

COLLEGE OF MICRONESIA-FSM


Office of the Vice President for Administrative Services
P.O. Box 159, Kolonia, Pohnpei
FM 96941

Phone: (691) 320-2480 Fax: (691) 320-2479 Email: jhabuchmai@comfsm.fm www.comfsm.fm

March 7, 2014

MEMORANDUM:

TO : President, COM-FSM

FROM : Vice President for Administrative Services 

SUBJECT : Board of Regents Updates March 2014

This BOR Updates covered the period from the last Board meeting in December 2013 in Chuuk until March 2014 which includes the college Business and Finances, Human Resources, Maintenance and Security and the VPAS Office updates.

VPAS OFFICE UPDATES:

The VPAS worked with BECA consultants to obtain the final reports on the Space Utilization Study and Facilities Master Plan and other documents for dissemination to the college and outside stakeholders. This include the summary and the details common to all campuses and the Facilities Study Phased Implementation Plan with all cost estimates.

The VPAS assisted President Daisy and the Micro Games Organizing Committee in securing a grant funding from the government of Japan to build the soccer field at the National campus. The fund has been approved by the Japanese Government and a ceremony was held at the National Campus by the Japanese Ambassador.

The Board approved \$100,000 dollars from the fund balance to begin the first phase of the Track and Field project in February 2014. The college implement this project under the leadership of the Director of Maintenance and Security Mr. Francisco Mendiola. The fund covered the cost of chain saws, labor, rental of equipment, and fuel to clear the trees and level the ground. The work is still ongoing in leveling of the ground with the help of the donated excavator, the loader, and rented bulldozers, dump trucks, and excavators. The soil in the area is enough to adequately spread over the area we planned to develop for the soccer field or the Track and Field.

The VPAS assisted with the writing of the follow up report to the Accreditation Commission on the outcome of the Space Utilization and Facilities Master Plan study and sustainable funding of the college from the Government.

The VPAS assisted President Daisy in presenting the college’s FY2015 Budget to the FSM Executive Budget Review Committee. The Chair of the Committee, the Honorable Alik Alik expressed continue support for the college from FSM mainly for the annual decrement from the compact.

The VPAS assisted Pohnpei Campus with the negotiation on the new MOU on the use of the Pohnpei Small Business Development Center right after the college BOR abolished that last year.

BUSINESS OFFICE UPDATES:

March, 2014 Board Meeting

1. Actual vs Budget for Fall 2013 and Spring 2014

On Revenue:

- The college generated revenue from tuition and fees for Fall 2013 and Spring 2014 of \$6.670 Million. The revenue is short by \$647k or 9% compared with the budgeted revenue of \$7.318 Million.
- The current level of revenue for fall and spring is likewise short by \$359k or 5% compared with prior fiscal year.
- Below are details of generated revenue a with comparative discrepancies between actual 2014 vs budget 2014, and actual 2014 vs actual 2013 per campus:

	Actual 2014	Budget 2014	Actual 2013	Comparative Discrepancies	
				Actual 2014 vs Budget 2014	Actual 2014 vs Actual 2013
National	3,097,497	2,982,387	3,088,610	115,110	8,887
Pohnpei	1,671,633	1,846,904	1,655,567	(175,271)	16,066
Chuuk	881,563	1,340,419	1,153,856	(458,856)	(272,293)
Kosrae	489,751	571,409	565,609	(81,658)	(75,858)
Yap	529,650	576,520	565,559	(46,870)	(35,909)
Total	6,670,094	7,317,639	7,029,201	(647,545)	(359,107)
In Percentage				-9%	-5%

On Students

- The college enrolled 4,538 students (headcount) for Fall 2013 and Spring 2014 which is short by 533 students or 11% compared with budget, and likewise short by 544 students or 11% compared with prior fiscal year.

– Pohnpei campus	-	651k
– Chuuk campus	-	235k
– Kosrae campus	-	130k
– Yap campus	-	124k
– FMI campus	-	70k
– Other programs/grant	-	124k

- The results of operations did not reflect the impact of the revenue shortfall. The presented results of operations cover October 01, 2013 to December 31, 2013 which consists only of the fall 2013 revenue and expenditures for three months. Normally, the first three – month period is expected to provide positive fund balance change.

Refer to attachment 2 for details.

3. Single Audit for FY 2013

- The single audit of the college’s financial statement will be handled by Deloitte and Touche.
- Business Office is in the process of preparing the tentative financial statements to be submitted to the auditor on February 28.
- The expected date for the completion of audit is June 30, 2014.

