

College of Micronesia – FSM  
Committee (Working Group) Minutes Reporting Form

Committee or Working Group: College-wide Budget Development/Fiscal Year 2022

Date: October 5, 8, 14, 15, 2020      Time:      Location: ZOOM

Members Present:      Members Absent:

▪ Interim President, Karen Simion	▪ VPIEQA Caroline Kocel
▪ VPEMSS Joey Oducado	▪ Comptroller Roselle Togonon
▪ VPAS Joe Habuchmai	▪ Sinobu Lebehn, Recorder

State Campuses: CD Kind Kando/CC; CD Grilly Jack/CTEC, CD Nena Mike/KC, CD Lourdes Roboman/YC

Agenda/Major Topics of Discussion

College of Micronesia-FSM 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 Vice President IEQA, IT0, OIE), Instructional Affairs Department (Office of Vice President IA plus subsidy to CRE, Social Science Division, Education Division, Business Division, Math & Science Division, Lang & Lit Division, Health Science Division and LRC Division); Administrative Services Department (Office of Vice President AS, Human Resources Office, Business Office, Facilities & Maintenance Office, Procurement & Property Management Office); Student Services Department (Office of Vice President SS, OAR, FAO, Counselling, Student Life, and Security Office). The group also reviewed and discussed budgets of the Board of Regents and FSM Maritime Institute Campus, Supplemental Education Grants (Work Study, Student Financial Assistance, Teacher Corps); Infrastructure Development Plans

The college-wide FY2022 Budget development process began in August with a series of budget planning meetings by the Interim President, vice presidents, and campus deans from all State campuses. The group balanced the budget on October 15, 2020 with a total expense of \$11,679,723

Personnel	= 75.84%
Travel & Site Visits	= 0.66%
Contractual Services	= 3.07%
Consumables	= 20.10%
Fixed Assets	= 0.36%

FY2022 Revenue Projection	= 11,679,723
Tuition	= 6,757,507
Fees	= 908,430
Auxiliaries	= 213,786
FSM-ESG	= 1,000,000
FSM-Gen Fun	= 2,800,000

Revenue Projection was based on a 6-year average actual enrollment in headcounts and credits. Total students of 4,870.

Average credits at campuses:	
National Campus	= 13x13x6
All State Campuses	= 12x12x6

**Budget Balancing Summary**

October 14, 2020 – The group had a meeting via ZOOM with Finance Committee and the college community and shared updates on the development of the college’s FY2022 budget. The group announced that proposed budget request submissions surpassed the approved revenue projection for FY2022. Personnel expenses requested had reached a risky level at of 81% of the approved revenue. This meeting was also intended to invite the community for their inputs and recommendation to the challenges to curtail the level of personnel expenses and other budget items while delivering quality standards to ensure student success.

October 5, 8, and 15, 2020)

5 options approved for the development of FY2022 budget.

1. Continue to cut where it can be done without jeopardizing standards of services
2. Revisit the enrollment and FTE revenue projections and allow the College to challenge itself to achieve it.
3. Revisit the policy on step increases. Current status now is automatic steps every year; the College may not be able to sustain that in the long run.
4. Review the level of personnel that are still vacant and consider delaying positions that can wait until the next fiscal year 2023, keeping in mind.
5. Request additional subsidy from the FSM National about standards of accreditation and services.

Comptroller presented a consolidated budget of all the budgets submitted college-wide at a total of \$12,799,287 showing a surplus of 1m over the approved revenue projection for fiscal year 2022. Personnel expenses covered 80.94% of the projected revenue. The group had a lengthy discussion relating challenges facing and the risky growth of personnel expenses annually. The group recommended improvement plans. Each member also made adjustments on expenses in their budget proposals and deferred programs that can be addressed in the next budget developments.

IP, VPs and CDs also reviewed all unfilled vacancies at all levels and make necessary adjustments as stated below. The group also deferred other budget line items until the next budget development. Adjustments made to the proposed office budget requests:

1. Vacant positions deferred:

Maintenance Worker(replacement)NC  
Maintenance Worker(new)NC  
Bus Driver(new), Maint/NC  
Custodian(new), Maint/NC  
Research Assistant, Math & Sci/NC  
Nursing Instructor, Health Sci/NC  
English Instructor/CTEC  
Maintenance Worker/KC  
Custodian/YC

2. International Travel

Due to revenue constrain, all international travel were for the FY2022, except for the Office of the President. The college will utilize cloud-based video conference services (ZOOM, Webinar, etc.) to address off-island trainings/workshop or conferences/meetings. Only travel budget recommended is site visits.

3. Other Line Items adjustments.

President's Office

1. Learning Community
2. Contingent
3. Strategic Planning
4. Travel
5. Supplies (IAEA)
6. Contractual(IAEA)

VPIA

1. Overload
2. Supplies
3. CRE Support

#### VPEMSS

1. Contract - (SL-assist)
2. Medical supplies
3. Student Activities
4. Supplies- (S&R & RH)
5. Staff Development

#### VPAS

1. Maintenance & Repair
2. Supplies-
3. Contingent Fund
4. Others-
5. All campus vehicles-total amount requested was deferred in FY2022

#### VPIEQA

1. Site visit
2. Contractual
3. Communication (internet only) –(50% tech Fee support)
4. Software license/membership – (50% tech fee support)
5. Supplies (OIE & IT)
6. Printing
7. Computer

#### CC Campus

1. Adjustment to correct salary for IC and English Instructor

KC – no adjustments

## RECOMMENDATIONS

- ❖ VPIEQA recommended 75% Tech Fee to support communication
- ❖ \$200,000 was requested as subsidy from FSM Local Revenue
- ❖ 285,000 was requested as Congress Pledge to Endowment Fund
- ❖ VPEMSS recommended 25% of both Health Fee and Activity Fee to be allocated to operational costs budget development
- ❖ Capture Loss Revenue to allocate to the Cares Act Fund – look at lost revenue from fees collected especially from Residential halls, Dining Hall, Student Activities, Technology Fee)
- ❖ CTEC Dean recommended restructuring of programs with low enrollment and shelve vacancies in those programs
- ❖ Cut down on travel, both international and domestic, as the availability of the new communication tool (ZOOM) has proven effective in conducting board meetings, conferences
- ❖ Interim President is applying for substantive change to continue to use the hybrid online course delivery and classroom teaching as the new delivery of programs for the college