

COLLEGE OF MICRONESIA-FSM
BOARD OF REGENTS

**MINUTES OF THE JANUARY 7 & 9, 2012, MEETING
Kosrae Campus**

CALL TO ORDER

Chairman Regent Kasio Mida called the regular meeting of the College of Micronesia-FSM Board of Regents to order at 9:11 a.m. on Saturday, January 7, 2012, in the SBDC training room at Kosrae Campus. The chairman asked for a moment of silent prayer.

The Chair requested that everyone arrive before the Board.

MISSION STATEMENT

Vice Chairman Cornelius read the mission statement.

ROLL CALL

With Regents Lyndon Cornelius from Kosrae State, Graceful Enlet from Chuuk State, and Kasio Mida representing the National Government present, the chairman declared a quorum. Regent Mary B. Figir from Yap State joined the meeting that afternoon. Regent Churchill Edward from Pohnpei State was not able to attend due to commitment with Pohnpei State.

Also present for all or part of the meeting were Ringlen Ringlen, Interim President and *ex officio* member of the Board; Mariana Ben-Dereas, Vice President for Instructional Affairs; Joseph Habuchmai, Vice President for Administrative Services; Mariano Marcus, Acting Director of Chuuk Campus; Kalwin Kephass, Director of Kosrae Campus; Maria Dison Acting Director of Pohnpei Campus; Matthias Ewarmai, Director of FSM Fisheries and Maritime Institute; Frankie Harriss, Accreditation Liaison Officer; Danny Dumantay, Comptroller; Joseph Saimon, Director of Development and Community Relations; and Norma Edwin, Executive Assistant to the President and meeting recorder.

ELECTION OF OFFICERS

Since only three members were present, **Regent Cornelius moved and Regent Enlet seconded to defer election of officers indefinitely. The motion passed unanimously.**

After Regent Figir arrived, this agenda item was recalled. **Regent Enlet moved and Regent Figir seconded that the present officers be retained for the next year. The motion passed unanimously.**

REVIEW OF AGENDA

Motion to take up new business first was withdrawn to instead wait for Regent Figir's arrival later in the day. **Regent Cornelius moved and Regent Enlet seconded that the agenda as amended be adopted. The motion passed unanimously.**

APPROVAL OF MINUTES

The Board reviewed the minutes of the September 7-9, 2011, special meeting. **Regent Enlet moved and Regent Cornelius seconded that the minutes of the September 7-9, 2011, special meeting be adopted. The motion passed unanimously.**

The Board reviewed the minutes of the October 7, 2011, special meeting. **Regent Cornelius moved and Regent Enlet seconded that the minutes of the October 7, 2011, special meeting be adopted. The motion passed unanimously.**

COMMUNICATIONS

IP Ringlen briefly went over the communications included in the meeting notebook which included: letter from Director of SBOC requesting a meeting with the team doing the FSM Public Expenditure and Financial Accountability Assessment (VPAS, Comptroller and Director of IRP met with them); letter from the Accrediting Commission reminding the college of the March 15, 2012 due date for the Follow-Up Report; letter from the Accrediting Commission correcting the date for resolution of our deficiencies; letter from Yap State Department of Education requesting the college to offer needed prerequisites courses at Yap Campus for their teachers and principals enrolling in an on-line BA program offered through SDSU; letter from the Accrediting Commission responding to our concerns regarding the impact of the JEMCO resolutions; and letter from Council for Opportunity in Education thanking the college for its support of the TRIO programs.

Inquiries were made regarding the college's response to the request from Yap DOE and outcome of the assessment. The college was advised in the future to include responses to requests.

REGENTS' REPORTS

Regent Mida announced that the State National Leadership Conference will be held February 2-3. Congress will recess to attend the conference. Included on the agenda is the future of the college. He advised the administration to be prepared for its presentation. He also announced that an investiture ceremony will be held for the new president to launch a new direction for the college. He directed the administration to do a good job with the ceremony as he wants to use the ceremony as an opportunity to rally support behind the college and the new president. Leaders and major stakeholders will be invited.

Regent Enlet reported on developments in Chuuk. He and the Campus Director testified before the Legislature on a resolution to do away with the COMET which they feel does not predict success and prevents access to college. A legislation revising the Education Act is also being considered which may affect how education is conducted in Chuuk. He also reported on the status of the paved road project and that Chuuk now has 24-hour power since December.

