



# *Annual Accomplishment Report – FY2013*

Presented to the CNMI Governor and Legislature

**Northern Marianas College**

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# MESSAGE FROM THE BOARD CHAIR AND PRESIDENT

## Message from the Board Chair and President



Frank Rabauliman  
BOR Chair



Sharon Hart, Ph.D.  
NMC President

Hafa Adai, Tiroow Woomi, and Greetings,

Northern Marianas College students, staff, faculty, administrators and Board of Regents are extremely proud to present the institution's accomplishments for 2013. The achievements described in this Annual Report are evidence of the commitment and dedication that pervade the institution and that continue to fuel its growth.

Despite the considerable amount of progress, however, the College is not resting on its laurels. Already, as this Report goes to print, we are hard at work to develop a new set of goals and objectives that center around accreditation reaffirmation, workforce development, academic growth, and an expansion of programs and services to meet the needs of the local workforce.

We are looking forward to our partnership with you so that 2014 will bring greater success for the Northern Marianas College.

Thank you for your support!

Sincerely,

A handwritten signature in black ink, appearing to read "Frank M. Rabauliman". The signature is fluid and cursive.

Frank M. Rabauliman  
Board of Regents Chairperson

A handwritten signature in black ink, appearing to read "Sharon Y. Hart". The signature is fluid and cursive.

Sharon Y. Hart, Ph.D.  
NMC President

# A BRIEF HISTORY OF THE NORTHERN MARIANAS COLLEGE

## A Brief History of the Northern Marianas College

Northern Marianas College was established in May 1981 when Governor Carlos S. Camacho created the College as an official governmental entity through Executive Order #25. The Executive Order established the College as one of the divisions within the Commonwealth Department of Education. By mid-summer of 1981 the College was offering training programs for government employees and teachers of the public school system.

In January 1983 Public Law 3-43 established NMC as a public, nonprofit corporation having the Board of Education as its governing board. In March of 1985 the passage of CNMI Public Law 4-34 made NMC a public corporation under the general governance of its own Board of Regents, and granted it autonomy in both fiscal and personnel matters. This law stipulated the mission of the college and designated NMC to serve as the land-grant college for the Commonwealth.

In November of 1985 the Second Constitutional Convention in the CNMI adopted a series of proposed amendments to the CNMI Constitution. Among them was Amendment 38 concerning education in the Commonwealth. Article 15, Section 2 of that proposed amendment provided for the establishment of Northern Marianas College, and stipulated that the College's Board of Regents should have autonomy in conducting its affairs. This amendment restated the mission of the college and guaranteed annual funding. Amendment 38, among others, was adopted by the people of the Commonwealth in a special election held in January of 1986.

In June 1985 the college received its initial accreditation from the Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC). The accreditation was reaffirmed in 1990, 1996, 2001, and 2009. In March 2001, the Accrediting Commission for Senior Colleges & Universities of WASC granted NMC initial accreditation for offering a Bachelor of Science degree in Elementary Education. This marked the first time in history of WASC that a two-year community college offered a four-year degree.

Since its beginning, NMC has focused on meeting the higher education and vocational training needs of the CNMI. From the times of its first program in teacher education, NMC has developed a comprehensive set of academic programs and services to meet the social, cultural, occupational and economic development needs of its island communities. Today, students are enrolled in various educational programs of study leading to Certificates of Completion, Associate Degrees, and Bachelor of Science in Elementary Education. In addition, there are hundreds of students enrolled in credit and non-credit, continuing adult education courses.

Throughout the years, more than 20,000 people have enrolled in regular NMC degree and certificate courses, over 3,000 persons have been awarded certificates and/or degrees in programs offered or coordinated by NMC; and more than 12,000 individuals have been served in our community through such programs as the Adult Basic Education, Continuing Education, and the Cooperative, Research, Extensions, and Education Service.

# 2013 GOALS AND PRIORITIES

## 2013 Goals and Priorities

This Annual Report details the Northern Marianas College's progress in meeting the goals and priorities that were identified for Fiscal Year 2013. The pages that follow are structured to correspond with those goals. They deal with student success, optimizing financial resources, information technology, focusing on workforce needs, and accomplishing other objectives centered on continuous quality improvement, including the reaffirmation of the College's accreditation.

### Northern Marianas College FY2013 Operational Goals and Priorities

#### Student Success

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

#### Optimize Financial Resources

1. Effectively use human, physical, technology and financial resources to achieve the college's educational purposes.
2. Review NMC salaries and benefits against national and peer data and implement a plan for salary growth and adjustments.
3. Successful integration of financial planning with institutional planning while ensuring fiscal resources are adequate and financial stability is maintained.
4. Assure financial integrity and responsible use of financial resources.
5. Financial management system has appropriate control mechanics.
6. Sound financial decision-making will be ensured via dependable and timely information.
7. Correct all noted audit findings.

#### Information Technology

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

#### Focus on CNMI Workforce Needs

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

#### Accomplish Other Distinctive Objectives in an Environment of Continuous Quality Improvement

1. Reaffirmation of Accreditation.
2. Work with the Board of Regents to ensure implementation of Board policy while ensuring participation by all internal constituencies.

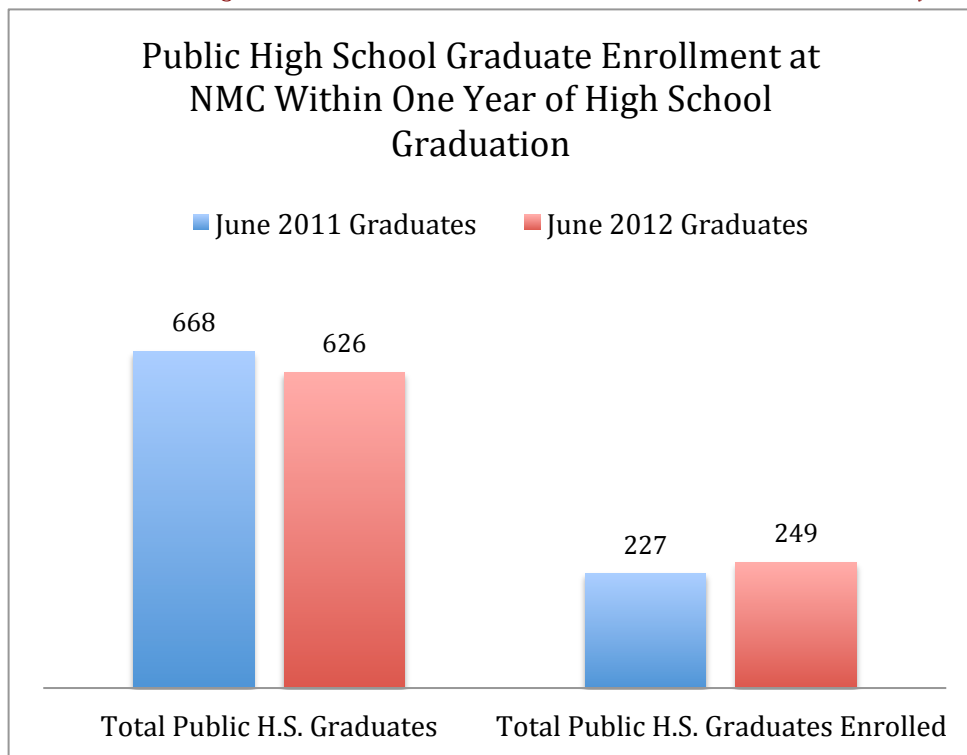
# STUDENT SUCCESS

## Student Success

### INCREASE ENROLLMENT AND RETENTION RATES

The College continues to focus its efforts on increasing the number of Public School System (PSS) high school graduates that enter NMC within a year following their graduation. During the 2012-2013 academic year, the number of PSS graduates entering NMC within a year of graduating increased by 10% over the previous year. The College enrolled 40% of all 2012 PSS high school graduates as compared to 34% of all 2011 PSS high school graduates within one year of high school graduation.

