

**College of Micronesia – FSM**

**Committee Minutes Reporting Form**

<b>Committee or Working Group</b>		<i>Finance Committee</i>	
<b>Date:</b>	<b>Time:</b>	<b>Location:</b>	
<b>Oct. 07, 2013</b>	<b>4:00 p.m.</b>	<b>Board Conference Room</b>	
<b>Members Present</b>			
<b>Titles/Reps</b>	<b>Name</b>	<b>Present</b>	<b>Absent</b>
Committee Chair	Richard Womack	x	
Committee Vice-Chair	Doman Daoas		x
Secretary	Phyllis Silbanuz	x	
National Staff Rep.	Eugene Edmund		x
National Staff Rep.			
National Faculty Rep.	Richard Womack	x	
National Faculty Rep.	Kiyoshi Phillip	x	
National Faculty Rep	John Haglelgam		x
Pohnpei Campus Faculty Rep			
Pohnpei Campus Faculty Rep			
Pohnpei Campus Staff Rep (Bus. Office)	Twyla Poll	x	
Pohnpei Campus Staff Rep	Adleen Shed	x	
Chuuk Campus Faculty Rep	Roger Arnold		x
FMI Staff Rep	Clotilda Dugwen	x	
Yap Staff Rep	Rosemary Manna	x	
CRE Rep	Sonny Padock	x	
Kosrae Staff Rep	Alik J. Phillip	x	
Ex Officio Member	Danny Dumantay		x
National Staff Rep (Business Office)	Juvilen Mariano	x	
National Staff Rep (Business Office)			
National Staff Rep (Business Office)			
<b>Additional Attendees:</b>	<b>VPA Joe Habuchmai, Sinobu Lebehn</b>		
<b>Agenda/Major Topics of Discussion:</b>			
<p><b>I. Approval of previous online meeting minutes</b></p> <p><b>II. Agenda Approval</b></p> <p><b>III. Old Business</b></p> <p><b>IV. New Business</b></p> <p><b>V. Other Business</b></p>			

## Discussion of Agenda/Information Sharing:

Chair was waited for quorum so meeting started at 4:10 p.m. after Kosrae and Yap campus logged on. Yap notified us that their connection was bad and we could hardly hear them.

### I. Approval of previous online meeting minutes

- A. Motion by Twyla to approve minutes, 2<sup>nd</sup> by Kiyoshi, minutes approved.

### II. Approval of Agenda

- A. No additions or deletions for agenda items so Agenda approved

### III. Old Business

#### A. Chair went over committee housekeeping items

1. Final list of Officers and FC members to be sent to ALO
2. If absent, please send proxy and/or excuse
3. If conflict in meeting schedule, proxy or work with supervisor for semester or year replacement
4. Sylvia Henry has resigned from committee, sent through email to Chair on 10/07/13.

### IV. New Business

#### A. VPA Habuchmai – guest presentation FY2014 Budget Adjustments and tentative FY2015 Budget

1. FY 2015 Budget on IRPO link, under Publications page 2
2. Currently at Stage 4 – VPs allocating for their departments
3. Stage 5 – IRPO, Stage 6 – Meeting again, Stage 7 – Consolidate, Stage 8 – Finance Committee, S9 – Executive Committee for submission to Board and onward to FSM President.
4. Projections based on revenue increase
  - i. Fess (to be collected)\
    - a. \$150/ facilities Fall/Spring semester full time students & \$50 part –time
    - b. Summer 2015 \$50 full time and \$25 part-time
  - ii. \$10 Tuition increase (from \$115 to \$125)
5. Key points for enrollment
  - i. Retention back to 63.8% in Fall 2013
  - ii. Shortfall of about \$700,000 at end of FY 2014 due to decrease in enrollment from about 700 to 400 students
  - iii. Decrease of headcount and FTE across all campuses 11.4 credits/student
6. Four Scenarios breakdown for FY 2015
  - i. Scenario 1 – Stabilize college enrollment at projected AY 2013/14 figures
  - ii. Scenario 2 – Stabilize college enrollment at projected 2013/14 figures with interventions to increase enrollment
  - iii. Scenario 3a – Decline in enrollment continues at 5%
  - iv. Scenario 3b – Decline in enrollment continues at 10%

v. Summary of 4 scenarios for FY 2015, FY 2014 Budget and Diff.

Scenarios	Projected Revenue 2015	FY 2014 Budget	Difference
Scenario 1	11,632,723	12,360,833	728,111
Scenario 2	12,019,359	12,360,833	341,475
Scenario 3	11,246,086	12,360,833	1,114,747
Scenario 4	10,859,450	12,360,833	1,501,383

7. Factors affecting enrollment and revenue

- i. Increased competition from other IHEs in the region/distance learning
- ii. Declining elementary/secondary enrollment
- iii. Increase of tuition and fees costs on existing and future students
- iv. Assumption that FSM will continue to provide \$3.8 million for ESG grants and local revenue resources
- v. Changes in COMET

8. Tentative Budget breakdown for FY 2015

- i. Personnel - \$7,433,000
- ii. TCO (Utilities/Preventive Maintenance) - \$1,333,114
- iii. Communication - \$306,960
- iv. Fixed Cost lease - \$86,000
- v. Insurance - \$90,000
- vi. TracDat – \$25,000
- vii. CCS = \$10,000
- viii. Total of about \$9,347, 271 to offset against Scenario 3b of \$10,859,450 for a difference of \$1,512,179.

B. Questions/Comments

1. Phyllis asked VPA to clarify freeze for FY 2013-2015
  - i. VPA – FY 2013 step increases were frozen and new hires frozen at end of FY 2013, FY 2014 – step increase of 5% and new hires frozen, FY 2015 – step increase of 3% and new hires not determined yet.
  - ii. For FY 2015, any positions not filled and any positions with benefits that shouldn't have will be cut
2. Chair Womack –
  - i. for EC on mitigating circumstances, who is determining what's going to work and VPA answered None.
  - ii. Dorm students situation – VPA answered no refunds for them and either using Congress or personal money if short of funds.
3. Sonny asked to see projection details
4. Twyla asked to see projections for each campus
5. VPA asked Sinobu to email out Excel file with Budget FY2014, tentative FY 2015, and scenarios data to FC chair for distribution to

committee members

6. Chair thanked VPA Habuchmai for his presentation and Sinobu for the files that will be sent out.

V. Other Business

- A. Joint meeting on Nov. 4<sup>th</sup> with PRC committee and Chair asked Pohnpei Campus if venue will be available. Secretary will check for possible venues and IT requirements and get back to Chair by Tuesday, October 08, 2013.

VI. Sonny moved to adjourn and Kiyoshi seconded. Meeting adjourned at 5:10 p.m.

**Handouts/Documents Referenced:**

- 1. Budget 2015 Assumptions and Scenarios and Breakdown of Scenarios (1 page each)**

**College Web Site Link:**

**Prepared by:**

*Phyllis Silbanuz*

**Date Distributed:**

*10/08/2013*

**Approval of Minutes Process & Responses:**

Minutes approved through email.

**Submitted by:**

*Phyllis Silbanuz*

**Date Submitted:**

*10/15/2013*

**Summary Decisions/Recommendations/Action Steps/Motions with Timeline & Responsibilities**

- Sinobu will send out for review the FY 2015 assumptions and projection data
- FC members will review FY 2015 assumptions and projection data and try to come up with possible contributing factors for next meeting.