MINUTES OF THE SPECIAL MEETING
of the
Board of Regents
Thursday, March 13, 2008
3:30pm
Continued Friday, March 14, 2008

PRELIMINARY MATTERS

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

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

Others: Legal Counsel Jesse Borja, BOE Chairperson Lucy Blanco Maratita, President of College of Marshall Islands Dr. Wilson Hess

I. OPENING PROCEDURES

A. Welcoming Remarks by Acting Chairman Joey P. San Nicolas where he recognized the presence of the Board of Education Chairperson, Ms. Lucy Blanco Maratita; and also Dr. Wilson Hess who is the President of the College of Marshall Islands. He also recognized the presence of the newly appointed and confirmed Regent Agnes McPhetres.

At this time, Regent Agnes McPhetres gave her brief remarks and was thankful for the opportunity to serve the college in this capacity. She is looking forward to working with Dr. Fernandez, NMC President, faculty and staff in the coming months.

B. Roll Call: Acting Chairman Joey P. San Nicolas called roll call. Four members of the Board of Regents were present; a quorum was established. Chair Dr. Rita Inos and Regent Malua Peter are excused absent.

C. Public Comments/Miscellaneous

1. Ms. Lucy Blanco Maratita, BOE Chairperson was present to speak about a joint meeting between the NMC Board of Regents and the CNMI State Board of Education
where they would begin a dialogue on coordinating efforts to improve the students’ educational and employment opportunities in the Commonwealth. She indicated that points of areas that the Board should consider discussing is the establishment of a sound transition from high school to college, improvement the collaboration of partnerships between the Public School System and the Northern Marianas College. Ms. Blanco Maratita was especially concerned to learn that an excessive number of students are not passing the NMC English entrance exams. She has been meeting with President Fernandez to discuss these mutual concerns.

Frank Sobolewski, Honorary Faculty member, clarified that results of math placement tests are worse. Both, math and English need to be examined.

Ms. Maratita said that it is for this reason to begin some kind of dialogue between the Public School System and the Northern Marianas College so that they can pinpoint the problem areas.

BOR Chairperson, Joey P. San Nicolas informed Ms. Maratita that the NMC Board of Regents will be discussing this matter under Board Matters later in the agenda. A response will be forthcoming.

2. Ms. Elaine H. Orilla who was recently re-appointed and confirmed by the Senate to continue her tenure as a member of the Board of Regents gave her brief remarks on the importance of her continuity with the College. She indicated that her reasons for accepting the nomination was largely in part because of the current accreditation issue facing the college.

3. Frank Sobolewski announced that the Faculty Senate election results are as follows:

   Mr. Larry Lee - Member
   Mr. John Jenkins – School of Education Representative
   Mr. Frank Sobolewski – Division of Instruction Rep. and Re-elected for another one-year term as Faculty Senate President

Mr. Sobolewski indicated that there was a tie for the Division of Student Services representative which would have to be resolved in accordance with the constitutional procedures.

Chairperson San Nicolas praised Mr. Sobolewski for his hard work and for being a productive member of the Board.

4. Dr. Peter Eche explained that his purpose for attending the meeting is to give his support to the college. As Director of Training for the government, Mr. Eche indicated that he would like to see a policy change to make the AA degree from NMC a minimum requirement for government employees.
At this time, Acting Chair San Nicolas recognized the presence of Regent Linsa Lizama. BOR Chairperson Rita Inos and Regent Malua Peter are absent and excused.

5. President Fernandez introduced Mr. Wil Castro who is the new Director of Institutional Effectiveness. She also informed the Board that Bank of Guam donated $5,000 and Dr. Johnny Fong is donating 100 chairs for the classrooms. Also, she submitted to the First Hawaiian Bank Foundation a grant proposal of $80,000 dollars to furnish the English lab with computers and collateral equipment. Dr. Fernandez also shared the good news of the $416,000 grant award from the Office of Insular Affairs and took the opportunity to thank the Dean of Compass, Ms. Tee Abraham who wrote the grant.

II. OLD BUSINESS
   A. WASC March 15 Special Report – Dr. Fernandez gave a brief synopsis of the things that have been done since the Show Cause letter was received. On February 08, 2008, the college began a public outreach campaign, an assembly was held for all of the NMC community and then a press conference was held with Acting Chair San Nicolas, Regent Cepeda and Honorary Student Regent Ivan Mereb. The staff also met with the Health, Education, & Welfare Committee at the Legislature to share with them the information regarding the “Show Cause” letter and also presented them with a plan of action that the college management team came up with on how to address this issue. On February 13, 2008, a follow up presentation was made at the legislature.

