Call to order at 3:03 p.m.

Preliminary Matters

Roll Call

Board Of Regents: Regent Hinds, Regent Furey, Regent Deleon Guerrero, Regent Olopai-Taitano, Regent Kiyoshi and Regent Wyatt

Legal Counsel: Jesus C. Borja

NMC Staff: President Wright, Melody Actouka, Chas Algaier, Jerry Smith, Raaj Kurapati, Bobbie Hunter, Polly DL Guerrero, Al Johnson, Kurt Barnes, Eric Plinske, David Atalig, Joseph Camacho, Jr (ASNMC), Vicenta Quitugua (ASNMC).

Guests: Media, Office of the Public Auditor, Tom Tebuteb

Adoption of Agenda

Agenda was adopted with the following change:

- Items under Old Business shall be reversed (item B shall be item A and item A is now item B).

II. Miscellaneous/Public Input

- Vicenta Quitugua said that she heard by June there will be no funding to run college, what is going on? Regent Hinds said it will be discussed under Old Business.
- Regent Hinds said received sheet from Raaj Kurapati a sheet of information as a supplement to the action plan. Regent Hinds said this needs to go to the committees for discussion.

III. Resolutions

A. Establishment of Savings Account for International Students –

President Wright explained the Board has discussed this issue and said there is a need for a savings account for international students.

MOTION: Regent Deleon Guerrero motioned to adopt the resolution establishing the savings account for international students. Regent Furey seconded the motion.

Discussion:

- Regent Deleon Guerrero asked how would the account be managed.
- Raaj Kurapati said it would be a sweep account where money will be transferred from the savings into the operation account.
- Regent Deleon Guerrero asked what kind of controls would be in place.
- Raaj Kurapati said same as other controls used.
- Regent Deleon Guerrero said he recommends the college leadership to take precautions and not make sure international students are not cheated.
- President Wright asked if Regent Deleon Guerrero had any measure specific in mind. He said that NMC has practices in dealing with accounting.
- Regent Deleon Guerrero said we could be working with recruiters or directly with students and it is important to track the funds and make sure that whatever is in stays in. We just need to make sure the account is accounted for and not used for laundering account given the situation with Saipan University to take extra measures.
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o Raaj Kurapati said NMC will use same the accounting process as any tuition payment is
made to college. It’s a new bank account and reason we are opening a new account is because the international students need an account to deposit to because we need their payment.

o Regent Deleon Guerrero said that we need extra control since international and some
students have been duped on island.

o Raaj Kurapati said it would be accounted for separately.

o President Wright said we could ask auditors for specific recommendations. Raaj Kurapati
said sure.

o David Atalig said the reason for opening an account is to protect the college from the
current account system. We don’t want students or recruiters to wire to our current set
up and that’s why we open one up for specific purpose and immediately would be
transferred to our current operations account.

No further discussion. Motion carried.

B. Tuition and Fees Classification
Chas Algaier said there are two changes. The first change is that it will begin in Summer 2004
not Fall 2004 and the special film fee has been deleted due to the consolidation.

MOTION: Regent Deleon Guerrero motioned to adopt the resolution to create 3 classifications
for students: resident, non-resident and international. Regent Furey seconded the motion.

Discussion:

o Regent Deleon Guerrero asked to amend the resolution. In the first resolved, it should
read tuition and fees, not just tuition fees.

o Regent Wyatt said while on that resolved, it should read the President to create not
President create.

o Regent Wyatt clarified if it should read more than three consecutive years or just three
years.

o Regent Furey asked if legal counsel has had a chance to review the resolution.

o President Wright clarified if it more than three years means four years or one day over
three years.

o Legal Counsel Borja said one day over three years.

o Regent Furey said that it contradicts the definitions of resident and non-resident.
Shouldn’t it read not more than three years or one year? Regent Furey said it should
read three years.

o Regent Hinds asked what were the changes. Chas Algaier said the changes were
Summer 2004 and the deletion of special fees for the film school classes.

o Regent Furey said that NMC has all these lab fees and all of them will be covered under
this one fee.

o Chas Algaier said yes, it is all-inclusive.

o Regent Hinds said to President Wright that she has yet to see comparison and requested
a comparison between other community colleges and our tuition and fees rates.

o Regent Furey said she is assuming there will be a tuition and fees operation budget
based on the adopted resolution.

No further discussion. Motion carried. Regent Hinds stated that NMC will now have three classes for
tuition, resident, non-resident and international.

