MINUTES OF THE SPECIAL MEETING  
of the  
Board of Regents  
Tuesday, February 26, 2008  
3:30pm

PRELIMINARY MATTERS

PRESENT:

Board of Regents: Acting Chairman Joey P. San Nicolas, Regent Elaine Orilla, Regent Malua Peter, Regent Linsa Lizama
Absent/Excused: Chair Dr. Rita Inos, Regent Charles Cepeda

College Staff and Faculty: NMC President Dr. Carmen Fernandez, Honorary Staff Regent Lorraine Cabrera, Honorary Faculty Regent Frank Sobolewski, Honorary Student Regent Ivan Mereb, BOR Special Asst. Mark Mendiola, CFAO Raaj Kurapati

Others: None.

I. OPENING PROCEDURES
   A. Welcoming remarks by Acting Chairman Joey P. San Nicolas.
   B. Roll Call: Acting Chairman Joey P. San Nicolas called roll call. Four members of the Board of Regents were present. Chair Dr. Rita Inos and Regent Charles Cepeda are excused absent.
   C. Review and Adoption of Agenda
      Motion: Regent Lizama motioned to adopt the agenda.
      Second: The motion was seconded by Regent Peter.
      Discussion: None.
      Vote: The agenda was approved for adoption by a majority voice vote.

II. PUBLIC COMMENTS
   A. Jean Rayphand, Esq. presented information regarding NMC’s English placement testing.

III. OLD BUSINESS
   A. WASC Update
      Dr. Fernandez gave a briefing on the progress of work undertaken since the January 31, 2008 letter from the ACCJC President with respect to “show cause.”
On February 08, 2008 – A presentation was made to the NMC community regarding the show cause issue.

The NMC President held a press conference in the afternoon of February 08 with the media and was joined by the Acting Chair San Nicolas, Regent Charles Cepeda, and ASNMC President Ivan Mereb.

The Acting Chair joined the President in a meeting on February 08 with the Senate President at his office on Capital Hill. Representative Ralph Torres and Rep. Ray Palacios were also present. Subsequently, they met with Speaker Arnold Palacios and Rep. Victor Hocog.

The NMC President also met with Governor Fitial on February 08. All the meetings went very well and all pledged their full support.

The NMC President also met with Rep. Heinz Hofschneider on February 11 to discuss the situation and some capital improvement needs.

On February 12, 2008, received support letter from Washington Representative Pedro A. Tenorio, which was disseminated to the campus community.

On February 13, 2008, the NMC President and members of the Board of Regents and the NMC management team made a presentation on the accreditation status to the House committee on Health, Education, and Welfare.

Rep. Ralph Torres was appointed by Speaker Palacios to be the House accreditation liaison. The President expects to meet with him very soon.

On February 14, 2008, the college received a support letter from the Taotao Tano CNMI President.

On February 15, 2008, Dr. Debra Cabrera conducted an extensive meeting with the NMC faculty discussing issues and their roles on what needs to be done on their part in regards to program review.

On February 20, 2008, Rep. David Apatang introduced H.B.16-28 for $3 million to help NMC with immediate renovations and repairs of the campus. The money is also earmarked for the facilities master planning and A&E design.

On February 21, 2008, letters were mailed out to all of the students about NMC’s accreditation status.

On February 21, the NMC President and CFAO Kurapati met with Rep. Ralph Torres again to discuss legislation required and funding needs to address accreditation issues.

CFAO Kurapati has been working directly with Rep. Apatang’s office to develop some language to help NMC with the Retirement Fund debt.

On February 21, 2008, the NMC President met with Jeff Schorr who is the Field Representative for the Office of Insular Affairs. Mr. Schorr indicated that NMC’s grant request application for $400,000 for Information Technology upgrades was approved and is being processed right now.

The NMC President held two forums for the students and parents, at the Student Center on February 21.

On February 25, 2008, the NMC President traveled to Tinian and met with parents, students, faculty and staff to discuss the “Show Cause” issue. She
was also able to meet with the Tinian leaders to discuss the situation and to answer any concerns that they may have regarding this issue.

The Acting Chair San Nicolas mentioned that there are two really big issues at hand, namely, program review and the financial fragility of the college. He asked that the President or Dr. Cabrera talk a little bit more on how the college is doing with respect to program review.

President Fernandez explained that all program reviews are being accelerated and the college’s goal is to complete academic program review before the October 15, 2008 report that is due to WASC.

At this time, CFAO Kurapati gave a brief synopsis of the financial status of the college that has been one of the major concerns brought up by the commission. He shared a plan of approach that the administration plans to take with respect to the March 15 Special Report that is due specifically on the FY06 audit report and resolutions to the findings. There are 14 specific findings that need to be addressed.

CFAO Kurapati referred the Board to page 13 of the audit FY06 where it has the reports of the financial, internal control and audit findings. WASC is mostly concerned with the receivables and its recommendation is that it be reviewed and for the college to make adjustments necessary to write-off any balances that are uncollectible. As of September 30, 2006, the balance of approximately $2.1 million was outstanding for many years and could not be collected. The BOR resolved this issue by approving the write-off of $1.9 million.

CFAO Kurapati also reported that the net balance as of September 30, 2007 was approximately $1.1 million. All corrective actions that have been taken for each individual finding will be updated. They are as follows:

1. Adjusted Balance – Adjustments will be made and reconciled; adjusted balance will be presented to the auditors for their review to determine whether the action made adequately addresses the findings.
2. Department Accounts – Financial statements for the bookstore have been accounted for separately; part of the corrective action plan was to bring this account into NMC’s regular overall accounting system.

