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Asian Development Bank

ABBREVIATIONS

ADB	Asian Development Bank
BSSP	Basic Social Services Program
CDOE	Chuuk State Department of Education
CFFC	Compact Funds Control Commission
COMET	College of Micronesia Entrance Test
CSDF	Chuuk State Department of Finance
CSSS	Chuuk State School System
CSUC	Chuuk State Utilities Corporation
DOE	Department of Education
EMIS	Education Management Information System
EMU	Evaluation and Monitoring Unit
FEMIS	FSM Education Management Information System
FMS	Federated States of Micronesia
IEP	Individual Education Plan
JEMCO	Joint Economic Management Committee
NDOE	National Department of Education
NSTT	National Standard Teachers' Test
OIA	Office of Insular Affairs
PEDMS	Pacific Education Data Management Information System
PIC	Pacific Island Country
SBM	School-Based Management
SBM	School-Based Management
SBOC	Office of Statistics, Budget and Economic Management, Overseas Development Assistance and Compact Management
SEDS	State Education Data System (SEDS)
TOR	Terms of Reference
TTCP	Teacher Training and Certification Program

CURRENCY EQUIVALENTS

The currency unit of the Federated States of Micronesia is US dollar.

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REVIEW OF EDUCATION SYSTEM MANAGEMENT AND ADMINISTRATION IN THE STATE OF CHUUK

EXECUTIVE SUMMARY

1. The **First Section** of the Report provides an introduction, review of the context of the study, details of specific guidance provided by the President and Governor and a description of the methodology. The report is intended to provide a concise overview of key issues in the education sector, while avoiding repetition and re-presentation of information that has already been presented in a series of strategic plans, audits and ad hoc reviews. It also deliberately avoids duplication of effort with new activities that are planned in early 2010 (Multi-Agency Task Force and Performance Audit). The report focuses on what appears to be the core underlying problems in effective delivery of education services in Chuuk.
2. **Section Two** provides a brief overview of the Chuuk education system and identifies constraints to effective management which include the wide dispersion of small schools, transportation and communication difficulties, poor physical facilities, poorly qualified teaching staff, and the complexities of the Compact funding systems.
3. This Section also provides some general observations that guide the study. Key observations include the following:
 - Lessons of Best Practice - The current conditions in Chuuk are not consistent with international experience and examples of “best practice.”
 - Failure of Long Term Plans in the Absence of Fundamental Change - Traditional long-term education strategic plans have not worked in Chuuk. The 2007 Strategic Plan was essentially an effort to operationalize the earlier 2001 and 2005 plans. This raises concerns about how effective a fourth attempt is likely to be, in the absence of fundamental changes in the underlying system.
 - Realistic Time Frame for Transformation - The impact of reform on learning outcomes and improving the system is likely to take a decade or longer. Expectations that the Chuuk system can be brought into conformity with national standards in the short-term are probably unrealistic.
 - Contradictory Financial “Imperatives” - Chuuk faces “contradictory” financial directives. In the short-term, there is a need to improve execution and spend more of available Compact funds. In the long-term, there is a need to improve efficiency and to spend less. There is a “closing window of opportunity” during the remaining 13 years of Compact II and it will probably be necessary to increase expenditure in the short- to medium-term to finance the investments required to develop an efficient, affordable and financially sustainable system.
4. **Section Three** identifies and analyzes some general problems and Issues in the system.
 - Low Quality – The most pressing problem in the system is the poor quality of learner outcomes. This is the result of a range of issues, discussed below.

- Teacher and Staff Absenteeism (“open secret”) – Discussions with teachers, principals, central staff and community members indicated that there is a chronic problem of unreported teacher absenteeism and unscheduled school closings and cancellation of classes. This is confirmed by review of a sample of school visit reports and the 2007-08 CSSF audits of school in all five regions. Yet, formal reports from schools (consolidated in the annual indicator report) do not reflect what is happening on the ground. There appear to be two principal dimensions to this problem. A large number of teachers do not report to work and students leave school with no instruction and their absence (students and teachers) is not reported. When understaffed (either because there is not an established and filled post for each grade or because staff are away on training or other official business), uncovered classes are cancelled. Again, this is not reported. There was also evidence of high levels of absenteeism among central staff.
- Political Interference in Personnel Issues (“open secret”) - While difficult to “document,” during the ADB mission there was frequent reference to cases of “political interference” in staff appointments and in “protecting” non-performing teachers and staff. Clearly, if this is true, it is directly related to the issue of unreported teacher absence and cancelled classes.
- Excessive Growth in the Budget - Analysis of budget data for the three-year period 2007 – 2009 shows a trend of unsustainable increases, even when adjusted for inflation. The total budget increased by 27.4 percent during this period, although public enrollment decreased by 10.8 percent. This implies an increase in average unit costs of almost 43 percent over two years. The budget allocation for educational administration increased by 65 percent during this period.
- Imbalanced Staffing - Average student/teacher ratios are extremely low and there are enormous differences between schools. For example, in 2009 elementary ratios varied from 6.5 to 80:1. The comparable figures for secondary were 5.7 to 30.8:1. Analysis of the enrollment in individual schools and student/teacher ratios over a nine year period indicates that variation in student/teacher ratios was not explained by differences in school size. This suggests a fundamental breakdown in staffing policies, perhaps exacerbated by political interference and the presence of a significant number of “ghost” teachers.
- “Top-Down” Planning and Lack of Community Participation - Administration is highly centralized with 162 positions listed as “Central” staff. It is widely reported that communities do not have a sense of ownership or responsibility for schools.
- Reactive Management Style – In response to external factors, the CDOE operates in a defensive/reactive mode, addressing specific compliance issues as they arise. The focus is on responding to external agencies and organizations rather than focusing on parents and students as their primary clients.
- Low Morale and Confidence – Despite wide recognition of the problems in the system, there is little evidence that there is an expectation that the system will improve.

- Weak Planning and Failure to Prioritize - The system has been unable to prepare and execute an annual work plan or budget. There are no individual work plans for staff members and critical, high priority tasks do not receive sufficient attention. There does not appear to be a robust planning process.
- Poorly Trained/Qualified Staff – Over 40 percent of teachers do not have a degree; most degreed teachers did not pass the NTSS. Almost a quarter of teachers do not have competencies that would enable them to enter a degree program. There is very little information on the qualifications of central staff; there is no record of a degree for 80 percent of the 162 central staff members.
- Poor Communication - Communication with island schools is poor, as is communication with national departments. There appears to be a breakdown of communication within the CDOE.
- Inability to Execute Budgets – Compact education funds are chronically under-spent in Chuuk with losses totaling 6.3 million dollars over the last three years. The largest share of total under-spending is on Consumables, which suggests problems in procurement and contracting. The second largest share was in Salaries and Benefits, although this line item was fully used in FY 2009, partly reflecting payment of retroactive salary increments from 2008. As of November 2009, over 1 million dollars in contracts had not been executed because funds had not been encumbered on time.

5. **Section 4** Focuses on Specific Problems which require urgent attention. These include a plan for teacher certification and providing transitional staff; completing renovation at 30 schools for which materials have been procured; addressing the backlog of FY2009 contracts; substantive appointment of an Executive Director; and enacting legislation to procure land for schools by eminent domain.

6. **Section 5** presents six recommendations for **short-term strategies** for strengthening education sector management.

- Emergency Response – The most urgent need is for the leadership of Chuuk to publically recognize the crisis in education and to mobilize political will and resources to address this problem along the lines of the reorganization of the Department of Finance and Chuuk State Utilities Corporation. There is need for an agreed “code of conduct” regarding political interference in staffing and enforcing attendance policies for teachers, principals and central staff. There should be public commitment to education reform including a firm commitment that all scheduled classes will be taught, combined with mechanisms for increased civil society feedback and input into education service delivery. This should include appointment of an Executive Director of the CDOE and enactment of legislation need to acquire land under eminent domain and to provide temporary or substitute teachers. A negotiated and agreed strategy should be developed with the National Government, JEMCO, NDOE and key stakeholders in Chuuk, along the lines of the CSDF MOU and formalized in a Memorandum of Understanding for reform of the education sector. The MOE should form the basis for negotiations related to increased flexibility in the timeframe for compliance with JEMCO mandates.

- Investigate Extent of Teacher Absenteeism and Lost Teaching Days – Through a combination of methodologies, assess the extent of the problem and develop systems to accurately monitor attendance.
- Recruit Long-Term Technical Assistance – Based on experience in the Department of Finance and Education Departments in other Pacific Island States recruit a Sector Coordinator, Procurement/Implementation Specialist and Fiscal Management/Budgeting Specialist. Also consider “out-sourcing” management of major school construction/renovation activities to the private sector.
- Initiate Process of Strengthening School-Based Management – Initial steps should focus on increasing community and civil society
- Strengthen Information Management and Policy Analysis - There is substantial capacity within the CDOE which could be strengthened with better use of support staff. Existing data and staff could be used to develop integrated files and to conduct important policy analysis, with limited technical support which is available in Chuuk.
- Develop Detailed Plans for Teacher Upgrading for Each Teacher and Each School - The CDOE has developed a generic plan for teacher upgrading. This needs to be extended to provide plans (including time frames and anticipated time in training) for each individual teacher as well as detailed plans for how classes will be covered at each school. There is need for greater coordination with the College of Micronesia in planning and implementation.

7. **Section 6** presents eight recommendations for **long-term strategies** for strengthening education sector management.

- Reform the mission and staffing of the CDOE - The central staffing (162 positions) is excessive. There is a need to move away from school-level administration (linked to strengthened capacity for school-based management) and for the CDOE to focus on policy, planning, research, evaluation and accountability. There may be a need for a Reduction in Force (RIF), reposting of staff and possibly once-off funding for a “soft landing” correction.
- Rationalize the Teaching Force – There is scope for substantial savings on teacher salaries in the medium- to long-term through consolidation of small schools; expanded use of multi-grade teaching; transition to a staged (two-year) admission cycle in small schools and the creation and enforcement of staffing norms. These reforms should be implemented slowly and the short-term focus should be on assuring that all scheduled classes are actually taught.
- “Resource Envelope” Projections – There is a pending long-term financial crisis in the system; current levels of expenditure and growth of the budget are not sustainable. There is a need to develop long term forward projections to “motivate” the start of corrective actions.
- Develop Robust Policy, Planning and Evaluation Function – There is a need to develop an effective planning unit in the CDOE and to move away from a culture of thinking in terms of planning documents to an on-going planning process.

- Consolidate Transition to School-Based Management – Given the geographic dispersion of schools and the positive examples of school-based management in other Pacific Island Countries, there is a need build upon initial efforts and to consolidate a transition to school- and community-based management. This will require greater inclusion of civil society, multiple accountability systems and possibly some devolution of management responsibility through renewable performance-based management contracts.
- Analysis of Relevance and External Efficiency – There is a need to assess to periodically assess the external efficiency of the system through tracer studies, surveys of the experience of overseas Chuukese in high concentration areas such as Guam and Hawaii and perceptions and policies of major employers, such as the US military.
- Study of Effective Schools – Lessons on effective practice (suitable to the Chuuk context) are most likely to come from within Chuuk itself. There is a need to develop an appropriate data base and to conduct analyses to identify which schools are performing well and which are performing poorly. This needs to be followed by qualitative work to determine the causes for the differences.
- Equity of the System – There is a need to review the equity of the system in terms of differences in unit costs between schools, effectiveness in poverty alleviation and access to tertiary scholarships. This can be done through a Benefit-Incidence Analysis.

8. **Section 7** provides three examples of high-impact reforms that could be implemented quickly. These include:

- Teachers for All Classes - Implementing a “zero tolerance” policy on cancelled classes, supported by an interim plan for use of temporary and/or substitute teachers, linked to community-based incentives for enforcing teacher attendance and a strengthened accountability system.
- School-based Management - Increased school-based management with school grants linked to community participation and preparation and implementation of school improvement plans.
- Reposting Central Staff - Reposting of central staff to other islands to increase capacity-building, support services and monitoring.

9. **Section 8** presents a concise summary of main findings and recommendations. The main conclusions of the Report are that:

10. Educational sector management and service delivery in Chuuk is unacceptably poor and require urgent reform. The system is over-staffed, expensive and fails to deliver to meet minimla quality standards. There is evidence of high absenteeism with many scheduled classes not being taught. Morale is low and there is little community “ownership” or support of schools. Budgets are poorly planned and executed, resulting in under-expenditure of Compact funds in

excess of 6 million dollars over the past three years. Given trends in growth of the budget, the system will not be financially sustainable without major efficiency improvements.

11. The CDOE has some excellent, competent and dedicated staff who (with the support of long-term technical assistance and support of the NDOE, JEMCO, OIA, DOE and the FMS Government) have the capacity to develop and lead the required reform agenda, provided that there is an “enabling environment” and the CDOE is empowered to implement required changes.

12. The Senior leadership of Chuuk State acknowledge the gravity of problems in the education sector and have demonstrated the State’s capacity to address problems in other sectors (Department of Finance and Chuuk Public Utilities Corporation) through an **emergency response**. There is a need for a similar response to address the failures of the education system. Key elements of that response should include highly visible and public commitments to improvements during the 2010 school year. This Report recommends that the highest priority objective should be to implement policies and procedures to assure that all schedule classes are actually held and that a teacher is present.

13. Past efforts at “externally-initiated” reform have not been successful; although, there has been some success in addressing specific “compliance” issues. The leadership of Chuuk State must engage in broad policy dialogue with all key stakeholders and through negotiation and actions rebuild confidence in the State’s commitment to lead and implement substantive reform. Fully revitalizing the education system is likely to require a decade or more and it will be necessary to negotiate increased flexibility (in terms of timing and use of Compact funds) in addressing certain compliance issues.

14. While there is a long-term need to decrease staffing and costs of the system, there may be an interim need to increase costs, as an investment in transformation and reform.

15. In summary, the urgent reform is required, however, unless it is “owned” and “driven” by the Government of Chuuk and staff of the CDOE, it is unlikely to be successful.

I. INTRODUCTION

1.1 *Background and Context of the Review*

16. **Background** - In late 2009, His Excellency Emanuel Mori, President of the Federated States of Micronesia (FMS) requested that the Asia Development Bank (ADB) provide technical assistance to review education system management and administration in the State of Chuuk and to develop recommendations for improving education management in the State. This request to ADB reflected discussions and decisions at the August 2009 FSM Leadership Meeting and further discussions between the President and Hon. Wesley Simira, the Governor of Chuuk, reflected in Governor Simira’s letter to the President of October 7, 2009 (Annex 2).

17. The ADB supported a one-person mission to the FMS during the period November 5 – 27 2009; findings of that mission are presented in this Report. While the Report is formally a response to the President’s request, it is directed to both H.E. President Mori and to the leadership of Chuuk.

18. **Context** – It is widely acknowledged that the quality of education in Chuuk is unacceptably poor and that this carries enormous costs to both Chuuk State and to the FSM. Despite over a decade of efforts to improve the system [including three major strategic plans in 2001, 2005 and 2007; a series of audits; creation of the Compact Funds Control Commission (CFFC); various ad hoc reviews, substantial investment in training and capacity-building; and, a proposal for a new organization structure for the Chuuk State Department of Education (CDOE)] there is little or no evidence of substantive progress as well as a general consensus that standards have continued to decline. Two additional initiatives are scheduled to start in early 2010. In response to a Joint Economic Management Committee (JEMCO) Resolution (2009-05), Chuuk State and key partner agencies have created a **Multi-Agency Task Force** to provide monitoring and technical assistance to the CDOE. The National Department of Education (NDOE) will also be conducting a **Performance Audit** of the Chuuk State School System (CSSS) at about the same time.¹ Therefore, the ADB Review is a relatively low level effort set in the context of extensive research and analysis that has already occurred or is planned.

1.2 *Specific Guidance Regarding the Focus of the Review*

19. The ADB consultant had the benefit of briefings by H.E. President Mori and Governor Simira. Guidance provided by these leaders, combined with input from members of the Chuuk State legislative committee on education, the Chuuk Board of Education and senior officials in the CDOE and NDOE, led to refinement and focus of the study on broad systemic issues. Specifically, the following instructions and guidance are reflected in this Report:

- Given the extensive analysis that has been conducted over the past decade, there is no need for “rehashing” and “repackaging” the various reviews, analyses and findings that have already been completed or presentation of facts that are already well-known.
- Given the “overlap” of activities in the ADB TOR with activities planned in the M-DTF and Performance Audit, the Review should avoid duplication of effort and provide recommendations and guidance that will inform these two new activities, which will be conducted over a longer time frame and with substantially more resources.
- The ADB Review should focus on facilitating high-level dialogue and in building consensus on the way forward.
- President Mori stressed that the ADB Review must be independent and that the Review should also focus on the underlying causes of systematic under-expenditure of Compact education funds in Chuuk.
- Governor Simina asked for a broad, high-level assessment, moving beyond issues of organizational structure and procedures to addressing issues of leadership, political will and culture. He also invited suggestions for “radical changes” including possible privatization of school management. The Governor also noted that there is a need to begin planning for finance and service delivery in the post-Compact era.

20. Guidance from the leadership in the National and Chuuk systems was synthesized in an Inception Report of November 18th (Annex 3) and circulated to all key stakeholders. In

¹ This is a standard performance audit which is being executed in all four State education systems and the NDOE.

consultation with ADB, it was agreed that the Review should focus on the broader issues identified by the President, Governor and other key senior officials. The Terms of Reference (TOR) for the Review (Annex 1) specify presentation of short-term and long-term strategies for improving the system. These are presented to address broad systemic issues, rather than specific procedures.

