

FY 2013 Budget Development -Issues and Impact on Existing Sources of Revenue

Area	Issue	Comments
Revenue loss (institution)	Loss of \$2.8 million from ESG over 4 years starting in FY2013 with \$700,000	The way the JEMCO resolution is written, the reductions could be higher than \$700,000 in a given year
Revenue loss (student)	Reduction in Compact scholarship funding from \$2.6 million to \$1 million	<ul style="list-style-type: none"> • Reduces changes of COM-FSM students receiving scholarships or reductions in the size of the scholarship awards • Reduces potential availability of funding for SDSU Master’s program participants from the college and other FSM citizens • Impact – current state scholarship awards to students in the range of \$60,000 (figure to be confirmed with FAO)
Revenue reduction (institution and student)	Year round PELL grant is no longer available. The college has seen a remarkable boost in summer 2010 and 2011 enrollment that cannot be expected in 2012. Summer 2007 enrollment 1126 summer 2011 enrollment 1980.	<ul style="list-style-type: none"> • If college summer enrollment reverts back to say 2007 levels - ~ \$400,000 decrease from summer 2010 levels • College has been receiving \$300,000 annually from SEG to help support summer students. • See note below regarding potential loss of SEG funding • A worst case scenario would be for the loss of year round PELL to be coupled with loss of SEG funds for summer and for work study – greatest impact would be on dorm students – additional potential impact would be elimination or reduction of summer session with corresponding impact on length of time for students to obtain a degree ❖ There is some potential for increases in Teachers (especially from Chuuk and Yap) who do not meet FSM Teacher Certification Standards. Funding sources could be state departments of education
Revenue reduction (institution)	Increasing COMET intake scores for 2013 will reduce new students in Fall 2013	<p>Estimates only – no hard data at this time:</p> <ul style="list-style-type: none"> • Reduction could be between 100 and 400 students at ~ \$250,000 loss per 100 students • There would be a ripple effect in future years both from lower intake of new students and fewer students being retained ❖ Designing programs and actively working with K-12 could help increase the number of college ready students – however, it would likely be 2014 and beyond before an increase in the number of college ready students ❖ Underprepared students have less chance of completing a program of study and benefiting from a college experience
Revenue reduction (institution and student) POTENTIAL	SEG funding for the college ~ \$684,000 for scholarships, work study and teacher corps – total for FSM is ~ \$12 million	<ul style="list-style-type: none"> • SEG is a Compact program that replaced FSM direct eligibility for certain programs from the US Departments of Education, Labor and Health and Human Services

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		<ul style="list-style-type: none"> • SEG funding has to be appropriated yearly by the US Congress. Statements have been made by US Education Personnel that the FSM should not plan to receive the full amount through the life of the Compact • The FSM has received the SEG grant award for FY 2012, but we have not received confirmation at this time (9/29/11) regarding what is the college share • During the JEMCO 2011 Meeting in Hawaii –FSM SBOC received information from OIA that the SEG may not be awarded for FY 2013 (total loss of funds) – loss of SEG would impact summer students and Work Study students and the teacher corps program – impact would be greatest on dorm students. The loss of SEG could also impact the ability of SDOEs to support teacher training at the college.
Revenue impact (institution)	Full budgeting of fixed costs and total cost of ownership and institutional level costs needs	<ul style="list-style-type: none"> • There has been a tendency in the past to not fully budget for fixed costs and total cost of ownership (utilities, maintenance, etc.). Requests have been made from meet the gaps from fund balance. It is important that a fully balanced budget is presented to the BOR, but it also needs to be understood that full budgeting for fixed costs and total cost of ownership will decrease the amount of funds available for instruction, student services and administration. • Inclusion of funding for institution wide items such as setting aside specific funds to meet accreditation needs, Tracdat (assessment tracking software) etc. would also have an impact on availability of funds for instruction, student services and administration.
Revenue distribution (institution)	Determining distribution of funds available for President’s office, departments and campuses	<ul style="list-style-type: none"> • The college will need to consider funds distribution both by department and campus. • Factors that could influence distribution of funds: <ul style="list-style-type: none"> ○ Student enrollment (there has been a remarkable growth in enrollment at Pohnpei campus in relation to other state campuses) ○ Program completers (often high enrollment does not translate into graduates) ○ Gainful employment data (few if any students are completing programs within the specified time (1 year for certificate programs and 2 years for associate programs) ○ Transfer to national campus ○ Other?
Financial Aid Office	Student must earn at least	Applying this criteria to Spring 2011 student

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Satisfactory Academic Progress (SAP)	67% of credits attempted to be eligible for Financial Aid	cumulative data indicates that 162 of 2398 students (~7%) fall below 67% and would no longer be able to be eligible for financial aid