Mary Figir representing Yap, and Kasio Mida representing the national government present, a quorum was declared.

Also present for all or part of the meeting were Dr. Joseph Daisy, President and Chief Executive Officer, and ex officio member of the Board; Mariana Ben Dereas, Vice President for Instructional Affairs; Joseph Habuchmai, Vice President for Administrative Services; Ringlen Ringlen, Vice President for Student Services; Jim Currie, Vice President for Cooperative Research and Extension; Maria Dison, Acting Director of Pohnpei Campus; Mariano Marcus, Acting Director of Chuuk Campus; Kalwin Kephass, Director of Kosrae Campus; Lourdes Roboman, Director of Yap Campus; Matthias Ewarmai, Director of FSM Fisheries and Maritime Institute; Danny Dumantay, Comptroller; Jimmy Hicks, Director of Institutional Research and Extension; Joe Saimon, Director of Development and Community Relations; Frankie Harriss, Accreditation Liaison Officer; Francisco Mendiola, Director of Facilities and Security; Daniel Roland, Investment Consultant, Stephen Finnen, Legal Counsel; and Executive Assistant to the President and meeting recorder.

In his brief remarks, Chairman Mida first welcomed all to the meeting, especially those flying in to the meeting. He then expressed his pleasure with progress made by the college since President Daisy's arrival a short time ago. He mentioned our external stakeholders are also noticing the progress. He is confident that the college is moving in the right direction; however he cautioned that President Daisy cannot do it all alone. He needs commitment from all; he cannot pitch and catch, he needs a team. Chairman Mida called upon all to be truly committed to make

the college the best it can be. He said President Daisy has the full support of the Board and expects the same from internal stakeholders.

REVIEW OF AGENDA

President Daisy felt it would be more efficient if during his report, he allows the VPs and Directors during their routine reports to also report on items under new business; some may require action and some may be for information only to give the Regents the opportunity to understand the issue in anticipation of more robust discussion at the next meeting.

Regent Edward inquired about a way to continue updating the Board on issues which continue to impact the college, such as the streamlining process. President Daisy will include updates at all Board meeting and said bits and pieces will also be imbedded in various reports.

Regent Figir moved and Regent Edward seconded that the agenda be adopted as amended. The agenda was unanimously adopted.

APPROVAL OF MINUTES

The minutes of the last meeting were reviewed. The brevity of the Regents' reports was noted. **Regent Enlet moved and Regent Figir seconded that the minutes be adopted as amended to include the concerns expressed. The minutes as amended of the March 7-9, 2012, meeting were adopted.**

COMMUNICATIONS

Communication included in the notebook were (1) letter from President Mori to Dr. Beno informing the accrediting commission of his request to Congress to restore the \$700,000 decrement from local revenue and of his intention to work with Congress on the college's long term financial needs – this speaks to insure our accreditation status and is unprecedented for the president of a nation to write in support for a college's accreditation; (2) Mr. Finnen's legal assessment on FSM FMI lease agreement and MOU between FSM and the college on FMI – the MOU is dated and needs to be updated.

REGENTS' REPORTS

Regent Figir recommended providing campus tours as a means to make people aware of the college and to advertise the college to the outside world.

Regent Cornelius reported 146 out of 149 graduating seniors from Kosrae High School took the COMET; 39% passed into degree programs, lots into ACE or certificate programs – only 10 were not admitted.

Regent Edward commended the President and the staff for the outstanding graduation ceremony: he received compliments from parents and government employees who were there. He was displeased with the article on the COMET in Kaselehlie Press and asked what the college can do to reach out to students and help them be successful and to be more engaged in helping students in the education system. In his state of the nation address, President Mori spoke of a national comprehensive review of education. This is scheduled for July and wondered is this is where the college can be involved.

Regent Cornelius said that a national comprehensive review of education was a concern at the mid-term JEMCO meeting and that the Secretary of Education is drafting a plan. Considering the concern is regarding the entire education system, he suggested including the Secretary in our discussions on the matter; he encouraged close partnership with NDOE. He asked whether the college should publish its own article on the COMET to clarify the negative tone of the article.