1.3 Content and Structure of the Report

21. While this Report broadly addressing all the key issues identified in the Terms of Reference (TOR) for the Review, it differs somewhat from the traditional methodology and the “anticipated solutions” suggested in the TOR. These are worth highlighting, at the outset:

- **Audience** - While the Report is to the President, the main recommendations are directed to the political and administrative leadership of Chuuk. For reasons discussed in the body of the report, it is the judgment of the consultant that effective reform will only be possible if it is “owned” and led by senior officials in Chuuk; and that a **major reform**, with the active support and endorsement of Chuuk State leadership, is needed as a matter of urgency.
- **Methodology** - The process began with a pre-mission, in-depth review of background documents; these were augmented by additional documents obtained during the mission. A list of documents reviewed is included as Annex 4. Most of the “findings” and recommendations in the Report are based on qualitative methods and discussions with key informants (see Annex 5), rather than analysis of quantitative data or a summary of literature reviewed, as this information is already available and well-known. These meetings, which included two school visits, and qualitative methods identify and address the broader (leadership, culture, motivation) that are generally not covered in official documents. That is, they identify a number of “**open secrets**” which do not appear in most written documents. Examples of these “open secrets” include the very high, but unreported, rates of teacher and staff absenteeism and political interference in education personnel processes. These “findings” are difficult to document, but they are not denied, when raised openly in discussion. This Report should therefore be viewed as offering a set of “**hypotheses**” about root causes and possible remedies that can be further investigated in more detail by the Multi-Donor Task Force and through the Performance Audit.
- **Solutions** – The TOR calls for recommendations on expanding or introducing **new administrative processes**. The Review concludes that, in and of themselves, new administrative processes are unlikely to have much impact on education service delivery in Chuuk. The underlying problem does not appear to be lack of processes and regulations; the problem is that these processes are not used effectively and regulations are not enforced. The Report therefore focuses on identifying the broad underlying issues and problems confronting the system – these appear to relate more to the “culture” of service delivery, the use of Compact funds and perverse *incentives* that impact on individual staff and school-level decision-making and behavior.
- **Structure of the Report** – The Report is intended to provide a **concise** overview of key issues and recommendations for reform. Technical issues in the education

sector have been broadly covered in a range of plans, audits and analyses and are scheduled to be covered in more detail by the Multi-Agency Task Force and through the Chuuk CSSS Performance Audit. For this reason the body of the Report has been limited to 30 pages, with additional and supporting information proved in Annexes.

1.4 A Caveat about the Scope of the Review

22. Governor Simira's letter of October 7, 2009 specified the need for a "comprehensive" assessment of the sector. The ADB mission, which was arranged on short notice, involved a total of 20 days (14 non-weekend days) in the FSM. During four of these 14 days, opportunities for meetings and interaction with government officials were limited², leaving a total of only ten full days for meetings. Unfortunately, the mission coincided with a trip by Mr. Sanfio Sony (Acting Director of the CDOE) to Honolulu; there was opportunity for only one meeting with Mr. Sony. The Review clearly was not "comprehensive." Therefore, findings and recommendations should be viewed as input into the more comprehensive Multi-Agency Task Force and Performance Audit, which are scheduled to start in January 2010.

II. THE CHUUK STATE EDUCATION SYSTEM

2.1 Brief Overview

23. There are 154 schools (ECE, Elementary and Secondary) in Chuuk, widely disbursed over 98 islands³. Transportation and communication are expensive, erratic and of generally poor quality; there are few regularly scheduled ships travelling to outer islands. Physical facilities are generally in extremely poor condition (with no electricity, water or toilets) and it is estimated that almost all facilities will need to be replaced. Many of the schools are very small; about one-third of the schools have enrollments of fewer than fifty students. Over half the schools have enrollment of fewer than 100 students. This leads to extremely low student-teacher ratios and high unit costs. The public school system employs about 800 teachers⁴ and an additional 200 support staff at schools. It is estimated that about 40 to 50 percent of these teachers do not have any degree⁵. Most are not certified and almost one-quarter of teachers are not eligible to enter degree programs. The overwhelming majority of teachers, both with and without a degree, are unable to pass the National Standard Teachers' Test (NSTT).

24. There is wide variation in student-teacher ratios that are unrelated to differences in school size. The sector is financed by a complex system of US grants under three separate programs; fiscal years are not consistent across programs. Moreover, different grant sources are tied to specific activities or fund specific staff positions, which limits flexibility in the use of staff and funds.

² One day was a State holiday; one a National holiday, one a day of Administrative Leave to celebrate the National Prayer Day; and one day was lost to an electrical power failure, when staff did not have access to computer files and were generally out of the office due to the unavailability of lights or air conditioning.

³ This includes 66 lagoon and 32 outer-island islands.

⁴ We are including principals, counselors, and librarians, in the category "teachers."

⁵ The JEMCO Indicator Report estimates 50 percent; the Teachers Training and Certification Plan estimates 42 percent. Until the recent initiative to certify all teachers with salary increments linked to certification, some teachers, who apparently had degrees, failed to report them to the CDOE, as there were not incentives to do so.

In summary, there are many obstacles to effective educational administration in Chuuk. It should be noted, however, that most Pacific Island Countries (PICs) face comparable problems of small, disbursed island schools and other small nations, including other FSM States, must also “navigate” the complexities of US OIA and DOE funding.

2.2 Some General Observations

2.2.1 International Experience and Best Practice in Education Reform

25. Based on over 20 years of international experience, there is now general consensus on what does and does not work in reforming education systems; much of this literature is presented under the heading “aid effectiveness.” The main conclusions that emerge from this literature are that:

- Reform must be “**client-owned**” and “**demand-driven**.” Attempts to “**impose solutions**” from outside, that are not genuinely supported and endorsed by the key national stakeholders, are generally not successful.
- **Finance** should be **flexible** and responsive to the plans and needs of the client government; external funding should not “drive” or influence policy or the use of resources. This, however, is predicated on the assumptions that government plans and policies are mutually agreed with development partners through a process of policy dialogue and are based on research, analysis and empirical evidence.
- **National information and reporting systems** should provide the basis of all monitoring and evaluation and the needs of external organizations should not impose a substantial additional burden on the education system. Information for external reporting should “flow” from the national systems used for planning, monitoring and evaluation. The same principles apply to procurement processes and activities.
- Successful reforms often involve **decentralization**, devolution of decision making to the school-level, a transition to learner-centered pedagogy, increased community involvement linked to **robust assessment** and **accountability** systems.

26. For reasons that are well-documented, these conditions of “best practice” do not exist in Chuuk. There is little value in reviewing the circumstances that contributed to the current situation or in imputing “blame.” Rather, efforts should focus on effective ways to “navigate” existing constraints and to build mutual confidence that will lead to more flexible modalities and Chuuk-led reform.

2.2.2 Traditional long-term Education Strategic Plans have not worked in Chuuk.

27. The CDOE has gone through three “rounds” of major strategic planning exercises – “Navigating With Pride: Vision 2020 (2001), Chuuk Education Reform Plan (2005) and Chuuk State Strategic Plan for Education (2007). It is generally conceded that none of these plans has been effectively implemented; although, there has been progress in implementing selected elements of the most recent (2007) plan. The ostensible rationale for the 2007 effort was to operationalize /implement the two earlier plans. The failure of the 2007 effort raises some concerns about the JEMCO resolution and proposed focus of the M-ATF activities. Can the 2005 plan really be implemented without fundamental changes in the “culture” of the CDOE and other key stakeholders?

28. While there is definitely a need for a long-term strategic plan; the CDOE has obvious difficulty in preparing and executing one-year annual plans. Therefore, it might be more productive to identify and address the underlying **core problems** in the system than focusing exclusively on yet a fourth major planning exercise.

2.2.3 It will take at least a decade to fully address problems in the system.

29. The Chuuk curriculum does not reflect national curricular standards, particularly at the higher levels of the system. Most graduates of the elementary system do not have competencies and subject mastery that would enable them to follow the national secondary curriculum. Many secondary teachers do not have requisite competencies to teach these subjects. It may require moving a complete student cohort, from grade one to completion of the AA and teacher training, through a reformed and improved system, before national standards can be met. Therefore, the process of bringing the system into full “compliance” with national standards may require a decade or more to complete. It may actually be counterproductive to focus on individual “compliance” issues, outside the context of a broader “roadmap” for long-term systemic reform that has a realistic timeframe.

2.2.4 “Contradictory” Short- and Long-Term Financial Imperatives.

30. In the short- to medium-term, one of the greatest failures of the Chuuk education system is its inability to fully utilize Compact funds. On average, over the past three years (2007-2009) 2.1 million dollars a year of available funding goes unused. The short-term “imperative” is to **spend more** of the available Compact resources.

31. In the long-term (beyond Compact II), the challenge will be to finance and operate an efficient system, relying primarily on national and state resources combined with Trust Fund income. This will require reducing and “rationalizing” personnel costs. Guidance from the IMF (FMS_001), USDOJ(FMS_011) and The 2009 FSM State of the Union Address (FMS_024), all emphasize this point. This is also one of the issues raised by Governor Simira in guidance he provided. The long-term imperative is to **spend less**, while delivering high quality services.

32. Given that complete systemic reform will require a decade or more (see previous paragraph), the remaining years of the Compact provide a “**closing** window of opportunity.” The appropriate strategy might therefore be to maximize expenditure of Compact funds in the coming years, even if this requires a “**transitional**” **increase in staff costs** to assure that all classes are actually taught, with a focus on fundamental systemic reform leading to the eventual reduction in salary costs per pupil.

33. The analyses presented in this report suggest that the Chuuk education system is seriously over-staffed. However, there will be a short- to medium-term need to improve service delivery (focusing on assuring that all scheduled classes are actually taught) which will probably increase salary costs during a transition period of reform and efficiency improvement. Therefore, recommendations presented in this Review will increase costs in the short- to medium term, but should lead to efficiency gains that will reduce costs in the longer-term. Only 13 years of funding remain under Compact II, this provides an opportunity to invest in reforming and streamlining the system.

III. GENERAL PROBLEMS AND ISSUES CONFRONTING THE EDUCATION SECTOR

34. It is widely acknowledged that the Chuuk education system is dysfunctional. This section of the review lists and discusses some of the key issues and problems facing the sector.

It is important to emphasize that these problems are inter-related; they contribute to each other. There is systemic failure; “treating” individual problems in isolation, is likely to have limited impact in addressing the underlying systemic problem. The problems discussed in this section are, in some ways, “symptoms” rather than the underlying causes. The review concludes that a major systemic reform is required.

3.1 Quality

35. The most obvious symptom of the underlying problem is the poor academic performance of students in Chuuk. The quality of learning outcomes is unacceptably low and there are indications that quality has been declining in recent years.

36. There are a range of factors that contribute to poor learning outcomes in Chuuk and these are well-documented. Factors that are commonly cited include: inadequate and deteriorating facilities; lack of teaching and learning materials and supplies; lack of equipment; long distances and poor communication; and poorly trained and unqualified teachers.

37. A factor which is not prominent in reviews and not well documented, but which is probably the **single most important obstacle** to improved learning outcomes, is the high number of **non-teaching days** each year.

3.2 Teacher/Staff Absenteeism and Cancelled Classes

38. Each State Department of Education annually compiles data on 20 indicators which are compiled in an annual report by the NDOE. In Chuuk information on teacher attendance is collected and certified by the principals at each school and sent to the central office⁶.

39. In 2009, the Report indicated that in Chuuk **teacher attendance** (indicator #4) was **97 percent** at Elementary and **93 percent** at Secondary. Comparable figures for student attendance (indicator # 11) were **91 percent** and **95 percent**.

40. One of the “**open secrets**” in Chuuk is that the published information on attendance is **incorrect**. Discussions with teachers, principals, central administrators and community members clearly indicates and extremely **high rate of teacher absenteeism**. This is confirmed by a review of a sample of school visit reports and the 2007-2008 CSSF audits of schools in all five regions, which found that a high proportion of schools were closed (sometimes for long periods), contradictory to officials reports that they were in session.

41. There appear to be two major factors that contribute this pattern:

- A significant number of teachers simply do not come to work and their absence is not reported to the principal. In a meeting with eleven principals, they listed teacher attendance as the most significant problem they faced in school management. This phenomenon of absent teachers was widely reported by a number of credible sources.

⁶ In some instances, municipal administrators are asked to also certify that the information is correct.

- There is a common practice of cancelling classes for specific grades (with advanced notice to students), when a teacher will not be available either due to leave for training or other reasons and when there is not sufficient teaching staff to cover all grades or classes.

3.3 Political Interference in Personnel Issues

42. While difficult to “document,” during the ADB mission there was frequent reference to cases of “political interference” in staff appointments and in “protecting” non-performing teachers and staff. This phenomenon, which was widely reported by respondents, was not “denied” when raised in meetings with officials. In part, administrative shortcomings in the system appear to be related to the “disempowerment” of CDOE officials and school principals. It is difficult to hold managers responsible for performance, when they do not have authority over their staff. In the FSM, average public sector wages are almost triple those in the private sector (Annex 19).

3.4 Excessive Growth in Cost and Imbalanced School Staffing

43. **Growth in Costs** - Annex 6 presents an analysis of the CDOE budget over the three year period (FY2007 – FY2009). After adjusting for inflation, the total cost of the system increased by over 27 percent during this two-year period; administration increased by 65 percent⁷. If this observed growth rate were to continue, it implies a **doubling of the cost** of education services **every six years** and a **doubling of administration costs every three years**.

44. These cost increases do not reflect increases in enrollment or quality. Total enrollment in public schools (elementary plus secondary) actually decreased by almost eleven percent over this period. This suggests that **unit costs per pupil** in public education **increased by almost 43 percent** during this two year period⁸.

45. This pattern of expenditure growth is clearly not sustainable, even within the current levels of Compact Support.

46. **Imbalanced School Staffing** - Average Student/Teacher ratios are extremely low, which is the main factor driving the high unit costs of the system. Over the nine years for which data are available the ratio ranged from 19.4 to 23.5 and 12.1 to 17.3 in public elementary and secondary schools, respectively. This is compared to a target staffing norm of 30 to 1. There are enormous differences between schools. For example, in 2008/09 at elementary schools the ratio varied from 6.5 to 80:1. The comparable range for secondary was 5.7 to 30.8:1.

⁷ The cost of educational administration may be substantially understated in the budget. The budget lists at total of 61 positions in Education Administration and C&I. The CDOE staff list includes 162 “Central” positions. Area supervisors, who are Weno-based are allocated to Elementary and Secondary in the budget. This does not explain the difference of 102 positions between the budget and the CDOE staffing file.

⁸ Costs increased by 27.4 percent while total enrollment decreased by 10.8 percent.

Table 1: Real (Inflation-Corrected) Growth in the Budget 2007-2009

Percent of 2007 Budget in "Constant" Dollars			
Type of Expenditure	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
A. Personnel	100.0%	99.5%	109.8%
B. Travel	100.0%	95.2%	91.1%
C. Contract Services	100.0%	158.8%	127.0%
D. Other Current Expenses	100.0%	115.0%	107.7%
E. Fixed Assets	100.0%	42.5%	167.2%
TOTAL	100.0%	112.6%	127.4%

Division	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
a. Ed Admin	100.0%	117.7%	165.7%
b. C&I	100.0%	92.7%	96.6%
c. Elementary	100.0%	100.3%	103.8%
d. Secondary	100.0%	104.8%	112.3%
e. Special Prog	100.0%	127.3%	117.6%
TOTAL	100.0%	112.6%	127.4%

47. It is widely held that the low average student/teacher ratios and wide variations are due to the large number of extremely small schools in the system. If this were the cause, we would expect to see a strong correlation between total school enrollment and the student/teacher ratio. Most of the observed variation in the student/teacher ratios would be explained by variation in enrollment. Analysis of 2008/09 enrollment and staffing data indicate that this is clearly not the case. Only 6.1 percent of the variance in public elementary and 12.1 percent of secondary student teacher ratios was explained by differences in total enrollment (Annex 7). **Differences in school size is of very little importance in explaining patterns in student/teacher ratios.** The explanation must lie in other factors such as: political interference in staff appointments; the lack of staffing norms and robust policies and planning; of the effect of "ghost" teachers who are on the payroll but who infrequently report for work.

3.5 "Top-Down" Planning and Lack of Community "Ownership" and Participation

48. Administration is highly centralized with 162 established posts listed as "Central" in the CDOE staff list. It is widely reported that communities do not have a sense of ownership or responsibility for schools. However, a number of respondents indicated that this is a major change from attitudes during the "Trust Territory" era, when communities were actively supportive of community schools. The lack of community ownership and monitoring of services undoubtedly contributes to the high level of teacher absenteeism and lost teaching days.

3.6 Reactive Management Style

49. Due, in part, to a series of audits and JEMCO resolutions focusing on shortcomings and issues of non-compliance, the CDOE operates in a defensive/reactive mode. Department efforts focus on addressing **specific** compliance issues, rather than on identifying and correcting the core problems in the system. In some ways, JEMCO, CFCC, the Office of the National Auditor, the NDOE, SBOC and other external agencies appear to have become the principal clients to whom the CDOE responds, rather than students and parents in Chuuk.

3.7 Low Morale or Confidence in the Education System

50. Despite recognition of major problems in the sector, there is little evidence that community members, parents, teachers, education administrators, members of the Board of Education, or senior political leaders actually expect things to improve or have a shared vision of the changes needed. In interviews, many parents have reported that (if the option existed) they would prefer to pay for private school for their children or, if funds are limited, for their eldest child.

