

COLLEGE OF MICRONESIA-FSM
BOARD OF REGENTS

**EXECUTIVE SESSION MINUTES (w/o personnel issue)
September 30 – October 1, 2010**

2012 Board Budget Development Guidelines. The Board agreed to the following:

Travel

- Quarterly meetings: one in each state; budget for 5 Regents, President, and meeting recorder
- Annual investment convention: 3 Regents
- Board's Reflection: extend days for board meetings to a week to allow 1-2 days prior to meetings for the reflection

Fundraising

- Request FY 2011 level
- Administration to submit plan of action for \$10,000
- Board to develop plan of action for its \$10,000
- Administration to provide Board with fundraising pamphlets
- Request the FSM President for funds from the FSM captive insurance registry for the Endowment

OCE

- Same level as FY 2011

Personnel Concern:

Job Audit Recommendations: The Board felt that the proposed salary structure and proposed restructure were separate recommendations and therefore could be acted on independently and that there was an urgency to address faculty compensation. They agreed there were positive elements in the consultant's presentation but some require more study. A gradual approach was suggested with implementation of the compensation structure first. While it was agreed that something must be done for the faculty, they felt in fairness others should be given something also.

Recommendation #1: The Board agreed that this was a need because the situation has not been handled well. The President explained that he has turned back contracts, but supervisors return pleading their case. It was noted that with the end of the fiscal year on September 30, 2010, all special contracts ended, except for faculty and sponsored programs because the academic year and their fiscal year do not coincide with the college's fiscal year. This should make the task less daunting; however, some special contracts for FY 11 have already been signed for certain services effective October 1. Information was provided on the history of

limiting the number of new positions during the budget development process, attempts to privatize certain services, and difficulty with quality of outsourced service to explain certain categories of special contracts which in turn has created a noncompliance dilemma.

The Board thought the committee should be an ad hoc committee rather than a standing committee. Composition of the committee was discussed. It was decided that for consistency the President would appoint a core committee, rather than rotate members or have a committee on each campus. Others may be invited if their input was needed. The Committee is to complete its work by December and report during the December Board meeting. The Committee is to determine criteria by which to evaluate the contracts and determine needed services, identify essential/non-essential positions, explore privatization of some services and look into policy implication. The Board felt that monitoring of special contracts should not be the Committee's responsibility; members have their own jobs to do. Monitoring of special contracts should be the responsibility of the HRO. Once the committee completes the assignment, it should be phased out. The Board also noted that this is an administrative problem; administrators should monitor contracts to determine whether the requested service is essential. **Regent Figir moved and Regent Edward seconded that the President be tasked to establish an ad hoc committee to systematically (based on a set of criteria) each special services contract currently in operation and all new ones put forth for consideration and identify policy implications for the Board's consideration. The motion passed unanimously.**

Recommendation #2: The history of the state campuses and the reporting relationship of the directors were noted. The difference between a campus and center was discussed; if substantial changes are made that changes the characteristics of the site, could it still be called a campus. Suggestion was made to check with the accrediting commission if the names had different implication. The President mentioned that during the earlier accreditation visit, the team used 'site' to refer to the campuses but did not cite the college for using campus. The Board expressed their surprise that the consultant said it was just a branding issue. The ultimate concern should be campuses' responsiveness to the community it serves; center implies limited services which then would undermine the mission of the college. They felt it is a communication issue and not a branding issue. If it is not an accreditation issue, then the college can define for itself what a campus is. Suggested was if the Board did not act on this recommendation, the name would remain campus. However, it was agreed that the Board needed to respond to the recommendation. The Board wanted to act on the name only and not the structural changes. They needed more time to study the recommended changes. **Regent Figir moved and Regent Mida seconded that the name state campuses be retained. The motion passed unanimously.**

The President mentioned the need to review the enabling law and, if changes are necessary, to bring them to the Board's attention.

Recommendation #3: The Board was not ready to take action on this recommendation. They wanted more information. They wanted to know how the changes would impact students; community expectation; financial picture; and our mission. They wanted to know how the

proposed structure works. Cutting costs alone should not be the issue; the quality of our services is more important. They wanted to see the whole picture to determine what they are willing to pay. They expressed disappointment with Mr. Searle's presentation; they found it too prescriptive. As a consultant, they had expected him to provide them with the tools and facts to make their own decision on what is best for the college. They had hoped he would have presented options along with the benefits, cost, advantages and disadvantage for each so they could analyze the information; not a "do or die" approach. The President explained that the proposed structure was from the consultant and the Streamlining Committee. With Mr. Searle doing the presentation and answering of questions, it sounded like his idea only. The Board wanted to hear what the college, not just the administrators, thought of the proposal; if different, they wanted to hear that too. **Regent Figir moved and Regent Mida seconded that recommendation #3 be deferred until the next meeting. The motion passed unanimously.** Regent Mida noted that the Board did not task the administration to streamline; it was initiated by the administration following the 2009 Retreat. The Board expects that the information gathered will be shared with college community and their input shared with the Board.

Recommendation #4: The Board recognized the need to address faculty salaries; Mr. Searle's presentation verified that. However, in fairness to all, they wanted to give something to the rest of the employees too. The consensus was to start at a lower level than recommended and gradually move toward the recommendation. Should the conversion not be completed prior to the effective date, the work is to continue and the conversion retroacted to January 1st. The Board intends to review the situation in a year to determine if the college could move to the 30/20 market percentile, but did not want it in the directives to avoid giving false hope. The Board was also careful not to use the word "increase" as that is not the purpose of the conversion. **Regent Cornelius moved and Regent Mida seconded that the proposed salary structure be adopted with the faculty converted to the 20th market percentile and other employees to the 10th market percentile effective January 2011 and that the Board is to review after a year.**

Miscellaneous: In light of ongoing planning, accreditation recommendations and other factors, Regent Edward wondered, in terms of setting direction, where does the Board fit; he felt the Board should be proactive rather than wait to react to what the administration presents. The Board decided to hold retreat a day or two before each meeting. They did not like the word retreat as it had a backward connotation and suggested it be a "forward" and settled on calling it a "reflection." With the Board setting direction, the administration would then know what to expect. The Board was tasked to identify the objectives and expected outcome for the December Reflection so the administration would have time to prepare the necessary information for their discussions.

Joe Saimon comment about one institution or a multi campus approach was discussed. They wondered what would be wrong with wanting a set up like Hawaii; the college should think outside the box and look into the cost – it may be too expensive.

The Board also briefly discussed their performance and being more actively involved in the college. Aside from their self-evaluation, Regent Cornelius wanted to hear from the college, not just administrators, on how they see the Board. In order to be more responsible to the people, but not to micromanage, they discussed ways they could become more knowledgeable about the college,

Regent Edward apologized for not being able to join the others at the investment conference in the Philippines; he cannot travel when the Governor is traveling. He also said everyone should lobby with their congressmen on the Board nominations before Congress.

Adjournment: Before adjourning the Board expressed their appreciation for the time, work and people during the past two weeks for the retreat and the meeting. Regent Edward said that the Governor's Office hosted the breakfast meeting; appreciation was expressed to the Governor. **Regent Cornelius moved and Regent Edward seconded that the meeting be adjourned. The motion passed unanimously. The meeting adjourned at 10:25 a.m. on October 1, 2010.**

The minutes of the executive session of September 30-October 1, 2010, was approved this 8th day of December 2010.

By: _____
Kasio E. Mida, Chairman of the Board