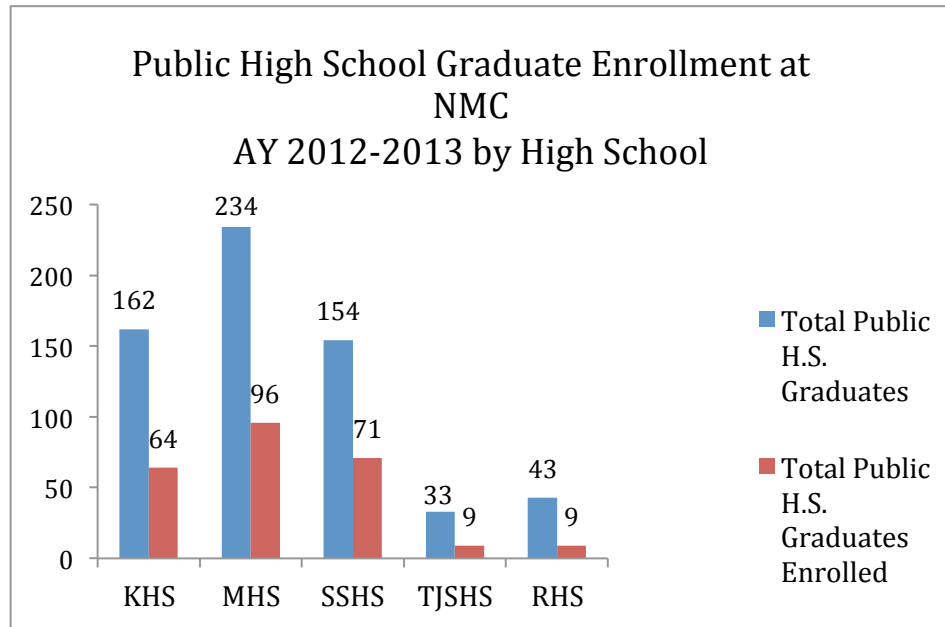
*Table 1. Public High School Graduate Enrollment at NMC Within One Year of High School Graduation*



Saipan Southern High School had the highest proportion of graduates enrolled at NMC within one year of high school graduation with 46% of its 2012 graduates entering the College as first-time freshmen during the 2012-2013 academic year.

# STUDENT SUCCESS

Table 2. Public High School Graduate Enrollment at NMC AY 2012-2013 by High School



NMC's headcount and Full-Time Equivalency (FTE) enrollment decreased by 6% and 9%, respectively, in Fall 2013 over that of Fall 2012. Given the previous years' enrollment gains among PSS high school graduates and the institution's robust efforts to recruit both traditional and non-traditional students through various activities and events,<sup>1</sup> the decline in enrollment is attributed to a combination of the following factors:

- The Accrediting Commission of Community and Junior College's (ACCJC) decision in January 2013 to place NMC on a Show Cause sanction with regard to its accreditation;
- NMC experienced an unusually high number of students completing their degree programs at the end of May 2013. The College awarded 37% more degrees in 2013 as compared to 2012;
- Several B.S. in Education students chose not to enroll due to uncertainty on whether they would remain eligible for federal financial aid during the Fall 2013 semester;

<sup>1</sup> The College facilitated 65 recruitment and outreach related events in FY 2013. These events, which include the Start Smart Seminars, Climb Higher Initiatives, Cash for College, NMC Information Sessions, and Summer Academy are focused on promoting college admissions, higher education opportunities, and the availability of financial aid to groups of prospective students and their parents.

# STUDENT SUCCESS



- Unanticipated changes to the Fall 2013 course schedule. Approximately 27 course sections were scheduled to start during the week of September 16<sup>th</sup> instead of the usual week of August 19<sup>th</sup> due to staffing issues.

Student enrollment is also maintained by the College's efforts to support its students through to graduation or the accomplishment of their educational goals. During the Fall 2012 semester, 57.8% of students enrolled during the Fall 2011 remained enrolled. This Fall-to-Fall retention rate represents an 8% increase over the prior year and exceeds the 2012 national rate of 55.3% for public, two-year institutions with open admissions policies.<sup>2</sup>

Providing students with financial aid to meet the cost of tuition, fees, books, supplies, and other educational expenses contributes to students' ability to persist through to graduation. In AY 2012-2013, approximately 92% of all NMC students received a Pell Grant award. A Pell Grant award is based on a student's financial need. Students who receive the maximum Pell Grant award come from households that cannot afford to contribute any income earned to the cost of higher education. This College also experienced a 31% increase in the number of students that qualified for the maximum Pell Grant awards in AY 2012-2013 as compared to the year before.

To further support the financial needs of students enrolled in the B.S. in Education program, the College elected to administer the Teacher Education Assistance for College and Higher Education (TEACH) Grant for the first time during the Fall 2012 semester. The TEACH Grant program provides up to \$4,000 per year to students who intend to teach in a public or private elementary or secondary school that serves students from low-income families. The College awarded a total of \$182,701 to 60 students under the TEACH Grant program during the 2012-2013 academic year.

Countless quality interactions and activities that transpire between students and college personnel, more particularly, staff and faculty who provide support and academic advising services, contribute significantly to the ongoing success of students.

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<sup>2</sup> ACT's National Collegiate Retention and Persistence to Degrees Rates published summary tables are available for public viewing at: [http://www.act.org/research/policymakers/pdf/retain\\_2012.pdf](http://www.act.org/research/policymakers/pdf/retain_2012.pdf)



# STUDENT SUCCESS

The following services and activities provided to students in FY 2013 highlights the College's comprehensive effort to support ongoing student enrollment and success:

- **Academic Tutoring.** The College provided **1,949 academic tutoring sessions** to support the vast majority of students that start college with one or more remedial courses.
- **Educational Workshops.** The College facilitated **85 educational workshops** to engage students with tools, strategies, and resources to assist each in navigating the academic, financial, and social demands of student life.
- **Early Intervention.** Faculty and counselors worked collaboratively to address poor academic performance and excessive absences among **311 student referrals** made through the Early Intervention Program to help students focus on resolving issues.
- **Student Activities & Leadership Development.** The College organized **64 student activities and leadership events** to “encourage personal and civic responsibility, as well as intellectual, aesthetic, and personal development for all its students (WASC Accreditation Standard II.B.3.b).”

An important measure of student progress and the institution's effectiveness is the rate at which students complete a degree or certificate program. The College awarded 37% more degrees in 2013 as compared to 2012. Table 3 below provides a comparison of degrees awarded by program. The number of A.S. in Nursing degrees awarded in 2013 increased by 89% over the previous year. For the first time since the program's inception, the College graduated its first class of 9 students from the B.S. in Education, Rehabilitation & Human Services program.

*Table 3. NMC Degrees Awarded: 2012 & 2013*

**DEGREES**

	<u>2012</u>	<u>2013</u>
A.A. Business	8	6
A.A. Liberal Arts	47	54
A.A.S. in Business Administration, Accounting Emphasis	6	6
A.A.S. in Business Administration, Business Management Emphasis	9	6
A.A.S. in Business Administration, Computer Application Emphasis	4	9
A.A.S. Criminal Justice	7	7
A.A.S. Hospitality Management	2	9
A.S. Natural Resources management	4	2
A.S. Nursing	16	34
B.S. in Education: Early Childhood Education Concentration	0	4
B.S. in Education: Elementary Education Concentration	14	14
B.S. in Education: Rehabilitation & Human Services Concentration	0	9
<b>Total</b>	<b>117</b>	<b>160</b>

# STUDENT SUCCESS

## *Cooperative Research, Extension, and Education Service*

The Cooperative Research, Extension, and Education Service (CREES) at NMC has also played a significant role in increasing enrollment and retention by offering scholarship to students who are studying Natural Resource Management. As CREES provides 30 (per semester) students with financial assistance, the most recent Spring 2013 enrollment records indicate that the College has 81 students enrolled as NRM Majors.

# STUDENT SUCCESS

## ADDRESSING DIVERSE STUDENT NEEDS

To meet the standard for student success in addressing diverse student needs in academic programs, the following were implemented in Academic Year 2012-13 that includes: classes entirely **online** or **hybrid** that is an alternative method to online where a student can complete a college course through a mix of online and campus-based class instruction that is 50% in a classroom environment and 50% in an online format; **Accelerated** class that allows the student to achieve credits in a shorter time period. Rather than spending a semester on a given subject, the accelerated learner can go through the material in as little as a third of a semester; **Independent Study** is defined at NMC as a course by arrangement with an instructor and approved by the department, is taught independently to one student.

	<u>Fall 2012</u>	<u>Spring 2013</u>
Class sections offered	220	246
Class sections that ran after 4:00 p.m.	84	91
Online class sections	9	18
Hybrid class sections	11	11
Accelerated class sections	4	1
Saturday class sections	19	16
Independent Study	3	4

In the *2012 NMC Self Evaluation Report*, the College identified a number of Actionable Improvement Plans to further improve student support services to individuals enrolled in online courses, as well as improve access to the institution's matriculation processes and services among the residents of Tinian and Rota.

The College continues to make improvements to student access to library resources, academic tutorial support, personal counseling, academic advising, early intervention referral, and access to course content and instructor via the MOODLE Learning Management System. The vast majority of informational resources, forms, and planning documents to support student enrollment and success are made available

# STUDENT SUCCESS

on the College's website - [www.marianas.edu](http://www.marianas.edu) - for easy download, or by individual request and distribution via email. The Library's subscription to online databases provides web-based access to over 90,000 eBooks and periodicals. Collection lending, including required texts for courses purchased through the Bookstore are delivered through air pouch or US Postal service sites on each island. An academic librarian, counselor, and tutor is now accessible through an embedded multiprotocol Instant Messaging (IM) client on the NMC website. Students are made aware of access to these services during scheduled orientation sessions and informational emails sent to their student email accounts.

