



College of the Marshall Islands

Board of Regents Regular Meeting **Board Conference Room** **Tuesday, September 25th, 2018** Approved Minutes

The Board of Regents of the College of the Marshall Islands convened at 9:16 a.m. on Tuesday, September 25, 2018 in the CMI Board Conference Room.

Present: Chairman Benjamin Chutaro, Regent Patrick Chen, Regent Jabwil Ned, Regent Sultan Korean, Regent Jelton Anjain, Regent Kathryn Relang, Regent Julia Alfred, Regent Dr. Alex Pinano, Student Regent Thurston Loeak, and President Dr. Theresa Koroivulaono.

Apologies: Vice Chair Joseph Bigler, Regent Marie Maddison.

Staff in Attendance: Stevenson Kotton, Vice President of Business and Administrative Affairs (VPBAA); Dr. Elizabeth Switaj, Vice President of Academic and Student Affairs (VPASA); Rachel Salomon, Dean of Student Services; and Sali Andrike, Special Assistant to the President.

Opening Prayer/Call to Order
Chairman Chutaro called the meeting to order at 9:16 a.m., and VPBAA Kotton opened with a prayer.

Remarks by the Chairman

The Chairman warmly greeted and thanked everyone for being present in this meeting, and welcomed new members to the BOR.

Approval of the Agenda and Minutes

The Chairman moved to approve the CMI Board of Regents Agenda. Regent Korean seconded the motion, which passed with a unanimous vote.

Regent Korean moved to approve the special meeting minutes of July 24, 2018. Regent Anjain seconded the motion to accept the July 24, 2018 minutes, which passed with a unanimous vote.

President's Report

President, Dr. Theresa Koroivulaono, presented the President's Report to the Board of Regents. This Report provided updates in the following two sections:

1. Matters for noting:
 - The Upward Bound Program ended its first year this summer with a banquet and a trip to Jaluit for several selected students.
 - Summer semester enrollments were a record high of 478 students, first in CMI's records. This rise in enrollment indicates we have access to more funding.
 - In collaboration with the Customary Law and Language Commission (CLLC), led by Chairman Alfred Capelle, put up a proposal for a bilingual education. The RMI has a law and policies with the Public School System (PSS), and the implementation of these law and policies has yet to be realized. Nikolas Wilson, a CMI Faculty, was asked to lead in the preparation and establishment of a body of communication unit. Funding for this

project has been approved on August 14, 2018

- A long-time initiative, Arrak Campus Library, was recently opened on July 26, 2018. One of its features is that students, not just in CMI, but also in Laura can now have access and usage of this library facility, making students save more time for studying by decreasing travel time.
 - Cheryl Vila, Institutional and Research Director, and President Koroivulaono, have been nominated as team members for the ACCJC accreditation for Hawaiian colleges, 7 of them. President Dr. Koroivulaono is on the Kauai Community College team, and Director Vila is on the Honolulu Community College team. Accreditation team training was conducted on September 5, 2018 in Los Angeles, USA. Both Cheryl and President Koroivulaono will leave again on 12th of October for on-site visit for the colleges.
 - CMI's exploring partnership with the Okeanos Foundation, in terms of UNDP funding. This is to use Okeanos to promote sustainable sea transports, this is to be integrated especially into CMI's Marshallese studies.
 - President Dr. Koroivulaono met with Dr. Mary Hattori, from Chaminade University and discussed a bachelor of Science in Nursing and Health Professional Programs.
 - Part of Asian Development Bank, a funding for a project for improving the quality of basic education, partnering with PSS and USP, has received funding for Learning Designer. This was advertised twice with success in identifying a suitable applicant for this position. CMI's plan is to have IT Director design a learning capacity for this position.
2. Matters for information:
- CMI received a Preliminary Audit Determination Letter from the US Department of Education Federal Student Aid Program Compliance unit, and VPBAA Kotton will elaborate more on this during the committee reports.
 - CMI successfully completed the accreditation on-site visit by Dr. Stephanie Droker and Dr. Kevin Bontenbal from September 18 to 21, and they were very pleased of the services delivered for the first BAEE cohort, and now the second cohort. They also visited the Jaluit Distance Learning Center and Arrak campuses.
 - The Job Evaluation Report and recommendation for non-faculty staff were submitted to VPBAA Kotton and recommendations also made by HR Director. These have financial implications and will be closely looked into development of a plan to sustain long term costs.
 - Navigating Student Success in the Pacific (NSSP), another grant program, has concluded its summer program. New VPASA Dr. Elizabeth Switaj has been closely working with the Project Manager to improve some of the areas that are mounting
 - Regarding Distance Learning Centers: Jaluit Center's Library plan is underway; Wotje Center's plan is completed, awaiting the building process; Ebeye Center's Library, to be shared with the Queen of Peace School, is in the planning process. CMI is looking into expanding the Ebeye Center site as the enrollment of students is increasing.
 - VPBAA Kotton and President Dr. Koroivulaono attended the JEMFAC meeting in Honolulu and to give CMI's report which was well received. There were 8 from the college who worked as consultants for PSS on the accreditation, as reported to the Strategic Committee. Thirty percent of their total compensation of \$47,800.00 went to CMI and the seventy percent went to the consultants.

