

NORTHERN MARIANAS COLLEGE
FOLLOW-UP REPORT

October 15, 2011



Submitted to:

Accrediting Commission for Community and Junior Colleges
and the
Accrediting Commission for Senior Colleges and Universities
Western Association of Schools and Colleges

Northern Marianas College

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October 15, 2011 Follow Up Report
to the Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

Certification Page

Date: October 15, 2011

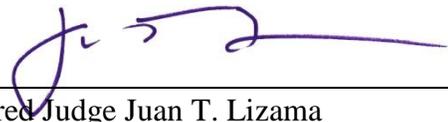
This Follow-Up Report is submitted to the ACCJC for the purpose of assisting in the determination of the institution's accreditation status.

We certify that there was broad participation by the campus community and believe that this report accurately reflects that nature and substance of this institution.

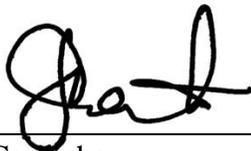
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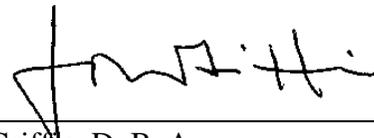
Sharon Y. Hart, Ph. D.
President, Northern Marianas College



Retired Judge Juan T. Lizama
Chairperson, Board of Regents



Lawrence Camacho
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I. Report Preparation

After receiving the January 31, 2008 Show Cause letter from the Accrediting Commission for Community and Junior Colleges (the “Commission”), Northern Marianas College (the “College”) submitted multiple reports that addressed the deficiencies noted in the letter, including the October 15, 2008 Show Cause Report and the April 1, 2009 Show Cause Report. At its meeting June 9—11, 2009, the Commission reviewed the April 1, 2009 Show Cause Report, the report of the April 20—23, 2009 Show Cause Visit Report, and information presented by college representatives. The Commission took action at the meeting to accept the report, remove Show Cause, and reaffirm accreditation. The Commission also acted to require a visit by Commission representatives following the submission of the October 15, 2009 Midterm Report.

At its January 2010 meeting, the Commission reviewed the College’s October 15, 2009 Mid-Term Report and the report of the evaluation team that visited the college in October 2009. The commission took action to accept the mid-term report. Due to receipt of information from Northern Marianas College and from Saipan, the Commission also took action to require a Special Visit to determine whether the institution was still in compliance with the following Eligibility Requirements and Standards: ER 3 - Governing Board, ER 4 - Chief Executive Officer, ER 5 - Administrative Capacity, ER 21 - Relations with the Accrediting Commission, and Standards I.A, III.A and IV.A and B.

An evaluation team visit was conducted on April 13—14, 2010. Based on the findings and report of the Special Visit, at its June 2010 meeting, the Commission took action to issue an order of Show Cause against the College for being out of compliance with Eligibility Requirements 3, 4, 5, 17, 18, and 21 and significant parts of Standards I.A, I.B, II.A, II.B, III.A, III.D, and IV.B. The Commission required the College to submit a Show Cause Report by October 15, 2010, to be followed by a visit of Commission representatives. The College submitted its October 15, 2010 Show Cause Report to the Commission, which was followed by an evaluation team visit on October 20—22, 2010. Based on the findings and report of the Special Visit, at its January 2011 meeting, the Commission took action to continue the College on Show Cause for being out of compliance with Eligibility Requirements 3, 4, 5, 17, 18, and 21 and significant parts of Standards I.A, I.B, II.A, II.B, III.A, III.D, and IV.B. This action was conveyed to the College by the Commission’s president, Dr. Barbara Beno, in her January 31, 2011 Letter to the College. The Commission required the College to submit a Show Cause Report by March 15, 2011, to be followed by a visit of Commission representatives. The College submitted its March 15, 2011 Show Cause Report to the Commission, which was followed by an evaluation team visit on April 13—14, 2011. The College also submitted a May 31, 2011 Supplemental Report to the Commission.

Based on the findings and report of the Special Visit, at its June 2011 meeting, the Commission took action to remove the College from Show Cause, place the College on Probation, and require the College to submit a Follow-Up Report by October 15, 2011, to be followed by a visit of Commission representatives. This action was conveyed to the College by Commission President Dr. Beno, in her June 30, 2011 Letter to the College, which noted that the College’s March 15, 2011 Show Cause Report and the Team Show Cause and

Special Visit Report of spring 2011 did not provide adequate evidence that the institution had fully complied with Commission Eligibility Requirements and Accreditation Standards and had sustainably resolved deficiencies noted by the April 2010 and the October 2010 teams.

Upon receipt of Dr. Beno's June 30, 2011 letter and dissemination of the April 13—14, 2011 Show Cause Visiting Team Report, the College began working with its Accreditation Reaffirmation Team (ART) to prepare the October 15, 2011 Follow-Up Report to the Commission. To facilitate its work, ART met almost every week and the College continued the weekly Accreditation Hour during which time ART's Accreditation Standard teams met to discuss, review, and document evidence of the College's efforts to comply with Commission Eligibility Requirements, meet Commission Accreditation Standards, and respond to all Commission recommendations and concerns. ART also followed a schedule for preparing this report, which included providing the College community with several drafts of the report for review and comment by representative bodies, shared governance bodies, and the Board of Regents.

This report is hereby submitted to the Commission to provide adequate evidence that the College has addressed the recommendations contained in Dr. Beno's June 30, 2011 letter, sustainably resolved the deficiencies noted by the April 2010 and the October 2010 teams, and meets the Commission's Eligibility Requirements and Accreditation Standards. This report also provides the College's response to Commission Concerns 1 and 2 as noted in Dr. Beno's June 30, 2011 letter.

I certify that the contents of this report were prepared with considerable input and participation from the College community, including students, faculty, and staff members, representatives of the Associated Students of Northern Marianas College, the Faculty Senate, and the Staff Senate, and the Board of Regents.



Sharon Y. Hart, Ph. D.,
President

II. Eligibility Requirements

Eligibility Requirement #3: The institution has a functioning governing board responsible for the quality, integrity, and financial stability of the institution and for ensuring that the institution's mission is being carried out. This board is ultimately responsible for ensuring that the financial resources of the institution are used to provide a sound educational program. Its membership is sufficient in size and composition to fulfill all board responsibilities.

The governing board is an independent policy making body capable of reflecting constituent and public interest in board activities and decisions. A majority of the board members have no employment, family, ownership, or other personal financial interest in the institution. The board adheres to a conflict of interest policy that assures that those interests are disclosed and that they do not interfere with the impartiality of governing board members or outweigh the greater duty to secure and ensure the academic and fiscal integrity of the institution.

Northern Marianas College (the College) is governed by a duly appointed Board of Regents. The Board of Regents consists of seven members who are appointed directly by the Governor of the Commonwealth of the Northern Mariana Islands (CNMI). The Board of Regents is responsible for the quality, integrity, and financial stability of the College and the successful fulfillment of its mission. This responsibility is outlined under Section 2(a) of Article XV of the Commonwealth Constitution, which states:

“The legislature shall establish by law a Northern Marianas College that shall be headed by a president. The president of the college shall be appointed by a representative board of regents. The board of regents shall be appointed to staggered terms by the governor and shall have autonomy in the administration of its affairs.”

Under statute, the general duties and authority of the Board of Regents are reinforced by 3 CMC § 1304(b), which directs that “the Northern Marianas College is established as a nonprofit public corporation under the general control and direction of a board designated as the Board of Regents of the Northern Marianas College.” Commonwealth Code also specifically empowers the Board of Regents in 3 CMC § 1316 to perform a number of duties, including:

- To hold in trust for the Commonwealth the property and assets of the college, and to have the authority to negotiate loan guarantees and, with the approval of the Commonwealth Development Authority, issue bonds.
- To set the goals and general directions of the college, and to approve policies in pursuit of such goals and directions.
- To adopt, amend and repeal policies governing the conduct of its business and the performance of the powers and duties grant to or imposed upon it by law or the Constitution.

- To acquire for use by the college any property, whether real, personal or mixed, whether tangible or intangible, or any interest therein, and to sell, lease or otherwise dispose of the same for the good of the college.
- To establish and to oversee the activities of a Northern Marianas College Foundation as a private, nonprofit, tax exempt public corporation for the support of the college.
- To enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its business and on such terms as it may deem appropriate with any agency or instrumentality of the United States, or with any state, Commonwealth, territory, or possession, or with any political subdivision thereof, or with any person, firm, association, or corporation.
- To determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed and paid, subject to provisions of law applicable to the college.
- To establish procurement policies for the college, and to expend funds appropriated by the federal or commonwealth government or donated to the college by any other entity.
- To take such actions as may be necessary or appropriate to carry out the powers conferred upon it by law and the Commonwealth Constitution.

The independence of the Board is clearly set forth in Article XV of the Commonwealth Constitution, which grants the Board of Regents “autonomy in its affairs.” In an effort to reaffirm the College’s autonomy, Board members and the president have met regularly with officials of the CNMI government to remind them that the College must operate with autonomy in managing its affairs. In these meetings, board members and the president have been guided by observations noted in a white paper issued jointly in 2006 by the Pacific Post-Secondary Educational Council (PPEC) and the Accrediting Commission for Community and Junior Colleges entitled “Enhancing and Sustaining Higher Education Quality in the Pacific: Challenges Facing Institutions Seeking to Acquire and Maintain WASC-Accreditation”. The paper enumerated eight region wide challenges to meeting Accreditation Standards, including “inappropriate local government control or interference.”

Even as economic stresses within the Commonwealth threaten many sectors of society, the Board has successfully lobbied the CNMI government to exempt the College from an across-the-board austerity measure imposed on the vast majority of the CNMI Government, and have done so for two successive budget years.

Earlier in 2011, the College received notice from the CNMI Office of Management and Budget that there would be an across-the-board cut in the FY 2011 funding, which would translate into a cut of about \$338,000. Up to that point, the College had already taken precautionary austerity measures and empowered programs to develop cost-saving and revenue-generating measures at the program level. Despite those efforts, the cost savings and revenue were not enough to absorb the funding cuts from the CNMI central government.

Then Interim President Lorraine T. Cabrera thus initiated dialogue with the College’s shared governance bodies, namely Budget and Finance Committee (BAFC) and the College Council, to discuss institutional action that could be taken to increase revenue and cut costs.

While several cost-saving and revenue-generating ideas were explored, at its June 17, 2011 meeting, the College Council ultimately recommended an eight hour work reduction or a ten percent cut in employee's salaries to run from July 3 through September 30, 2011, the end of the 2011 fiscal year. The College Council recommendation was immediately effectuated by Interim President Cabrera. As a result of those measures, the College saved over \$200,000.

Although the local media reported that the Governor of the CNMI had implemented line-item vetoes that eliminated specific College positions, those reports were inaccurate. The total budget for the College was reduced by the CNMI Government, but specific budget priorities were determined by the president and Board. No line item vetoes took place. None of the positions reported to be vetoed were actually cut. The positions that were reportedly cut have actually been filled, including the Department Chair for the Science, Math, Health and Athletics Department; the Director of Counseling Programs and Services; the Director of the Office of Admissions and Records; the International Student Coordinator/Counselor; and the Accountant Technician.

As the Commission has noted in its reports and action letters, facing such challenges requires a strong, cohesive and highly-trained Board whose members can assert their constitutional and statutory authority to preserve the College's autonomy and protect it from undue influence of the Commonwealth Government. At the same time, the Board must be capable of educating the public and the government about the role of the College in the larger community, including its contributions to the community. The Board also has a fundamental responsibility to safeguard the accreditation of the College.

The Board of Regents recognizes the major constituencies of the College, namely the administration, the faculty, the support staff, and the students, as participants in the governance of the institution. Under BOR Policy 1026, "Institutional Governance", each of these constituencies has a role in the implementation of the mission and goals of the institution and in the development of policies governing it. Also under this policy, appropriate policy and accompanying administrative procedures are developed specifying the governance role of each of these four components of the College community in terms of policy formulation; planning at multiple levels; and problem identification, analysis, and resolution.

The Board is responsible for assuring that the College has sufficient resources to carry out its mission and support its programs. The Board approves the budget and during the year receives quarterly reports from the Chief Financial and Administrative Officer.

Furthermore, all board members have no employment, family, ownership, or other personal financial interest in the institution.

Members of the Board of Regents hold themselves to high standards of conduct and ethical behavior. Their actions, performance, and behavior are directed by Board of Regents Policy 1019: the Code of Ethics of the Board. The first part of this policy specifies the expectations of each Board member with regard to his or her responsibility as a Regent.

One of the provisions of the Code of Ethics policy is that Board members “[s]trive to provide the most effective community college board service of which they are capable and to sustain a spirit of teamwork.” Evidence of this spirit includes the Board members’ taking extensive time out of their personal and professional commitments to participate in numerous hours of Board training, meetings with stakeholders and meetings with government officials. For example, in recent months, Board members have met with the Office of the Governor and members of the CNMI Legislature on several occasions regarding the government’s appropriations to the College as the central government developed its Fiscal Year 2012. Also, the Board has begun meeting on a monthly basis, as opposed to the quarterly basis required by BOR Policy 1015.

Another provision of the Code of Ethics policy directs Board members to “[r]emember at all times that as an individual board member has no legal authority outside the meetings of the Board.” Then Interim President Lorraine T. Cabrera noted that all Board members were diligent about referring any College issues raised by community members or college employees to the Office of the President. President Sharon Y. Hart has also worked closely with Board members to help them better understand and fulfill their roles in a manner that is consistent with the Code of Ethics and standards of best practice in board governance.

The Code of Ethics policy is augmented by the “Board of Regents Code of Conduct,” which is outlined in the Board Member Training and Development Policy (adopted December 23, 2010). The policy requires that Board members sign a “Code of Conduct” agreement upon acceptance of the position to serve as a member of the Board of Regents.

The second part of the Code of Ethics policy, “Part B. Censure,” governs how violations against the Code of Ethics will be treated. The Board of Regents also adopted the “Disciplinary Action for Board Member Conduct” policy that lays out progressive steps beyond censure to be taken against any Board member violating a Board policy. These steps include warning, reprimand, censure, and removal from office.

Eligibility Requirement #4: The institution has a chief executive officer appointed by the governing board, whose fulltime responsibility is to the institution and who possesses the requisite authority to administer board policies. Neither the district/system chief administrator nor the college chief administrator may serve as the chair of the governing board.

The College Board of Regents successfully completed the presidential search process by announcing on May 26, 2011, that Dr. Sharon Hart was offered and had accepted the position as the College, which commenced on July 2, 2011.

Dr. Hart has 30 years of experience in higher education and accreditation across the United States (Appendix A--Dr. Sharon Y. Hart Curriculum Vitae). She recently served in Jamaica as deputy president of the University College of the Caribbean. She also served as president of North Dakota State College of Science from 2000 to 2006 and, prior to that, president of Middlesex Community College, Connecticut from 1997 to 2000. Dr. Hart has also served in several administrative capacities, including vice president for Academic and Student Affairs at North Central Technical College in Wisconsin; Administrative Dean for Agriscience, Apprenticeship, and Technical and Industrial Division at Madison Area Technical College in Wisconsin; and, Director of Institutional Research and Evaluation at Chicago City Wide College.

Dr. Hart arrived within the Commonwealth on July 8th, and immediately met with the campus community, emphasizing her determination to remedy accreditation deficiencies. The College now has a chief executive officer whose full-time responsibility is to the institution. Pursuant to Board of Regents Policy (BOR) 1009, the president possesses the requisite authority to administer board policies, particularly in the fulfillment of the following duties and responsibilities enumerated under BOR Policy 1009:

- Being responsible for the organization and administration of the College and for the coordination of its entire instructional program;
- Providing direction and leadership in the development and implementation of a research, planning, and evaluation system to assure institutional effectiveness and that the results of such activity will be used for institutional improvement and the establishment of priorities;
- Ensuring that various entities of the College have a substantive and clearly-defined role in institutional governance;
- Overseeing institutional adherence to the Standards of the Accrediting Commission so as to assure continuing accreditation of the College;
- Recommending to the Board new and revised policies and establishing administrative procedures for board operations, finance and procurement, educational programs, human services, student services, and administrative services.
- Developing an effective program of staff evaluation and improvement;
- Preparing a budget in line with the needs of the College, and approving expenditure of funds appropriated to the College by the federal or Commonwealth government or donated to the College by any other entity;

- Guiding capital improvement activities and ensuring safe and adequate facilities and grounds in order to maintain a quality learning environment;
- Representing the College to the community and maintaining an adequate public information service;
- Maintaining open and adequate channels of communication with the internal and external College community;
- Entering into contracts, cooperative agreements, and such other transactions as may be helpful to conduct the business of the College;
- Appointing, reassigning and terminating staff and faculty consistent with applicable Human Resources rules and regulations;
- Accepting gifts, grants, donations, bequests, or other contributions on behalf of the Board and depositing the same in a College Trust Fund for the exclusive use and expenditure of the College, as approved by the Board;
- Formulating reports required by local and federal agencies;
- Approving regulations and activities of groups and organization functioning within the College; and
- Subject to prior review and approval of the Board, establishing departments and other divisions of the College, approving their programs and courses of studies, and disestablishing the same as the president may deem most appropriate to carry out the policies, goals, and general directions established by the Board for the College.

To ensure that the president possesses the requisite authority to administer board policies the Board has adopted a policy on “Limits of Authority” which expands BOR Policy 1002, which limits Board authority by delegating all administrative duties to the College president. Regents have also engaged in training that has clarified the policy-making role of Regents in contrast to the administrative role of the president.

The president does not serve as the chair of the governing board.

Eligibility Requirement #5: The institution has sufficient staff, with appropriate preparation and experience to provide the administrative services necessary to support its mission and purpose.

The College has total of 180 full-time employees composed of administration, instructional and non-instructional faculty, and administrative support staff. This includes a president, Dr. Sharon Y. Hart, whose full-time responsibility is to the institution.

Administrative positions at the College include one Dean of Academic Programs and Services, one Dean of Student Services, one acting Dean of Community Programs and Services, one Director of Institutional Effectiveness, one Director of Institutional Advancement, one acting Director of Information Technology, and a Chief Financial and Administrative Officer. The president, deans, and directors oversee qualified faculty and staff who provide sufficient administrative services for the mission and purpose of the college.

Eligibility Requirement #17: The institution documents a funding base, financial resources, and plans for financial development adequate to support student learning programs and services, to improve institutional effectiveness, and to assure financial stability.

Funding for the College comes from multiple sources: legislative government appropriations, student tuition and fees, federal grants, direct contributions, contributions to the NMC Foundation, and miscellaneous revenue from such sources as facility rentals and community and professional development workshops and courses.

The College continues its discussions with members of the legislature and other government officials to secure the guaranteed \$6,000,000 funding base established by Public Law 9-53. Until this funding base is assured, the College must engage with the annual legislative budget hearings because the constitutional mandate that the College receive one percent of the Commonwealth's general revenues is insufficient for its operations. (One percent of the FY 2011 general revenues would equal approximately just \$1,320,000.)

Student enrollment in FY2011 increased by 22 percent compared to FY2010, bringing total tuition and fees, indirect costs, and miscellaneous (operations) revenue above four million dollars as of September 2011.

The College qualifies for and avails of almost seven million dollars in annual federal funding from several grants and major programs including Adult Basic Education and Cooperative Research Education and Extension Service.

In 1997, the Board of Regents established the NMC Foundation, a nonprofit organization charged with acquiring, managing, and disbursing funds from alternative sources to support the advancement of the College's educational programs and services. In addition to providing institutional financial support, the NMC Foundation also provides two-year scholarships to students.

Together, these funding sources help ensure that the College's financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness.

For Fiscal Year 2011, the College worked aggressively within the economic and political climate to secure appropriations funding that exceeds the constitutionally mandated one percent of expenditures minimum guarantee. This effort was especially significant given the austerity measures the CNMI government has applied because of the severe economic downturn, including a 16-hour work reduction every two weeks and unpaid holidays. Despite the steep economic downturn, the College successfully leveraged its resources during Fiscal Year 2011 to ensure an adequate funding base to support student learning programs and services and to improve institutional effectiveness.

Moving forward, the College must continue to secure revenues from all these sources as well as from new sources.

The Budget and Finance Committee (BAFC) has established a standing sub-committee that has been developing funding strategies designed to ensure long-term financial stability. The sub-committee has submitted a preliminary list of recommendations to BAFC which were endorsed by the College Council and sent to the Office of the President.

The amounts listed in the table below affirm that the College has managed to maintain a stable revenue base over a period of several fiscal years, despite the surrounding economic difficulty in the Commonwealth. The net results of that stable revenue base are reflected in the narratives of sustained improvements in institutional effectiveness as evidenced throughout this report.