The College appointed a liaison to help ensure each online student successfully matriculate into courses and programs. An evaluation of the issues faced by residents of Tinian who came forward to register for courses during the spring 2013 term prompted the College to designate a registration liaison to assist with the individual needs of online students, and students from Tinian and Rota. The registration liaison assists students with the process of registering for courses and serves as a communication link between the student, assigned academic advisors, and staff and faculty. In many cases, and due to the absence of an online registration platform, the registration liaison's role was critical in ensuring that students acquired, completed, and routed required admission, registration, and financial aid forms and other required documentation in a timely manner. Follow-up communication with these students is important in identifying issues and for coordinating appropriate support and referrals.

The College Access Challenge Grant (CACG) Program continues to improve college readiness among graduating high school students and provide academic tutorial support to first-year students enrolled in one or more remedial English and math courses. In FY13, 95% of students surveyed after having received tutorial services agreed or strongly agreed with the following statements:

- I felt better prepared to succeed in my college courses;
- I had a better understanding of the course material;
- I had a better understanding of how to approach the course;
- I had more confidence in my ability to retain/apply the material.

Approximately \$500,000 CACG funds are awarded to students in the form of need-based grants each year. CACG continues to sponsor the Start Smart Seminars and Cash for College event annually to bring college information and resources on-site to high school juniors and seniors on Saipan, Tinian, and Rota.

The Dean's Student Engagement Fund was established on March 3, 2013 to improve the College's compliance with Accreditation Standard II.B.3.d and address, in part, the following 2012 NMC Evaluation Report, Actionable Improvement Plans:

# STUDENT SUCCESS

- Encourage more student activities, membership in registered student organizations, participation on college committees and greater involvement in shared governance groups.
- Develop more cultural exchange programs and multicultural courses to better promote an understanding and appreciation of diversity.

A total of \$1,900 was awarded to 5 students and 2 registered student clubs during this period to support their proposed activities. Four students who received an award visited South Korea as a participant in the 2013 Korean Association Student Exchange Program sponsored by the Office of the Mayor of Saipan and the Korean Community of Saipan. The awardees submitted photos, daily reflection logs, and Prezi presentations to share their experiences with students.

# STUDENT SUCCESS

## IMPROVING METHODS FOR TEACHING AND ASSESSING STUDENT LEARNING



To improve methods for teaching and assessing student learning, the APS Division continues to utilize the bi-annual course and instructor assessment tool by students for each class section taught by semester. Known to students as the End-of-the-Semester Course and Instructor Evaluation, it asks students questions directly related to course and instructor performance. Every semester the College implements a goal of 100% student evaluation of all class sections. For Fall 2012, 84.5% participated in the evaluation process. In Spring 2013, 93.5% participated in the evaluation process.

The College Academic Programs also use assessment tools within each program and department to evaluate instructor performance in the classroom by program supervisors. For Fall 2012 approximately 90% were observed and evaluated. In Spring 2013 approximately 95% were observed and evaluated.

Included also in the ongoing assessment of student learning is the Academic Council (AC), which is chaired by the Dean of Academic Programs and Services (APS). The purpose of the Academic Council is to assist the Dean of APS and to make recommendations to the President on all matters related to instructional programs and academic regulations. In the Fall of 2010, the AC adopted to implement in the Spring of 2011, the 2-year Staggered Course Assessment, utilizing the Nichols-Nichols model to assess academic degree program courses. In the Fall of 2012, 98% of the identified courses were evaluated and in the Spring of 2013, 95% of the identified courses were evaluated.

# STUDENT SUCCESS

## REMOVING BARRIERS THAT IMPEDE STUDENT SUCCESS

### *Eligibility for Federal Financial Aid*

When the College was notified during the Spring 2013 semester that the US Department of Education would no longer recognize the Western Association of Schools and Colleges (WASC) joint accreditation policy, 73% of all students enrolled in the School of Education were placed at risk of losing an average of \$4,834 in federal financial aid per year. The potential loss of aid to these students was significant, particularly because financial disclosures indicate that about two-thirds of these students would not be able to contribute any personal funds toward their educational expenses. While the College engaged in numerous individual and group meetings with students, government and community leaders on this issue, the President assembled a team of national advocates to assist the College make its case for leniency at a meeting with US Department of Education Undersecretary Martha Kanter on July 30, 2013. On August 13, 2014, and with only six days from the start of the Fall 2013 semester, the College received notice from the US Department of Education of that agency's decision to extend the validity of WASC's joint accreditation policy for 18 months thereby allowing students enrolled in the B.S. in Education degree program to continue receiving federal financial aid.

The availability of financial aid and an affordable education are key factors that continue to help ensure access to higher education. The College assisted 16% more students complete a Free Application for Federal Student Aid (FAFSA) as compared to last year. The FAFSA is used to determine a student's eligibility for federal financial aid, which at NMC includes the Pell Grant, Teacher Education Assistance for College and Higher Education Grant, College Access Challenge Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study.

Cash for College and the Start Smart Seminar events continue to bring hundreds of students and community members together to increase awareness, understanding, and value of college and financial aid resources. At Cash for College scheduled on June 15, 2013, for example, 420 community members participated with over 40 facilitators assisting individuals complete application forms, including the FAFSA, CNMI Scholarship, SHEFA, and Gates Millennium Scholarship.

### *Distance Education*

Significant improvements to access have been made for students in Rota and Tinian utilizing NMC online courses and services. With more classes offered online it was identified there was a need for an intense NMC Online Orientation offered via the MOODLE course management system. Another step to remove barriers was the assignment of a registration liaison officer to serve the Tinian and Rota instructional sites, assisting students on Tinian and Rota who are taking online courses from their home island, as well as those who move to Saipan to attend courses. Additionally, international student services, counseling services, and library services have all implemented an online chat as an instant messaging tool to assist online students.

# STUDENT SUCCESS

## *Cooperative Research, Extension, and Education Service*

The Cooperative Research, Extension, and Education Service (CREES), in its aim to further remove barriers, continues to expand distance education capabilities on campus. Significant investments were made in upgrading videoconference equipment, improving broadband capabilities, and in providing training opportunities for staff. Since the initial upgrade, the expanded technological capabilities have been used to aid community discussion around critical topics.

Further, in collaboration with the NMC Nursing Department and through funding from a 2.4 million dollar Childhood Obesity grant, CREES was also able to offer 28 Nursing students pediatric obesity research assistant internships. This was the first internship opportunity of its kind in the CNMI as interns were able to apply knowledge and skills acquired from nursing courses to assist with various aspects of pediatric obesity research data collection including anthropometric measurements, Food and Activity Log interviews, accelerometer placement and collection, and review of survey questionnaires, while receiving an internship stipend. Interns were also able to receive certification in responsibly assisting with human research and protecting health information from the Collaborative Institutional Training Initiative at the University of Miami



# OPTIMIZING FINANCIAL RESOURCES

## Optimizing Financial Resources

### EFFECTIVELY USING HUMAN, PHYSICAL, TECHNOLOGY AND FINANCIAL RESOURCES TO ACHIEVE THE COLLEGE'S EDUCATIONAL PURPOSES

The College faced several resource obstacles for FY 2013. Realizing this, the College worked creatively to devise a combination of programmatic and financial mixes to ensure the College achieved its educational purposes. These mixes included a number of innovative ways of enhancing existing resources to optimize efficiencies.

#### *Facilities Improvements*

To optimize class sizes, in 2013 the College renovated and enhanced nine classrooms to increase capacity and increase the caps for the number of students in classes.

#### *Energy Efficiency*

In July 2013, the College was awarded a \$300,000 grant through the U.S. Department of Interior Office of Insular Affairs' Empowering Insular Communities program to fund energy efficient air-conditioning units. This grant helped to fund the installation of energy saving fixtures and appliances, which resulted in the reduction in the use of utilities by fourteen percent overall for the period.

#### *Technology Upgrades*

The College also updated technology resources on Rota and Tinian during this period. New video teleconferencing facilities were installed and the integration of three campus networks was completed to enhance inter-island communication and facilitate student learning.

#### *Internal Controls*

In FY 2013, the College developed and implemented the first ever Operations Budget and Financial Plan. This assisted the College to implement stringent internal controls to reduce waste as well as consolidate and control spending for communication, supplies, professional services contracts, and other expenditures. Also, at the beginning of FY 2013, the College promoted the use of the bookstore for the purchase of supplies and paper for administrative and instructional use.

The Cooperative Research, Extension, and Education Service (CREES) at NMC also continued its work in seeking financial resources. The Aquaculture Division received grant funding from the CNMI



## OPTIMIZING FINANCIAL RESOURCES

Department of Lands and Natural Resources in the amount of \$120,000 for training of staff and farmers in the area of “fin fish” culture techniques and the construction of a marine fin fish hatchery targeting the breeding and production of the CNMI’s indigenous rabbit fish for commercialization.

