

College of the Marshall Islands

Board of Regents

Meeting Minutes

Date: September 23, 2015
Time: 9:00 am
Location: Regents' Board Room, Administration Building, College of the Marshall Islands

MEETING TYPE:	☒ Regular	☐ Special
MINUTES TYPE:	☒ Proposed	☐ Approved

Call to Order: The meeting was called to order at 9:15 am.

Opening Prayer: <Name> opened the meeting with a prayer.

Roll Call

Theresa Korovulaono, PhD	President	☒ Present	☐ Absent
Ben Chutaro	Chair	☒ Present	☐ Absent
Jelton Anjain	Regent	☒ Present	☐ Absent
Joseph Bigler	Regent	☒ Present	☐ Absent
Patrick Chen	Regent	☒ Present	☐ Absent
Evelyn Konou	Regent	☒ Present	☐ Absent
Marie Maddison	Regent	☐ Present	☒ Absent
Ramona Levi Strauss	Regent	☐ Present	☒ Absent
Gerald M. Zackios	Regent	☒ Present	☐ Absent
vacancy	Regent	☐ Present	☐ Absent
vacancy	Regent	☐ Present	☐ Absent
	Student/Regent	☐ Present	☒ Absent

Other Attendees: Stevenson Kotton (CFO), Don Hess (VP Academic & Student Affairs), William Reiher (VP Administration), Ruth Abbott (Dean, Academic Affairs), Rachel Salomon (Dean, Student Services), Mary van Auken (Instructor) and Bob Willson (Director, IIE, via Skype) were also in attendance.

Remarks by the Board Chair:

The Board heard comments from the Chair related to accreditation and his June visit to the ACCJC with the President. He noted that going from Warning to full accreditation was remarkable and commended the College, particularly those who served on the Self Study Steering Committee and subcommittees, for the extraordinary effort required to achieve full accreditation. He also commended the President for her presentation to WASC/ACCJC noting that her personal involvement on behalf of the College was the right thing to do. Now the

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College must begin to prepare for the March visit of the accreditors.

Approval of Board Meeting Minutes

No action was taken on prior Board Meeting Minutes.

President's Report(s): The Board heard comments from the President related to her proposed twelve key result areas. Anticipated results are driven by the overarching vision for the College as the national educator and as a consequence of education being an essential national asset. A graphic depiction of the College's vision was presented.

Link to vision graphic:

<https://drive.google.com/a/cmi.edu/file/d/0B79TOa6CPNfyMDNjZGwzYko2YjZGN0VDYU1mNjhFUmwYmKQ4/view?usp=sharing>

All of the President's Key Results are based on that vision and premise. Accordingly, the President's Key Result Areas (KRA) are:

KRA	Description with link to the supporting documents
1	(a) Collaborative partnerships and initiatives to improve the quality of education in RMI. (b) The Marshallese Institute for Language, Arts & Culture at CMI. https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyengwUzFDeTR2dk0&usp=sharing
2	(a) Institutional surveys and results. (b) Application of the data-collection analyses and results to Learning & Teaching, Learning Support & Administrative services at CMI. https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyb25CZEJPODFTeEE&usp=sharing
3	The CMI Strategic Plan 2016 -2018 https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyVDd0dHlmQnhuaW8&usp=sharing
4	WASC accreditation https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyRHp2ckJidIJzSFk&usp=sharing
5	Innovative programs and services https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfybEZhbGNhVVNLYVE&usp=sharing
6	Capital construction and renovation https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyYU83NUIZZFVWUkU&usp=sharing
7	Budget reports https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfySEhBc0J4b240VDQ&usp=sharing
8	Partnerships with K-12 educators, business, industry and the community throughout the RMI. https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyX2NTRlg5eDNnSjQ&usp=sharing
9	Degree completion rates and improved academic programs and support services https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfybEZhbGNhVVNLYVE&usp=sharing
10	Institutional data and document management system https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyV0ZJbzhlaVlzb2M&usp=sharing
11	The CMI Succession Development Plan and feedback from RMI stakeholders https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyNWg2Wm5MTkkzQzg&usp=sharing
12	Other updates https://drive.google.com/a/cmi.edu/folderview?id=0B79TOa6CPNfyTmdOMFVxMXp4b0U&usp=sharing

The President reported significant progress in all twelve Key Result Areas, but in particular, the following was noted:

- Partnership with the Ministry of Education and other constituents to create a sustainable Marshallese Institute of Language, Arts and Culture.
- Development of a centralized, integrated system for data collection and reporting.