Regent Enlet reported on the accreditation conference he attended. He picked up some implications for cooperation between college and education systems; a consortium of Board members was formed to make student learning its primary goal and mission. In view of the situation in Chuuk, the college could do more by addressing the problems as our problem and be proactive in addressing primary and secondary education problems. The conference also provided good information on accreditation, board responsibilities, and some policy implications. He also learned that increasing number of institutions (60%) is on sanction due to board misbehaviors – not knowing what they are doing. Boards also need professional development to be more useful. He also distributed the draft manual for governing boards which will soon be on ACCJC website.

President Daisy mentioned areas in which the college can help the education system which could be developed into a full proposal. He also mentioned there are lots of resources available for board development to help them face increasing challenges.

Regent Mida had emailed invitations to all National Government Secretaries to attend the Board meeting and expressed his disappointed that none showed up. He said the government is willing to help with the decrement, but in doing so, they are looking at the college to see what we are doing about it. During the hearing last Friday, the Congressmen suggested increasing tuition, improving the capture rate from Pell, and reducing state campuses. In return for their support, the college must look for efficiencies within the college.

PRESIDENT'S REPORT

President's Office. President Daisy expressed his appreciation to the Board for their support and guidance. He still has a lot to learn and is directing his efforts to addressing issues and making the college stronger. The college is in the midst of lot of change; change is messy, but provided a framework it is ordered messiness, and not chaotic. The leadership team is working very hard; he puts lot of

responsibility on them, expects a great deal, pushes hard, and provides them with the opportunity to demonstrate their commitment to the college. He will be asking them to report on their specific areas and on new business at the same time to be more coordinated and efficient in our presentation. To raise the level of discussion to a high level, he also requested that highlights be at a high level and leave routine details in their written reports. He will continue to report against the opportunities and challenges and responsibilities and duties as articulated in the position announcement.

Accreditation continues to be on the forefront, coupled with our fiscal situation and responsibility to be good stewards of our resources. Even in light of restoration of \$700,000, the administration continues to seek ways to be creative and thoughtful about ways to find new resources and efficiencies. The college is experiencing growth in number of areas and beginning to behave as colleges should; we now have broader participatory governance and wider range of the college community working cooperatively in decision making; we are beginning to pull together reports – two (assessment of communication plan and assessment of last strategic plan) are in the meeting notebook for the Board's perusal and discussion of the implications at the next meeting. The reports provide real data to understand where we are and benchmarks to measure our progress. The various plans are now integrated. The total cost of ownership has been calculated which will inform thinking and planning moving forward. For the first time, the college has projected out a five-year financial plan based on positive assumptions and moderate expenses, and linked to the five-year integrated educational master plan. It is a best case scenario projection with the understanding that as assumptions change, the plan will be changed. This will help us make real decisions about streamlining, programs, and allocation of resources which will inform our next strategic plan. The process will begin at the visioning summit at the end of summer.

He was informed about contradictory policies during his initial review of personnel policies with the Director of Human Resources and our legal counsel. Tomorrow revisions to several policies will be presented; Mr. Finnen will be here to explain. President Daisy plans to do an audit of all policies to determine where the gaps are and to update policies at each meeting. Mr. Roland will also report on our investments tomorrow. Later during executive session, he will present additional personnel requests and provide additional assessment on the state of the college.

First round of program prioritization has been completed. While not perfect, a lot was learned and this will be applied to the next round of non-academic program prioritization. When completed, we will have data to guide decisions to better serve our students and add value to our communities.

Accreditation Liaison Officer. The follow-up report was submitted to the commission on March 15. This was followed by a team visit April 23-25 which fortunately for the college was composed of two commissioners. The visiting team advised the college to complete our integrated master plan prior to appearing before the commission. The college then accelerated the timeline to complete the plan. In the supplemental report which the college could submit 15 days prior to the June commission meeting, we were able to report its completion with dialogue on

the plan to continue. The ALO explained the process for appearing before the commission. Floyd Takeuchi will be helping the President and her prepare for the meeting. He and Sue Moses, former commissioners, agreed to hold a mock session of their presentation. The ALO anticipates another follow up report to be due in the fall followed by another team visit. In the spring the mid-term and SLO rubric reports are due. She foresees a busy year ahead.