IV. NEW BUSINESS

A. Assessment Training

Dr. Cabrera, the Accreditation Liaison Officer, began discussions with the show cause letter dated January 31, 2008. The letter refers to a rubric, which is basically a tool to use for assessment purposes. Handouts were provided. Assessment training will continue at the BOR Retreat.

Executive Session called at 5:30pm
Back at 6:00pm
V. OLD BUSINESS

A. WASC Update

CFAO Kurapati continued with his report on the financial concerns under the WASC Update item on the agenda with respect to audit finding number seven (7). The particular finding was addressed immediately after receiving the audit report. Essentially, the concern of the auditors was to ensure that there was a review of general entries prior to their being posted. The corrective measure is for the Chief Accountant and CFAO Kurapati to review and initial all general entries prior to their being input.

Finding#21 – CFAO Kurapati explained that this finding is related to travel matters. Both findings number 21 and 22 relate to travel issues. Essentially, the concern of the auditors was that they wanted to see competitive procurement with travel. However, there are some disagreements with this concern because there are only two primary airline carriers (Continental and Northwest). In addition, the auditors want the college to procure travel from different travel agencies within the CNMI; however, there are only a few travel agencies and this requirement is sometimes unpractical.

Audit Finding#10,12, &13 – These findings are in relation to the U.S. Department of Education grant. There were some significant difficulties with this grant. In fact, a majority of the federal findings are specific to this grant: the travel findings, reporting findings, and the cash management findings. As a result, some expenditures had to be taken from the operations.

Department of Agriculture – The financial status reports need to be submitted for federal programs; however, they were delayed again due to lack of personnel. The federal program accountant did not come on board until later on in the year. However, in 2007, a majority of these issues were addressed.

CFAO Kurapati also added that in 2001, 2002, and 2003, there was a significantly greater number of findings, in excess of almost thirty. The good thing is NMC has made significant progress in addressing these issues.

VI. NEW BUSINESS

B. BOR Evaluation

Motion: Regent Peter motioned to table item 4.(B) the BOR Evaluation for the upcoming BOR Retreat.
Second: The motion was seconded by Regent Lizama.
Discussion: None.
Vote: The motion to table the BOR Evaluation was approved.

C. BOR Matters

The Acting BOR Chairperson indicated that he had asked to include this item in the agenda because it is an area where the Board of Regents can discuss matters that are relevant, more particularly to the Board. One of the issues that has been brought to
the Board’s attention is the need to schedule a BOR Retreat. He mentioned that there was a plan back in December for the Board to come together and meet in a retreat-like setting. The Acting Chairperson recommended that they discuss the issue of a retreat and also use it as an opportunity to have a mini-orientation with the new Board member. This would be the time to discuss the Board’s duties and responsibilities as Board members, in particular with respect to WASC.

After much discussion, the Board decided to schedule the following BOR meetings:

Function:  BOR Assessment Workshop  
Venue:  Northern Marianas College, BOR Conference Room  
Date:  March 28, 2008  
Time:  3:30pm

Function:  BOR Retreat  
Venue: TBA  
Date: March 29, 2008  
Time:  9am

D. Legislative Matters
President Fernandez talked about House Bill 16-28 (To re-appropriate $3 Million of the $3.7 Million from section 702 funding for 2008 allocated to Puerto Rico Dump for Northern Marianas College building improvements and repair, and for the development of a master plan and A&E design for the new campus, and for other purposes) that addresses some of the concerns with respect to accreditation. The College management team recently met with Rep. Ralph Torres on this bill and will be coordinating efforts to meet with him again to discuss specific concerns of the College. One of the major financial concerns is the interest in the NMC Foundation funds.

CFAO Kurapati explained further that WASC has made it very clear that this must not occur, specifically when it comes to proposing college policy through legislation, and some of the language that’s in the current draft infringes upon that.

Rep. Ralph Torres has assured the President that he would include NMC in the review process on H.B. 16-28 and with the understanding with Speaker Palacios that any legislation that relates to any education institutions (including NMC) will first be given to his committee for review and input prior to it being considered for further action.

Regent Peter recommended that the staff begin the process of putting together comments and concerns for Rep. Torres’ committee. The President will be preparing draft comments to H.B. 16-28.
Acting Chairperson San Nicolas announced that as of February 19, 2008, Regent Orilla was re-appointed to serve another 4 years as a member of the Board of Regents.

Honorary Regent Frank Sobolewski talked about the various things that the President reported in her timeline of action in regard to accreditation affirmation. He pointed out that this relates to one of the WASC recommendations which is the last team recommendation from the 2006 Accreditation visit which states in part that “The College is encouraged to establish sustained channels of communication with the legislature in an effort to enhance its operational budget and capital improvement projects.”

The BOR Acting Chairperson said that he could attest to this because he has been in several meetings with the President where she discussed matters with the Legislature, the Senate President, the House HEW Committee and the Tinian delegation. The Tinian delegation has expressed its appreciation to the President for her openness and her willingness to talk to them about issues facing NMC.

Executive Session called at 7:00pm
Back at 7:40p.m.

VII. ADJOURNMENT
The meeting ended at 8:00pm.