

Annual Report

FY2012

Northern Marianas College

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Message from the BOR Chair & President

Hafa Adai, Tiroow Woomi, and Greetings!

The accomplishments identified in this report attest to the talent and commitment of the hard-working employees that work for the College and the partnerships that have been made to advance the institutional mission. The unwavering support of the people and the leaders of the CNMI also continue to fuel the College's success, and for that we are extremely thankful.

Yet, the achievements noted in this report also serve as a springboard as we anticipate greater achievements in the coming years. As local and global workforce training needs evolve, the College must also continue to grow and adapt to these changes to ensure that its students are securing meaningful careers when they graduate. To this end, we are committed to working with all stakeholders—students, staff, faculty, alumni, business and government leaders—to develop new programs and grow existing ones that respond to current and future workplace needs.

We look forward to an even more productive year in 2013 and we hope you become an active part of that progress. Thank you for your dedication to the Northern Marianas College.

Sincerely,

Sharon Hart, Ph.D.
NMC President

Juan T. Lizama
NMC Board of Regents Chair

Annual Report: 2012 Goals and Priorities

The 2012 Annual Report was prepared using the College's "FY2012 Operational Plan – Goals and Priorities" which was approved by the NMC Board of Regents on Sept. 29, 2011.

The pages that follow provides details about how the College has met the goals and priorities set for the fiscal year:

Northern Marianas College Fiscal Year 2012 Operational Plan Goals and Priorities

Student Success

1. Increase enrollment and retention rates.
2. Address the diverse student needs.
3. Improve methods for teaching and assessing student learning.
4. Remove barriers that impede on student success.

Optimize Financial Resources

1. Leverage current resources.
2. Implement cost-saving measures.
3. Implement revenue/resource generating activities.
4. Leverage the NMC brand to promote the College.

Information Technology

1. Improve the utility of Information Technology.
2. Improve our Student Information Management System (SIMS).
3. Launch the online learning center.
4. Integrate technology with student learning.

Focus on CNMI Workforce Needs

1. Increase job placement rates.
2. Develop partnerships with key entities.
3. Assess workforce needs.
4. Ensure program offerings to match CNMI workforce demands.

Accomplish Other Distinctive Objectives in an environment of continuous quality improvement

1. Reaffirmation of Accreditation



Student Success

Student Success

Increasing Enrollment and Retention Rates

Extensive Outreach Efforts

The Northern Marianas College has continued to build on its successful recruitment efforts by increasing its outreach activities to prospective students in public and private high schools, in government and private sector offices, and in the community.

In Fall 2012, the College enrolled 1,276 full time equivalent students, which is an increase of 8% over the same period in the previous academic year (Full Time Equivalency [FTE] is calculated by taking the total number of credits that students have registered for and dividing that figure by 12 [minimum number needed to be a full time student]). This was the second highest FTE student enrollment in the history of the College.

Enrollment growth was spurred in large part by the College's outreach efforts through one-to-one meetings with prospective students and through a coordinated marketing campaign that promoted the benefits of starting at NMC. Many of the outreach activities were made possible by the the College Access Challenge Grant Program, including the Start Smart Seminars held on Saipan, Rota, and Tinian. The College also hosted the highly successful Cash for College Seminar, which was aimed at helping students find financial assistance to pay for their college expenses. More than 400 students attended the last Cash for College event.

New Focus: Adult Students

Because the majority of today's college students across the U.S. no longer fit the traditional model of students between the ages of 18 to 22 (and usually attending college right after high school), the Northern Marianas College launched its "Climb Higher" Initiative, which involves a series of activities and efforts aimed at helping "non-traditional students"—who are usually older and are struggling to balance jobs, budgets, and parenting—advance their professional careers by earning a college degree.

As part of this initiative, the College hosted its first ever “Climb Higher Summit” which attracted many prospective nontraditional students that registration for the event had to be suspended because of space concerns. Already, the College is beginning to see an increase in nontraditional students on campus: in Fall 2011 there were 269 (out of 1,125) students who are 25 years and older. In the Spring of 2012, there were 295 (out of 1,130), an increase of 9%.

The student survey collected at the Climb Higher Summit has shed more light on the learning preferences of nontraditional students. For example, this group of students wanted to see more evening and weekend courses. The survey is now being used to inform academic course planning and as a result, more classes are now held at times that are convenient for adult students who are maintaining full time jobs. Additional online sections have also been offered.

Prioritizing Retention

Student retention continues to be a priority for the institution, and the College has launched a number of programs (discussed in the next section of this Annual Report) to ensure that students are provided the programs and services they need to continue their studies until graduation. Retention from Fall to Spring continues to improve: in 2008, Fall to Spring retention was at 65%, while in 2012, the figure rose to 78%. Fall to Fall retention also improved during this five year period. Fall to Fall retention in Fall 2007 was 41%; in Fall 2011, retention was at 50%.

Addressing Diverse Students Needs & Removing Barriers that Impede On Student Success

The College is comprised of dedicated staff and academic support programs that strive to empower students to persist through to graduation and/or attain their educational goals. The following areas of services were selected to showcase major activities that have occurred during this reporting period that have impacted student success.

Academic Tutoring

Academic tutorial services are offered to students through Counseling Programs & Services, Service Learning Program, and Library Programs & Services in various subjects, but with special emphasis on math and English. This service is particularly important in the context of retention and course completion as more than 80% of new, first-time freshmen place in one or more remedial course. Through tutors affiliated with these programs, the College provided 911 academic tutoring sessions to both college and pre-college students.

Educational Workshops

Programs within the Student Services Division are engaged in facilitating educational workshops to engage students with tools, strategies, and resources to assist each in navigating the academic, financial, and social demands of student life. More than 70 workshops were facilitated by program staff during this period.

Financial Aid

The vast majority of aid distributed by the College is need-based and a key factor in students' decisions to both enroll and remain enrolled in courses. Table 1 provides data on students that had submitted a Free Application for Federal Student Aid (FAFSA). Table 2 lists financial aid programs administered by the Financial Aid Office and amounts disbursed to students under each program.

Table 1. FAFSA and Pell Grant Data, 2011-2012 SY

2011-2012 SY	
FAFSA Applications Received	1352
Pell Grant Award Recipients	1000
Maximum Award = \$5550	680
Award Range = \$555 - \$5500	320
Ineligible (due to various reasons)	352

Table 2. Financial Aid Programs Administered by Financial Aid Office, 2011-2012 SY

No.	Programs	Number of Students	Amount
1	Pell	1000	\$4,022,379.00
2	SEOG	173	\$49,272.00
3	FWS	27	\$41,464.00
4.1	CACG (Fall 2011)	233	\$349,500.00
4.2	CACG (Intersession 2011)	10	\$6,500.00
4.3	CACG (Spring 2012)	287	\$430,500.00
4.4	CACG (Summer 2012)	73	\$56,650.00
5.1	CNMI Scholarship (Fall 2011)	401	\$487,684.00
5.2	CNMI Scholarship (Spring 2012)	289	\$354,113.50
6	BOR Scholarship	1	\$1,000.00
7	BWOY Scholarship	7	\$16,410.00
8	TSLF Scholarship	10	\$10,000.00
9.1	Cari-Pac Scholarship (Fall 2011)	17	\$19,380.00
9.2	Cari-Pac Scholarship (Spring 2012)	21	\$23,370.00

Total Awards: \$5,868,222.50

TEACH Grant

The College began administering the Teacher Education Assistance for College and Higher Education (TEACH) Grant at the start of the Fall 2012 semester to provide students enrolled in

the B.S. in Education program with additional financial support. The program provides grants of up to \$4,000 per year to students who intend to teach in a public or private elementary or secondary school that serves students from low-income families. A total of thirty (30) students received the TEACH Grant in connection to their enrollment at the College during the fall 2012 term.