Operating Revenue (\$)	2006	2007	2008	2009	2010
U.S. Federal Grants	5,724,628	5,992,859	6,393,751	6,702,752	7,848,780
Student Tuition & Fees (net of scholarship discounts and allowances)	1,043,474	1,069,752	1,763,563	1,629,829	1,386,475
Private Gifts, Grants, Donations	73,194	49,187	156,276	40,278	25,640
Other	1,181,863	1,194,419	1,194,372	1,224,946	1,271,010
Total Operating Revenue (\$)	8,023,159	8,306,217	9,507,962	9,597,805	10,531,905
Nonoperating Revenue (\$)	2006	2007	2008	2009	2010
CNMI Appropriations	7,078,228	5,056,682	5,618,211	5,657,018	5,323,044
Net Investment Income	56,339	241,535			
Change in Fair Value of Investments	168,816	270,115	(693,577)	302,851	466,636
Other				103,375	
Total Nonoperating Revenue (\$)	7,303,383	5,568,332	4,924,634	6,6063,244	5,789,680
TOTAL (\$)	15,326,542	13,874,549	14,432,596	15,661,049	16,321,585

Source: NMC audited financial statements

With Commonwealth budget cuts anticipated for fiscal year 2012 and the expiration of American Recovery and Reinvestment Act (ARRA) and State Fiscal Stabilization Fund (SFSF) funding, the College has been revisiting its planning, program review, and budgeting processes to make more efficient use of limited resources. For the fiscal year 2012 budget development cycle, through its shared governance process, the College adopted its Form 3 mechanism of linking planning and program review with resource allocation. All departments that receive funding under the Tuition and Fees and Indirect Costs Budget (Tuition and Fees Budget) completed a Form 3 as a function of planning and program review that was used to guide the budgeting process. The Planning Program Review and Outcomes Assessment Committee (PROAC) rated each Form 3 submission as a basis for ranking each department within the Increase Maintain Decrease (IMD) lists. PROAC then transmitted the ranked lists to the Budget and Finance Committee which established budget ceilings for each

department based on their ranking. Departments on the increase list saw an increase in their proportionate base budget over the current fiscal year, those on the maintain list maintained their current budget proportion, and those on the decrease list saw a decrease in their proportionate base budget.

To strengthen the link between planning, program review, and budgeting that was established through the Form 3 process, the Budget Office issued revised budget forms that tie in department mission, goals, and objectives with those of the institution. The forms serve as a tool not only to assist managers in financial planning, but also to serve as a supplement to ongoing program review. As suggested to the College during two previous Commission evaluation team visits, the College has begun the process of quarterly budget progress reporting from departments to the Budget and Finance Committee (BAFC). This enhances the College's ability to evaluate the efficient and effective use of its financial resources and make budgetary modifications if necessary in order to ensure that fiscal resources are adequate to support student learning programs and institutional effectiveness.

All budget proposals from BAFC are forwarded to the College Council for review and submission to the Office of the President for final review by the president and the Management Team.

Eligibility Requirement #18: The institution annually undergoes and makes available an external financial audit by a certified public accountant or an audit by an appropriate public agency. The institution shall submit with its eligibility application a copy of the budget and institutional financial audits and management letters prepared by an outside certified public accountant or by an appropriate public agency, who has no other relationship to the institution, for its two most recent fiscal years, including the fiscal year ending immediately prior to the date of the submission of the application. The audits must be certified and any exceptions explained. It is recommended that the auditor employ as a guide Audits of Colleges and Universities, published by the American Institute of Certified Public Accountants. An applicant institution must not show an annual or cumulative operating deficit at any time during the eligibility application process.

The College participates in annual audits in accordance with OMB Circular A-133. The College, again, received an unqualified opinion on the audit of its financial statements for FY 2010. This marks the fourth consecutive year (2010, 2009, 2008, and 2007) that the independent accounting firm of Deloitte & Touche, who conducts the College's annual audit, has issued unqualified opinions on the College's financial statements. This is especially significant as the College had previously received qualified opinions on the audit of its financial statements since the mid-1990s. Moreover, for the FY 2010 audit, the auditors did not identify any material weaknesses or significant deficiencies, or note material noncompliance to the financial statements. The auditors themselves recognized that as a major accomplishment and indicated considerable improvements. These achievements are due to the on-going effective implementation of internal controls and clearly demonstrate the College's financial integrity and stability.

Copies of the annual audit reports are provided to members of the Board of Regents, the president, and the Chief Financial and Administrative Officer. Copies are also available through the Office of the President and through the website of the CNMI Office of the Public Auditor (OPA) at www.opacnmi.com.

The FY 2010 audit report was distributed and discussed with the Fiscal and Legislative Committee prior to discussion at the full Board of Regents held in July 2010. Based on its improved internal procedures and competent financial management staff, the College believes that it will not repeat the period during which audit findings were not properly explained or addressed. Moreover, audit results will be subject to more routine review by the Board of Regents. Corrective actions will be routinely taken when necessary. As noted in the Commission's April 13—14, 2011 Special Visit Report, the College took concrete steps to improve the communication of audit results and financial reports to the Board Fiscal and Legislative Committee and to the full Board. The volume and character of these reports provide evidence of improvements in financial accountability

Eligibility Requirement #21: The institution provides assurance that it adheres to the Eligibility Requirements and Accreditation Standards and policies of the Commission, describes itself in identical terms to all its accrediting agencies, communicates any changes in its accredited status, and agrees to disclose information required by the Commission to carry out its accrediting responsibilities. The institution will comply with Commission requests, directives, decisions and policies, and will make complete, accurate, and honest disclosure. Failure to do so is sufficient reason, in and of itself, for the Commission to impose a sanction, or to deny or revoke candidacy or accreditation.

The College values and prioritizes its role and the integrity of its communication and dealings with the Commission. The College publishes expectations for employee conduct and communication in its Human Resources Policy Part VII – Conduct/Rules and Expectations and provides copies of its Human Resources Manual to all employees upon initial employment and on request thereafter. Training on Family Educational Rights and Privacy Act (FERPA) and student records, among other professional development activities scheduled for faculty and staff, support and reinforce these expectations for appropriate and professional conduct.

The importance of communicating effectively and appropriately was underscored recently by President Hart in a presentation entitled “Communication”, which the president delivered at the opening of the College's fall 2011 Professional Development Days on August 9, 2011. The president's concerns and values with regard to the College's compliance with ER 21 are communicated regularly to managers in an effort to ensure that concerns are addressed promptly at appropriate levels within the institution's organizational hierarchy.

President Hart's discussion of proper communication was reinforced by a new policy adopted by the Board of Regents, BOR Policy 906, “Integrity and Ethics” (Appendix V--BOR Policy 906). In order to uphold integrity and ethics, as well as to comply with the Commission's

recently Policy on Integrity and Ethics (June 2011), the Board of Regents recently adopted the policy. The policy states that the College or “any individual or entity acting on its behalf shall exhibit integrity and subscribe to and advocate high ethical standards in the management of its affairs and all of its activities.” The policy also calls for the president to establish “procedures to receive and address confidential and anonymous complaints regarding questionable accounting practices, operational activity which is a violation of applicable law, rules, and regulations, or questionable activities which may indicate potential fraud, waste, and/or abuse.”

III. Responses to June 30, 2011 Commission Action Letter

Recommendation #1: To meet the Eligibility Requirement and Standards the governing board should exercise its authority to govern the college and protect the college from undue influence by the Commonwealth government including the government's ability to line-item dictate the college budget. The governing board should act autonomously to govern the college free from indirect interference by Commonwealth governor or members of the legislature; this will defend the college from the vagaries of changes in political power. (ER 3, Standard IV.B.1.a, IV.B.1.c)

The Board of Regents reasserted its autonomy in a recent resolution adopted unanimously by all the Regents. The resolution, "A Resolution Affirming the Autonomy of the Northern Marianas College" (Appendix B--BOR Resolution 2011-03), underscores the College's independent policy-making role by stressing certain CNMI constitutional provisions and Supreme Court decisions that have reaffirmed the College's autonomy.

The board and the president have further reinforced the autonomy of the board and the College by continuing regular meetings with the CNMI's 17th Legislature and the Office of the Governor. Recent meetings include the following:

Date	Participants	Location	Notes
7/26/11	<ul style="list-style-type: none"> • Senator Pete Reyes • Senator Juan Ayuyu • Senator Jovita Taimanao • Senator Luis Crisostimo • Senator Jude Hofschneider • Rep. Ray Yumul • NMC Board of Regents • NMC President • NMC Management Team 	Senate Chamber	Quarterly meeting with members of the Senate Committee on Education
8/24/11	<ul style="list-style-type: none"> • Senator Jovita Taimanao • Senator Jude Hofschneider • Senator Luis Crisostimo • Vice Speaker Ogumoro • NMC Board of Regents • NMC President • NMC Management Team 	NMC D1	Meeting with Senate Committee on Fiscal Affairs where NMC presented budget request and sought fiscal support to meet College Access Challenge Grant MOE Requirement

8/26/11	<ul style="list-style-type: none"> • Members of the 17th House of Representatives • NMC President Dr. Sharon Hart 	House Chamber	Dr. Hart provided public comments in the opening session of the House discussion on the FY2012 Budget
8/30/11	<ul style="list-style-type: none"> • Senator Pete Reyes • Legislative Staff of Representative Stanley Torres • BOR Chair Juan Lizama • NMC President Dr. Sharon Hart 	Sen. Pete Reyes Office	Meeting was held for the purpose of discussing merits of House Bill 17-39
9/1/11	<ul style="list-style-type: none"> • Lt. Governor Eloy Inos • OMB Rep. Vicky Villagomez • Lt. Gov. Legal Counsel Teresa Kim • NMC Board of Regents • NMC President • Dean Leo Pangelinan • CFAO Rogelio Madriaga 	Lt. Gov's Conference Room	Meeting where Dr. Hart and BOR members met with Lt. Gov, Vicky Villagomez, and Teresa Kim re: CACG MOE requirement
9/1/11	<ul style="list-style-type: none"> • Senate President Paul Manglona • Senator Ralph Torres • Senator Jovita Taimanao • NMC Board of Regents • NMC President • Dean Leo Pangelinan • CFAO Rogelio Madriaga 	Sen. President's Conf. Room	Discussion focused on CACG MOE
9/6/11	<ul style="list-style-type: none"> • Lt. Governor Eloy Inos • SAA Esther Fleming • Lt. Gov Legal Counsel Teresa Kim • OMB Rep. Vicky Villagomez • CNMI Scholarship Bd. Member Kodep Ogumoro • CNMI Scholarship Rep. Jackie Che • NMC President • Dean Leo Pangelinan 		Discussion focused on CNMI Scholarship / CACG MOE

9/12/11	<ul style="list-style-type: none"> • Speaker Eli Cabrera • Vice Speaker Felicidad Ogumoro • Rep. Ray Basa, Chair of House Ways and Means Committee • Rep. Froilan Tenorio • Rep. Edmund Villagomez • Rep. Ralph Demapan • Rep. Joseph Palacios • OMB Rep. Vicky Villagomez • BOR Chair Juan Lizama • NMC President • Dean Leo Pangelinan • NMC OIE Director • NMC OIA Director • CFAO Rogelio Madriaga 	House Chamber	Members of the House Leadership met with NMC Representatives re: NMC's request for a budgetary allocation of \$5.2M
9/12/11	<ul style="list-style-type: none"> • NMC President • Dean Leo Pangelinan 	Sen. President's Office	Dr. Hart was given a several minutes to present information re: CACG MOE Requirement
9/13/11	<ul style="list-style-type: none"> • Members of the 17th Senate • NMC President 	Senate Chamber	Dr. Hart gave public comments re: budget request for NMC to members of the Senate

In these meetings, the autonomy of the College is consistently emphasized by the College and generally understood by elected officials. For example, the recently passed CNMI budget for Fiscal Year 2012 recognizes the fiscal autonomy of the College by specifically stating that the president is the expenditure authority for College expenditures.

In an effort to establish healthy relationships with elected officials and key stakeholders in the community, President Hart has also met with several members of the community since assuming the role of president. These meetings have included meetings with Governor Benigno Fitial, Lieutenant Governor Eloy Inos, CNMI Delegate to the U. S. Congress, Congressman Gregorio Kilili Camacho Sablan, the mayors of Rota, Tinian, and Saipan, the CNMI Commissioner of the CNMI Public School System, the CNMI Scholarship Board, the president of Tan Holdings Corporation, the largest private employer in the CNMI, the Saipan Chamber of Commerce, and the Rotary Club. President Hart has also reached out to regional partners in meetings with the Pacific Post-Secondary Education Council (PPEC), University of Guam President Dr. Robert Underwood, and representatives from the University of Alaska, Fairbanks.

Moreover, in order to proactively safeguard the College's autonomy, the president has created a Legislative Activity Task Force whose primary function is to track upcoming local and federal legislation and legislative activity that relate to the College. The task force reports in weekly Management Team meetings to the president who then works with the

Management Team and the Board of Regents to develop and implement strategies for addressing legislation or legislative activity that may affect the College. In particular, the Board of Regents discusses the proposed legislation with the president and adopts official Board position statements on behalf of the College. This approach has not only fostered a healthy and productive relationship with elected officials, but it has allowed the College to suggest amendments and changes to bills that might have infringed upon the College's autonomy.

Recommendation #2: To meet the Eligibility Requirement, the team recommends that the college ensure that Commission policies are followed at all times and that the institution respond to Commission requests truthfully and accurately. (ER 21)

On May 27, 2011, Interim President Lorraine T. Cabrera sent an email message to all College employees. The content of the email contained a summary of statements made to the interim president by members of the Commission's Visiting Team with regard to the team's assessment of the College's compliance with Accreditation Standards and Eligibility Requirements. Although Interim President Cabrera alludes to the confidential nature of the information and that her email is "not to be shared with anyone outside of NMC," the College recognized that sharing such highly confidential information in an email to all employees was not prudent and indeed, counter-productive to the College's efforts to comply with Commission policy and directives. On July 18, 2011, the Chair of the Board of Regents issued a letter to Interim President Cabrera with regard to this matter, which included a directive for corrective action. The interim president had complied with this directive to the satisfaction of the Board of Regents.

The interim president subsequently issued a letter of apology in July 2011 to all employees acknowledging that her decision to disseminate this information violated Commission policy, that she was held accountable by the Board of Regents for this action, and that she assumes full responsibility for any harm that may result from her actions and decisions with regard to this matter.

The College values and prioritizes its role and the integrity of its communication and dealings with the Commission. The College publishes expectations for employee conduct and communication in its Human Resources Policy Part VII – Conduct/Rules and Expectations and provides copies of its Human Resources Manual to all employees upon initial employment and on request thereafter. FERPA and student records training, among other professional development activities scheduled for faculty and staff, support and reinforce these expectations for appropriate and professional conduct.

The importance of communicating effectively and appropriately was underscored recently by the president in a presentation entitled "Communication", which she delivered at the opening of the College's fall 2011 Professional Development Days on August 9, 2011. The president's concerns and values with regard to the College's compliance with ER 21 are communicated regularly to managers in an effort to ensure that concerns are addressed promptly at appropriate levels within the institution's organizational hierarchy.

Recommendation #3: To meet the Eligibility Requirement and Standard, the team recommends that the college integrate financial planning with institutional planning and ensure that fiscal resources are adequate to support student learning programs and institutional effectiveness so that financial stability is maintained. (ER 17, Standard III.D.1.a)

On May 17, 2011, the College convened a Strategic Planning Summit, in which the College's Strategic Planning Task Force launched a year-long collaborative process to develop the next five-year strategic plan for the College. In subsequent meetings, the task force also worked with President Hart and the College's Management Team to develop a set of planning goals and priorities for Fiscal Year 2012 (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities) that were formally adopted by the Board of Regents at its meeting on September 29, 2011. The goals and priorities lift from the current PROA Strategic Plan 2008—2012 (PROA-SP) and include the following goals: improve student success, optimize financial resources, enhance information technology, focus on Commonwealth workforce development needs, and accomplish other distinctive objectives in an environment of continuous quality improvement. All programs have been directed to complete program-level operational plans using a template (Appendix D--Operational Plan Template) provided by the Office of Institutional Effectiveness. Programs are expected to submit completed plans to the Management Team by October 24, 2011. The president will, in turn, evaluate members of the Management Team against performance goals identified in action plans of programs under their respective supervision.

The College's planning efforts are also being guided by a recent white paper (Appendix E--Critical Budget Decisions for FY 2012 and Beyond) developed by President Hart. Drawing from an article published by Dennis Jones in the January/February 2011 issue of Association of Governing Boards (AGB) Trusteeship entitled "Protecting and Building Your Institution's Assets", President Hart's white paper emphasizes that the College's "approach to resource allocation must put the long-term capacity and health of the College at the center of the process... [That approach] must be strategic [and must] protect and enhance our College rather than erode its core capacity and ability." Laying out five steps for making intentional decisions about budgeting and resource allocation, the president's white paper has been integrated into the College's ongoing dialogue about planning, budgeting, and resource allocation.

Furthermore, anticipating budget cuts for Fiscal Year 2012 and the expiration of American Recover and Reinvestment Act (ARRA) and the State Fiscal Stabilization Fund (SFSF) funding, in the fall of 2010, the College began revisiting its planning, program review, and budgeting processes to make more efficient use of limited resources. The Board of Regents Fiscal and Legislative Committee, the College Council, the Budget and Finance Committee (BAFC), and the Program Review Outcomes and Assessment Committee (PROAC) drew from the experience of Drake University in 2000 to improve the link between program review, planning, and budgeting and resource allocation. The result was the development of a piloted project dubbed the "Form 3" process.

The Form 3 timeline (Appendix F--Form 3 Timeline) and template (Appendix G--Form 3 Template) facilitated a process by which planning and program review informed budgeting and resource allocation decisions for FY 2012. As the timeline reflects, this process allowed the College to use the results of program review to make strategic budget and resource allocation decisions that directly link to the College's current strategic plan. PROAC also adopted procedures (Appendix H--Form 3 PROAC Procedures) to guide its work in reviewing Form 3 submissions. These developments not only improved the College's program review and planning processes, but they also helped the College prepare for anticipated budget cuts for FY 2012 as well as the expiration of funding from the ARRA and SFSF.

As a result of the Form 3 project, the development of the FY 2012 Operations Budget was modified to reflect Form 3 funding levels and incorporate narratives from the Form 3 process. Moreover, BAFC is also requiring programs to provide quarterly updates on their progress in meeting goals and objectives that programs submitted to BAFC as part of the budget development process. BAFC will use these updates to hold programs accountable to effective use of allocated funds.

Recommendation #4: To meet the Eligibility Requirement and Standards, the team recommends that the college assure the financial integrity and responsible use of its financial resources and ensure that the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision-making. The College must also correct noted audit findings. (ER 18, Standard III.D.2, III.D.2.a, III.D.2.d, III.D.2.e)

The College participates in annual audits in accordance with OMB Circular A-133. The College, again, received an unqualified opinion on the audit of its financial statements for FY 2010. This marks the fourth consecutive year (2010, 2009, 2008, and 2007) that the independent accounting firm of Deloitte & Touche, who conducts the College's annual audit has issued unqualified opinions on the College's financial statements. This is especially significant as the College had previously received qualified opinions on the audit of its financial statements since the mid-1990s. Moreover, for the FY 2010 audit, the auditors did not identify any material weaknesses or significant deficiencies, or note material noncompliance to the financial statements. The auditors themselves recognized that as a major accomplishment and indicated considerable improvements. These achievements are due to the on-going effective implementation of internal controls and clearly demonstrate the College's financial integrity and stability.

Copies of the annual audit reports are provided to members of the Board of Regents, the president, and the Chief Financial and Administrative Officer. Copies are also available through the Office of the President and through the Web site of the CNMI Office of the Public Auditor (OPA) at www.opacnmi.com.

The FY 2010 audit report was distributed and discussed with the Fiscal and Legislative Committee prior to discussion at the full Board of Regents held in July 2010. Based on its improved internal procedures and competent financial management staff, Northern Marianas College believes that it will not repeat the period during which audit findings were not properly explained or addressed. Moreover, audit results will be subject to more routine review by the Board of Regents. Corrective actions will be routinely taken when necessary. As noted in the Commission's April 13—14, 2011 Special Visit Report, the College took concrete steps to improve the communication of audit results and financial reports to the Board Fiscal and Legislative Committee and to the full board. The volume and character of these reports provide evidence of improvement in financial accountability.

As part of the College's ongoing efforts to sustain financial integrity and responsible management of its financial resources, the College has worked with the U. S. Department of Education (ED) and the U. S. Department of Agriculture (USDA) to resolve audit findings. As a result of these efforts, the College received a program determination letter (PDL) from the ED that states that 20 audit findings involving 14 different grants from FY 2005 to FY 2009 are determined resolved with no liability for questioned costs. The resolution of these findings is based, in part, on the College's implementation of certain corrective actions.

