

## Summary of discussion on the FY2021 Proposed Budget Budget Line Items

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**Day 1) October 2, 2019, BOR Conference Room** – Present: President Joseph M. Daisy, Vice President on Administrative Services, Mr. Joe Habuchmai; Vice President on Instructional Affairs, Ms. Karen Simion; Vice President on Student Services, Mr. Joe Oducado; Vice President on Institutional Effectiveness & Quality Assurance, Ms. Caroline Kocel; Comptroller, Roselle Togonon; and staff Sinobu H. Lebehn (recorder)

**Day 2) October 10, 2019, BOR Conference Room** – Present: Present Daisy, VPAS Habuchmai; VPIA Simion; VPIEQA Kocel; Acting VPEMSS Timothy Mamangon; Comptroller Togonon, and staff S Lebehn

**Day 3) October 21, 2019, BOR Conference Room** – Present: VPAS Habuchmai; VPIEQA Kocel; VPEMSS Oducado, Comptroller Togonon, staff Shaun Suliol, and staff S Lebehn

**Day 4) October 22, 2019, BOR Conference Room** - Present: President Daisy, VPAS Habuchmai, VPIA Simion, VPEMSS Oducado, VPIEQA Kocel, Comptroller Togonon, staff S Lebehn

**Day 5) October 23, 2019 BOR Conference Room.** Present: President Daisy, VPAS Habuchmai, VPEMSS Oducado, VPIA Simion, VPIEQA Kocel, Comptroller Togonon, Director ITO Suliol, and staff S Lebehn

**Day 6) October 25, 2019 BOR Conference Room.** Present: President Daisy, VPAS Habuchmai, VPIA Simion, Comptroller Togonon, and staff S Lebehn

Comprehensive reviews and dialogs over challenges and what can be addressed as part of the FY2021 budget development. Accreditation topics also part of discussions.

- The operations budget consists of the Office of the President (Office of the President and Office of Institutional Advancement & External Affairs), 5 state campuses (Pohnpei, Chuuk, Kosrae, Yap), Institutional Effectiveness and Quality Assurance Department (Office of VPIEQA, ITO, OIE), Instructional Affairs Department (Office of VPIA plus subsidy to CRE, Social Science, Education, Business, Math & Science, Lang & Lit, Health Science divisions and LRC; Administrative Services Department (Office of VPAS, HRO, Business Office, Facilities & Maintenance Office, Procurement & Property Management), Student Services Department (Office of VPSS, OAR, FAO, Counselling, Student Life, and Security Office). The group also reviewed and discussed budgets of the Board of Regents and FSM Maritime Institute.

Total consolidated FY2021 budget includes requests submitted by campuses and office across the college surpassed the total revenue projected for Fiscal Year 2021. Budget was analyzed vertically (by campuses by offices).

- Reviewed the revenue assumptions.
- Reviewed the guidelines in the development of expenditure budgets
- Reviewed and analyzed the consolidated submitted budgets by campuses/offices.
- Highlights of the consolidated budget
- Revenue vs Expenditure Budgets Per Category
- Percentages of Increases Per Office/Campus
- Reviewed of expenditure budgets per Department to check consistency of assumptions.
- Reviewed the details of the submitted office/campus budgets.
- Checked compliance with expenditure budget categories.
- Reviewed justifications
- Technology Fee Policy. Initially the Tech Fee Policy was reserved for replacement of computer units at student labs. On December 2017 Tech Fee policy is revised to read as “and may be used for purchase of

computer and related technology that is used to directly support student learning and achievement at COM-FSM campuses”.

The group balanced the operational budget at **\$13,359,948.28**

Personnel .....	70.41 %
Travel.....	2.18 %
Contractual Services .....	3.24%
OCE -.....	22.19%
Fixed Assets .....	0.65 %

**Revenue Projection:**

<u>FY2021 Budget Revenue Projection</u>	2018	2019	2020	2021
	8,099,093	8,601,614	8,601,614	<b>8,364,293</b>
<b>Tuition</b>				
<b>Registration/Health/Student Activity</b>	262,750	265,378	265,378	<b>248,710</b>
	713,291	771,512	771,512	<b>826,945</b>
<b>Facility fee</b>				
	9,075,134	9,638,503	9,638,503	<b><u>9,439,948</u></b>
<b>Total Tuitions &amp; Fees</b>				
	100,000	100,000	100,000	<b>120,000</b>
<b>Dormitory</b>				
	1,000,000	1,000,000	1,000,000	<b>1,000,000</b>
<b>FSM-ESG</b>				
	2,800,000	2,800,000	2,800,000	<b>2,800,000</b>
<b>FSM-Gen Fund</b>				
	<u>12,975,133</u>	<u>13,538,503</u>	<u>13,538,503</u>	<b><u>13,359,948</u></b>

**Assumptions:**

1. Based on three-year average actual enrollment in headcounts, plus 5% increase
2. Average credits during regular semesters (fall & spring) are 15 credits for all campuses
3. Average credit during summer session for all campuses is 6 credits.
4. Lowering the allowance to 4% from 7.5%
5. Tuition fee at \$135 per credit
6. Facilities Fee calculated based on actual percentage of Full Time and Part Time students
7. The budget is projected to serve 4,974 students (3yrs average):