Early Intervention

The Early Intervention Program (EIP) is designed to aid instructors and academic advisors to assist students who may need additional help to succeed in a course. The EIP also assists in communicating options to students who are on academic probation and suspension. The EIP received 48 student referrals from faculty during the 2011-2012 academic year.

Student Activities & Leadership Development

College staff and the Associated Students of NMC (ASNMC) work collaboratively to support registered student groups and activities to “encourage personal and civic responsibility, as well as intellectual, aesthetic, and personal development for all its students (WASC Accreditation Standard II.B.3.b).” These activities are vital to creating a collegial and vibrant college environment in which students develop interpersonal communication skills and a sense of community and self-worth. These activities connect students to the College community and positively impact students’ decisions to remain enrolled. Eight student activities were tracked during this period.

Graduation

The College has a three-year average of about 160 awards (diplomas, certificates, and degrees) per year.

Disability Support Services

The number of students assisted by the Disability Support Services (DSS) Program increased by about 600% in a period of 3 years; the number of identified disabilities also increased in the same period.

Millennium – Integrated Library System (ILS)

The library’s Integrated Library System (ILS) project was officially completed on December 16, 2011. Funded by ARRA SFSF funds, the new ILS addresses many years of intermittent connectivity to the old system and allows for web-based access to the catalog system that identifies the location of books, periodicals, and other resources available through the Library.

The system's features were first introduced at a student assembly scheduled on January 14, 2012 and through numerous presentations in courses to familiarize students with the new system and services provided by the Library.

International Student Services

The College implemented the International Student Fee (\$200 per semester) via College Procedure No. 704.601. There were 109 students enrolled with an international student visa who were assessed the fee during the spring 2012 registration period. The College generated \$21,800 in revenues during this period and established a set budget for International Student Services, a program whose mission is to recruit, retain, support, and graduate international students. The program has since hired work-study students to assist with language translation needs, academic tutoring, and student activities. Professional development for program staff is supported through this fee. Plans are underway to use a portion of the fees collected to renovate spaces in building I for the provision of these services.

New & Returning Student Orientation

The College required participation in student orientation for new and returning students for the first time in 2012. The activity was a division-wide effort scheduled over three days – August 1, 8, and 9. On August 10, students who were unable to attend scheduled group sessions were provided the opportunity to receive an orientation through viewing a 22-minute video prepared by the Student Orientation Planning Committee – a team of 19 individuals from various programs on campus. More than 350 students participated in the group sessions and 61 viewed the orientation video.

Computer-Based Testing

NMC's Testing Services increased its capacity for administering computer-based tests by establishing a computer lab with a dedicated line for high speed internet and a server to meet requirements for conducting tests offered through Educational Testing Services (ETS), Professional Assessment Network (PAN), and Prometric. As a result, the College now administers the TOEFL iBT (Internet-based TOEFL) and over a hundred standard examinations used for professional and industry specific certification requirements. NMC is the only Prometric test site in the CNMI and the only test site between the CNMI and Guam that administers the TOEFL iBT.

As part of its efforts to address compliance with Accreditation Standard II.B.3c, the Testing Center is now charged with administering the English and Math Placement Tests. These tests

(COMPASS and ACCUPLACER) will be administered through the Testing Center beginning with the Spring 2013 Semester.

TRiO Upward Bound Program

From 1983 to 2012, the program had a total of 3,360 students participate in academic and extracurricular workshops and activities, and partake in college credit courses, as part of their college going experience.

The Annual Performance Report has been completed and successfully submitted to the U.S. Department of Education garnering 12 out of the 15 possible Prior Experience points awarded.

For the school year 2011-2012, the program served 130 students from the five public high schools in the CNMI who are potential first generation college students or disadvantaged students seeking a baccalaureate degree.

The program has provided students with workshops that included time management, money management, study skills and note taking skills management, career planning, and financial literacy workshop to aid them in post secondary education. At these workshops, presenters from the public and private workforce engaged students in local, national, and international issues. Additionally, alumni shared their experiences and challenges and how the Upward Bound Program was integral in steering a smooth transition from high school to college level environment.

Between Fall 2011 to Summer 2012, 4 mathematics, 1 language arts, and one science enrichment classes were offered to prepare high school students for college level courses and to enhance their high school portfolio. Additionally, 77 workshops and presentations were conducted at the Saipan, Rota and Tinian sites. One program participant was accepted for the Math and Science Summer Component at Monterey Peninsula College in Santa Barbara, California. The life skills activities demonstrated the students' multiple intelligences in areas such as camp outs, hiking, softball, swimming, debate sessions, and community involvement with DYS, Karidat, CHC's Pediatric Center, and ASNMC. This type of exposure expands students' knowledge with diverse cultural experiences and civic responsibilities.

Improving Methods for Teaching and Assessing Student Learning

Northern Marianas College prides itself in articulating quality student learning outcomes in all of its courses and program. Ongoing assessment and evaluation of the teaching and learning process has become part of the culture of the College.

In the Fall 2010 Semester, the Academic Programs and Services (APS) Leadership Team met with officials from the Western Association of Schools and Colleges (WASC) in California to collaborate on the staggered course assessment tool that the College continues to use today. This tool assesses courses in each academic department and is evaluated at various levels: 1) program, between faculty and department chair; 2) division, at the APS Leadership Team Meetings; and 3) institutional, at the Academic Council Meeting.