3.8 Weak Planning and Failure to Prioritize

51. For almost a decade, the CDOE has undertaken a series of ambitious, multi-year planning exercises. It is clearly acknowledged that there has been an almost complete failure to implement any of these long-term strategic plans. Analysis of grant expenditure data indicates that the CDOE is **not able to prepare and execute an annual work plan and budget**. There does not appear to be sufficient prioritization of tasks within annual work plans. Also, individual CDOE **staff members do not have individual work plans**, linked to strategic objectives and specific outputs. In the current year, examples of high priority tasks that appear not to have been completed include:- 1) failure to develop a comprehensive, teacher-specific plan for teacher upgrading and certification to meet the December deadline; 2) failure to complete procurement and contracting procedures on almost one million dollars work of procurement prior to the September 30 deadline; and, 3) insufficient planning to assure that the renovation of about 30 schools will be successfully completed. These issues are discussed in more detail in Sections 5.5 and 6.4 of the Report. There seems to be excessive emphasis on developing a “Plan” rather than on developing a **planning process**.

52. The CDOE was unable to provide an organizational chart for the current structure but did provide a chart for a proposed new structure (Annex 8).

53. The staffing list indicates 162 central staff in eleven divisions (Table 2). While there is reference to a “Planning and Statistics” unit in some correspondence, it is unclear how that fits into the existing organizational structure.

Table 2: Central Staff in CDOE

	Division	Staff
1	C&I Division	19
2	ECE Program	41
3	Education Central Office	29
4	EIP	19
5	Elementary Division	3
6	PVEIP	3
7	Secondary Division	10
8	Special Educaton Office	19
9	Special Service Program	5
10	Staff Development Office	5
11	WDST	9
	Grand Total	162

54. The proposed new structure has 30 units, organized into five divisions. It should be noted that under this new structure there is **no unit** explicitly tasked with **policy, planning and evaluation**. In 2008, the CDOE develop a 36 page draft plan and Operations Manual for establishment of an Evaluation and Monitoring Unit (EMU). The proposed EMU is not fully reflected in the new organization, although there is a unit for Statistics and Data Management, which is in a separate division from Testing, Assessment and Evaluation unit.

3.9 Poorly Trained/Qualified Teachers and Administrative Staff

55. **Teachers** - It is estimated that 42 percent of teachers do not have the minimum educational credentials (AA or AS degree) to be certified (Annex 9). Of perhaps greater concern, almost none of the degreed teachers are able to pass the National Standard Teachers' Test (NSTT) suggesting that despite having degrees they do not have the needed competencies. Almost a quarter of teachers currently in the service do not even have training or competencies that would allow them to enter an accredited AA/AS program.

56. **Central Staff** - There is no reliable source of information on the qualifications of central staff. The CDOE Staff file does include a field for academic qualifications, however, information is missing for more than half (56 percent) of those listed (Table 3 derived from Annex 10). Available information suggests that 80 percent of central staff do not have recorded evidence of a degree. This suggests the lack of a credible system for making appointments and reinforces suggestions of political interference in staffing decisions.

Table 3: Educational Credentials of Central Staff

Degree	Number	Percent	Cummulative
			Percent
MA or MS	2	1.2%	1.2%
BA or BS	16	9.9%	11.1%
AA or AS	15	9.3%	20.4%
Certificate	1	0.6%	21.0%
Blank or None	128	79.0%	100.0%
Grand Total	162	100.0%	

3.10 Poor Communication

57. There are chronic problems of communication between CDOE headquarters and schools; between the CDOE and National Departments and within the CDOE itself.

58. Inadequate **communication with schools** appears to be due, in large part, to a breakdown in radio communications equipment. The Acting Director of the CDOE identified this as a critical issue. Solution of this problem should be relatively straightforward. Either inappropriate equipment has been procured or it is not being properly maintained.

59. Communications with the **National Departments** are erratic. There appear to be problems in the **government email system** and there does not appear to be a culture of opening or responding to emails. Despite numerous phone and email communications, the CDOE had no advanced knowledge of the planned ADB mission. This was also the case with the ADB BSSP completion mission.

60. The more vexing problem is that staff in the **CDOE** appear to have limited knowledge of what **other colleagues are doing**. Information is not systematically documented, backed up or shared. There appears to be a “silo” approach to information – individuals maintain their own files. Frequently during this mission, data could not be accessed because a secretary (who had the information on a computer) had not reported to work or because the official managing a process was away on training, leave or other official business.

3.11 Inability to Prepare and Execute Annual Budgets

61. There is a chronic under-spending of Compact funds budgeted for education totaling 1.5, 2.9 and 1.9 million dollars in 2007, 2008 and 2009 respectively, as shown in the upper panel of Table 4. The share of by which aggregate budget line items is under-spent varies substantially by year, indicating that there is a general problem in either the budgeting process, budget execution or both (lower panel of Table 4). Expenditures on consumables and investments in fixed assets are consistently under-spent.

Table 4: Compact Funding and Under-Expenditure 2007 – 2009

Annual Compact Funding and Under-Expenditure						
	2007		2008		2009	
	Total Budget	Unspent	Total Budget	Unspent	Total Budget	Unspent
Salaries & Benefits	5,541,819	472,042	6,632,340	1,578,227	6,476,223	-5,394
Travel			52,561	27,833	61,936	18,962
Consumables	2,447,764	620,291	2,213,708	1,138,352	2,118,439	822,794
Contractual Services	1,318,178	158,645	965,086	88,468	2,162,224	962,947
Fixed Assets	283,953	181,808	126,675	103,915	184,000	119,554
Total Expenditure	9,710,276	1,474,735	9,990,370	2,936,795	11,002,822	1,918,863
	2007		2008		2009	
	% of Budget Unspent		% of Budget Unspent		% of Budget Unspent	
Salaries & Benefits	8.5%		23.8%		-0.1%	
Travel	0.0%		0.0%		0.0%	
Consumables	25.3%		51.4%		38.8%	
Contractual Services	12.0%		9.2%		44.5%	
Fixed Assets	64.0%		82.0%		65.0%	

62. The aggregate under-expenditure during this three year period (2007-2009) total over 6.3 million dollars. The largest share of aggregate under-expenditure was on consumables (right-hand column of Table 5), suggesting problems in contracting and procurement. The second largest share was Salaries and Benefits; however, this line item was over-spent in 2009, reflecting retroactive salary increments, backdated to October 1, 2008.

Table 5: Distribution of Under-Spent Compact Funds 2007-2009

Aggregate Compact Funding 2007 - 2009				
	Total		Percent	Share of
	Budget	Unspent	of Budget Underspent	Total Underspent
Salaries & Benefits	18,650,382	2,044,875	11.0%	32.3%
Travel	114,497	46,795	40.9%	0.7%
Consumables	6,779,911	2,581,437	38.1%	40.8%
Contractual Services	4,445,488	1,210,061	27.2%	19.1%
Fixed Assets	594,628	405,277	68.2%	6.4%
Total Expenditure	30,703,468	6,330,393	20.6%	100.0%

63. At the time of the ADB mission (November 2009), nine FY2009 contracts, totaling over one million dollars had not been processed because funds had not been encumbered by the September 30, 2009 deadline that had been agreed with JEMCO (Annex 12).

3.12 Lack of Consensus of Roles of State and Federal Governments

64. Responsibility for providing education is a **dual responsibility** of the National and State governments. Roles and responsibilities are specified in the two Constitutions and the Education Act. There is a need for increased dialogue between the Government of Chuuk, the Board of Education and the NDOE regarding the specific roles and responsibilities of each organization. There is the perception in Chuuk that the National Government is “intruding” into policies and decisions which should be the exclusive prerogative of Chuuk.

IV. SPECIFIC URGENT PROBLEMS

4.1 Plan for Teacher Certification and Transitional Staffing

65. If, as appears to be the case, a substantial number of scheduled classes are not actually taught each year, the proposed suspension of Compact funding for non-certified teachers (or those not clearly on track for certification) is likely to have a profound (unintended) negative impact on delivery of education services in Chuuk. It is highly probable that a reduction in the teaching force (due to a combination of the 189 non-degreeed teachers who do not meet entry requirements for an AA program plus the 150 non-degree teachers who may spend part of the school year in training), will result in an increase in untaught classes.

66. Therefore, there is an urgent need, to develop a staffing plan for each individual school in the system to assure that classes can be covered. This probably will require **negotiation of greater flexibility in the JEMCO regulations** regarding Compact payment of non-certified teachers to allow the use of substitute teachers, continued temporary service of some or all of the 189 teachers who are not “on track” and the recruitment of temporary teachers to fill vacancies.

67. If there are to be negotiations with JEMCO and the OIA Education Grant Manager it is essential that a justification and detailed plan (supported by evidence and data) be prepared as quickly as possible. This needs to be combined with evidence of a strong commitment to reform of the sector so that all parties are confident that this is a transitional arrangement.

68. There is also incomplete and conflicting information on the availability and willingness of other AA and AS graduates to take up teaching positions in the system. The College of Micronesia (COM) has provided a list of 286 Chuukese students who have completed either an AA, AS or BA degree since year 2000. The Director of the COM Chuuk campus is of the opinion that a substantial number of these graduates would be willing to accept teaching positions. Officials in the CDOE are of the opinion that very few of these graduates would be available, or acceptable to the CDOE, as teachers. This is an issue that warrants further exploration.

4.2 Renovation at Approximately 30 Schools

69. The ADB consultant was informed that during 2009 the CDOE procured materials for the renovation of approximately 16 schools and that building materials valued at approximately 500,000 dollars are in storage at the CDOE warehouse or in shipping containers. The two

CDOE officers who are responsible for and knowledgeable about this process (Beniso Joseph and Eliseus Akapito) were in Honolulu during the ADB mission.

70. The following questions, which could not be answered during the mission, may need attention:

- Are there plans and contracts for repackaging materials by school site and for their transportation to the relevant schools?
- Are there plans and provisions to assure the security of these materials upon delivery (e.g., secure area, watchman, etc.)?
- Are contracts in place for the services required for renovation and construction? Have these contract services been sequenced to match delivery schedules?
- What are the arrangements for supervision, monitoring, certification that work meets building codes, auditing, etc?

4.3 Backlog of 2009 Contracts

71. There are nine contracts, totaling over \$1 million which were not processed in FY 2009 because funds had not been encumbered by September 30, 2009. The justification for these nine procurements should be reviewed and negotiations should be started with the Education Grant Manager, JEMCO and the National Government to carry these funds forward to FY 2010 and to complete contracting. In addition to the loss of funds to the education sector, cancellation of contracts will undoubtedly have a negative impact on the willingness of some suppliers to submit bids in future tenders, thereby decreasing competition and increasing costs. These negotiations are likely to be more successful if they are presented in the context of convincing evidence that the leadership of Chuuk State is strongly committed to a substantive reform program.

4.4 Substantive Appointment of Executive Director

72. It is clear that there are pronounced differences in the positions of the Board of Education, the legislative and executive branches of government regarding the substantive appointment of an Executive Director of the CDOE. It is outside the TOR of this Review to make suggestions regarding the resolution of this apparent impasse. However it is strongly recommended that, based on negotiation, the key parties resolve this issue and agree on substantive appointments of an Executive Director and Deputy Director, as a matter of urgency. This is an element in the broader recommendation discussed in Section 8.1, below.

4.5 Legislation to Allow Procurement of Land by Eminent Domain

73. Many schools are located on private land or on land where ownership is in dispute. This is a major obstacle to accessing Compact funds for school renovation. The Chuuk State Department of Finance is in the process of completing an inventory of schools and dispensaries

and is in the process of building a data base on 121 locations. Work on school ownership had not been completed at the time of the ADB mission.

74. There is general agreement that legislative action will be required to allow procurement of some school sites by eminent domain. Representatives of the Executive and Legislative branches provided conflicting information on the likelihood of this happening. There are reservations regarding the accuracy of the recent ADB-funded land valuation exercise⁹ and concerns that the legislation cannot be enacted without revisiting this issue.

V. RECOMMENDATIONS – SHORT TERM STRATEGIES

75. These are recommendations for actions which could be undertaken fairly immediately and could be conducted in parallel with the work of the Multi-Agency Task Force and Performance Audit.

5.1 Chuuk State Government-led “Emergency” Response

76. The Government Chuuk has demonstrated its ability to mobilize political will and resources to deal with urgent crises. Recent examples include the reorganization of the Chuuk State Department of Finance (CSDF) and the Chuuk State Utilities Corporation (CSUC).

77. Areas that may need the urgent collaboration of the Executive and Legislative branches of government, as well as the Board of Education and senior management of the CDOE include:

- An agreed “**Code of Conduct**” to assure that there is no political interference or “protection” in staffing and administration issues in the CDOE. Education administrators, including senior CDOE staff, school principals and others need to be “empowered” to execute their responsibilities, need to be confident of the support and backing of senior officials and need to be held accountable for service delivery. Accountability is not possible. A code of conduct should also be established and **enforced** for teachers and CDOE staff with special emphasis on attendance and service delivery.
- A **widely-publicized commitment to education reform**, including two or three specific, high-visibility improvements that will be implemented in 2010. The ADB TA strongly recommends that, if possible, one of these commitments should be the provision of teaching services to all students on all scheduled school days. Other examples are presented in Section ___ of the Report.
- Negotiation leading to the **substantive appointments** of an Executive Director and Deputy Director at the CDOE. This should be done as a matter of urgency.
- Negotiation leading to enactment of **legislation** needed to exercise **eminent domain** in procuring school properties in cases where negotiations fail. This may require a review and updating of the ADB study on land values. The option

⁹ The land valuation was based on data from Weno which may not be applicable to all islands. There was concern that land owners would feel that the estimated values were too low.

of procurement through eminent domain is likely to improve the success rate in negotiating purchase of long-term leases.

- Negotiation of required **legislation** and, if necessary, negotiation of **flexibility** in JEMCO teacher funding regulations to allow an interim plan to provide universal teaching services to all students with “zero tolerance” for cancelled classes due to teacher absenteeism. This may require a system of using substitute teachers or some other strategy, in the short- to medium-term.
- Invite **input from civil society** to actively engage in identifying problems and suggesting solutions to problems. This should be directly linked to a widely publicized commitment to specific reforms in 2010 (see item 2, above). During the mission, the CDOE requested that the Chuuk Women’s Council conduct a survey of member NGOs and arranged for printing of the survey instrument (in both Chuukese and English – Annex 13). It might also be useful to create an “education hot line” where citizens are able to report problems in their local schools, with distribution to the CDOE, the Board of Education, and members of the legislative committee on education.
- Negotiate a **Memorandum of Understanding** (MOU) with the National Government, JEMCO, NDOE and key stakeholders in Chuuk, along the lines of the CSDF MOU, that lays out a plan and roles and responsibilities for reform of the education system and clarifies the roles and responsibilities of all key stakeholders.

5.2 Investigate Extent of Lost Teaching Days

78. During the brief ADB mission the consultant encountered numerous reports of teacher absenteeism and cancelled classes. This suggests that a **major problem may exist**. It is therefore recommended that there be a broader, more systematic and quantified effort to determine if there is actually a problem and the extent of the problem. This exercise could be conducted on a sample basis using a variety of data collection techniques including:

- Review and consolidate reports on school visits (supervision, mentoring and training reports, combined with the 2007 – 2008 CSSF school audits in all regions).
- Ask civil society organizations to collect information on school days missed at the school(s) in their communities.
- Conduct interviews with students at a sample of schools

5.3 Key Areas Where Additional Skills are Required

79. There are three critical areas where additional capacity and skills are required. The first is strengthen capacity to plan and coordinate a reform agenda, drawing upon experience and best practice in other PICs. The second is strengthening procurement and monitoring of implementation, particularly in relation to school renovation and large-scale procurement and

distribution of teaching and learning materials. The third is strengthening financial management and budgeting.

80. One option for quickly meeting these critical skills areas would be the recruitment of local, regional or international technical assistance. The CDOE has had a positive experience in using long-term TA under the BSSP and senior management of the Department has indicated that they would welcome the additional assistance. If the Government of Chuuk decides to seek technical assistance, three positions are recommended:

- **Sector Coordinator** – This is a position that has been established and has worked effectively in a number of Pacific Island Countries (PICs). The Sector Coordinator typically reports directly to the Director and is responsible for: facilitating action on key priority activities; establishing inter-departmental steering committees to assure congruence and coordination; staff development and capacity-building; liaison with external agencies; and, planning and implementation.
- It is recommended that the Director of the CDOE arrange a study tour to several countries which have a long term Sector Coordinator and meet with Permanent Secretaries and Directors General to access experience elsewhere and to determine the appropriate role and terms of reference.
- **Procurement/Implementation Specialist** – One of the most urgent issues facing the sector is the chronic under-spending of Compact funds and the Department's failure to execute annual work plans. This long-term TA would take the lead in facilitating and tracking preparation of project proposals, procurement and tendering, monitoring approval of documents by the Department of Finance and CFFC, and on-sight monitoring of implementation.
- It should be noted that the high level of school construction and renovation planned for the next several years is fundamentally a **"one-time"** activity. While facilities **maintenance** will be an on-going **core** responsibility of the CDOE; facilities **construction** and civil works is **not a core function**. There may be little point in developing capacity within the CDOE for this large construction/renovation component; it may be more cost effective to out-source these activities to a local, regional or international procurement services provider.
- **Financial Management/Budgeting Specialist** - The Chuuk State Department of Finance is enhancing the financial management system to provide regular detailed reports to the CDOE on year-to-day allocations and expenditure. The CDOE may wish to have the services (probably one year) of a specialist to strengthen the budgeting and financial management processes in the Department.

5.4 Initial Moves To Strengthen School-Based Management (SBM)

81. Decentralized management and administration, combined with increased autonomy and financial support at the school level have proven to be effective strategies in a number of PICs. There are numerous examples in the Pacific region; AusAID is planning a study of implementation and impact in SBM, linked to school grants, in five PICs (Solomon Islands, Samoa, Vanuatu, Tonga and Fiji) which may provide useful examples for Chuuk. In the late 1990s, Chuuk itself was cited as an example of effective innovation in SBM.

