

COLLEGE OF MICRONESIA-FSM  
BOARD OF REGENTS

**MINUTES OF THE AUGUST 25-26, 2009, MEETING  
KOSRAE CAMPUS**

**CALL TO ORDER**

The Chairman, Regent Graceful Enlet, called the regular meeting of the College of Micronesia-FSM Board of Regents to order at 8:40 a.m. on Tuesday, August 25, 2009, in the Kosrae Small Business Development Center Training Room. Kosrae Campus Director Kalwin Kephass gave the opening prayer.

**MISSION STATEMENT**

Regent Isamo Welles read the mission statement.

**ROLL CALL**

The Secretary/Treasurer called roll. Regents Graceful Enlet from Chuuk State, Lyndon Cornelius from Kosrae State, Isamo Welles from Pohnpei State, Mary B. Figir from Yap State, and Kasio Mida representing the National Government were present; a quorum was declared.

Also present for all or part of the meeting were Spensin James, President and *ex officio* member of the Board; Joe Habuchmai, Vice President for Administrative Services; Ringlen Ringlen, Vice President for Student Services; Jim Currie, Vice President for Cooperative Research and Extension; Kalwin Kephass, Director of Kosrae Campus; Penny Weilbacher, Director of Pohnpei Campus; Joakim Peter, Director of Chuuk Campus; Lourdes Roboman, Director of Yap Campus; Matthias Ewarmai, Director of FSM FMI; Danny Dumantay, Comptroller; Morgan Jonas, Kosrae Campus Upward Bound Director, other staff from Kosrae Campus, and Norma Edwin, Executive Assistant to the President and meeting recorder.

**REVIEW OF AGENDA**

Two items were added to agenda: 10.c.iii Executive Session, and 10.c.ix All Others. **Regent Cornelius moved and Regent Mida seconded that the amended agenda be adopted. The motion passed unanimously**

## **APPROVAL OF MINUTES**

The minutes of the May 2009 regular meeting were reviewed. **Regent Cornelius moved and Regent Welles seconded that the minutes of the May 19-21, 2009, regular meeting be adopted. The motion passed unanimously.**

## **COMMUNICATIONS**

President James briefly went over the communiqué in the meeting notebook which included: letter of support for the nursing program at the college from Secretary Skilling; letter from Governor Ehsa regarding the \$60,000 from Pohnpei State for the nursing program; letter from SBOC regarding efforts to implement the SDP and interlink it with the budget and to include the college; letter from Dr. Jill Biden, wife of VP Biden, regarding new initiatives regarding financial aid for community college students (PPEC members met her in D.C. in February); letter from Dr. Beno regarding the commission's acceptance of the last progress report and concern regarding Chuuk Campus and reliability of power there; and invitation from Pohnpei Director of Education to PICS graduation for which President Mori was the speaker.

Regent Mida inquired about President James' meeting with the Chuuk leadership and about solar energy as an option. The leadership asked the college to give them an estimate of the amount needed to sustain power at Chuuk Campus and pledged support. Plans for Japanese project to install solar energy at the current Chuuk site fell through because it was on leased property; plans are now to place the project at the national campus. The college must provide sustainable power at Chuuk Campus by the time the commission visits in March and is considering a contingency plan should funding for running the generators not be forthcoming.

Regent Figir inquired about who is responsible for underprepared students. NDOE has had conferences to bridge the gap. She feels the college needs a position on it.

## **REGENTS' REPORTS**

**Regent Cornelius** reported that schools have started in Kosrae, but was interrupted for three days of island-wide activities.

**Regent Welles** reported that schools have also started in Pohnpei. He noted the loss of PATS leaves a void in vocational education.

**Regent Figir** noted remarkable improvements at Yap Campus. She is seeing support from the local community and would like to see more effort in public education of the college's programs and services.

**Regent Mida** announced that President Mori recently approved in Majuro the extension of the COM Treaty for another two year. Consideration is underway whether it is to be ratified through declaration or through congressional act. Need for linkage between the COM Board and COM-FSM was discussed. Discussion of this was added to the agenda.