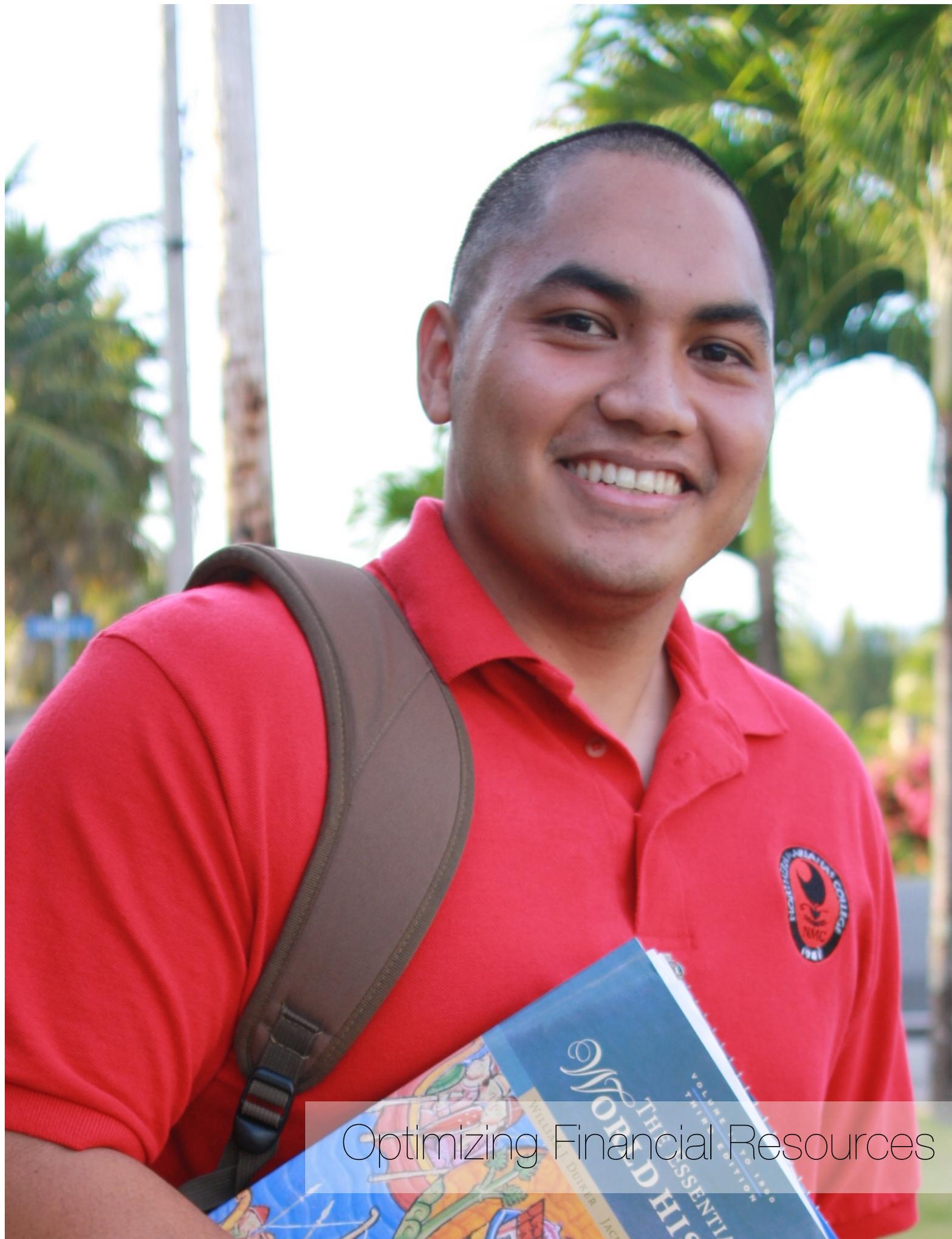
The staggered course assessment tool was used from Fall 2010 to Fall 2012 and assessed all courses taught at the College. The Academic Council and individual academic programs evaluated the recommendation of stakeholders and recommended that a scaled back assessment schedule would be more meaningful for all involved. This revised course assessment schedule was adopted by the Academic Council and will be used for the next two years.

An End-of-the-Semester Course and Instructor Evaluation (Procedure 3011) by students in each class has been in effect for years, but a revised version of the assessment used by NMC has been in effect since Spring 2011. The Academic Council is responsible for the use of the assessment at the end of each semester in collaboration with department administrative managers and the Information Technology department for any online component of the assessment tool. A summary of student responses is then forwarded to respective department chairs for evaluation and conferencing with faculty.

The College also continues to improve the methods by which professional development for faculty, both full-time and adjunct, is systemically planned and realized. Beginning in the Spring of 2011, the Academic Council and APS Leadership Team along with the Human Resources at NMC, planned and executed a professional development program based on

institutional needs. These are held at the beginning and end of each semester. Recent training activities have included: the Learning in Communities (LinC) training that was initiated from Fall 2011 to the end of Summer 2012; EEOC and sexual harassment awareness training for both leadership and faculty members in Summer 2012 and Spring 2013 respectively; at the end of Spring 2011 and Spring 2012, APS faculty and leadership team were involved in a day-long professional development to improve teaching methods in a post-secondary classroom; a one-year subscription to Magna Commons offering professional development webinars are available to all academic programs to select those that apply to the direct needs of the individual department; Ongoing training and attendance at off-island conferences and workshops engages college personnel with both national and global connectedness to best practices in teaching and research and specialized areas of education.

The Distance Learning Education program offers one-week training seminars for all full-time and adjunct faculty prior to teaching online classes at NMC as part of its certification process. All Student Service programs were engaged in facilitating educational workshops for students to equip them with the tools, strategies, and resources to assist them in navigating the College. The plan for the next professional development for faculty members will come directly from a collegial approach between the Academic Programs, Human Resources Office, Office of Institutional Effectiveness, Distance Learning Education, and the Faculty Senate.



Optimizing Financial Resources

Optimizing Financial Resources

Leveraging Current Resources

The Northern Marianas College's share as a percentage of the CNMI budget has continued to shrink over the past several years. This point was further driven home by a peer institution study conducted by the College's Office of Institutional Effectiveness. According to the study, NMC's share of the CNMI's budget has been reduced at a more significant rate when compared to the average of what the College's peer institutions receive or the average of what institutions in the 15 western states (that are part of the Western Interstate Commission of Higher Education) receive.

Nonetheless, the College continues to leverage new and current resources to advance the mission of the College. In 2012, the College secured more than \$6 million in grants, awards, and other external funds, including:

- The NMC-CREES was awarded a \$2.4 million Childhood Obesity grant through the U.S. Department of Agriculture (USDA);
- NMC was awarded \$1.5 million under the College Access Challenge Grant to prepare low-income students for college admission and success, including scholarship awards totaling approximately \$500,000;
- A total of \$800,000 in CIP improvements (roof panels, refurbishing of roof trusses) and renovation work has begun. Approximately \$500,000 in LED lighting for NMC was secured; the LED lights are now being installed.
- The College received a new five-year grant for the Area Health Education Center (AHEC). The College's share is \$350,000 in total, or \$70,000 per year.
- The Rota Legislative delegation approved the passage of a local law obligating \$250,000 from its Capital Improvement Project funds towards the infrastructure developments of a value added processing facility on Rota.
- The NMC-CREES was also awarded \$100,000 in distance education funding through a USDA Distance Education Grant;

- The College was awarded approximately \$40,000, again by the US Department of the Interior, to support the college's long-term strategic planning efforts.
- A technical assistance grant of \$20,000 was awarded to the CNMI Archives at NMC to assist with the digital storage of the historical collection of regional newspapers;
- The College was awarded a Maintenance Assistance Program Grant of \$18,000 through the US Department of the Interior. The grant is providing renewable energy systems/energy conservation with identification, recommendations and training of NMC personnel and facilities;
- The College's University Center for Excellence in Developmental Disabilities (UCEDD) Grant Program provided funding support to allow NMC's Disability Support Services to meet tutoring needs of students with disabilities;
- The Rota Legislative delegation approved the passage of a local law obligating \$250,000 from its Capital Improvement Project funds towards the infrastructure developments of a value added processing facility on Rota.

Despite the College's high success in securing grants and other external funding, it continues to identify and apply for new grant programs. Further, the College is gearing up to hire a full time grants manager to coordinate all grant applications.

Implementing Cost Saving Measures

In 2012, the Northern Marianas College anticipated a budget shortfall of \$1.5 million and as such, dramatically reduced spending, while at the same time sought innovative ways to reduce costs to ensure that it did not realize a deficit at the end of the fiscal year.

One of the ways the College reduced its spending was to ask highly qualified staff members to teach courses in order to reduce the costs of paying for adjunct instructors. In the Spring 2012 semester, a number of classes were taught by these staff members, who took on the additional duties of teaching a class to help the College save money. In addition to reducing spending for the year, this strategy also allowed many staff members an opportunity to broaden their professional horizons in working with students in the classroom.

Another way the College reduced spending was to increase classroom sizes in order to accommodate more students. Larger class sizes required fewer class sections offered, which meant a reduction in costs for additional adjunct salary expenses. In Summer 2012, eight new classrooms were renovated to create larger class sizes. In the Fall 2012 semester, the College successfully reduced by 25% the number of class sections offered from that of the Fall 2011 semester, yet still realized an enrollment growth of almost 7% in full time equivalent (FTE) students. This was the result of an analysis of breakeven points for class sizes.

