

College of Micronesia-FSM

Office of the Vice President for Innovation and Sustainability

Administrative Services Department

Report to the Board of Regents

Reporting Period: December 2025 to March 2026

Advancing Access, Innovation, and Resilience Across Administrative Services

The Administrative Services Department continues to play a central role in advancing the College's Strategic Plan 2025–2030 by strengthening the systems that support student access, institutional modernization, and long-term sustainability. Through coordinated oversight of Procurement and Property Management, Maintenance and Facilities, and the Business Office—including Dining Services and the Bookstore—the Department ensures that core operations remain efficient, responsive, and aligned with institutional priorities.

Key Insight:

The College is strengthening student access through direct financial support, expanded campus infrastructure, and improved student services across all campuses.

Across the reporting period, the College has maintained uninterrupted delivery of instruction and student services, while making measurable progress in modernizing systems and strengthening operational resilience.

ACCESS – Supporting Students and Enhancing Campus Experience

The College continues to prioritize access by ensuring that students are supported both financially and through improved campus services and infrastructure.

As of February 28, 2026, more than \$2.3 million in Pell Grant awards have been processed, with approximately \$946,730 disbursed directly to students as refunds. These efforts play a critical role in supporting affordability, retention, and student success across all campuses.



National Campus Student Center (Completed 2026)

In addition to financial support, the College has made significant investments in student-centered infrastructure. The completion of the National Campus Student Center and FSM-FMI dormitory and classroom facilities represents a major milestone in enhancing student life, expanding residential capacity,

and improving access to academic and support services.

Dining Services continues to support student well-being, particularly for residential students, by improving operational efficiency and expanding service offerings. The installation of an industrial chiller enables improved storage of locally produced goods, supporting both cost efficiency and local food systems. Additional operational strategies include staff training, improved stock monitoring, menu enhancement using local produce, and expansion of services through catering.

INNOVATION – Modernizing Systems and Improving Operational Efficiency

The Department is advancing innovation through the modernization of systems and the adoption of more efficient, data-driven operational practices.

Procurement activities are supporting institutional modernization, including the issuance of a Request for Proposals for a digital timekeeping system utilizing biometric (iris recognition) technology. Additional operational improvements—such as establishing vendor arrangements for fuel procurement—have enhanced efficiency and responsiveness across campuses.

The Bookstore is undergoing a significant transformation, including the launch of an online sales and payment platform and a transition toward digital learning resources. Efforts are also underway to develop a unified institutional bookstore model, both in product offerings and presentation.

Within Facilities, the implementation of a system-wide Generator Preventive Maintenance Program covering 11 generators

across all campuses marks a major step toward proactive infrastructure management. This includes scheduled inspections, servicing, and performance monitoring. Additionally, the introduction of monthly water usage monitoring reflects a shift toward data-informed decision-making and improved resource management.



New Generator Supporting Classrooms and Teaching Clinic Operations.

RESILIENCE – Strengthening Financial and Operational Stability

The College continues to demonstrate strong financial stewardship and operational resilience, providing a solid foundation for long-term sustainability.

As of the reporting period, the College’s total operating budget stands at \$12.618 million, inclusive of an additional \$1.0 million in Compact funding. Expenditures remain at approximately 40 percent, indicating that spending is aligned with budget expectations.

The Endowment Fund has grown to approximately \$15.368 million, reflecting strong investment performance and disciplined financial management. The Cash Reserves Fund remains stable at approximately \$3.092 million, providing sufficient liquidity to sustain operations for three to four months if needed.

Total institutional investments now exceed \$18.46 million, representing a balanced approach to liquidity and long-term financial growth.

Table. Financial Snapshot (as of Feb 28, 2026)

Metric	Value
Total Operating Budget	\$12.618 million
Expenditures	\$5.063 million (40%)
Remaining Balance	\$7.556 million (60%)
Endowment Fund	\$15.368 million
Cash Reserves	\$3.092 million
Total Investments	\$18.46 million
Pell Awards Processed	\$2.326 million

Figures summarized from Financial Report to the Board of Regents (Feb 2026)

The College has successfully completed the FY2024 audit and is preparing for the FY2025 audit, reinforcing its commitment to transparency and accountability.

Operational resilience is further supported through implementation of preventative maintenance systems, strengthened procurement controls, and continued financial monitoring.

PROCUREMENT & PROPERTY MANAGEMENT

The Procurement and Property Management Office (PPMO) continues to support institutional operations through procurement services and asset management while reinforcing compliance with applicable policies and procedures.

During the reporting period, procurement activities included major initiatives such as the RFP for digital timekeeping systems and acquisition of equipment and vehicles to support program operations. Procurement activity remains consistent across all campuses, reflecting ongoing operational demand.