**Regent Enlet** talked about the Chuuk Campus situation. Consistency and sustainability of power at the campus are related to external factors beyond the control of the college. The President and Campus Director have made an effort to educate the leadership regarding the matter. He too has met with the state leadership and congressman to convey the urgency. He noted that awareness does not always translate to action. If they are truly committed, then the matter should be brought up at their leadership conference.

He also expressed the need to reach remote areas which has implications on delivery and asked how the college can help with the military buildup in Guam.

## **PRESIDENT'S REPORT**

**President's Office.** In addition to his report in the meeting notebook, the President provided the following highlights and additions: getting on board the FSM budget format and its impact on the college; presentation on our vocational education programs at APIL in June; status of our self-study; budget implications for a 12-15 member evaluation team in March 2010; expiration of Regent Welles' term in September and the notification process; PPEC sponsored leadership training; summer leadership training; possibility of board training fall 2009 or early spring 2010 in Hawaii or Palau; new officers for PPEC (Carmen Fernandez from CNMI – President, Spensin James - Vice President , Mary Okada – Secretary); \$500,000 budget for PPEC submitted to DOI; and status of things to do and actions and directives from the May meeting.

**Instructional Affairs.** A detailed report from the VPIA was in the meeting notebook. The President highlighted the section regarding a recent marine science graduate to chosen as the first exchange student at Zhezhiang Ocean University in China on full scholarship.

Regent Mida inquired about the missing materials from the library that was mentioned in the VPIA's report. Regent Figir asked if there were any consequences for being caught stealing.

**Student Services.** The VPSS provided the following highlights from his written report and updates on some activities: update on the Retention Plan; progress of Standard II committee; evaluation rubric for student services; increases in summer enrollment at all campuses; and successful fall orientation and registration.

Inquiry was made regarding the student that fell and supervision and drug-free student activities.

**Cooperative Research and Extension.** The VPCRE distributed a brochure on CRE programs that was developed to bring awareness of their programs; plans are to publish quarterly reports on the programs. He also reported on the following: number of external funded programs; submission of an Apprenticeship Program proposal to OIA; personnel hired and vacancies; funds to Business Office to support accounting effort; \$5,000 from Hatch for the VPCRE office; and upcoming student trip to Palau and University of Guam for eligible students.

**Administrative Services.** The VPAS reported the following for the administrative offices under him:

**Maintenance and Security:** completion of the initial phase of the access road project for Chuuk Campus permanent site; project now on hold waiting for an excavator which has been purchased off island; status of building projects in Kosrae, Pohnpei and Yap; conservation efforts to reduce the cost of power; alternative power initiatives; and use of the Sports Center for the NDOE Micronesia Teacher Education Conference, CCA graduation, special education conference, and Liberation Day games.

**Human Resources:** update on employees on staff development, recent resignations; and problem with self referred extended sick leave.

**Institutional Research and Planning:** generation of data for the Planning and Resources Committee.

**Information Communication Technology:** updates on the WINDS project, SIS, and website.

**Development and Community Relations:** initiation of press releases from the college.

**Business Office:** process of balancing the FY 09 and FY 10 budgets. In addition, the Comptroller reported on the results of operation for the nine months ending June 30, 2009 (project budget shortfall); status of fund balance, summary of accounts receivable from students; FY 2008 audit report; market value of our endowment fund; and fundraising collection.

The Comptroller also reminded the Board of its decision in March to hold on the asset reallocation that was approved earlier until advised to do so by the money manager. The advice from Consulting Group was shared. This matter was added to the agenda.

During the following discussion, the Chair said the Board had made fundraising for the endowment a priority and the college needs to strategize. Director Weilbacher suggested positioning our self with businesses in the region that do business with the college.