IV. Old Business
A. Action Plan to Address the Anticipated Shortfalls
Regent Hinds turned the floor to Regent Deleon Guerrero as committee chair for summary. Regent Deleon Guerrero said he will conduct his summary in terms of a motion.

MOTION: Regent Deleon Guerrero motioned to adopt the cost saving action plan that includes the following action:

# 1 – Accept a 50 percent reduction in 2nd quarter budget allotment. Anticipated shortfall would be reduced by approximately $146,631.

#2 – Accept the overall reduction of about 17 percent of board approved operating budget for 2004. This is inclusive of elimination of all travel funded by Operations with the exception of those directly for WASC, instructional purposes and the attendance of the TESOL Conference and the AACC Recruitment Fair. For travel for federally funded programs will be allowed only for continuation of federal grants.

#3 – Accept the increase efforts to collect receivables from all college employees. Preferably via automatic payroll deduction.

#4 – Accept the move of indirect costs budgeted under Operations to cover federal program overspending.

#5 – Accept the immediate freeze on all hiring, reassigning, reclassification, appointments and any action that will result in an increase in salary for anyone. This excludes federal funded vacancy where the funding will lapse if vacancy is not filled.

#6 – Accept the early termination and non-renewal of existing contracts, including limited term contracts that do not meet the definition of "critical needs."

#7 – Acknowledge the savings to be realized through resignations and retirements. Northern Marianas College is not immediately required to fulfill any pay out but to process pay out up until the end of the calendar year.

#8 – Accept the identified funding of $252,997 to be used to cover the Operations account shortfall, of which $90,828 will be sued to cover the anticipated shortfall in the Appropriations-Operations account. The remaining $162,169 will be used to cover a portion of the anticipated shortfall in Appropriations-Vocational Education.

#9 – Acknowledge the net shortfall in Appropriations-Vocational Education of approximately $245,643.

#10 – Resolve as a Board and as a College to lobby 14th Legislature and CNMI Governor for additional funding from Vocational Education funding of PL 10-66 through a supplemental appropriation to cover shortfall in Vocational Education account.

Regent Hinds said we discussed the action of placing a freeze on all travel except for those instructional and federal required for continuation of grants.

Regent Furey seconded the motion.

Discussion:

- Regent Deleon Guerrero wanted to refer to the documents as submitted as part of the committee for reference and record.
Vicenta Quitugua said the students are concerned if the college cannot operate by June. What can be done to address the situation?

Regent Deleon Guerrero said the motions just stated is the long answer to her question. We have recognized that these are projected shortfalls and these are the steps for the college to take to address budget concerns.

Vicenta Quitugua said in regards to the limited terms, positions that are not essential, will the college be downsizing?

Regent Deleon Guerrero as far as downsizing, or a Reduction in Force, which is one of the options before the committee and was decided against.

Regent Furey clarified that limited term appointments are only for 90-day. Our action today is telling the college to not renew the appointments.

Polly DL Guerrero asked a clarification if the freeze affects all positions or excluding federal positions.

President Wright said it would be reviewed on a case by case. All positions are frozen some federal may be filled. It will be determined on a case-by-case basis.

Regent Hinds said, under local appropriation, hiring is absolutely frozen.

David Atalig said that CREES program fringe benefits are subsidized by appropriations. Would like to have board amend motion to include this.

Regent Deleon Guerrero said he is hesitant because it is contingent on matching.

David Atalig said other resources to match fringe benefits of the CREES programs.

Regent Deleon Guerrero said with our situation with Pell and WASC, we should not mess with federal funds.

David Atalig said all numbers includes a fringe freeze of CREES positions.

Raaj Kurapati said there is a consideration that you cannot treat an employee different from other employees. Federal employees need to be the same.

Regent Deleon Guerrero said none of his motions includes freezing of benefits.

David Atalig said that if do not continue to freeze, it will be put us in a larger deficit. Hiring CREES staff, we have to add 19 percent of their salary for the fringe benefits.

Regent Hinds asked how many vacancies are announced at CREES. Polly DL Guerrero said 2.

David Atalig said it is not significant, but must include it.

Regent Deleon Guerrero said he acknowledges the concern.

President Wright said he wants to attempt to clarify the student question. Beginning with the story of the college closing in June and the close of programs, most have been discussed as options. There are two things going on simultaneously, and the confusion of those two things that people confuse, the short term and the long term. In the long term, for 5 years, NMC has received the same appropriation from legislature and with that student population has grown but legislative appropriation has stayed the same and has placed us in a considerable financial circumstance and somewhere down the road problem has to be addressed in a variety of ways. Since economy of CNMI is facing difficulty, and amount of contribution of the legislature, we are confronted with 2 issues. Do we have revenue to operate, and can we find revenue?

