PUBLIC SESSION

People Present
Board Members
Chairman Manuel A. Sablan; Regent Justin S. Manglona; Regent Teresa I. Taitano, Regent Helen H. Abayare, Regent Justice Ramon G. Villagomez, and Regent Abelina Cing Cabrera

College Staff and Faculty
President Agnes McPhetres; Legal Counsel Jesse C. Borja, Esq.; Vice President Jack Sablan; Vice President Tee Abraham; Vice President Barbara Moir; Phil Swett; Shirley Santos (representative of ASNMC); Comptroller Harris Lawrence; Antonio Santos; Bob Scruggs; Malinda Matson; Roger Madriaga; Acting Provost Chas Algaier; Faculty Senate President Rik Villegas; Ed Camacho; Melody Actouka; Vince Melfalen; and Jack Peters. Allen Cameron was present as recorder.

Others
Reporter Haidee Eugenio of the Marianas Variety.

I. Opening Procedures

A. Welcoming Remarks by Chair and Roll Call:

At 10:00 a.m. Chairman Sablan called the meeting to order in the Board of Regents conference room, As Terlaje campus, Saipan, and asked the President to call the roll. As all six members of the Board listed above answered “Present,” the President announced that a quorum of 6 out of 7 was present for the conduct of business. Chairman Sablan welcomed the two newly confirmed Regents, Justice Villagomez and Ms. Abelina Cing Cabrera. He also expressed appreciation to the Board members for their dedication and regular attendance.

B. Review/Approval of Agenda:
ACTION #: It was moved, seconded and unanimously approved to accept the agenda as presented..

C. Review/Approval of Minutes: Regular Meeting: August 28, 1998 (Tab 1)
ACTION #2: It was moved, seconded and unanimously approved to accept the minutes of August 28, 1998 regular meeting as amended.

II. Program Committee’s Report. Program Committee Chairman Justin Manglona explained the various recommendations made on topics under IV. “Old Business” in today’s agenda which were considered at the Program Committee’s meeting on September 24. Six Actions taken were as follows:

First of all, Program Committee Chairman, Mr. Justin Manglona, recommended that one of the two new Regents be appointed to serve as a member of this Program Committee.

A. Cost Cutting Measures (Tab 11): Regent Abayare suggested that the President provide the Board a list of cost cutting measures already taken by the College.

Program Committee ACTION #1: The Program Committee recommended that no further action be taken by the regular Board of Regents until the President provide a list of cost cutting measures already implemented.

B. Students Rights and Responsibilities (Tab 12): The document was reviewed and approved by the Legal Counsel and is ready for distribution to students after the Board approves.

Program Committee ACTION #2: It was moved, seconded and approved unanimously to recommend to the full Board of Regents adoption of the document for implementation.

C. Exemption from Technology Access Fee (Tab 13): The President recommended suspending a decision on this matter, since V. P. Sablan suggested that there be one comprehensive fee schedule policy rather than considering fee exemptions one by one.

Program Committee ACTION #3: It was recommended that action be postponed by the full Board of Regents till such a comprehensive policy is prepared for Board approval.

D. Administrative Leaves (proposed policy amendment) (Tab 14): Program Committee ACTION #4: It was moved, seconded and approved unanimously to recommend adoption the above policy by the full Board of Regents.

E. Donations (Tab 15): President McPhetres explained that the request to make explicit this policy on donations came from the Office of the Public Auditor.

Program Committee ACTION # 5: It was moved, seconded and approved unanimously to recommend adoption of the policy by the full Board of Regents.

F. Re-organization (Tab 16):

Program Committee ACTION #6: It was decided to recommend postponing action by the full Board of Regents until a final Chart was prepared.
III. President’s Report

A. Financial Statement: President McPhetres noted that since the resignation of former Regent John Schwarz the Financial Committee of the Board of Regents has lacked a Chairman, who would normally make the financial report at this time. She called on Comptroller Lawrence to make the report. He reported that there is still $487,000 owed the College for Financial Aid already utilized in previous semesters. Chair Sablan asked that there be a meeting next week when the only subject will be the NMC Budget for FY99. The President and Mr. Lawrence both stated that the College needs a budget in place by next week so that we can know where we stand. Chairman Sablan asked for the financial statement of September 30, which will then be applied to the budget for FY99.