82. In and of itself, devolution of authority is **not a panacea** and actually involves an **increased role for central administration** in terms of monitoring, assessment and assuring accountability. Given existing patterns in schools (misreporting of teacher attendance and cancelled classes) and concerns about favoritism, nepotism, political interference and misuse of funds, effective devolution can only work when there is strong community involvement, mechanisms for reporting anomalies, reliable accountability systems and a common vision of the importance and value of education. The risks of premature devolution of authority are reflected in the concept “**kepach ketnto.**”

83. There are a number of strategies and innovations that could be introduced that would help to create the preconditions required for increased SBM:

- Increased engagement with civil society - During the ADB mission, the CDOE requested that the Chuuk Women’s’ Council conduct a survey of attitudes toward education throughout the State. The CDOE printed 600 questionnaires in English and Chuukese (Annex 13) and PREL offered to keypunch and analyze the data. Activities of this sort send an important message that the CDOE welcomes the input of parents and communities.
- Limited expansion of school grants – Extend greater authority to schools and communities regarding decisions on minor repairs, selection of equipment and consumables and the use of resources. If there are weaknesses in financial reporting systems, this might take the form of “vouchers” that could be applied to a list of materials that are centrally procured.
- School Feeding - In March 2005, OIA suspended support for the Chuuk **meal service program**. A number of respondents interviewed during the mission indicated that reintroduction of school feeding would be an important factor in increasing community involvement in schools, as this would be seen as a highly visible and immediate benefit.

5.5 Strengthen Information Management and Policy Analysis

84. The Acting Executive Director of the CDOE identified improving information management as a high priority objective and suggested that the Department would like support for the creation of a **new** Education Management Information System (**EMIS**) as a major recommendation of the ADB Review.

85. This report recommends that, in the **short-term**, there **not** be investment in a new EMIS. It is recommended that, as an alternative, the research and policy analysis functions be strengthened using existing staff, with some technical assistance and capacity building by Chuuk and FSM institutions. It is also recommended that this initiative be focused on school-level data analysis.

86. The rationale for delaying construction of a new EMIS involves several factors. First, there does not appear to be a strong “culture” of evidence-based policy and planning **within** the CDOE. To some extent, this reflects the emphasis on generating reports to meet national and JEMCO requirements, rather than informing policy. It is therefore particularly important that the “architecture” of a new EMIS reflects “CDOE-driven” information needs. The “culture” of using information will only emerge through a process of analysis, reporting and ultimately requests for

information from within the CDOE. There is a danger that any system that is designed by external TA will generate automatic reports and that CDOE staff will not fully engage with the underlying data or conduct research and policy analysis. Second, past experience with external-designed systems [Pacific Education Data Management Information System (PEDMS) and the FSM Education Management Information System (FEMIS) and State Education Data System (SEDS)] has been, at best, mixed. There are plans (pending since 2007) to develop a unified EMIS system to be used by all states.

87. The following strategy might be appropriate in Chuuk:

- Using existing data and reports, the CDOE could construct an integrated **school-level** data base on enrollment, staffing, facilities, and assessment results, linked to ad hoc reports (mentor regional supervisor reports and the CFCC school audit). Data on enrollment, staffing, salary costs and exam results already exist in various data systems; it would simply be a matter of “linking” existing data to support analysis. Data on facilities could also be easily added from existing sources and reports and updated as the renovation program is implemented. The same applies to information on books, equipment and materials. If there is an operational system for monitoring cancelled classes (e.g., increased community involvement, payment of substitute teachers, etc.) it would also be important to add and update this information for each school.
- **Existing CDOE** staff should take the lead in constructing this integrated data base, and in conducting analyses and in generating reports and presentations for senior CDOE management and other key stakeholders. This will require restructured job descriptions (crossing division lines) and providing **effective support staff** to enable technical staff to spend more time on substantive analysis. Despite 21 established headquarter positions that might be able to provide support for data capture,¹⁰ data management staff spend an inordinate proportion of working time manually entering data; support staff either do not come to work or lack the skills or motivation to do data entry. This obviously needs to change. Another option would be to eliminate some of these support positions and out-source data entry to a private firm.
- During the Review mission, the consultant was impressed with the professionalism, skills and productivity of CDOE data analysis staff and felt that, if given the opportunity, they could take the lead developing parameters for an EMIS, based on hands-on experience in data analysis. In particular, Telly Peters (Statistics Specialist) and Mekioshy William (Assessment Specialist) appear to have the skills and motivation to lead this effort, given appropriate support. Technical assistance might be provided by PREL or COM. The Micronesia Seminary (based on Pohnpei) maintains a data base of school characteristics and has indicated that they might also be willing to assist in this area.
- The initial research and policy analysis agenda might include addressing the following questions:
 - a. What is the unit cost of delivering teaching services at each school?

¹⁰ These include data entry, computer operator/technician and secretarial positions.

- b. How do unit costs differ by school characteristics – size, region, remoteness, quality of facilities, proportion of qualified teachers, etc?
- c. What saving could be realized by moving to multi-grade teaching of staggered entry in small schools?
- d. Which schools are high- and low performing on standardized tests? What factors (teacher qualification, teacher attendance, cancelled classes, community participation, unit costs, state of facilities, availability of textbooks, frequency of supervisor/mentor visits, etc.) “explain” differences in student performance?

5.6 Upgrading Plans for Individual Teachers – COM

88. **Teacher Training and Certification Program (TTCP)** - The CDOE is to be congratulated for preparing a **generic** plan (including cost estimates) for teacher upgrading (Annex 14). In its current form, the plan addresses **categories** of teachers (based on academic qualifications, success on the TSMM and COMET). The plan now needs to be expanded to include **Individual Education Plans (IEPs)** present specific details, activities and timeframes for **individual teachers**, linked to school-specific plans for covering classes when teachers are off-site for training.

89. **Collaboration and coordination with COM** appears to be weak; during the mission, the Director of COM and other staff members indicated that there had been inadequate consultation in developing plans for teacher upgrading. It is not clear why the earlier plan and contract for the Teacher Summer Institute (Annex 15) in Faichuk, based in Tol, was not reflected in the TTCP or why there is not clear role for the COM in the proposed new program¹¹. If there is a decision to develop an interim policy for use of substitute teachers, COM might also assist in developing curriculum and standards for substitute teachers.

90. There is also a need for the CDOE and COM to systematically analyze options and policies for bringing new AA/AS graduates into the teaching service. The COM reports that there is a pool of approximately 286 Chuukese graduates who might be available to enter the teaching service or to provide temporary services while teachers are on leave for upgrading. (See list in Annex 16). Officials in the CDOE report that there are very few graduates available to fill vacancies. There is a need for the two organizations to collaborate in identifying options for training and for filling vacancies.

VI. RECOMMENDATIONS – LONG TERM STRATEGIES

91. These are longer-term recommendations which should be considered in the context of findings from the work of the Multi-Agency Task Force and Performance Audit.

6.1 Reform of the “Mission” and Staffing of the CDOE

¹¹ The OIA (June 2009) indicated that the COM “ is the only accredited institution of higher education operating in the Federated States of Micronesia (FSM) that has the capacity to deliver on-site teacher training in Chuuk that meets the needs of the school system.”

92. At present, the CDOE is highly centralized; even staff members who are responsible for regional supervision and mentoring are primarily Weno-based. There is a need for a fundamental reform of the system including a move from "top down" to "bottom up" planning and management with the CDOE focusing on policy, planning, standards, assessment and monitoring, procurement, dealing with National and OIA/DOE, etc. and more school/community-based involvement in school-level management, with strong oversight and monitoring by CDOE.

93. The current staffing of the CDOE seems excessive; with a transition to decentralized management, there will be a need to get rid of the "dead weight" in CDOE staffing; although, this will be unpopular and will require strong political will and resolve. It would be useful to explore options for another "soft landing" or posting "non performers" elsewhere in the system. The Performance Audit may provide an opportunity to begin trimming staffing. It is plausible that productivity will actually increase with fewer positions. The excess staffing is an obstacle to communication and the example of non-attending or non-performing staff is demoralizing.

94. There will undoubtedly be a need for a revised and streamlined organizational structure. It would, however, be a mistake to think in terms of another reorganization (the latest proposal for reform is currently under review by the Board of Education), before the work of the Multi-Agency Task Force and Performance Audit are completed and there is an agreed vision of how the system will be reformed.

6.2 Rationalize the Teaching Force

95. Chuuk has a "notional" student/teacher ratio of 30:1; The Education For All Fast Track Initiative suggests a ratio of 45:1 in elementary as a benchmark of best practice. Current staffing patterns appear to be arbitrary, ranging from 6.5:1 to 80:1 in public elementary schools. While it is true that extremely small schools may require a higher student/teacher ratio, analysis of staffing in Chuuk indicates that school size is not the principal cause of observed differences. (See analysis in Section 3.4).

96. There is a need to implement a combination of reforms that will substantially lower unit costs in the long term. These may include:

- Consolidation of small schools.
- Expanded use of multi-grade teaching, combined with training for teachers in small schools.
- Transition to staged (two-year) admission cycles on islands with small populations¹².
- Creation and enforcement of staffing norms which apply to all government schools. It is common in other Pacific Island Countries to have staffing norms that are linked to enrollment, providing additional teachers for smaller schools. It would be advisable to set a long-term target for the average student:teacher ratio for the entire system over a ten year period and to have annual benchmarks for tracking progress.

¹² Under this system, there would only be grade one admission in alternate years. All six and seven year olds would be admitted to the same cohort, every two years. The number of teachers required to cover all grades (1-8) could be reduced by 50% in seven years, as shown in Annex 17.

6.3 Projected “Resource Envelope” for Long-Term Financial Sustainability

97. As discussed in Section 3.4, there is a long-term pending financial crisis in the sector. Current levels of expenditure and growth in the budget are simply not sustainable. There is a need for long term financial analysis to call attention to this problem and to “motivate” the initiation of corrective actions.

98. Based on a set of plausible assumptions regarding key parameters (enrollment projections, growth of the economy, government revenue and budgets, share allocated to education, teacher remuneration, Trust Fund income, etc.), develop projections (low, medium and high) of the resources that are likely to be available to the education sector during the remainder of, and beyond, Compact II.

99. While long-term projections are always uncertain, it is possible to develop a range of plausible projections and to assess which sets of policies are likely to be financially unsustainable. It will also be important to factor in likely increases in the transition rate to secondary and the increased “downstream” demand for tertiary education.

6.4 Institutionalize Robust Policy, Planning and Evaluation Function

100. There is a need to create a Planning Unit with the CBOE. The 2008 proposal for an Evaluation and Monitoring Unit would be a good starting point in considering options.

101. Information systems need to be strengthened. It would also be useful to liaise with the NDOE and the three other State Education Departments in developing agreed specifications for a **common** Education Management Information System (EMIS) to be used by all four education systems. This process should be informed by the experience gained in improved aggregation and analysis of data (Short Term Recommendation 5.5), linked by increased use of information by senior management within the CDOE.

102. One of the key features of an improved EMIS is that there must be provisions to verify the **accuracy of information provided by schools** and sanctions and penalties for misreporting. As discussed earlier in this Report, there are few incentives for school managers to provide accurate information under the current system. The introduction of enrollment-based school grants would increase incentives for “inflating” enrollment data. The issues of reporting and data reliability are prevalent in most PICs; it would therefore be useful to identifying examples of “best practice” in other FSM school systems and in the Pacific region.

103. It would be useful to arrange a study tour of other PICs to assess the systems that have been developed and are in use in other countries with similar conditions¹³.

6.5 Consolidate Transition to School-Based Management

104. Given the geographical conditions in Chuuk, it will be important to slowly move to greater school-level management, combined with **strong assessment and accountability** systems

¹³ Two options worth consideration are the “PINEAPLES” EMIS system which has been developed and supported by Uniquet (the consulting arm of the University of Queensland <http://www.uniquet.com.au>) and a new system being developed by the South Pacific Board for Educational Assessment.

and increased parental and community involvement in the local education system. The CBOE may wish to consider a combination of interventions/strategies:

- Increase community participation through greater interaction with NGOs; capacity-building for PTAs; increased grants to schools linked to school improvement plans; and evidence of community involvement.
- Multiple accountability systems (possibly including student logs of classes; random school visits; avenues for NGO and community feedback) to assure that school reporting on enrollment and student and teacher absenteeism is correct.
- Options for fixed-term, renewable “performance contracts” with alternative school managers such as private providers or community groups. This might involve moving to a standard funding formula for schools (based on enrollment and remoteness) and greater flexibility along the lines of the “Charter School” model. This would require a reliable student assessment system and agreed targets for student performance as a basis for renewing contracts¹⁴.

6.6 Review of Relevance and External Efficiency of Education System

105. In addition to tracking student learning outcomes through regular assessment, it is also important to determine the extent to which the Chuuk education system prepares students for entry into higher education and employment. It would therefore be useful to periodically conduct tracer studies of school leavers to assess whether they enter formal sector (public and private) employment and to identify schools whose students have greater success. Given the high rates of emigration, it would also be important to collect information on overseas Chuukese in high concentration destinations such as Guam and Hawaii to assess satisfaction with education received, employment and earnings and remittances to Chuuk¹⁵. In parallel, it would also be important to analyze data to estimate the rate of return to education in Chuuk.

6.7 Study of Effective Schools

106. Once there is a comprehensive data base on school and community characteristics, staffing, funding and learning outcomes, it will be possible to identify particularly effective and ineffective schools. This information could support research to identify **why** some school are more effective than others. This information on “best practice” would provide a basis for school improvement plans, in-service training, and for the awarding or renewal of performance-based management contracts.

¹⁴ For secondary schools, targets would have to be in the form of “gain” scores which take the average ability of entering students into consideration. It might also be necessary to make some adjustments in elementary school targets to compensate for extremely poor communities or differences in parental education.

¹⁵ There are unconfirmed rumors that, due to the poor quality of graduates, the US military is no longer actively recruiting in Chuuk. This is an area that warrants further examination.

6.8 *Equity of Scholarships – Benefit Incidence Analysis*

107. A substantial share of support to education of Chuukese students comes in the form of “off-budget” scholarships from development partners and through the FSM budget. The allocation of Chuuk State resources to elementary and primary schools largely determines which students will be the beneficiaries of these post-secondary resources. It would therefore be important to conduct a Benefit-Incidence Analysis (BIA) to assess the extent to which current staffing and funding policies are progressive or regressive and the role of these policies in poverty alleviation. This information could inform revised policies on school funding, additional resources for disadvantaged communities and eventual options for cost sharing at tertiary.

VII. EXAMPLES OF QUICK HIGH-IMPACT REFORMS

108. These are not specific “recommendations,” rather they are examples of how highly-visible reforms might be implemented to “signal” the launch of a major reform of the system.

7.1 *Zero Tolerance of Cancelled Classes*

109. There is a Constitutional obligation to provide education services to all age-eligible students in Chuuk. This appears to be violated at some schools due to unapproved teacher absenteeism, approved leave for teachers to attend training or other official functions and an insufficient number of teachers to cover all grades/classes on a given day.

110. Cancelled classes and school closing are frequently not reported or documented because there is little or no incentive for principals or municipal officials to do so. Principals and other officials are “disempowered” by lack of support and/or political interference. Any pay that is withheld is seen as income “lost to the community” which reverts to the State, and eventually back to the Compact if education grants are under spent. Teachers have little incentive (other a sense of professional responsibility) as they are unlikely to be reprimanded, have pay docked or face firing.

Example 1: Zero Tolerance for Cancelled Classes – Substitute Teachers

One option would be to declare and implement a policy that no classes would be cancelled due to teacher absence, linked to a system of community-based substitute teachers. This might need to be tied to community mobilization and school grants, discussed in the next example.

If regulations/legislation and funding could be put in place, it might be possible to identify a cadre of **substitute teachers** in each community who would be available to cover classes when permanent teachers were absent. In most instances, these substitute teachers would not be certified and might only be high school graduates. The advantages of such a system include the following:

1. There would be demonstrable evidence to students, parents and communities that the CDOE is committed to actually providing all scheduled days of instruction to every student each year. This could be linked to a “community compact” which is discussed in

the next example.

2. Payment of substitute teachers would require information on the class they were covering (and the teacher that was absent). This would provide the necessary “**incentive**” for principals to accurately **report teacher absenteeism**. Funds from docked pay (for unexcused absence) would remain in the community, going to the substitute.
3. The system would provide a data base to identify teachers with high levels of absenteeism (and through pay penalties) would provide an incentive for them to attend regularly or to leave the teaching service.

111. Discussion: This reform would **increase** the total **cost** of providing teaching services in Chuuk. This would be due to the fact that services would actually be provided unlike the current system where many classes go untaught. Although more expensive, it would be more efficient in that the current system pays salaries for services not provided.

112. Hiring substitute teachers would likely require special legislation and would certainly require new policies and procedures. The use of **uncertified** substitute teachers would be contrary to new initiatives to ensure that all teachers who receive Compact support are on the path to certification. This policy would require negotiation with JEMCO and a “exemption” for substitute teachers.

113. There may also be contentious issues related to the selection of local substitute teachers and dangers of nepotism, favoritism and political interference.

7.2 School Grants and Community Mobilization

114. It is widely acknowledged that in many instances there is no sense of “community ownership” of schools and limited community involvement or support.

Example 2: School Grants and Increased School-Based Management

Each elementary school could be provided with a grant (based on enrollment; PTA and community participation; production of an acceptable school improvement plan; or other criteria) that could be used to purchase school supplies and equipment, minor repairs and maintenance, or other purposes identified by the community and school staff. It might also be possible to structure the grant so that it pays part of the cost of substitute teachers, as an additional incentive to reduce teacher absenteeism. In this way, savings related to reductions in teacher absenteeism would be kept by the community.

