MINUTES OF THE
BOARD OF REGENTS
Special Meeting
Monday, November 28, 2011
3:00 p.m.

I. PRELIMINARY MATTERS

Attendance:

Board of Regents: Regent Juan T. Lizama, Chairperson; Regent Elaine Hocog Orilla, Vice-Chairperson; Regent Frank Rabaulliman; Regent William S. Torres; Regent Maria (Malua) T. Peter and Regent Andrew L. Orsini.

Honorary Members: Lawrence Camacho, ASNMC President; Dr. John Griffin, Faculty Senate.

College Staff and Faculty: Sharon Y. Hart, Ph.D., Executive Secretary to the Board/NMC President; Leo Pangelinan, Dean of Student Services; Bobbi Merfalen, Dean of Academic Programs & Services; Dr. Tim Baker, Director of Counseling Services; John Cook, CNMI Archives; Dawn Chrystal, Finance Office; Keane Palacios, Office of Institutional Effectiveness; Rogelio Madriaga, CFAO and Helen B. Camacho, OIA Administrative Manager (Recorder).

Others: Jesse Borja, NMC Legal Counsel; Junhan Todeno, Marianas Variety; Moneth Deposa, Saipan Tribune.

The Special Meeting of the Board of Regents was called to order at 3:00 p.m. on Monday, November 28, 2011, BOR Conference Room in Building P, NMC Saipan Campus.

a. Roll Call

BOR Chairperson Juan T. Lizama called roll call. Six members of the Board of Regents were present. A quorum was established.

b. Review and Adoption of Agenda

Motion: Regent Orilla moved to adopt the Special meeting agenda for Monday, November 28, 2011.

Second: Regent Peter seconded the motion.

Discussion: Regent Torres inquired about the minutes. Helen responded that they are not ready for adoption but will be ready at the next Board meeting.

Vote: The motion passed unanimously.
Chairperson Lizama noted Regent Torres’ request to excuse Regent Orsini in the event that he does not make it to the meeting. However, it was noted that Regent Orsini had phoned earlier to let us know that he is en-route to the meeting and will be in shortly.

II. Public Comment Period: None

III. Board Chair’s Remarks: Chairperson Lizama thanked everyone for attending today’s meeting. He also added that the Board has made tremendous progress learning and understanding one another. He wished everyone a belated Thanksgiving!

IV. President’s Report – President Hart provided an update on the activities of the College (handout provided). She highlighted the following items:

1. Accreditation – Team visit from the ACCJC Accrediting Commission was held from November 7-9, 2011. Visiting Team report should be provided to her soon. A supplemental report is due in December. In January, President Hart will be attending the ACCJC Commission meeting in order to report additional information and hope to hear by February on the outcome of the team visit.

2. Peer Institutions – Worked at the beginning of the fall 2011 term with the Office of Institutional Effectiveness (OIE) and the National Center for Higher Education Management Systems (NCHEMS) to identify peer institutions against which NMC would compare and benchmark itself for various important reasons.

3. FY 2012 Operational Plan – The Office of Institutional Effectiveness developed a template for the programs’ FY 2012 Operational Plans and worked with all college programs to complete their respective plans. Division heads have been meeting with President Hart to discuss how to finalize the major strategic plan with all of the areas of responsibilities in the month of December.

4. Program Review – OIE is working with the Program Review Outcomes and Assessment Committee to close out the current cycle of program review and begin the next cycle. Results from the current cycle will be documented in the PROAC Composite Report, which will be shared with the Board of Regents at the December 2011 meeting.

5. Governance Review Task Force – The Governance Task Force met to look at restructuring the governance structure and will bring forward a proposal to revise the model to accurately reflect the current leadership structure at the college.

6. All Campus Meeting – An all campus meeting was held with all college employees to share NMC’s budget (FY12 projected expenses and revenues) and also discussed our plans for preparing a balanced budget for the Board. The strategies will be shared with the Board.

7. CUC – A recent news article suggested that NMC owed over $100,000 in outstanding utilities. The college maintains that what was reported is not correct and all obligations are current. A letter was hand delivered to CUC that same day asking for research and to resolve this matter immediately.

8. Meeting with Saipan Mayor Flores and Henry Hofschneider – President Hart and Frankie Eliptico, OIA Director met with Saipan Mayor Flores and Henry Hofschneider and were able to address the SHEFA Board. She and Frankie Eliptico were invited them to attend
their next meeting to meet with them specifically on the importance of scholarships going to students with financial need. She hopes that a cooperative effort with Saipan Higher Education Financial Assistance Board (SHEFA) and the CNMI Board will result from these efforts. She added that scholarships would be best served if they were financially need based.