Referring to the audits already completed by the independent auditor, Mr. Lawrence said that the audits for FY95 and 96 have been completed and an opinion offered. Auditor’s work on FY97 has not yet been begun.

B. Program Presentations:

1. Year 2000 Compliance Report (Y2K): President McPhetres introduced Ms. Malinda Matson, Director of Information and Technology Services. Mr. Ricardo Cabrera, Computer Systems Technician, used a projector operated by a computer to explain details of the College’s comprehensive Year 2000 Compliance Report (Y2K). The bottom line, he said, was that 95% of the problems have been identified. Issues that remain to be addressed before December 1999 are (1) software currently in use by Admissions and Records and the Finance Office; (2) noncompliant hardware located in these and other data sensitive offices, and (3) operating systems and office applications currently loaded on almost all of the personal computers owned by the College.

Comptroller Lawrence commented on the double job in inputting student data manually, first by Admissions and Records, which is then repeated by the Finance Office. Ms. Matson spoke of the offer of a grant by the Department of the Interior which would partially fund an integrated computer system to remedy the situation. It would call for a new “server,” new software and updated training for our personnel. Chairman Sablan wondered aloud how computer companies can in good conscience sell software which will be useless after 2000. President McPhetres said that a few years ago the College bought computers which it could afford. She places her hopes on the Department of the Interior grant and on Title III funds to meet the Y2K challenge. Chairman Sablan and President McPhetres expressed their thanks to Mr. Cabrera for his excellent presentation.

2. Integrated Computer System: President McPhetres announced that the Department of the Interior through its Office of Insular Affairs have been so impressed by our proposal for a grant to upgrade our computer system that they have suggested expanding it to provide institutional strengthening in the entire region of the Western Pacific. The President envisions a system that will allow students to register for college at home. Such grants as this, she said, require matching funds.
3. **Supplemental Education Grant (SEG):** The President called attention to an amendment to page 4, under Section 8, Grant Awards. Line 12 should read “16 or more credits” $1,400 award, and the following line as an insertion should read “12 - 15 credits” $1,300 award. Regent Villagomez recommended that NMC students personally apply for their financial aid at the Scholarship Office, and then when they receive it, bring it to the College Finance Office to be placed in deposit for their tuition, fees, etc. Legal Counsel Borja amended the SEG Proposal by adding to the first paragraph and to a NOTE at the close of Section 5, indicating in both places that “awards are dependent on funding appropriated by the CNMI Legislature.” President McPhetres said that the Governor did not want a Memorandum of Agreement on Financial Aid.

**ACTION #7:** It was moved, seconded and unanimously approved to accept the Supplemental Education Grant document with the amendments to page 1 and page 3 as proposed by Legal Counsel Borja regarding the program being dependent for funding on appropriation by the Legislature.

4. **Board Retreat:** The suggestion has been made by Dr. Cruz of the Guam Community College that the retreat under the direction of Dr. David Wolf be held around Nov. 8-10, those being the dates that Dr. Wolf suggested for the training of the Board members. Boards of Regents from Palau Community College, the Community College of Micronesia and Guam Community College will also be participating. The topic to be covered by the retreat will be the legal responsibilities of the Board of Regents. President McPhetres distributed to the Regents copies of the Board Policies and Procedures, 1000 - 1999. Chairman Sablan asked for the opportunity for the NMC Board of Regents to meet separately with Dr. Wolf regarding the legal side and financial side of accredited Colleges. Comptroller Lawrence said that he needed to have a chance to familiarize the new members with NMC’s accounting procedures and how to read its financial statements.

President McPhetres said that there was need also to provide orientation to acquaint all with the organization of the College. She said perhaps this could be done on Saipan in late October or early November prior to the general meeting with other community colleges in the area on Guam. Chairman Sablan stated that there was need to focus on our current financial problems. He approved inviting Dr. Wolf over to Saipan to conduct a special NMC Board retreat, if it could be arranged. The President summarized the plans for Board activities as follows: (1) Orientation, (2) one-day retreat under Dr. Wolf on Saipan, and (3) the Guam retreat in company with several other community college Board of Regents in the Western Pacific.