During the report period, the College also instituted several measures to reduce consumption of electricity and water, including adjusting air conditioning temperatures and hours of use, and replacing light fixtures with energy efficient units. These measures, along with other cost-saving directives, helped save the College tens of thousands of dollars: in 2012, the College successfully reduced its annual utility consumption by 20% when compared to what the institution spent 2011.

Implementing Revenue / Resource Generating Activities

In addition to reducing costs to save valuable resources, the Northern Marianas College has at the same time placed an equal emphasis on implementing revenue-generating activities. In addition to applying for and tapping new federal and local sources of funds like grants, the College continued to step up its student recruitment efforts with resounding success: Fall 2011 and Spring 2012 saw enrollment spikes to increased levels as compared to just a few years ago. The increase in enrollment has translated into a boost in the College's operations (or tuition and fees) budget. The College has also revised and updated the facility rental guidelines to reflect changes in costs.

The NMC Foundation has also worked with College leaders in the development of a new Foundation that will assist the institution and lead fundraising efforts. The new Foundation organization will serve the purpose of stimulating voluntary private support from alumni, parents, friends, corporations, foundations, and others for the benefit of NMC. Raising and managing these private resources will support the mission and priorities of NMC.

Leverage the NMC Brand to Promote the College

The Northern Marianas College continued to use an integrated marketing strategy in 2012 to leverage the institutional brand and enhance the College's reputation in the region and to drive enrollment growth. This included the College's ongoing public relations efforts where articles highlighting student or employee accomplishments and campus highlights were pitched to the local media.

The College also continued to enhance the usability and navigability of its website, modernized many of its marketing materials, improved the customization of its advertisements, increased its email marketing activities, and organized highly successful and attended events. These events included the annual Charter Day festivities, which drew thousands of community members, and the Start Smart Seminars, an event designed for high school seniors and helping to prepare them for college. The College also sponsored two Cash for College events, which also attracted hundreds of students looking for assistance in identifying financial aid.

In 2012 the College also began to leverage social media tools, and raised the profile of its Facebook page by connecting it to other advertisements and activities.



Information Technology

Information Technology

Improve the Utility of Information Technology

The Northern Marianas College made significant progress in enhancing the institution's information technology infrastructure for all students, faculty and staff in 2012. To this end, the College has secured additional bandwidth to support current and even future IT operations for the College.

The College has also worked on supporting and improving the new Integrated Library System (ILS) to support the information and research needs of faculty and students. The ILS application is currently on a temporary server while a Request for Proposals (RFP) is being prepared to migrate it to a virtual server. In the back end, the College has completed the upgrade of its backend database (from SQL 2005 to 2008 server) to enable PowerFails, which is designed to automate the entire financial aid process, from performing need-analysis calculations to packaging to communications to reporting.

To ensure the protection and privacy of the College's networks, the IT Department implemented the Barracuda NG Firewall system on the Saipan, Rota, and Tinian sites in 2012. This system leverages the power of application visibility and user awareness to manage traffic and bandwidth intelligently, and adds capabilities to optimize network performance and reliability.

Improving NMC's Student Information Management System

The College took significant steps in 2012 toward the implementation of a new student information management system (SIMS) that would manage student data and integrate all aspects of any student's academic journey, including admissions, registration, and financial aid.

In addition to handling inquiries from prospective students, handling the admissions process, automatically creating classes and teacher schedules, providing statistical reports, the new student information management system and accompanying modules will allow the College to implement an online registration system that would make the current manual registration process a thing of the past.

In 2012, the contract to purchase the necessary modules to launch the fully integrated student information management system was signed. The College is now gearing up for a full implementation of the system, with anticipated implementation for Fall 2013.

Launch the Online Learning Center

NMC Online Growth and Development

NMC's Academic Programs and Services Division has continued to endorse NMC Online learning through the MOODLE Course Management System with Online, Hybrid and Web Enhanced course offerings.

In the Spring 2012 Semester, NMC Online offered 12 fully online courses. With the success of that semester and the growing need for courses for working students, NMC announced and posted internally in April to hire a Director of Distance Learning Education. At the end of May the position was filled and was tasked with over seeing the Online Learning Center. This center is not a brick and mortar location describing the physical presence of a building, but an online virtual center where student learning and interactivity takes place through two venues: NMC Online and Ed2Go.

Through the Summer of 2012 the Distance Learning Education Office along with Academic Programs and Services and Academic Council worked to build the foundations of this Online Learning Center. In July 2012 the Academic Council approved the definitions of NMC Online, Hybrid and Web-Enhanced Courses:

NMC Online courses:

Online courses include interactivity and content delivered through NMC Online. Proctored exams are allowed after they have been arranged. Optional meetings are allowed if content can also be obtained online, and may include on-campus orientation. These courses hold the same high standard of expectations for quality, integrity and effectiveness, as do all NMC courses.

NMC Hybrid Courses:

Hybrid courses are a combination of online and on-campus instruction; hybrid students meet regularly on-campus for at least 50% of the required contact hours with the remained being taught through NMC Online. These courses hold the same high

standard of expectations for quality, integrity and effectiveness, as do all NMC courses.

NMC Web-Enhanced:

Web-enhanced courses are traditional face-to-face classes that are augmented with NMC Online. However, unlike hybrid courses, web-enhanced classes continue to hold all of their meetings for the full required contact hours traditionally on-campus. These courses hold the same high standard of expectations for quality, integrity and effectiveness, as do all NMC courses.

With these clear definitions of courses, the Director of Distance Learning Education promoted NMC Online MOODLE training. Prospective online and hybrid course instructors attend approximately 10-15 hours of training where they learn to master the core 15 learning outcomes need to teach through NMC Online. During this time the director established the procedures for requesting a course to be offered through NMC Online. This includes the Online Course Request Form. Development of courses online and hybrid in the Fall 2012 semester reached 20 courses, for a 67% growth in utilizing NMC Online.

Integrate Technology with Student Learning

Student Learning Outcomes for Technology and Information Literacy

The integration of technology at NMC in student learning has continued over the years from the use of scientific calculators to courses fully online. Of our seven General Education Student Learning Outcome (SLO) the fourth includes technology. General Education student learning outcomes include: #4 Technology and Information Literacy; 4.1 Collect, organize and present information from various sources, including books, periodicals, and the internet; 4.2 Use computers to access information effectively and efficiently. Each General Education SLO are incorporated into all Liberal Arts courses as well as all academic degree programs. These are demonstrated in Individual Degree Plans called IDPs and detailed in course syllabus that instructors are required to disseminate to every student in their respective classes.

Tech Upgrades that Support Student Learning

In Fiscal Year 2012, NMC provided greater access to state-of-the-art computing resources for faculty and students to increase technology literacy. This included upgrading desktop computer units at the computer instructional labs in Building W.

- 20 units in Instruction Computer Lab W1
- 21 units in Instruction Computer Lab W2
- 21 units in Instruction Computer Lab W3

Windows 7 and Office 2010 Software upgrades were purchased and provided for two Instruction Computer Lab (W2&W3) to align with the Business Department's curriculum.

Upgraded projectors were installed in eight classrooms in Buildings A and W to improve instructional facilities with audio/visual equipment (TV, VCR, Projector).

Integration in Action

More online, hybrid and web-enhanced courses are being provided via collaboration of the Academic Departments and the Office of Distance Learning Education. These courses join student learning and today's technology resources, currently utilizing MOODLE as our Course Management System.

Other technology resources being used by instructors include: Kahn Academy, which included a complete video library, interactive challenges, and assessments; Atomic Learning accessibility is used in some classes to integrate technology and provide software training and support in a way that simplifies educational technology for our students.