## Campuses in the States:

Chuuk Campus Director reported on: new hires; faculty on staff development; two summer contracts with DOE for related services program and teacher training on Faichuk; meetings with state leadership on sustainability of power; status of the generator setup; progress of the access road to the permanent site; Chuuk State plans to convert its power plant conversion within 2-3 years; increased summer enrollment; and desire to diversify offerings.

FSM FMI Director reported on: ongoing assessment of courses; and difficulty hiring instructors with the required specialization and other vacancies. He also expressed the desire to convert the courses from modules to credit so students can be eligible for Pell and mentioned that the approved budget is insufficient for operations; the FY 10 budget is at the same level as FY 09 which was insufficient.

The President said FMI needs \$50,000 above their budget for utilities. The Board inquired whether the reduction in use reported by the other campuses did not also apply at FMI and what initiatives have they taken to reduce power consumption. They are working on rewiring the campus and isolating the staff housing. Regent Mida mentioned that since FMI is not the most popular component what would happen if funding is not be forthcoming? Regent Enlet suggested a fixed shared cost for staff until staff housing can be separated. The administration was directed to make the separation a priority. Director Ewarmai said water is also a problem at FMI.

Kosrae Campus Director reported on: construction of the new Kosrae High School building; registration for teachers and the enrollment; moving the practicum for five student teachers to Malem; and selling 20 pigs from the piggery for the church dedication and raising \$4,500 for the Endowment. He inquired about the status of the vocational building saying students are interested but they have no building to offer the programs.

Regent Enlet inquired whether the hold up for the vocational building is the restructuring. Necessary documents have been submitted to PMU for their approval. Regent Cornelius inquired about funding for maintenance of the campuses,

Pohnpei Campus Director provided highlights and updates on the following: fall 2009 enrollment and classes; campus well utilized by Pohnpei and National Campuses, TSP and UB after 5:00 p.m.; number of faculty and utilization of teachers from World Teach; Peer Guide program; status of the SBDC building; bridging the gap efforts with Pohnpei DOE; collaborative efforts to improve the campus through weekly meetings; and quarterly meetings with the Governor.

Regent Cornelius inquired about the Trade and Technology Advisory Board.

Yap Campus Director reported: good summer turnout due to availability of financial assistance; 7 students and 1 teacher completed their requirements end of summer; graduation ceremony to be held end of fall semester; fall enrollment; vacancies at Yap Campus; connectivity for the new science building; smartboard training; UB banquet raising \$2,500 for the endowment; and uncertainty of start date for new facilities.

Regent Enlet inquired about the possibility of offering inter-sessions or double sessions to increase our offerings.

**Accreditation.** The ALO is currently involved with Pohnpei State ConCon which is winding down its 90 days; they are asking for another 90 days. The President reported that currently the duties of the ALO are contracted. He is considering moving those duties into a position as a conservation measure. The President also gave a brief update on the self study report.

A discussion followed on employees running for office/seat and the role of the supervisor. As courtesy the employee should inform his/her supervisor of his/her intention to run. However, if the employee's workload is heavy, it would be difficult for a supervisor to say no if the employee feels a civic duty to run; the supervisor can only appeal to the employee's sense of responsibility to his/her job. The administration was directed to review the policy on running for government or legislative office.

## **OLD BUSINESS**

**Job Audit.** During the March Board meeting in Chuuk, the Board directed the administration to do a job audit. During the May Board meeting in Pohnpei, the Faculty Staff Senate made a presentation regarding the non-competitiveness of our faculty salary schedule. As the two are related, the administration put together a plan for action for a job audit. A review of our salary schedules is included as it has been 12 years since they were established. The college must complete certain things prior to the actual audi, such as completion of the responsibilities and functions of positions. The cost is not included in the proposed plan as that is to be negotiated.

Discussion on the merits of the plan was derailed by a phrase in the written discussion of the agenda item which the Regents thought disturbing. The administration tried to explain what it meant, but without the author present, they could only speculate. The administration assured the Board that it has processes in place that require proper approval. Agreeing it was poor word choice, the Board directed the administration in the future to scrutinize documents before presenting them to the Board.