9. MOU Between CNMI Scholarship Board and NMC – NMC is in the final stages of completing an Memorandum of Understanding between the College and the CNMI Scholarship Board.

10. Meeting Congressman Kilili – President Hart had an opportunity to meet with the US Congressman Gregorio Camacho Sablan “Kilili” when he was on campus for the Cash for College workshop two weeks ago to bring him up to date on NMC activities and projects.

11. Farewell to Foreign Workers at NMC – The College said good-bye to seven foreign contract workers. The individuals have been working at NMC through subcontractors in the areas of custodial services, and maintenance of the College’s facilities. Many of them have been here over 12 years and they’ve been great employees of the college.

12. NMC Board Action Form – President Hart presented a new board action form that will now accompany all board action items. She indicated that the form will better identify and prepare items that require board action.

13. Request of ACCJC to Dr. Hart – President Hart received a request from ACCJC to undergo training and to participate in an accreditation visit in March. She believes that it would be good to attend the training because it would give her a better perception of what the team members have been trained on. The training will help her better understand the ACCJC – its policies, procedures, and what we will need to expect in the next full accreditation visit in 2012.

14. Human Resources Director John Manalo will depart NMC – President Hart announced that John Manalo, HR Director is leaving the College and moving to the mainland.

15. New Employee Classification System – The College is completing a review of and making changes to our employee classification system.

16. Start Smart Program – The Start Smart Program is underway. The first one kicked off two weeks ago and welcomed Kagman and Southern High School seniors. A session was also held in Tinian addressing all juniors and seniors.

17. New December Intersession – NMC announced that it will be offering academic courses during a new Intersession semester for approximately three weeks from December 5-29, 2011. A list of the classes were already disseminated. The new Intersession was created to help students achieve their educational goals.

18. H1-B Visas – HR and Legal Counsel worked together with five NMC employees (three credit instructors and two instructors at CREES) to prepare and submit H-1B Visas. The H-1B is a non-immigrant visa that allows U.S. employers to temporarily employ foreign workers in specialty occupations.

President Hart concluded her report. Regent Peter provided some comments in relation to a similar recruitment program at the University of Guam dealing directly with parents of the prospective college students. President Hart responded to her concerns and indicated that the Start Smart program also holds parent night as part of what the college is doing with its efforts to recruit prospective students.
Regent Torres praised the college for having a successful Start Smart program and would like to see it expanded. He added that it’s good to know that the program is also reaching out to the parents. Torres talked about looking into how the college can best benefit from its relationship with CUC. He recommended exploring the fact that CUC is utilizing the college’s property at no cost and perhaps we should begin a dialogue on how we can offset the usage of the property with our utility bill. Regent Torres talked about a recent bill introduced by Congressman Sablan pertaining to the Western Interstate Commission for Higher Education (WICHE) concept. He added that the legislation covers nationwide at no cost to the institution. In response to Regent Torres’ excellent comments about having an Intersession, President Hart indicated that its all thanks to the Dean and Faculty who made it possible.

Dean Merfalen was present in the gallery and offered some comments. She indicated that the Academic Programs and Services under the direct guidance of President Hart, is gearing the college towards accelerating the courses within the semester. Regent Torres also shared some comments pertaining to the H-1B Visas and hope that this doesn’t constraint other interested instructors who may be interested in joining the college.

Chairperson Lizama referred to the foreign individuals who left the college after working for the college for more then 12 years. President Hart reiterated that the employees were loyal members of the institution and made the college their home all these years. She added that the employees were greatly affected by the immigration law and as a result it was the decision of the subcontractor if they wanted to maintain or continue these individuals’ employment.

Regent Rabauliman asked for the Intersession schedule. Dean Merfalen said that the intersession is going to run from December 5-31, 2011. She also added that the schedule is posted on the website. In response to Chairperson Lizama’s inquiry about the departure of John Manalo, President Hart explained that his main reason for leaving is for greater and better opportunities. Discussions ensued pertaining to residency requirement. Regent Torres explained that there needs to be some flexibility to accommodate the needs of prospective students who are interested in an early admission process. President Hart agreed and also informed the Board that she is in the process of meeting with Dr. Rita Sablan, Public School System Commissioner, however, due to her busy schedule, the recent meeting had been cancelled. She hopes to meet with her soon to discuss the dual credit proposal for the high school students. President Hart also mentioned Tinian and Rota are interested in advanced placement courses, or a look at better ways at how the College can serve the students.