Professional development activities are offered in the fall and spring semesters to provide full time and adjunct instructors a refreshed update on learning technologies.



Workforce Needs

Focusing on the CNMI's Workforce Needs

Increase job placement rates

In a peer institution study conducted by the College's Office of Institutional Effectiveness, Northern Marianas College has been successful in helping students find jobs after graduating from the institution. The College's job placement rates nearly doubled between 2005 and 2010.

In 2012, the College continued its work to ensure that its students are finding jobs in their chosen fields. For instance, the School of Education continued its partnership with the CNMI Public School System by placing students requiring student teaching, and upon graduation, successful employment. A significant number of PSS teachers and principals are graduates of the College's School of Education. The School of Education also worked with the Head Start Program to assist employees in earn the required degrees in order to meet federal requirements.

Other departments at the College are also strengthening partnerships with key entities to help expand employment opportunities for its students. For instance, the Criminal Justice Program has met with the U.S. Federal Probation Office, the Department of Public Safety, and the Division of Corrections regarding internship and employment opportunities. The Nursing Department personnel has continued to engage the representatives of the Department of Public Health to determine health related employment needs and to prepare nursing graduates for employment within that agency's operations.

In addition to strengthening ties with key agencies to boost employment opportunities for its students, the College also hosted a number of activities to help prepare graduating students for the workplace. In April, the Counseling Programs and Services Office organized a weeklong career fair that included job-preparation workshops like resume building sessions and preparing for job interviews. The event culminated with a fair that featured many private, public, and nonprofit agencies representatives who were seeking to fill positions.

Developing Partnerships with Key Entities

In today's global environment, establishing strategic partnerships with external agencies, institutions, groups, and individuals remains a top priority at the Northern Marianas College. Nowhere is this more apparent than the College's efforts to form these partnerships to broaden the number of educational opportunities available to the students at the College as well as others in the local community who are looking to advance their training or education.

In 2012, the College formed a very important partnership with online education provider ed2go, which offers over 300 courses on many topics including accounting and finance, business, computer applications, health care and medical, language and arts, law and legal, personal development, teaching and education, technology, and writing.

In an effort to expand opportunities for students in the CNMI, the Northern Marianas College has continued to collaborate with other colleges and universities to ink agreements that would increase students' options. In this regard, the College continues to work with Framingham State University, which has afforded many local students an opportunity to earn a master's degree in education through a combination of online and in-class instructional formats.

In 2012, the College also signed a memorandum of understanding with the University of Alaska at Fairbanks (UAF) that would allow NMC students to complete their bachelor's degrees in natural resources management in Fairbanks. The MOU also holds that both institutions agree to promote the exchange of faculty and research scholars, hold meetings on education and research, and provide technical and administrative assistance. NMC President Sharon Hart had also announced that scholarships will be made available for students who will be pursuing their bachelor's degrees in Fairbanks.

To advance its Apprenticeship Program, the College continues to work with the U.S. Regional Apprenticeship Office in Hawaii, which has helped by training a number of employees from the College and other key agencies in the CNMI in developing an apprenticeship program. The Apprenticeship Program will be assisted by the Penn-Foster Company, a leader in providing online apprenticeship curriculum.

The College has also continued to work closely with the CNMI Scholarship Office, especially in helping to facilitate scholarship disbursements. In 2012, the CNMI Scholarship Office also adopted a rule that would require new scholarship recipients to attend NMC for their first two years of their collegiate studies.

The Northern Marianas College Cooperative Research Extension and Education Service (CREES) has also heightened its focus on battling childhood obesity in the CNMI by partnering with others in the region to advance the Children's Healthy Living Program. To increase its efficacy, CREES also established a Childhood Obesity Advisory Panel composed on community members.

Assessing Workforce Needs And Ensuring Program Offerings Correspond with Those Needs

The Northern Marianas College has undertaken a number of activities to ensure that its program offerings match workforce needs, including the establishment of program advisory committees composed of members representing various industries that are providing guidance and input into specific programs and course requirements. The Northern Marianas College has also stepped up its dialogue with the Saipan Chamber of Commerce in an effort to better gauge the private sector's training needs. The College also assisted the CNMI Workforce Investment Agency (WIA) Office with assessing workforce needs and in the final review of that agency's 5-Year Plan.

The College has also aggressively moved forward in establishing an apprenticeship program, which will allow student to enter over 1,000 different occupations. At the same time, NMC Cooperative Research Education and Extension Service (NMC CREES) continues to identify both entrepreneurial opportunities as well as workforce opportunities on Saipan, Rota, and Tinian. For instance, CREES published the CNMI Aquaculture Plan to assist individuals interested in pursuing aquaculture endeavors. College representatives also met with leaders from the University of North Dakota as part of its research into the feasibility of a pilot training program in the CNMI.

In 2012, numerous public and private agencies sought the College's assistance in providing specialized training, including:

- The Languages and Humanities Department work with the Community Development Institute to provide English classes to fire safety cadets;
- The Criminal Justice Program staff developed three new courses to help meet the training needs of the Department of Homeland Security personnel.
- The Community Development Institute (CDI) partnered with the Department of Community and Cultural Affairs to provide training to infant/toddler care service providers
- CREES organized a specialty crop conference aimed at assisting farmers and rangers
- The Community Development Institute worked with the Division of Youth Services for that agency's professional development needs
- The Saipan World Resort also sought CDI's assistance in providing language training to its employees



Other Distinctive Objectives

Other Distinctive Objectives

Reaffirmation of Accreditation

The Northern Marianas College began its preparations for its Follow-Up Report 2011 in early June 2011 addressing the recommendations that the Accrediting Commission for Community and Junior Colleges cited in their action letter that imposed a sanction of Probation (after Show Cause sanction was lifted).

In 2011, a four-member accreditation site visit team (SVT) visited the Northern Marianas College to evaluate the extent to which it was achieving its stated mission and the standards of the Accrediting Commission for Community and Junior Colleges (ACCJC). The College took seriously the Commission and accreditation team's feedback and has painstakingly addressed each of the Commission's eleven recommendations. The visiting team deemed that the College had met and resolved eight out of the 11 recommendations, associated deficiencies and concerns raised by ACCJC in June 2011.

Even prior to the receipt of the action letter from ACCJC, the College had begun taking concrete steps to address the issues and concerns raised in the outstanding and supplemental recommendations. The President led a college-wide conversation about the recommendations, established a timeline for the completion of the Reaffirmation Report, identified responsible parties for each recommendation, reviewed processes, and provided adequate support. The Accreditation Reaffirmation Team (ART) was established with members serving as liaisons to and providing support for specific committees that were assigned to address each recommendation, emphasizing that the development of action plans and the completion of the Reaffirmation Report required a broad participation from constituent groups, including participatory governance committees, faculty, staff, and students. The ART met regularly between February and October 2012 to provide overall leadership, coordination, and support to college-wide efforts associated with addressing the commission recommendations and all standards.

Over the past several months (February – August 2012), members of the College community worked in 12 Standard teams to address accreditation standards and prepare the 2012 Self-

Evaluation Report for the Reaffirmation of Accreditation to ensure that its contents accurately reflect the College's progress in meeting accreditation standards and eligibility requirements.