National Campus Vehicle Condition Summary

Condition	Number of Vehicles
Very Good	2
Good	11
Fair	9
Poor	4

Vehicle condition reflects current operational status and maintenance needs. Condition categories reflect operational readiness from reliable (Very Good) to requiring replacement (Poor).

The current fleet profile indicates a need for phased replacement and strengthened maintenance planning to ensure operational reliability.



Facilities Improvements – Renovated Building “J” (Former Nursing Center)

Efforts have been made to improve vendor access and efficiency. Notably, arrangements were established with a nearby fuel provider to allow procurement through purchase orders, improving logistical efficiency. The College also resolved outstanding vendor balances, enabling the resumption of procurement services with key suppliers.

However, procurement operations continue to face challenges related to vendor reliability, particularly with off-island sourcing. In one instance, a completed purchase for residence hall furniture had to be re-sourced due to vendor inability to deliver after payment, highlighting ongoing supply chain risks. In response, locally fabricated PVC lockers were developed as a practical and reliable alternative to off-island procurement. This approach demonstrates the College's commitment to developing local solutions that enhance supply chain resilience and reduce dependency on external vendors.



Locally Fabricated PVC Student Lockers for Residence Halls, developed as a practical alternative to off-island procurement.

PPMO has also supported cross-unit coordination, including addressing unusually

high electricity costs at the Kosrae Campus, which are currently under review in collaboration with Maintenance and campus leadership.

From a property management perspective, infrastructure and safety improvement needs have been identified, including the lack of pedestrian walkways and designated bus drop-off areas, which will inform future campus planning.

FACILITIES & MAINTENANCE

The Maintenance and Facilities Division continues to address infrastructure needs across campuses, focusing on safety, functionality, and long-term sustainability.

Key Insight:

Infrastructure investments and preventative maintenance programs are improving campus reliability, though capacity and aging systems remain key challenges.

Key accomplishments include the implementation of a system-wide generator maintenance program, renovations of existing facilities such as Building “J,” roof maintenance of academic buildings, and upgrades supporting classrooms and the Teaching Clinic.

Major capital projects have been completed, including the National Campus Student Center and FSM-FMI dormitory and classroom facilities, significantly enhancing institutional capacity and student services.

Ongoing maintenance efforts include water leak repairs, electrical upgrades, generator rehabilitation, and installation of

infrastructure to support new equipment such as the Dining Hall chiller.

However, challenges remain. Several generators serving critical areas such as residence halls and dining services are still non-functional. Staffing gaps, particularly the need for qualified electricians, continue to limit operational capacity.

Capital project implementation remains a major concern, with delays related to contractor capacity, procurement processes, and bonding requirements. Strengthening institutional capacity to manage and implement infrastructure projects is essential moving forward.

BUSINESS OFFICE & AUXILIARY SERVICES

The Business Office continues to provide financial leadership and oversight, ensuring fiscal accountability and operational continuity.

Key accomplishments include maintaining budget discipline, monitoring financial performance, and supporting audit compliance. The Office has also facilitated implementation of Board-approved salary adjustments, with approximately 87.5 percent of employees receiving the full adjustment.

Key Insight:

Strong financial reserves, disciplined budget management, and growing investments position the College for sustained operational stability and long-term resilience.

To address staffing shortages, the Office has engaged students under special contracts,

supporting both operational needs and workforce development.

Staff training remains a priority, with personnel participating in regional and international financial management and compliance programs.

Auxiliary services continue to adapt to changing operational conditions. Dining Services is implementing cost-control measures, improving efficiency, and expanding revenue through catering services. The Bookstore continues its transition toward digital operations and modernization. The prepaid account promotion has been particularly effective in encouraging student participation while improving transaction efficiency.



Students receiving raffle prizes through the Bookstore prepaid account promotion, an initiative designed to improve purchasing convenience and student engagement.

CHALLENGES AND RISKS

- Vendor reliability and off-island procurement risks
- Aging infrastructure and generator downtime
- Delays in capital project implementation
- Rising utility and operational costs
- Staffing gaps in technical and financial roles

LOOKING AHEAD

- Strengthening procurement systems and vendor accountability
- Expanding preventative maintenance and infrastructure planning
- Enhancing financial monitoring and reserve management
- Improving auxiliary service sustainability
- Building institutional capacity for project implementation

A FOUNDATION FOR SUSTAINABLE GROWTH

Through continued focus on Access, Innovation, and Resilience, the Administrative Services Department is helping to ensure that the College of Micronesia-FSM remains well-positioned to serve its students, strengthen its operations, and sustain its mission into the future.