By means of its grant acquisition capabilities, CREES was also instrumental in the preparation and writing of grants to stakeholders in order to implement training in the various fields of aquaculture:

- \$160,000 awarded by the U.S. Department of Interior to the Municipality of Rota for the training of 5 Rota Municipal staffers at the University of Hawaii in the area of Aquaponics production and the erection of a Aquaponics Center in the village of Sinapalo on the island of Rota;
- \$90,000 awarded by the U.S. Department of Interior to the Saipan Sabalu Market Association for the training of CNMI residents in the area of Cooperative development;
- \$40,000 awarded by the U.S. Department of Interior to the CNMI Aquaculture Producers Association for the hands on training of CNMI residents in the area of Aquaculture at the Northern Marianas College-CREES Wet Laboratory.

# OPTIMIZING FINANCIAL RESOURCES

## REVIEWING NMC SALARIES AND BENEFITS AGAINST NATIONAL AND PEER DATA AND IMPLEMENTING A PLAN FOR SALARY GROWTH AND ADJUSTMENTS



Northern Marianas College employs sufficient numbers of qualified faculty, staff and administrators with appropriate preparation and experience to support its student learning programs and services, to improve institutional effectiveness, and to provide all services necessary to support its mission and purpose this past FY 2013. This statement speaks to both quality and quantity of NMC's human resources and is true today, tomorrow and into the future -it is sustainable.

### *Salary Study*

The College's salary structure has been a limiting factor with respect to the recruitment and retention of personnel. During the Spring 2013 semester the Human Resources Office compared the salaries of three peer institutions to those of NMC. This study confirmed that many NMC staff and administrators were paid at levels below the average of peer institutions. This comparison also highlighted the need to create a faculty ranking system to appropriately compensate faculty with significant prominence.

### *Salary Scale*

The College has taken the first steps to address the salary issue through the creation of a revised salary scale. In this new salary scale the previous uppermost step in each faculty grade becomes the first step in such grade, and there are eleven additional steps within each grade for salary increases in the future. For classified staff, NMC's lowest pay grade has been raised to federal minimum wage (from \$5.55/hr., the current minimum wage applicable in the CNMI) and each successive grade increases at approximately five percent above the previous grade. Just as in the faculty scale, there are eleven steps within each grade. Implementation of this new salary scale for new hires, coupled with the contemplated adjustments for current personnel, will ensure continued sustainability of our existing personnel and enable us to more easily recruit for growth in the future.



# OPTIMIZING FINANCIAL RESOURCES

## *Qualifications*

A new minimum faculty qualification policy was developed to be consistent with national norms. All instructional faculty at NMC now meet the minimum qualifications for their assigned classes.

# OPTIMIZING FINANCIAL RESOURCES

## SUCCESSFULLY INTEGRATING FINANCIAL PLANNING WITH INSTITUTIONAL PLANNING WHILE ENSURING FISCAL RESOURCES ARE ADEQUATE AND FINANCIAL STABILITY IS MAINTAINED



While NMC budget procedures are based on Public Law 3-68, as amended, “The Planning and Budget Act of 1983” and Board of Regents policies, the strategic plan and annual operational plan serve as foundational documents that guide resource allocations for the College. In addition to this linkage to the College’s plans and established priorities, the allocation of resources at NMC also involves linking and prioritizing funding based on program review results, which inform the College’s budgeting processes using data and evidence. Moreover, the budget process is part of the College’s participatory governance structure and is designed to be an open, inclusive, and objective process by which to allocate Northern Marianas College

resources. This method of integrating institutional planning and resource allocation is also in line with accreditation standards.

In August 2013, a two-day, mandatory campus-wide professional development was held that included sessions on the College’s planning and budgeting process. The goal was to explain the linkage between planning and budgeting, provide a framework to help units develop their own budget requests, and provide instructions for the submission of departmental budget requests.

The College’s financial stability starts with establishing policies on acquiring adequate revenue sources and carefully planning and managing the use of such scarce resources. In September 2013, NMC Board of Regents amended Policy 7000, originally adopted on July 21, 1986, requiring that the Board of Regents to ensure integration of financial planning with institutional planning while ensuring fiscal resources are adequate and financial stability is maintained.

# OPTIMIZING FINANCIAL RESOURCES

## ASSURING FINANCIAL INTEGRITY AND RESPONSIBLE USE OF FINANCIAL RESOURCES

The College has been able to maintain positive net worth in cash equivalencies. This feat is attributed to the diligence of the Finance Office, Administrative Service, and the entire College's efforts to find ways to increase revenues and reduce operational costs. NMC continues to monitor all its financial revenue sources and make appropriate adjustments in personnel and utility consumption, as well as adhering to procurement policies and procedures.

Additional consolidation and cost saving measures were implemented in 2013. Several items were moved from individual department budget requests and consolidated in other specific unit's budgets. Such consolidations benefit the College in a variety of ways: 1) cost savings from discounts for volume purchases; 2) expedited transactions through centralization; and 3) monitoring of certain facilities expenses. A review of historical spending practices and the initiative to optimize financial resources led to the consolidation of spending in certain categories under identified departments such as faculty overload and adjunct pay, professional development expenses, and travel, among others.



# OPTIMIZING FINANCIAL RESOURCES

## FINANCIAL MANAGEMENT SYSTEM HAS APPROPRIATE CONTROL MECHANICS



In FY 2013, the College adopted an Operations Budget and Financial Plan as a primary control mechanism for financial management. This document is an organizational plan that aims to describe the allocation of funds for operational and strategic plans in monetary terms, consistent with Board policies and NMC procedures. Regular monitoring of this plan was conducted by reviewing actual expenditures against budgeted allocations. As a result of this regular monitoring ongoing throughout the year, the College could rapidly make financial adjustments as needed. This process continues to be a priority for the College in FY 2014.

# OPTIMIZING FINANCIAL RESOURCES

## ENSURING SOUND FINANCIAL DECISION-MAKING WITH DEPENDABLE AND TIMELY INFORMATION

The College's current fiscal reporting mechanism continues to be thorough and timely. The College's Chief Financial Officer is responsible for regularly monitoring internal control consistency, conducting enhanced due diligence for all the College's financial obligations, reporting on the financial status of the College to the President and the Board of Regents, and monitoring cash flow and budget expenditures and recommending adjustments as needed. In addition, the College's Budget Office and Finance Office send out regular financial status reports in the form of quarterly budgetary status reports and monthly encumbrance reports respectively to support such activities and monitor funds used. The effectiveness and timeliness of the College's financial reporting mechanisms were applauded by the accrediting commission visiting team. The accrediting commission visiting team report provided to the College in February 2013 cited evidence of this in the institution's ability to make mid-year adjustments based on the accounting and reporting of revenue-to-budget variances to sustain the fiscal stability of the College.





# OPTIMIZING FINANCIAL RESOURCES

## CORRECTING ALL NOTED AUDIT FINDINGS



The College's most recent external audit for the FY 2012 was completed in June 2013 by J. Scott Magliari & Company. For the fifth consecutive year, the Northern Marianas College received the best possible audit opinion – an unqualified opinion – on its financial statements, and for the first time in its history, the College has received an unqualified auditor's opinion on its internal control and compliance for federal programs. Moreover, the internal control and compliance report that was prepared

by the auditing firm contained only two findings and no questioned costs, also a first in the College's history. Neither of the two findings was considered a material weakness, and both audit findings have since been resolved.

In addition, in August 2013 the College received a program determination letter from the U.S. Department of Education (ED) Office of Postsecondary Education resolving a finding from the FY 2011 audit. ED did not sustain the auditor's finding nor did it concur with the auditor's recommendation related to this finding, determining the College to be in compliance with Federal procurement regulations.

## Information Technology

### IMPROVING THE UTILITY OF INFORMATION TECHNOLOGY

Based on the recommendation of WASC to raise administrative capacity, several personnel were hired to fill vacant positions. A Director of Information Technology was hired in April 2013. A Database Administrator position was also filled on September 2013 and an additional Network Specialist III was employed in June 2013. Filling these positions was a critical step to move forward with the College's objectives in Information Technology (IT).



Technological improvements to enhance organizational communication were a priority for the College in 2013. The IT department, in collaboration with Administrative Services, implemented a new telephone system with enhanced features to meet the voice communication needs of the college. Another major improvement is the integration of the three campus networks. Saipan, Tinian and Rota campuses now act as one network to share system resources, making way for other advanced technologies.

The emergence of new technologies and the expansion of services to the College requires monitoring and maintenance to sustain its effectiveness. The IT department, in collaboration with Cooperative Research Extension and Education Service (CREES), deployed additional equipment to improve video teleconferencing (VTC) services to Tinian and Rota. To maintain a reliable connection, network-monitoring systems were installed to observe network behavior and performance and to detect system problems. In addition to this, an online ticketing system integrated with the email system is now in service to effectively deliver technical assistance to the whole institution. Computer labs have also been upgraded in Tinian and Rota for student use.