In response to Regent Orilla’s question whether or not the 2+2 program still exists at the College, Dean Leo Pangelinan informed the Board that it no longer exists. He went on to say that at one point in time the college had a memorandum of understanding with the Public School System, however, it was not renewed. Pangelinan added that the college does have a mechanism in place to enroll high school students through the early admissions program. Pangelinan said that what distinguished the two programs from each other was that the 2+2 program had a special tuition rate while the Early Admissions program did not, which was one of the key motivating factors to get students to enroll.
For the record, Chairperson Lizama recognized the presence of Regent Orsini who just arrived to attend the meeting. Dean Merfalen added that there is another program called the Teacher Academy that the college has been closely engaging with the Public School system. Regent Torres noted that his understanding of the 2+2 program is to have a sense of alignment on the curriculum between the PSS and the college.

V. **CFAO Financial Report Update** – Rogelio Madriaga, Chief Financial and Administrative Officer (CFAO) provided an update (handout provided). He highlighted the following:

1. Statement of Revenues and Expenditures – Overall
   a. Appropriations - $4,227,109 in Revenues  
      $4,500,616 in Expenditures  
      $273,507 Deficit
      Note: FY2011 Report has not been fully finalized; adjustments are still being made.
   b. Federal - $11,875,726 in Revenue (primarily due to the SFSF or ARRA funds)
   c. General - $4,342,445 in Revenue  
      $2,656,611 in Expenditures  
      $1,685,833 Balance (Tuition and Fees budget)
   d. Special - $142,212 Revenue  
      $176,878 Expenditure  
      $34,666 Deficit
   e. Vocational Education – No funds (carry over)

2. Projected Payroll Budget vs Expenditures
3. Encumbrance Budget Report for Tuition and Fees
   $1,179,510.37 – Balance
4. NMC FY2012 Budget
   a. Appropriations Budget
      $2.8 Million
   b. Tuition and Fees Budget
      $809,707.32 – Variance

CFAO Madriaga informed the board that on Saturday, November 19, 2011, the Management Team met all day to review and discuss the FY2012 Budget. He added that the team discussed projected revenues (based on 5-year analysis average) came up to about $3.6 million for FY2012. President Hart provided handouts of the projections that were prepared by Dawn Chrystal Revilla, Budget Officer. A breakdown of the report is as follows:

1. Appropriations Budget
   Personnel - $3,979,196
   All Others - $1,209,856
   Total - $5,189,052

2. Tuition and Fees Budget
   General Budget - $2,000,000
   Utilities - $800,000
   Total - $2,800,000

   Average Payroll - $216,224.45  
   Est. Total Payroll - $5,621,835.70

   Based on Fall and Spring Projections  
   only, expectation of lower enrollment.
Adopted on December 16, 2011

Est. Budget Shortfall – ($1,642,639.70)  
Total Budget Shortfall – ($432,783.70)  

Fall figures are better than expected, other budget developments may allow us to increase the budget.

Dean Bobbi Merfalen provided some cost cutting projections that were generated as a team on Saturday, November 19, 2011 as follows for the academic year:

1. Adjunct and Overloads - $398,000
2. Retirement Fund contribution
3. NMC Rota staff - $75,000 in savings under appropriations.
4. NMC Tinian staff - $15,000 in savings through the College Access Grant. The site Tinian Coordinator will pay 25% of the individuals salary and benefits through grant funds, thus, saving the college $15,000.
5. Travel – Purchase airline tickets by using a credit card at the various online sites.
6. Legal Counsel - $20,000 savings by way of a contract.
7. Resignations and Retirement - $207,000 savings for the academic year.
8. Energy Efficiency
9. Academic Course schedule

Regent Torres commented on the adjunct overloads at the College. He asked if the increasing number of overloads is driven by the student to teacher ratio. Dean Merfalen responded that a lot of it is dependent on the availability of the classrooms and the student to teacher ratio. President Hart added that the reason for the spike in adjunct overloads is because of Full-time faculty leaving the College. Hart said that one way to help offset this problem is to have the current administration and support staffs that have the credentials to teach as adjunct instructors. Dean Merfalen mentioned that the immigration law was also a major factor.

Regent Torres recommended in engaging in a cost benefit analysis and to revisit the student teacher ratio policy. Torres also said that consideration should be given to utility cost by way of the instructors making sure that the power is turned off. Dean Merfalen said that the College does not run a class under twelve students and the only time that it is allowed because there is a graduating student. President Hart talked about stacking related courses and by having the same faculty teach them. She mentioned the many challenges that we are encountering (Classroom capacity, use of technology in the classroom). She also added that the adjunct instructors bring true experiences into the classroom and bring great benefits of why you would want to utilize adjuncts.