- VPBAA Kotton and President Dr. Koroivulaono presented the CMI FY 2019 budget to the Nitijela Appropriation Committee on August 30, 2018.
- A new Sea Grant Extension Agent that has been appointed by the University of Hawaii at Mānoa Sea Grant (SG) program. Drs. Darren Lerner and Darren Okimoto will be here on Majuro in November to interview the new Sea Grant Agent.
- A mentorship contract is in place to assist VPASA Dr. Elizabeth Switaj on her new role. VPBAA Kotton is also a mentor to assist in VPASA's training.
- In late October, President Dr. Koroivulaono met with Palau Community College (PCC) President Dr. Patrick Tellei to confirm the assistance that will be given to CMI's team of three, including Dr. Elizabeth Switaj, to visit and study their model of eliminating developmental education program. CMI is currently looking as remodeling the developmental education program to help students from early Pell Grant exhaustion. And also looking into some of PCC's vocational programs such as carpentry and renewable energy.

Standing Committee Reports:

Strategic Planning Committee:

President Dr. Koroivulaono presented the report for Strategic Planning Committee on behalf the regents: Regent Pinano, Regent Alfred, and Regent Relang. Her report included the following:

Initiatives that were put into place under the Strategic Plan, in particular the Consultancy Policy and Consultancy Arrangements, an example is the Public School System (PSS) consultancy that CMI provided. In terms of being able to be creative and innovative in the college, in bringing extra dollars to

subsidize some of CMI's activities and as a monetary award to the performers in under the Consultancy Policy.

Most of the Strategic Planning for the college has been completed and awaiting implementation from January 1st, 2018: the METO (Educational) Master Plan (approved by the May 2018 BOR meeting, as well as operational plans set under the METO). The METO master plan is a 10-year plan and the operational plans are a 4-year plans. The only plan remaining is the actual Strategic Plan, which is under development, by recent hired consultant Mr. William Reiher.

Finance/Risk Assessment/Audit Committee:

VPBAA Kotton presented the report on behalf of the regents of this committee: Chairman Chutaro, Regent Chen, and Regent Korean. His report included the following:

The resolutions that this committee presented to the BOR:

1. 2018-2019 Budget of \$11.8 million. This has increased due to two additional programs which CMI will be managing and implementing (Youth Core Program and Bilingual Educational Program).
2. Performance Management System (PMS) Appeal Policy. This came out of the first cycle of evaluation in the PMS.
3. Revised Probation Period and Status Policy. This is also in align with the PMS Appeal Policy to close out loop holes and gaps in the PMS.

The Revenue and Expenditure Statement as of August 31, 2018. The college remains in good financial status, with no deficit issue as of last month. Fiscal 2017-2018 is now in

the closing process, and in preparation for the fiscal year 2018 audit.

Fiscal year 2016-2017 audit report. The college did not meet the September 30 deadline, it was delayed, due to pending issues to be resolved from this audit reported in the pre-audit report. There were 9 findings in the pre-audit report, which 2 of the findings pertain to Title IV that contains Federal Pell Grant. 7 of these findings were able to be resolved, 2 are still pending, which relates to the Title IV Federal Pell Grant. All findings were all compliance, there was no material weakness nor question cost in these findings. However, the audit for fiscal year 2016-2017 both financial and compliance are unqualified, which means CMI met all the auditing standards. Overall, the financial indicators depict that the financial status of the college continues to improve compared to 3-5 years ago.