The College also received a letter from the USDA that states "that the College has implemented appropriate corrective actions to resolve the 2009 audit findings." The letter also notes that the USDA expects "to issue our Management Decision Letter by April 15, 2011, which will serve as our Final determination on the status and resolution of the 2009 audit findings." The College has corresponded with the USDA representative in an effort to resolve 3 FY 2010 audit findings. The College also asked about the status of a final Management Determination Letter that was to have been issued in April. The College is currently waiting for a reply. The College is also waiting for similar correspondence from the USDE.

FY 2010 Audit Findings

Audit Finding	Status
2010-1	Corrective actions submitted to USDA, waiting for response
2010-2	Corrective actions submitted to USDA, waiting for response
2010-3	Corrective actions submitted to USDA, waiting for response
2010-4	Corrective Action completed, waiting correspondence from USDE
2010-5	Corrective Action completed, waiting correspondence from USDE
2010-6	Corrective Action completed, waiting correspondence from USDE
2010-7	Corrective Action completed, waiting correspondence from USDE
2010-8	Corrective Action completed, waiting correspondence from USDE

The College strives to assure the financial integrity of the institution and responsible use of financial resources through the financial management system, which has appropriate control mechanisms. The College widely disseminates dependable and timely information for sound financial decision making, i.e., regular budget-to-actual spending reports to program and department heads, financial reporting at Board meetings. The integrity of the institution's

finances are demonstrated by the issuance of an unqualified opinion on the audit of its financial statements for Fiscal Years 2007, 2008, and 2009, 2010 by the independent auditing firm of Deloitte & Touche, LLC.

The financial management system maintains strict control mechanisms. All expenditures must receive appropriate departmental and institutional approval in which all funding is verified and documented. All purchase orders, travel authorizations, and contracts require the approval and signature of all appropriate program and division heads. After approval of expenditures at the departmental level, the fund certification process includes reviewing all purchase documents to ensure that the proper account, i.e., fund account, general ledger account, department codes, etc.; signature authority; and supporting documentation are provided. Direct communication between departments and the Finance Office ensures the resolution of administrative problems and inquiries related to payment of vendors. Operations on Tinian and Rota are also closely monitored; all expenditures including travel authorizations and payroll are processed through the College's Finance Office on Saipan.

The College's computerized accounting system provides up-to-date, real-time reporting. Financial statements and status reports are prepared on a monthly and quarterly basis as required to ensure compliance with local and federal regulations. The Chief Financial and Administrative Officer (CFAO) provides quarterly updates to the Board of Regents and the president. The CFAO also presents financial status updates to Management Team, the Budget and Finance Committee (BAFC), and College Council. The Budget Office provides reports on budget-to-actual spending to expenditure authorities on a monthly basis and as requested.

As the College engages in continuous improvement efforts, its financial and budget related processes are currently undergoing revisions. The initial Finance Office Guide due by June 2011 evolved into a more comprehensive and encompassing Accounting Procedures Manual and there is a need to finalize the review and edit of the draft to ensure compliance with existing financial policies and procedures. The revised Budget section of the Planning, Program Review and Budget Manual will require an evaluation of the Form 3 process and discussion to adopt and incorporate into the budgeting process.

The development of program and department budgets begin at the departmental level to create budget requests that appropriately support student learning and are tied explicitly to the PROA Strategic Plan 2008—2012 (Appendix T--PROA Strategic Plan 2008--2012) or the results of program review. Departments then participate in open budget hearings conducted by the Budget and Finance Committee. The College continues to operate within its Board of Regents approved annual budgets.

The College participates in annual audits in accordance with OMB Circular A-133. The College has clearly demonstrated financial integrity and stability as evidenced in the audit reports for Fiscal Years 2010, 2009, 2008, and 2007, by receiving an "unqualified opinion" by the independent accounting firm of Deloitte & Touche, LLC. This is especially significant because the College had previously received qualified opinions on the audit of its financial statements since the mid-1990s. Corrective actions to audit findings are documented and

pursued. The College is currently corresponding with USDA to resolve audit findings and questioned costs. The College is waiting for correspondence from USDE on these matters.

Each department maintains records regarding purchases and funding specific to their department. Independent auditors from Deloitte & Touche, as well as grantor agencies for federal programs review these records and provide feedback. If costs are questioned, the department reviews its documentation and diligently responds to show that the costs were necessary and essential. In response to audit findings on major federal award programs, the College has implemented corrective action plans that address noted audit findings. In addition, federal programs work closely with their respective grantor agencies to resolve audit findings as part of their annual funding renewal.

All financial resources are used with integrity and in a manner consistent with the mission and goals of the institution. The institution continues to operate within its Board of Regents approved budgets, which rely on the College's mission, goals (PROA Strategic Plan), and program review results as a foundation.

Recommendation #5: To meet the Eligibility Requirement and Standard, the team recommends that the governing board immediately initiate a search and hire a qualified chief executive officer (CEO) and ensure that the CEO has full-time responsibility to the institution and possesses the requisite authority to administer board policies. (ER 4, Standard IV.B.1.j)

The College Board of Regents successfully completed the presidential search process by announcing on May 26, 2011, that Dr. Sharon Hart was offered and had accepted the position as the College, which commenced on July 2, 2011.

Dr. Hart has 30 years of experience in higher education and accreditation across the United States (Appendix A--Dr. Sharon Y. Hart Curriculum Vitae). She recently served in Jamaica as deputy president of the University College of the Caribbean. She also served as president of North Dakota State College of Science (NDSCS) from 2000 to 2006 and, prior to that, president of Middlesex Community College, Connecticut from 1997 to 2000. Dr. Hart has also served in several administrative capacities, including vice president for Academic and Student Affairs at North Central Technical College in Wisconsin; Administrative Dean for Agriscience, Apprenticeship, and Technical and Industrial Division at Madison Area Technical College in Wisconsin; and, Director of Institutional Research and Evaluation at Chicago City Wide College.

Dr. Hart arrived within the Commonwealth on July 8th, and immediately met with the campus community, emphasizing her determination to remedy accreditation deficiencies. Northern Marianas College now has a chief executive officer whose full-time responsibility is to the institution and possesses the requisite authority to administer board policies. The president does not serve as the chair of the governing board.

Recommendation #6: To meet the Eligibility Requirement and Standards, the team recommends that the college ensure that the administrative staff of the college has the appropriate preparation and experience to provide administrative services; this includes the college chief executive. The governing board should delegate the authority to college administration to operate the college and hold the administration accountable for institutional effectiveness and for adhering to adopted policies and governance processes. (ER 5, Standards III.A.3.a, IV.B.1.j, IV.B.2.a, IV.B.2.b, IV.B.2.c, IV.B.2.d, IV.B.2.e)

As the following table demonstrates, between the president and the Management Team, most administrative positions have been filled by qualified full-time deans and directors.

Position, Person	
Qualifications (Education and Related Professional Experience)	Recent Training and Professional Development
President, Dr. Sharon Y. Hart	
<p><i>Education</i></p> <ul style="list-style-type: none"> • PhD in Education, University of Illinois, IL. • M.S. in Family and Consumer Economics, Indiana State University • B.S. in Vocational Home Economics Education and Agriculture/Natural Resources, Michigan State University. • Management of Lifelong Education (MLE), Harvard Graduate School of Education, Harvard University <p><i>Related Professional Experience:</i></p> <ul style="list-style-type: none"> • Deputy President, University College of the Caribbean, Jamaica (2010-2011) • Executive Director, Community Technical Colleges of North Dakota (2006-2007) • President of North Dakota State College of Science (2000-2006) • President of Middlesex Community College, CT (1997-2000) • Vice President of Academic and Student Affairs, NorthCentral Technical College, WI (1996-1997) • Administrative Dean of Agriscience, Apprenticeship, Technical and Industrial Division at Madison Area Technical College, WI (1990-1996). • Served as a Commissioner for the American Association of Community Colleges • Served as a Commissioner for the American Council on Education • Served as a consultant evaluator and team chair for the North Central Association of Colleges and Schools • Served as an evaluator for the American Council on Education to the U.S. Military. 	<ul style="list-style-type: none"> • 2011 President’s Fundraising Academy, Council for Resource Development, Kansas City, MO. • 2010 Caribbean Student Learning Conference, Jamaica. • 2006 Academic Quality Improvement Program Strategy Forum of the Higher Learning Commission (by invitation only). • Hart, S. “Leadership and Succession Planning for Business, Industry and Tertiary Education in Jamaica.” Presentation to the Human Resource Management Association of Jamaica, 11/10 in Kingston, Jamaica. • Hart, S. “Skills, Competencies and Employability—From a U.S. Community College Perspective.” Keynote address at the European BUSINET Conference, 11/06 in Berlin, Germany. • Hart, S. “Preparing Students for Success in the Global Environment—Options Beyond Study Abroad Programs.” Presentation at the European BUSINET Conference, 11/06 in Berlin, Germany. • Hart, S. et al. “Advisory Councils on Military Education: a Broader Spectrum.” Presentation at the Department of Defense (DOD) Worldwide Education Symposium, 7/06 in Orlando, FL. • Hart, S. et al. “Outcomes Assessment: What are Best Practices?” Presentation at the Department of Defense (DOD) Worldwide Education Symposium, 7/06 in Orlando, FL. • Hart, S. “The Private Side of the Presidency.” Presentation at the Office of Women in Higher Education’s 67th National Leadership Forum, 6/06 in Washington, DC.

<i>Dean of Academic Programs and Services, Barbara Merfalen</i>	
<p><i>Education</i></p> <ul style="list-style-type: none"> • M.A. in Education, Framingham State College • M.A. in Administration and Supervision in Education, University of Guam, (All but Thesis) • B.A. in Elementary Education/Early Childhood Education, University of Guam • A.A. in Early Childhood Education, Guam Community College <p><i>Related Professional Service</i></p> <ul style="list-style-type: none"> • Pacific Post-Secondary Education Council (PPEC), member (2010-present) • Autism Society of the CNMI, President (Present) • St. Jude Parish, CNMI, CCD Instructor for Confirmation Group (2005-Present) • Acting Director of the School of Education, NMC (As needed) • School of Education, NMC, Full-Time Instructor (2006-2010) • Adjunct Instructor, NMC, (As needed) • Kagman Elementary School, PSS, Vice Principal (3 years) • 1st, 6th grade and High School Math Teacher, PSS • Phi Theta Kappa, Beta Beta Zi Chapter, Guam Community College, 1st President 	<ul style="list-style-type: none"> • Student Learning and Assessment Workshop, facilitated by Dr. Mary Allen and Dr. Amy Driscoll (May 1—2, 2009, Northern Marianas College) • Program Review Workshop, facilitated by Drs. Mary Allen and Fred Trapp (August 2009) • PPEC Training and Workshop: “Building Capacity for Regional Assessment: Tools and Lessons for Successful Accreditation Visits” (November 11—13, 2009, Tumon, GU) • ACCJC Self-Study Training Workshop (February 26-27, 2010, Tumon, GU) • FERPA (fall 2010/spring 2011) • Sexual Harassment Workshop (AY10-11) • WASC Academic Resource Conference (ARC) (April 21-23, 2010, Long Beach, CA) • Autism Society of America Conference, Dallas, Texas (July 2010) • WASC Assessment I Conference (October 2010, Anaheim, CA) • PPEC Meeting, Honolulu, Hawaii (November 2010) • PPEC/WASC Workshop (March, 2011, Honolulu, Hawaii) • Academic Chair Academy Training (June 5-10, 2011, GCC, Guam) • Assessment /Capstone Workshop (September 13-15, 2011, University of Guam, Guam) • Apprenticeship Specialist Training (September 23-30, 2011, Honolulu, Hawaii)
<i>Dean of Student Services, Leo Pangelinan</i>	
<p><i>Education</i></p> <ul style="list-style-type: none"> • M.A. in Educational Leadership & Policy Studies University of Washington, Seattle, Washington • B.A. Business Administration Washington State University, Pullman, Washington <p><i>Related Professional Experience</i></p> <ul style="list-style-type: none"> • Northern Marianas College, Director, Counseling, Programs & Services (July 2007-Dec 2009) • Northern Marianas College, Manager/Director College Access Challenge Grant Program (August 2008-Feb 2011) • University of Washington, Lead Counselor Office of Minority Affairs & Diversity (July 2004-June 2007) • University of Washington, Manager Student Outreach Ambassador Program (July 2001-June 2007) 	<ul style="list-style-type: none"> • Guidance for Planning, Obtaining, & Successfully Completing Grants and Other Agreements (April 5-8, 2011) • 14th Annual Continuums of Service Conference, (San Diego, California, April 26-30, 2011) • Guam 2011-2012 Leadership Academy, (Barrigada, Guam June 5-11, 2011) • Development 101 (Webinar) (February 26 2011) • FAFSA for Advisors (Webinar) (January 11, 2011) • Strengthening Student Success Conference, (Costa Mesa, California, October 5-9, 2010) • ACCJC Self-Study Training Workshop, (Tamuning Guam February 25-28, 2010) • NASPA Institute for New Senior Student Affairs Officers (Washington, D.C. October 10-12, 2010) • NACADA 8th Annual Advising Administrators’ Institute, (Clearwater Beach, Florida, February 10-23, 2010) • Pacific Rim Annual Conference, (Honolulu, Hawaii, April 29-May 7, 2009)

<i>Acting Dean of Community Programs and Services, David Attao</i>	
<p><i>Education</i></p> <ul style="list-style-type: none"> • M.Ed. in Education, Framingham State College/University, Framingham, Massachusetts • B.S. in Business Administration, University of Oregon, Eugene, Oregon <p><i>Related Professional Experience</i></p> <ul style="list-style-type: none"> • Board/Council Member/Chair (Strategic Planning), Northern Mariana Islands Humanities Council (2010 – Present) • Board/Council Member/Chair (Strategic Planning), CNMI Council on Developmental Disabilities (2006 – Present) • President, Garapan Elementary School Parent Teacher Association (2010 – Present) • Member CNMI Strategic Workforce Action Team (2009 – Present) • Board Member/Chair (Education and Training), CNMI Single State Workforce Investment Board (2005-2008) • Council Member/CNMI Co-Chair, Pacific Basin Interagency Leadership Council (2005 – 2009) • Founding Member/Officer, Commonwealth Volunteer Fire Department (2004-2005) • Director, NMC Community Development Institute (2004 – Present) • Site Director, NMC University Center for Excellence in Developmental Disabilities (2005 – Present) • Communications Coordinator, NMC Cooperative Research, Extension and Education Service (2000 – 2003) • Chief Examiner, U.S. General Education Development Tests, NMC Adult Basic Education, (2001-2007) • Served on Numerous NMC Planning, Budget, Finance, Visioning, Evaluation, Workforce, Apprenticeship Committees (2000-Present) 	<ul style="list-style-type: none"> • Hawaii Office of Labor, U.S. Department of Labor Office of Apprenticeship Specialist Course (September 2011) • Agriculture Development in the American Pacific; Western Region Joint Land Grant Director’s Meetings and Workshops; Childhood Healthy Living Initiative Workshops (July 2011) • Pacific Basin Annual Workforce Directors Meetings and Workshops (June 2011) • Alternative Learning and Evaluation Workshops, VSA Institute (April 2011) • International Forum on Rights for People with Disabilities (April 2011) • 27th Annual Pacific Rim Conference (April 2011) • Institutional Capacity Building Workshops (April 2011) • Conducting Effective Research and Evaluations (April 2011) • Council for Agriculture Research, Extension and Training Workshops (March 2011) • UCEDD Consumer Advisory Committee Training (January 2011)
<i>Chief Financial and Administrative Officer, Rogelio Madriaga</i>	
<p><i>Education</i></p> <ul style="list-style-type: none"> • MBA, University of Hawaii at Manoa • BBA emphasis in Accounting , University of Hawaii at Hilo • BA, Social Sciences, University of Hawaii at Hilo <p><i>Related Professional Experience</i></p> <ul style="list-style-type: none"> • NMC, Director, Special Projects, (April 2010 – May 2011) • NMC, Chief Financial and Administrative Officer, (Dec. 2008 – August 2009) • Office of Vocational Rehabilitation, Manager, Admin and Operations, (May 2000 – December 2008) 	<ul style="list-style-type: none"> • Program Review Workshop, facilitated by Drs. Mary Allen and Fred Trapp (August 2009) • PPEC Training and Workshop: “Building Capacity for Regional Assessment: Tools and Lessons for Successful Accreditation Visits” (November 11—13, 2009, Tumon, GU) • ACCJC Self-Study Training Workshop (February 26-27, 2010, Tumon, GU) • WASC Academic Resource Conference (ARC) (April 21-23, 2010, Long Beach, CA)

<ul style="list-style-type: none"> • NMC, Director of Planning, Budget, and CIP, (Oct. 1997 – Oct. 1999) • NMC, Associate Director, Planning, Evaluation, and Grants; NMC Assistant Director, Research, Planning, and Evaluation, (Oct. 1994 – Oct. 1997) 	
<i>Human Resources Manager, John Manalo</i>	
<p><i>Education</i></p> <ul style="list-style-type: none"> • Master’s of Business Administration Emphasis in Human Resource Management, Suffield University • Master’s in Business Administration (MBA), Prescott University • B.A. in General Studies, Prescott University <p><i>Related Professional Experience</i></p> <ul style="list-style-type: none"> • Community Service and Personal Enrichment Program Manager (February 2009-October 2010) • University Center of Excellence in Developmental Disabilities (UCEDD) Program Manager (February 2008-June 2010) • Women’s, Infants, and Children (WIC) Program Accountant/Social Worker (November 2005-October 2006) • Public School System Teacher Aid and Classroom Teacher. (August 2001-November 2005) 	<ul style="list-style-type: none"> • Pacific Basin Interagency Leadership Conference (PBILC). (American Samoa, January 2010) • Annual Pacific Rim Conference (Honolulu Hawaii, April 2010) • 4th annual secondary transition state planning institute. (Public School System / Council on Developmental Disabilities). (Sacramento California, May 2010) • Needs Assessment Training and UCEDD Orientation (Rota, June 2010) • Healthcare Workforce Development- National Area Health and Education Center-AHEC Organization Conference. (Las Vegas Nevada, June 2010) • Family Education Rights and Privacy Act (FERPA) and Register 101 training and workshop hosted by the American Association of Collegiate Registrar and Admissions Officers. (Nashville Tennessee, November 2010) • 2011 National Extension and Research Administrative Officer’s Conference / National Institute of Food and Agriculture. (Anchorage Alaska, May 2011) • Star 12 workshop “how to legally terminate employees with attitude problems” Presented by National Seminars Group, a division of Rockhurst University Continuing Education Center, Inc. (Honolulu Hawaii, June 2011) • Human Resource Talent Acquisition and on boarding summit – Recruiting Staffing and on boarding for the next generation of Corporate Excellenec. (Atlanta Georgia, September 2011)
<i>Director of Institutional Advancement, Frankie Eliptico</i>	
<p><i>Education</i></p> <ul style="list-style-type: none"> • Master’s in Business Administration (MBA), University of Hawaii at Manoa, Honolulu, Hawaii • B.A. in Journalism and Public Relations, Seattle University, Seattle, Washington <p><i>Related Professional Experience</i></p> <ul style="list-style-type: none"> • Northern Marianas College Marketing Manager, then Director of Institutional Advancement (November 2007-Present) • Office of Insular Affairs, U.S. Department of Interior • Fellow, Island Fellow Program-Washington D.C. June 2007-August 2007 	<ul style="list-style-type: none"> • NMC Workshop: Student Learning and Assessment Training (May 1-2, 2009, Saipan, CNMI) • PPEC Boardmanship & Accreditation Training (Honolulu, Hawaii, June 2010) • Program Review Workshop, facilitated by Drs. Mary Allen and Fred Trapp (August 2009)

<i>Director of Institutional Effectiveness, Galvin Deleon Guerrero</i>	
<p><i>Education</i></p> <ul style="list-style-type: none"> • M. A. in School Administration, University of San Francisco, California • B. A. in English Literature, University of Puget Sound, Tacoma, Washington <p><i>Related Professional Experience</i></p> <ul style="list-style-type: none"> • CNMI Public School System Board of Education, Board Member (2008—present) • NMC Board of Regents, Board Member (2000—2005) • Association of Community College Trustees, State Chair for CNMI (May 2003—November 2005) • Mount Carmel School, Principal (June 2005—February 2009) • CNMI Office of the Governor, Special Advisor for Education (July 2003—June 2005) • Mount Carmel School, Director of Institutional Development (July 1999—July 2003) 	<ul style="list-style-type: none"> • Program Review Workshop, facilitated by Drs. Mary Allen and Fred Trapp (August 2009) • PPEC Training and Worrkshop: “Building Capacity for Regional Assessment: Tools and Lessons for Successful Accreditation Visits” (November 11—13, 2009, Tumon, GU) • ACCJC Self-Study Training Workshop (February 26-27, 2010, Tumon, GU) • WASC Academic Resource Conference (ARC) (April 21-23, 2010, Long Beach, CA)

To ensure that the Board delegates the authority to the president and Management Team to operate the College, the Board has adopted a policy on “Limits of Authority” which expands Board of Regents (BOR) Policy 1002, which limits Board authority by delegating all administrative duties to the College president. Regents have also engaged in training that has clarified the policy-making role of Regents in contrast to the administrative role of the president. Moreover, to hold the Board accountable to this delegation of authority, the Board adopted a policy for “Disciplinary Action for Board Member Misconduct” which details progressive discipline procedures to be followed if and when a Regent violates the Board’s Code of Ethics.