C. **Enrollment Report.** D. **Travel Reports.** E. **Leave Report.** F. **Personnel Activities.** G. **Monthly Reports.** The President recommended all the above for the private reading of the members of the Board.

**IV. Old Business:**
A. Cost Cutting Measures (Tab 11):  
Since Regent Abayare suggested that the President provide the Board a list of cost cutting measures already taken by the College, and the Program Committee recommended that no further action be taken.  

**ACTION #3:** The regular Board of Regents concurred to defer final action until the President provided a list of cost cutting measures already implemented.

B. Students Rights and Responsibilities (Tab 12): Since the document was reviewed and approved by the Legal Counsel and is ready for distribution to students the full Board took action.  

**ACTION #4:** It was moved, seconded and approved unanimously to adopt the document "Student Rights and Responsibilities."

C. Exemption from Technology Access Fee (Tab 13):  
**ACTION #5:** Since there is planned one comprehensive fee schedule policy with exemptions included, the full Board of Regents postponed action until such a consolidated policy is prepared for Board approval.

D. Administrative Leaves (proposed policy amendment) (Tab 14): Once Regent Villagomez was assured that this policy was consistent with the policies of the CNMI, the full Board was ready to approve it.  

**ACTION #6:** It was moved, seconded and approved unanimously to adopt the above policy for implementation.

E. Donations (Tab 15): This policy is in response to the requests of the Public Auditor. There was a motion to add a final sentence, as follows: “Each department shall establish a procedure for reporting the receipt of donations.”  

**ACTION #7:** It was moved, seconded and approved unanimously to adopt the above policy for implementation, as amended.

F. Re-organization (Tab 16): The President indicated that this subject was still under study, and that several organizational charts were under discussion. She therefore suggested that action be postponed on this matter.  

**ACTION #8:** It was agreed by the full Board of Regents to postpone action until a final Chart is prepared.

Chairman Sablan announced that there is need to appoint a Chair of the Board of Regents Finance Committee, who will also be the Secretary-Treasurer of the Board of Regents. The President read the Job Description for the officer, and added that the Finance Committee meets once a month, is one of two standing committees of the Board along with the Program Committee, and is composed of three members plus the Board of Regents Chairman.
ACTION #9: Regent Villagomez was nominated and by a vote of five members with one abstention was elected to be the Secretary-Treasurer of the Board and the Chair of the Finance Committee.

ACTION #10: Regent Cabrera was nominated and by a vote of five members with one abstention was elected to be a member of the Program Committee.

President McPhetres noted that if there is any policy that needs to be amended, such a suggestion can come from any member of the Board. Policy amendments are discussed at the Quality Management Council. She explained the composition of the Council and said that with the beginning of the fall semester there are plans to involve students in the Council’s work.

The President also mentioned that there are two committees at work (1) under V.P. Abraham to consider cost cutting measures, and (2) under V.P. Jack Sablan to consider ways of generating revenue for the College.

Chairman Sablan announced a recess for lunch and asked that Vice Chairman Manglona chair the early afternoon meeting which would reconvene at 2:30 pm.

Recess: 11:50 a.m.

Vice Chairman Manglona conducted the meeting when it was reconvened at 2:30 p.m.

V. New Business:
A. Accreditation Mid-term Report (Tab 17): President McPhetres introduced V. P. Barbara Moir, the Accreditation Liaison officer, who would give a brief introduction to the Mid-term Report which has been prepared for the Accrediting Commission. The College, she said, was at the mid-point of its 6-year reaffirmation of accreditation period. This report should be read in conjunction with (1) the NMC Self Study including 269 self-recommendations, prepared prior to the visit of the Accrediting Team from the Commission, and also with (2) the recommendations of the Visiting Team. In the Spring of 1999 the College will be visited by a team from the Accrediting Commission to certify the Mid-term Report and how all it is being implemented. She indicated that there is a summary on page 5 of progress achieved on the 25 recommendations of the 1996 Visiting Team.

ACTION #11: It was moved, seconded and approved by unanimous vote to accept the Mid-term Accreditation Report and to request that it be forwarded to the Accreditation Commission by September 30, 1998.

B. Procurement Policy & Procedures (Tab 18): President McPhetres stated that there was no need for action at this meeting, but that it should be read over in preparation for the October Program Committee and full Board meetings. She said it agrees with both CNMI and Federal regulations.