Regent Cornelius reported on concerns from parents regarding release of degrees and certificates and deductions on refund checks; SDOE intention to submit a proposal to the Board for an accelerated program for vocational students to take vocational courses at the college while still in high school; and FACSSO being summoned by President to Mori who expressed concern regarding low performance of students on standardized tests, as compared to private schools, and on military tests. Kosrae DOE has formed a team to look into the concerns and asked the college for assistance.

PRESIDENT'S REPORT

President's Office. Interim President Ringlen reported on concentrating on accreditation, budget development and planning; maintaining his internal and external meetings to improve communications; preparation for the leadership conference; attending the FACSSO meeting held in Pohnpei; and on the mid-year graduation in December (173 graduates); investiture plans; and Floyd's "road map" which the ALO will report on further.

Data Report. IP Ringlen presented the Fall 2011 student achievement data on student standing by campus and by student type; and percentage of full-time students earning 12+ credits and by campus.

Chuuk Campus. Acting Director Marcus reported on construction of local huts; clean up efforts; extra curricular activities; more active participation in committees; communication and performance based budgeting challenges; progress on renovation projects; meeting with Governor and preparations for the leadership conference; letter of support for Upward Bound proposal; progress on filling vacancies; and Spring enrollment.

Fisheries and Maritime Institute. Director Ewarmai reported on participating in the SPC seminar on amendments to the STCW code and ramifications to course offerings; on going evaluation of courses; and progress of accreditation issues regarding facilities.

Inquiry was made on performance of the graduates who were placed on ships for their shipboard training and the number placed.

Kosrae Campus. Director Kephos provided the following highlights: receipt of teleconference equipment to upgrade communications for committee meetings; MOU between Kosrae State and the college for the transfer of five classrooms from the KHS building; progress of the renovation of the classrooms; raising \$3,000 for the endowment by hosting an International Night; donation of filling material for the parking lot from Black Micro; serving on task force on clarifying campus directors role; monthly meetings with faculty and staff; and assisting students move out of probation.

Pohnpei Campus. Acting Director Dison reported on the retirement of Director Weilbacher at the end of September; and due to the streamlining and changes to reporting, limited her report to Pohnpei Campus students graduating in December, and the status of the sponsored programs – TSP, Gear UP, Upward Bound, and SBDC.

Regent Cornelius questioned the use of leave time at the end of employment and said having a clause disallowing that would be in the interest of the college.

Yap Campus. IP Ringlen reported the following for Director Roboman who was unable to join the meeting: meeting with staff and faculty to update them on the protocol for the new structure; visit from Lore Nena to explain services of EducationUSA; sharing duties of the acting instructional coordinated with Jovita; election of SBA officers; attending the Upward Bound meeting in Washington, D.C. and their proposal in progress for the next highly competitive funding cycle; presentation to school principals; chairing the Yap State Scholarship Committee; visit from acting vice president for student services and his team; fight between campus and high school students and ensuing efforts; visits from ALO and from IP and their visits to Yap leadership; and visit from Ambassador Prahar to see progress of the facilities being constructed.

Development and Community Relations. Per recommendation from the accreditation consultant, DCR is developing a news stringer scheme for expanded new coverage. The director also has been involved in developing and maintaining a COM-FSM brand. Mark Mendiola has submitted a proposed scope of work for developing an endowment foundation which is being submitted to the Board.

Administrative Services. VPAS Habuchmai reported that his department is using Goggle docs for compiling the department report and highlighted the following from the report: the budget developing process; completion of cultural huts by the student groups; seeking funding for backup generators for cafeteria, gym, maintenance and Pohnpei campus and water improvement project; additional fund balance requests for IT, SDSU unpaid balance, and renovation projects at Pohnpei and Kosrae campuses; status of covered walkway project and of renovation and repair work at all campuses; site visit to the campuses; status of fiber optic connectivity; MOA with Bank of FSM to house their backup system; update on SIS phase III; annual financial audit in progress; and new SDSU cohort.

Board inquired about payment arrangement with SDSU; VPAS handling the arrangement; and need to focus on programs that address areas of need such as principal training.

Financial Report. The Comptroller presented the financial statement of revenues and expenditures for unrestricted fund as of September 30, 2011, which indicates a net positive fund balance change of \$515,000 (he is still doing an analysis of the statement); the gross receivable from students which is reduced by 12% since the last report; the cash and equivalents as of September 20th which is \$6.158 million; the market value of the endowment fund as of September 30th which is \$2,982 million; total fundraising receipts for FY 2011 of \$45,000, short of the goal by 55%; and the audit of the college's financial statement for FY 2011 in progress with completion timeline of April 30th.