All College constituencies and Standard committees have dedicated significant time and unparalleled commitment to the College's accreditation efforts. Faculty from the School of Education (SOE) attended the WASC Accreditation Workshop in order to prepare for the WASC Senior. A college-wide retreat was held in November 2011 to obtain needed input for the Self-Study. All members of the Management Team and the Board of Regents have completed the online ACCJC Accreditation Basics Online course. Additionally, ACCJC met via a scheduled conference call with the Board of Regents and the Management Team to discuss the findings of the Fall 2011 visit and to provide suggestions for continuous improvement. The President underwent an ACCJC evaluator training workshop in preparation to serving as an evaluator on a Reaffirmation Team visit to the Defense Language Institute. Information acquired during the workshop and visit was passed on to the College. The President also met with two of the Vice Presidents of ACCJC one week after receiving the February 2012 Report to discuss the findings with them in person. With the departure of Galvin Deleon Guerrero in June 2012, Ms. Amanda Allen, who is also the Distance Learning Education Director, was appointed as the Accreditation Liaison Officer (ALO). Ms. Amanda Allen subsequently underwent training for ALOs in September 2011.

Student Enrollment Data

Unduplicated and FTE Student Enrollment: Three-Year Trend						
Enrollment	Fall 2009	Fall 2010	Fall 2011			
Total Undup HC*	988	1231	1124			
Total FTE**	983	1254	1180			
*Unduplicated Headcount: Total number of students enrolled counted only once.						
**Full-Time Equivalent: Total number of credits enrolled divided by 12.						
Unduplicated Enrollment by Enrollment Status: Three-Year Trend						
Status	Fall 2009	%	Fall 2010	%	Fall 2011	%
Full-Time	771	78%	995	81%	957	85%
Part-Time	217	22%	236	19%	167	15%
Total	988	100%	1231	100%	1124	100%
Unduplicated Enrollment by Gender: Three-Year Trend						
Gender	Fall 2009	%	Fall 2010	%	Fall 2011	%
Female	588	60%	749	61%	693	62%
Male	400	40%	482	39%	431	38%
Total	988	100%	1231	100%	1124	100%
Unduplicated Enrollment by Age Group: Three-Year Trend						
Age	Fall 2009	%	Fall 2010	%	Fall 2011	%
20 and below	532	54%	680	55%	479	43%
21-25	202	20%	269	22%	376	33%
26-31	88	9%	99	8%	113	10%
32-41	130	13%	130	11%	106	9%
42-54	34	3%	48	4%	43	4%
55 and above	2	0%	5	0%	7	1%
Total	988	100%	1231	100%	1124	100%

Diplomas, Certificates, and Degrees Awarded (Three Year Trend)

Diplomas, Certificates, and Degrees Awarded (Three Year Trend)

GED & Adult High School Diploma	AY 09-10	AY 10-11	AY 11-12	TOTAL
GED	13	2	10	25
Adult High School Diploma	70	26	32	128
Certificate of Completion (CC)	AY 09-10	AY 10-11	AY 11-12	TOTAL
CC in Nursing Assistant*	1	0	0	1
*Program inactive or not offered.				
Certificate of Achievement (CA)	AY 09-10	AY 10-11	AY 11-12	TOTAL
CA in Hospitality Management*	0	0	1	1
*Program inactive or not offered.				
Associates of Arts Degree Program (AA)	AY 09-10	AY 10-11	AY 11-12	TOTAL
AA in Business	3	6	8	17
AA in Liberal Arts	35	55	47	137
Associates in Applied Science Degree Program	AY 09-10	AY 10-11	AY 11-12	TOTAL
AAS in Audio/Video Production*	1	0	0	1
AAS in Business Administration - Accounting	6	10	6	22
AAS in Business Administration - Business Management	5	10	9	24
AAS in Business Administration - Computer Applications	5	3	4	12
AAS in Criminal Justice	3	6	7	16
AAS in Hospitality Management	3	3	2	8
*Program inactive or not offered.				
Associates of Science Degree Program	AY 09-10	AY 10-11	AY 11-12	TOTAL
AS in Natural Resources Management	0	1	4	5
AS in Nursing	5	12	16	33
Bachelor of Science Degree Program	AY 09-10	AY 10-11	AY 11-12	TOTAL
BS in Education - Elementary Education	18	14	14	46
All Certificates and Degrees Awarded	AY 09-10	AY 10-11	AY 11-12	TOTAL
Grand Total	168	148	160	476
Sources: Office of Admissions and Records, Commencement Programs				

This report is subject to additional edits.

Financial Report FY2012

The Financial Report portion of this Annual Report can be found in the attached addendum.

For More Information

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Northern Marianas College Fiscal Year 2012 Annual Financial Report
As mandated through CNMI Public Law 17-47

A. Introduction and Requirements of CNMI Public Law 17-47

As requested by CNMI P.L. 17-47, this report provides an overview of the College's un-audited financial activities that occurred during the financial year September 30, 2012, with commentaries on internal and external issues which impacted these activities. More specifically for the purpose of the law, the College formally submits to the Governor and Legislature this un-audited fiscal report that contains the following:

A. Introduction and Requirements of CNMI P.L. 17-47; B. Brief History of NMC; C. Board of Regents and President; D. Accreditation and U.S. DOE's 2-Year rule; E. 5-Year Averages; F. NMC's Accounting Principles; G. Revenue Collections; H. Line Item Expenditures; I. Banking Reports; J. College Trust Fund Report; and K. Accomplishment Report of the Operations, Administration, and Activities of the College.

CNMI Public Law 17-47 (H.B. 17-93), is an Act to amend 3CMC §1316 to provide for improved financial oversight of the Northern Marianas College (NMC), which will maintain fiscal stability for students' well-being and accreditation reasons; To emphasize the constitutionally mandated use of the attorney general's office and for other purpose.

B. Brief History of NMC

The Northern Marianas College (the College) is the Commonwealth of the Northern Mariana Islands' (CNMI) only accredited institution of Higher Education. The College is a component unit of the CNMI Government and was formally established as a nonprofit public corporation by CNMI Public Law 3-43 on January 19, 1983 to serve as the state agency for higher education and adult education programs. Autonomy was later granted by CNMI Public Law 4-34 (Post Secondary Education Act of 1984) effective October 1, 1985. The main campus of the College is located in Saipan, with satellite campuses on the islands of Rota and Tinian.

C. Board of Regents and President

The College is governed by a seven member Board of Regents appointed by the Governor of the CNMI with advice given to the Senate. Executive Powers are vested in the College President who is appointed by the Board.

D. Accreditation and U.S. Department of Education's 2-Year Rule

The College has been granted initial accreditation by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, at its meeting on June 11, 1985. The College undergoes periodic re-evaluations and approval of its accreditation.

The College in the past 5 years has seen turmoil with its accreditation due to various matters, most importantly and consistently, the College was cited as being non-compliant in the areas of having adequate financial resources, in regards to its operations and funding from the CNMI Government. The College was re-evaluated in October of 2012, and remains accredited, however, the College is awaiting a response from the Accrediting Commission for Community and Junior Colleges (ACCJC) Western Association of Schools and Colleges (WASC) on its final determination of the College's accreditation status due to be announced in February 2013. Due to the nature of the College being placed on warning and probation over the past six years, the College is highly at risk of losing accreditation due to the U.S. Department of Education's Rule that a College or University must meet all accreditation standards within 2-Years of receiving the sanction of Probation or Warning. This rule, is called the "2-Year" rule, and since the college is on continued probation (original probation set in 2010), by October of 2012, if the College does not meet accreditation standards as well as clear up existing recommendations, the College's accreditation is highly likely to be terminated by February 2013. The College worked hard to meet all the accreditation standards and recommendations in fiscal year 2012, however, due to the 2-Year rule, the fate of meeting the accreditation standards and recommendations are left up to the accrediting commission.

