FINAL APPROVED MINUTES
for
THE REGULAR MEETING
of the
BOARD OF REGENTS
May 29, 1998

PUBLIC SESSION

People Present
Board Members
Chairman Vicente N. Santos, Regent John I. Schwarz, Regent Teresa I. Taitano, and Regent Justin S. Manglona. Regent Manuel A. Sablan and Regent Helen H. Abayare were involved in emergency meetings.

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; School of Education Provost Roy Fua; Rota campus Administrator Aniseto Mundo; the Hon. CNMI Senate President Paul A. Manglona; the Hon. CNMI Senator Ricardo S. Atalig; His Honor the Mayor of Rota Benjamin T. Manglona; John S, San Agustin, representative of the Bank of Guam; Norman Ho and Melvin Foster, Business Development interns. Allen Cameron was recorder.

I. Opening Procedures

A. Welcoming Remarks by Chair and Roll Call: At 10:05 a.m. Chairman Santos called the meeting to order in the NMC Rota Extension conference room on the island of Rota, and asked the President to call the roll. As all four members of the Board listed above answered “Present,” the President announced that a quorum was present for the conduct of business. Chairman Santos expressed appreciation to the Board members for their regular attendance, and welcomed to the CNMI Senate President Paul A. Manglona, Senator Ricardo S. Atalig, Mayor of Rota, Benjamin T. Manglona, and John S. San Agustin, Trust and Investment Manager of the Bank of Guam.

B. Review/Approval of Agenda:
ACTION #1: It was moved, seconded and unanimously approved to accept the agenda presented.

C. Review/Approval of Minutes: Regular Meeting: March 27, 1998 (Tab 1)
ACTION #2: It was moved, seconded and unanimously approved to adopt the minutes of April 24, 1998 as presented.

II. Fiscal Committee’s Report:
A. Financial Statement (Tab 2): Regent Schwarz presented to the members the financial statement for April, and mentioned that the payroll funding was critical. The Operations payroll would run out the end of July, and the 5-32 program Professional Programs payroll has already run out, despite the austerity and cost-cutting measures presently in force. He presented the color booklet of the planned Business and Tourism Learning Center (BTLC) which has been finalized for the NMC Foundation Board, which would begin its collection in two weeks. Chairman Santos expressed optimism in the success of the Foundation’s fund-raising campaign.

Chairman Santos requested President McPhetres to go into detail about College finances. President McPhetres explained that when P. L. 5-32 was passed initially, the tax revenues were intended for the College’s Professional Programs. Six years ago there was a cut and funds went to the General Funds of the CNMI and were divided among other government agencies with the College’s portion remaining at a constant annual $1.3 million. She mentioned that the programs endangered at this time were Nursing, Law Enforcement Administration, the School of Business and Hospitality Management, and Vocational and Technical Education.

When P.L. 10-66 amended 5-32, the College’s share moved only to $1.4 million. Over the past six years and at present when the government operates on “continuing resolution,” the President said the College has had to ask for re-programming. She also indicated that she had presented to the Attorney General legal questions regarding “continuing resolution.”

President McPhetres indicated that Mr. Karl T. Reyes, Chairman of the House Ways and Means Committee is aware of the problem. The budget the College submitted to the House did not include anything for Operations. The College therefore is submitting a supplemental budget.

Regent Schwarz made note of the fact that the Scholarship Office owes the College some $700,000 in Student Financial Aid money. Chairman Santos reported that an agreement form has recently been prepared for students and their financially responsible parties that, if the Scholarship Office has no funds available for NMC students, then the student or responsible party agrees to make payment. He also reported that the Scholarship Office seems to have used its limited funds for off-island college students to the detriment of NMC students.

Senate President remarked that if the FY 99 budget passes the legislature, all should be OK, including payroll. President McPhetres agreed, adding that only for FY98 is the College in trouble.

The President also explained that Tinian and Rota students attending classes on Saipan have been treated as on-island students even though they incur as many expenses as students who go off-island to the States, namely, housing, transportation, food, etc. The President responded in the negative when Senate
President Manglona asked if the Scholarship Office had money for them. Senator Manglona expressed the opinion that the Scholarship Office should earmark funds for NMC students.

President McPhetres recommended to the two Senators that they consider having candidates for Education degrees matriculate for their first two years at NMC. Senator Atalig expressed the opinion that it seems to him that a public hearing should be held regarding the problems experienced with the Scholarship Office.