The Board inquired about the audit timeline, cash equivalent, endowment loss, and professional opinion on the market.

Instructional Affairs. VPIA Ben-Dereas has been on the job a week. The report provided in the notebook was submitted by the former Acting VPIA. VPIA provided an update on distance education efforts and list of her appointments upon her return to Pohnpei.

Regent Enlet expressed his pleasure about the college's direction toward distance education because a goal in the Chuuk education five year plans is to move into that area. He encouraged the college to initiate discussions with Chuuk DOE and to be involved. The Director of Chuuk DOE will be in Pohnpei for the leadership conference; he suggested meeting with her. The Board also inquired about AHEC funding and the future of the ACE program. Discussion followed regarding the need for assessment before a decision is made and the difficulty of assessing the ACE program because support for the program was not provided as specified for the program; this was corroborated by all campus directors. Board questioned the lack of support when 60% of our students need remediation. VPIA said it is an issue of disconnect between student services and instructional affairs and if both departments worked together the program could be successful. Board questioned implementing the program without allocating funds to support it and said it needs to be fixed.

Student Services. IP Ringlen highlighted the following from Acting VPSS Arnold's report: 54th commencement with President Mori as the keynote speaker and UOG president present to confer BA degrees to 16 graduates; results of the Spring COMET testing; and statistics for early registration.

Accreditation. The Board requested that in the future the ALO report be part of the president's report rather than at the end. ALO Harriss said the Board should have received the report from the accreditation consultant, Mr. Floyd Takeuchi, and that the college should be proactive rather than reactive in what is to be done. She listed areas that are still weak: board and cabinet minutes posted on the website; evidence of all-campus meetings from all campuses; resolution of issues with state campuses; quality data for the report; evidence based decision making; planning process; the budget development process as impacted of the JEMCO resolutions; and the priorities process still ongoing. However, she mentioned it would be better to do the plans right than to rush it for the report and further explained the priorities process and likely scenarios. When an institution is on sanction, it cannot make any substantive changes; however, faced with the huge financial sanction, it may be worth entering into a dialogue with the commission. From now to the end of the month, she will be putting together the draft and gathering evidence; and then leave six weeks to review the draft for factual suggestions. It is also important to have plans in place on how to address sustaining quality programs for the leadership conference.

The ALO was commended for her effort. While a lot of time was wasted, ALO credited a lot of great people at the college for getting back on track. The chairman hoped that this would be a learning experience and that accreditation would become part of on-going activities.

As suggested earlier, the Board took up New Business before Old Business.

NEW BUSINESS

FY 2013 operations budget. IP commended staff for putting together the FY 2013 budget which was led by the VPAS. Accommodating the \$700,000 deficit was a challenge. VPAS then summarized the process used. The Comptroller provided more background information on the process. The Board questioned why the performance based budget was not presented to the Board; the Board should be aware of what is submitted by the college and asked that in the future the whole budget be given to the Board.

The Board inquired if tuition increase was considered to make up the shortfall. Because tuition was increased last year and public hearings are first needed, it is not being recommended for now. The Board noted that a high enrollment is desirable to meet revenue projections, but wondered if increasing the COMET scores would affect the budget. Although projections are conservative, a member asked if doing away with COMET was considered. The Board also asked if tuition waivers and review of vacant positions were also considered. A member suggested that the college consider a high capture rate of Pell Grant to take advantage of its current availability. Because there are a lot of factors to consider and analyze, the administration is recommending use of fund balance to offset the reduced appropriation. Assurance was given regarding the fund balance. **Regent Cornelius moved and Regent Enlet seconded that the proposed operations budget for FY 2013 of \$10,606,566 be approved:**

Revenue from tuition fee	\$ 6,931,351
FSM Government subsidy	<u>3,100,000</u>
Total revenue	\$10,031,351
Expenditures	<u>10,606,566</u>
Deficit	(\$ 575,215)

The deficit is to be funded from the fund balance. The motion passed unanimously.