# INFORMATION TECHNOLOGY

## IMPROVING THE COLLEGE'S STUDENT INFORMATION MANAGEMENT SYSTEM



To improve the Student Information Management System, software upgrades, data management and personnel training are necessary to ensure the success of the endeavor. Upon the hire of the new Database Administrator, PowerCampus system administration training was conducted to prepare the staff for system upgrades and plans for online registration. Several infrastructure modifications have been made in preparation for additional equipment, to accommodate system growth and expansion of services. The IT department is preparing to work with the vendors to perform database clean up and upgrade the PowerCampus software to the

latest version. The IT department is also working with other offices such as the Office of Admissions and Records, the Finance Office, and the Office of Institutional Effectiveness to streamline and improve the registration process. These activities are precursors to the deployment of the upcoming online registration system.

# INFORMATION TECHNOLOGY

## LAUNCHING THE ONLINE LEARNING CENTER

Online courses include interactivity and content delivered via the Moodle Learning Management System. NMC hybrid courses require students to meet regularly on-campus for at least 50 percent of the required contact hours with the remaining hours being taught online. NMC web-enhanced courses are traditional face-to-face classes that are augmented with NMC Online materials. All courses follow the same high standard of expectations for quality, integrity and effectiveness as classroom courses. An intensive online orientation is required for students who take online and hybrid courses.



*Number of courses on NMC Online displaying growth by semester*

Semester	Total on NMC Online	Fully Online	Hybrid	Web-Enhanced
Spring 2012	17	12	0	5
Fall 2012	27	9	11	7
Spring 2013	36	18	11	7
Fall 2013	55	17	23	15

# INFORMATION TECHNOLOGY

## INTEGRATING TECHNOLOGY WITH STUDENT LEARNING



To integrate technology with student learning, many classes have always and continue to include technology in the classroom. Documentation and evidence can be seen in course syllabi given to all students in their respective classes at the beginning of the semester. Integrated technology in the classroom includes but is not limited to the following: online/hybrid classes, use of computer programs for presentations/teach-backs, e-portfolios, Smart Boards, flat-screen TVs, overhead projectors, and Internet.

The Academic Programs and Services works closely with the Information Technology (IT) department in making sure that there continues to be access to multimedia technology. The establishment of an office for Distance Learning Education (DLE) in the Fall 2012, overseen and managed by a Director, assists greatly in the integration of technological aspects of student learning by making available online, hybrid and web-enhanced classes at NMC. Orientation and training for all faculty who teach online, hybrid and web-enhanced classes are also mandated and supervised by the DLE Director.

# FOCUSING ON CNMI WORKFORCE NEEDS

## Focusing on CNMI Workforce Needs

### INCREASING JOB PLACEMENT RATES

Efforts to continue increasing job placement rates continued to be a central goal in 2013. Boosting the job placement rate for graduates of Northern Marianas College's School of Education, Nursing and Natural Resource Management programs has stabilized in 2013.

Ninety six percent (96%) of May 2013 graduates tracked in the School of Education found employment. This placement rate is slightly lower than last year's (2012) percentage.



As part of national assessment requirements for gainful employment regionally, the Nursing Program continues to assist its students in preparation for the NCLEX examination. Seventy percent of May 2013 graduates tracked in the Nursing program found employment. This placement rate compares with 70% in 2012 and 50% in 2011.

This past year, NMC administered its Alumni Job Placement Survey to all 2012 graduates. The College plans to annually track graduates' post-collegiate career outcomes using the Alumni Job Placement Survey in the future.

The College continues to strengthen partnerships with key entities. For instance, the Career Center, in partnership with the College Access Challenge Grant (CACG), External Relations Office (ERO), Human Resources Office (HRO), and Nursing Program hosted six days of career-related workshops and presentations including a Career Fair with more than 377 participants. A number of employers were represented to recruit participants at the Career Fair for employment and discuss job opportunities with students.

# FOCUSING ON CNMI WORKFORCE NEEDS

## DEVELOPING PARTNERSHIPS WITH KEY ENTITIES



Establishing strategic partnerships with external institutions, groups, and individuals continued to be a top priority for the Northern Marianas College in 2013. The year saw the launch of the Commonwealth's membership in the Western Interstate Commission for Higher Education (WICHE), which greatly expanded the higher education options available for CNMI residents. The College also continues its collaborative efforts with key agencies like the CNMI Workforce Investment Agency and the Department of Commerce in focusing on building workforce

capacity. The College continues to leverage these partnerships to broaden the opportunities available for students who are looking to advance their training and education.

### *Western Interstate Commission of Higher Education (WICHE)*

The CNMI became the first territory to be granted membership into the Western Interstate Commission of Higher Education (WICHE) in November of 2012. Membership is also open to the other U.S. territories and free-standing states of the Pacific who choose to join in the consortium. Membership in WICHE allows CNMI residents to take advantage of reduced tuition rates at many colleges and universities in the western U.S., including institutions in California, Oregon, Washington, Hawaii, Idaho, and Arizona, states where many CNMI students are already attending college.

For example, the WICHE Western Undergraduate Exchange program allows students from the CNMI to save up to \$11,000 in tuition at the University of Nevada in Las Vegas (UNLV) because they would not have to pay the out of state student tuition rate, which is about \$20,000 per year. Many other universities offer varying degrees of tuition discounts as part of the WICHE program.

A total of 15 western states comprise WICHE, along with the CNMI. Each state governor appoints three commissioners. The three commissioners, appointed by the Governor from the CNMI are: Lieutenant Governor Jude Hofschneider; Dr. Sharon Hart, President, Northern Marianas College; and Josh Sasamoto, Director of Special Programs, August Healthcare Group, LLC.

# FOCUSING ON CNMI WORKFORCE NEEDS

## *Other Partnerships*

The following list includes some of the partner agencies that the College worked with in 2013 to support student needs and development:

AMERICAN MEMORIAL PARK  
AMERICAN RED CROSS NMI CHAPTER  
AUTISM SOCIETY OF THE CNMI  
AYUDA NETWORK  
AYUDA NETWORK, INC.  
BANK OF GUAM  
CAALM (COMMONWEALTH ASSOCIATION OF ARCHIVES,  
LIBRARIES AND MUSEUMS)  
CHILD CARE DEVELOPMENT FUND  
CNMI AUTISM COMMISSION  
CNMI COUNCIL ON DEVELOPMENTAL DISABILITIES  
CNMI DEPARTMENT OF COMMERCE  
CNMI DEPARTMENT OF FINANCE  
CNMI LEGISLATURE  
CNMI NURSES ASSOCIATION  
CNMI PUBLIC SCHOOL SYSTEM  
CNMI SCHOLARSHIP OFFICE  
CNMI WOMEN'S ASSOCIATION  
COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE  
COLLEGE OF MARSHALL ISLANDS  
COLLEGE OF MICRONESIA  
COMMONWEALTH CANCER ASSOCIATION  
COMMONWEALTH COUNCIL FOR ARTS & CULTURE  
COMMONWEALTH OFFICE OF TRANSIT AUTHORITY  
COMMUNITY GUIDANCE CENTER  
CULTURAL ATHLETICS LLC  
DEPARTMENT OF COMMUNITY & CULTURAL AFFAIRS  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DEPARTMENT OF LANDS & NATURAL RESOURCES  
DEPARTMENT OF PUBLIC HEALTH  
DIVISION OF YOUTH SERVICES  
DOCOMO PACIFIC  
DUTY FREE SHOPPERS (DFS)  
FIESTA RESORT AND SPA  
FRAMINGHAM STATE UNIVERSITY  
GARAPAN COMMUNITY DEVELOPMENT CENTER  
GLIMPSES SAIPAN/FOREMOST  
GUAM COMMUNITY COLLEGE  
HYATT REGENCY  
JOETEN ENTERPRISES  
JOETEN-KIYU PUBLIC LIBRARY  
KKMP 92.1  
MARIANA ISLANDS NATURE ALLIANCE (MINA)  
MARIANAS HEALTH SERVICES  
NORTHERN MARIANAS ACADEMY  
NORTHERN MARIANAS ATHLETICS  
NORTHERN MARIANAS COALITION AGAINST DOMESTIC  
AND SEXUAL VIOLENCE  
NORTHERN MARIANAS HUMANITIES COUNCIL  
NORTHERN MARIANAS PROTECTION AND ADVOCACY  
SYSTEMS, INC.  
OFFICE OF PERSONNEL MANAGEMENT  
OFFICE OF THE GOVERNOR/LT. GOVERNOR  
OFFICE OF U.S. CONGRESSMAN GREGORIO KILILI SABLAN  
OFFICE OF VOCATIONAL REHABILITATION  
PACIFIC AMUSEMENT, INC.  
PACIFIC ISLANDS CLUB  
PALAU COMMUNITY COLLEGE  
PREL (PACIFIC RESOURCES FOR EDUCATION AND  
LEARNING)  
SAIPAN HIGHER EDUCATION FINANCIAL ASSISTANCE  
(SHEFA) OFFICE  
SAIPAN SOUTHERN HIGH SCHOOL MANTA RAY BAND  
SAIPAN WORLD RESORT  
SORENSEN MEDIA GROUP  
SUGAR KING FOUNDATION OF JAPAN  
TAN SIU LIN FOUNDATION  
TRANSPORTATION SECURITY ADMINISTRATION  
U.S. DEPARTMENT OF AGRICULTURE  
U.S. DEPARTMENT OF EDUCATION  
U.S. DEPARTMENT OF HOMELAND SECURITY -  
CITIZENSHIP & IMMIGRATION SERVICES (USCIS)  
U.S. DEPARTMENT OF HOMELAND SECURITY - CUSTOMS  
AND BORDER PROTECTION (CBP)  
U.S. DEPARTMENT OF HOMELAND SECURITY -  
IMMIGRATION & CUSTOMS ENFORCEMENT (ICE)  
U.S. DEPARTMENT OF HOMELAND SECURITY - STUDENT  
EXCHANGE AND VISITOR PROGRAM (SEVP)  
UNIVERSITY OF GUAM  
UNIVERSITY OF HAWAII, HAWAII PACIFIC ISLANDS  
CAMPUS COMPACT  
WORKFORCE INVESTMENT AGENCY