Many schools and communities do not have access to local markets where these materials are available. The CDOE could compile a list and bulk purchase preferred supplies and materials and arrange for semi-annual deliveries to schools. In this way, decision-making and control would be in the hands of schools and communities.

There also might be merit in supporting a program of minor renovation and repairs that could be community-based. Clearly, any major construction would have to be done by licensed contractors (using competitive bidding) to assure that building standards and safety

requirements are addressed. However, limited support for plastering, painting, repair of roofs, drainage ditches, etc. might be cost-effectively supported using a combination of materials provided through school grants and community labor (either donated or locally contracted).

115. Discussion: There may be contentious issues related to expenditure on improving facilities that are scheduled for replacement; investment in upgrading privately-owned facilities; favoritism or nepotism in selecting service providers; and possible misuse or loss of materials. These concerns could be mitigated by decentralization of CDOE staff, possibly combined with support from US Peace Corps volunteers, NGOs and community organizations.

7.3 Decentralized Posting of Some Central Staff

116. Staffing of the CDOE is highly centralized with approximately 162 established positions at the headquarters in Weno. While there are regularly scheduled visits of regional advisors, school mentors and trainers to other islands, the administrative system is essentially Weno-based.

Example 3: Relocation of Staff to Regions and Outer Islands

A significant proportion of central staff (mentors, area supervisors and possibly other staff) could be reposted to other islands where they would have the opportunity for on-going day-to-day support in capacity building and monitoring school performance and attendance.

117. Discussion: This would involve additional costs for relocation and a living allowance and transfers might be unacceptable to some staff members.

VIII. SUMMARY

118. Education sector management and service delivery in Chuuk are unacceptably poor. This is widely acknowledged by key leaders in the executive and legislative branches, the board of education, community members and the CDOE. Various initiatives of the past decade, including the preparation of three strategic plans, have had little impact on correcting the problems. There is reason to believe that there are high levels of teacher absenteeism and that many scheduled classes are not taught. There is little or no incentive for school principals to attempt to enforce attendance policies and evidence that some school principals are also frequently absent. There are some reports of political interference in personnel administration. Accountability systems are not functioning and information systems are weak, inconsistent and include inaccurate information. There is poor communication between the CDOE and schools, between the CDOE and National agencies and within the CDOE itself. CDOE staff members do not have individual annual work plans and there is evidence of high rates of absenteeism among CDOE staff. There is a lack of cohesion and consensus between the executive and legislative branches regarding key issues and some differences between government and the Board of Education. The Executive and Deputy Directors of the CDOE are both working on an acting basis, without substantive appointments. Most teachers are uncertified, many do not

have the requisite background to enter an accredited degree program and even teachers with degrees are generally unable to pass the NSTT. The cost of the system and of education administration, in particular, has been increasing at an unsustainable pace.

119. External efforts to bring about reform (such as various compliance audits, JEMCO resolutions, creation of the CFCC) have generally not been effective in bringing about fundamental change and have resulted in incremental efforts focused on specific compliance issues; core problems remain unaddressed.

120. In the judgment of the ADB consultant, a successful strategy for reform of the education system will only emerge if it is developed and implemented by the leadership in Chuuk. Chuuk State has demonstrated its ability to address critical issues in the recent past (e.g., reform of the State Department of Finance and Chuuk State Utilities Corporation). In the final debriefing meeting of the mission (attended by representatives of the Governor's office, the legislative education committee, the Board of Education, CDOE management and the NDOE Secretary of Education) there appeared to be an emerging consensus that urgent action is required, as well as a willingness on the part of all key stakeholders, to develop a unified approach to reform of education in Chuuk. Further informal and formal deliberation will be required.

121. Despite numerous weaknesses, the CDOE has many excellent competent and dedicated staff who, if empowered and supported, would be able to implement an effective reform program. It is recommended that the CDOE have the support of several long-term technical advisors for a period of two to three years. There is, however, a need for a major change in the "culture" and environment of education in Chuuk and clear and strong signals that there is commitment to reform.

122. The first, and most urgent step, will be for the leadership of Chuuk to agree that an emergency response is required and to make a public commitment to improvement and change communicating to the citizens of Chuuk that they are entitled to a high standard of education and creating an environment where parents, communities and civil society demand and monitor educational standards. This needs to be complemented by confidence-building measures and policy dialogue with key stakeholders, including JEMCO, OIA, DOE, NDOE, and the FMS Government to allow flexibility and a realistic timeframe for compliance on key issues. The current pattern of a "reactive/adversarial" relationship and incremental responses to individual compliance issues is counter-productive. There is need to develop a Chuuk-led reform program, with agreed strategies and benchmarks, that is endorsed and supported by all parties.

123. There is also a need for a few "high-visibility"/"high-impact" reforms to be implemented as quickly as possible. This Report recommends that, during 2010, the Chuuk State Government commit to implementing policies and procedures to assure that all scheduled classes are actually taught, in accordance with their Constitutional obligation. This may require a transitional increase in the 2010 budget and flexibility in the use of temporary or substitute teachers. These are issues that may require negotiation with JEMCO and the Education Grant Manager as well as legislative action. In the longer-term, there is a need to substantially lower costs through efficiency improvements, including staff reductions, to create a high quality system that is financially sustainable.

Annex 1 - TERMS OF REFERENCE

Objective/Purpose of the Assignment

The President of the Federated States of Micronesia, His Excellency, Emanuel Mori, has requested that the ADB assist FSM with the support of a technical expert to review the education system management and administration in the State of Chuuk, and develop recommendations for improving education management in the State.

Scope of Work

Analyse and review data, literature, and project documentation relating to education system management in Chuuk State Department of Education, and consult with a range of stakeholders, including staff at the Department of Health, Education and Social Affairs (DHESA) of the Federated States of Micronesia, Chuuk State Department of Education (CSDE) managers and staff, teachers, public and private sector employers, parents, children, Chuuk Women's Council, and NGOs, in order to prepare written a report setting out key issues and recommendations for change.

Detailed Tasks

The tasks are to include, but are not limited to:

- a. Data collection and synthesis:
 - Review the outcome/recommendation of donor related project including BSSP (i.e. appropriateness, difficulties of implementation, constraints) such as establishment of education board, teachers' quality control test (i.e. teachers quality, student quality data)
 - Work with stakeholders, including other development partners where appropriate, to obtain relevant data to support the qualitative or quantitative analysis including:
 - education outcome progress overview in the past 10 years from education data system (gender disaggregate data)
 - baseline demographic key education outcomes (adult literacy if MDG is available) in primary and secondary schools;
 - household surveys covering populations, involvement in education, occupancy features, migrations patterns, socio-economic data;
 - teacher quality from database; and
 - whole school environment and professional culture.
 - Consultation with a range of stakeholders, including representatives (Secretary, Deputy) of the Department of Health, Education and Social Affairs (DHESA) of the Federated States of Micronesia, CSDE managers, staff, teachers, Chuuk public and private sector employers, community, parents, students, Chuuk Women's Council, and NGO's;
 - Analyse organizational structure and levels of accountability within CSDE;
 - Assess CSDE systems and business processes supporting design and delivery of education outputs and outcomes in Chuuk;
 - Assess policies and procedures on teacher certification, qualifications, training and performance;
 - Investigate employment conditions for education staff including personnel procedures and operational guidelines, resolution of legal considerations, and data base of qualified teachers and education staff;

- Review systems and processes supporting transparent financial management within CSDE (management of teacher/hire/fire);
- Review management of school premises and ancillary services;
- Review and analyse capacity of the CSDE to undertake research, evaluation, policy analysis and planning;
- Review asset management processes and systems of CSDE;
- Analyse extent of participation of families and communities within education system and extent to which they are included in decision making process at CSDE;
- Analyse appropriateness of curriculum and materials development;
- Review national student assessment policy; and
- Analyse data relating to student scholastic achievement;

Recommendations

Based on the results of the quantitative and qualitative analyses, the Consultants will make recommendations for CSDE reform including:

- a. Identification of issues in efficient education interventions and management;
- b. Recommendations for specific options according to timeframes;
 - medium to long term strategies for strengthening education sector management in Chuuk
 - immediate-short term strategies for strengthening education sector management in Chuuk
- c. Discussion of likely financial costs of scaling up, expanding or introducing new education administration processes.

Output/Report Requirements

At the end of the assignment, the consultant will submit the following outputs;

- a. Assessment and analysis of the effectiveness of Education sector administration; and
- b. Recommendations for improvements for better education management outcomes

Places of Assignment

Chuuk, Federated States of Micronesia

Duration of Assignment

One month

Annex 2: Letter from Governor Simira



OFFICE OF THE GOVERNOR
STATE OF CHUUK
Federated States of Micronesia

P.O. Box 189
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WESLEY W. SIMINA
GOVERNOR
JOHNSON ELIMO
Li Governor

October 7, 2009



His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei State, FM 96941

Dear President Mori:

Pursuant to our discussion today, I am happy to formally request the FSM National Government's assistance in the request for and fielding of a technical assistance from the Asian Development Bank or any other relevant international or foreign donor regarding a fundamental review and assessment of the educational system in Chuuk State. This was also discussed in our leadership meeting with you and your staff in August of this year. Our decision in the leadership meeting, I believe, led to the JEMCO resolution that created a multi-agency team that would be doing similar tasks with the educational system in Chuuk. However, I feel that a more neutral entity, such as ADB, would do a more impartial and comprehensive assessment if given the opportunity. Therefore, a prompt action on this request would be in the best interest of Chuuk, especially at this challenging time for our educational system.

Thank you for your prompt and favorable consideration of this request. With warm regards, I remain

Sincerely,

Wesley W. Simira
Wesley W. Simira
Governor

cc: President Mailo, The Senate, CSL
Speaker Harper, House of Representatives, CSL
Acting Director Sony, Department of Education

Annex 3 - ADB Review of Issues and Options in Education Management in Chuuk

Inception Report

18 November 2009

Victor Levine, ADB Consultant

Purpose - The Inception Report provides a very brief review of activities, preliminary “findings,” and recommendations for focusing ADB input to maximize the usefulness of this brief mission in assisting the Governments of the FSM and Chuuk in their efforts to improve education services and student learning in Chuuk. Therefore, the purpose of the Inception Report is to propose a strategy and to seek agreement of the principal stakeholders on the “focus” of activities during the remaining two weeks of the mission, within the context of the written TOR which were prepared and reviewed by the Office of the President of the FMS and the Governor of Chuuk State (attached). A specific objective of this Inception Report is to determine whether it will be possible to schedule a meeting of key stakeholders toward the end of the mission to discuss issues and options.

Context – There has been a decade of intensive work focusing on education reform in Chuuk, including: the preparation of three major reform plans (Navigating with Pride, 2001; Chuuk Education Reform Plan, 2005 and Chuuk State Strategic Plan for Education, 2007); numerous audits of aspects of the education system (the most recent is currently in progress); various JEMCO resolutions; and a series of technical assistance initiatives including the support of the Compact Funds Control Commission (CFCC). Within the next two months two new major initiatives will begin: the JEMCO mandated Multi-Agency Task Force (which will work over a period of six to twelve months) and the Performance Audit of the CSDE. The ADB mission is therefore a relatively minor input in the context of substantial work that has already been done and which is planned for 2010.

Overview of Preliminary Activities and Guidance Provided by Key Informants - During the first week of the mission there was opportunity for consultation with key stakeholders in **Ponhpei**, including HE the President and staff of the Office of the President, the National Department of Education (NPOE), SBOC, the Office of the National Public Auditor and representatives of civil society.

This was followed by two days of meetings in **Chuuk** with the Chuuk State Department of Education (CSDE), the Governor, representatives of the Education Committee of the Legislator (Senate and House), Chuuk Department of Finance CSDE and representatives of civil society.

The following general messages have been communicated:

1. There is broad agreement that there are significant problems in delivering quality education in Chuuk and consensus that past attempts at re-organization and reform have not been effective. There has been no “resistance” or defensiveness about the existence and nature of problems and there is a clear readiness on the part of all key stakeholders to consider a broad range of reforms, including the willingness to consider major reforms. There is consensus that the last three attempts at reforms (based on the three major planning documents) have not been successful and that none of the three plans has been implemented.
2. There has been clear guidance, particularly from H.E. the President and the Governor of Chuuk State that they do not want or need a “rehashing” and “repackaging” of the

various reviews, analyses and findings that have already been completed and presentation of facts that are already well-known. They are not looking to the ADB mission to attempt a detailed review the range of issues identified in the TOR, as this would simply duplicate work which will be undertaken by the Multi-Agency Task Force and the Performance Audit. Also the level of effort in the current ADB mission would not allow a comprehensive and substantive, in-depth, analysis of all of these issues.

3. Experience in the Department of Finance and the Public Utilities Corporation have demonstrated that a Multi-Agency Task Force can provide an effective catalyst for reform. Senior government officials have indicated that they see the ADB Review as an opportunity to bring an independent perspective to issues in education in Chuuk and to identify a broad range of options that might be considered by the Task Force and to make recommendations regarding additional information and analysis that may be useful in developing both a long-term and short-term reform strategy. In this sense, one of the main objectives of the ADB mission would be to facilitate dialogue among key stakeholders regarding the way forward.

With this in mind, there may be merit to scheduling an end-of-mission debriefing with key stakeholders. I recommend scheduling this debriefing on Wednesday 25 November and the format being less “presentation” and more “discussion” of findings and options. The role of the ADB consultant would therefore be to facilitate frank discuss of issues identified (including potentially contentious issues related to staffing, roles and responsibilities, problems in communication, leadership, etc.). The main objective of the meeting would be to seek consensus on how to best use the opportunity of the Multi-Agency Task Force to bring about effective reform. This approach has been discussed with the Governor, the Deputy Director of the CSDE, representatives of the legislative Committee on Education and the NDOE (but not yet endorsed by the Secretary of Education who is out of the country). The consultant has not yet had the opportunity to meet with the Chuuk State Board of Education. All parties that have been consulted have indicated a willingness to participate in a meeting along these lines. The outcome of the meeting, combined with the written ADB Review would provide input to the Task Force process.

The NDOE Secretary of Education is scheduled to arrive in Chuuk on November 24th. Therefore it is proposed that there be a debriefing/workshop on November 25th with a small group including senior management of the CSDO, the Secretary of Education, the Governor or his representative, members of the Congressional Education Committee and the Board of Education (to be confirmed). There would be no minutes or written record of the meeting unless the participants agree on a summary statement. Discussion of “sensitive” issues could be conducted in Chuukese, with a summary discussion following in English.

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Annex 5: Meetings and School Visits

H.E. Emanuel Mori President, FSM
 Hon. Wesley W. Simina Governor, Chuuk
 Hon. Mikeas Olap Senator and Chair Education Committee
 Hon. Ada Smith Congressmana and Member Education Committee

Ms. Gardenia Aisek Chuuk Board of Education
 Mr. Tomo Aisek Chuuk Board of Education
 Ms. Marlynn Albert CFCC
 Mr. Nick Andon CFCC
 Mr. Sabino S. Asor Esq. FSM Department of Finance
 Mr. Domingko Asor Chuuk Board of Education
 Mr. Johannes Berdon Chair, Chuuk State Board of Education
 Mr. Eddie Beyond Chuuk Board of Education
 Mr. Wehns Billen Projects Specialist, NDOE
 Mr. Alan W. Burnham US Representative, CFCC
 Mr. Lorenza Chutaro Principal
 Ms. Dolores Commer Principal
 Father Jim Crognan S.J. Xavier High School
 Mr. Burnis Danis Chief, Basic Education, NDOE
 Ms. Susan Danis Chuuk Women's Council
 Mr. Sitango Dawe Principal
 Mr. Ansie Dawe Acting Principal
 Mr. Stephen Defang Acting Principal
 Mr. Rikarto Fabian Area Supervisor
 Mr. Arthur J. Garbiso Jr. PREL, Honolulu
 Mr. Larry Goulard Acting CEO, Chuuk State Utilities Corporation
 Clark Graham NGO, Chuuk
 Mr. Perez Graham Chuuk Department of Finance
 Ms. Anita Haruo Chuuk Women's Council
 Rev. Francis X. Hezel S.J. Micronesia Seminar
 Mr. Alton Higashi College of Micronesia, Chuuk
 Mr. Rainer Jimmy Program Specialis, SBOC
 Mr. Olfred John Financial Management Specialist, NDOE
 Mr. Sohs John Budget Analyst, SBOC
 Mr. Benito Joseph Acting Principal
 Mr. Chris Jowas Acting Principal
 Ms. Karen Knudsen East West Center - Chuuk Election Monitor
 Mr. Siteioshy Kosemochen Principal
 Ms. Suzanne M. Lowe Director, SBOC
 Ms. Diana Manuel PREL, Chuuk
 Mr. Ermino Max Area Supervisor, CDOE
 Father Richard McAuliff S.J. Xavier High School
 Ms. Carleen Mefy Fiscal Officer, SPED, CDOE
 Mr. Kasio E. Mida Chief of Staff, Office of the President
 Ms. Sabina Mony CDOE
 Mr. T.R. Mori PREL, Chuuk
 Ms. Margaret Moses Head Teacher
 Mr. Johndy Nakamura CDOE
 Mr. Welson Nedlic Research Specialist, NDOE

Mr. Jojo Peter College of Micronesia, Chuuk
Ms. Telly Peter CDOE
Mr. Noah Ruben Acting Deputy Director, CDOE
Mr. Mikaichy Rudolph Acting Principal
Mr. John Schnebly Chuuk Department of Finance
Mr. Gerald Shea Office of Insular Affairs
Mr. Casiano Shoniber Secretary, NDOE
Mr. Mesewin Sonis Acting Principal
Mr. Maneichy Sonis Principal
Mr. Sanfio Sony Acting Executive Director, CDOE
Ms. Cathy Sound Chuuk Department of Finance
Mr. Eric Spivak National Public Auditor's Office
Mr. Bill Stinnett President, Chuuk Chamber of Commerce
Ms. Kiki Stinnett President, Chuuk Women's Council
Ms. Edleen K. Wainit FSM Department of Finance
Mr. Kevin Walsh Technical Advisor, NDOE
Mr. Weison Weital IT and Data Management, NDOE
Mr. Mekoishy William Assessment Specialist, CDOE
Mr. Leon Yar Assistant Principal, Neauo Elementary School

SCHOOL VISITS¹⁶

Neauo Elementary School

Xavier High School

¹⁶ Trips to other Lagoon Islands were scheduled on two separate occasions but were cancelled due to weather conditions.