Regent Hinds said she is glad President Wright is talking about rumors. Regent Hinds asked who spammed the campus the list of options yet to be explored.

President Wright asked Eric Plinkse to develop a list of options.

Regent Hinds asked who spammed the campuses?

President Wright said he doesn’t know the answer.

Vicenta Quitugua wanted clarify that the students are part of the college and are concerned of the financial situation.

Regent Hinds said that Board will not make decisions without talking thoroughly to staff, faculty, everyone.
Vicenta Quitugua asked if the Board would include students when the Board will be asking.

President Wright said the reason the rumors are around is because of our effort to involve college community to be part of the discussions.

Regent Hinds said that when it was spammed to the campuses, it caused an uproar and hysteria.

Regent Hinds cautioned President Wright and the leadership to be more aware of what is being sent to the campuses.

President Wright said any time you address controversial issues, that sort of thing happens.

Regent Furey said as President you go out deliberations councils or academic councils, or other councils to discuss the options.

Regent Wyatt said that reason it went out is due to our communication and reason it went out to inform everyone of what is going on at the leadership team meetings. Maybe we should not have put that one out due to the detail. But it was an attempt to inform NMC.

Regent Hinds said it is one-way dialogue.

Chas Algaier said people want to know what is going on in leadership meetings. Well; this is what we are talking about. We tried to make it clear in our discussions that they are options and it's a hypothetical college.

Regent Hinds said sending out information is only a one-way not discussion. If we are considering options, we need to go out and discuss it, not send out information.

President Wright said if it gets to point of doing that, then yes.

Regent Hinds said with information going out to media, you open these up for matter of interpretation. When you send information out, make it a dialogue not a one-way communication.

President Wright said short term of issue and that is this year's budgetary shortfall. President Wright said he would like to pay high compliments to the group working on the issue. In particular he notice that there is still a remaining shortfall that we have not addressed and they have gone back to the drawing board on how to deal with that. Which you, the board, have not reviewed yet because it just came in. How else can we do it? We have to start somewhere. One of the possible options, and four are listed, one recommended option is the reduction in force and most people they recommend sits at the table that make the recommendation. The other two options are also something that could happen. President Wright complimented the people involved and urged all to participate in the discussion.

Regent Deleon Guerrero said that his comment about this action plan is that it's a plan for now; the last part is to continue to seek new revenue for college.

No further discussion. Motion carried.

B. Film, TV, Audiovisual Media Department

MOTION: Regent Deleon Guerrero moved to adopt the establishment of a film department.

Discussion

Regent Deleon Guerrero commented that previously we assumed there were no numbers for this program but after talking to the people who run the program but this will pay for itself. To not adopt the program because of a lack of money is not a good reason, we run risk of losing program this summer and forever, if we don’t make it a program now. A lot of programs are sitting on this becoming a department. The money will be coming to the college not an independent part of college. The biggest fear of not making this a department is losing it. A lot of equip has been invested and capital would have
been lost. Regent Deleon Guerrero said he wishes we can continue program as is, but the best way to continue is to include it as part of the college.