Recommendation #7: To fully meet the Standards, the team recommends that the college restore ongoing, collegial, self-reflecting dialogue about the continuous improvement of institutional processes. The college should provide evidence that planning is broad based and offers opportunities for input by appropriate constituencies. (Standards I.B.4, I.B.6)

On May 17, 2011, the College convened a Strategic Planning Summit, in which the College’s Strategic Planning Task Force launched a year-long collaborative process to develop the next five-year strategic plan for the College. In subsequent meetings, the task force also worked with President Hart and the College’s Management Team to develop a set of planning goals and priorities for Fiscal Year 2012 (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities) that were formally adopted by the Board of Regents at its meeting on September 29, 2011. The goals and priorities lift from the current PROA Strategic Plan 2008—2012 (PROA-SP) and include the following goals: improve student success, optimize financial resources, enhance information technology, focus on Commonwealth workforce development needs, and accomplish other distinctive objectives in an environment of continuous quality improvement. All programs have been directed to complete program-level operational plans using a template (Appendix D--Operational Plan Template) provided

by the Office of Institutional Effectiveness. Programs are expected to submit completed plans to the Management Team by October 24, 2011. The president will, in turn, evaluate members of the Management Team against performance goals identified in action plans of programs under their respective supervision.

The College's planning efforts are also being guided by a recent white paper (Appendix E--Critical Budget Decisions for FY 2012 and Beyond) developed by President Hart. Drawing from an article published by Dennis Jones in the January/February 2011 issue of Association of Governing Boards (AGB) Trusteeship entitled "Protecting and Building Your Institution's Assets", President Hart's white paper emphasizes that the College's "approach to resource allocation must put the long-term capacity and health of the College at the center of the process...[That approach] must be strategic [and must] protect and enhance our College rather than erode its core capacity and ability." Laying out five steps for making intentional decisions about budgeting and resource allocation, the president's white paper has been integrated into the College's ongoing dialogue about planning, budgeting, and resource allocation.

Furthermore, anticipating budget cuts for Fiscal Year 2012, and the expiration of American Recover and Reinvestment Act (ARRA) and the State Fiscal Stabilization Fund (SFSF) funding, in the fall of 2010, the College began revisiting its planning, program review, and budgeting processes to make more efficient use of limited resources. The Board of Regents Fiscal and Legislative Committee, the College Council, the Budget and Finance Committee (BAFC), and the Program Review Outcomes and Assessment Committee (PROAC) drew from the experience of Drake University in 2000 to improve the link between program review, planning, and budgeting and resource allocation. The result was the development of a piloted project dubbed the "Form 3" process.

The Form 3 timeline (Appendix F--Form 3 Timeline) and template (Appendix G--Form 3 Template) facilitated a process by which planning and program review informed budgeting and resource allocation decisions for FY 2012. As the timeline reflects, this process allowed the College to use the results of program review to make strategic budget and resource allocation decisions that directly link to the College's current strategic plan. PROAC also adopted procedures (Appendix H--Form 3 PROAC Procedures) to guide its work in reviewing Form 3 submissions. These developments not only improved the College's program review and planning processes, but they also helped the College prepare for anticipated budget cuts for FY 2012 as well as the expiration of funding from the ARRA and SFSF.

As a result of the Form 3 project, the development of the FY 2012 Operations Budget was modified to reflect Form 3 funding levels and incorporate narratives from the Form 3 process. Moreover, BAFC is also requiring programs to provide quarterly updates on their progress in meeting goals and objectives that programs submitted to BAFC as part of the budget development process. BAFC will use these updates to hold programs accountable to effective use of allocated funds.

In addition to these ongoing enhancements to the College's planning and budgeting processes, PROAC has taken steps to improve the College's program review processes. Based on its evaluation of Cycle 3 of program review, which concluded in the fall of 2010, PROAC identified several recommendations in the 2010 Composite Report to improve future cycles of program review. Based on those recommendations, PROAC took the following actions for the current cycle of program review:

- PROAC adopted a cyclical program review calendar (Appendix I--NMC Program Review Calendar) in which academic programs and non-academic programs alternate every year in submitting program review reports (Form 2s).
- PROAC required programs to submit quarterly Records of Dialogue instead of the annual submission required in previous cycles.
- A subcommittee of PROAC refined the Form 2 template for academic programs that are participating in the current cycle of program review. The revised Form 2 template provides for more in-depth analysis and discussion of data and evidence.
- PROAC developed Form 2 rubrics and a Form 2 evaluation sheet (Appendix J--PROAC Form 2 Rubrics and Evaluation Sheet) to provide both formative and summative assessment of submitted Form 2s in order to help programs improve the quality of Form 2 submissions.

These steps taken by PROAC will enable the College to more clearly and effectively document and communicate data and evidence on assessment and program review to College stakeholders in the upcoming 2011 Composite Report, which will be finalized by PROAC on November 15, 2011.

In addition to these steps taken by PROAC, the new BOR Policy 201, "Monitoring College Effectiveness" (Appendix K--BOR Policy 201), will improve the College's efforts to document and communicate data and evidence of quality assurance to the BOR and all College stakeholders by clarifying and specifying the scope and types of data that the College will monitor to ensure institutional effectiveness.

Furthermore, President Hart has tasked the Office of Institutional Effectiveness (OIE) to work with the National Center for Higher Education Management Systems (NCHEMS) to begin developing a peer comparison analysis. Through the Comparison Group Selection Service (CGSS) of NCHEMS, the College has already identified six institutions for peer analysis: Chipola College in Marianna, Florida; Great Basin College in Elko, Nevada; Northern New Mexico College in Espanalo, New Mexico; Edison State Community College in Piqua, Ohio; Kent State University Salem Campus in Salem, Ohio; and Guam Community College in Mangilao, Guam. The peer comparison analysis will help contextualize the College's data and benchmark that data against that of comparable peer institutions.

Recommendation # 8: To meet the Standard, the team recommends that the college ensure that faculty distinguish between personal conviction and professional views and that information is presented fairly and objectively. (Standard II.A.7.a)

To help faculty meet Standard II.A.7.a, on August 9, 2011, the Dean of Academic Programs and Services sponsored a professional development session for faculty that focused on appropriate and professional behavior of faculty in multi-cultural classrooms. The first part of the session focused on a review of two key documents, “Qualities and Competencies of the Professional Teacher” (Appendix L--Qualities and Competencies of the Professional Teacher) and the “1940 Statement of Principles on Academic Freedom and Tenure with 1970 Interpretive Comments” by the American Association of University Professors and the Association of American Colleges (Appendix M--1940 Statement of Principles on Academic Freedom and Tenure). Those documents, along with a few supplemental materials, guided group discussion about appropriate and professional behavior of instructors in the classroom.

The second part of the session was a dramatization of a “worst-case” scenario classroom. Featuring student and faculty actors, the dramatization served as a discussion prompt for faculty, who afterwards discussed how the instructor in the dramatization not only violated Standard II.A.7.a, but violated several acceptable norms of professional behavior.

The third and final part of the session brought faculty participants together in groups to answer questions about faculty professional behavior at the College. Groups engaged in intensive discussions and then presented their findings to each other.

In addition, at its March 18, 2011 meeting, the Academic Council took action to add three new questions to the end of term course/instructor evaluation form beginning in the spring 2011 term:

- The instructor presented information fairly and objectively.
- The instructor spent class time on issues or topics related to the course.
- The instructor promoted thoughtful discussion based on course material and not personal opinion.

These new questions, which are now posed to every student in every course, will help the College meet Commission Standard II.A.7.a by providing clearer data on the extent to which instructors distinguish between personal conviction and professional opinion. The data will be used at the instructor level for professional growth plans or progressive discipline, at the program level for professional development planning, and at the institutional level for continuous quality improvement.

The Dean of Academic Programs and Services is currently compiling aggregate data from responses to these new questions and will use the data to inform some of the content to be covered in professional development sessions for faculty scheduled for November 29—30, 2011.

Recommendation # 10: To meet the Standard the team recommends that the governing board engage training on the proper role and conduct of regents, general governing board relations and practice, college policy and Accreditation Standards and Commission Policy and adhere to its role in establishing policy and strategic-level decision-making; in accordance with its own policy. (Standards IV.B.1, IV.B.1.b, IV.B.1.e, IV.B.1.j, IV.B.1.h)

The Northern Marianas College Board of Regents continues to place a high priority on training and board development. The orientation of the Board's newest member, William Torres, was conducted on May 4, 2011. He was also provided a copy of the Board manual that includes Board operations policies, organizational chart, financial audit, and other important College documents.

The Board of Regents has also continued to participate in training on the proper roles and functions of board members, including the most recent training facilitated by the College Brain Trust (CBT) on September 29 and 30, 2011.

Based in Sacramento, California, as the consulting arm of the McCallum Group Inc, CBT has provided a wide-variety of consulting services to more than 30 community colleges in California, Michigan, Wyoming, Idaho and Washington, D.C. The September 29th and 30th workshop was facilitated by Dr. Cindra Smith, a nationally recognized expert in community college trusteeship, and Dr. Walt Packard, who has served as a senior level administrator and leader at a variety of US community colleges.

The workshop focused on studying accepted and recognized principles of effective community college board governance and identifying strategies to meet to the Standards for board governance established by the Commission. In their evaluation of the workshop (Appendix N--College Brain Trust Board Training Workshop Observations), Drs. Smith and Packard observed that "adhering to a thoughtful set of communication protocols, refraining from directing staff, an annual calendar and regular monitoring report, and reducing the number of committees can have a significant impact on both the appearance and reality of slipping from sound governance through policy to intervening in the day-to-day management of the College." Drs. Smith and Packard added, "Your discussions of the above topics and your stated intention to implement the strategies noted above should go a long way in helping you focus on your policy role."

The Board and the president will build on the September 29—30 Board Training Workshop in the months ahead as the CBT continues its training and professional development with the Board. Future session with the CBT will be conducted monthly via video-teleconference (VTC) sessions with Drs. Smith and Packard, as well as with the following CBT consultants:

- Dr. George Boggs, former president of the American Association of Community Colleges
- Cy Gulassa, trustee, Peralta Community College District
- Rocky Young, former chancellor of the Los Angeles Community College District

- Dr. Diane Troyer, founding president of Lone Star College, Cy-Fair, in Houston, Texas
- Dr. Paul Elsner, former chancellor of the Maracopa Community College District in Phoenix, Arizona

In addition to these activities, President Hart has provided Board members with guidance and assistance on matters concerning Board roles and responsibilities, especially focusing their activities on establishing policy and strategic-level decision-making. The president has extensive background in the Carver model of board governance, which is designed to empower boards of directors to fulfill their obligation of accountability for the organizations they govern. The model also enables the board to focus on the larger issues, to delegate with clarity, to control management's job without meddling, to rigorously evaluate the accomplishment of the organization; to truly lead its organization. Consistent with the Carver model of board governance, the Board recently voted to temporarily suspend Board committees in order to avoid micromanaging, to improve the efficiency and effectiveness of the Board, and to focus the Board on matters of policy and broader institutional effectiveness.

The Chairperson of the Board of Regents also recently participated in the Association of Community College Trustees (ACCT) Annual Leadership Congress meeting that centered on focusing community college efforts on student success and completion. Various topics were covered during the session, including the role of trustees, expanding access to higher education, and sustaining policy governance. During the meeting, the College was also granted voting privileges for regional and national matters, and the Chairperson was also appointed as the State Coordinator for the CNMI on all matters relating to ACCT.

IV. Accreditation Standards

Standard I.B:

Improving Institutional Effectiveness

The institution demonstrates a conscious effort to produce and support student learning, measures that learning, assesses how well learning is occurring, and makes changes to improve student learning. The institution also organizes its key processes and allocates its resources to effectively support student learning. The institution demonstrates its effectiveness by providing 1) evidence of the achievement of student learning outcomes and 2) evidence of institution and program performance. The institution uses ongoing and systematic evaluation and planning to refine its key processes and improve student learning.

Institutional effectiveness at the College is monitored pursuant to a new BOR policy, Policy 201 “Monitoring College Effectiveness” (Appendix K--BOR Policy 201), which replaces previous BOR policy 1025 “Institutional Effectiveness.” As the policy states, “The Board of Regents shall monitor College effectiveness in meeting Board policies. Monitoring will be done in a way to permit the Board to focus on planning the future direction of the college, its campuses, and its programs.”

The new policy improves upon the previous policy by clarifying and specifying the scope and types of data that the College will monitor to ensure institutional effectiveness. Data areas under the new policy include student achievement and learning data, information on partnerships and collaborations, workforce development data, quality effectiveness data, information on human resources, and financial data.

BOR Policy 201 is consistent with the College’s ongoing and systematic processes for integrated planning, assessment, evaluation, program review, budgeting, and resource allocation. Those processes are facilitated through a shared governance model that promotes a collegiate culture of data-driven, evidence-based decision-making for continuous quality improvement. As defined in the College’s Institutional Excellence Guide (Appendix O--NMC Institutional Excellence Guide) shared governance is “the process of consulting with and enabling various constituencies within the College community to be informed and to provide input that affects decisions made at the Northern Marianas College.”

The College’s shared governance model routes dialogue through the following governance bodies: The College Council, the Budget and Finance Committee (BAFC), the Planning, Program Review Outcomes and Assessment Committee (PROAC), and the Academic Council.

The College Council was created to ensure that appropriate members of the College community participate in the development of annual budgets, annual strategic plans, new programs and services, and major facilities planning prior to adoption by college officials; and to ensure that all members of the college community have access to information

regarding ongoing developments and issues and that there is an open forum for institutional dialogue.

BAFC is responsible for advising the president on financial matters. It is charged with aligning institutional priorities with the allocation of resources; reviewing and adjusting the budget in accordance with present circumstances and future projections; and for producing reports required of it by the membership.

PROAC is tasked with building and sustaining a campus wide culture of evidence and concerns itself with matters relative to accreditation, assessment and with monitoring the fidelity of initiatives and other actions being implemented as recommended through program review, other means of assessment.

The Academic Council advises the president on all matters related to instructional programs and academic regulations. The council reviews and offers advice on the quality of and continued need for various instructional programs, and, as appropriate, offers advice on the deletion of academic programs. The council also facilitates assessment of student learning outcomes at the course level, and works closely with PROAC on all assessment and program review activities. In particular, the Academic Council and the Dean of Academic Programs and Services facilitate and oversee annual course assessment and instructor evaluations in all academic programs.

The College's shared governance model also routes self-reflective dialogue through the following representative bodies: the Associated Students of NMC (ASNMC), the Faculty Senate, and the Staff Senate.

ASNMC serves as the representative body of all students enrolled at the College and acts on behalf of and serves as a forum of the student assembly. ASNMC is directly involved in shared governance through voting membership on the College Council. The president of the ASNMC also sits on the Board of Regents as a nonvoting, advisory honorary member.

The Faculty Senate is the official representative body of the Faculty Assembly of the College. The Faculty Senate participates in shared governance at the College by initiating, developing, and reviewing policies on academic and administrative matters of the College; providing advisory comments on proposed Board of Regents policies on academic and administrative matters prior to their adoption by the Board of Regents; and participating in maintaining the integrity of the academic processes of the College. In participating in the governance process of the College, the Faculty Senate has voting representation on the College Council, and the Faculty Senate president serves as a nonvoting honorary advisory member of the Board of Regents.

The Staff Senate serves as the official representative body of the Staff Assembly. The Staff Senate provides an open forum for the concerns brought to it by the Assembly and directly participates in the governance of the college by assisting in determining the need for, initiating and developing, and reviewing policies on administrative matters affecting the welfare of the College. The Staff Senate is directly involved in shared governance through

voting membership on the College Council. The president of the Staff Senate also sits on the Board of Regents as a nonvoting, advisory honorary member.

In addition to the College's shared governance model, self-reflective dialogue is also structured through the College's program review processes. As stated in the College's Institutional Excellence Guide (Appendix O--NMC Institutional Excellence Guide), "Each academic, student services, and administrative programs uses the Nichols and Nichols (2000) five column model (Form 1) (Appendix P--Sample Form 1) to identify student learning outcomes (SLOs), program learning outcomes (PLOs) and/or administrative unit outcomes (AUOs). Programs develop specific measures and criteria for determining success for each outcome. Data are gathered and analyzed to determine if the outcomes are being met or if curricular/administrative processes need change. A program's Form 1 is incorporated into its program review report (Form 2) (Appendix Q--Form 2 Template) which provides a comprehensive analysis of the program's effectiveness and presents recommendations for the program and the institution based on a thorough analysis of data."

Dialogue at the College is also structured through the administrative hierarchy of the college. Employees in each division and department communicate ideas and concerns through their respective supervisors who, in turn, route those ideas and concerns up the hierarchy.

Dialogue is also structured through assemblies held throughout the academic year, including Semester Professional Development Days (PDD), the annual Planning Summit, and various workshops. Over the past year, several assemblies have provided faculty, staff, and students with venues for engaging in self-reflective dialogue about the continuous improvement of student learning and institutional processes. Lastly, dialogue is structured through various communication media, including email, the College's website, and internal memoranda.

Standard I.B.4: The institution provides evidence that the planning process is broad-based, offers opportunities for input by appropriate constituencies, allocates necessary resources, and leads to improvement of institutional effectiveness. The institution uses documented assessment results to communicate matters of quality assurance to appropriate constituencies.

The shared governance model of the College provides mechanisms for stakeholders to participate in planning through the following governance and representative bodies: College Council, the Budget and Finance Committee (BAFC), the Program Review Outcomes and Assessment Committee (PROAC), the Academic Council, the Faculty Senate, the Staff Senate, and ASNMC. Furthermore, President Hart has continued the decision of then Interim President Cabrera to include the presidents of the Faculty Senate, the Staff Senate, and the ASNMC on the Management Team.

In addition to these governance and representative bodies, regular and special assemblies are held throughout the year to allow stakeholders to participate in the dialogue for planning. These assemblies include General Assemblies, Faculty Assembly meetings, Staff Assembly meetings, Term Professional Development Days (PDD), the annual Planning Summit, and

various workshops. These assemblies are often scheduled to accommodate maximum participation. In some cases, such as the 2010 Planning Summit, classes are suspended and offices are closed to enforce mandatory attendance at assemblies. Attendance is documented at all assemblies to monitor participation and video teleconferencing is enabled for each assembly and governance body meeting to ensure participation from Rota and Tinian stakeholders. Moreover, information about assembly meetings and governance body meetings are circulated via email to all employees.

At the program level, programs participate in planning by identifying outcomes to focus on during each cycle of program review. Progress on such plans is reflected in each program's annual assessment and program review reports. Participation in program review, as a component of planning, is required of every employee and embedded into each employee's contract and annual evaluation.

Each cycle of program review results in an annual Composite Report, which lists recommendations for resource allocation that in turn inform decisions about budgeting and resource allocation.

Status

On May 17, 2011, the College convened a Strategic Planning Summit, in which the College's Strategic Planning Task Force launched a year-long collaborative process to develop the next five-year strategic plan for the College. In subsequent meetings, the task force also worked with President Hart and the College's Management Team to develop a set of planning goals and priorities for Fiscal Year 2012 (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities) that were formally adopted by the Board of Regents at its meeting on September 29, 2011. The goals and priorities lift from the current PROA Strategic Plan 2008—2012 (PROA-SP) and include the following goals: improve student success, optimize financial resources, enhance information technology, focus on Commonwealth workforce development needs, and accomplish other distinctive objectives in an environment of continuous quality improvement. All programs have been directed to complete program-level operational plans using a template (Appendix D--Operational Plan Template) provided by the Office of Institutional Effectiveness. Programs are expected to submit completed plans to the Management Team by October 24, 2011. The president will, in turn, evaluate members of the Management Team against performance goals identified in action plans of programs under their respective supervision.

The College's planning efforts are also being guided by a recent white paper (Appendix E--Critical Budget Decisions for FY 2012 and Beyond) developed by President Hart. Drawing from an article published by Dennis Jones in the January/February 2011 issue of Association of Governing Boards (AGB) Trusteeship entitled "Protecting and Building Your Institution's Assets", President Hart's white paper emphasizes that the College's "approach to resource allocation must put the long-term capacity and health of the College at the center of the process...[That approach] must be strategic [and must] protect and enhance our College rather than erode its core capacity and ability." Laying out five steps for making intentional decisions about budgeting and resource allocation, the president's white paper has been

integrated into the College's ongoing dialogue about planning, budgeting, and resource allocation.