4. Endowment Fund

- The market value of endowment fund has increased by \$228k or 6%, from \$3.934 Million as of September 30, 2013 to \$4.162 Million as of December 31, 2013.
- The increment of \$228 is from unrealized gain for three months covering the period October 01 to December 31, 2013.
- The breakdown of the market value of \$4.162 Million per money manager is as follows:

	<u>Market Value</u>	<u>Allocation</u>
– Aristotle (LC Value)	-\$ 990k	23.8%
– Renaissance (LC Growth)	- 542k	13.0%
– Atlantic (S/M Cap Growth)	- 245k	5.9%
– SEIX (Fixed Income)	- 626k	15.0%
– Templeton	- 275k	6.6%
– Brandes (Mature market)	- 871k	20.9%

- Lazard (Emerging market)	- 408k	9.8%
- iShares ETF (Nat. Resources)	- 205k	5.0%
	<u>\$4.162M</u>	<u>100.0%</u>

The above asset allocations are in accordance with the investment policy.

Refer to attachment 3 for details.

5. Fund Raising

- The total fund raising receipts for the first quarter of FY 2014 is \$30k.
- About 84% of the fund raising receipt is from Yap campus of \$12k or 42% and COM – FSM board of \$13k or 42%. Yap campus is the winner of the \$20k prize of the 50/50 raffle. The board’s donation is from balance of the fund raising budget.
- For the first quarter of 2014, the college achieved the target of \$25k for the quarter.

Refer to attachment 4 for details.

HUMAN RESOURCES OFFICE UPDATES:

1. **Six [6] new hires under the externally funded programs while the college budgeted positions are on freeze.**
 - 1 Researcher –CRE Pohnpei Campus
 - 2 Agriculture Agents- 1 at PNI and for Yap Campus
 - 1 Student Services Specialist –UB Pohnpei
 - 1 Security Officer – FSMI Campus
 - 1 Account Clerk –CRE Chuuk Campus

Retention Rate

Campus	# of Personnel	Retention Rate	Departure Rate
National Campus	161	96.8%	3.2% [5]

Pohnpei Campus	76	97.4%	2.6% [2]
Chuuk Campus	45	97.7%	2.3% [1]
Kosrea Campus	35	100%	
Yap	32	100%	
FMI	21	100%	
TOTAL	370	97.8%	2.2% [8]

Policy Development and Implementation

1. Human Resources Committee continues to meet monthly to review policies
2. HR Director has made further proposed amendments to Policy 003 to reflect budget constrains

Staff Development Program

1. One faculty member under the program completed her master's degree online Fall 2013
2. Annual Staff Development Day is scheduled for March 14, 2014 for all campuses.
3. April professional trainings are scheduled at the National Campus for managers and division chairs in the area of supervisory/managerial challenging areas

MiCare Plan. The college covers 52% of the premiums for the 327 full time employees enrolled in the program.

Individual Assurance Company. The college covers 64% of the premiums for the 274 full time employees enrolled in the program. Current premium is .45 cents per \$1,000 coverage. A proposed premium to be effective April 1, 2014 is .49cents per \$1,000 coverage.

Retirement Plan Program. The college matches up to 3% of contribution into individual retirement plan of 226 full time employees enrolled in the program.

MAINTENANCE AND SECURITY OFFICE UPDATES:

- Bids for repairs and improvement of the male and female residence halls have been received and are being reviewed. Proposal for repair of fire alarm system for the Dining Hall, Administration building and Bookstore have also been received and being reviewed as well.

- Improvement of the security office has been completed to provide a footage viewing room to ensure privacy is maintained.
- Two replacement vehicles have been purchased and received, a replacement Flat Bed truck for maintenance office and a 15 passenger Van for the residence hall.
- A system wide list of maintenance projects are being compiled for submission to FSM National Government for possible funding through the Compact Infrastructure Maintenance Funds.

Security:

- Fire drill was conducted for both male and female residence halls followed by training of residence hall staff in the operation of fire alarm system. During the fire drill the fire alarm system was found deactivated.

Projects:

- Gym Competition Court light fixture parts have been ordered and will be shipped via DHL from China.
- Quotation for the Gym floor repairs and windows replacement have been received and are being reviewed.
- Cutting and filling of the Soccer Field project is about 50% completed. Purchasing of coral and sand for topping and finishing will be processed as soon as funding for the Japan Government is received. Fifty percent of funding available for the project has already been obligated.
- Facilities Master Plan Study has been finalized and completed and ready for implementation and submission to FSM and JEMCO for funding.

Thank you.

Xc: Director of Maintenance and Security

: Director of Human Resources

: Comptroller, COM-FSM