Board sought clarification on the due date for the SLO report, position responsible for accreditation; and the different levels of sanction, and noted the tremendous work accomplished and expressed their appreciation.

President Daisy said the commission expects to see our integrated plans. Next we need to demonstrate completing cycles of planned development, implementation, assessment, and changes and then to keep the cycle going. To satisfy the commission we will need to keep the momentum going and imbed and sustain the process in everything we do at college.

The Director of IRPO went over the high points of the integrated master plan. The approach is no plans are made in isolation; all plans are integrated. In higher education all intergraded plans are driven by instructional priorities and need for improving student learning. In that regard, instructional affairs recommended stronger focus on student success and employability; this emphasis radiates out to other plans -- IT, HR, Facilities and Campus Environment and CRE. Strategies and action steps are made actionable and key performance indicators are used; thereby making assessment straight forward. This is an evolving plan and can be updated at a rapid rate. To ensure common development; the plan is accessible on the internet to key people for daily inputting and editing. The plan also indicates funding source, current SP reference and planning estimates which are linked to financial projections. As assumption changes, the planning document is updated to ensure alignment with current financial picture. President Daisy further elaborated that with the plan we now can identify benchmarks against which to measure success. In the past, the impact of resource allocation was not looked into. By creating baselines, we will ensure understanding of the extent to which we meet goals and then report on that to inform how plans shape and how plans tie to budgets. This plan provides institutional level KPI at a high level and as we establish targets, each area will set its own targets resulting in targets at the institutional level and at operational levels.

Regents sought clarifications on and or further discussed plans to expand new courses, decrement plan, institutionalizing federal programs. Request was made to be provided a copy of what is submitted to SBOC and JEMCO.

NEW BUSINESS

Five-year financial projections, 2013-2017. President Daisy explained this is not a budget; it is a financial plan. We were advised by the chairman of the visiting team to use the best case scenario; if assumptions change or projections not realized, we can go back and change the plan. The comptroller then went over the

plan. Through discussions with the president and Dr. Hess, it was agreed that the college use the best case scenarios for revenue projections and conservative assumptions for operating expenses. It is based on delivery of existing programs, services, and structure of the college and using FY 2013 for base reference. Revenue assumptions include structured tuition increases of \$10 annually from 2014 to 2016; improved capture rate of Pell Grant; additional support from FSM government per President Mori's letter of support to ACCJC; consolidation of revenue from other sources; achievement of full-time equivalent for average credit per student; and enrollment projection at the same level in spite of tuition increase and an increase in 2017. Operating expenditures assumptions include retaining same programs and services and organization structure and 5% increment in operations expenditures for inflation and staff increases. The comptroller then presented the financial data of the plan. The next step for the college is to internally develop plans for worst case scenarios.

Further discussion followed regarding enrollment trends; consideration of accounts receivable; assumptions not factored in; the \$700,000, and definition of assets.

Regent Figir moved and Regent Edward seconded that the Board endorses the Five-year Financial Projections – 2013-2017. The motion passed unanimously.

Five-year Integrated Educational Master Plan 2013-2017. Regent Figir moved and Regent Edward seconded that the Board endorses the COM-FSM Five-Year Integrated Master Plan – 2013-2017. The motion passed unanimously.

The Board sought clarification about the plan and visioning process, the rationale for the amount of tuition increase and approval for the increase.

PRESIDENT'S REPORT – continued

Development and Community Relations. Director Simon reported on efforts to fix the College's image which includes system to disseminate public information; revamping the website, use of Google analytics to analyze hits to our website, and new feature (video) on the website; developing branding guidelines; and fundraising development plan with Patrick from the U.S. embassy. Since the last Board meeting, about \$25,000 was raised for the Endowment. Also under consideration are endowment foundation and campus tours.

The Board inquired about the \$100,000 fundraising goal and establishment of the foundation.