Annex 6 – Analysis of Budget

This annex provides a brief analysis of the Chuuk State Department of Education 2009 Budget. The source data were provided as an MS Word file from the Chuuk State Department of Finance¹⁷. The analysis covers the years 2007 through 2009.

Growth of the Education Budget

A summary of the education budget FY 2007-09) is shown in Table 1. These values are not corrected for inflation. The total budget grew by almost \$ 3 million, over this period.

Table 6 – CDOE Budget in “Current” dollars

CDOE Budget in "Current" Dollars - Uncorrected for Inflation			
Type of Expenditure	2007	2008	2009
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
A. Personnel	6,534,631	6,645,562	7,496,895
B. Travel	44,853	43,633	42,674
C. Contract Services	98,000	159,059	130,000
D. Other Current Expenses	1,815,614	2,134,237	2,042,459
E. Fixed Assets	73,589	32,000	128,500
TOTAL	9,014,491	10,377,429	11,997,749
Division	2007	2008	2009
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
a. Ed Admin	366,406	440,906	634,053
b. C&I	440,673	417,439	444,810
c. Elementary	4,689,718	4,807,202	5,085,828
d. Secondary	3,069,890	3,286,533	3,600,169
e. Special Prog	62,411	81,188	76,672
TOTAL	9,014,491	10,377,429	11,997,749

Source: Electronic Annex 03 – Worksheet “Total”

Relative to FY 2007, the overall budget grew a third, as shown in Table 2. The highest growth was in the Division of Educational Administration, which increased by 73 percent. Investments in fixed assets varied dramatically, decreasing by over 56 percent between 2007 and 2008 and then increasing substantially in 2009.

¹⁷ The original Word File is included as Electronic Annex 03A and the Excel Analyses, derived from the Word Files as Annexes 06A and 06B.

Table 7: Percent of 2007 Budget in "Current" Dollars

Percent of 2007 Budget in "Current" Dollars			
Type of Expenditure	2007	2008	2009
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
A. Personnel	100.0%	101.7%	114.7%
B. Travel	100.0%	97.3%	95.1%
C. Contract Services	100.0%	162.3%	132.7%
D. Other Current Expenses	100.0%	117.5%	112.5%
E. Fixed Assets	100.0%	43.5%	174.6%
TOTAL	100.0%	115.1%	133.1%

Division	2007	2008	2009
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
a. Ed Admin	100.0%	120.3%	173.0%
b. C&I	100.0%	94.7%	100.9%
c. Elementary	100.0%	102.5%	108.4%
d. Secondary	100.0%	107.1%	117.3%
e. Special Prog	100.0%	130.1%	122.9%
TOTAL	100.0%	115.1%	133.1%

The annual increase in the budget reflects a combination of real growth, combined with the effects of inflation. Table 3 shows growth rates in "constant" terms, correcting for inflation. After adjusting for inflation, the total cost of the education system increased by over 27 percent in real terms, over this two year period; Educational Administration increased by over 65 percent.

At these growth rates, the total cost of the system would double every six years (after adjusting for inflation) and the cost of Educational Administration would double every three years.

Table 8: Percent of 2007 Budget in "Constant" (Inflation-Corrected) Dollars

Percent of 2007 Budget in "Constant" Dollars			
Type of Expenditure	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
A. Personnel	100.0%	99.5%	109.8%
B. Travel	100.0%	95.2%	91.1%
C. Contract Services	100.0%	158.8%	127.0%
D. Other Current Expenses	100.0%	115.0%	107.7%
E. Fixed Assets	100.0%	42.5%	167.2%
TOTAL	100.0%	112.6%	127.4%
Division	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>Actual</i>	<i>Appropriated</i>	<i>Approved</i>
a. Ed Admin	100.0%	117.7%	165.7%
b. C&I	100.0%	92.7%	96.6%
c. Elementary	100.0%	100.3%	103.8%
d. Secondary	100.0%	104.8%	112.3%
e. Special Prog	100.0%	127.3%	117.6%
TOTAL	100.0%	112.6%	127.4%

Annex 7 – Analysis of Student/Teacher Ratios

Public Elementary Schools 2009

	Ttl				S/T			
<i>Public Elem</i>	Tchr	M	F	Ttl	Ratio			
Iras Elementary	22	280	279	559	25.4			
Iras Annex (Tunnuk)	2	33	35	68	34.0	Min	6.5	
Mechitiw Elementary	13	88	92	180	13.8	Max	80.0	
Mwan Elementary	12	134	153	287	23.9			
Neauo Elementary	9	180	145	325	36.1	Correl	0.24714	
Neauo Annex (Epinup)	2	15	14	29	14.5	R square	6.1%	
Neauo Annex (Wichap)	4	57	54	111	27.8			
P&P Elementary	5	81	69	150	30.0			
Sapuk Elementary	8	110	104	214	26.8			
Fonoton Elementary Scho	6	58	36	94	15.7			
Piis Paneu Elementary	3	37	51	88	29.3			
Kuchuwa Elementary	7	73	69	142	20.3			
Sino Memorial Elementary	8	187	185	372	46.5			
Nechap Elementary	5	46	59	105	21.0			
Nukuno Elementary	7	78	85	163	23.3			
Etten Elementary	3	19	21	40	13.3			
Inaka Elementary	6	41	54	95	15.8			
Kukku Elementary	8	77	76	153	19.1			
Messa Elementary	8	66	59	125	15.6			
Pwene Elementary	5	58	50	108	21.6			
UFO Elementary	8	58	57	115	14.4			
West Fefen Elementary	7	87	88	175	25.0			
Sapore Elementary	6	55	48	103	17.2			
Parem Elementary	3	49	31	80	26.7			
Siis Elementary	2	35	42	77	38.5			
Kuchu Elementary	5	76	71	147	29.4			

Public Elementary Schools 2009 - Continued

Sapota Elementary	4	114	102	216	54.0			
Panitiw Elementary	9	110	104	214	23.8			
Udot Elementary	8	148	143	291	36.4			
Eot Elementary	4	47	43	90	22.5			
Fanapanges Elementary	3	71	55	126	42.0			
Romanum Elementary	4	92	82	174	43.5			
Amwachang Elem	4	70	63	133	33.3			
Amwachang Annex	3	30	34	64	21.3			
Foup Elementary	6	55	57	112	18.7			
Foup Annex	5	74	59	133	26.6			
Wichukuno Elementary	5	86	72	158	31.6			
Faro Elementary	9	35	51	86	9.6			
Winifei Elementary	1	25	31	56	56.0			
Munien Elementary	11	36	35	71	6.5			
Nechocho Elementary	3	19	23	42	14.0			
Central Wonip Elementary	6	87	62	149	24.8			
West Wonip Annex	4	19	12	31	7.8			
East Wonip Elementary	4	81	33	114	28.5			
Fason Elementary	4	70	115	185	46.3			
Chukuram/Winikka Eleme	4	65	58	123	30.8			
Manaio Elementary	4	40	26	66	16.5			
Neirenomw Elementary	6	45	54	99	16.5			
Nethon Elementary	3	26	32	58	19.3			
Sapou Elementary	1	39	41	80	80.0			
Neirenomw Annex (Nepp	5	50	36	86	17.2			
Epin Elementary	7	34	56	90	12.9			
Enpin Annex (Inaka)	2	17	14	31	15.5			
Nukaf Elementary	3	34	47	81	27.0			
Sapota Elementary	3	70	68	138	46.0			
Teruo Bokuku Mem. (Per	5	59	64	123	24.6			

Public Elementary Schools 2009 - Continued

Sapitiw Elementary	5	46	31	77	15.4			
Tonokas Annex	3	16	23	39	13.0			
Nema Elementary	7	107	95	202	28.9			
Losap Elementary	5	63	38	101	20.2			
Piisemwar Elementary	6	37	45	82	13.7			
Namoluk Elementary	6	62	43	105	17.5			
Ettal Elementary	5	33	32	65	13.0			
Kuttu Elementary	6	60	75	135	22.5			
Moch Elementary	9	55	55	110	12.2			
Oneop Elementary	6	70	79	149	24.8			
Lekinioch Elementary	11	117	114	231	21.0			
Ta Elementary	3	40	44	84	28.0			
Ta Annex	2	11	12	23	11.5			
Satowan Elementary	6	73	56	129	21.5			
Murilo Elementary	3	40	48	88	29.3			
Nomwin Elementary	7	32	42	74	10.6			
Ruo Elementary	5	38	49	87	17.4			
Fananu Elementary	1	38	32	70	70.0			
Mokur Elementary	1	19	25	44	44.0			
Piherarh Elementary	4	28	33	61	15.3			
Onou Elementary	5	15	28	43	8.6			
Unanu Elementary	4	26	38	64	16.0			
Onoun Elementary	2	72	70	142	71.0			
Houk Elementary	4	53	37	90	22.5			
Tamatam Elementary	3	44	38	82	27.3			
Polowat Elementary	6	34	37	71	11.8			
Pollap Elementary	5	70	46	116	23.2			

Public Secondary School 2009

<i>II Public Secondary Schools</i>							
Chuuk High School	38	302	326	628	16.5		
Weno High School	29	162	211	373	12.9		
SNHS Tonoas	12	99	117	216	18.0	Min	5.7
Faichuk High School	12	111	101	212	17.7	Max	30.8
Mortlock High School	11	84	77	161	14.6		
Moch Jr. High	7	44	34	78	11.1	correl	0.752923
Weipat High School	5	85	69	154	30.8	R square	56.7%
Pattiw Jr. High	3	20	9	29	9.7		
PPO Jr. High	9	21	30	51	5.7		
Nomusofo Jr. High	6	46	35	81	13.5		
Lukeisel Jr. High	7	37	43	80	11.4		
Halls Jr. High	7	19	25	44	6.3		
SNHS Fefen	11	98	80	178	16.2		
Pollap&Tamatam Jr. High	3	26	6	32	10.7		

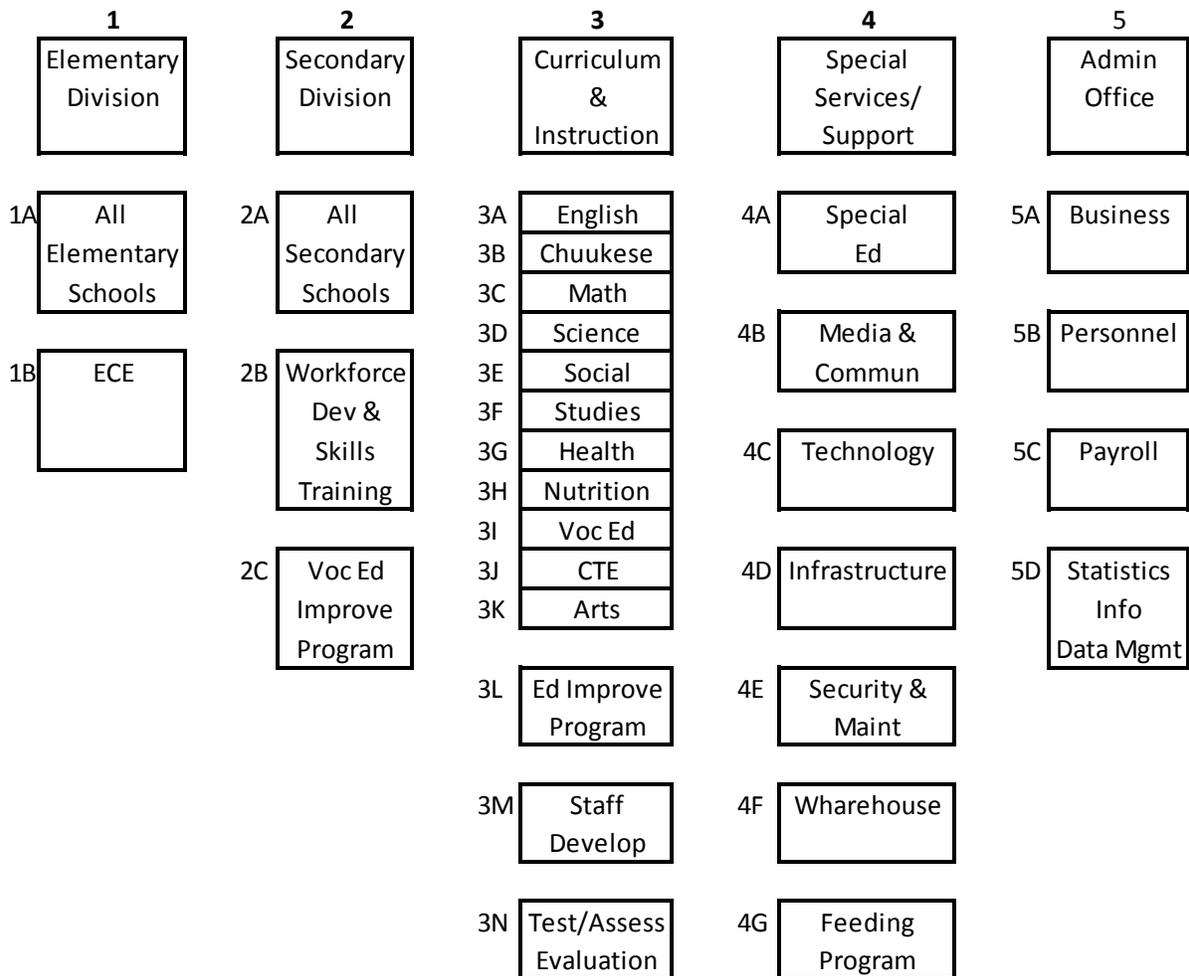
Notes on Source Data:

For 2009 ratios see Electronic Annex 07A

For Time Series data 2000-2001 through 2008-2009 see Electronic Annex 07B

Annex 8 - PROPOSED ORGANIZATIONAL CHART CDOE

Governor
Lt. Governor
Board of Ed
Executive Director
Deputy Director



Annex 9: Teachers by Qualification

	Division/Program	Degree Teachers	Non-Degree Teachers	Degree Eligible Among Non-Degree	Non Eligible Among Non Degree	Total
1	Elementary	320	184	85	99	504
2	Secondary	112	51	24	27	163
3	Early Childhood	17	68	27	41	85
4	Special Ed.	22	36	14	22	58
5	TOTAL	471 (58%)	339 (42%)	150 (19%)	189 (23%)	810 (100%)

Source: CDOE Teachers' Training and Certification Plan. December 2009. Page 2.

Annex 10: Analysis of Qualification of Central Staff

Qualification	Count	Percent	Cummulative Percent
MA	1	0.6%	0.6%
MS	1	0.6%	1.2%
BA	13	8.0%	9.3%
BS	3	1.9%	11.1%
AA	3	1.9%	13.0%
AS	12	7.4%	20.4%
Certificate	1	0.6%	21.0%
None	37	22.8%	43.8%
(blank)	91	56.2%	100.0%
TOTAL	162		

For source data see Electronic Annex EA10 CDOE 2009 Staffing by Region – Worksheet “Central Degrees”

Annex 11: Underutilization of Compact Funds (See Electronic Annex 11 for data)

Annual Compact Funding and Under-Expenditure						
	2007		2008		2009	
	Total Budget	Unspent	Total Budget	Unspent	Total Budget	Unspent
Salaries & Benefits	5,541,819	472,042	6,632,340	1,578,227	6,476,223	-5,394
Travel			52,561	27,833	61,936	18,962
Consumables	2,447,764	620,291	2,213,708	1,138,352	2,118,439	822,794
Contractual Services	1,318,178	158,645	965,086	88,468	2,162,224	962,947
Fixed Assets	283,953	181,808	126,675	103,915	184,000	119,554
Total Expenditure	9,710,276	1,474,735	9,990,370	2,936,795	11,002,822	1,918,863
	2007		2008		2009	
	% of Budget Unspent		% of Budget Unspent		% of Budget Unspent	
Salaries & Benefits	8.5%		23.8%		-0.1%	
Travel	0.0%		0.0%		0.0%	
Consumables	25.3%		51.4%		38.8%	
Contractual Services	12.0%		9.2%		44.5%	
Fixed Assets	64.0%		82.0%		65.0%	

Aggregate Compact Funding 2007 - 2009				
	Total		Percent	Share of
	Budget	Unspent	of Budget Underspent	Total Underspent
Salaries & Benefits	18,650,382	2,044,875	11.0%	32.3%
Travel	114,497	46,795	40.9%	0.7%
Consumables	6,779,911	2,581,437	38.1%	40.8%
Contractual Services	4,445,488	1,210,061	27.2%	19.1%
Fixed Assets	594,628	405,277	68.2%	6.4%
Total Expenditure	30,703,468	6,330,393	20.6%	100.0%

Detailed data are provided in Electronic Annex 11.