# FOCUSING ON CNMI WORKFORCE NEEDS

## ASSESSING WORKFORCE NEEDS



The Northern Marianas College reviews relevant and available workforce data sets in planning and preparing for its programs. Data sets reviewed include the 2010 CNMI Census Data, the Prevailing Wage and Workforce Assessment Study (PWWAS), the CNMI Labor Force Surveys and Labor Market Information, and the Office of the Public Auditor Job Study.

The College contracted with the National Center for Higher Education Management Systems to identify areas for NMC to build its future programs and strengthen ongoing programs. Results of this study helped NMC to

focus around CNMI Workforce needs and the role of NMC. The study was shared with target groups through a series of NMC Visioning Meetings.

Separate needs assessments and surveys were also conducted on Rota and Tinian to gain data that would help NMC focus its resources on these islands. Many of the College's training programs and classes are planned and developed to serve the needs and interests of key stakeholders in the CNMI.

# FOCUSING ON CNMI WORKFORCE NEEDS

## ENSURING PROGRAM OFFERINGS TO MATCH CNMI WORKFORCE DEMANDS

### *Development of Workforce Lead Into Future Experiences (L.I.F.E.)*

The College, through the Community Development Institute's (CDI) workforce development and apprenticeship program, developed and implemented curricula and instructional training sessions to more than 350 participants on Rota, Tinian, and Saipan. The first phase of the training sessions focused on soft skills needed in today's workforce such as Leadership Development, Personal/Life Development, Customer Service/Pre-Workforce Development, and Computer Literacy Workshops.



Guest presenters included industry leaders who provided business insights to students. Additional guest lectures and speeches were provided by: 1) Governor Eloy S. Inos; 2) Lt. Governor Jude Hofschneider; 3) CNMI Delegate Gregorio "Kilili" Sablan; 4) Senate President Ralph Torres; 5) Rep. Antonio Agulto; 6) Rep. Anthony Benavente; 7) Rep. Roman Benavente; 8) Rep. Larry I. Guerrero; 9) Rep. Christopher Leon Guerrero; 10) Rep. Felicidad Ogumoro; and 11) Rep. Ramon A. Tebuteb. These speakers talked about the importance of leadership and helping the community by participating in the CNMI's workforce.

In addition, participants were asked to rank the industries in which they would prefer to work in. The areas with the highest rating include: 1) Tourism; 2) Culinary Arts; 3) Office Administration; 4) Automotive; and, 5) Hospitality. Other industries were also listed but were not highly ranked.

### *Development of Components and Phase I of the U.S. Apprenticeship Program*

The funding support provided by the Commonwealth Worker Funds helped the College develop preliminary components and Phase 1 of the U.S. Apprenticeship Program. Despite the legislative mandate (CNMI Pub. L. 15-5), the U.S. Apprenticeship Program at NMC has not received the full funding required by law since its original inception in 2006, as the CNMI Government suspended funding for such purpose for seven straight years. As a result, the College used the CW funds to assist with the planning, preliminary work, and Phase I of the multi-phased program. Phase I is estimated to take a minimum of two years to implement, depending on the workforce environment, readiness, and other factors.

## FOCUSING ON CNMI WORKFORCE NEEDS



### *Continuation of Ongoing Vocational Programs*

Commonwealth Worker Funds were used to continue and support the operations and activities of vocational programs that were identified in CNMI Public Laws 5-32, 10-66, and 15-5. These programs, which include the School of Education, Business programs, Nursing Program, and the Community Development Institute, and activities and prerequisite courses on Rota, Tinian, and Saipan, have provided graduates with the opportunity to obtain meaningful careers and salaries/wages. Expenses focused around

personnel costs, utilities, supplies, student expenses, and others. These are basic expenditures that the College requests yearly from the CNMI Government.

### *Rota and Tinian Sites*

The Rota and Tinian instructional sites are critical to the College's mission, accreditation, workforce, and community. Commonwealth Worker funds helped the College resume services and activities on these sites. As revealed in the results of surveys distributed on Rota and Tinian, the resumption of services and activities on these sites has been long awaited and meet a great need for these respective communities. More importantly, students on these sites now have access to academic courses via On-line learning and Video Conferencing (VTC).

Activities administered by Adult Basic Education Program, CDI, Cooperative Research, Extension and Education Services (CREES), Workforce Life, U.S. Apprenticeship Program, On-line and Video Conferencing capabilities, as well as the exploration and development of community needs assessments for future services were conducted. Keeping the doors open by defraying costs of operation on these islands was instrumental for NMC's accreditation purposes.

### *School of Education*

The Northern Marianas College School of Education (SOE) offers an average of 37 courses each semester, or 111 courses per fiscal year. These courses provide activities for an average unduplicated headcount of 311 students (Average of Fall 2011 and Fall 2012 IPEDS Data). These statistics do not include the pre-requisite courses (estimated at 30% of the overall courses offered at NMC) that go hand in hand and are needed to attend and/or qualify for SOE courses.

## FOCUSING ON CNMI WORKFORCE NEEDS

The SOE is the only Baccalaureate degree granting program at NMC, and has been an instrumental program in filling the gap between non-resident workers who hold BS Degrees and U.S. Citizens in the CNMI holding BS Degrees. Concentrations offered at the SOE are in Special Education, Rehabilitation and Human Services, Elementary Education and Early Childhood Education. These concentrations already have graduates working in our community, and we expect to graduate the first cohort of students in special education in May 2014. The estimated starting salary for those students who complete this program is: \$28,000/year or \$13.46/hour.



### *Business Programs*

Northern Marianas College offers an Associate in Arts in Business, Associates in Applied Science in Accounting, Business Management, and Computer Applications. The Business department at the College offers an average of 30 courses a semester or 90 courses a fiscal year. These courses provide activities for an average duplicated headcount of 528 students a semester (Based on program enrollment statistics).

CNMI workforce data over the years have revealed that accounting, tourism and hospitality, and self-employed individuals make up a considerable portion of the islands' non-resident workforce. The activities offered under the Business Program are seen as essential for providing replacement workers (thousands) in Accounting, Hospitality Management, as well as to build the skills of employees through computer application courses. One area of emphasis that is growing is the need existing for more U.S. citizen entrepreneurs in the CNMI. The Business Program revamped its curriculum to include more entrepreneurial components in the degree programs offered. The estimated starting salary in the CNMI for those students who complete a business degree is: \$23,000/year or \$11.06/hour.

### *Nursing*

Northern Marianas College Nursing Program offers an Associate in Science in Nursing. This program offers an average of 3 courses per semester or 9 courses a fiscal year. Key components in the Nursing program are the low student-to-teacher ratios, as well as the need to fulfill a minimum number of clinical hours. These two components limit the enrollment of students to the number of available instructors and facilitators at the Commonwealth Health Center Corporation.

CW funds were instrumental in securing an additional faculty member to help with the shortage of Nursing Faculty as well as help defray program operational costs. These courses provide activities for an average duplicated headcount of 74 students a semester (Based on program enrollment statistics). The

## FOCUSING ON CNMI WORKFORCE NEEDS

activities offered under Nursing Program are seen as essential for providing core and/or replacement workers in Nursing, as there continues to be a local and global shortage of nurses. This is in addition to the CNMI's woes of having a majority of nurses hired the Commonwealth's Hospital and/or clinics who are CW workers. The estimated starting salary in the CNMI for those students who complete a nursing degree is: \$25,000/year or \$12.02/hour.

### *Community Development Institute*

Northern Marianas College Community Development Institute (CDI) provides a variety of non-traditional workforce and community related activities that are consumer driven and project specific. CDI houses the Area Health Education Center (AHEC), Community Service and Personal Enrichment Program (CSPE), Expanded Degrees and University Partnership Program (EDUP), the University Center for Excellence in Developmental Disabilities (UCEDD) program, and the Workforce Development and Certificate Training Program. The unduplicated head count for activities offered by CDI was 1,177 for FY 2013 (excludes the figures for Workforce L.I.F.E). CDI provides specialized and contractual trainings and educational activities in various fields that help develop the workforce and functions of hotels, businesses, government agencies, non-profit organizations, Public School System, partner Colleges and Universities, regional, national, and international entities.