Chuuk Campus. Acting Director Marcus reported on collaborating and dialoguing with Chuuk DOE Director to bridge the gap using the Gear Up model, results of COMET higher this year than in previous years, and incorporating the nine strategic goals in all areas. He asked the Board about the status of a permanent campus for Chuuk Campus. The Board further discussed the issues.

FSM Fisheries and Maritime Institute. Director Ewarmai reported that their request for a JICA instructor in welding has just been advertised. Anticipated arrival is early 2013. With a welding instructor, they could offer courses to the community. He has an appointment with NORMA regarding the possibility of FMI providing course for field observers. .

Kosrae Campus. Campus Director Kephias reported on the status of the renovation project; dialogue with DDOE on sharing resources; and discussion to articulate the high school and college voked programs. He hopes dual enrollment can be realized and carpentry program can be brought back to life.

Regent Cornelius speaking as the Director of Education asked the college to develop a proposal for dual arrangement whereby seniors can enroll in the certificate program and get Pell Grant and credits. VPSS informed him of the college's early admission and dual admission policies but said they would not qualify for Pell which requires high school graduation.

Pohnpei Campus. Acting Director Dison reported on the successes of TRIO programs this past year; new five-year grant for Upward Bound; and their 6th Annual Exhibition showcasing their programs.

The Board sought clarification or more information on sponsored programs, Gear Up program; and location of offices for the sponsored program.

Yap Campus. Director Roboman reported continuing collaboration with Yap DOE and the new director; invitation to become a member SAIL, organization of all principals in Yap; status of IDP projects; working with the high school to align their voked programs; and working with the departments of education and health services to offer general education courses for their people enrolled in the nursing and SDSU BA programs at Palau Community College. She echoed the need to modify certificate programs to enable students to have the option of entering the workforce or moving into a degree program. Discussion followed on the number of Yapese students at PCC.

Administrative Services. VPAS reported his department proactively addressing and prioritizing accreditation issues; completion of the emergency preparedness plan and plans for simulation activities at the national campus and later to other campuses and need to link it with state emergency plans; completions of a total cost of ownership study that will inform us on how to plan for construction of new facilities and maintain current facilities; involvement in development of integrated educational master plan and strategic plan; revision and updating of personnel policies; fiber optic connectivity at the national campus; and continuing effort toward wireless access at all campuses. The Board inquired about need for larger bandwidth and its cost.

Financial Report. The comptroller presented the financial statement of revenues and expenditures for unrestricted and restricted funds as of March 31, 2012, cash and equivalents; the gross receivable from students; comparison of budgeted vs actual revenues and of current year vs. previous year revenues; actual vs

projected number of students and number of credits; the market value of the endowment fund as of March 31 which is \$3.44 million; asset allocation within range; total fundraising receipts of \$48,5614 which includes Founding Day contest.

OLD BUSINESS

Asset allocation for the endowment fund. Mr. Roland provided an overview of capital markets and quarterly performance of our endowment investments which as of March 31, 2012, was at \$3.44 million; went over the fund's quarterly performance and performance of each money manager in each asset class; and provided an analysis of our current asset allocation. He explained that strategic allocation is finding that mix which gives us the best chance for expected returns at the lowest risk. He said taking some money from US large equities and putting it into natural resources (commodities, precious metal, oil and gas) and taking money from US bonds and putting it into non-US bonds makes sense. We should be proactive in finding value. Following his analysis of the international market, he asked the Board if they wanted to diversity our international investments further; he could provide a comprehensive report on potential mix of emerging markets. He then reported on the status of our endowment as of yesterday and said we were up 3% since December 31, 2011, and have made up the losses of the first quarter.

The Board wondered whether the college should switch the allocated amounts between emerging and mature markets. Mr. Roland explained that while there is more growth in emerging markets, they are more volatile. He said he could run scenarios to optimize a switch choice and see how far out to take the risk and clarified the difference between the proposed changes in asset allocation.

Regent Cornelius moved and Regent Figir seconded that the Board endorses the revisions to the investment policy statement which include changes in asset allocation. The motion passed unanimously. Mr. Roland was asked to complete the analysis he volunteered to do and present the different scenarios at the next meeting.