Annex 12: Compact Funds Control Commission

P.O. BOX 1345, Weno, Chuuk, FM 96942

November 19, 2009

Sanfio Sony, Acting Director

Department of Education

Chuuk State Government

Subj: FY 2009 Year End Contract Awards

Dear Director Sony:

Thank you for copying me on your November 13, 2009 letter to Governor Simina concerning CFCC's role in processing several contracts that had been awarded by the Contract Review Committee close to the end of fiscal year 2009. The main reason that certain contracts were not approved is that the Office of Insular Affairs-Honolulu Filed Office had given written instructions to DAS to stop processing contracts for school repair as well as other year end contracts. I've attached a copy of an email message from Steve Savage to John Schnebly concerning these contracts. In addition, I had been given instructions by Tim Donahue to stop processing on the Chuuk High School Renovation and Iras Demo School projects. We were also instructed by Steve Savage to hold the MCM contract for school furniture and I've attached a copy of Steve's email to CFCC and my memo to the Governor concerning this contract. I have been unable to get any information concerning the status of a bid complaint investigation by Do It Best who was the lowest bidder on the school furniture project.

You are correct that my response to questions concerning these projects and related contracts is that the FY 2009 budget is no longer available since the contracts were not encumbered as of September 30, 2009 and, that so far as I know, the matter is now a FY 2010 budget issue that will have to be resolved by DOE and the Office of Insular Affairs since CFCC has no role in the budget process. We're preparing a list of all yearend projects that were not approved for FY 2009 budget expenditures and will be pleased to give you a copy as soon as it's completed.

I'll be happy to answer any questions you may have.

Sincerely,

Alan Burnham, CPA

cc: Governor
Chairman, IPIC
Attorney General
Director, DAS
Planning & Statistics
Education Grant Manager, Tim Donahue

Possibilities for FY 2009 Budget					
Project	Amount	Contract Awarded To	Contract to CFCC	Status	
<u>Chuuk High School Building #1</u>	\$ 106,143	Truk Island Developers	9/22/09	Renovation contract awarded lowest bidder via sealed bidding. Contract being reviewed by CFCC	
<u>Student chairs & other school F&F.</u> [See worksheet "MCM-School F&F"]	\$ 163,710	MCM Ent.	8/7/2009	Contract awarded to 2nd lowest bid via sealed bidding. OIA instructions dated 8-13-09 are to hold contract until further notice. The vendor claims the F&F has been shipped to arrive on or about 9-30-09. Please give CFCC written instructions to approve, or not.	
<u>Renovation/Repair Materials</u> [for 10 outer island schools & 1 school on Weno]	est \$ 214,160	J&R Ent.	NO	Contract awarded to lowest bidder via sealed bidding subject to J&R performance on a prior materials contract.	
<u>23 Contracts: Labor only</u> [renovation of 11 schools above]	\$ 92,000	Various	9/17/09	Contracts awaiting advice from OIA concerning renovation of the 11 schools.	
<u>Water Purification Units - Chuuk High</u>	\$ 50,000	Reliance Ent.	9/18/09	These are subject to FPA Small Purchase vs Sealed Bidding.	
<u>Water Purification Units - Mechtive Elem.</u>	\$ 40,000	Reliance Ent.	9/11/09	These are subject to FPA Small Purchase vs Sealed Bidding.	
<u>Iras Demo School</u> [5,000 student chairs & other school furniture]	est \$ 85,920	Island Mart a/k/a Seven Star	NO	F&F contract awarded to lowest bidder via sealed bidding.	
<u>Iras Demo School</u>	est \$ 187,683	Seven Star	NO	Renovation contract awarded lowest bidder via sealed bidding.	
<u>Dictionaries</u>	\$ 74,813	MCM	n/a	These 2 RQ's were returned due to FPA sealed bidding requirement for purchases over \$100,000. Purchases cannot be split to avoid the bidding process.	
<u>Dictionaries</u>	\$ 27,712	Ace Hardware	n/a		
	\$ 102,525				
Total	\$ 1,042,141				

Annex 13 – Chuuk Women’s Council Survey

November 17 2009

Ms. Kiki Stinnett, President
Chuuk Women’s Council

Subject: ADB Review of Education in Chuuk

Dear Ms. Stinnett,

As you know, the Department of Education is continuing efforts to improve the quality of education in Chuuk and greatly appreciates the support and assistance that has been provided by civil society and by the Chuuk Women’s Council, in particular.

I understand that the Council will be convening a major end-of-year meeting with representatives of NGOs from throughout Chuuk. The Department would be grateful for the opportunity to obtain information from participants regarding their views of the state of education in Chuuk.

Members of my staff, working in collaboration with the National Department of Education and an ADB Technical Advisor, have prepared a brief one-page questionnaire on this subject and would be most grateful if the Council could assist in collecting this information during your meeting. A proposed draft (English and Chuukese) is attached for your consideration, review and comment.

If the Council is able to support this measure, the ADB consultant will arrange for printing of the required number of copies. PREL has generously agreed to assist in scanning the results for further analysis.

I have asked Victor Levine, the ADB Technical Advisor, to liaise with you regarding this matter.

Thank you in advance for consideration of our request.

Warm Regards,

Noah Ruben
Acting Director, CSDE

		Island					
Kose mwochen cheki menni neiin ekkena pwoor mei pwung.							
		Fokkun eech	Eech	Ekis eech	Ngaw	Fokkun Ngaw	
		(1)	(2)	(3)	(4)	(5)	
Imwen sukuun							
Neenien kaoo							
	Mii naaf neeni						1
	Ese afeiengngaw						2
	Mii nimeech						3
Konik							
	Konikin un						4
	Konikin tettenun paaw						5
Imwen ngaseno							6
Fiifi/tengki							7
Tumwun							8
Imwen mwenge							
	Mii naaf neeni						9
	Ese afeiengngaw						10
	Mii nimeech						11
Perensepwon							
Sineei wiisan me amwmwen eech							12
Appechekkuna aan esapw wor aseese:							
	li woon inisin						13
	Ekkewe sense						14
	Choon sukuun						15
Sense							
Mei chuchchuuri saam me iin							16
Mei sineei asukuun							17
Mei sineei ekkewe nesen ika masowen asukuun							18
Choon sukuun mei asamwonnu							19
Mei fokkun achoolo							20
Books me pisekin asukuun							
Mei wor books/mei naaf							21
Mei wor ika naaf pisekin asukuun							22
Mei tumwun ekkewe pisekin asukuun							23
Pisekin non ewe imwen sukuun							
Cheepen me seea							24
Pinakpwoot/kokupang							25
Neenien iseisen pisek							26
Anninnis seni community							
pwaapwaiti ewe sukuun							27
Tumwunu me nimeti imwen sukuun							28
Cheki ika sense mei feeri wiiseer							29

		Island					
Please mark the best answer by checking the box							
		Very Good	Good	Fair	Poor	Very Bad	
		(1)	(2)	(3)	(4)	(5)	
School Facilities							
Classrooms							
	Adequate	<input type="checkbox"/>	1				
	Safe	<input type="checkbox"/>	2				
	Clean	<input type="checkbox"/>	3				
Water							
	Drinking	<input type="checkbox"/>	4				
	Washing	<input type="checkbox"/>	5				
Toilets		<input type="checkbox"/>	6				
Electricity		<input type="checkbox"/>	7				
Security		<input type="checkbox"/>	8				
Cafeteria							
	Adequate	<input type="checkbox"/>	9				
	Safe	<input type="checkbox"/>	10				
	Clean	<input type="checkbox"/>	11				
Principal							
Leadership		<input type="checkbox"/>	12				
Enforces Attendance							
	Self	<input type="checkbox"/>	13				
	Teachers	<input type="checkbox"/>	14				
	Students	<input type="checkbox"/>	15				
Teachers							
Meet with Parents		<input type="checkbox"/>	16				
Good quality teaching		<input type="checkbox"/>	17				
Knows subject/curriculum		<input type="checkbox"/>	18				
Is respected by students		<input type="checkbox"/>	19				
Attendance at School		<input type="checkbox"/>	20				
Books and Materials							
Sufficient Books		<input type="checkbox"/>	21				
Sufficient Supplies and Materials		<input type="checkbox"/>	22				
Care of supplies and materials		<input type="checkbox"/>	23				
Furniture							
Desks and Chairs		<input type="checkbox"/>	24				
Blackboards		<input type="checkbox"/>	25				
Storage		<input type="checkbox"/>	26				
Community Support							
Interest in school		<input type="checkbox"/>	27				
Help with maintenance		<input type="checkbox"/>	28				
Checks on teacher attendance		<input type="checkbox"/>	29				

Annex 14 – Chuuk Teacher Training and Certification Program

(First two or eleven pages only – full document included as Electronic Annex 14)



FEDERATED STATES OF MICRONESIA
OFFICE OF THE GOVERNOR
 State of Chuuk
 Weno, Eastern Caroline Islands 96942

TELEX ADDRESS
 FAX NUMBER (691)330-2604

A Proposed Plan

For

Teacher Training and Certification Program

- I. General.** The total number of teachers in the Chuuk State Department of Education inclusive of Early Childhood Education and Special Education teachers is 810. Out of this number, 471 or 58 % have attained their degrees while the rest are still working and pursuing theirs. Of the degree teachers who have taken the National Standard Teachers' Test (NSTT), only a small per cent of them passed. The actual result will be announced as soon as everyone of the 471 is tested.

A total of 339 or 42 % of Chuukese public school teachers are still without a degree. While 150 of them are pursuing their degrees either at College of Micronesia (COM), FSM, or elsewhere, 189 are still unable to. This is because they have not passed required entrance test, or were not given the opportunity to take it.

The challenge to enroll these 189 teachers in college is huge. So an aggressive and an ambitious training plan is hereby proposed for Chuuk State DOE to be able to move its teachers toward degree attainment. The plan is aligned with the recommendations set forth in the Chuuk State Strategic Plan for Education, 2007-2012.

The table below shows data on degree and non-degree teachers, along with the number of eligible and non-eligible teachers to pursue associate degree programs.

	Division/Program	Degree Teachers	Non-Degree Teachers	Degree Eligible Among Non-Degree	Non Eligible Among Non Degree	Total

1	Elementary	320	184	85	99	504
2	Secondary	112	51	24	27	163
3	Early Childhood	17	68	27	41	85
4	Special Ed.	22	36	14	22	58
5	TOTAL	471 (58%)	339 (42%)	150 (19%)	189 (23%)	810 (100%)

- A. There are 189 teachers who are yet to enter college either because they do not meet college entrance requirements, or they are unable to leave their families to go away to college.
- B. Of those who had already passed the COMET, 150 are eligible to attend school. Some can only attend summer schools, while others are having difficulty readjusting to college life, as they had been out of school for several years.
- C. Many non-degree teachers could not leave their schools to pursue their college degree because there is no one to take-over their classes.
- D. Some teachers are not able to live on Weno, the main island where the college is located. They must travel by small boat to come to Weno to attend classes on a daily basis. But because of the high cost of fuel, it is too costly to commute daily.

II. Proposed Plan. To have the ability to move teachers forward, a three-phase training plan is proposed:

- A). An intensive summer program (ISP) to prepare teachers to enter college.
- B). An accelerated training program (ATP) to move teachers toward AA/AS degree.
- C). A mobile training program (MTP) to help degree teachers pass the NSTT.

Annex 15 - COM. Faichuk Summer Institute

COM-FSM checks on Chuuk campus access road and Teacher Summer Institute

http://www.fsmpio.fm/RELEASES/2009/june/06_44_09.html

Press Release #0609-44

Palikir, Pohnpei – FSM Information Services

June 25, 2009

(COM-FSM Press Release 0609-02)

The Vice President for Administrative Services of COM-FSM, Mr. Joe Habuchmai, recently visited Chuuk to follow-up on the Teacher Summer Institute planned for Faichuk and the work done on an access road construction to the Chuuk permanent site.

The College of Micronesia-FSM (COM-FSM) entered into a contract with the Chuuk State Department of Education (DOE) to provide outreach coursework to teachers in the Faichuk region of Chuuk. The college agreed to provide teacher training on the island of Tol to address the pressing need to improve teacher quality and increase the number of certified teachers in Chuuk.

The initial visitation to Tol was conducted by the Vice President for Academic Affairs, Jean Thoulag, when initial negotiations prior to the signing of the contract started. Since the visit, auditors who audited COM-FSM found that three out of 104 transactions tested lacked evidence of competitive bidding. All three transactions were agreements between the college and the Chuuk State DOE for COM-FSM to provide teacher training.

Tim Donahue of the U.S. Department of the Interior, Office of Insular Affairs (DOI) clarified that **the college is the only accredited institution of higher education operating in the Federated States of Micronesia (FSM) that has the capacity to deliver on-site teacher training in Chuuk that meets the needs of the school system.** Mr. Donahue concluded that competitive bidding in this case would be fruitless and overtly time consuming and that this is a situation the OIA has no objection to.

OIA clarified another competitive bidding audit finding by acknowledging that it is acceptable for the Chuuk State DOE to enter a sole source contract with the college without the requirement to find other competitors, again citing the college's accreditation and quality. In defense of the college's decision to acquire the two facilities on Tol for the Summer Institute, Mr. Donahue also noted that St Julia School and the former Faichuk campus of the Pacific Island Bible College are the only available sites for the College to conduct the training. OIA finds it acceptable for the Chuuk State DOE to enter sole source contracts with the land owners for each school site to provide training facilities and room and board for training participants.

Vice President Habuchmai also took the time to visit the construction site of the access road to the Chuuk state campus permanent site at Nantaku. Alfred Oltter of the college's office of facilities maintenance and security was in Chuuk weeks prior to Habuchmai's visit to oversee the development of the project. The college is currently working to solve an issue regarding the need to acquire needed machinery to complete the project. Vice President Habuchmai noted some urgent personnel issues to ensure the completion of the access road.

The Vice President for Administrative Services (VPAS), Mr. Joe Habuchmai, conducted his visit during the third week of June.

Annex 16 – Chuukese COM Graduates

Year of Graduation	Degree							Total
	3rd CA	AA	AAS	AS	BA	CA	Class 5	
1986-1987				1				1
1994-1995						1		1
1999-2000	3	6		1	2			12
2000-2001	4	15		11	5			35
2001-2002		7		17	8	1		33
2002-2003	7	9		13	4			33
2003-2004	2	16		7	1	2		28
2004-2005	10	22	1	16				49
2005-2006	9	12		19		5	2	47
2006-2007	3	16		28			1	48
2007-2008	2	12	1	31		8	4	58
2008-2009		5			2	3		10
Total	40	120	2	144	22	20	7	355

For a comprehensive list of graduates and subject major, see Electronic Annex 16.

Annex 17 – Implementation of Staggered Entry to Grade 1

In elementary schools with low total enrollment, it would be possible to reduce the number of teachers required by offering entry to Grade 1 in alternate years. Over a period of seven years, it would be possible to reduce the number of required teachers from eight to four. In extremely small schools it would be possible to reduce the requirement to two teachers through a policy of staggered entry and multi-grade teaching.

Elapsed Years	Grades Offered								Teachers
	1	2	3	4	5	6	7	8	
0	█	█	█	█	█	█	█	█	8
1		█	█	█	█	█	█	█	7
2	█		█	█	█	█	█	█	7
3		█		█	█	█	█	█	6
4	█		█		█	█	█	█	6
5		█		█		█	█	█	5
6	█		█		█		█	█	5
7		█		█		█		█	4
	█		█		█		█		4
		█		█		█		█	4

Annex 18 – Inflation Rate (CPI) 2003 - 2009

http://www.indexmundi.com/federated_states_of_micronesia/inflation_rate_%28consumer_prices%29.html

Index Mundi

Federated States of Micronesia Inflation rate (consumer prices)

[Federated States of Micronesia](#) > [Economy](#)



Inflation rate (consumer prices): 2.2% (2005)

 Year	Inflation rate (consumer prices)	Rank	Percent Change	Date Information	of
2003	1.00 %	195		2002 est.	
2004	1.00 %	195	0.00 %	2002 est.	
2005	1.00 %	24	0.00 %	2002 est.	
2006	2.20 %	60	120.00 %	2005	
2007	2.20 %	46	0.00 %	2005	
2008	2.20 %	48	0.00 %	2005	
2009	2.20 %	20	0.00 %	2005	

Definition: This entry furnishes the annual percent change in consumer prices compared with the previous year's consumer prices.