Furthermore, anticipating budget cuts for Fiscal Year 2012 and the expiration of American Recovery and Reinvestment Act (ARRA) and State Fiscal Stabilization Fund (SFSF) funding, in the fall of 2010, the College began revisiting its planning, program review, and budgeting processes to make more efficient use of limited resources. The Board of Regents Fiscal and Legislative Committee, the College Council, BAFC, and PROAC drew from the experience of Drake University in 2000 to improve the link between program review, planning, and budgeting and resource allocation. The result was the development of a piloted project dubbed the "Form 3" process.

The Form 3 timeline (Appendix F--Form 3 Timeline) and template (Appendix G--Form 3 Template) facilitated a process by which planning and program review informed budgeting and resource allocation decisions for FY 2012. As the timeline reflects, this process allowed the College to use the results of program review to make strategic budget and resource allocation decisions that directly link to the College's current strategic plan. PROAC also adopted procedures (Appendix H--Form 3 PROAC Procedures) to guide its work in reviewing Form 3 submissions. These developments not only improved the College's program review and planning processes, but they also helped the College prepare for anticipated budget cuts for FY 2012 as well as the expiration of funding from the ARRA and SFSF.

As a result of the Form 3 project, the development of the FY 2012 Operations Budget was modified to reflect Form 3 funding levels and incorporate narratives from the Form 3 process. Moreover, BAFC is also requiring programs to provide quarterly updates on their progress in meeting goals and objectives that programs submitted to BAFC as part of the budget development process. BAFC will use these updates to hold programs accountable to effective use of allocated funds.

In addition to these ongoing enhancements to the College's planning and budgeting processes, PROAC has taken steps to improve the College's program review processes. Based on its evaluation of Cycle 3 of program review, which concluded in the fall of 2010, PROAC identified several recommendations in the 2010 Composite Report to improve future cycles of program review. Based on those recommendations, PROAC took the following actions for the current cycle of program review:

- PROAC adopted a cyclical program review calendar (Appendix I--NMC Program Review Calendar) in which academic programs and non-academic programs alternate every year in submitting program review reports (Form 2s).
- PROAC required programs to submit quarterly Records of Dialogue instead of the annual submission required in previous cycles.
- A subcommittee of PROAC refined the Form 2 template for academic programs that are participating in the current cycle of program review. The revised Form 2 template provides for more in-depth analysis and discussion of data and evidence.

- PROAC developed Form 2 rubrics and a Form 2 evaluation sheet (Appendix J-- PROAC Form 2 Rubrics and Evaluation Sheet) to provide both formative and summative assessment of submitted Form 2s in order to help programs improve the quality of Form 2 submissions.

These steps taken by PROAC will enable the College to more clearly and effectively document and communicate data and evidence on assessment and program review to College stakeholders in the upcoming 2011 Composite Report, which will be finalized by PROAC on November 15, 2011.

In addition to these steps taken by PROAC, the new BOR Policy 201 will improve the College's efforts to document and communicate data and evidence of quality assurance to the BOR and all College stakeholders by clarifying and specifying the scope and types of data that the College will monitor to ensure institutional effectiveness.

Furthermore, President Hart has tasked the OIE to work with the National Center for Higher Education Management Systems (NCHEMS) to begin developing a peer comparison analysis. Through the Comparison Group Selection Service (CGSS) of NCHEMS, the College has already identified six institutions for peer analysis: Chipola College in Marianna, Florida; Great Basin College in Elko, Nevada; Northern New Mexico College in Espanola, New Mexico; Edison State Community College in Piqua, Ohio; Kent State University Salem Campus in Salem, Ohio; and Guam Community College in Mangilao, Guam. The peer comparison analysis will help contextualize the College's data and benchmark that data against data of comparable peer institutions.

Standard I.B.6: The institution assesses its evaluation mechanisms through a systematic review of their effectiveness in improving instructional programs, student support services, and library and other learning support services.

Each cycle of program review results in an annual Composite Report, which lists recommendations for resource allocation that in turn inform decisions about budgeting and resource allocation. The Composite Report also includes a discussion of the strengths and weaknesses of that cycle of program review and makes recommendations to improve the next cycle of program review. PROAC facilitates the implementation and evaluation of each recommendation in subsequent cycles of program review.

The Academic Council facilitates assessment of student learning at the course level, including routine discussions of how to effectively assess learning and evaluate instructional quality. The council also works closely with PROAC on all assessment and program review activities.

Status

The 2010 Composite Report included 15 recommendations to improve the next cycle of program review. Based on those recommendations, PROAC took the following actions for the current cycle of program review:

- PROAC adopted a cyclical program review calendar (Appendix I--NMC Program Review Calendar) in which academic programs and non-academic programs alternate every year in submitting program review reports (Form 2s).
- PROAC required programs to submit quarterly Records of Dialogue instead of the annual submission required in previous cycles.
- A subcommittee of PROAC refined the Form 2 template for academic programs that are participating in the current cycle of program review. The revised Form 2 template provides for more in-depth analysis and discussion of data and evidence.
- PROAC developed Form 2 rubrics and a Form 2 evaluation sheet (Appendix J--PROAC Form 2 Rubrics and Evaluation Sheet) to provide both formative and summative assessment of submitted Form 2s in order to help programs improve the quality of Form 2 submissions.

These steps taken by PROAC demonstrate that the College continually engages in systematic review of its program review processes to ensure they are effective in improving instructional programs, student support services, and library and other learning support services.

In addition, as the Form 3 process concluded, PROAC and BAFC took time to evaluate the Form 3 process (Appendix R--PROAC and BAFC Evaluation of Form 3 Process) to identify what worked, what did not work, and what could be improved should the process ever be used again. Those evaluations provide useful information as the College continually assesses its planning, program review, budgeting, and resource allocation processes.

Likewise, throughout the fall 2010 and spring 2011, Academic Council engaged in dialogue about improving instructional quality by modifying course assessment and enhancing the College's instructor evaluation process. For instance, in the fall of 2010, the council decided to revise the College's course assessment processes into a more manageable staggered schedule.

As part of that assessment, the council established a subcommittee of faculty members to review and evaluate course assessment submissions in order to identify recurring themes and patterns across departments that may, in turn, inform planning, program review, budgeting, and resource allocation decisions. The subcommittee is currently compiling the results of its evaluation for review and discussion by the Academic Council.

To continue assessing its evaluation mechanisms, three College faculty will participate in the Western Association of Schools and College's (WASC) October 27—29, 2011 Retreat on Assessment in Practice. At the retreat, the participating faculty will work with WASC mentors to evaluate current assessment practices at the College, including the staggered course assessment and assessment models in the College's School of Education.

Standard II.A: Instructional Programs***Standard II.A.7.a: Faculty distinguish between personal conviction and professionally accepted views in a discipline. They present data and information fairly and objectively.***

A number of Board of Regents (BOR) policies demonstrate the College's institutional commitment to the free pursuit and dissemination of knowledge with the expectation that faculty balance their academic freedom with the responsibility to distinguish between personal conviction and professionally accepted views in a discipline.

BOR Policy 3001, "Professional Ethics", states, "In recognizing a special responsibility to their disciplines to seek the truth and to state it as they see it, they practice intellectual honesty." The policy further states, "Instructors encourage in their students the active pursuit of learning and honest academic achievement." To that end, the policy notes that instructors "adhere strictly to their proper role as intellectual guides and academic counselors...[and] present in their actions and in their person examples of the highest standards of professional discipline."

In upholding the highest standards of professional discipline, BOR Policy 3001 recognizes that instructors "measure the use of these rights and the urgency of these obligations in light of their responsibilities to their students, to the College, and to their profession." The policy further states, "When [faculty] speak or act as private persons, they avoid giving any impression that they speak or act for the College." This policy is reinforced by College procedure 4069, "Code of Ethics", which requires that faculty "take adequate precautions to distinguish between his/her personal views and those of the College."

BOR Policy 3001 is reinforced by BOR Policy 3004, "Academic Freedom and Responsibility", which states, "Academic freedom is the right of members of the academic community to conduct research, to teach and to communicate knowledge in their fields of expertise, openly and without influence by individuals with a particular bias." The policy also requires that such academic freedom be exercised responsibly, stating that instructors "should also take care to distinguish between personal conviction and proven conclusions and to present relevant data fairly and objectively." The policy is reinforced by College procedure 4069, "Code of Ethics", which states that instructors "shall promote the student's independent action in his/her pursuit of knowledge and shall not prevent the student access to varying points of view [and] shall present the subject matter for which he/she bears responsibility."

These policies and procedures are embedded into the contracts of faculty according to BOR Policy 4020, which reiterates, "Faculty shall be guided by a deep conviction of the worth and dignity of the advancement of knowledge, recognize a special responsibility to their disciplines to seek the truth and to state it as they see it -- they practice intellectual honesty." In accordance with this policy, faculty contracts also state, "Instructors encourage the active pursuit of learning and honest academic achievement in their students...[and] present in their actions as in their persons examples of the highest standards of scholarly discipline."

These policies that expressly require instructors to distinguish between their personal opinions and professionally accepted views and to present data and information fairly and objectively are enforced by instructor evaluation and employee disciplinary policies and procedures. BOR Policy 3011 “Student Evaluations” requires that every “instructor in the College is to be evaluated by his/her students in every course, in every academic session.” Such student evaluations are part of a broader instructor evaluation as set forth in BOR Policy 3033 “Evaluation of Instructional Faculty” and carried out by corresponding NMC Administrative Procedure 3033, which includes evaluation tools such as Student Evaluations, classroom observations, and conferences between the instructor and his or her respective Department Chair or Director.

Should the evaluation process lead to the determination that an instructor has consistently failed to distinguish between personal conviction and professionally accepted views within his or her respective discipline, Administrative Procedure 3033 calls on his or her Department Chair or Director to work with the instructor to develop a Professional Development Plan (PDP) to improve in that area. BOR Policy 4352 and NMC Administrative Procedure 4352 also provide mechanisms for suspending or terminating the instructor in the event that he or she fails to follow BOR policies, including BOR Policy 3004, which requires instructors “to distinguish between personal conviction and proven conclusions and to present relevant data fairly and objectively.”

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To help faculty meet Standard II.A.7.a, on August 9, 2011, the Dean of Academic Programs and Services sponsored a professional development session for faculty that focused on appropriate and professional behavior of faculty in multi-cultural classrooms. The first part of the session focused on a review of two key documents, “Qualities and Competencies of the Professional Teacher” (Appendix L--Qualities and Competencies of the Professional Teacher) and the “1940 Statement of Principles on Academic Freedom and Tenure with 1970 Interpretive Comments” by the American Association of University Professors and the Association of American Colleges (Appendix M--1940 Statement of Principles on Academic Freedom and Tenure). Those documents, along with a few supplemental materials, guided group discussion about appropriate and professional behavior of instructors in the classroom.

The second part of the session was a dramatization of a “worst-case” scenario classroom. Featuring student and faculty actors, the dramatization served as a discussion prompt for faculty, who afterwards discussed how the instructor in the dramatization not only violated Standard II.A.7.a, but violated several acceptable norms of professional behavior.

The third and final part of the session brought faculty participants together in groups to answer questions about faculty professional behavior at the College. Groups engaged in intensive discussions and then presented their findings to each other.

In addition, at its March 18, 2011 meeting, the Academic Council took action to add three new questions to the end of term course/instructor evaluation form beginning in the spring 2011 term:

- The instructor presented information fairly and objectively.
- The instructor spent class time on issues or topics related to the course.
- The instructor promoted thoughtful discussion based on course material and not personal opinion.

These new questions, which are now posed to every student in every course, will help the College meet Commission Standard II.A.7.a by providing clearer data on the extent to which instructors distinguish between personal conviction and professional opinion. The data will be used at the instructor level for professional growth plans or progressive discipline, at the program level for professional development planning, and at the institutional level for continuous quality improvement.

The Dean of Academic Programs and Services is currently compiling aggregate data from spring 2011 responses to these new questions and will use the data to inform some of the content to be covered in professional development sessions for faculty scheduled for November 29—30, 2011.

Lastly, in order to promote broader awareness of these new questions, and all questions on the end of term course/instructor evaluation form, all questions that appear on the evaluation form were emailed to students on October 7, 2011 and are also posted on the College's website. By providing students with these questions during the term, students are apprised of the professional expectations the College has of its instructors, including the expectation that instructors distinguish between personal conviction and professional opinion.

Standard III.A: Human Resources

The institution employs qualified personnel to support student learning programs and services wherever offered and by whatever means delivered, and to improve institutional effectiveness. Personnel are treated equitably, are evaluated regularly and systematically, and are provided opportunities for professional development. Consistent with its mission, the institution demonstrates its commitment to the significant educational role played by persons of diverse backgrounds by making positive efforts to encourage such diversity. Human resource planning is integrated with institutional planning.

The Human Resources Office (HRO) follows Board of Regents (BOR) Policies 4000 series and corresponding administrative procedures to recruit and hire qualified personnel who have the required education, training and experience to effectively support student learning programs and services. Administrators, department chairs, department heads, and directors work closely with their deans and the Human Resource Office (HRO) in identifying the positions necessary to meet the department's needs and the mission of the College.

BOR Policy 4072 concerning Equal Employment Opportunity and Affirmative Action promotes equity, fairness, and diversity in employment opportunities and commitment to hiring persons of diverse backgrounds.

The College plans professional development activities for all personnel at the beginning of and during fall and spring Semesters of every year. The Management Team works with the Office of the President in planning and preparing each term's Professional Development Days (PDDs) to continuously meet the needs of its personnel. Ongoing professional development on and off-island is also offered throughout the year on a wide range of topics and issues. Employees can also avail of tuition assistance for enrolling in appropriate courses at the College. The Community Development Institute (CDI) also offers continuing education opportunities for College employees, including the Framingham University Masters in International Education program.

Annual budget requests for needed positions are presented to the Budget and Finance Committee (BAFC) for review and deliberation. After discussion and deliberation, personnel budget requests are submitted to the College Council for further review and discussion before being submitted to the president. The president reviews budget submissions with the Management Team and makes final determinations for budget proposals to the Board of Regents for the Board's approval and adoption. Personnel budgets are contingent on the availability of funds appropriated by both the local government or grants obtained from federal sources.

Job vacancies for approved and funded positions are widely and publicly announced through the college web site, E-mail, print advertisements in local newspapers such as Marianas Variety, Saipan Tribune, on-island government agencies such as the Office of Personnel Management, private agencies such as Gold's Gym, and off-island media such as HigherEd Jobs.com. These job vacancy announcements specify required minimum education and experience to recruit qualified applicants.

Employment applications are screened by HRO using the Qualification Evaluation Worksheet (QEW) to confirm if the applicant meets the required minimum education and experience of the job vacancy announcement. Applicants with degrees from non-U.S. accredited institutions are certified using credential evaluators who are members of the National Association of Credential Evaluation Services (NACES) to validate its equivalency to that of a U.S. accredited institution..

Application packages of qualified candidates are then provided to each member of the interview committee. The interview committees consist of administrators, staff and/or faculty who represent the various divisions in the College. However, faculty members play a key role in the selection of new instructors. Each of the interview committee members is asked to submit interview questions, which are then reviewed by HRO to comply with the Equal Employment Opportunity Commission (EEOC) standards and are approved by the entire interview committee.

Qualified applicants are asked the same set of questions pertaining to the job vacancy announcement, and each interview committee forwards its top recommendations to the hiring authority, usually a dean or director, for additional interviews and final selection.

Through the strict compliance of BOR Human Resource Policy and Administrative Procedure 4008 “Recruitment and Hiring Practices” the College is committed to seeking and selecting the most qualified candidates for all positions.

Standard III.A.3.a: The institution establishes and adheres to written policies ensuring fairness in all employment procedures.

The College has established Board of Regents Policies and corresponding administrative procedures that make certain that fairness is kept in all employment procedures. In particular, BOR Policy 4072 concerning Equal Employment Opportunity and Affirmative Action promotes equity, fairness, and diversity in employment opportunities and commitment to hiring persons of diverse backgrounds.

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Recognizing that many current BOR policies are more procedural in nature and less policy-oriented, President Hart has begun an aggressive effort to update and review all BOR policies. During weekly Management Team meetings, various policies from different departments are introduced and reviewed and advanced to governance bodies for input; these are these transmitted to the appropriate Board Committee which further evaluates them and submits a final recommendation to the full membership of the Board.

This renewed focus on updating BOR policies will lead to another review of policies related to human resources, including BOR Policy 4072, in order to update such policies and reinforce them through appropriate administrative procedures.

Standard III.D: Financial Resources

Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.

Funding for Northern Marianas College comes from four general sources: CNMI government appropriation, tuition and fees, federal grants, and philanthropic contributions to NMC's Foundation. Government appropriations are provided every year through the Governor's budget call and approved appropriations from the CNMI Legislature. To supplement this funding, the College is authorized by CNMI Public law 4-34 to set and collect tuition and fees necessary for the institution's operations. The College also qualifies for and avails of funding for several federal programs including the Cooperative Research Extension and Education Service (CREES), the College Access Challenge Program (CACP), Adult Basic Education (ABE), and Upward Bound. Lastly, in 1999, the BOR established the NMC Foundation, a nonprofit organization charged with acquiring, managing, and disbursing funds from alternative sources to support the advancement of the College's educational programs and services. Together, these funding sources help ensure that the College's financial resources are sufficient to support student learning programs and services, and to improve institutional effectiveness.

Budgeting and resource allocation follows processes set forth in the Institutional Excellence Guide (Appendix O--NMC Institutional Excellence Guide). These processes are routed through the College's shared governance structures to link institutional planning, assessment and program review, and budgeting. Dialogue in those processes is guided by goals, priority initiatives, and specific objectives and outcomes identified in the PROA Strategic Plan 2008—2012 (Appendix T--PROA Strategic Plan 2008--2012) and each year's Operational Plan. The president leads the College's efforts in developing goals and objectives that guide planning, budgeting, and resource allocation.

Budgeting and resource allocation proposals are synthesized into the Annual Budget, which is a consolidation of the CNMI government appropriations, an operation budget that is funded by tuition and fees, and federal funds. The respective deans and directors are responsible for developing program budgets. The Budget and Finance Committee (BAFC) is tasked with providing oversight to the budget preparation process by holding departmental hearings for each submission. Throughout the budgeting process, BAFC works with the Program Review Outcomes and Assessment Committee (PROAC) and the College Council to align budget submissions with program review results, Institutional Priorities, PROA Strategic Plan 2008—2012 (Appendix T--PROA Strategic Plan 2008--2012), and each year's Operational Plan. Such alignments help ensure that resource allocations support the development, maintenance, and enhancement of the College's programs and services. All budget proposals are routed through shared governance to the president. The president

reviews budget submissions with the Management Team and makes final determinations for budget proposals to the Board of Regents for the Board's approval and adoption. Personnel budgets are contingent on the availability of funds appropriated by both the local government or grants obtained from federal sources.

Upon Board approval, the Appropriations Budget is forwarded to the Governor for inclusion in the budget submission to the legislature. The Board and the president then work with members of the Legislature towards an appropriations allocation that approximates the amount requested in the College's Annual Budget proposal.

To assure the institution's financial stability, BOR Policy 2000, requires that the College plan for financial uncertainties by maintaining a reserve fund at all times. As the policy states, "on an annual (financial year) basis five percent of the total Tuition and Fees (Operations) budget shall be deposited into the Reserve Fund."

The College is audited annually by an independent public accounting and auditing firm. Copies of the annual audit reports are disseminated to members of the Board of Regents, the president, the College Council, BAFC, deans and the Chief Financial and Administrative Officer (CFAO). The audit reports are available online through the website of the CNMI Office of the Public Auditor (OPA) at www.opacnmi.com.

Regular financial updates are provided to the Board of Regents as part of the president's report, which is a standing agenda item for every regular board meeting. In addition, the Budget Officer provides expenditure reports to all expenditure authorities on a monthly basis, and upon request from authorized personnel. These reports inform the expenditure authorities on current encumbrances, budget balances, and any reprogramming adjustments that may be needed. In the event that operations funds need to be reprogrammed from one program to another, BAFC reviews reprogramming requests.

Standard III.D.1.a: Financial planning is integrated with and supports all institutional planning.

In December 2008, the College adopted its Institutional Excellence Guide (Appendix O--NMC Institutional Excellence Guide), which provides an overview of the shared governance process at the College, as well as the process by which institutional planning, assessment, and financial planning are linked. Financial planning at the College is guided by the College's mission, PROA Strategic Plan 2008—2012 (PROA-SP) (Appendix T--PROA Strategic Plan 2008--2012) annual institutional priorities, and results of program review.