NEW BUSINESS - continued

Revisions to HR policies. Mr. Finnen explained that the proposed changes were presented to and approved by the human resources committee prior to submission to the Board. Some changes are minor to clarify things and others to correct long standing inconsistencies and typographical errors; still others remain to be worked on, such as the sexual harassment policy. The recommended changes are supported by real world situations that the college has addressed.

The Board noted a need for a policy to periodically review the policies. President Daisy mentioned that a review is underway to identify problematic and gaps in policies; these will be prioritized with the intention of bringing policies to the Board for revision or establishment.

Revisions were proposed in the following policies from the Personnel Policy and

Procedure Manual: Section I Purpose and Scope; Section VI Employment; Section IX Leave; Section XIII Performance Evaluation; Section XIV Termination; Section XV Employment Discipline and Protection; and Section XVI Grievance Procedures. Mr. Finnen then went over each proposed change explaining the rationale for the revision and provided examples why they are needed or how they would be implemented. The revisions do not change the general substance of what is already in the policies, but make the intent clearer and policies consistent and easier to implement. He explained the problem with the sexual harassment policy and the need to review it. It should be in the catalog.

An inquiry was made whether the Board could recommend further amendments to the policies before them. It was suggested that they submit recommendations to the administration; the recommendations would then go through internal procedures and then reported back to the Board. Regent Cornelius made an oral submission that “disabilities” be considered in Section VI, subsection 2. President Daisy noted the need for training for managers in performance review.

Regent Cornelius moved and Regent Edward seconded that the Board approves the revisions to Section I Purpose and Scope, Section VI Employment, Section IX Leave, Section XIII Performance Evaluation, Section XIV Termination, Section XV Employment Discipline and Protection, and Section XVI Grievance Procedures. The motion passed unanimously.

PRESIDENT’S REPORT - continued

Instructional Affairs. VPIA Ben Dereas first updated the Board on requests from the last meeting which included review articulation agreement between PCC and the college. Currently the college has no articulation agreement with PCC. A workshop on assessment and articulation is being held this week with people from CNMI, GCC, UOG, and CMI. The matter of revisiting an open door policy, was assigned to Curriculum and Assessment and Recruitment, Admissions and Retention Committees for review.

The VPIA then highlighted the refocus from instructional programs to student success and employability in the instructional master plan which will make focus on strategies and assessment of strategies easier; and increase linkage with student services and CRE.

The Board asked for more information on the status of the nursing program, meaning of articulation, raising the bar for ACE program, and efforts to reach out to local departments of education.

Student Services. VPSS Ringlen reported on requests from the last meeting which included efforts to educate parents and public about Pell grant, assigning RARC to review the graduation application process, plans to implement teleconferencing among student leadership from all campuses in the fall, and expanding the scope of responsibility of the Director of Student Life to include all campuses.

He then highlighted the following: efforts of his staff to be student centered in serving the student community, establishment of a student services advisory council to review student life program and make recommendation, planning student leadership training, more collaboration with instructional affairs to help increase graduation, retention and persistence rates, enhancing tutoring, customer service to boost enrollment, efforts to complete assessments, operational and student learning outcomes, and graduation statistics.

The Board inquired about the acceptance and enrollment rates and alternative admissions criteria

Cooperative Research and Extension. VPCRE expressed his pleasure with CRE being included in planning and then reported on status of and opportunities available through Land Grant matching funds, ongoing project by the Chuuk researcher, learning opportunities provided to students, scholarships for bachelor's in agriculture or natural resources area; acquiring and installing of satellite dishes in Kosrae, Chuuk, Yap campuses and at the national campus to improve communication and for emergencies.

The Board asked for more information on the scholarship criteria and the research project.

NEXT MEETING

Regent Edward moved and Regent Cornelius seconded that the next meeting be held in Pohnpei to coincide with Summit so the Regents could also attend. The motion passed unanimously.

ADJOURNMENT

In closing, the Board and President expressed their appreciation for the preparation for and participation in the meeting.

The meeting adjourned following their executive session.