

Committee or Working Group: Fiscal Year 2023 Budget Planning Meeting

Date: September 3, 2021

Time: 10:11 a.m.

Location: BOR Conference Room

Members Present:

Members Absent:

▪ Interim President, Karen Simion

▪ VPIEQA rep Shaun Suliol

▪ VPEMSS Joey Oducado

▪ Comptroller Roselle Togonon

▪ VPAS Joe Habuchmai

▪ Sinobu Lebehn, Recorder

Agenda/Major Topics of Discussion

Call Meeting to Order –Vice President Habuchmai called the meeting to order at 10:00 a.m., he further thanked everyone for availing their time to begin the FY2023 budget development process. VPAS informed that the budget process was delayed until after the college-wide summit basically to get the community’s input on how to proceed with the college plans in Fiscal Year 2023 and also to wait until the last day of add-and-drop of Fall 2021 to know the status of the enrollment for Fall 2021 and how that would play out in FY2022 and FY2023.

Interim President remarks on budget planning and strategies and outlook

- ✓ Interim President, Karen Simion, announced that FY2023 is going to be a challenging budget because the revenue projection is not as good as the previous years. She further suggested the vice presidents to look back to their assessments and make sure assessment results are tied to budgeting, and to prioritize whatever assessment results available. IP Simion stated in her remarks that the college has changed like 10-fold from last years; therefore, the college priorities now might be very different than those from a year ago because of the COVID-19 pandemic. The FY22 priorities would also be a challenge for the college to implement. Some of the priorities that the college has would be switching to support distance education, wherein may or may not be a plus for the college. Some of the factors needed to be considered into the budget process this year is that the faculty is very short and the college has an issue with its salaries reaching 80% of the budget. The college has remaining balance in the Cares Act fund, so if there are things that we need to accomplish that will not be a recurring cost to the college, then we make sure that we get those things done.

VPAS remarks on ideas to consider while developing the budget FY2023

- ✓ Thanked Vice President Oducado for the generated data from the SIS to guide the group in formulating the FY2023 revenue projection and Comptroller for the revenue projection scenarios
- ✓ The Cares Act Fund has accommodated some of the college expenses in computers in terms of lab turn-overs and other items, can used as a hold-back on some of the expenditures normally put into the budget formulation.

Review Budget Guidelines/timeline

- ✓ Vice President Habuchmai presented FY2023 budget guidelines for the Cabinet’s review. **Cabinet voted on the guidelines and the FY2023 Budget Guidelines were approved with a unanimous vote.**

Review Revenue Projections

The group review of Revenue Projections presented by Comptroller (3-years, 5-years, 6 years, and 10yrs) The closest revenue projection to the current year revenue is the 5-year average enrollment. Cabinet made a recommendation to increase the tuition by \$10.00 per credit (new rate \$145 per credit)

- ✓ **The Cabinet reviewed lengthily on revenue projection scenarios then made a vote. Cabinet approved with a unanimous vote on the revenue projection based on 5-Year Average Actual Enrollment with tuition increase at \$145 per credit and with program prioritization.**

10 Year Revenue Projection (discussion on the 10-years revenue projection
This revenue projection was not adopted by the group - the revenue projected an increase of 12% increase on actual headcount enrollment compared to Fall 2021 or representing 16% increase in the actual credits.

Allocation of revenue

The Cabinet voted on revenue allocation and approved the allocation of revenue to be allocated by percentage per department based on the percentage of each department's/campus' expenses represented in the FY2022 budget.

Each department to allocate within their percentage based on their priorities. In terms of the percentage, is up for the Cabinet to make the determination of the percentage based on the college-wide priorities.

Strategies to balance the new budget.

- ✓ Link assessments result to budget development and prioritize programs. VPEMSS Oducado will be assisting offices on their program assessments
- ✓ Financial 5-Year Plan already ending in FY2022, next 5-Year Plan to include tuition increase from \$135 per credit to \$145 per credit. (\$10 increase). Added cost that factors increase in tuition:
 - Launching of two BS programs
 - Added nursing program
 - Online classes (increase connectivity to improve delivery of classes online)
- ✓ The footprint of the college is continually expanding every year that the revenue will no longer be able to run a full campus. The Cabinet is now looking into streamlining. Firstly with Kosrae Campus, being the smallest and the least revenue generated, become a distance learning center, then Yap Campus following Kosrae Campus in the same manner (distance learning with only a few facilitators on the campus)
- ✓ To address program review every 4 years
- ✓ Budget in staff development funding for educational development on faculty and staff to complete the required degree for the positions they're holding
- ✓ Freeze hiring on non-academic positions, and not extending special contracts expiring at the end of FY2022, unless approved by the Cabinet.
- ✓ Request increase in Government subsidy. Let the FSM Government know the challenges to run a full campus at this point, unless the subsidy from the government is increased.