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- Commendation to the Institutional Planning Committee for bringing the Strategic Plan to fruition.
- Maintenance of existing partnerships and development of new partnerships.
- Development of revenue generating online courses.
- Development of new vocational programs in response to a recent National Training Council survey and RMI stakeholders.
- Succession planning model under development in Human Resources to assure the continuity of human resources, programs and initiatives.
- Development of a Strategic Vision that goes hand in hand with the current strategic plan and that serves as a strategic guide to future planning beyond the current plan.

The President's full Report is attached at:

<https://drive.google.com/a/cmi.edu/file/d/0B79TOa6CPNfySnIHejd3ZXk4dzQ/view?usp=sharing>

Ensuing Discussion:

Regent Gerald Zackios commented as follows:

- He supported the initiative to create the Marshallese Institute to preserve and transmit Marshallese culture, but noted that the related educational programming needed to be founded in facts.
- He questioned whether a budget has been developed to fund the strategic plan initiatives. CFO Kotton assured that the budget planning process included consideration for the activities required to support attainment of strategic plan goals.
- He suggested that, in view of decreasing per student government subsidies, consideration be given to requiring that students share in the cost of their education. This suggestion was supported by Regent Konou. CFO Kotton explained that students do pay a portion of their Pell Grant as Fees and that a study had been done by him under the Hacker administration as to the feasibility and effects of shifting the cost to student. Chair Chutaro intervened and asked that the study referenced by CFO Kotton be updated and that a formal report be made to the Board as to the feasibility of shifting the cost to students.
- The President notes that the planned international online courses will be a revenue generator and that college employee consultancies would also generate revenue to help offset the decreasing per student subsidy from the government. The Micronesian Virtual University described in the Strategic Vision would create economies for CMI and the colleges in the region.

Regent Joe Bigler said that the initiative with respect to partnerships was encouraging and recommended further such initiatives, particularly in the NGO and private sector.

Chair Chutaro reverted to KRA 3, in the Strategic Plan and asked the CFO for clarification on "Activity 8.3: Establish guidelines and procedures to maintain clean audit opinions and to comply with RMI laws and Regulations and GAAP under Goal 2: Institutional Resources, Objective 8: Promote fiscal responsibility and accountability". He pointed out that the activity suggests that the college does not have guidelines under current accounting and budget policies already approved by the Board. CFO Kotton pointed out that what is intended is a review and updating of current budget and accounting policies.

Chair Chutaro also questioned "Activity 1.2: Meet with members of Cabinet to brief them on CMI activities (twice a year)" and under "Goal 3: Stakeholder Relations, Objective 1: Maintain Good Governmental relations". His concern was how does this meeting with members of the Cabinet twice per year dovetail with the current requirement to make a report to the government annually in January and annual meetings with the appropriations/budget committees of the government. CFO Kotton and VP Hess responded that these meetings

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would be in addition to the above meetings. Chair Chutaro questioned how the Board would be integrated into these meetings. He suggested and it was agreed that these additional meetings should be in the context of the twice annual board retreats.

In connection with "Activity 1.11: Apply for more Renewable Energy grants. Goal 4: Sustainability Objective 1: Sustain the College", Chair Chutaro also suggested that there needs to be data in the context of a report to rationalize and prioritize the type and amount of renewable energy sources needed by the college over and above current renewable energy resources.

Chair Chutaro also requested elaboration of "Activity 2.10: Explore development of a business incubation center/program under Goal 4: Sustainability, Objective 2: Serve the Nation".

Regent Zackios at this point requested clarification of the process for Board approval of the Strategic Plan. He pointed out that he was unable to download the version of the Strategic Plan sent out the day prior to the meeting and was working from an earlier version of the Plan sent out two weeks earlier by the Director of Institutional Integrity and Effectiveness as a part of the package of documents for the meeting. Given the confusion as to which version of the plan should be approved Regent Zackios suggested deferring approval until such time as all the Regents were able to review the most recent version of the plan and then to approve the Plan electronically by email to the Chair.

Standing Committee Reports

Strategic and Planning Committee

No report given at this Special Meeting of the Board.

Finance Committee

CFO Kotton reported that the Committee briefly discuss the budget and the audit.