When Senate President Manglona asked about the $500,000 that Marianas Visitors Bureau (MVB) had some years ago pledged to contribute to NMC for construction and development, Vice President Tee Abraham, who is also a member of the MVB Board of Directors, asked Legal Counsel Jesse C. Borja to provide some background to reasons for the delay. Mr. Borja stated that the Public Auditor has expressed his belief that an appropriation is necessary for MVB to transfer the funds pledged. Vice President Abraham added that the Public Auditor has stated that the government must grant MVB re-programming authority before redeeming its pledge to NMC. Mr. Borja reminded the group that MVB already has 10% re-programming authority, which MVB could use if they wanted to. Senate President Manglona suggested that President McPhetres approach the Governor to have him counter-sign the proposed transfer of funds from MVB to NMC.

III. President’s Report

President McPhetres called on Mr. Aniseto Mundo, Rota Branch Campus Administrator, to report on recent activities of NMC Rota. He spoke of the future site of NMC at Tatayo. He said the site was the location of a former village and that about 20 private land owners will be involved in a public land transfer, but that first an appraisal report is needed. He called on His Honor, Mayor Benjamin T. Manglona, to speak of his plans.

Mayor Manglona stated that his plan was to build at Tatayo a School Library for the joint use of Rota High School and NMC, costing about $500,000. He was presently asking FEMA for $150,000 to replace the typhoon-damaged former library. He also asked the help of NMC’s Legal Counsel on writing the required Memoranda of Agreement. President McPhetres asked for the help of Vice President Abraham to identify matching funds for the Rota library as a Land Grant project, her thought being that, since NMC is a Land Grant College, the library would be and be called a College Library. Senate President Manglona spoke of the value of using public land to provide the local matching funds required for federal Land Grant programs.

Mr. Mundo then introduced the two M.B.A interns from the University of Hawaii, Messrs. Norman Ho and Melvin Foster, who spoke of the agricultural projects they are working on with the local farmers. Senator Atalig spoke of the value of Eco-tourism, handicraft industries, and teaching people in the community how to apply for a loan to open a business. President McPhetres spoke of how NMC assisted
cosmetologists to open and continue to manage a business after a loan is obtained. She would like to hire one person to stay in Rota for small business development.

Mayor Manglona spoke of his desire to concentrate on how to obtain USDA approval for a grant, for instance, for tilapia production, which is becoming very popular. Senator Atalig added the possibility of making commercial use of Rota’s supply of sweet high quality drinking water rather than importing it from Korea. President McPhetres noted that an agricultural science laboratory is needed on Rota, but that first there must be a master plan for all future developments. Mayor Manglona expressed his agreement to the need for a master plan.

Rota Extension Administrator, Mr. Mundo, announced that at the graduation this afternoon there would be twenty graduates, and that enrollment was increasing. Senator Atalig asked that Rota be included in the Master’s degree program provided by San Diego State University. President McPhetres responded that NMC could have a separate program for Rota. The cost is a very reasonable $11,700 per person for the complete Master’s degree program, she said.

When Senator Atalig asked how Rota PSS teachers could be enrolled in the School of Education’s bachelor’s program, Mr. Roy Fua, Provost of the School, proposed that teachers might be transferred to a PSS school on Saipan to achieve this purpose. President McPhetres indicated that perhaps the new Commissioner of Education might be open to such a plan.

At this point, the meeting recessed for lunch.

Upon reconvening at 1:00 p.m., President McPhetres introduced Mr. John S. San Agustin, Trust and Investment Manager of the Bank of Guam. Mr. San Agustin provided the members with a copy of the bank’s annual report and described the bank services available to the College, both short-term and long-term. He explained the role of an institutional investment advisor with the experience of having the University of Guam (UOG) endowment fund as a client for many years. UOG uses its annual Charter Day to raise money for its endowment. It also employs a quarterly “draw down” schedule from its investment portfolio. Mr. San Agustin explained the investment manager’s strategy of diversification to reduce risk. For along time, UOG had just let its endowment sit in a money market account.

Responding to a query of Mr. San Agustin, President McPhetres explained that the NMC Foundation was presently restricted by law to investment in U.S. Treasury bonds, but that could be changed by the CNMI legislature.

IV. **Old Business**
Program Committee Chairman, Regent Manglona, reported on the Actions recommended by the committee at its meeting yesterday, May 28, 1998, when it considered the following agenda items:

A. Budget Authorization, Board Policy # 2550    Tab 5
B. Recruitment and Hiring Practices, Administrative Procedure # 4008  Tab 6
C. Vacation Leave, Administrative Procedure # 4301 Tab 7
D. Suspension and Termination, Administrative Procedure. #4352  Tab 8
E. College Seal Tab 9
F. Support Services & Division of Instruction Re-organization Tab 10
G. Academic Council, Board Policy #3008 Tab 11

Regent Manglona explained the that following actions were taken by the Program Committee:

**A. Budget Authorization, Board Policy # 2550**

**ACTION #3:** At today’s meeting of the full Board of Regents, It was moved, seconded and unanimously voted to recommend adoption of Board Policy # 2550 as amended.

**B. Recruiting and Hiring Practices, Administrative Procedure # 4008**

Regent Manglona reported the action of the Program Committee suggesting the deletion of the words, “appointed by the Chair of the Board of Regents” in paragraph 2, page 4 of 6, and the addition of the words, “after consultation with the other members of the Board of Regents.” The final amended reading of paragraph 1, page 4, would be: “However, interviews of candidates for the positions of deans, directors, and above, a member of the Board of Regents, after consultation with other members of the Board, shall participate in the interview process.”

**ACTION #4:** At today’s meeting of the full Board of Regents it was moved, seconded and unanimously voted to adopt following amended reading of paragraph 1, page 4, of Administrative Procedure # 4008:

3.4 Legal Counsel Jesse C. Borja, Esq. proposed that there also be included among the Recruiting and Hiring Practices, Administrative Procedure # 4008 mention of the need of a background check of prospective employees to assure that there was no record of abusive behavior.” Paragraph 3.4 on page 3 would read as follows: “3.4 All applications must be submitted to the Human Resources Office and, applicants for positions of instructors, counselors and librarians shall provide a full set of fingerprints in accordance with a recent Public Law, 10-62, to enable a criminal background investigation to be conducted, if necessary.”

**ACTION #5:** At today’s meeting of the full Board of Regents it was moved, seconded and unanimously voted to include a background check of prospective NMC employees to ascertain any record of abusive behavior.
C. Vacation Leave, Administrative Procedure # 4301

In the May 28, 1998 meeting of the Program Committee, there was general agreement among the Regents in approval of the adoption of the amendments to this Administrative Procedure so as to conform to the practices of other CNMI agencies. The ceiling for the accumulation of Vacation Leave was set at 360 hours, cut down from 416 hours. There was also approval of the amendment, which deleted four lines of paragraph 6, page 1, from “one half ……retirement purposes, adding in its place, “the full balance of all accrued vacation leave shall be paid to the employee in lump sum.” In addition, President McPhetres noted that annual leave could be converted to sick leave for retirement purposes.

ACTION #6: At today’s meeting of the full Board of Regents it was moved, seconded and unanimously voted to adopt amended reading of paragraphs 3 and 6 on page 1, of Administrative Procedure # 4301:

D. Suspension and Termination, Policy and Administrative Procedure # 4352

President McPhetres explained in the meeting of the Program Committee of May 28, 1998 and again today that there were no changes in the substance of this Policy and Administrative Procedure. Changes were made “to tighten up” the text and to make it more explicit.

ACTION #7: It was moved, seconded and unanimously voted to adopt the Policy and Administrative Procedure # 4352, as amended.

E. College Seal

President McPhetres presented the twelve entries received thus far for the new College Seal. She asked the Board members to delegate her to set up a commission to solicit more contributions from the College’s Art students on all three islands. The drawings of three finalists, chosen by the commission, would then be presented to the Board of Regents for the final selection.

ACTION #8: It was moved, seconded and unanimously voted to delegate President McPhetres to form a commission which would solicit more contributions from the College’s art students on the Saipan, Tinian and Rota. Decision was postponed till the next Board meeting.

F. Reorganization of the Division of Support Services and the Division of Instruction

President McPhetres indicated that the work on the above reorganization had not been completed as yet. When completed, the proposal will again be presented to the Program Committee and to the Board.
G. Academic Council

CONSENSUS: It was thought best to table both the Policy and Administrative Procedure # 3008, relating to the Academic Council, until a final wording could be agreed upon and again presented to the Program Committee and Board.

V. New Business

A. Fee Structure for Adult Basic Education & Adult School
B. Conditions of Employment, Board Policy #4020
C. Sabbatical Leave, Board Policy # 4314
D. Educational Assistance Program Agreement

The above items of “New Business” were presented to the Board for their consideration and decision at the next Board meeting.

VI. Executive Session

President McPhetres informed the recorder after the executive session that two decisions were reached which were to be added officially to these minutes: (1) to grant administrative leave to Mr. David Roberto to allow him time to prepare for the Certified Public Accountant exam; and (2) to grant an extension of 90 days to the contract with the present Legal Counsel, Jesse C. Borja, Esq.

VII. Adjournment 2:10 p.m.