C. Delegation of Authority (Tab 19): The President again stated that action was not needed on this policy today. In response to a question of Regent Villagomez, she stated that
change was being made to allow for more leeway in appointing V.P.s to be Acting President. Consultation with the President is prescribed because her office allows her to be aware of much that is transpiring at NMC. Regent Villagomez suggested an amendment, adding the after the words “Acting President,” from among the Vice Presidents under normal circumstances.

D. FY 99 Budget: College Revenues (Separate Folder): The President referred to the blue 3-ring binder entitled “FY 1999 Operations Budget” which was distributed to all the members. It was proposed to hold a special Board meeting on Wednesday, Sept., 30 at 1:30 p.m. to go over the FY99 Operations Budget.

E. FY 99 Budget Appropriation (Tab 20): President McPhetres indicated that the agenda binders distributed to the Board contained 2 plans, Plan A and Plan B for the Implementation of the FY99 Budget. She said this itemized anticipated revenue as estimated from the preceding year’s receipts. Tuition provides 90% of Operations. At the October regular Board meeting the President will provide itemization of the $2 to $2.5 million anticipated from the Federal Government.

Regent Villagomez expressed an interest in being able to compare two figures (1) the report of anticipated income from the Federal Government before the fiscal year, and (2) the report of income received from the Feds. after the close of the fiscal year. He added that some in the Legislature are likewise interested in comparing (1) at the beginning of the year how NMC plans to spend its funds, with (2) at the end of the year how the funds were actually spent.

At this point Chairman Sablan resumed conduct of the meeting.

The College, Regent Villagomez said, needs to accommodate articulate lawmakers. He said that the reports the College supplies have to be in compliance with the statutes. If the College wants the funding, it needs to accommodate itself to the wishes of the Senate and the House.

Chairman Sablan stated that the College in the 17 years of its existence has never received a cent in Capital Improvement Projects funds. Also every payday toward the end of the fiscal year during those recent years of “continuing resolution,” we have had to approach the Governor to cover payroll.

President McPhetres said that since 1992 the College has received only $1.3 million from alien worker fees for the Voc. Ed. Program. Hence we always have to go to the Legislature to beg.

Chairman Sablan expressed the hope that this new budget had no carry-over obligations, and that we now shall have a figure to work with for the new fiscal year. He also expressed his approval of meeting next week to consider nothing but the internal Budget. The date set was Wednesday, Sept. 30 at 1:30 p.m.

President McPhetres summarized appropriations as (1) $7.9 million from the FY99 CNMI budget, and (2) $1.3 million for 10-66 employees. Consequently, she suggested freezing all vacant positions up to July 1999.

The President explained the deficit differences between Plan A and Plan B. The reasons why NMC is forced into this position is: (1) that the Legislature transferred from the 10-66
funds to Educational Assistance Program (EAP). She proposed inviting the new Director of EAP and the Special Assistant for the Budget to confer with the Board.

Regent Abayare remarked that if changes affect Rota and Tinian, there will be a problem with the Senate. The President also noted that NMC’s accreditation would be affected if changes affect the “trunk” of the tree, rather than the branches. Regent Villagomez suggested that we speak to the Rota and Tinian delegations.

Regent Villagomez asked if there were any consequences if we do not follow our “internal budget.” Comptroller Lawrence said there were none. The President said that we need is a ceiling beneath which we will operate. Fortunately, she said, we have been conservative in our projection of tuition revenue.

F. Sabbatical Request for Paula T. Sablan (Tab 21): President McPhetres noted the use of the word “Sabbatical” was a misnomer. Since the leave concerns a member of the staff, it should be called “Professional Development Leave.”

**ACTION #12:** It was moved, seconded and passed unanimously to approve the Professional Development Leave request of Paula T. Sablan for one year.

_Correction of an omission in the Board of Regents minutes of December 11, 1996:_

**ACTION #13:** The Board of Regents affirms that it took action on Dec. 11, 1996 that the College’s per diem rates be adjusted to conform with then Governor Froilan Tenorio’s directive of September 20, 1996 regarding per diem rates for Saipan, Rota and Tinian. The Board hereby reaffirms its approval of these per diem rates, effective retroactively to September 20, 1996.

**Adjournment:** 4:10 p.m.