1. Budget.

The Committee was given the 2015/16 budget portfolio. The CFO reported that he and the President met with the government appropriations budget committee and learned that the government subsidy will be less than anticipated. The committee will review the implications of this news but it can be anticipated that there will be a big impact on 2016 plans and the WASC 7% contingency account cash requirements. CFO Kotton and the President had side bar with Appropriations Committee chair to make clear implications of the reduction in funding for the College.

2. Audit.

The CFO reported that there were four findings and no material weaknesses. Financial progress was noted in the audit. The major issues were the findings regarding withholding taxes outstanding and fixed assets.

3. Ensuing Discussion

Regent Zackios: DOI and Minister should be asked to intervene on behalf of the College to assure receipt of all US funds earmarked for the College. He also asked about the "sin tax" that is by law to be used to help fund the college.

Regent Chen: The College needs to develop a plan to operate within proposed budget.

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Chair Chutaro: Proposed one on one meetings with government leadership to address government support at the November Board retreat.

Regent Zackios: Proposed a resolution to write off fixed assets.

Academic and Student Life Committee

No report given at this Special Meeting of the Board.

Old Business

1. Financial Report

Given the comprehensive Finance Committee report given by the CFO, this item was considered accomplished.

New Business

1. Disclosure Form

Chair Chutaro noted that the Regents meeting binder contains the annual disclosure form and requested that Regents read and sign off for the upcoming Academic Year. The link to the form on Google Drive is: <https://drive.google.com/a/cmi.edu/file/d/0B79TOa6CPNfyTzFmeHdMNGc4NzA/view?usp=sharing>

2. Strategic Plan 2016 -2018 review

VP, Administration (VPA), Reiher, noted that a link to the current iteration of the Strategic Plan had been sent to the Regents. In the current iteration the Board will note that Key Performance Indicators (KPIs) and a plan performance monitoring system had been added and that the Institutional Planning Committee (IPC) is currently considering risk mitigation strategies. Finally, VPA Reiher noted that a costing of the plan was being developed. Implementation of the Plan will take place in January, 2016.

Ensuing Discussion:

Regent Zackios sought clarification on the risk mitigation strategies and recommended for Board consideration, the establishment of a Risk Assessment/Audit committee.

Chair Chutaro and the Board members present supported this recommendation and asked that Terms of Reference for such a committee and a Resolution to establish a new Risk Assessment/Audit committee of the Board be developed by the President.

3. Budget FY2016-2017

Chair Chutaro suggested that this agenda item had already been covered in CFO Kotton's Finance Committee report. The Board concurred and the Chair moved to the next agenda item.

4. Board Action Plan

Chair Chutaro presented his draft of a Board Action Plan with suggested Board activities and a completion time line. He noted that some of the actions had already been accomplished but that the Board needs to plan for what needs to be done in upcoming years. After a brief review, Chair Chutaro recommended that an updated Action Plan be worked out by the time of the retreat planned for November. At the retreat the

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Action Plan can be aligned with the new Strategic Plan. Chair Chutaro also asked that the Accreditation Liaison Officer be present for necessary accreditation related Board activities at the November retreat.

The current iteration of the Action Plan may be viewed at:

<https://drive.google.com/a/cmi.edu/file/d/0B79TOa6CPNfyaFo5NERtcGQ1U2M/view?usp=sharing>

5. Board Planning Retreats

Chair Chutaro referenced a draft policy sent out by the Director of Institutional Integrity and Effectiveness that provided for two retreats per year, one in the October November time period and a second in the February March time period. Chair Chutaro rationalized the timing as logical in preparation for the annual report in January and other mandated Board activities. An in-depth review of the policy could be included in the November retreat agenda.

Planning Retreats Purpose and Scope Policy Draft may be viewed at:

https://docs.google.com/a/cmi.edu/document/d/1aolJKjQdaQXDoWuhNRBtDzzc6_JYXU_1RMVh8EeJ7ik/edit?usp=sharing

6. Mission and Vision Statements

Chair Chutaro deferred to the IPC to introduce the revised Mission and Vision Statements from the spring 2015 BoR Retreat at Arrak. VP Academic & Student Affairs (VPASA) Hess, on behalf of the IPC, said that the issue is a WASC finding that the college needs a mission and vision review policy and requested that this be put on the agenda of the next meeting of the Board. Chair Chutaro asked that VPASA Hess have a draft procedure for Board review of the college mission and vision in order to be in compliance with the WASC standard. VPASA Hess agreed to provide a draft for consideration by the Board at the November 2015 retreat.