The allocation of resources involves linking, prioritizing, and funding program review results, planning, and fiscal year priorities. Prioritization begins at the program and department levels by completing program review functions as dictated through the College's program review Form One and Form Two. The Planning, Program Review and Outcomes Assessment Committee (PROAC) guides the College's program review process and assists in

identifying and setting priorities at the program levels. These priorities are used by the Budget and Finance Committee (BAFC) during the budgeting process.

The planning process for allocation of financial resources typically begins with an Annual Budget Call for individual offices and departments to prepare their respective budgets in accordance with guidelines and criteria as specified in the budget call memorandum.

The respective deans and directors are responsible for developing program budgets. BAFC is tasked with providing oversight to the budget preparation process by holding open hearings for each submission. Budget justifications are expected to be consistent with program review results, Institutional Priorities, and the PROA-SP. After discussion and deliberation in BAFC, personnel budget requests are submitted to the College Council for further review and discussion before being submitted to the president. The president reviews budget submissions with the Management Team to ensure alignment with goals and priorities for the year and makes final determinations for budget proposals to the Board of Regents for the Board's approval and adoption.

For the fiscal year 2012 budget development cycle, through its shared governance process, the College adopted its Form 3 mechanism of linking planning and program review with resource allocation. All departments that receive funding under the Tuition and Fees and Indirect Costs Budget (Tuition and Fees Budget) completed a Form 3 as a function of planning and program review that was used to guide the budgeting process. PROAC rated each Form 3 submission as a basis for ranking each department within the Increase Maintain Decrease (IMD) lists. PROAC then transmitted the ranked lists to the Budget and Finance Committee which established budget ceilings for each department based on their ranking. Departments on the increase list saw an increase in their proportionate base budget over the current fiscal year, those on the maintain list maintained their current budget proportion, and those on the decrease list saw a decrease in their proportionate base budget.

To strengthen the link between planning, program review, and budgeting that was established through the Form 3 process, the Budget Office issued revised budget forms that tie in a department's mission, goals, and objectives with those of the institution. The forms serve as a tool not only to assist managers in financial planning, but also to serve as a supplement to ongoing program review. As suggested to the College during two previous Commission evaluation team visits, the College has begun the process of quarterly budget progress reporting from departments to the Budget and Finance Committee. This enhances the College's ability to evaluate the efficient and effective use of its financial resources and make budgetary modifications if necessary in order to ensure that fiscal resources are adequate to support student learning programs and institutional effectiveness.

The Budget and Finance Committee makes budget proposals to the College Council, which, in turn, reviews the proposals and transmits recommendations to the president. The president works with the Management Team to further review proposals and make final recommendations to the Board of Regents for final review and adoption. This cycle is performed on an annual basis.

Standard III.D.2: To assure the financial integrity of the institution and responsible use of its financial resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.

The College strives to assure the financial integrity of the institution and responsible use of financial resources through the financial management system, which has appropriate control mechanisms. The College widely disseminates dependable and timely information for sound financial decision making, for example, regular budget-to-actual spending reports to program and department heads, financial reporting at Board meetings. The integrity of the institution's finances are demonstrated by the issuance of an unqualified opinion on the audit of its financial statements for Fiscal Years 2007, 2008, and 2009, 2010 by the independent auditing firm of Deloitte & Touche, LLC.

The financial management system maintains strict control mechanisms. All expenditures must receive appropriate departmental and institutional approval in which all funding is verified and documented. All purchase orders, travel authorizations, and contracts require the approval and signature of all appropriate program and division heads. After approval of expenditures at the departmental level, the fund certification process includes reviewing all purchase documents to ensure that the proper account, for example, the fund account, general ledger account, department codes, etc.; signature authority; and supporting documentation are provided. Direct communication between departments and the Finance Office ensures the resolution of administrative problems and inquiries related to payment of vendors. Operations on Tinian and Rota are also closely monitored; all expenditures including travel authorizations and payroll are processed through the College's Finance Office on Saipan.

The College's computerized accounting system provides up-to-date, real-time reporting. Financial statements and status reports are prepared on a monthly and quarterly basis as required to ensure compliance with local and federal regulations. The Chief Financial and Administrative Officer (CFAO) provides quarterly updates to the Board of Regents and the president. The CFAO also presents financial status updates to Management Team, the Budget and Finance Committee, and College Council. The Budget Office provides reports on budget-to-actual spending to expenditure authorities on a monthly basis and as requested.

As the College engages in continuous improvement efforts, its financial and budget related processes are currently undergoing revisions. The initial Finance Office Guide due by June 2011 evolved into a more comprehensive and encompassing Accounting Procedures Manual and there is a need to finalize the review and edit of the draft to ensure compliance with existing financial policies and procedures. The revised Budget section of the Planning, Program Review and Budget Manual will require an evaluation of the Form 3 process and discussion to adopt and incorporate into the budgeting process.

Earlier in 2011, the College received notice from the CNMI Office of Management and Budget that there would be an across-the-board cut in the FY 2011 funding, which would translate into a cut of about \$338,000. Up to that point, the College had already taken

precautionary austerity measures and empowered programs to develop cost-saving and revenue-generating measures at the program level. Despite those efforts, the cost savings and revenue were not enough to absorb the funding cuts from the CNMI central government.

Then Interim President Lorraine T. Cabrera thus initiated dialogue with the College's shared governance bodies, namely Budget and Finance Committee (BAFC) and the College Council, to discuss institutional action that could be taken to increase revenue and cut costs. While several cost-saving and revenue-generating ideas were explored, at its June 17, 2011 meeting, the College Council ultimately recommended an eight hour work reduction or a ten percent cut in employee's salaries to run from July 3 through September 30, 2011, the end of the 2011 fiscal year. The College Council recommendation was immediately effectuated by Interim President Cabrera. As a result of those measures, the College saved over \$200,000.

Standard III.D.2.a: Financial planning is integrated with and supports all institutional planning.

The development of program and department budgets begin at the departmental level to create budget requests that appropriately support student learning and are tied explicitly to the PROA Strategic Plan or the results of program review. Departments then participate in open budget hearings conducted by the Budget and Finance Committee. The College continues to operate within its Board of Regents approved annual budgets.

The College participates in annual audits in accordance with OMB Circular A-133. The College has clearly demonstrated financial integrity and stability as evidenced in the audit reports for Fiscal Years 2010, 2009, 2008, and 2007, by receiving an "unqualified opinion" by the independent accounting firm of Deloitte & Touche, LLC. This is especially significant because the College had previously received qualified opinions on the audit of its financial statements since the mid- 1990s. Corrective actions to audit findings are documented and pursued. The College is currently corresponding with USDA to resolve audit findings and questioned costs. The College is waiting for correspondence from USDE on these matters.

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President Hart and the College's Management Team to develop a set of planning goals and priorities for Fiscal Year 2012 (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities) that were formally adopted by the Board of Regents at its meeting on September 29, 2011. The goals and priorities lift from the current PROA Strategic Plan 2008—2012 (PROA-SP) and include the following goals: improve student success, optimize financial resources, enhance information technology, focus on Commonwealth workforce development needs, and accomplish other distinctive objectives in an environment of continuous quality improvement. All programs have been directed to complete program-level operational plans using a template (Appendix D--Operational Plan Template) provided by the Office of Institutional Effectiveness. Programs are expected to submit completed plans to the Management Team by October 24, 2011. The president will, in turn, evaluate

members of the Management Team against performance goals identified in action plans of programs under their respective supervision.

The College's planning efforts are also being guided by a recent white paper (Appendix E--Critical Budget Decisions for FY 2012 and Beyond) developed by President Hart. Drawing from an article published by Dennis Jones in the January/February 2011 issue of Association of Governing Boards (AGB) Trusteeship entitled "Protecting and Building Your Institution's Assets", President Hart's white paper emphasizes that the College's "approach to resource allocation must put the long-term capacity and health of the College at the center of the process...[That approach] must be strategic [and must] protect and enhance our College rather than erode its core capacity and ability." Laying out five steps for making intentional decisions about budgeting and resource allocation, the president's white paper has been integrated into the College's ongoing dialogue about planning, budgeting, and resource allocation.

Furthermore, to ensure that current planning efforts rely on high quality research and analysis on external as well as internal conditions, President Hart has tasked the OIE to work with the National Center for Higher Education Management Systems (NCHEMS) to begin developing a peer comparison analysis. Through the Comparison Group Selection Service (CGSS) of NCHEMS, the College has already identified six institutions for peer analysis: Chipola College in Marianna, Florida; Great Basin College in Elko, Nevada; Northern New Mexico College in Espanola, New Mexico; Edison State Community College in Piqua, Ohio; Kent State University Salem Campus in Salem, Ohio; and Guam Community College in Mangilao, Guam. The peer comparison analysis will help contextualize the College's data and benchmark that data against data of comparable peer institutions.

Standard III.D.2.d: The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

The institution practices effective oversight of finances as is demonstrated in the audit reports for Fiscal Years 2010, 2009, 2008, and 2007, which all received an "unqualified opinion" by the independent accounting firm of Deloitte & Touche, LLC. The Chief Financial and Administrative Officer (CFAO) provides the overall management of the College's finances. The CFAO serves as the president's primary financial advisor and acts as a financial liaison to all stakeholders: internal groups such as the governance councils and external groups such as the CNMI Legislature.

The CFAO and the staff and management of the Finance and Budget Offices, along with federal program managers and the staff and management of the Financial Aid Office, provide effective oversight the institution's overall finances by adhering to College policies and procedures and local and federal regulations.

Each department maintains records regarding purchases and funding specific to their department. Independent auditors from Deloitte & Touche, as well as grantor agencies for federal programs review these records and provide feedback. If costs are questioned, the department reviews its documentation and diligently responds to show that the costs were necessary and essential. In response to audit findings on major federal award programs, the College has implemented corrective action plans that address noted audit findings. In addition, federal programs work closely with their respective grantor agencies to resolve audit findings as part of their annual funding renewal.

Standard III.D.2.e: All financial resources, including those from auxiliary activities, fundraising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.

All financial resources are used with integrity and in a manner consistent with the mission and goals of the institution. The institution continues to operate within its Board of Regents approved budgets, which rely on the College's mission, goals (PROA Strategic Plan), and program review results as a foundation.

Several Board of Regents policies and College governance processes ensure that financial resources are used with integrity and pursuant to the mission and goals of the institution. BOR Policy 2000 stipulates that the College operates on a balanced financial budget on an annual basis and that the College plans for financial uncertainties by ensuring that an adequate reserve is maintained at all times. All related BOR policies in the 2000 series provide for standard internal controls and mechanisms for financial resources. Moreover, in 2010, the College revised and updated its procurement policies and procedures to provide for more control mechanisms.

For additional controls, all funds of the College are reviewed and audited annually by an independent auditing firm. Deloitte & Touche, LLC is currently contracted to conduct the College's annual audit. Regular quarterly and annual reports are provided to grantor agencies as required by each program.

To ensure that the use of financial resources support the fulfillment of the College's mission and goals, resource allocation is guided by the College's planning and program review processes through an established shared governance model. As stated in the Institutional Excellence Guide (Appendix O--NMC Institutional Excellence Guide), "The NMC budget process is designed to provide an open, inclusive, and objective process by which to allocate Northern Marianas College resources." The allocation of resources involves linking, prioritizing, and funding program review results, planning, and fiscal year priorities. The 2008—2012 PROA Strategic Plan (PROA-SP) and the annual Operational Plan serve as foundational documents that guide resource allocations for the College.

Standard IV.B: Board and Administrative Organization

In addition to the leadership of individuals and constituencies, institutions recognize the designated responsibilities of the governing board for setting policies and of the chief administrator for the effective operation of the institution. Multi-college districts/systems clearly define the organizational roles of the district/system and the colleges.

The Board of Regents is responsible for the quality, integrity, and financial stability of Northern Marianas College and the successful fulfillment of its mission, as outlined under Section 2(a) of Article XV of the Commonwealth Constitution, which states:

“The legislature shall establish by law a Northern Marianas College that shall be headed by a president. The president of the college shall be appointed by a representative board of regents. The board of regents shall be appointed to staggered terms by the governor and shall have autonomy in the administration of its affairs.”

The general duties and authority of the Board of Regents are reinforced by 3 CMC § 1304(b), which directs that “the Northern Marianas College is established as a nonprofit public corporation under the general control and direction of a board designated as the Board of Regents of the Northern Marianas College.” Commonwealth Code also specifically empowers the Board of Regents in 3 CMC § 1316 to perform a number of duties, including:

- To hold in trust for the Commonwealth the property and assets of the college, and to have the authority to negotiate loan guarantees and, with the approval of the Commonwealth Development Authority, issue bonds.
- To set the goals and general directions of the college, and to approve policies in pursuit of such goals and directions.
- To adopt, amend and repeal policies governing the conduct of its business and the performance of the powers and duties grant to or imposed upon it by law or the Constitution. To acquire for use by the college any property, whether real, personal or mixed, whether tangible or intangible, or any interest therein, and to sell, lease or otherwise dispose of the same for the good of the college.
- To establish and to oversee the activities of a Northern Marianas College Foundation as a private, nonprofit, tax exempt public corporation for the support of the college.
- In consultation with the Governor, to approve the budget of the college and to have the budget submitted to the legislature.
- To enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its business and on such terms as it may deem appropriate with any agency or instrumentality of the United States, or with any state, Commonwealth, territory, or possession, or with any political subdivision thereof, or with any person, firm, association, or corporation.
- To determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed and paid, subject to provisions of law applicable to the college.

- To establish procurement policies for the college, and to expend funds appropriated by the federal or Commonwealth government or donated to the college by any other entity.
- To take such actions as may be necessary or appropriate to carry out the powers conferred upon it by law and the Commonwealth Constitution.
- To submit an annual budget for the operation and administration of the college to the Governor.

These cited provisions stipulate—in both the Commonwealth Constitution and statutory Commonwealth law—that the Board of Regents is responsible for the quality, integrity, and financial stability of the institution as well as the successful outcome of its educational mission and the use of its financial resources to meet its mission. The Board of Regents has both a broad mandate under Section 2(a), Article XV of the Commonwealth Constitution and 3 CMC § 1304(b), and is specifically empowered to control the college’s affairs, including its financial matters, under 3 CMC § 1316.

The Board delegates to the president the responsibility to develop and maintain an institution that fulfills the College’s mission and achieves the College’s strategic goals and objectives. The president recommends policies to the Board, and is authorized by the Board to exercise broad discretionary powers according to the policies, goals, and general directions established by the Board for the College. The duties of the president, which are specified in BOR policy, include the following:

- being responsible for the organization and administration of the College and for the coordination of its entire instructional program;
- providing direction and leadership in the development and implementation of a research, planning, and evaluation system to assure institutional effectiveness and that the results of such activity will be used for institutional improvement and the establishment of priorities;
- ensuring that various entities of the College have a substantive and clearly-defined role in institutional governance;
- developing an effective program of staff evaluation and improvement;
- preparing a budget in line with the needs of the College, and approving expenditure of funds appropriated to the College by the federal or Commonwealth government or donated to the College by any other entity;
- guiding capital improvement activities and ensuring safe and adequate facilities and grounds in order to maintain a quality learning environment;
- representing the College to the community and maintaining an adequate public information service;
- and maintaining open and adequate channels of communication with the internal and external College community.

Northern Marianas College is a single entity and does not have a district or system structure, although it currently supports non-degree services at its sites on Tinian and Rota.

Standard IV.B.1.a: The governing board is an independent policy-making body that reflects the public interest in board activities and decisions. Once the board reaches a decision, it acts as a whole. It advocates for and defends the institution and protects it from undue influence or pressure.

The Board of Regents of Northern Marianas College is an autonomous, independent policy-making body as outlined under Section 2(a) of Article XV of the Commonwealth Constitution, which states, “The Board of Regents...shall have autonomy in the administration of its affairs. The general duties and authority of the Board of Regents are reinforced by 3 CMC § 1304(b), which directs that “the Northern Marianas College is established as a nonprofit public corporation under the general control and direction of a board designated as the Board of Regents of the Northern Marianas College.” From these provisions in both the Commonwealth Constitution and statutory Commonwealth law, the Board of Regents has a broad mandate under both Section 2(a), Article XV of the Commonwealth Constitution and 3 CMC § 1304(b), and is specifically empowered to control the college’s affairs, including its financial matters, under 3 CMC § 1316.

The Board also reflects constituent and public interest in its activities and decisions through diverse membership and open-meeting requirements. To ensure that the board reflects the diversity of its intended student population, 3 CMC § 1311 requires that: “at least one member shall be a resident of Tinian, one member shall be a resident of Rota, at least one member shall be of Carolinian descent, and at least one member shall be a woman.” This reflection of the public interest is reinforced by 3 CMC § 1315, which stipulates that “all meetings of the board shall be open to the public, except when personal matters affecting the privacy of an individual or other confidential matters are considered.”

Status

The Board of Regents reasserted its autonomy in a recent resolution adopted unanimously by all the Regents. The resolution, “A Resolution Affirming the Autonomy of the Northern Marianas College” (Appendix B--BOR Resolution 2011-03), underscores the College’s independent policy-making role by stressing certain constitutional provisions and Supreme Court decisions that have reaffirmed that College’s autonomy.

The Board and the president have further reinforced the autonomy of the board and the College by continuing regular meetings with the CNMI’s 17th Legislature and the Office of the Governor. Recent meetings include the following:

Date	Participants	Location	Notes
7/26/11	<ul style="list-style-type: none"> • Senator Pete Reyes • Senator Juan Ayuyu • Senator Jovita Taimanao • Senator Luis Crisostimo • Senator Jude Hofschneider 	Senate Chamber	Quarterly meeting with members of the Senate Committee on Education

	<ul style="list-style-type: none"> • Rep. Ray Yumul • NMC Board of Regents • NMC President • NMC Management Team 		
8/24/11	<ul style="list-style-type: none"> • Senator Jovita Taimanao • Senator Jude Hofschneider • Senator Luis Crisostimo • Vice Speaker Ogumoro • NMC Board of Regents • NMC President • NMC Management Team 	NMC D1	Meeting with Senate Committee on Fiscal Affairs where NMC presented budget request and sought fiscal support to meet College Access Challenge Grant MOE Requirement
8/26/11	<ul style="list-style-type: none"> • Members of the 17th House of Representatives • NMC President Dr. Sharon Hart 	House Chamber	Dr. Hart provided public comments in the opening session of the House discussion on the FY2012 Budget
8/30/11	<ul style="list-style-type: none"> • Senator Pete Reyes • Legislative Staff of Representative Stanley Torres BOR Chair Juan Lizama • NMC President Dr. Sharon Hart 	Sen. Pete Reyes Office	Meeting was held for the purpose of discussing merits of House Bill 17-39
9/1/11	<ul style="list-style-type: none"> • Lt. Governor Eloy Inos • OMB Rep. Vicky Villagomez • Lt. Gov. Legal Counsel Teresa Kim • NMC Board of Regents • NMC President • Dean Leo Pangelinan • CFAO Rogelio Madriaga 	Lt. Gov's Conference Room	Meeting where Dr. Hart and BOR members met with Lt. Gov, Vicky Villagomez, and Teresa Kim re: CACG MOE requirement
9/1/11	<ul style="list-style-type: none"> • Senate President Paul Manglona • Senator Ralph Torres • Senator Jovita Taimanao • NMC Board of Regents • NMC President • Dean Leo Pangelinan • CFAO Rogelio Madriaga 	Sen. President's Conf. Room	Discussion focused on CACG MOE

9/6/11	<ul style="list-style-type: none"> • Lt. Governor Eloy Inos • SAA Esther Fleming • Lt. Gov Legal Counsel Teresa Kim • OMB Rep. Vicky Villagomez • CNMI Scholarship Bd. Member Kodep Ogumoro • CNMI Scholarship Rep. Jackie Che • NMC President • Dean Leo Pangelinan 		Discussion focused on CNMI Scholarship / CACG MOE
9/12/11	<ul style="list-style-type: none"> • Speaker Eli Cabrera • Vice Speaker Felicidad Ogumoro • Rep. Ray Basa, Chair of House Ways and Means Committee • Rep. Froilan Tenorio • Rep. Edmund Villagomez • Rep. Ralph Demapan • Rep. Joseph Palacios • OMB Rep. Vicky Villagomez • BOR Chair Juan Lizama • NMC President • Dean Leo Pangelinan • NMC OIE Director • NMC OIA Director • CFAO Rogelio Madriaga 	House Chamber	Members of the House Leadership met with NMC Representatives re: NMC's request for a budgetary allocation of \$5.2M
9/12/11	<ul style="list-style-type: none"> • NMC President • Dean Leo Pangelinan 	Sen. President's Office	Dr. Hart was given a several minutes to present information re: CACG MOE Requirement
9/13/11	<ul style="list-style-type: none"> • Members of the 17th Senate • NMC President 	Senate Chamber	Dr. Hart gave public comments re: budget request for NMC to members of the Senate

In these meetings, the autonomy of the College is consistently emphasized by the College and generally understood by elected officials. For example, the recently passed CNMI budget for Fiscal Year 2012 recognizes the fiscal autonomy of the College by specifically stating that the College president is the expenditure authority for the College.

