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March 29, 2012

MEMORANDUM:

TO : President, Faculty/Staff Senate
FROM : Chairman, Board of Regents 
SUBJECT : Clarification on Salary Pay Freeze

Best wishes to you and your colleagues. The intent of this communication is to respond to your letter of February 17, 2012 regarding the recent decision of the Board of Regents to put a freeze on step increases for all employees of the college in the 2013 Budget and the steps the administration took to arrive at this decision. Please know the Board of Regents (BOR) carefully considered the February 17, 2012, letter you submitted on behalf of the Faculty/Staff Senate.

With regards to the first question on pay increase or step increases for all employees, the board approved the recommendation that there will be no step increases to take effect only for the budget year 2013. The reason was in response to the JEMCO Resolution for \$700,000 dollars annual decrement for the college for the next four years. The plan was for the college to work closely with JEMCO and the FSM Government to reinstate the funding or seek alternative funding.

Your second question was about if and when, the salary freeze ends, will the salary of employees move up one step or two steps? The administration recommended that because \$700k will be reduced from the 2013 budget, there would be no funding to address this shortfall. If the FSM government funds the \$2.8 million, the Board will re-examine its decision on the freeze of step increases.

The college administration reported to the board in the January 2013 Board of Regents meeting that the 2013 budget followed the budget development process. Unfortunately, the college prioritization plan was not completed and PRC was also going through its transition to review the new budget. The 2013 Budget needed to be submitted to the FSM President's Office on January 15, 2012 as called for in the FSM budget timeline. The college recognizes its shortcoming with regards to the development of the 2013 budget. We have processes in place to ensure people are involved and people are encouraged to be engaged in the work of the committees. By all efforts, we must be sure to keep all faculty and staff aware, informed and involved in these important deliberations.

Last Friday, March 23, 2012, the college appeared before the JEMCO mid-year meeting here in Pohnpei to find ways to postpone the implementation of the JEMCO resolution and seek support to also lift the IDP freeze. As you may have already known, we were not successful in this effort. At this point in time, we are not able to determine whether the freeze will be for 2013 only.

COM-FSM is not alone in facing the serious financial challenges that all other colleges in the US and the region are facing. As we move forward, it will be clear to all of the subsequent funding challenges faced by the college.

Thank you for your inquiries and hope to continue to work closely with you on matters of great importance to the institution.