FY 2013 auxiliary enterprises budgets. The operating budgets for bookstore and cafeteria for FY 2013 are at the same level as FY 2012. The reduction of budget for bookstore is from the elimination of bookstore assistant positions at state campuses. The increase of budget for cafeteria is due to salary conversion for the cafeteria supervisor as a result of the job audit. **Regent Cornelius moved and Regent Figir seconded that the recommended operating budgets for FY 2013 for the following auxiliary enterprises be approved:**

Bookstore	\$ 83,185
Cafeteria	193,240

The motion passed unanimously.

FY 2013 FSM FMI budget, The VPAS provided background information on funding for FMI which is separate from the college's operational budget and comes from local revenue. For the past several years they have been trying to cope with \$655,000, but always falling short. Supplemental budgets from fund balance were provided in previous years for utilities, fuel,

and repatriation. The operating budget for FMI for FY 2013 is 32% higher than FY 2012.

The Board inquired whether there has been indication from the national government agreeing to an increase, areas of and reasons for the increases, whether solar energy was considered, student per capita rate, using the supplies formula, and strategy to fall back on should the increase be denied. The administration will use 2012 as a planning year and review the MOU with the government. **Regent Figir moved and Regent Enlet seconded that the recommended budget of \$861,980 for FSM FMI for FY 2013 be approved for submission to FSM National Government. The motion passed unanimously.**

FY 2013 Board of Regents budget, The same level of funding as the previous year was recommended. The Board inquired into the actual expenditures for FY 2011. Chairman Mida recommended increasing travel to \$65,000; the Board needs to be more visible to do a better job of fundraising. The Board also needs to do a better job lobbying with congressional delegations for our budgets; this is not extra duty, but a responsibility of the Board. **Regent Figir moved and Regent Enlet seconded that the COM-FSM Board of Regents FY 2013 budget in the amount of \$95,000 be approved for submission to the FSM Government. The motion passed unanimously.**

FY 2012 supplemental budget request – President’s Office, A new president was not anticipated when the FY 2012 budget was developed. With the hiring of a new president, the budget for the President’s Office will experience a shortfall in salaries and benefits; housing and recruitment were not budgeted. The Chairman recommended purchasing a new vehicle and holding an investiture ceremony to introduce the president to the community. Since moving into the current facilities 15 years ago, the president’s office has not been refurbished and is in need of renovation. **Regent Cornelius moved and Regent Enlet seconded that the Board approve up to \$75,000 from fund balance to supplement the FY 2012 President’s Office budget. The motion passed unanimously.**

OLD BUSINESS

Clarification of the role of campus directors. IP Ringlen said this is the remaining piece of the job audit and streamlining process and went over the recommendations from the working group assigned to clarify the role of state campus directors. Inquiry was made about the proposal to merge national and Pohnpei campuses; program prioritization must first be considered. Campus directors were asked how they felt about the recommendations. Since they were part of the working group, they agreed things are better defined; while there still may be issues, they are satisfied with the recommendations. **Regent Cornelius moved and Regent Figir seconded that the recommendations from the working group to clarify the role of state campus directors be approved. The motion passed with four ayes and one abstention.** The Chair mentioned that these recommendations are not set in concrete and reflect the current situation.

Endowment foundation. The Director of Development and Community Relations presented the project proposal from Mark Mendiola to provide the framework for the development and implementation for an endowment foundation. A contract needs to be drawn based on the proposal and reviewed by the legal counsel. The Board, however, decided that this is something that first needs the new president’s input. The Director of

DCR was asked to communicate this to Mark.

Other agenda items under Old Business were deferred to the next meeting.

NEXT MEETING

The next meeting will be held in Pohnpei following the State National Leadership Conference which will be held January 21-23. The meeting will begin on the March 4th, Saturday. The agenda for the meeting will be the accreditation follow-up report and deferred items. The Board also scheduled a meeting with the new president for Sunday, February 5, at 6:30 p.m. The Board also asked to preview the college's presentation to the SNLC.

ADJOURNMENT

In closing the Chairman thanked everyone for a productive meeting. He felt the town hall meeting was good and that it be continued but hoped that in the future there would be more external participants. Other Regents and Interim President also expressed their appreciation for the successful meeting and to Kalwin and his staff for hosting the meeting and their hospitality. A reminder to lobby for the college's budgets was made. **Regent Cornelius moved and Regent Enlet seconded that the meeting be adjourned. The meeting adjourned on January 9, 2012, at 3:20 p.m.**

Minutes of the COM-FSM Board of Regents meeting of January 7 & 9, 2012, approved this ____ day of March 2012.

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