

AGENDA ITEM 3.a

FY2016 Operations Budgets

Recommended Directive: The following proposed operations budget for FY2016 of \$12,422,086 is hereby approved.

Discussion: Management was tasked with the development of the College's operations budget for FY2016 in accordance with the budget guidelines approved by the board. Campus and office directors/heads prepared the budgets in coordination with staff/faculty and in consultation respective vice-president to ensure that the development of budgets is in accordance with institutional priorities. The Vice President for Administrative Services and the Comptroller were tasked to lead the process of budget development.

General Highlights:

- The operations budget consists of the Office of the President (Office of the President and subsidy to CRE), 4 state campuses (Pohnpei, Chuuk, Kosrae, and Yap), Institutional Effectiveness and Quality Assurance Department (Office of VPIEQA, IRPO, IT0), Instructional Affairs Department (Office of VPIA, Social Science, Education, Business, Math & Science, Lang & Lit, Health Science divisions and LRC), Administrative Services Department (Office of VPAS, HRO, Business Office, Maintenance), and Student Services Department (Office of VPSS, OAR, FAO, Counselling and Student Life).
- The level of FY 2016 budget of \$12,422,086 is 10% higher compared with prior year budget of \$11,262,664.
- The budget is projected to serve 5,604 students for three semesters:

		Fall	Spring	Sum	Total
○ National campus	-	1,018	936	437	2,391
○ Pohnpei campus	-	669	554	219	1,442
○ Chuuk campus	-	349	293	151	793
○ Kosrae campus	-	243	158	111	512
○ Yap campus	-	<u>195</u>	<u>180</u>	<u>91</u>	<u>466</u>
Total		<u>2,474</u>	<u>2,121</u>	<u>1,009</u>	<u>5,604</u>

Revenue:

- The projected revenue consists of the following:
 - Tuition and fees
 - National campus - \$ 3,742,180
 - Pohnpei campus - 2,079,315
 - Chuuk campus - 1,206,095
 - Kosrae campus - 707,372
 - Yap campus - 667,124 \$ 8,402,086
 - Dormitory and other fees 120,000
 - FSM – ESG 1,000,000
 - FSM – General Fund 2,800,000
 - Recovery of IC 100,000

Total

\$12,422,086

- The tuition and fees are based on the following assumptions:
 - The actual number of students for National, Pohnpei, Kosrae and Yap campuses were based on FY 2014 enrollment. For Chuuk campus, the projection is 10% higher than the FY 2014 level, from 721 students to 793.
 - The average credit for all campuses except Kosrae campus was based on FY 2014 actual average credit. The projected average credit of Kosrae campus was stated at 10% higher than FY 2014, from 9.6 to 10.6.
- The approved increase of tuition fee by \$10 per credit, from \$125 to \$135 for FY 2016 is used as the basis in the calculation of the revenue projection.
- The projected revenue is based on the increased rate of facility fee for regular semester from \$175 to \$200 for full time student, and from \$60 to \$70 for part time student.

Expenditures:

- The revenue of \$12,422,086 is allocated as follows:

○ Pohnpei campus	-	\$1,808,729	or	14.6%
○ Chuuk campus	-	1,499,004	or	12.1%
○ Kosrae campus	-	797,924	or	6.4%
○ Yap campus	-	729,456	or	5.9%
○ Office of the President	-	530,102	or	4.3%
○ IEQA	-	913,097	or	7.4%
○ Instructional Affairs	-	3,046,337	or	24.5%
○ Administrative Services	-	2,142,833	or	17.3%
○ Student Services	-	947,604	or	7.7%
- The breakdown of the expenditure budgets according to the nature of expenditures are as follows:

○ Salaries and benefits	-	\$8,433,138	or	68.06%
○ Travel and site visits	-	213,426	or	1.66%
○ Contractual services	-	594,109	or	4.78%
○ Consumables	-	2,988,213	or	23.94%
○ Fixed assets	-	193,200	or	1.56%
- The salaries budget provides funding for 373 personnel (23 management, 118 faculty and 232 staffs).

ACTION TAKEN:

_____ Approved
_____ Approved with modifications
_____ Deferred to a later meeting
_____ Disapproved

VOTE:

_____aye _____nay _____abstain