   To add to the President’s information, Chairperson San Nicolas indicated that on the Board side and for the benefit of the community, they’ve been working closely by monitoring the progress of the College and really giving the President the support and advice on what needs to be done. Also, he is appreciative of all that the President has been doing. The bottom line is, the Commission expects progress but is ready to support in any way. The Board will be moving forward together with the President and providing as much support as possible.

   President Fernandez introduced Dr. Wilson Hess, President of the College of the Marshall Islands (CMI) was in attendance to present to the Board his experience in regaining accreditation of a College that was de-accredited. He is responsible for turning the CMI around from a three year Show Cause order. Through his leadership, the college is now on warning status.

   Dr. Fernandez also indicated that through the help of BECA organization, Mr. Tomlinson was also able to make the trip to assist the college. Mr. Tomlinson has worked closely with the CMI to develop and implement their facilities master plan. BECA’s work is recognized by the commission and also by the Office of Insular Affairs.

   Dr. Hess’s Presentation:
   - His presence is BECA’s pledge to stand firm in support of the Northern Marianas College and give any collegial support that they can.
• He wished to acknowledge the generous support of BECA International and Mr. Tomlinson in making possible for this trip to occur without any cost to NMC or the CMI.

Mr. Tomlinson’s Presentation:
• Lives in the Marshall Islands and worked in Middle East, Southeast Asia, Afghanistan, China and New Zealand.
• He has been working in Civil Engineering for almost 36 years with extensive experience in master planning, site development and construction.
• BECA is a New Zealand firm with about 1900 staff members and it is an employee owned company.
• BECA’s architect section has 40 different divisions