Source: [CIA World Factbook](#) - Unless otherwise noted, information in this page is accurate as of September 17, 2009

See Also

- [Inflation rate \(consumer prices\) rank chart](#)
- [Inflation rate \(consumer prices\) - comparative map](#)

Annex 19 – Public and Private Sector Wages

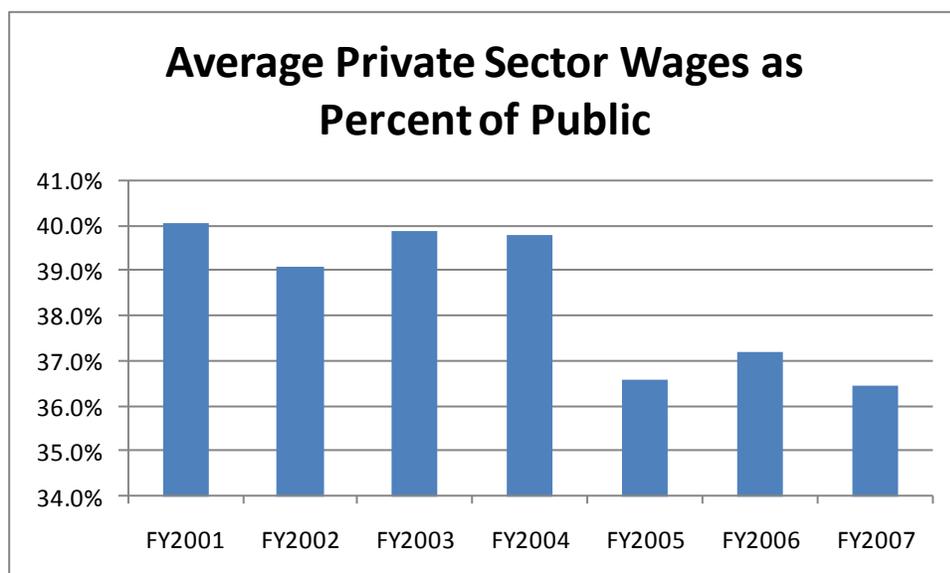


Table 4. Federated States of Micronesia: Public and Private Sector Employment and Wages, FY2001–07 1/

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
				(In persons)			
Total employment	16,675	16,874	16,555	16,406	16,220	16,470	16,360
Total public sector	7,374	7,751	7,418	7,082	7,146	7,795	7,237
National and state government	5,757	5,912	5,668	5,614	5,889	6,524	6,015
National government	839	826	854	851	655	665	663
Pohnpei	1,698	1,748	1,721	1,712	1,750	1,876	1,910
Chuuk	2,603	2,669	2,421	2,380	2,364	2,830	2,355
Yap	781	800	819	814	1,049	1,085	1,039
Kosrae	675	695	706	709	727	733	711
Municipalities	706	959	872	603	497	585	556
Public enterprises	910	881	878	865	760	687	667
Private sector	7,281	7,036	7,001	7,103	6,939	6,941	7,326
Private Nonfinancial enterprises	6,544	6,275	6,274	6,384	6,240	6,238	6,602
<i>Of which:</i>							
Wholesale and retail trade	2,721	2,798	2,927	3,085	3,238	3,338	3,451
Transport	1,007	964	1,056	1,026	1,055	1,100	1,144
Education	925	1,070	1,118	1,180	1,115	872	928

Construction	1,115	895	808	838	856	814	813
Hotels and restaurants	890	796	799	838	849	821	865
Manufacturing	822	796	682	591	186	92	110
Financial institutions	207	201	175	177	188	195	198
Nonprofit organizations	530	560	552	542	511	508	526

(In U.S. dollars)

Average public sector wage							
National and state government	9,873	10,292	10,330	10,193	11,103	11,081	11,183
Municipalities	3,572	3,289	3,386	3,236	4,813	4,985	3,500
Public enterprises	10,502	10,435	10,583	10,823	11,336	12,276	12,608
Average private sector wage	3,954	4,021	4,118	4,057	4,062	4,123	4,074
Financial enterprises	15,549	15,376	16,129	13,970	13,539	14,044	18,351
Nonprofit organizations	4,253	4,333	4,365	4,703	5,136	5,328	5,340
Memorandum item:							
Total population	107,263	107,472	107,644	107,785	107,885	107,965	108,031

Sources: Data provided by the FSM authorities; and Fund staff estimates.

1/ Fiscal year ending September 30.

Ratio public/private	40.0%	39.1%	39.9%	39.8%	36.6%	37.2%	36.4%
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Annex 20: List and Description of Electronic Annexes

A series of electronic annexes, cited in the body of the Report and printed annexes, has been provided on CD. These electronic annexes provide additional data and analyses supporting the finds of the Report.

EA 06A is an Excel file that presents an analysis of CBOE budget data for the period 2007 – 2009.

EA 06B is the source budget data provided by the Chuuk State Department of Finance as an MS Word file for 2008.

EA 06C is the source budget data provided by the Chuuk State Department of Finance as an MS Word file for 2009.

EA 07A provides 2009 data on enrollment and staffing by individual school with an analysis of the correlation between these two variables and estimates of the variance explained (R squared).

EA 07B provides time series data on average enrollment and staffing (2000/01 through 2008/09) by school type.

EA 10 provides an analysis of central staff in the CDOE

EA 11 provides an analysis of the CDOE budget 2007 – 2009.

EA 16 provides a list of COM Chuukese graduates and analysis by type of degree and year of graduation.

Annex 21: Best Practice Expectations of Public Sector Education Management:

This Annex provides examples of expected best practice of public sector education management with a description of the current situation in Chuuk (indented and italics).

At the Central Level:

Planning and Budgeting [1] -- The planning function would be an on-going, evidence-based process. Annual plans would “drive” the budget process and these plans would reflect priorities, resource availability and institutional capacity, to assure that annual budgets could be successfully executed. There would be a strong planning unit to assist operational departments in developing annual plans and budgets.

There is weak planning capacity in Chuuk. Responsibility for school data, staffing data and student assessment data lies in different divisions of the CDOE and data are not integrated or appropriately used for planning and budget preparation. There is no planning unit specified in the proposed organizational structure¹⁸. Annual budgets clearly do not reflect consideration of institutional capacity, as budgets are regularly under-executed. Planning and policy functions appear to be ad hoc and are not evidence-based.

Department and Staff Annual Work Plans [2] – There would be a detailed annual work plan for each unit and work plans for professional staff with benchmarks and outputs specified with associated target dates and a regular system for monitoring progress and periodic reporting to senior management.

The consultant was informed that there are no annual work plans for professional staff; although, the CDOE indicated that it would like to develop such plans, after the completion (or as part) of the planned Performance Audit. Key activities and outputs appear not to be monitored by senior management as evidenced by failure to meet critical deadlines on critical activities such as preparation of detailed upgrading plans for individual teachers, completion of procurement documentation for over one million dollars in contracts, and alignment of inputs and services for rehabilitation of 30 schools.

Human Resources Management [3] – There would be a job description for each position that defines required qualifications, skills and experience and a process of regular review of positions and individual plans for staff development and training. There would be fair and transparent processes for advertising vacancies and filling posts, free of political interference. There would be a system of regular performance reviews and clear policies regarding leave days, coupled with a reliable system for monitoring attendance. Department supervisors would be responsible for enforcing performance standards, free from political or other interference. There would be policies and procedures for discipline and termination of employment.

Vacant positions are “announced” by means of posting on public bulletin board in Weno. It is not clear that this information is widely disseminated, although options for information dissemination, particularly to other islands, are limited. There is a widely-held perception that there is substantial political interference, favoritism and nepotism in

¹⁸ The CDOE was unable to provide an organizational chart for the current structure, however, it was assumed that this was reflected in the central staff data base, which was available.

staffing decisions¹⁹. The COM indicated that it has a data base 355 Chuukese graduates, of whom, almost 300 have degrees that meet the official requirements for certification. The COM indicates that they have been unsuccessful in attempts to engage the CDOE in considering options for recruiting from this graduate pool. There appear to be either no policies regarding absenteeism at the central office, or these policies are ignored. During the consulting mission, there was evidence of high absenteeism among support staff and some absenteeism by professional staff. The CDOE education staff data base does not indicate the educational attainment of most centrally-posted staff. At the school level, there is substantial evidence (including site visit reports, the CSSF 2008 2009 audits of schools and discussions with stakeholders) that teacher absenteeism is endemic and not reported by school principals. Cancellation of classes is quite common, some schools are closed for long periods of time and there is also evidence of some principals being chronically absent from post. The “official” statistics on student and teacher absenteeism (reported annually in the “20 Indicator” report) are clearly incorrect.

Information and Communication Systems [4] – There would be operational systems (phone, radio, fax or internet) to allow communication with all schools and regional offices as well as other government agencies. There would be a comprehensive annual school survey (including information on enrollment, staffing, facilities, community participation, materials, equipment and finance) that would be captured in an EMIS and procedures to verify information on a sample basis.

The Chuuk education system is highly disbursed across 98 islands, which is an obstacle to effective communication. There is a system of radio communication; however, this has fallen into disrepair due to inadequate support and maintenance. Correcting problems with radio communication (either through repair or replacement) should be a relatively straight-forward technical task. Communication between government offices and the Federal Government in Pohnpei is also poor. The primary means of communication is email. There appears to be a “culture” of not opening or responding to email communications, compounded by apparent weaknesses in the education internet domains in both states²⁰. The consultant was informed that there is no facility for fax communication between the CDOE and NDOE, although supporting this service is included in secretarial job descriptions. There is no integrated data base of annual school returns; although, the NDOE has plans for developing a national EMIS system.

Assessment and Evaluation [5] – There would be a system of regular assessment of student performance for selected grades and subjects, using criterion-referenced instruments (which would allow comparisons of performance across years) and this information would be integrated into the EMIS to support analysis of the determinants of student achievement and to influence policy and school improvement initiatives. There would be periodic evaluations of specific programs and activities.

The NDOE provides leadership on assessment of learning outcomes. The National Standards Test (NST) has been administered to a sample of students for a number of

¹⁹ This information is anecdotal and will need to be further examined under work of the Multi-Agency Task Force, the Performance Audit or through some other methodology.

²⁰ Emails directed to the fsmcd.fm domain are frequently returned as undeliverable, after 24 hours of attempts. The email addresses exist and are acknowledged but the equipment needed to receive messages is unavailable. This is a technical issue which should be investigated by education IT staff in both states. One strategy might be to have copies of all emails sent to another domain (e.g., yahoo or gmail) with a staff member charged with checking incoming emails and assuring that critical messages reached the intended recipient.

years. Starting in 2009, language arts skills of all students are being measured annually at three grades, this will be extended to include mathematics skills at five grades, beginning in 2010. At present, this assessment data is not integrated with data on school characteristics and teacher staffing, qualifications and salaries, to support analysis of the factors that influence student learning outcomes. The CBOE is receiving technical assistance from PREL in the analysis of assessment data and there is potential to substantially strengthen the assessment and evaluation process.

School Staffing Norms – [5] There would be a policy for school staffing based on enrollment, grades and courses taught, and other relevant factors that would determine the number of instructional, management and support staff allocated to each school. For small schools there would be provisions for multi-grade teaching or staggered entry to assure cost-effectiveness. Staffing would be reviewed on an annual basis, with reference to changes in enrollment.

The number of teachers employed in the system greatly exceeds the stated norm of a 30:1 student/teacher ratio. Moreover, there are vast differences in student/teacher ratios which are not explained by differences in enrollment. In 2009, the ratio varied from a high of over 80:1 to a low of 6.5:1 in elementary schools. The comparable ratios for secondary were over 30:1 to a low of 5.7:1. It is clear that the allocation of teachers is not guided by any staffing norm and the system is heavily over-staff, in terms of established positions. Information on teacher absenteeism suggests that the actual student/teacher ratios are much higher at some schools and that the Government of Chuuk is paying salaries to non-performing teachers.

Curriculum – [7] The curriculum would be kept consistent with national or regional standards, with periodic revision, as needed. To the extent possible, the curriculum and curricular materials for common core subjects would be jointly developed or shared with other State departments of education to contain costs and to avoid duplication of effort. Policies on language of instruction would be enforced.

The Federal Government has responsibility for developing a common core curriculum for all four State education systems. It is clear that this national curriculum is not being followed in Chuuk, particularly at the secondary level. Most students completing a weak elementary program do not have the competencies to handle the secondary curriculum. Many teachers are inadequately prepared to teach at this level. There are reports that, contrary to official policy, English is not used as the primary language of instruction at some secondary schools. It is also reported that a significant number of the recently procured textbooks (which match the national curriculum) are not being used because they are too difficult for students (and for some teachers). Given that there is a common national curriculum, it may be costly and inefficient for each of the curriculum development units in the four states to be duplicating effort in developing materials for core subjects.

Teaching and Learning Materials [8] – There would be formal policies on the provision of teaching and learning materials for each subject and grade (e.g., student/book ratios, teachers' guides, supplies, materials and equipment, etc.) and it would be the responsibility of the Department of Education to assure that these standards were met at each school. School staff would receive training in management of materials and procedures to extend "book life."

There is a chronic shortage of teaching and learning materials (as well as stationary, consumables and equipment) in many schools in Chuuk. This is despite the August 2005 JEMCO resolution 2008-5 which intended to assure "textbooks and other

instructional materials for every student and teacher in the core subjects.” There are also concerns that large quantities of materials are in storage in the CDOE warehouse and have not been distributed to schools. This was the subject of an audit that was in process, during the ADB mission.

Facilities Standards – [9] There would be formal policies regarding minimal facilities standards including classroom, laboratory, meeting room, storage, dormitory, kitchen, dining and other buildings as well as water, toilets, utilities, etc. The Department of Education would have a plan for bringing all schools up to minimal standards within a reasonable time frame and for assuring regular maintenance.

In general, school facilities in Chuuk are in unacceptably poor condition. Most schools do not have water or toilets and, in the assessment of the USOIA, in Chuuk “almost every school needs to be replaced.”²¹ The CDOE has initiated a rehabilitation program and materials have been ordered and procured²² for the renovation of approximately 30 schools. It is not clear that there are plans in place to assure that the packaging, delivery, school-site storage and security of materials and contracts for construction/renovation services are in place for these 30 schools. Upgrading and renovation of a number other schools is delayed due to issues of land ownership or secure long term leases. New legislation may be required to obtain land under eminent domain.

Procurement – [10] The Department of Education would have an annual procurement plan and policies, procedures and staff to fully execute procurement in a timely manner. For major procurements, this might require starting the initial procurement process in parallel with budget preparation (in anticipation of budget approval).

Education budgets are chronically under-executed in Chuuk, with aggregate under-expenditure in excess of six million dollars over that past three years (2007-2009). Delays in the preparation of procurement documents is been a major contributing factor. In FY 2009, over one million dollars of funding was lost because contracts were not encumbered by September 30, 2009, as required.

Research – [11] The Department would have a strong research unit (possibly part of the planning unit) to conduct regular and ad hoc studies on the costs, efficiency and equity of the system and to identify atypical schools which differ in terms of student outcomes, unit costs, etc. and to assess the causes of differences. The Research Unit would work closely with the procurement unit to prepare Terms of Reference and contracts for additional research services. The Research unit would draw upon data on school characteristics, staffing, costs and learning outcomes from the EMIS and would collaborate with other local organizations (such as teacher training institutions) in conducting research.

Research capacity in Chuuk is weak. Data required to underpin policy research (e.g., school characteristics, re-enrollment, staffing and staff qualifications, payroll and exams) are in separate data bases and have not been integrated into a common EMIS.

²¹ USDOJ. 2008. Statement of Thomas Bussanich Acting Director, Office of Insular Affairs, Department of the Interior Before the House Committee on Natural Resources Subcommittee on Insular Affairs Regarding the Implementation of the Compact of Free Association with the Federated States of Micronesia June 10, 2008. <http://www.doi.gov/oia/press/2008/06102008.html>.

²² It is not clear whether all materials for the 30 schools have been delivered. The responsible CDOE officials were in Honolulu at the time of the ADB mission.

Teacher Staffing, Training and Support Services [12] – The Department would have clear policies on teacher qualifications and, for those teachers who do not meet these standards, would have an agreed plan, with a timeframe, for each individual teacher in the service. There would also be standard policies for regular in-service teacher training, teacher mentoring and periodic observation of teachers. The Department would work closely with teacher training institutions in developing upgrading and in-service plans and on assuring that pre-service training meets the needs of the system both in terms of curriculum and the number of teachers trained.

Analysis of the CDOE staff data file indicated that of the 793 persons listed as teachers, principals or librarians, 45 percent of incumbents lack the minimal academic qualifications required²³. Almost all of the teaching staff who possess the minimal academic qualifications are unable to pass the NSTT.

*JEMCO Resolution 2009-9 specifies that “conditions shall be added to the Fiscal Year 2010 Sector Grants: The Education Sector grant shall limit the payment of teachers’ salaries to teachers who are certified or who **have agreed to and are following** an approved program of professional development leading to certification.” While the CDOE has develop a **generic** plan for teacher upgrading activities (Annex 14), the plan does not include specific plans for individual teachers. There has also been limited coordination and collaboration with the COM regarding this process.*

At the School Level:

School Calendar and Service Delivery [13] – Except for emergencies, all scheduled classes would be offered and taught. Students would not be “turned away” on an ad hoc basis because teachers did not report to work. Classes would not be cancelled in advance, in anticipation of teachers being on leave. There would be contingency plans to ensure that all students received education on every day of the scheduled school year. This might include use of substitute teachers, multi-grade teaching, use of community volunteers or other strategies. All teachers would be required to have lesson plans prepared in advance and contingency lesson plans for review and remediation activities, if a qualified teacher could not be found in the case of an unanticipated absence.

It is widely reported (but this requires further research and confirmation) that, due to high rates of teacher absenteeism, scheduled classes are frequently not held. In some cases, teachers are scheduled to be away from school on official business (e.g., attending workshops); arrangements are not made to cover their classes and students are instructed to skip school. There are numerous reports of schools found to be closed during inspection and audit visits.

Community Involvement [14] - The principal would work closely with parents, community leaders, other members of the community and local NGOs to encourage community participation in school management and a sense of community “ownership.” At each school, there would be provision for community feedback to the school and confidential feedback to the Department of Education, the Board of Education and legislative representatives.

Community involvement and perceived “ownership” of schools is reported to be low in Chuuk. In most instances, communities do not contribute to or participate in school maintenance, although there is a strong culture of community support for other

²³ For 7.7 percent of the staff members, there is no information on academic qualifications.

institutions, such as churches. Mechanisms for community feedback to the CDOE and other government bodies are limited.

School Finance – [16] Schools would have substantial autonomy in setting priorities (within an annual school improvement plan) and direct control of a meaningful school grant. Finances would be completely transparent with information regularly shared with the PTA and other community stakeholders. There would be a basic accounting system for school-managed funds. Schools would encourage community contributions (in cash or kind) for school improvement, maintenance and special events.

The CDOE is highly centralized; schools have inadequate resources to procure teaching and learning materials, supplies and consumables or to support maintenance and repairs.