Moreover, in order to proactively safeguard the College's autonomy, the president has created a Legislative Activity Task Force whose primary function is to track upcoming local and federal legislation and legislative activity that relate to the College. The task force reports in weekly Management Team meetings to the president who then works with the Management Team and the Board of Regents to develop and implement strategies for

addressing legislation or legislative activity that may affect the College. In particular, the Board of Regents discusses the proposed legislation with the president and adopts official Board position statements on behalf of the College. This approach has not only fostered a healthy and productive relationship with elected officials, but it has allowed the College to suggest amendments and changes to bills that might have infringed upon the College's autonomy.

Standard IV.B.1.c: The governing board has ultimate responsibility for educational quality, legal matters, and financial integrity.

The Board of Regents is ultimately responsible for the educational quality, legal matters, and financial integrity of Northern Marianas College. The authority of the Board of Regents stems from Section 2(a) of Article XV of the Commonwealth Constitution, which states that “the Board of Regents shall... formulate policy relating to the higher education needs of the Commonwealth of the Northern Mariana Islands.” Furthermore, statutory law re-enforces the general authority of the Board of Regents. Under 3 CMC § 1304(b), “[t]he Northern Marianas College is established as a nonprofit public corporation under the general control and direction of a board designated as the Board of Regents of the Northern Marianas College.”

In addition to the Commonwealth Constitution and Commonwealth Code, the Commonwealth Supreme Court has also made clear that Northern Marianas College is an autonomous agency, which further supports the authority of the Board of Regents. In *N. Marianas Coll. v. Civil Serv. Comm'n II*, the Commonwealth Supreme Court explicitly ruled that “NMC is a fully autonomous agency under the CNMI Constitution.” 2007 MP 8 ¶ 16.

As the provisions in both the Commonwealth Constitution and Commonwealth law, as well as the Commonwealth Supreme Court's ruling in *N. Marianas Coll. v. Civil Serv. Comm'n II*, make clear, the Board of Regents is the final authority for educational, legal, and financial matters affecting Northern Marianas College. The Board has a broad mandate under Section 2(a), Article XV of the Commonwealth Constitution and 3 CMC § 1304(b), is specifically empowered to control the College's affairs, including its financial matters, under 3 CMC § 1316, and the College's (and hence the Board's) autonomy has been confirmed by Commonwealth case law. As such, the Board of Regents holds ultimate responsibility for Northern Marianas College's educational quality, legal matters, and financial integrity.

Status

In order to regularly and routinely assess and evaluate the College's educational quality and financial integrity, the Board of Regents recently adopted BOR Policy 201, “Monitoring College Effectiveness” (Appendix K--BOR Policy 201), which replaces previous BOR Policy 1025 “Institutional Effectiveness”. The policy will ensure that the Board of Regents is provided with data and information that will help the board focus on planning the future direction of the College, its campuses, and its programs. The new policy improves upon the previous policy by clarifying and specifying the scope and types of data that the College will

monitor to ensure institutional effectiveness. Data areas under the new policy cover student achievement and learning, information on partnerships and collaborations, workforce development, quality effectiveness, information on human resources, and financial information.

Standard IV.B.1.e: The governing board acts in a manner consistent with its policies and bylaws. The board regularly evaluates its policies and practices and revises them as necessary.

The Northern Marianas College Board of Regents acts in a manner consistent with its policies and has a mechanism in place to evaluate the policies on a regular basis and to revise them whenever appropriate.

In accordance with BOR Policy 1002, the Board acts as a unit. The policy states, “No individual Board member has individual authority in regard to the college except as part of that unit. Individually, Board members may not commit the college or Regents to any policy, act or expenditure.”

Board decisions are made in open, public meetings that are advertised in advance in the local newspaper and the College’s web site and through an email sent to all College employees. The publication of such meetings conforms to the applicable provisions of the Open Government Act, 1 CMC Subsection 9901. Board of Regents’ minutes and resolutions illustrate the members’ conformance with Board policies.

To review its practices, the Board uses a self-evaluation tool (Appendix U--NMC BOR Self-Evaluation Form) to conduct an annual self-evaluation. As part of that self-evaluation, the Board reviews its performance in the following categories: 1) relationship with the president; 2) relationship to the instructional program; 3) staff and personnel relationships; 4) relationship to the financial management of the school; and 5) community relationships.

Status

To heighten Board awareness of Board policies and therefore lessen any likelihood that a Board member will violate any given policy, the Board of Regents recently adopted a “Board Member Training and Development” policy, which sets forth the training and development requirements that each individual Board member must undergo upon becoming a part of the Board of Regents.

The policy also requires all regents to undergo a formal orientation that is conducted by the president and the Chair of the Board. The newest member of the Board was provided an orientation several days after he began service on the Board.

To further discourage any violations of policy, the Board of Regents recently adopted a “Disciplinary Action for Board Member Misconduct” policy, which details progressive

discipline procedures to be implemented when Board members have violated the code of ethics or any other existing policy.

Furthermore, as part of the recent Board Training Workshop facilitated by the College Brain Trust, the Board evaluated itself, identifying strengths and weaknesses within the Board and the College. The results of that evaluation will guide future training and development for the Board as well as its broader planning efforts.

The Board assures that all policies are reviewed on a periodic basis. The newly-adopted “Board of Regents Policy Development and Review” policy requires the Board to review select policies every two years or when needed. Furthermore, the policy dictates that the “chair of the Board of Regents shall appoint a Board Policy Review Committee, which shall consist of at least two members of the Board of Regents and two Northern Marianas College employees designated by the president” (Board of Regents Policy Development and Review).

The policy further states that prior to their adoption, all policies must undergo review and evaluation by the College’s governing bodies, and groups shall be given an opportunity to review the draft policies and provide input.

Recognizing that many current BOR policies are more procedural in nature and less policy-oriented, President Hart has begun an aggressive effort to update and review all BOR policies. During weekly Management Team meetings, various policies from different departments are introduced and reviewed and advanced to governance bodies for input; these are then transmitted to the appropriate Board Committee which evaluates them and submits a final recommendation to the full membership of the Board.

This renewed focus on updating BOR policies has already resulted in the following new BOR policies adopted by the Board since President Hart’s arrival in July 2011:

BOR Policy No.	BOR Policy Title	Date of Board Adoption
100.01	Constitutional and Statutory Authority	August 17, 2011
100.02	Mission and Vision of the College	August 17, 2011
201.00	Monitoring College Effectiveness	August 17, 2011
906.00	Integrity and Ethics	August 17, 2011

The Board recognizes the need to continue reviewing and updating all BOR policies and has thus begun meeting on a monthly basis rather than the quarterly basis currently required by BOR Policy 1015. These additional meetings have also enabled the Board to work more closely with President Hart in comporting to the Carver model of board governance.

Standard IV.B.1.h: The governing board has a code of ethics that includes a clearly defined policy for dealing with behavior that violates its code.

Members of the Northern Marianas College Board of Regents hold themselves to high standards of conduct and ethical behavior. Their actions, performance, and behavior are guided by BOR Policy 1019, "Code of Ethics of the Board". The first part of this policy specifies the expectations of each Board member with regard to his or her responsibility as a Regent.

One of the provisions of the Code of Ethics policy states that Board members "[s]trive to provide the most effective community college board service of which they are capable and to sustain a spirit of teamwork." Evidence of this spirit of teamwork to advance the College's mission include the Board members' taking extensive time out of their personal and professional commitments to participate in numerous hours of Board training, meetings with stakeholders and meetings with government leaders. They have also spent much time poring over government financial instruments, and official regular and special Board meetings. In fact, according to the former interim president, the divisiveness that had existed among the Board members when she was appointed to her former post has been muted by a spirit of cooperation and mutual respect that continues to contribute to the overall positive atmosphere at the College. Disagreements still occur, but the Regents are listening to one another.

Another provision of the Code of Ethics policy directs Board members to "[r]emember at all times that as an individual a board member has no legal authority outside the meetings of the Board." According to the former interim president, all Board members have been diligent about referring any College issues raised by community members or college employees to her.

The Code of Ethics policy is augmented by the "Board of Regents Code of Conduct," which is outlined in the Board Member Training and Development Policy (adopted December 23, 2010). The policy requires that Board members sign a "Code of Conduct" agreement upon acceptance of the position to serve as a member of the Board of Regents.

The Board of Regents Code of Conduct encourages regents to consider speaking from the breadth of stakeholder interest, invite others to express their opinion on issues germane to the discussion, and discourages regents from disclosing or discussing "differences of opinion on the board outside of board meeting" and requires regents to "refrain from lobbying other board members outside of board meeting" to prevent "creating factions and limiting free and open discussions."

The second part of the Code of Ethics policy, "Part B. Censure," governs how violations against the Code of Ethics will be treated. The Board of Regents also recently adopted the "Disciplinary Action for Board Member Conduct" policy that lays out progressive steps to be taken against any Board member violating a Board policy. (adopted December 23, 2010). These steps include warning, reprimand, censure, and removal from office.

Status

The Board's Code of Ethics was recently buttressed a new policy, BOR Policy 906 "Integrity and Ethics" (Appendix V--BOR Policy 906). The policy brings the Board of Regents and the entire College into compliance with the Commission's recently adopted Policy on Integrity and Ethics (June 2011). The policy states that the College or "any individual or entity acting on its behalf shall exhibit integrity and subscribe to and advocate high ethical standards in the management of its affairs and all of its activities." To ensure that the policy applies to the Board of Regents, the policy also specifically states that matters covered by the policy "include matters with students, faculty, staff, the Board of Regents, external agencies and organizations, and the general public."

Standard IV.B.1.j: The governing board has the responsibility for selecting and evaluating the district/system chief administrator (most often known as the chancellor) in a multi-college district/system or the college chief administrator (most often known as the president) in the case of a single college. The governing board delegates full responsibility and authority to him/her to implement and administer board policies without board interference and holds him/her accountable for the operation of the district/system or college, respectively. In multi-college districts/systems, the governing board establishes a clearly defined policy for selecting and evaluating the presidents of the colleges.

The Board of Regents is specifically charged with selecting a president for the college. This responsibility is stated unambiguously in Section 2(a) of Article XV of the Commonwealth Constitution, which directs that: "[t]he president of the college shall be appointed by a representative board of regents."

The Board of Regents also has a clear policy for conducting a review of the president's performance, Board of Regents (BOR) Policy 1017. As the policy states, "The Board of Regents will appraise the performance of the president of the College annually."

The Board of Regents delegates full administrative authority for the college to the chief administrator and must do so under Commonwealth law. Under 3 CMC § 1321, "[t]he board [of Regents] shall appoint a president to serve as the chief executive officer of the college and board." BOR Policy 1009 states that "[t]he president is the chief executive officer of the Northern Marianas College, and in this capacity is charged with full administrative responsibility for the College," and Board of Regents Policies and Procedures 1002 further states, "No individual member of the Board, by virtue of holding office, shall exercise any administrative responsibility with respect to the College, nor as an individual command the services of any college employee."

BOR Policy 1002 also states:

"The Board shall delegate authority to the president as the Board's executive officer and confine Board action to policy determination, planning, performance evaluation, and maintaining the fiscal stability of the College. Problems and issues that arise shall

be referred to the president to be handled through the proper administrative channels or be placed on the Board agenda for discussion. In this regard, rather than working directly with staff, it is imperative for Board members to take their concerns directly to the president.”

Furthermore, BOR Policy 1013 places administrative control even more firmly in the hands of the president. As the policy states:

“The Board does not adopt administrative procedures unless specifically required to do so by law, or unless requested to do so by the president. . . . The Board reserves the right to review and direct revisions of administrative procedures should they, in the Board’s judgment, be inconsistent with the policies adopted by the Board.”

Both Commonwealth law and BOR policies delegate administrative power over the college to the president.

Status

After an offer from the Board of Regents and, in turn, accepting the offer, on May 25, 2011, Dr. Sharon Y. Hart signed a contract with the board to serve as the College’s new president, thereby concluding the presidential search process and ensuring that the Board has selected a chief executive officer for the College.

Recognizing that many current BOR policies are more procedural in nature and less policy-oriented, President Hart has begun an aggressive effort to update and review all BOR policies. During weekly Management Team meetings, various policies from different departments are introduced and reviewed and advanced to governance bodies for input; these are then transmitted to the appropriate board committee which evaluates them and submits a final recommendation to the full membership of the board.

Pursuant to BOR Policy 1017 “Periodic Review and Evaluation of the President”, President Hart has also worked with the Management Team, the Strategic Planning Task Force, and the Management Team develop goals and priorities for Fiscal Year 2012 (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities). The goals and priorities lift from the current PROA Strategic Plan 2008—2012 (PROA-SP) and include the following goals: improve student success, optimize financial resources, enhance information technology, focus on Commonwealth workforce development needs, and accomplish other distinctive objectives in an environment of continuous quality improvement. Building on those goals and priorities, President Hart also presented to the Board at its October 12, 2011 meeting a set of FY 2012 Primary Goals and Objectives (Appendix S--Hart Presidential Goals for FY12). The Board of Regents will evaluate the president against measurable performance indicators identified in the document.

Furthermore, to clarify the distinctive roles between the president and Board members, the Board of Regents has also continued to participate in training on the proper roles and functions of board members, including the most recent training facilitated by the College Brain Trust (CBT) on September 29 and 30, 2011.

Based in Sacramento, California, as the consulting arm of the McCallum Group Inc, CBT has provided a wide-variety of consulting services to more than 30 community colleges in California, Michigan, Wyoming, Idaho and Washington, D.C. The September 29th and 30th workshop was facilitated by Dr. Cindra Smith, a nationally recognized expert in community college trusteeship, and Dr. Walt Packard, who has served as a senior level administrator and leader at a variety of US community colleges.

The workshop focused on studying accepted and recognized principles of effective community college board governance and identifying strategies to meet to the Standards for board governance established by the Commission. In their evaluation of the workshop (Appendix N--College Brain Trust Board Training Workshop Observations), Drs. Smith and Packard observed that “adhering to a thoughtful set of communication protocols, refraining from directing staff, an annual calendar and regular monitoring report, and reducing the number of committees can have a significant impact on both the appearance and reality of slipping from sound governance through policy to intervening in the day-to-day management of the College.” Drs. Smith and Packard added, “Your discussions of the above topics and your stated intention to implement the strategies noted above should go a long way in helping you focus on your policy role.”

The Board and the president will build on the September 29—30 Board Training Workshop in the months ahead as the CBT continues its training and professional development with the Board. Future session with the CBT will be conducted monthly via video-conference (VTC) sessions with Drs. Smith and Packard, as well as with the following CBT consultants:

- Dr. George Boggs, former president of the American Association of Community Colleges
- Cy Gulassa, trustee, Peralta Community College District
- Rocky Young, former chancellor of the Los Angeles Community College District
- Dr. Diane Troyer, founding president of Lone Star College, Cy-Fair, in Houston, Texas
- Dr. Paul Elsner, former chancellor of the Maracopa Community College District in Phoenix, Arizona

CBT will also work with the Board of Regents to improve its evaluation process by better aligning evaluation criteria with Commission Standards, tying evaluations to measurable goals and objectives, adding general presidential leadership characteristics, and developing a standardized evaluation tool.

Standard IV.B.2.a: The president plans, oversees, and evaluates an administrative structure organized and staffed to reflect the institution's purposes, size, and complexity. He/she delegates authority to administrators and others consistent with their responsibilities, as appropriate.

The president leads the planning, organizing, budgeting, personnel selection and assessment of institutional effectiveness through the College's shared governance structure. The president works closely with all governance bodies, including the Academic Council, the Program Review Outcomes and Assessment Committee (PROAC), the Budget and Finance Committee (BAFC), and the College Council, which are advisory bodies to the president. As advisory bodies, these bodies discuss and review all relevant policy proposals before forwarding them to the president. The president reviews these proposals with the Management Team and makes final recommendations to the Board of Regents for its review and adoption.

The president also meets weekly with the Management Team, which is composed of all deans, the Chief Financial and Administrative Officer (CFAO), the Director of Institutional Advancement, the Director of Institutional Effectiveness, and the Human Resources Manager. The president works with the team to further discuss and review policy proposals and major decisions, as well as to address critical administrative matters that arise. The Faculty Senate, the Staff Senate, and the ASNMC also participate through their official representatives on governance bodies and through their presidents who are official members of the Management Team.

BOR Policy 1009 delineates other duties and responsibilities of the president, which include:

- Being responsible for the organization and administration of the College and for the coordination of its entire instructional program;
- Providing direction and leadership in the development and implementation of a research, planning, and evaluation system to assure institutional effectiveness and that the results of such activity will be used for institutional improvement and the establishment of priorities;
- Ensuring that various entities of the College have a substantive and clearly-defined role in institutional governance;
- Overseeing institutional adherence to the Standards of the Accrediting Commission so as to assure continuing accreditation of the College;
- Recommending to the Board new and revised policies and establishing administrative procedures for board operations, finance and procurement, educational programs, human services, student services, and administrative services.
- Developing an effective program of staff evaluation and improvement;
- Preparing a budget in line with the needs of the College, and approving expenditure of funds appropriated to the College by the federal or Commonwealth government or donated to the College by any other entity;
- Guiding capital improvement activities and ensuring safe and adequate facilities and grounds in order to maintain a quality learning environment;

- Representing the College to the community and maintaining an adequate public information service;
- Maintaining open and adequate channels of communication with the internal and external College community;
- Entering into contracts, cooperative agreements, and such other transactions as may be helpful to conduct the business of the College;
- Appointing, reassigning and terminating staff and faculty consistent with applicable Human Resources rules and regulations;
- Accepting gifts, grants, donations, bequests, or other contributions on behalf of the Board and depositing the same in a College Trust Fund for the exclusive use and expenditure of the College, as approved by the Board;
- Formulating reports required by local and federal agencies;
- Approving regulations and activities of groups and organization functioning within the College; and
- Subject to prior review and approval of the Board, establishing departments and other divisions of the College, approving their programs and courses of studies, and disestablishing the same as the president may deem most appropriate to carry out the policies, goals, and general directions established by the Board for the College.

Status

President Hart has made some adjustments to the membership and structure of the Management Team to help make leadership and College operations more efficient, responsive, and effective. This restructuring was presented to the Board of Regents at its October 15, 2011 meeting.

President Hart has also held Management Team meetings every week, with each meeting running an average of four hours. The restructuring of the Management Team and the expanded frequency and length of its meetings have enabled the president and the Management Team to address more College issues in a timely and expeditious manner.

To empower the College's leadership, President Hart has also modified the process by which employees are hired. After the interview committee recommends the top scoring candidates, the Human Resource Office facilitates a second interview with the hiring authority, usually the dean or director, who in turn makes the final selection of the individual to be hired.

Furthermore, to ensure that the College's administrative structure is appropriate in size and complexity, President Hart has tasked the OIE to work with the National Center for Higher Education Management Systems (NCHEMS) to begin developing a peer comparison analysis. Through the Comparison Group Selection Service (CGSS) of NCHEMS, the College has already identified six institutions for peer analysis: Chipola College in Marianna, Florida; Great Basin College in Elko, Nevada; Northern New Mexico College in Espanola, New Mexico; Edison State Community College in Piqua, Ohio; Kent State University Salem Campus in Salem, Ohio; and Guam Community College in Mangilao, Guam. The peer comparison analysis will help the College evaluate its administrative structure against that of other comparable peer institutions.

Standard IV.B.2.b: The president guides institutional improvement of the teaching and learning environment by the following:

- ***Establishing a collegial process that sets values, goals, and priorities.***
- ***Ensuring that evaluation and planning rely on high quality research and analysis on external and internal conditions.***
- ***Ensuring that educational planning is integrated with resource planning and distribution to achieve student learning outcomes.***
- ***Establishing procedures to evaluate overall institutional planning and implementation efforts.***

The president guides institutional improvement of the College's teaching and learning environment by cultivating a collaborative atmosphere that helps to guide and inform the institution's values, goals, plans, and priorities. This environment is framed by a shared governance model that engages students, staff, and faculty in integrated processes for planning, program review, budgeting, and resource allocation.

Planning at the College is guided by the current PROA Strategic Plan 2008—2012 (PROA-SP) (Appendix T--PROA Strategic Plan 2008--2012), which lays out four goals and 28 priority initiatives that serve as general criteria for determining institutional priorities. The PROA-SP was developed following a campus wide "visioning" process and planning workshops during spring and summer of 2008. The Operational Plan (Ops Plan) supplements the PROA Strategic Plan 2008—2012 (PROA-SP). It organizes actionable items in support of the priority initiatives in addition to identifying responsible parties, establishing implementation timelines, and specifying resources needed for each of those actions.