The Board then sought clarification on the projected outcomes of the job audit. Regent Cornelius encouraged the administration to think ahead and budget for implementation of the outcomes in FY 2011. **Regent Cornelius moved and Regent Mida seconded that the proposed plan of action for the job audit be approved for implementation. The motion passed unanimously.**

**Review of MOU with COM.** The VPCRE reported on areas of concern and issues regarding the MOU and the relationship between COM and COM-FSM such as the lack of parity and unusual position of the VPCRE and the CRE programs. An executive panel was suggested to work out the issues through negotiation with COM.

Regent Mida informed the Board that although the FSM President recently signed a two-year extension of the Treaty, the Micronesian Chief Executives will be meeting in November and that would be an opportunity to raise some of the issues.

**Regent Cornelius moved and Regent Mida seconded that an executive panel be appointed to include but not limited to COM-FSM President, our legal counsel, a COM-FSM Regent and others deemed appropriate including non-COM participants to review the memorandum of understanding between the COM-FSM and COM-Land Grant Program. The motion passed unanimously.**

The Regents will meet to decide which Regent will serve on the executive panel.

**Update on restructuring of COM-FSM.** The Planning and Resources Committee prepared four restructuring options for consideration at the President's Retreat in May. The objective was to recommend an option that maintained quality programs and services, met the mission, and was sustainable. The conference recommended option I status quo with improvements because many participants felt the other options lacked enough information such as cost to make an informed decision. As a result an ad hoc committee was created to streamline programs and services to meet the criteria. The committee has been meeting and identified areas to review and rate to improve the quality of our graduates and work on retention of our students.

The Board had difficulty with the phrase "status quo" as it did not project progress and recommended the option be called modification of the current structure.

The Board was briefed on the data in the College Fact Book including immigration data. The data will be used during the restructuring process. The Board asked for out migration trend.

## **NEW BUSINESS**

**FY 2008 audit report.** The Comptroller went through the FY 2008 Independent Auditors' Report. In summary, the college again received an unqualified report with no material weaknesses or significant deficiencies and qualified as a low-risk auditee.

**Balancing FY 2009 budget.** Due to revenue shortfall, the administration was tasked to review and balance the FY 2009. After identifying the amount of shortfall, the administration partially offset it with unused personnel costs and instituting cuts on non-personnel budget. **Regent Cornelius moved and Regent Mida seconded that the**

following measures to reduce the deficit and eventually provide a balanced or positive result of operation for FY 2009 be approved for immediate implementation for the remainder of the fiscal year.

- Continue freeze on reprogramming, particularly the unused budgets from personnel;
- Freeze procurement of fixed assets (computers, equipment, furniture, and fixtures);
- Across the board cut of 50% on remaining balance for supplies, printing, and reference materials; and
- To ensure that quality of programs and services are not affected by the above measures authorized the President to approve exceptions.

The motion passed unanimously.

The Board asked to be informed of the outcome of these measures.

**Balancing of FY 2010 budget.** The college's FY 2010 operations budget was funded \$100,000 below our requested amount; the operational budget must be adjusted to the funded amount. SBOC had requested how the college will reflect that amount; the college's response was to reduce funds for special contracts and not hire new positions. The Planning and Resources Committee will revisit the budget once fall 2009 statistics are calculated.

**Second option for health insurance provider.** The current group health insurance plan provider, MiCare, is experiencing financial problems and has initiated a number of changes and realignment of policies and practices which has resulted in reduction of benefits. In addition Chuuk State mandates residence of the state to enroll in the state plan. At this point the Chairman declared a conflict of interest as his brother is the administrator of the state plan and passed the chair to the Vice Chairman, Regent Cornelius.

