

Notes on FY2015 Budget Meeting with Cabinet
President's Conference Room
November 7, 2013 9am – 3pm

Attendants: President Daisy, VP/IEQA Frankie Harris, VP/IA Mariana Ben-Dereas, Acting
VP/SS Joey Oducado, Chief of Staff Universe Yamase

Guest: Sinobu H. Lebehn

Data generated for the Cabinet's review and discussion: Personnel adjusted to a 5% salary increment (only current filled positions) at \$6,899,566, established fixed costs at this point is \$3,025,861 and budgets submitted with the \$755K ratio at 65% personnel ratio.

Budgets workbooks submitted to date: Dept of Administrative Services (balanced to \$755K)
Dept of Student Services (balanced to \$755K)
President's Office (plus additional requests)

The cabinet reviewed the generated data and pointed out their concerns on the FY15 budget formulation:

- ✓ The budget process is not following the budget manual as it did not go thru the standing committees (FC, PRC, etc.)
- ✓ Members were in disagreement with VP/AS method of allocating the remaining \$755K. It should be done by program prioritization rather than just ratio it out per FY2014 budget submission. President Daisy made it clear that though VP/AS made the allocations based on the 65% percent ratio, the ratio agreed upon was 60%.
- ✓ Inquiries about the \$218K basis. According to VP/AS it came from savings realized to unfilled positions. If the savings from unfilled position brings us closer to the 60% personnel ratio, why would we allocate that into the budget? President Daisy made it clear that the recommended personnel rate is at 60% not 65%. Members also raised concern over the variation in the amount reported from unfilled positions. S. Lebehn explained that the difference was due to new information recently received from Pohnpei Campus that two of their vacant positions (mechanical Instructor) and a maintenance worker were already filled but not indicated in their workbooks submitted, the amount was then added back to Pohnpei Campus' current filled positions thus changing the \$218K to 186K (savings are salaries and SS tax only).
- ✓ President requested a list from HR with all current full time employees and their contracts' expiration date
- ✓ Some employees are working with expired contracts. Performance Evaluation were outdated causing non budgeted retroactive pay

After a lengthy discussion over allocation of the revenue, best practices, and program prioritization, decision were made as follows:

- ✓ President advised that VPAS' \$755K allocation ratio will be used as a working figure
- ✓ Vice presidents may submit their budget over their \$755K ratio parameter
- ✓ Budgets submitted should be compiled as is.
- ✓ President Daisy and his VPs will meet over the submission and allocate the surplus using program prioritizations

At this point additional requests submitted:

Overload	=	\$50,000.00(all campus)
Chuuk Campus	=	\$25,000 (cleaning supplies/students, water, and fuel for vehicles)
Pohnpei Campus	=	\$18,000.00 (cleaning supplies and fuel for shuttles)
VPIEQA	=	\$53,000 IT contract, accreditation travel
President's Office	=	\$83,000 (operational cost)

The VPs all agreed on the 60% personnel ratio for the FY2015

Additional fixed costs were identified to be figured into the budget:

- ✓ Institutional membership (amounts to be submitted from VPs)
 - ✓ ACCJC Annual Payment
 - ✓ CCSSE/FCCSE/2016
 - ✓ Miscellaneous Contingency for President's Office only
 - ✓ President's Printing cost/OCE
 - ✓ President's Summit
 - ✓ ACCJC Required Training
 - ✓ Accreditation Related Costs of \$100,000 (budgeted under VPIEQA)
- \$Dollar amount on additional fixed cost will be provided by respective VPs

Presidents recommendations (centralized program):

- In FY2015 fuel allocations will be centralized here at the National Campus so that it can be controlled.
- HR services should be centralized at National Campus
- Maintenance and Security should be centralized at National Campus
- Membership Fees should be centralized

President requested that a statement be put on all workbooks and send out across the college. To read **"There will be an additional reduction in personnel at a minimum of 5% to 10% in Fiscal Year 2015."**

Each VP will work within their respective areas and look at their personnel and prioritized program. Eliminate redundant positions. Another was column was added to the personnel ratio for the VPs to review and determine.

Budget FY15 Scenario	10,859,450			11/7/2013
	Personnel at	65%	60%	<u>55%</u>
Budget FY15 Scenario		10,859,450.00	10,859,450.00	\$ 10,859,450.00
Personnel		(7,058,642.71)	(6,515,670.20)	\$ 5,972,697.50
Difference		3,800,807.29	4,343,779.80	\$ 4,886,752.50
Housing	(695,000.00)	3,105,807.29	3,648,779.80	\$ 4,191,752.50
TCO	(1,333,114.00)	1,772,693.29	2,315,665.80	\$ 2,858,638.50
Communication	(306,960.00)	1,465,733.29	2,008,705.80	\$ 2,551,678.50
MIP/Insurance/Audit	(142,600.00)	1,323,133.29	1,866,105.80	\$ 2,409,078.50
Chuuk Lease	(95,600.00)	1,227,533.29	1,770,505.80	\$ 2,313,478.50
Summer Contracts	(265,987.41)	961,545.88	1,504,518.39	\$ 2,047,491.09
HRO Recruitment	(60,000.00)	901,545.88	1,444,518.39	\$ 1,987,491.09
Student Travel	(71,000.00)	830,545.88	1,373,518.39	\$ 1,916,491.09
Tutor Contract	(55,000.00)	775,545.88	1,318,518.39	\$ 1,861,491.09

Program prioritizations were established in the afternoon session. Details on program prioritization can be obtained from the Cabinet minutes.

#1 Health and Safety (*janitorial, generators, cleaning supplies, etc.*)

#2 Mission

#3 Strategic Plans

1. Focus on Student Success
2. Be financially sound, fiscally responsible and build resources in anticipating of future needs
3. Evoke an image of quality
4. Invest and build a strong capacity in human capital
5. Become a learning organization thru development of learning culture guided by learning leaders
6. Emphasize academic offering and service to National needs

#4 IEMP

1. Outcomes and strategies supporting student success (achieving and learning)
2. For all outcomes and strategies alignment should be articulate in relation to the Standard Plan and shall be in line with priority order established

Meeting adjourned around 3p.m.

Prepared by: Sinobu H. Lebehn

Reviewed by: President Daisy and VPAS Habuchmai