Program review at the College is overseen and facilitated by the Program Review Outcomes and Assessment Committee (PROAC), an advisory body for the president. Program review processes begin with each academic, student services, and administrative program annually using the Nichols and Nichols (2000) five column model (Form 1) (Appendix P--Sample Form 1) to identify student learning outcomes (SLOs) and/or administrative unit outcomes (AUOs). Programs develop specific measures and criteria for determining success for each outcome. Data are gathered and analyzed to determine if the outcomes are being met or if curricular/administrative processes need change. A program's Form 1 is incorporated into its program review report (Form 2) (Appendix Q--Form 2 Template), which provides a comprehensive analysis of the program's effectiveness and presents recommendations for the program and the institution based on a thorough analysis of data.

Academic Council, another advisory body to the president, also facilitates assessment of student learning outcomes at the course level, and works closely with PROAC on all assessment and program review activities. In particular, the Academic Council and the Dean of Academic Programs and Services facilitate and oversee annual course assessment and instructor evaluations in all academic programs

Budgeting and resource allocation proposals at the College are overseen and facilitated by another advisory body to the president, the Budget and Finance Committee (BAFC). Budgeting and resource allocation proposals are aligned with long-term plans as articulated

in the PROA-SP, short-term plans as articulated in the annual Ops Plan, and results from program review. The College relies on its mission, strategic plan, program review results, and annual institutional priorities to guide the budgeting process. PROAC guides the College's program review process and assists in identifying and setting priorities at the program, departmental, and institutional levels. These priorities are compiled in the Composite Report, which, in turn, is used by BAFC the budgeting process.

The chairs of these key governance bodies—PROAC, Academic Council, and BAFC—all sit on the president's Management Team and work closely with the president to ensure that educational planning is integrated with resource planning and distribution to achieve student learning outcomes and overall institutional planning and implementation efforts are evaluated.

The president also ensures that evaluation and planning rely on high quality research through the efforts of the OIE, the department primarily responsible for gathering, evaluating, and monitoring institutional data. OIE supports the data and research needs of all other departments on campus and leads the campus's planning, program review, and evaluation activities.

Status

On May 17, 2011, the College convened a Strategic Planning Summit, in which the College's Strategic Planning Task Force launched a year-long collaborative process to develop the next five-year strategic plan for the College. In subsequent meetings, the task force also worked with President Hart and the College's Management Team to develop a set of planning goals and priorities for Fiscal Year 2012 (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities) that were formally adopted by the Board of Regents at its meeting on September 29, 2011. The goals and priorities lift from the current PROA Strategic Plan 2008—2012 (PROA-SP) and include the following goals: improve student success, optimize financial resources, enhance information technology, focus on Commonwealth workforce development needs, and accomplish other distinctive objectives in an environment of continuous quality improvement. All programs have been directed to complete program-level operational plans using a template (Appendix D--Operational Plan Template) provided by the Office of Institutional Effectiveness. Programs are expected to submit completed plans to the Management Team by October 24, 2011. The president will, in turn, evaluate members of the Management Team against performance goals identified in action plans of programs under their respective supervision.

The College's planning efforts are also being guided by a recent white paper (Appendix E--Critical Budget Decisions for FY 2012 and Beyond) developed by President Hart. Drawing from an article published by Dennis Jones in the January/February 2011 issue of Association of Governing Boards (AGB) Trusteeship entitled "Protecting and Building Your Institution's Assets", President Hart's white paper emphasizes that the College's "approach to resource allocation must put the long-term capacity and health of the College at the center of the process...[That approach] must be strategic [and must] protect and enhance our College rather than erode its core capacity and ability." Laying out five steps for making intentional

decisions about budgeting and resource allocation, the president's white paper has been integrated into the College's ongoing dialogue about planning, budgeting, and resource allocation.

Furthermore, to ensure that current planning efforts rely on high quality research and analysis on external as well as internal conditions, President Hart has tasked the OIE to work with the National Center for Higher Education Management Systems (NCHEMS) to begin developing a peer comparison analysis. Through the Comparison Group Selection Service (CGSS) of NCHEMS, the College has already identified six institutions for peer analysis: Chipola College in Marianna, Florida; Great Basin College in Elko, Nevada; Northern New Mexico College in Espanola, New Mexico; Edison State Community College in Piqua, Ohio; Kent State University Salem Campus in Salem, Ohio; and Guam Community College in Mangilao, Guam. The peer comparison analysis will help contextualize the College's data and benchmark that data against data of comparable peer institutions.

Standard IV.B.2.c: The president assures the implementation of statutes, regulations, and governing board policies and assures that institutional practices are consistent with institutional mission and policies.

As the chief executive officer of the College, the president is charged with implementing statutes, regulations, and governing Board policies at the institution as well as to ensure that institutional practices are consistent with the college's mission and policies. These powers and duties are explicitly set forth in the Board of Regents Policies and Procedures. Board of Regents Policies and Procedures 1009(I) state:

“The Board of Regents judiciously recognizes and supports the president as the major line of communication between the Board and the internal and external College community. In this capacity as the Board's Liaison, the president informs the Board of such communications, and is guided by the policies, general directions, and financial guidelines established by the Board.”

Not only does this policy specifically require the president to follow policies, instructions, and financial directives of the Board of Regents, but Board of Regents Policies and Procedures 1009(III) also reiterates this requirement by stating that “[t]he president . . . is authorized by the Board to exercise broad discretionary powers according to the policies, goals, and general directions established by the Board for the College.” Thus, the president carries out the policies of the Board and is obligated to ensure that internal practices are consistent with them.

The broad based powers and requirements of the president under Board of Regents Policies and Procedures 1009(I) and 1009(III), as well as these powers and obligations set forth under Board of Regents Policies and Procedures 1009(IV), authorize and require the president to ensure that the college's statutes, regulations and policies are implemented and that the college's practices are consistent with them and its educational mission.

Status

Recognizing that many current BOR policies are more procedural in nature and less policy-oriented, President Hart has begun an aggressive effort to update and review all BOR policies. During weekly Management Team meetings, various policies from different departments are introduced and reviewed and advanced to governance bodies for input; these are then transmitted to the appropriate Board Committee which evaluates them and submits a final recommendation to the full membership of the Board.

Standard IV.B.2.d: The president effectively controls budget and expenditures.

The president effectively controls budget and all expenditures by leading the shared governance mechanisms that monitor and regulate the college's financial activities. At the heart of this financial governance mechanism is the Budget and Finance Committee (BAFC), which is a standing committee of the College Council. BAFC is responsible for reviewing budget issues and advising the president on financial matters. It is charged with aligning institutional priorities with the allocation of resources, reviewing and adjusting the budget in accordance with present circumstances and future projections, and for producing financial reports.

Major financial decisions, like allocating limited funds among the various departments at the College involve BAFC developing proposals to the president. In preparing the annual operations budget, the Committee leads a budget call and conducts budgetary hearings. Upon conclusion of the Budget and Finance Committee's review, the budget is next sent to College Council, the chief advisory body at the College to the president. Once reviewed by College Council, the budget is sent to the president, who makes a final assessment and decisions before it is transmitted to the Board of Regents for review and approval.

The president's authority over the College's budget and expenditures is further underscored by Board of Regents (BOR) Policy 1009 (Duties of the President), which directs the president to prepare "a budget in line with the needs of the College, [to] approv[e] [the] expenditure of funds appropriated to the College by the federal or Commonwealth government or donated to the College by any other entity."

Status

Earlier in 2011, the College received notice from the CNMI Office of Management and Budget that there would be an across-the-board cut in the FY 2011 funding, which would translate into a cut of about \$338,000. Up to that point, the College had already taken precautionary austerity measures and empowered programs to develop cost-saving and revenue-generating measures at the program level. Despite those efforts, the cost savings and revenue were not enough to absorb the funding cuts from the CNMI central government.

Then Interim President Lorraine T. Cabrera thus initiated dialogue with the College's shared governance bodies, namely Budget and Finance Committee (BAFC) and the College Council, to discuss institutional action that could be taken to increase revenue and cut costs. While several cost-saving and revenue-generating ideas were explored, at its June 17, 2011 meeting, the College Council ultimately recommended an eight hour work reduction or a ten percent cut in employee's salaries to run from July 3 through September 30, 2011, the end of the 2011 fiscal year. The College Council recommendation was immediately effectuated by Interim President Cabrera. As a result of those measures, the College saved over \$200,000.

Since assuming the position of president, Dr. Hart has worked with key management staff to ensure that all unit heads have the authority to handle their own purchases within the budgetary guidelines established by BOR policies.

President Hart has also worked closely with the Strategic Planning Task Force and the Management Team to develop a set of planning goals and priorities for Fiscal Year 2012 (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities). The president has also written and disseminated a white paper (Appendix E--Critical Budget Decisions for FY 2012 and Beyond) that will guide the College's budgeting and planning efforts for the new fiscal year. Drawing from an article published by Dennis Jones in the January/February 2011 issue of Association of Governing Boards (AGB) Trusteeship entitled "Protecting and Building Your Institution's Assets", President Dr. Sharon Hart's white paper emphasizes that the College's "approach to resource allocation must put the long-term capacity and health of the College at the center of the process... [That approach] must be strategic [and must] protect and enhance our College rather than erode its core capacity and ability." Laying out five steps for making intentional decisions about budgeting and resource allocation, the president's white paper has been integrated into the College's ongoing dialogue about planning, budgeting, and resource allocation.

Standard IV.B.2.e: The president works and communicates effectively with the communities served by the institution.

The president works and communicates effectively with the communities served by the institution. By actively participating in and reaching out to the community, the president advances the image and the reach of the college through leadership and involvement. Since beginning service at the College, President Sharon Y. Hart has met repeatedly with members of the 17th CNMI Legislature. The president has also met with several members of the community since assuming the role of president. These meetings have included meetings with Governor Benigno Fitial, Lieutenant Governor Eloy Inos, CNMI Delegate to the U. S. Congress, Congressman Gregorio Kilili Camacho Sablan, the mayors of Rota, Tinian, and Saipan, the CNMI Commissioner of the CNMI Public School System, the CNMI Scholarship Board, the president of Tan Holdings Corporation, the largest private employer in the CNMI, the Saipan Chamber of Commerce, and the Rotary Club. President Hart has also reached out to regional partners in meetings with the Pacific Post-Secondary Education Council (PPEC), University of Guam President Dr. Robert Underwood, and representatives from the University of Alaska, Fairbanks.

Internal to the institution, the president has been involved in many College-sponsored activities and events, including visiting students and staff at the Tinian and Rota instructional sites and holding “Punch with the President” early in her tenure as a venue for students to meet her. One illustrative event was a presentation President Hart delivered to College faculty, staff, and administrators at the opening session of the fall 2011 Professional Development Days. The president’s presentation focused on the importance of healthy communication within an institution and reinforced the need to improve communication at the College in order to improve the overall health and effectiveness of the College community.

Finally, President Hart delivered a key communiqué with the October 5, 2011 address at two College assemblies, in which the president emphasized the need to move with the College forward with planning that maximizes the College’s assets, capitalizes on opportunities that “think outside the box,” and ultimately drives decisions about budgeting and resource allocation. President Hart used the address to formally launch the FY 2012 Operational Plan Goals and Priorities (Appendix C--Fiscal Year 2012 Operational Plan Goals and Priorities) approved by the Board of Regents at its September 29, 2011 meeting and announce the expectation that each program will develop its own program-level operational/performance plan for submission on October 24, 2011. The president will, in turn, evaluate members of the Management Team against performance goals identified in action plans of programs under their respective supervision.

V. Commission Concerns

Concern #1: The College failed to comply with the Commission directive to maintain the confidentiality of the contents of the Show Cause and Special Visit Team Report until the Commission disclosed its decision in the Action Letter by making the outcome of the Report public in an email from the president's office. The Board of Regents continually uses the press to raise sensitive college matters, including naming short-listed applicants in the presidential search process. The College failed to bring to the evaluation team's attention pending legislation that could impact the College's autonomy. The College failed to submit its Annual Report and Annual Fiscal Report in a timely fashion.

On May 27, 2011, the Interim President sent an email message to all College employees. The content of the email contained a summary of statements made to the Interim President by members of the Commission's Visiting Team with regard to the Team's assessment of the College's compliance with Accreditation Standards and Eligibility Requirements. Although the interim president alludes to the confidential nature of the information and that her email is "not to be shared with anyone outside of NMC," the College recognized that sharing such highly confidential information in an email to all employees was not prudent and indeed, counter-productive to the College's efforts to comply with Commission policies and directives. On July 18, 2011, the Chair of the Board of Regents issued a letter to Interim President Cabrera with regard to this matter, which included a directive for corrective action. The interim president had complied with this directive to the satisfaction of the Board of Regents.

The interim president subsequently issued a letter of apology in July 2011 to all employees acknowledging that her decision to disseminate this information violated Commission policy, that she was held accountable by the Board of Regents for this action, and that she assumes full responsibility for any harm that may result from her actions and decisions with regard to this matter.

For its part, the Board of Regents recognizes that, collectively, its members may have compromised the integrity of the presidential search process. Upon due notice of the Commission's concern regarding sensitive College matters being reported in the media, the Board resolved to discuss in executive sessions subject matters involving personnel and related issue(s) that are deemed sensitive, in compliance with Commission Eligibility Requirements, Standards and policies, applicable BOR policies and CNMI and federal statutes and regulations, and/or as recommended by the College president and/or board legal counsel.

President Hart has also worked closely with the Board of Regents since July 2011 to focus on policy matters and strategic planning. By providing additional professional development, as well as literature and other training resources, the president is helping Board members better understand and fulfill their roles on the Board, consistent with standards of best practice in board governance.

The College values and prioritizes its role and the integrity of its communication and dealings with the Commission. The College publishes expectations for employee conduct and communication in its Human Resources Policy Part VII – Conduct/Rules and Expectations and provides copies of its Human Resources Manual to all employees upon initial employment and on request thereafter. FERPA and student records training, among other professional development activities scheduled for faculty and staff, support and reinforce these expectations for appropriate and professional conduct.

The importance of communicating effectively and appropriately was underscored recently by the president in a presentation entitled “Communication” which she delivered at the opening of the College’s fall 2011 Professional Development Days on August 9, 2011. The president’s concerns and values with regard to the College’s compliance with ER 21 are communicated regularly to managers in an effort to ensure that concerns are addressed promptly at appropriate levels within the institution’s organizational hierarchy.

During the Evaluation Team’s visit in April 2011, the 17th Commonwealth Legislature had the following bills pending action that would impermissibly infringe on the College’s autonomy:

- CNMI House Bill 17-93: If passed, this bill would require the College to 1) provide a “detailed financial statement” of all donations to the governor and legislature; 2) include a report of all banking deposits in this report; 3) deposit its collection of tuition and other fees in a “federally insured banking institution”; 4) have the Attorney General’s Office review and approve all contracts, leases, agreements, and other transactions; 5) seek legal advice and representation from the Attorney General’s Office; 6) provide more details in its annual financial report to the governor and legislature. The bill provides for a suspension of the College’s appropriation allotments for failure to submit the annual financial report within the given deadline.
- CNMI House Bill 17-39: If passed, this bill would require the College to only terminate employees through “an adopted grievance proceeding and only with cause.” Also requires the development of a merit personnel system and allows for the termination of the College president at any time by a majority vote of the Board of Regents.

The College had anticipated HB 17-93 and had taken several steps to argue against its passage. One of those steps included an August 31, 2011 letter from then Interim President Cabrera (Appendix W--August 31, 2010 letter from Interim President Lorraine T. Cabrera) conveying to the CNMI’s 17th Legislature that the bill would undermine the institutional autonomy of the College and jeopardize the College’s ability to comply with Commission Eligibility Requirements and meet Commission Standards. That letter, as well as a summary of the College’s efforts against HB 17-93 and other bills that would harm the College, were shared with the Commission in the College’s October 15, 2010 Show Cause Report to the Commission, the October 26—27, 2010 Show Cause Visiting Team from the Commission, and the April 13—14, 2011 Show Cause Visiting Team. As a result of the College’s efforts, although House Bill 17—93 passed, it had been amended to exclude

sections that would have severely undermined the College's autonomy, namely the sections that would have subjected the College to the authority of the CNMI Attorney General and CNMI procurement regulations.

However, at the time of the April 13—14, 2011 Show Cause Visiting Team visit, the College had not been formally notified by the CNMI Legislature about House Bill 17—39. While the College had been unofficially informed about the bill by a few members of the CNMI House of Representatives, the College had not procured an actual copy of the said bill until recently.

In response to House Bill 17—39 and other local or federal bills that may affect the College, the president has created a Legislative Activity Task Force whose primary function is to track upcoming local and federal legislation and legislative activity that relate to the College. Moreover, in order to proactively safeguard the College's autonomy, the president has created a Legislative Activity Task Force whose primary function is to track upcoming local and federal legislation and legislative activity that relate to the College. The task force reports in weekly Management Team meetings to the president who then works with the Management Team and the Board of Regents to develop and implement strategies for addressing legislation or legislative activity that may affect the College. In particular, the Board of Regents discusses the proposed legislation with the president and adopts official Board position statements on behalf of the College.

In regards to the College's annual report to the Commission, the College continues to address the lag between the due date for the report and the auditing timelines of the College and the CNMI. The due date for the College's annual report to the Commission, which is to be completed online, is June 1st. The report also requires the submission of the Annual Fiscal Report for the preceding fiscal year. However, the College's auditors begin work on the audit in March and submit a draft report to the College not until mid-June. The audit is then finalized on June 30th.

This year, in a June 13, 2011 email (Appendix X--June 13, 2011 ACCJC Email to NMC President and ALO) sent to then Interim President Cabrera and the College's Accreditation Liaison Officer (ALO), the Commission informed the College that it had been given an extension up to June 24, 2011 to complete the report. The College subsequently submitted all required documentation for the report and completed the report on time, as indicated by a confirmation email sent to the ALO on June 24, 2011 (Appendix Y--June 24, 2011 ACCJC Email to NMC ALO).

The College acknowledges that pursuant to Commission procedures, the ALO could have submitted a formal request for an extension, as had been done for the 2010 report, and that the ALO will be held accountable for doing so for future reports, if any extension is needed by the College.

Furthermore, the College is negotiating with its auditor and examining its internal procedures to have the required Annual Fiscal Report completed in time to meet the Commission's reporting deadline.

Concern #2: The Commission also noted that the Team Show Cause and Special Visit Report mentions distance education offerings and services at Tinian and Rota. The quality and delivery systems used to provide education at Tinian and Rota has previously been questioned by the Commission Action Letter of January 31, 2007 Commission Recommendation #1: “Northern Marianas College must take appropriate steps to ensure that the delivery system used to provide instruction to Tinian and Rota is completely reliable and works at all times, or discontinue offering classes via telecommunications. The College must also detail how it intends to provide education services, including instruction and support services, that ensure the education obtained on the Tinian and Rota sites is equivalent of that obtained on the main campus and meets all accreditation requirements.” The College must include in its Follow-Up Report due October 15, 2011, an overview of actions taken to resolve the deficiencies identified in Commission Recommendation #1 from the Action Letter of January 31, 2007, and the sustainability of the action taken as of October 2011 and explain how it complies with Standards II.A.2 and II.A.2.d.

Throughout the spring of 2007, the College undertook a number of initiatives to respond to the Commission’s concerns about the sustainability, reliability and equivalency of instruction at the Tinian and Rota instructional sites. Despite these efforts, an exhaustive review that was conducted in summer 2007 concluded that the College’s resources and likely enrollments would not provide sustained, reliable and equivalent instruction at these sites. On October 8, 2007, at the recommendation of the president, the Board of Regents suspended academic instruction at these sites, effective in spring 2008. Academic instruction at these sites has since remained suspended. The Dean for Academic Programs and Services recently reinforced this decision by the Board in a September 7, 2011 email (Appendix Z--September 7, 2011 APS Dean Email re Rota and Tinian Sites) in which the Dean specifically stated, “No academic instructional courses are to run at the Rota or Tinian” instructional sites.

The April 13—14, 2011 Show Cause Visiting Team Report stated, “To meet the needs of students located on Tinian and Rota, NMC has enhanced its video conferencing system, as instruction offered to students on these two islands is provided online to improve and expand access and use between the three islands.” The report also stated, “Students in the two islands other than Saipan expect to have access to student support programs that the Saipan located students have.”

It should be clarified that while video-teleconferencing (VTC) is used by the College to involve Rota and Tinian in shared governance meetings, community events, and professional development for College employees, VTC is not used as a delivery mode to provide instruction to students on Rota and Tinian for any credit-bearing courses at the College.

The College is cognizant that any initiative to reactivate academic instruction at the Rota and Tinian instructional sites would require the College to follow the Commission’s policy and processes for Substantive Change. Moreover, the College is cognizant that any initiative to offer distance education would require the College to follow the Commission’s policies and processes for Substantive Change and Distance Education.