



The President
Palikir, Pohnpei
Federated States of Micronesia

March 18, 2021

The Honorable Debra Anne Haaland
Secretary
U.S. Department of the Interior
1849 C Street NW
Washington, DC. 20240

Dear Madam Secretary:

Firstly, I extend to you my deepest congratulations to you for your confirmation as Secretary of the United States Department of Interior, and warm greetings from the Federated States of Micronesia (FSM)! I hope this letter finds you doing well and in good health.

Perhaps the most important responsibility of my role as President is to support the development of FSM citizens. We do this through many avenues, but one of the most effective is by investing in our brightest citizens' academic pursuits. Through the National Scholarship program, which is funded through \$3 million in local revenue, we give partial tuition awards to nearly 500 students per year. The vast majority of the money supports those studying in the United States.

The FSM National Scholarship program supports students entering fields that are relevant to the FSM and that are in high demand in the work force. Fields of study—both academic study and vocational programs—are categorized on a 3-tier system, according to the needs of the nation. For example, the number of education majors supported through national scholarships has increased from 58 to 84 during the last 3 years, to improve the quality of teaching in our schools. Enclosed for your reference are two tables on our National Scholarship programs' awards.

In addition to the \$3 million in local revenue, \$1 million of U.S. funding is distributed to scholarship programs in the four states, which each set their own criteria based on their local needs and priorities.

Unfortunately, the cost of higher education in the United States has risen at a much faster rate than our revenues have grown. In fact, when adjusted for inflation, the real cost of attending a 4-year university in the U.S. has increased by 50% in the last 20 years (<https://nces.ed.gov/fastfacts/display.asp?id=76>). Thus, our scholarship dollars are worth less today than they were even a few years ago. One of the top reasons our students withdraw from their studies is financial hardship.

Through a partnership with Guam and the Commonwealth of the Northern Mariana Islands, we see a remedy to this challenge. Both Guam and CNMI recently joined the Western Interstate Commission on Higher Education (WICHE), and have advocated for the inclusion of the Freely Associated States in this consortium. Membership for the FSM would mean our students would qualify for 150% of in-state tuition for eligible undergraduate programs and in-state tuition for eligible graduate studies, significantly reducing the cost of these degrees. This would go a long way toward reducing the number of students who withdraw for financial hardship reasons, as well as stretch our scholarship dollars to additional qualifying students.



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Per the recent request by the Vice Speaker of the Guam Legislature to the Office of Insular Affairs in February, requesting OIA to consider funding the WICHE annual membership fee for the U.S.-affiliated Pacific Islands, including the Federated States of Micronesia, please accept this letter as an enthusiastic endorsement of that request.

Sincerely,

A handwritten signature in blue ink, appearing to read "David W. Panuelo", with a horizontal line drawn through it.

David W. Panuelo
President

Enclosure

FSM National Scholarship Awards, 2017-2020

	2017-18	2018-19	2019-20
Scholarship Awards	425	498	499
Men	156	188	189
Women	269	310	310
People w/ Disabilities	1	1	0
Chuuk	80	91	93
Kosrae	57	52	48
Pohnpei	172	213	225
Yap	116	142	133

FSM National Scholarship Awards to Education Majors, 2017-2020

	2017-18	2018-19	2019-20
Scholarship Awards	425	498	499
Education Majors	58	78	84
% of Awards	13.6%	15.7%	16.8%