Chairperson Lizama said that this discussion should occur within the College community. He stressed that the boards’ main concern will be to be sure that what the College decides to do is something that will be beneficial to the students. Regent Torres said that we need to face reality and strike a balance. Regent Orilla inquired about the NMC Rota staff cost savings of $75,000. President Hart explained that the cost savings is all in part due to the recent departure of the two employees and the college is unable to justify replacing the two positions. Orilla reminded everyone that we are mandated to serve the students and the community as a whole. President Hart agreed and said that they are looking at bringing other opportunities to Rota. Dean Merfalen concluded her report.
Dr. John Griffin, Faculty Senate President, provided a report. He named the following suggestions:

1. Facility Rental - make money from the gym.
2. Classrooms – rent rooms to organizations that need a room for their meeting.
3. Teleconference - charge a fee for use of equipment.
4. Ball Field – rent the field for various events.
5. Testing – charge a fee for various fields (CPA, GRA, Law School Admission Test, Praxis); become the testing center for the CNMI.
6. Fees - $200 Foreign student/per semester
7. Grants Office/Writer
8. Bookstore – Sale local made items, internship training.
9. Education to Go – NMC gets a portion of courses taken online.
10. NMC Foundation – recipient of an estate, life-insurance
11. Sponsor events – Casino, Bingo
12. Transition worker fees
13. Alumni – sponsor more events
14. English Language Training Institute
15. Child Care Center
16. TV/Radio Show
17. Name Building after people (Bid)
18. Intensive Courses
19. Utilities (motion sensors)
20. Refresher Courses

Dr. Griffin concluded his report and hopes that receive more ideas on how to keep the college running efficiently and cost-effectively. Lawrence Camacho, ASNMC President suggested bringing back the Police Academy. President Hart informed the board that although the college recognizes that we have a deficit, they want to be able to be creative to come up with solutions to bring that deficit down. Regent Torres thanked Dr. Griffin for the report and hopes that the ideas presented will become a reality for the future of the college.

Break called at 4:32 p.m. on Monday, November 28, 2011. Break ended at 4:45 p.m. on Monday, November 28, 2011.

VI. Old Business
A. WASC Matters
   1. WASC Accreditation Update (No action required)
      Keane Palacios, Office of Institutional Effectiveness provided a brief update. He highlighted the following:

a. October 15, 2011 Follow Up Report will be considered during the ACCJC January meeting in 2012.
b. A supplemental report is due in December 2011.
c. Accreditation Reaffirmation Team meeting weekly to prepare for the 2012 Self-Study Assessment Report to the Commission.

B. Board Policies for Consideration – Second Reading

1. Board Policy No. 303.1 – Program Guarantee Policy (Action Item)
Bobbie Merfalen, Dean of Academic Programs & Services presented the revised Program Guarantee Policy No. 303.1. She highlighted the following recommendations from the last meeting:

a. Guarantee Tuition Fee  
b. Format - Remove the bullet points and make it one whole sentence.  
c. Baccalaureate degree program in education.

**BOARD ACTION:**  
Motion: Regent Orsini moved to adopt Board Policy No. 303.1 – Program Guarantee.  
Second: Regent Torres seconded the motion.  
Vote: The motion passed unanimously.

NEWLY ADOPTED POLICY  
Board Policy No. 303.1 – Program Guarantee

C. Request to repeal Board Policy No. 2320: Checking Cashing (Action Item)
Rogelio Madriaga, CFAO, provided an update (handout provided). He noted that after reviewing the policies, he found that this particular policy had never been repealed in the past. In his findings, CFAO Madriaga found that this has not been allowed in a very long time. Madriaga requested to repeal the checking cashing policy.

**BOARD ACTION:**  
Motion: Regent Torres moved to approve the repeal of Board Policy No. 2320: Checking Cashing Policy.  
Second: Regent Peter seconded the motion.  
Vote: The motion passed unanimously.

D. Board Resolution No. 2011-05 – Acquisition of a Debit/Credit card
Rogelio Madriaga, CFAO, provided a brief update (handout provided). He noted that this resolution is being presented again with a revised version. The new version now states:

1. A Resolution authorizing the Acquisition of a **Debit/Credit card** (the word debit was added).

CFAO Madriaga stated that new information came to light that it would take a legislative action for NMC to incur debt but with the advise of legal counsel, it appears that the public debt constitutional provision does not apply to NMC. Counsel Borja responded that it doesn’t apply if you are not using public funds to repay it back. Madriaga agreed and noted that the
College will be using none public funds (tuition and fees) for this purpose. He also added that a credit card would help facilitate and expedite transactions.