Dr. Hess’ Presentation: Continuation (PowerPoint provided)
• First, involved with a higher education accreditation review in 1973 and has seen a lot of change over time. Specifically, in 1992, he and his staff were cited by the New England Association Schools and Colleges for what they termed a remarkable turn around; restoring the college to accreditation with no sanction from a period in which they had their accreditation terminated.
• A reversed termination order in six months.
• In 1997 and 1998, his organization received national recognition.
• In 2007, cited by the Western Association of Schools and Colleges (ACCJC) for a remarkable transformation which restored the college’s status from Show Cause to warning.
• He has come to offer insights to the Northern Marianas College which he hopes will prove helpful.
• Deliver a message of support.
• The future existence of the Northern Marianas College hangs in the balance for the next six to nine months.
• The two Commissions that NMC deals with is the ACCJC and the Accrediting Commission for Senior Colleges and Universities. But the principle commission for the Northern Marianas College is with the ACCJC.
• Why is Accreditation important? The practical pragmatic reason is that accreditation is the key to U.S Financial Aid programs and 85% of the students at NMC rely upon these programs to pay for their education.
• The Commission itself is 19 people. They’re from around the region and predominately from California.
• Approximately 133 institutions are accredited by ACCJC. Seventy-Six of them are on some form of reporting notice or sanction.
• The formal sanctions are warning, probation, show cause and termination.
• In the case of an institution that’s been placed on the Show Cause sanction, it has been told that it is in substantial non-compliance with requirements or standards of policies of the commission or to a non-response to conditions imposed by the commission.
• The Commission meets in January and June.
• Reports are due approximately three months before those meetings.
• NMC’s March 15 report is due at the end of the week but the response of the commission is not until about the end of June or even early July.
• Another report is due in October and the Commission will use this report to form the basis of it’s opinion in January 2009.
• Institutional Show Cause has a different burden of proof associated with it.
• The burden of proof is now resting with Northern Marianas College to demonstrate why accreditation should be continued.
• The College of the Marshall Islands was on Show Cause for 18 months. When Dr. Hess came, the CMI had been on “Show Cause” for 15 months and he was able to move the college move off of show cause on October 2005. However, the NMC will not get the opportunity to be on Show Cause for three cycles.
• Approximately two weeks before the Commission meets in June, if the President could be persuasive to Dr. Barbara Beno and the Commission, they will entertain a Supplemental Report. Therefore, between the time that the report goes in at the end of the week and approximately the end of May, NMC should do everything possible to garner significant new information and evidence of what has been done to address the issues of which the Commission has expressed it’s concerns.
• There is a policy within the Commission that any institution on Show Cause during this period must make preparations for closure. If preparations for closure are not made, NMC would be in violation of Commission policy.
• In terms of the termination process, it is subject to review and appeal. A Show Cause order can be appealed but not a termination order. This can extend the period for approximately a semester.
• Essential context of accreditation is that, not only has accreditation changed over the past 35 years since Dr. Hess has been involved in the accreditation review, it has changed in the past 35 weeks. There is significant changes that are coming along regarding accreditation.
• There are three things in particular that Dr. Barbara Beno has talked about in her public meetings of the Commission. One is on the tightening of the so-called two year rule which says that institutions must resolve their deficiencies within two years of it being identified.
• The two-year clock started for NMC when the Commission identified deficiencies in January 2007.
• ACCJC was under scrutiny by the Department of Education.
• Dr. Beno has said that as part of the larger context, the Commissioners will become more proactive (moving from compliance to constructive engagement).
• The broader piece of the context is that the ACCJC was up for renewal in 2007. It’s ability to serve as an accrediting commission is renewed every 5 years.
• All seven accrediting commissions are on the cycle of review every 5 years. The body that does that review is called NACIQ (National Advisory Committee on Institutional Quality) which is part of the Department of Education.
• The Department of Education is headed by Secretary of Education, Margaret Spellings who, in the past several years, has been on the campaign to try to increase accountability of people who are in the business of education.
• DOE has made a number of recommendations and as a result, NACIQ tightened up its review process.
• The tightening of the review process meant that the senior commission of WASC was accredited, renewed provisionally in 2006. The ACCJC was taking that experience with them when they were reviewed in 2007. As a result of that review, the Commission was renewed but there were concerns and the specific concern that NACIQ found that affects the colleges is that, ACCJC did not fully meet the two-year rule that requires accrediting commissions to terminate accreditation when the two-year limit is met. Therefore, to resolve deficiency, the time clock begins with the initial sanction with the 2009 deadline.
• Chairperson San Nicolas inquired about the window of opportunity for submitting Supplemental Reports. He asked if that’s just certain colleges or is it a matter of policy.
• Dr. Hess explained that it’s not a matter of policy but in fact, the accrediting commission is to serve the college and keep things moving forward. Thus, the commission would like to make the decision based upon the best available information. There are no guarantees that Dr. Beno will do this but she has done this regularly in the past for institutions on Show Cause.
• Dr. Fernandez informed the board that she is sure that Dr. Beno will allow it because twice she accepted the college’s request for a Supplemental Report.
• Regent McPhetres indicated that it would be prudent to keep the Commission informed of the work and progress that the college is undergoing to prepare for the report.

A. WASC March 15 Special Report (continued)
CFAO Kurapati went over the draft of the March 15 Special Report due to ACCJC based on the January 2008 show cause letter. The concern is regarding the 14 audit findings from the FY2006 audit report. The CFAO went over each of the findings and proposed resolutions. (copy of draft report was provided to all members)

Regent Cepeda raised concerns in the following areas:
1. that a copy of the restricted appraisal report be provided to the Board;
2. that the College administration speak to Dr. Barbara Beno, ACCJC President, regarding the approach being taken regarding NMC’s Retirement Fund debt. It is currently proposed that a pending bill HB 16-54 would resolve NMC’s liability issue.
3. that the administration request legal advice on its position relative to the Retirement Fund debt.

After some discussion, Chairperson San Nicolas announced that the Board will recess until Friday, March 14 at 4pm to allow time for administration to resolve the concerns stated. Action on the March 15 Special Report is tabled until that time. Meeting was recessed at 6:45pm.

Meeting Recessed until Friday, March 14 at 4pm.
Meeting Reconvened @ 4:10pm
Acting Chair San Nicolas welcomed everyone and stated that Regent Cepeda will chair this meeting as he is physically on Tinian via VTC.

Roll Call: Acting Chairman Joey P. San Nicolas called roll call.