# REAFFIRMATION OF ACCREDITATION

## Reaffirmation of Accreditation

On February 11, 2013 NMC received an Action Letter from the Accrediting Commission for Community and Junior Colleges (ACCJC) stating that the College was placed on Show Cause. This action was derived from the October 2012 External Evaluation Visiting Team Report which focused on two Eligibility Requirements and three of the eight Team Recommendations. In dedication to NMC, its faculty, staff, and students collaboratively strived to fully meet the Recommendations and Eligibility Requirements set before the College. The evidence of this work is reflected in NMC's October 2013 Show Cause Report. A brief synopsis of the actions taken is as follows:



### **ELIGIBILITY REQUIREMENT 5: ADMINISTRATIVE CAPACITY**

- NMC approved the hire of its new Chief Financial Officer and Information Technology Director on April 2013.
- NMC approved the hire of Director of Admissions/Registrar and Director of School of Education on May 2013.

### **ELIGIBILITY REQUIREMENT 13: MINIMUM QUALIFICATIONS POLICY**

- At the Board of Regents meeting on August 7, 2013, the Regents adopted the BOR Minimum Qualifications and Policy #5005.1.
- All affected faculty members were given options to continue working at the institution with no reduction in salary or benefits. Some faculty members have already begun coursework to meet the newly adopted minimum qualification requirements and will return to their previous post as early as Spring 2014. NMC has set aside funding to assist affected faculty members obtain the credits they may be lacking to satisfy the new qualification requirements.

**RECOMMENDATION #2:** To meet the Standards, the team recommends that the library build on its successful student satisfaction survey efforts by implementing strategies to directly measure Student Learning Outcomes concerning information literacy.

- In accordance with ACCJC Standard II.C, Student Learning Outcomes have been established by all nine Learning Support Service departments.

# REAFFIRMATION OF ACCREDITATION



- The Library Programs Services (LPS) department launched a formal information literacy program, utilizing the American Library Association/Association of College and

- The NMC information literacy program includes ongoing integration with BE 111: College Success, a mandatory course at NMC. The library also offers orientation sessions that introduce the fundamentals of information literacy and academic research.

- Completed a successful grant proposal to the National Endowment for the Humanities to fund a series of films screening and scholarly presentations concerning the American Civil

Rights movement.

- The library has also endeavored to provide equitable services to Distance Education students through a recent web update and procedure review to better serve online students and NMC students on Tinian and Rota.
- Governor Inos to officially declare October 2013 as “Information Literacy” month in the CNMI.

**RECOMMENDATION #3:** To meet the Standards and assure the integrity and quality of programs and services, the team recommends that the College develop, and consistently apply, clear criteria in determining qualifications for faculty.

- Ad Hoc Committee was formed and provided input on the makeup of this Policy.
- Minimum Faculty Qualifications with clear criteria have been developed and were implemented for Fall 2013.
- The Board of Regents approved the Minimum Instructional Faculty Qualifications Policy No. 5005. Eight (8) New Full-Time Faculty Hired at Minimum Faculty Qualification Levels. This brings the Fall 2013 full-time faculty number to 33, of which 18 are men, and 15 of whom are women.
- To ensure consistent application of Policy 5005, HR Procedure 5005.1 identifies teaching disciplines by catalog category, and specifies the related disciplines in which degrees should be held.
- Employee evaluations for all, are administered annually by employee supervisors and is overseen by the Human Resource Office. Instructional faculty also are evaluated each semester by the “Student Appraisal of Course and Instructor”.

# REAFFIRMATION OF ACCREDITATION

**RECOMMENDATION #8:** To meet the Standards, the team recommends that the Board and the president assure that Board policies consistently distinguish between their roles, of the Board as a policy-making body and the president as responsible for the operation of the College, and improve the understanding of the College community regarding the responsibility of the president in advising the Board. Specifically, the team urges the College and Board to reconsider its policy of having Honorary Regents, who are elected to represent some College constituent groups, participate in direct discussion of policy issues during Board meetings.

- Progress in regards to the recommendations on the Role of the Board of Regents (BOR) and its review of policies as made by the commission to NMC has been a major focus this past year. To assist in this endeavor Dr. Polonio a consultant with Association of Community College Trustees (ACCT) worked with the BOR throughout FY 2013.
- The BOR approved and repealed a number of critical operational policies, others have been updated to reflect the distinguished roles of the Board as a policy-making body and the president as responsible for the operation of the College .

The College as a whole has spent much of its time this year dedicated to preparing the College for the Show Cause Visit to take place in October 2013. In August 2013, ACCT Consultant Dr. Fisher provided a review of NMC's progress toward addressing all Eligibility Requirements and Standards for the Show Cause Visit. With over 30 years of experience in higher education and a highly respected and sought after community college educator, along with her experience of have chaired visiting teams on behalf of the ACCJC was very advantageous. This visit provided the NMC campus and Accreditation Reaffirmation Team with an experienced outside prospective and prepared the campus for the Show Cause Visit.

## OTHER ACCREDITATION MATTERS

NMC was required, as a result of the recent U.S. Department of Education (USDOE) decision on joint accreditation, to come under one accreditor. NMC was granted an 18-month extension by the USDOE on Title IV funding for the College's four-year baccalaureate degree program in the School of Education (SOE) in order to do so.

NMC proposed the inclusion of its four-year baccalaureate degree program into its primary accrediting body, ACCJC. This request for Substantive Change allows NMC's SOE to meet the ED requirement to Fall within one accrediting body instead of the present two in order to remain eligible for the federal financial aid beyond the 18 month extension. The Substantive Change Report was submitted to ACCJC on September 30<sup>th</sup>, 2013 and was followed by a site visit.



# BOARD POLICIES

## Board Policies

### **ENSURING THE IMPLEMENTATION OF BOARD POLICY & ENSURING PARTICIPATION OF ALL INTERNAL CONSTITUENCIES**

The implementation of policy is monitored through the President's regular reports to the Board of Regents that detail institutional progress toward meeting identified goals and objectives. Further, the Northern Marianas College has in place a thorough policy review and adoption process that encourages participation from the students, staff, and faculty on board policies. The review process for operational policies originates from a policy steward who then brings these policies to the Management Team and is advanced to governance bodies, including College Council, for input and recommendation prior to final review by the president. These are then transmitted to the appropriate Board Committee for review and final recommendation to the full Board.

In Fiscal Year 2013, the Board of Regents has continued to work with Dr. Narcisa Polonio, vice president of the Association of Community College Trustees (ACCT), to evaluate policies that dealt specifically with Board operations. The operational policies refer to those that deal directly with the Board of Regents and its operations. It covers board self-evaluation processes, regent conduct, policy adoption, committee structure, and others. In its meeting held in August 2013, the Board approved the revision of all of its operational policies. The Board also took action on its policies regarding honorary regents, as recommended by the ACCJC visiting team earlier in the year.

Furthermore, recognizing that many existing policies were more procedural in nature, the Board of Regents has for the past two years accelerated its review and update of policies that involved all areas of the College—including human resources, student services, finance, and academics—to remove any sections that were more procedure than policy. All policies have been updated.

To sustain its progress in updating its policies, the Board revised its multi-year policy calendar that was itself updated. The calendar provides a timetable to ensure that the Board systematically and routinely reviews all the policies in a sustainable manner, instead of a wholesale and sporadic review when matters arise.

# MISSION AND VISION

## Mission and Vision

### DEVELOPING A NEW MISSION & VISION FOR NMC

With the passing of Public Initiative 17-12 in the November 2012 general election, CNMI voters handed the Northern Marianas College the authority to establish its mission statement.

During the past year (AY 2012-2013), recommendations submitted by the faculty, staff, and students were used to draft a new statement that included most of the components of the original mission statement. The Strategic Planning Task Force (SPTF) was assigned the task of creating a mission statement with the objectives of defining its broad education purposes, its intended student population, and its commitment to achieving student learning. The mission statement was revised by the SPTF to reflect those charges and presented to the Board of Regents on September 27, 2013 where it was approved along with a new vision statement.