- Regent Furey said discussed at joint meeting and it was based on getting $85,000. We money for this program to continue pass the semester. Regent Furey said want to be clear that we're not adopting money but a program.
- Regent Deleon Guerrero said we are trying to make money by adopting this program.
- Regent Deleon Guerrero suggests adopting it as a department and task President and Leadership Team to identify funding for the program.
- Vicenta Quitugua said she wants to know what are the benefits of the film school, it might pay for itself, but how do we know? What is going to happen to vocational programs? Are students going to stay or students leave the voc-programs.
- Regent Deleon Guerrero said it should not affect other voc-programs and benefits have been discussed but primarily this industry is a growing industry, world wide and the mission of the college is to train for vocational programs and this is one of them.
- Vicenta Quitugua said there have been situations in the past where students leave voc programs because of the minimum wage. There are other programs out there and why film school?
- Butch Wolf said, why? Because there is more than just being voc-ed like plumbers, electricians, carpenters, etc. For big picture? Look at Guam. We have 200 days of shooting. Guam is now taking the step forward to be film friendly community. The film industry is $9 billion worldwide and we are going to get a piece of that. We can't get a few students at a time and program problem is the overall cost at $800 per class. It's a community of sorts and starts with filming things and being able to do laundry and doing catering and developing feature films and commercial and there are going to be benefits. One thing about this place is there are lots of stories to tell and more people want to tell stories. Part of the reason you cannot get a job at Hollywood is because you are no good at it. Film school will provide the needed hands on training. We need to make the positions available to people who know what they are doing. People in Japan bring their own people? Why film school? They can hire our own people. We have all state of the art stuff. This is a way for people to create their own positions.
- Regent Olopai-Taitano asked what is the enrollment.
- Butch Wolf said 15. We've gone from 22 to 9 to 14 to 15. We are below the average class size, but that happens in other classes. We've been doing this a long time. We've been bringing money to the game for the last two years. We anticipate bringing more. We can go out and get more and we can offer facilities.
- Chas Algaier said the action plan for shortfalls not addressed includes the film school. The additional costs are included in the supplement to the action plan.
- Regent Furey said it is adding minus to minus.
- Regent Hinds asked when would the program incur costs.
Regent Deleon Guerrero said by summer.
Regent Furey said this in part of FY 2005. This is for summer.
Butch Wolf said the part of going away and not coming back, is partly true. Butch Wolf said one of those is me. We have geared up in past knowing that someday we are not going to do it. The college would still be able run classes. Equipment is available through Eric Plinske. You could still get accreditation. The only thing that we bring to this table and will make it better is our connections. You could just hand it to current media services. There is a way to get it, but you could create more talent to do it.
Kurt Barnes said that in today’s Tribune there is a hearing for application for business permits. Of the seven, five were filming permits.
Regent Olopai-Taitano said she is rooting for this program and she does not want to ask for more sacrifice, but can you understand where we are at fiscally? In good conscience cannot support, while we find means to bleed. Can you hold off? Can you compromise one more time?
Butch Wolf said yes and no. Yes, if there is a light at end the of the tunnel. We could hang on, but we’ve had a lot of promises from the Board, the President. We are wasting a lot of time by doing this. Years ago, the Board said yes, but nothing ever happened. It got prolonged. Do you want to go on? If you don’t, we understand and we won’t go on.
Vicenta Quitugua said that students are not against program and sometimes we have to be practical and cut losses.
Regent Deleon Guerrero said there is money that comes from this program. We did not have revenue for entire year, but we can a find way to support for the summer.
Raaj Kurapati suggests a compromise. We’ve entered into contracts till May, the Board may consider approving it effective at the end of May.
Chas Algaier said the idea of creating a CNMI film office contingent upon film department established.
Regent Deleon Guerrero said we don’t want to involve too much in the mix because it’s separate. If the central source is money, then it is not a good approach; there will be benefits, but not a lot of monetary benefits.
Eric Plinske said the legislature is a part of this and talking about doing an equivalent to a C-span. Majority team lobby for this to the tune of half a million dollars among legislature where all their sessions will be televised and time each week for each representative to say what they want. It would be public access run by NMC. There are positive responses to tie the film school to government and benefiting community on important decisions being made by Governor.
Regent Furey asked if it binds us this semester. If we don’t find money by the end of the semester, then we don’t have the program for summer. But if FY 2005 includes it, so it will be available for Fall but not for summer.
Butch Wolf said it is important for the summer. Why because of the 60th anniversary of Saipan. If we do it as a studio, we hire students and we pay students to intern. The big push is the summer activities, like the 60th anniversary. We would like to do it through NMC. There is an opportunity for big jobs for the students. We are trying to create a job structure. If you don’t want to do it in the summer, you might as well not make it a department. Students enter the degree program. Is there going to be a second half for these students. By August we are supposed to have our first feature film. If we get the FTE, we can start the structure. Revenue comes from renting out the facilities.
Regent Olopai-Taitano said that’s what she wanted to know. Where is the money going to come from.
Butch Wolf said there is money to be made and a potential for revenue.
Regent Furey asked where are going to get $85,000.
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- Eric Plinske said the revenue included is basic and does not include the feature film Butch is talking about. They rent the sound stage. The C-span thing is new. The 60th Anniversary is separate.

No further discussion. Motion carried.

C. Pacific Gateway
   Tabled.

V. Executive Session
   Everyone except the Board of Regents, President Wright and Tom Tebuteb, Special Assistant to the Administration was asked to leave. The time was 4:20 p.m.

VI. Reconvening of Special Meeting
   The Special Meeting reconvened at 5:08 p.m.
   The Board of Regents had a discussion about the college's finances with Thomas Tebuteb. No action was taken.

   Regent Hinds announced the Board of Regents has accepted the resignation of Kenneth Wright effective at the end of the business day.

VII. Adjournment
    Meeting was adjourned at 5:10 p.m.