Call to Order:

I. Present
   A. BOR Members: Chairman Fermin Atalig, Eloise Furey, Margarita Olopai-Taitano, Kimberly King Hinds, Vincent Seman, Abby Cabrera, and Galvin Deleon Guerrero.

   B. NMC Staff and Faculty:

II. Chairman’s Remarks and Preliminary Matters
   A. A review committee has been established to look into the concerns about EUCON International College. Regent Eloise Furey is appointed to the Review Committee. The investigation has already begun.

   B. The Chairman welcomed the new BOR members.
      1. New member to the Board of Regents is Mrs. Maggie Olopai-Taitano. Maggie: thanked the Chairman… “I’m very privileged to represent the Carolinian community. I was very pleased of the governor’s appointment and for his confidence in me. I will do my best in according to meet the mission of the college and I like to work very closely with the president.” Although Regent Olopai-Taitano participated in the visit to the College Lab School, she would like to see more of NMC, the staff, and the college environment.

      2. Congratulations were given to the returning regents who had just gotten senate confirmations. They are Regents Vincent J. Seman, Abbelina Cing-Cabrera, and Galvin Dl Guerrero.

   C. Agenda was reviewed and approved with the following modifications
      1. Item IV. BOR Subcommittees and appointments – tabled

      2. Item II.A. from New Business to Old Business in order to make a decision on during this meeting.

III. New Business: FY 2002 Operations Budget
   A. President Sablan explained the budget process and Mr. Dave Atalig explained the budget proposal for FY02. A written copy of the proposal was also submitted.
B. The proposal is based on historical data and expenditure rates.
C. In anticipation of a poor economic situation, the proposal is $300 K less than last year.
D. Currently, the college is under continuing resolution at a level equal to last year.
E. All key or critical items from the NMC Strategic Master Plan will be reassessed in January 2002 after Spring enrollment figures are reported.
F. If the spring enrollment and the economic situation improve, the process to amend the budget will be a request for a supplemental budget.
G. This proposal does not include funding for personnel. The personnel budget was submitted to the Governor’s office earlier this year according to the appropriations process.
H. The Chair referred the proposed operations budget for FY02 to the Fiscal and Legislative Committee, chaired by Regent Furey. All regents are invited to participate in the committee review.

IV. Old Business: Austerity Measures

A. **Motion:** To approve the austerity measures as outlined in the President’s letter to the BOR Chair.

B. **Discussion:**

1. President Jack Sablan sent a letter (dated November 28, 2001) to the BOR Chair explaining the NMC financial situation and recommends the implementation of Austerity Measures.

2. Economic conditions are getting worse. Current expenditure rate exceeds the actual government revenues. The CNMI government is monitoring the economic status and do not project an improvement.

3. President reports: The Office of the Governor and the Civil Service Commission sent NMC a letter requesting the college reduce its personnel expenditure.

4. President Sablan: “The college will be in a critical situation if we do not take action now. We are not like other government agencies. Our appropriated budget has only personnel costs. Any directive to cut automatically cuts personnel. Others agencies can take the cuts in other areas.”

5. Regent Furey: “How many people would be affected if you were to implement these recommendations? How many people have already received their annual implement and how many people will not?”

6. Forty-one employees have already received their annual increments since October 1st of 2001. If the proposed austerity measures are implemented
those whose anniversary dates are on and after implementation will be affected.

7. Under item 3 – Suspend and Renew all limited term Employment Contracts: . . Regent Furey “How many employees of the college fall under this category based on the local appropriation and based on the operation?

8. There are about half of the employees in the local appropriation. And 12 limited-term employees.

9. Regent Furey “ Are there any limited term appointments paid under the operations funds?” There is one in special programs. The rest are in Federal programs.

10. This does not affect adjunct under limited terms employment. There are no vacancies. 27 people have already been processed. The remaining of the 41 people has not been processed. Eventually, all 41 will be updated.

11. The $ 200, 000 shown in the budgeted is for adjunct faculty.

12. Chairman “The (BOR) meetings will now be quarterly. This will lower our expenditures. If there is an emergency, it should come from the president requesting a special session only for matters that need urgent attention of the board. Committees will continue to meet monthly or as needed.

13. Chairman “The Meeting of Federal Programs should be restricted.” Dave Atalig “The Federal Programs are obligated to do a city council meeting that is out of the CNMI. The college gets indirect funds from Federal Grant.”

C. **Motion unanimously carried:**

V. Public Input and Comment: The Chair asked for public input… no response.

VI. Executive Session. After returning from Executive Session, the Chair reported that Legal Counsel gave an update on legal issues.

Adjourn: