

College of Micronesia-FSM

The Five-Year Financial Plan (2018-2022)

Board of Regents Meeting
September 12-15, 2017

Process

- The Cabinet tasked the comptroller to develop the 5-year financial plan.
- Vice President for Administrative Services (VPAS) called for a series of meetings to discuss the factors affecting the revenue projections and significant departmental expenditures not covered in FY2018 budget.
- Plan presented to President for discussion and approval.
- Plan presented to Cabinet for discussion and approval.
- Plan presented to Finance Committee for discussion and approval.
- Plan presented to Executive Committee for discussion and approval.
- Plan presented to the Board of Regents for approval.

Plan Summary

- Focused on the primary operations of the college.
- Period covered of the plan is FY2018-2022 wherein the actual budget for FY2018 was used as the base reference in developing the plan.
- Based on the delivery of existing programs and services and the college's current strategic directions.
- Based on the current structure of the college.
- Technology, auxiliary services, FMI, and grant administration are not considered in the plan.

Assumptions

- Revenue
 - Tuition and fees are computed based on a 3-year average enrollment with FTE for the average credit.
 - A 1% increase in number of enrollment was projected.
 - FSM Government will continue to provide the needed funding support.
- Expenses
 - Retain the same programs, services, and organizational structures.
 - Continue to provide the same benefits to all employees as budgeted in FY2018.
 - Provide 1% economic support to employees no longer qualified for step increases.
 - Provide 2% increase for inflation except for determined significant expenses.

Strategic Directions

- Innovate academic quality to ensure student success
 - Allocate funding for program and curriculum advancement, improve student support services, and good quality student life.
- Strengthen resources to meet current and future needs
 - Effective allocation of resources based on projected revenue.
 - Allocate funding for capacity building thru effective recruitment and continuous improvement for faculty and staff.
 - Accumulating reserves by investing actual budget surplus.

Financial Plan

	2018	2019	2020	2021	2022
Revenue					
Tuition	8,099,093	8,605,614	8,691,670	8,778,587	8,866,373
Facility	713,291	771,512	779,227	787,019	794,889
Other Fees	262,750	265,378	268,031	270,712	273,419
Dormitory	100,000	100,000	100,000	100,000	100,000
FSM-ESG	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
FSM-GF	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Total Revenue	12,975,134	13,542,503	13,638,928	13,736,317	13,834,681
Expenses					
Personnel	9,010,676	9,193,547	9,444,862	9,682,555	9,917,703

Financial Plan (cont.)

Expenses	2018	2019	2020	2021	2020
Travel	379,213	386,797	394,533	402,424	410,472
Gen. Services	579,072	590,653	602,467	614,516	626,806
Operating Exp.	2,761,073	3,111,003	2,935,134	2,773,432	2,649,821
Fixed Assets	245,100	260,502	261,932	263,391	229,878
Total Expenses	12,975,134	1,352,503	13,638,928	13,736,317	13,834,681
Balance	0	0	0	0	0