CMI's maintenance, contingency and endowment funds are performing well. Maintenance fund stands at \$1.1 million, contingency fund stands at \$700 thousand, and endowment fund stands at \$1.5 million. Overall, these portfolios are performing positively.

Preliminary Audit Determination Letter. This letter is from the U.S. Department of Education. This is in regards to the on-going repeated findings on our FY 2016-2017 audit findings. There are three implications in result to the final report submitted by CMI: 1. CMI would go into reimbursable basis. 2. U.S. Dept. of Ed may withhold any financial aid to CMI (means no CMI student will be eligible for financial aid). 3. A warning from WASC.

Academic and Student Affairs Committee:

VPASA Dr. Switaj presented for this committee on behalf of regents of this committee: Regent Anjain, Regent Ned, and Regent Loeak. Her report included the following:

The Admission Policies and Procedures. This calls for an establishment of an Admissions Board and Management committee. The reason for this is that admissions decisions and how to apply procedures are made by a single administrator. Also, with this proposed committee, there will be a more robust decision making, and what decisions have been made and improve communications.

The other two items discussed are elsewhere on the agenda, to be further discussed: 1. The Audit Letter, and 2. Accreditation visit – feedback from this visit was very positive.

Action Items to Approve:

1. Organizational Chart.

Regent Chen moved to approve this chart. Regent Anjain seconded the motion, which passed with a unanimous vote.

2. Admissions Policy.

Regent Korean moved to approve this policy. Chairman Chutaro seconded the motion, which passed with a unanimous vote.

3. The PMS Evaluation Report.

Chairman Chutaro moved to approve this report. Regent Chen seconded the motion, which passed with a unanimous vote.

3. The PMS Evaluation Report.
Regent Korean moved to approve this report. Regent Chen seconded the motion, which passed with a unanimous vote.

4. The resolutions discussed by the Finance, Risk Assessment, and Audit Committee:
1. PMS Appeals Policy.
 2. 2018-2019 Budget.
 3. Revised Probation Period and Status Policy.

Chairman Chutaro requested a motion to approve the above resolutions. Regent Chen moved and Regent Relang seconded the motion, which passed with a unanimous vote.

Information for the Board of Regents:

The summary update on the ACCJC BAEE team visit and FY 2019 Budget have already been discussed earlier during the President's report and the Committee reports.

Chairman Chutaro stressed that the most pressing and serious information to be discussed is the Preliminary Audit Determination Letter from the U.S. Department of Education and U.S. Federal Aid Program. This is the second letter CMI has received from the U.S. Department of Education and Financial Aid. CMI has 30 days to respond. The BOR is deeply concerned about the way Pell Grant is going to be affected as implications stated in the letter. Chairman also emphasized that \$7 million or more is at stake and this has to be addressed and resolved.

VPBAA Kotton discussed further the status of this situation. In the Preliminary Audit Determination Letter, is a pre-audit report

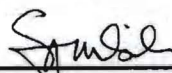
indicates the areas in which the college has to provide information and areas to improve on. The issue at hand now is that when officially enrolled CMI students withdraw from their classes, CMI has up to 45 days to return the money awarded to the students. However, the random pool of students that were tested found that their Pell Award was not returned within the 45 days which resulted in the non-compliance. VPBAA Kotton assured the BOR that there are no fraudulent activities with the unreturned Pell money, and that he and his team rigorously continue to resolve this issue.

President Dr. Koroivulaono stressed that she will make sure the update report for this preliminary audit letter will be sent within the next two weeks, and most definitely before the 30-day limit. Also, this report will be circulated to all BOR members.

Regent Korean added a point of suggestion in resolving this on-going repeated finding that the institution put in place a compliance officer who oversees the checks and balances and ensures that the college is complying with regulations and procedures.

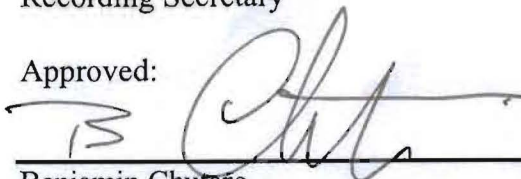
The Board of Regents' meeting adjourned at 11:30 a.m.

Respectfully submitted:



Sali Andrike
Recording Secretary

Approved:



Benjamin Chutaro
Chairman