Having options will permit employees in Chuuk to be in compliance with Chuuk State law and allow other employees the option to choose another plan. The college's contribution would remain the same as what the college currently contributes to MiCare. The administration is asking permission to explore other options. Regent Mida wondered if the college should pull out, what would the effect be on MiCare. **Regent Mida moved and Regent Figir seconded that the Board authorize the college to enter into contract with other health care plans to meet state law requirements and to provide options. The college's premium contribution is not to exceed current contributions for group health insurance and is to be paid to only one plan per employee. The motion passed unanimously.**

The chair was returned to Regent Enlet.



**Second option for life insurance provider.** Individual Assurance Company, the group life insurance provider, reduced the benefits for those 65 years old and older. The college communicated its concern to IAC, however, based on its actuary study, IAC could not accommodate our concerns. In an effort to foster a caring work environment, the administration is seeking permission to seek other options **Regent Cornelius moved and Regent Mida seconded that the Board authorize the college to enter into contract with another group life insurance plan to provide an option which includes needs that are not available through the current plan. The college's premium contribution is not to exceed current contributions for group life insurance. The motion passed unanimously.**

**College contribution for MiCare premiums.** Title 52 was recently amended to reduce the minimum employer premium contribution to MiCare from 52% to 50%. The law also provides the opportunity for employers to increase their contribution beyond 50% or maintain the current 52%. Considering the many challenges facing employees due to the current economic times, the administration feels it would be in the best interest of the college to maintain the 52% to promote retention and foster an environment of caring for its employees. The Regents asked what is the difference between 50% and 52% in dollar amount. Figures were not available; the Board asked that in the future figures are presented with percentages so the Board can make informed decisions. For the sake of employees in these hard economic times, **Regent Cornelius moved and Regent Mida seconded that the college maintains its current employer contribution of 52% of the premiums toward MiCare Health Insurance Plan. The motion passed unanimously.**

**Sustainability of power at Chuuk Campus.** Following receipt of WASC's concern regarding sustainability of power at Chuuk Campus, the President established a working group to address the concern and went to Chuuk to apprise the leadership of the urgency to resolve the power issue and the consequences for not doing so. The leadership pledged support and requested an estimate of the cost for running the generators.

Options considered, estimated costs for sustaining both generators, strategy for gaining financial support, need for a contingency plan, and the urgency of resolving the matter were discussed and clarified. The administration is to submit soonest the estimated cost of \$212,000 to the Chuuk leadership as requested and to continue meeting with the state and national leadership to gain support and ensure accreditation.

**Alternative energy proposal for FSM.** An update on the clean energy by grid-connected solar electricity generation system in FSM as planned by Japan Solar Project was presented. The national campus has been selected as one of the sites. There are still unresolved issues to which the Board will be kept informed.

**Endowment Fund rebalancing option.** During the Chuuk Board meeting in March, decision was made to hold implementation of the new asset allocation until our investment consultants recommend that market conditions are now favorable. The

consultant has recommended rebalancing now. The Board felt that its decision in March is sufficient, and **by consensus, reaffirmed its January decision regarding strategic asset allocation.**

## **NEXT MEETING**

The next Board meeting is the December regular meeting which is usually held in Pohnpei. The President proposed switching the venue for that meeting with the venue for the March meeting which is Yap's turn. The college is scheduled to be visited by the accrediting commission in March, so he suggested that the March meeting be held in conjunction with the visit and the December meeting be held in Yap. The Board agreed to hold the next meeting the first week of December in Yap.

## **ADJOURNMENT**

In closing the Board expressed appreciation to the administration and staff for their commitment to the college and Kosrae Campus for the hospitality and for the good meeting. In turn the Director of Kosrae Campus thanked everyone for coming to Kosrae and for being part of the college. The President also thanked the Board for a productive meeting, staff for their presence and providing information, and Kosrae Regent, Director and staff for their hospitality.

**Regent Cornelius moved and Regent Welles seconded that the meeting be adjourned. The meeting adjourned at 3:50 p.m. on August 26, 2009.**

Minutes of the COM-FSM Board of Regents meeting of August 25-26, 2009, approved this \_\_\_\_ day of December, 2009.

By: \_\_\_\_\_  
Graceful Enlet, Chairman of the Board