E. Five Year Averages

In the past 5-years, the College served an average of 1,080 full-time equivalent academic students per year, an average of 1,200 non-academic students per year, and an average of 23,000 non-traditional students and consumers per year. Most students who graduate from NMC work in meaningful and fulfilling jobs or careers. In relation to such, the College continues to strive to help re-build the CNMI's economy, workforce, services, and resources by providing technical assistance to CNMI entities in the private, public, and non-profit sectors. A few type of technical assistance provide include grant writing and grant management services, development of the agriculture and aquaculture industries, professional services, courses, workshops, forums, data collection, research, and other areas within the College's mandates and abilities. In addition, the College has worked diligently to have graduating high school students and other community members remain in the CNMI through federal financial aid services and programs, and by working with key entities to provide essential services for our communities. **Please see the accompanying Northern Marianas College Annual Report for more details and data.**

F. Northern Marianas College's (The College) Accounting Principles

The College presents its financial statements in accordance with accounting principles generally accepted in the United States of America. Generally Accepted Accounting Principles (GAAP) are uniform minimum standards of and guidelines to financial accounting and reporting. These accounting principles require that three financial statements are presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows, however, in compliance with P.L. 17-47 and due to ongoing audits of these statements being scheduled to be completed by June 30, 2013, the College will extract out of the three financials statements the required information as noted in the law and focus on items G. Revenue Collections; H. Line Item Expenses; and J. College Trust Fund Report for the fiscal reporting year 2012.

Basis of Accounting for financial statement purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

G. Revenue Collections

The purpose of this section is to present both operating and non-operating revenues received by the College (not including the operating and non-operating expenses paid by the institution) and any other revenue received (not including the amounts spent or owed by the College). Although the following figures and total seem high, it is important to note that this section has to be accompanied by item H. Line Item Expenses, as well as the Changes in Net Assets (not required by law). At the time this report was completed, the absence of the completed audits of the three financial statements, as in the past, the College would still face a net operating loss for the fiscal year because CNMI Appropriations and endowment fund are not reported as operating revenue. Therefore, the College requests for the flexibility to make adequate changes once the full fiscal year 2012 audits are completed in June 2013.

In FY 2012, the College received un-audited revenue from the following funding sources:

	FY 2011	FY 2012	Note: (FY12 – FY11)
• CNMI Appropriations	\$ 4,385,112.00	\$ 3,748,688.79	(\$636.4K Reduction)
• Federal Sources	\$ 9,269,416.00	\$ 9,043,623.29	(\$225.8K Reduction)
• SFSF (ARRA)	\$ 3,043,354.00	\$ 425,658.62	(Non-Recurring/Closed)
• General	\$ 4,364,965.00	\$ 4,292,112.46	(\$ 72.9K Reduction)
• Special	\$ 160,090.00	\$ 99,735.93	(\$ 60.4K Reduction)
• VocEd (PL.5-32/10-66)	\$ 42.00	\$ 0.00	(Funding Suspended)
Total Revenue	\$21,222,979.00	\$17,609,819.09	(\$3,613,159.91 Reduction)

As shown in the chart above, the College took major financial losses in fiscal year 2012 due to reductions in CNMI Appropriations, loss of grants and indirect cost revenues in federal sources, the close out of the one-time SFSF (ARRA) funding, and loss of revenue from the dwindling number of international students as well as funding received from donations and gifts. This trend is expected to continue as the CNMI's economy continues to dwindle. The College continues to take actions to curb such trends; however, becoming financially independent will take major institutional changes and years to come to fruition.

In addition, although the College generates these types of revenue, the College reiterates that it will continue to reflect operating losses until such time that operating revenues are increased substantially and the College no longer has to rely on CNMI appropriations as these appropriations are reported as non-operating income.

H. Line Item Expenditures

The purpose of this section is to present both operating and non-operating expenses paid by the College and any other expenses spent. The following figures reflect the increasing costs of operating the College. Please note that the SFSF fund helped the College pay for 56 employees in FY 2011 as well as paid for more than half the College's utility bills and other costly items during the same period. This funding was no longer available in FY 2012 and so forth, and thus the College realized the additional burden on its personnel, utilities and others in excess of three million dollars. The College requested for such funds through appropriations, however, the funding allotted was not at the level needed. In preparation for the drastic reductions, the College took many actions to soften the impact of the cuts.

In FY 2012, the College had un-audited expenditures on the following categories:

	CNMI Approp	Federal	SFSF	General	Special	Voc.Ed.	Total
Salaries & Benefits:	\$3,708,081	\$2,088,715	\$0	\$1,443,189	\$ 9,959	\$0	\$7,249,944
Adj. Fac & Overload:	\$ 1,860	\$ 79,454	\$0	\$ 667,427	\$ 3,303	\$0	\$ 752,044
Travel:	\$0	\$ 627,743	\$ 16	\$ 201,244	\$49,351	\$0	\$ 878,354
Capital Expenditures:	\$0	\$ 295,675	\$ 58,555	\$ 44,733	\$0	\$0	\$ 398,963
Supplies:	\$ 572	\$ 97,863	\$0	\$ 92,470	\$ 2,251	\$0	\$ 193,156
Lib. Books & Mat:	\$0	\$ 4,293	\$0	\$ 10,501	\$0	\$0	\$ 14,794
Contractual Services:	\$0	\$ 228,125	\$236,120	\$ 481,055	\$ 8,461	\$0	\$ 953,761
Repairs and Maint.:	\$0	\$0	\$0	\$ 19,007	\$0	\$0	\$ 19,007
Student Expenditures:	\$0	\$4,763,630	\$0	\$ 130,674	\$10,738	\$0	\$4,905,042
Other Expenditures:	\$ 1,452	\$ 360,416	\$130,968	\$ 558,532	\$33,687	\$0	\$1,093,537
Communications:	\$0	\$ 31,191	\$0	\$ 99,124	\$ 6,050	\$0	\$ 136,365
Rent:	\$0	\$ 82,140	\$0	\$ 32,583	\$ 7,471	\$0	\$ 122,194
Utilities:	\$ 36,724	\$ 375,897	\$0	\$ 205,835	\$0	\$0	\$ 618,456
Total FY12 Expenditures:	\$3,748,689	\$9,035,142	\$ 425,659	\$3,986,374	\$131,273	\$0	\$17,335,617
FY 11	\$4,204,254	\$9,270,626	\$3,034,654	\$2,692,532	\$176,953	\$0	\$19,696,170
FY 12 – FY11:	(\$ 455,565)	(\$ 235,484)	(\$2,608,995)	\$1,293,842	(\$45,680)	\$0	(\$2,360,553)

As described above, the CNMI Government reduced appropriations funding provided to the College by **(\$455,565)** in fiscal year 2012 in comparison to fiscal year 2011. During that same time period, the College's federal funding was reduced by **(\$235,484)**, due to loss of grants and indirect charges associated with such grants. The anticipated closure of ARRA SFSF funding **(\$3,034,654)** of which \$425,659 was reclassified as a fiscal year 2012 funding due to the dates purchases were made, also impacted the College's operating funds. Due to such losses, the College had to reprogram funding received from tuition and fees (general category) to cover expenses such as personnel, utilities, training, etc. to ensure that services provided for students would be maintained. The cuts, however, were much too deep that the College had to reduce its workforce, add more responsibilities on employee's workloads, reduce community services, and implement practices that would increase revenues and reduce costs.

Although the College had financial challenges in fiscal year 2012, the College remains grateful of the Governor / Lt. Governor and Legislature for prioritizing the needs to the College and more importantly for the support provided. Although the College generates these types of expenses, the College will continue to reflect operating losses until such time that operating revenues are increased substantially and the College no longer has to rely on CNMI appropriations as these appropriations are reported as non-operating income. As the College progresses financially, reliance on CNMI appropriations is a must, as well as a very strong indicator of the College being provided and maintaining financial stability as per accreditation standards.

