

Breakout on Budget 2013

Group #:	
Department:	CRE
Campus:	
Position Title:	

President’s Retreat 2011

Proposed JEMCO Resolution

College of Micronesia (COM) Operational Funding through the Compact Education Sector

JEMCO resolves that effective in FY 2013, Compact sector funds provided to the College of Micronesia (COM) shall be reduced at a minimum annual rate of \$700,000. The reduction shall be implemented over a four year time period or until annual Compact funding for the College of Micronesia is reduced to \$1,000,000 per year.

JEMCO further resolves that project proposals for COM infrastructure projects will not be considered for approval by the JEMCO during the Fiscal Years period of 2012-2016.

If the proposed JEMCO resolutions are adopted how can the college address the recommended \$700,000 reduction in ESG funds in FY 2013?

Question 1: What are possible sources where additional revenue can be sought? How likely is it that the college might receive funding from this source?

Source & strategy	Potential Amount	Likelihood of receiving funds expressed as a percent?
CariPac (RIIA): Indirect Costs	22% of total budget \$100,000 = \$22,000	99% this is a line item w/in Federal Farm Bill
Distance Education Grant	22% of total budget \$86,250 = \$18,975	99% this is a line item w/in Federal Farm Bill
CariPac & DE to provide part of VPCRE salary	\$4,000	99%
Indirect Costs from soft money projects	Unknown	50%

Question 2: If the \$700,000 is cut from the budget in FY 2013 – where are areas for potentials reductions (cuts)? Please address the question first from the perspective of your department, second from an institutional level perspective, and third from other departments of the college.

1: Your Department

Area for reduction/strategy	Potential amount	Pros	Cons	Impact (address both short and long term impact)
Personnel (conversion salary)/align step increase at each beginning of each FY.	\$5,000	COMFSM would no longer have to provide funding to step increases during the year for CRE personnel	Disagreements with affected CRE staff;	short term: concerns from affected staff; long term: eliminates that portion of the President’s budget dedicated to salary conversion for CRE;
Sharing clerical staff positions	\$10,000	Increased integration of CRE & COMFSM	Discrepancy arises due to unshared reporting system	

2: Institutional level interventions

Area for reduction/strategy	Potential amount	Pros	Cons	Impact (address both short and long term impact)
Eliminate dotted lines				

3: Other departments

Area for reduction/strategy	Potential amount	Pros	Cons	Impact (address both short and long term impact)

Question 3: Long term if the proposed reduction over four years of \$2,800,000 is realized, what strategies can be used for increasing revenue and decreasing expenses?

Long term strategies for increasing revenue:

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Long term strategies for decreasing expenses:

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