	Fall	Spring	Sum	Total
○ National campus	- 978	865	491	2,334
○ Pohnpei campus	- 506	412	236	1,154
○ Chuuk campus	- 273	234	172	679
○ Kosrae campus	- 151	131	106	387
○ Yap campus	- <u>165</u>	<u>140</u>	<u>114</u>	<u>420</u>
<b>Total</b>	<b><u>2,073</u></b>	<b><u>1,782</u></b>	<b><u>1,119</u></b>	<b><u>4,974</u></b>

The group analyzed the budget horizontally (by line items). Seven revenue projection scenarios were presented for President and his vice presidents to review and recommendation. The group went over each scenario comprehensively then made a motion to vote on the revenue scenarios. Acting VPEMSS moved and VPIA seconded that the group approves the FY2021 Revenue Projection Scenario #3. (15/15/6 credits at all campus with a 5% increase on actual average credits based on three-year average actual enrollment credits. 4 voted “Yes” and 1 “Abstain”. **Motion carried.**

Vice President of Student Services was absent that day, but showed his concern on the Revenue projection:

- ✓ 100% fulltime enrollment projection not met over the past years
- ✓ Revenue target on 15 credits is too risky

**The college will use Scenario #3 as adopted as Revenue Projection for Fiscal Year 2021 as stated above.**

The group laid out strategies to begin in FY2020 to support the Revenue Projection in FY2021. The group made another motion to approve following strategies linked to achieving FY2021 Revenue Projection. President Daisy moved and VPIA Simion seconded to approve plans. **Motion carried. The college will carry out these strategies commencing Fiscal Year 2020.**

Strategies as follows:

- ✓ Extend classes to the evenings and Saturdays (i.e., Recreation classes and Math labs). Survey DH staff take evening classes. Target is to enable students’ flexibility on their class schedules and enroll in more classes). Create greater flexibility to attract qualified faculty to teach.
- ✓ Persistence: improve advisors/student interactions.
- ✓ Give students on Doubtful Accounts a second chance to re-enroll with a 50/50 agreement (Fund balance 50% and student pay 50% thru special contract work as payment for the other 50%)
- ✓ To pursue the 8-week class schedule
- ✓ Advisors strengthening advisement to maximize credits to 15 credits
- ✓ Quality Life at Resident Halls
  - Improve WIFI in the residential halls
  - Computers in the residential halls
  - Lockers
  - Clean living
  - Health issues

**Recommendations made on FY2021 Budget:**

- ✓ Vacant Positions that are delayed until next fiscal year budget development:
  - CTEC/Student Services, Clerk I
  - CTEC/Student Services, SS Aid
  - KC/AS, Maintenance Worker
  - President’s Office, vacant/Chief of Staff position
  - Business Division, Vacant/instructor position
  - NC Student Life, vacant, Student Activity. Specialist
- ✓ Salaries for all bookstores’ clerks at State campus will be sourced out of National Campus bookstore account in FY2021
- ✓ Budget line items streamlined: campus-wide (refer to budget adjustments per worksheets)

- ✓ **College-Wide Computers** - Computer budget requests are consolidated under National Campus Information Technology Office (ITO). Expenses for Students' internet, lab computer replacements, and computer purchase for faculty to improve student learning will be partially supported by the Tech Fee in FY2021. Total amount requested was removed from operational budget request in FY2021 and will be sourced out of Fund Balance Funds. Lengthy dialog/discussion on policy on the Technology Fee/revision of the Tech Fee and Tech Fee Account status. What percentage of the tech fee to support services linked to student learning, IT Office analysis on the college-wide computer inventory, aging of the computer units and costs for replacement.  
Recommendation made: FY2021 ITO to purchase only 15 units and store them at NC IT Office. ITO to survey units in the inventory list and replace units with catastrophic failure status. From the initial request of \$200,000, the group approved \$50,000 from Fund Balance. NC Information Technology office was tasked to:
  - Segregate costs for WIFI vs. cable lines
  - Insert in the Tech Fee Policy's administrative procedure a quotient to allocate to services directly support student learning
  - Need to increase Technology Fee vs. increasing cost of internet links to the sustainability of advances of the college, student, faculty & staff to perform job efficiency in advanced student learning.
  
- ✓ **Communication** – With the clear understanding that communication directly supports student learning, Communication needs for FY2021 will be supplemented at \$236,500 as 50% of target Tech Fee collected and will be sourced out of Tech Fee. Tasks were given to VPIA and Comptroller to write drafts on usage of Tech Fee. VPIA to write in regards to accreditation-wise; and Comptroller to write in relations to Audit-wise.
  
- ✓ **College-wide furniture** was consolidated under Vice President of Administrative Services. Recommendation made – was to prioritize furniture replacement of least one classroom per fiscal year beginning Fiscal Year 2020.
  
- ✓ **College-wide Vehicles** requests were removed from operational budget requests and will be supplemented from budget balances from other department if needed.
  
- ✓ Prioritize capturing matching fund for IMF in FY2021