PRESENT
Board of Regents
Members present on Saipan:
Regent Charles Cepeda
Regent Linsa Lizama
Regent Agnes McPhetres

Members present via VTC:
Acting Chair Joey San Nicolas at Tinian NMC
Regent Elaine Orilla at Rota NMC

College Staff & Faculty: NMC President Dr. Fernandez, Honorary Staff Regent Joyce Taro, Honorary Student Regent Ivan Mereb, BOR Special Asst. Mark Mendiola, Legal Counsel Jesse Borja, Dean of COMPASS Tee Abraham, Dean of Students Daisy V. Bier, CFAO Raaj Kurapati, Director of OIE Wil Castro, Director of IT Adrian Atalig

OLD BUSINESS
A. WASC March 15 Special Report (continued)

CFAO Kurapati addressed the three concerns raised at the March 13 special meeting and reported the following:
1. The copy of the restricted appraisal report was provided to Board members at this meeting.
2. The CFAO spoke to Dr. Barbara Beno and was informed by her that the current approach regarding addressing the Retirement Fund (RF) debt is acceptable. It must be reported to the Commission as soon as the law is passed. Dr. Beno also informed the CFAO that it may submit an update of the March 15 special report by May 31, 2008.
3. The Board was provided with an opinion from legal counsel regarding the administration’s approach to the RF debt. Legal counsel provided amended language to HB 16-54 to ensure that the entire debt is covered by the legislation.

Motion: Regent San Nicolas motioned to assign Regent McPhetres to work closely with the Administration in development of the audit and supplemental report.

Regent San Nicolas reiterated the concerns brought by members of the Board and the much needed interest in closely monitoring the progress of the audit report. Regent Cepeda thought it was a good idea and personally felt that it would be good to have somebody from the board be a part of this process.
Second: The motion was seconded by Regent Lizama.

Regent Orilla raised some concerns over micro-management. She is especially concerned that by appointing Regent McPhetres or any other Board member, it would disrupt the Administration’s accreditation efforts.

Regent Cepeda stated that it won’t necessarily be micro-managing because WASC has asked the Board to submit a report which means that WASC required the Board’s participation in the accreditation process.

After much discussion, President Fernandez recommended clarification from the Board on Regent McPhetres’ role.

Regent McPhetres explained that in an emergency situation, in any college whether it’s with NMC or any college, it is important that the best help is solicited as much as possible to try to resolve the college issue.

Chairperson San Nicolas restated his reason for making the motion. He explained that it is not to take any responsibilities or duties away from the President. But it’s to recognize the severity and importance of the sanction and ultimately achieving accreditation come January 2009.

President Fernandez recommended that maybe the Board could appoint a special committee and that Regent McPhetres could head that special committee. This way, as the Chair of the committee she can engage with the Administration in the proper protocol.

Staff Senate Representative Joyce Taro explained the importance of everyone working together as a whole for one common goal and that is achieving accreditation in 2009.

After much discussion, the Board decided to close discussions to finalize the vote on the motion.

Motion: Acting Chair San Nicolas motioned to appoint one person on behalf of the Board to be working closely with the Administration in tackling Accreditation issues. The appointee will be reporting to the Board and final decisions will be made as a whole board.

Regent Cepeda informed the Board that he could to step down as Fiscal Chair and appoint Regent McPhetres as Fiscal Chair.

5-minute recess

Regent Cepeda welcomed everyone back after a brief break and informed the audience that the Board is still discussing the motion made by the Acting Chair.
Acting Chair San Nicolas restated his motion as follows:

Motion: Regent San Nicolas motioned to assign Regent Agnes McPhetres to work closely with Raaj and the President as they develop the Audit and Supplemental Reports.

Second/Vote: The motion was seconded by Regent Lizama and passed by a majority voice vote.

Motion: Regent McPhetres motioned to accept the WASC audit report with the amendments.

Second: The motion was seconded by Regent Lizama.

Vote: There were no objections and the motion passed by a majority voice vote.

OLD BUSINESS

B. BOR Matters

The Acting Chair wanted to clarify some issues pertaining to the proposed BOR Retreat such as possible dates and venue.

The Board agreed to use the board-room because it would not cost anything and the basic office materials/equipment will be readily available.

BOR Retreat meeting to be held in BOR Conference Room
Date: April 7, 2008 and April 08, 2008
Time: 9:00am - 3:30pm

President’s Announcements

1. Dr. Barbara Beno, ACCJC President and Commissioner Floyd Takeuchi will visit on April 21
2. Charter Day April 11
3. Golf Tournament- April 26th
4. Legal Counsel to look into exigency resolution. President Fernandez will take the lead on this issue and report to the Special Meeting.

III. ADJOURNMENT

The meeting adjourned at 5:45pm.