Discussions ensued and major points were raised such as the difference between a “Debit” and a “Credit” card notion. President Hart gave some examples of the cost savings that this would benefit to the college. For example, lower airfare costs, procuring of items the college.

**BOARD ACTION:**
Motion: Regent Peter to adopt Board Resolution No. 2011-05: Debit/Credit Card resolution.
Second: Regent Rabauliman seconded the motion.
Vote: The motion passed unanimously.

VII. New Business
A. Board Policy for consideration – First Reading
   1. Board Policy No. 302.8 (Admissions) – International Students (Action Item)

Leo Pangelinan, Dean of Student Services provided an update (handout provided). He highlighted the following:

1. Change the section of the policy that deals with International students.
2. Dates/Deadlines
3. Federal Government requirements in dealing with the Form I-20 – Student Visa

Regent Torres was concerned with the statement “The College is encouraged by the Board of Regents, and authorized by the United States Federal Government to admit applicants from foreign nations.” He added that we should at least cite a law or specific authority to support this statement. President Hart said that out of the 50 states only two states that do not take this stand. She added that twelve states have gone on record with legislation to support that they will take illegal aliens. Furthermore, there are other states that are silent on the issue. Regent Torres said that we should be cognizant of both local and federal laws.

**BOARD ACTION:**
Motion: Regent Orsini moved to adopt Board Policy No. 302.8 (Admissions) – International Students.
Second: Regent Peter seconded the motion.
Vote: The motion passed unanimously.

**NEWLY ADOPTED POLICY**
Board Policy No. 302.8 (Admissions) – International Students

2. Board Policy No. 704.601 (Other Fees): International Student Fee (Action item)
   Leo Pangelinan, Dean of Student Services, provided an update (handout provided). He noted the following:
1. Typographical error in the policy number (706.601 should be 704.601).
2. Additional Fee for international students.
3. A fee assessed at every semester and to exclude these fees outside the normal academic year.

Regent Rabauliman recommended changing the statement to read: “The International Student Fee may only be instituted or increased only with Board approval.” The recommended change is noted.

**BOARD ACTION:**

**Motion:** Regent Peter moved to approve Board Policy No. 704.601 (Other Fees): International Student Fee for first and final reading.

**Second:** Regent Orilla seconded the motion.

**Vote:** The motion passed unanimously.

Yes – Chairperson Lizama
Regent Peter
Regent Orilla

Nays – Orsini
Abstain – Rabauliman

**NEWLY ADOPTED POLICY**

Board Policy No. 704.601 (Other Fees): International Student Fee

**B. Legislative Update**

1. **House Legislative Initiative No. 17-8:** To amend Article XC, Section 2 of the Constitution of the Northern Marianas Islands to authorize the election of the members of the NMC Board of regents; and for other purposes. (Action Item)

   The Board discussed the H.L.I No. 17-8 in detail and outlined the following concerns:

   1. Appointed/Elected Trustee
   2. Constitutionality of the legislation
   3. Protecting NMCs Autonomy

   Counsel Borja recommended that the Board voice their opinion on the proposed House Legislative Initiative. The board agreed to table this item and authorized President Hart to meet with the legislature to discuss with them the nature of House Legislative Initiative No. 17-8 and the rationale behind this legislation.

2. **House Bill No. 17-226:** To allow all non-retired members of the NMI Retirement Fund to withdraw their contributions without severance of employment or penalty by repealing and re-enacting 1 CMC section 8356 subsections (a) and (c); and for other purposes. (Action Item). This item was tabled.
3. Proposed Amendment to Public Law 8-18 (Action Item)

President Hart provided an update (handout provided). She highlighted the following:

1. Residency Classification
2. Residency Requirement is one year.
3. Amend statute
4. Lower the Retirement Fund contribution rate to 20%

President Hart suggested time off for all NMC college employees from December 27-30, 2011. She said that this would be saving us 1.5% on additional utility cost. Hart indicated that the time off would be based on the employee participation on accreditation assignment(s) over the Holidays! She also noted that if individuals choose not to be involved with a Team and to complete their assignments, they would be required to take leave during those days. The Board agreed that because we haven’t had any increases, perhaps this would be a good gesture of goodwill.

VIII. Executive Session (At any time during the scheduled meeting of the Board of Regents may be required to enter into executive session to discuss matters deemed privileged and confidential)

IX. Board Self-Evaluation

X. Adjournment

The meeting ended at 7:30p.m. on Monday, November 28, 2011.