I. Bank Reports

The College maintains bank accounts in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. In most cases, FDIC insured banks guarantee the protection of up to \$250,000 per each account. With due diligence in protecting its assets, the College works with the following three main financial institutions, the Bank of Guam (FDIC Insured), the Bank of Hawaii (FDIC Insured) and the First Hawaiian Bank (FDIC Insured). Due to requirements of protecting its assets, in most cases, the College has one or more accounts in each of these institutions. Accounts range from checking, savings, and timed certificates of deposit. The amounts in each account are used for specific operational functions, federal grant requirements, audit requirements, college policy requirement, and accreditation requirements, among others.

Operations (Revolving Accounts)

Due to the amounts of federal revenues the College receives, and the method in which the College is allowed to draw such funding down from the federal government (College uses operation funds to pay for federal expenses, then draws down the amount within a month's cycle), as well as the College's obligations to students, vendors, employees, and other entities, and more importantly as evidence for Accreditation Standard 3D, the College strives to maintain revolving operating funds of at least 25% of the total amount of estimated revenues per year spread out on a quarterly basis. In FY 2012, the College accumulated 9,461,281.91 in federal revenue, a huge drop from fiscal year 2011 which registered at \$12,312,770.00 due to ARRA SFSF funding. The drop brought the total revenue of \$21,222,979.00 in fiscal year 2011, down to \$17,609,819.09 in fiscal year 2012, a major funding loss of \$3,613,159.91 dollars. The College should have maintained at least \$4,402,454.77 in its operations account spread out on a quarterly basis. Due to dwindling funding and reduction in funds received from CNMI appropriations coupled with the loss of ARRA SFSF, the College was only able to maintain a \$2,656,217.73 in its revolving Bank of Hawaii operations Accounts as of December 31, 2012 going into the 2nd quarter of the new fiscal year, with major obligations expected to be paid for the 1st quarter operations. This caused the College to make painful reductions in workforce as well as forced the College to reduce operations costs for all programs and services, including funding for academic programs, student programs, and community programs. In addition, the costs of utilities increased for the College, which resulted the College to go through utilities scheduling and cost cutting measures that affected our stakeholders.

Contingency or Reserved Funds

The College is required to set aside funds for various obligations. A snap shot and purposes of such funds follows: Due to dwindling resources, the amounts shown below may have been reduced or obligated towards expenses in FY 2013.

- The College is required to reserve from federal sources funding to pay for annual leave accumulated by federally funded employees. A savings account at the Bank of Hawaii maintains a fund of \$280,746.00 reserved and restricted for such obligation.

- Also required of the College is a Contingency Fund of at least 5% per year of the total general fund revenues, to be reserved for emergency purposes identified by the College. The College accumulated \$4,292,112.46 in general funds in FY 2012, thus contingency fund should have equaled at least \$214,605.62 for that fiscal year. This amount is spread out through the Bank of Guam and First Hawaiian Banks.
- Due to the cash crisis that the CNMI Government is in, the College strived to maintain funding to manage the payouts of 3 payrolls. In fiscal year 2012, the College found itself having to manage the payouts of seven payrolls, an ultimate high in comparison to previous fiscal years. The College expends an average of \$200,000 per pay period. This amount totals around \$1,400,000.00 for fiscal year 2012. This amount is spread out through the Bank of Guam and First Hawaiian Banks. The College could have used such funds to improve academic, student and community services for our students and services and/or renovated more buildings and/or infrastructure improvements. The College used the funds to meet contractual obligations of faculty and staff due to budget cuts from the CNMI government in fiscal year 2012.

Snap Shot of Dated Funds for each respective bank as of 12/31/2012

Due to dwindling resources, the amounts shown below may have been reduced or obligated towards expenses in FY 2013.

Bank of Hawaii:	\$2,936,964.55 as of 12/31/2012. -Obligated
Bank of Guam:	\$ 855,425.80 as of 12/31/2012. -Obligated
First Hawaiian Bank:	\$ 535,277.82 as of 12/31/2012. -Obligated

J. College Trust Fund Report

The College administers and endowment fund through the NMC Foundation Board of Directors, a separate legal entity. The investments are held in the name of the College; however, they are administered by a separate legal entity. The endowment fund was established through a U.S. Law designating the College as a Land Grant Institution with a one time nonexpendable endowment principal of \$3,000,000 in 1986. The investment income derived from the principal \$3,000,000 endowment is restricted and reserved for Land Grant Program (CREES) use only. A sub account was made within the fund to account for a September 30, 2008, private donation from the TSL foundation in the amount of \$100,000. That same year, another sub account was made to manage \$740,000 of the College’s operation funds. In year end September 30, 2010, the NMC Foundation added an additional sub account to manage additional contributions made in the amount of \$100,000 generated through fundraising and solicitation activities. As of September 30, 2011, the Fund had a total cumulative value of all sub accounts in the amount of \$5,321,760. As of September 30, 2012, the Fund increased by \$842,944.86 which led to a new total cumulative value of all sub accounts in the amount of \$6,164,704.86, a growth of 15.8%.

K. Accomplishment Report of the Operations, Administration, and Activities of the College

Please see the accompanying Northern Marianas College Annual Report.

To the best of its ability, the College tried to weather the CNMI's financial storm, iron out Accreditation issues, all while maintaining a conducive and quality learning environment for the students and stakeholders the College serves. As evident in this financial report, not unlike other agencies and instruments of the CNMI Government, the College was subject to reductions in funding from appropriations. This is a reflection of the difficult economic conditions in the CNMI. The College continued to be financially prudent and went through cost cutting and revenue generation measures to help relieve the monetary strains of the College.

The College however was fortunate to receive funding from SFSF ARRA funds in FY 2011 which helped in maintaining its current staffing levels, provided professional development opportunities for employees, students, stakeholders, and regent members. SFSF ARRA funds was significant in providing much needed funding in the College's fight to have our Accreditation reaffirmed, as funding for technical assistance, professional services, consultants were sought and used through such funds. The College also benefited from the SFSF funding in the areas of reliable back up power distribution, as SFSF funding was used to purchase a back up generator, build a generation facility, and bury all power lines underground. SFSF funding was also used to upgrade our technological resources and bring forth our Information Technology resources into the next generation which benefited most of our students' needs for improved equipment and facilities. In addition, SFSF funding brought forth much needed relief to the College as funding was made available to pay for Utility services, that the CNMI Government could no longer afford to pay for. Most of these have now been absorbed by our operations funding.

In planning for the upcoming Fiscal Year 2013, the College continues to be prudent in its expenditure patterns and management of cash flows. Monitoring utility usages, cutting back on hours of Utility usage, reducing obligations through methods identified in the College's Form 3 Resource Allocation processes, and continuously seeking improved and diversified revenue generating opportunities are being implemented and/or explored. The budgeting process at NMC has also changed to increase accountability throughout the College and to increase the responsibility of spending and financial management within the respective departments of the College.

Contacting the College's Financial Management

This financial report is designed to provide a general overview of the College's finances and to demonstrate the College's accountability for the money it receives, based on the requirements of CNMI P.L. 17-47. If you have questions about the FY 2012 report, or need additional information, please contact the Dean of Administration at the Northern Marianas College, P.O. Box 501250, Saipan, MP 96950, or via phone at 670-234-5498, Extension 1014 or via e-mail at dattao@nmcnet.edu.