7. Board By Law Amendments

Chair Chutaro noted that the By Laws are in need of updating and the amendment to be in compliance with WASC standards as well as matters of form such as to replace references to "Trustee" to "Regent". While Regents were provided with the amended By Laws in the Google Drive package of documents sent out prior to the meeting several Regents want to have hard copies available at the meeting. Chair Chutaro requested that the Executive Assistant (Marilyn Harry) make hard copies for the Regents and deferred consideration of the revised By Laws to the next meeting of the Board. The 2015 draft of the amended By Laws are available at:

<https://drive.google.com/a/cmi.edu/file/d/0B79TOa6CPNfyZGNHcV9XeTg0Y2c/view?usp=sharing>

8. Cabinet Paper from 2003 regarding additional subsidy equal to withholding

At the request of the Chair CFO Kotton gave background information which involved formal and verbal agreements regarding unpaid withholding taxes and import taxes paid by the college when there was an exemption for the college from such taxes. After some discussion it was agreed that the Board Chair, the President and the CFO need to meet with the Minister of Education and the Minister of Finance to come to a formal agreement as to how to resolve the issue so that it is no longer an audit issue.

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9. Pell Program Participation Agreement

No discussion took place on this Agenda item.

10. Regular meeting dates for the statutory four meetings of the Board

Chair Chutaro briefed the Regents on the recommendation made by Regent Zackios in the previous Board meeting that the four meetings required in the By Laws be set in advance so that all Regents can plan for meetings and that these same meetings be in time periods that facilitate timely Board actions in compliance with its statutory obligations. Chair Chutaro mentioned for example that the Board must meet in May to certify graduates. However, it was the opinion of the Regents that more time is needed to consider what time periods coincide with the Board's statutory obligations.

11. Regents Reference Manual

Chair Chutaro introduced the Regents to the Manual and the plan that the Manual should be a handy information resource to the Regents providing current and historical information on Board policy and actions. It is intended to facilitate the work of the Board and enable new Regents to get quickly up to speed on all the issues before the Board.

12. New College logo

Chair Chutaro recommended that consideration of a new logo be deferred for further input to the IPC from the college community and stakeholders. At such time that the IPC brings a recommendation to the Board that has the support within the college community, the issue of the logo will be reconsidered.

Resolution Agenda

The resolution agenda consisted of the following:

- Establishment of Regular Meeting Dates
- Resolution to approve and adopt the Strategic Plan 2016-2018
- Resolution to approve the CMI logo

No action was taken on any of these draft resolutions.

Other Business

- **Resolution to approve arrangement of college debit cards for the President and VP Level employees.**

This proposed resolution was introduced by CFO Kotton citing a policy approved by the Board two years ago. Chair Chutaro asked to see the approved policy expressing concern that there should be extreme caution and due diligence given that the resolution was ultimately a matter of money. Chair Chutaro recommended that the resolution could be approved by proxy after the policy had been reviewed by Regents.

- **Resolution to Open an Investment Bank Account at the Bank of the Marshall Islands for the College Maintenance Fund.**

- **Resolution to Approve Establishment of Cash Options for Staff who wish to Opt Out of the College**

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Paid Supplemental Insurance Plan.

VPA Reiher and CFO Kotton proposed the resolution that would give employees the following options:

- a. Take the cash value of the Supplemental Insurance benefit and have it placed by the College into a savings account which could be withdrawn by the employee after five years.
- b. Participate in a 401(k) type retirement plan in which the cash value of the Supplemental Insurance benefit would be matched by the employee and the combined total placed in a college sponsored retirement plan, or
- c. Continue with the Supplemental Insurance Plan.

There was considerable discussion of this proposal. The following points were made:

This is an emotional issue of equity for many staff employees.

The College has a social responsibility to provide adequate health care to its long serving employees.

Government employees do not have this benefit unless they personally pay for it.

The Board should encourage performance based rewards and discourage the feeling of entitlement regardless of performance.

The Board decided that the issue will need further deliberation before any action can be taken.

Executive Session

The Board meeting at this point was closed for executive session to discuss in camera the following:

- Formal Review and Approval of the President's first year Plan of Work and KPIs
- Six Month Evaluation of the President
- Strategic Directives of the Board to the President

Adjournment

Motion:

Support:

Ayes:

Nays:

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Minutes Certification:

Proposed minutes respectfully submitted,

Robert W. Willson
Recording Secretary

Date

Approved by the Board of Directors on <Date of Meeting>.

Ben Chutaro
Board of Regents' Chair

Date