The updated mission statement reads,

**“Northern Marianas College, through its commitment to student learning, provides high quality, affordable and accessible educational programs and services for the individual and people of the Commonwealth.”**

The new vision statement reads,

**“Northern Marianas College will serve as the engine to drive the economic growth and the social and cultural vitality of the Commonwealth.”**

# DIPLOMAS, CERTIFICATES, AND DEGREES AWARDED

## Diplomas, Certificates, and Degrees Awarded

<b>GED &amp; Adult High School Diploma</b>	<b>AY 10-11</b>	<b>AY 11-12</b>	<b>AY 12-13</b>	<b>TOTAL</b>
GED	2	10	8	<b>20</b>
Adult High School Diploma	26	32	18	<b>76</b>

<b>Certificate of Achievement (CA)</b>	<b>AY 10-11</b>	<b>AY 11-12</b>	<b>AY 12-13</b>	<b>TOTAL</b>
CA in Hospitality Management*	0	1	0	<b>1</b>

\*Program inactive

<b>Associates of Arts Degree Program (AA)</b>	<b>AY 10-11</b>	<b>AY 11-12</b>	<b>AY 12-13</b>	<b>TOTAL</b>
AA in Business	6	8	6	<b>20</b>
AA in Liberal Arts	55	47	54	<b>156</b>

<b>Associates in Applied Science Degree Program</b>	<b>AY 10-11</b>	<b>AY 11-12</b>	<b>AY 12-13</b>	<b>TOTAL</b>
AAS in Business Administration - Accounting	10	6	6	<b>22</b>
AAS in Business Administration - Business Management	10	9	6	<b>25</b>
AAS in Business Administration - Computer Applications	3	4	9	<b>16</b>
AAS in Criminal Justice	6	7	7	<b>20</b>
AAS in Hospitality Management	3	2	9	<b>14</b>

<b>Associates of Science Degree Program</b>	<b>AY 10-11</b>	<b>AY 11-12</b>	<b>AY 12-13</b>	<b>TOTAL</b>
AS in Natural Resources Management	1	4	2	<b>7</b>
AS in Nursing	12	16	34	<b>62</b>

<b>Bachelor of Science Degree Program</b>	<b>AY 10-11</b>	<b>AY 11-12</b>	<b>AY 12-13</b>	<b>TOTAL</b>
BS in Education - Early Childhood Education*	0	0	4	<b>4</b>
BS in Education - Elementary Education	14	14	14	<b>42</b>
BS in Ed: Rehabilitation & Human Services*	0	0	9	<b>9</b>

\*Concentration first offered in Fall 2010

<b>All Certificates and Degrees Awarded</b>	<b>AY 10-11</b>	<b>AY 11-12</b>	<b>AY 12-13</b>	<b>TOTAL</b>
Grand Total	148	160	186	<b>494</b>

**Sources:** Office of Admissions and Records, Commencement Programs, Adult Basic Education Program

# ENROLLMENT TRENDS

## Enrollment Trends

### *Unduplicated and FTE Student Enrollment: Three-Year Trend*

<b>Enrollment</b>	<b>Fall 2010</b>	<b>Fall 2011</b>	<b>Fall 2012</b>
Total Undup HC*	1231	1124	1207
Total FTE**	1254	1180	1278

\*Unduplicated Headcount: Total number of students enrolled counted only once.

\*\*Full-Time Equivalent: Total number of credits enrolled divided by 12.

### **Unduplicated Enrollment by Enrollment Status: Three-Year Trend**

<b>Status</b>	<b>Fall 2010</b>	<b>%</b>	<b>Fall 2011</b>	<b>%</b>	<b>Fall 2012</b>	<b>%</b>
Full-Time	995	81%	957	85%	1022	85%
Part-Time	236	19%	167	15%	185	15%
Total	1231	100%	1124	100%	1207	100%

### **Unduplicated Enrollment by Gender: Three-Year Trend**

<b>Gender</b>	<b>Fall 2010</b>	<b>%</b>	<b>Fall 2011</b>	<b>%</b>	<b>Fall 2012</b>	<b>%</b>
Female	749	61%	693	62%	712	59%
Male	482	39%	431	38%	495	41%
Total	1231	100%	1124	100%	1207	100%

### **Unduplicated Enrollment by Age Group: Three-Year Trend**

<b>Age</b>	<b>Fall 2010</b>	<b>%</b>	<b>Fall 2011</b>	<b>%</b>	<b>Fall 2012</b>	<b>%</b>
20 and below	680	55%	479	43%	647	54%
21-25	269	22%	376	33%	295	24%
26-31	99	8%	113	10%	105	9%
32-41	130	11%	106	9%	104	9%
42-54	48	4%	43	4%	43	4%
55 and above	5	0%	7	1%	13	1%
Total	1231	100%	1124	100%	1207	100%

Source: Student Information System: Enrollment Census Reports, Office of Admissions and Records

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

## Fiscal Year 2013 Annual Financial Report

*Pursuant to CNMI Public Law 17-47*

### **A. INTRODUCTION AND REQUIREMENTS OF CNMI PUBLIC LAW 17-47**

This report is submitted pursuant to Commonwealth of the Northern Mariana Islands Public Law 17-47, and provides an overview of the College's un-audited financial activities that occurred during the fiscal year ending September 30, 2013, with commentaries on internal and external issues that impacted these activities.

Pub. L. 17-47 is "an Act to amend 3CMC §1316 to provide improved financial oversight of the Northern Marianas College (NMC), which will maintain fiscal stability for students' well-being and accreditation reasons; to emphasize the constitutionally mandated use of the attorney general's office; and for other purposes." Pub. L. 17-47 requires the College's Board of Regents "to submit to the Governor and the legislature within 120 days after the end of the fiscal year an annual financial report that follows acceptable accounting practices, including all revenue collections, line item expenditures, banking reports, a college trust fund report, and including an annual accomplishment report of the operations, administration and activities of the college." Accordingly, this report is organized into the following sections:

<b>Section A.</b>	<b>Introduction and Requirements of CNMI Public Law 17-47</b>
<b>Section B.</b>	<b>Northern Marianas College's (The College) Accounting Principles</b>
<b>Section C.</b>	<b>Revenue Collections</b>
<b>Section D.</b>	<b>Line Item Expenditures</b>
<b>Section E.</b>	<b>Bank Reports</b>
<b>Section F.</b>	<b>College Trust Fund Report</b>
<b>Section G.</b>	<b>Accomplishment Report of the Operations, Administration, and Activities of the College (Please see the accompanying Northern Marianas College Annual Report.)</b>

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

## **B. NORTHERN MARIANAS COLLEGE'S (THE COLLEGE) ACCOUNTING PRINCIPLES**

The College presents its financial statements in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Board Standards (GASB). These accounting principles require that three financial statements are presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows; however, in compliance with Pub. L. 17-47 and due to ongoing audits of these statements scheduled to be completed by June 30, 2014, the College will extract from the three financials statements the required information as noted in the law and focus on Revenue Collections, Line Item Expenses, and College Trust Fund Report for FY 2013.

For financial statement purposes, the College is considered a special-purpose government entity engaged only in business-type activities and, therefore, is only required to report activities in a single column in the financial statements. The College's financial statements have been presented using the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

## **C. REVENUE COLLECTIONS**

The purpose of this section is to present both operating and non-operating revenues received by the College (not including the operating and non-operating expenses paid by the institution) and any other revenue received (not including the amounts spent or owed by the College). At the time this report was completed, the absence of the completed audits of the three financial statements, as in the past, the College would still face a net operating loss for the fiscal year because CNMI Appropriations and interest earned on the College's endowment fund are not reported as operating revenue. Therefore, the College requests for the flexibility to make adequate changes once the full FY 2013 audits are completed in June 2014.

Although the College continued to have financial challenges in FY 2013, the College remains grateful to the Governor, Lt. Governor, and the Legislature for the support provided. However, although the College generates these types of revenue, the College reiterates that it will continue to reflect operating losses until such time that operating revenues are increased substantially and the College no longer has to rely on CNMI appropriations, as these appropriations are reported as non-operating income.

In FY 2013, the College received un-audited revenue from the following funding sources:

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1. **General revenues.** This category includes resident and non-resident tuition net of tuition discounts afforded to CNMI government employees, senior citizens, and active military personnel. Fees include international student fees, English placement test fees, admissions fees for residents and non-residents, lab fees, registration fees, general course fees, and transcripts fee. Other revenue in this category includes program revenues derived from indirect revenue, rent, and miscellaneous revenues. General revenues derived from tuition and fees and other revenue comprise the College's operating budget. These revenues are used for the purpose of the College's daily operations and are all allocated and encumbered.

FY 2013	<b>GENERAL REVENUES</b>
ALLOCATED REVENUES	4,120,351.41

\*Source: Unaudited financial statements for FY 2013

2. **Appropriations.** This includes all monies received by the CNMI government for appropriations and are considered non-operating revenues. For FY 2013, NMC submitted a request for appropriations in the amount of \$8 million based on actual need, however, received only an appropriation of \$4.511 million.

FY 2013	FY 2013 APPROPRIATION PER PL 17-85
CNMI Appropriations	4,511,052.00

\*Source: Unaudited financial statements for FY 2013

3. **Federal revenue.** Sources include all grants received by the College in FY 2013. It is important to note that the large majority of the grant revenues received by the College do not go to directly general operations of the college for academic and instructional programs, but rather are very specific to the functions of the grant award. Approximately 66% of the federal monies are for Student Financial Assistance Programs (all of which is provided directly to students), College Access Challenge Programs, and Adult Basic Education, while 22% directly supports the College's Cooperative Research Extension and Education Services. A schedule of federal award programs for FY 2013 is provided below. The amount below also

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

includes \$667,233 in pass-through funding from Commonwealth Worker Funds and Compact Impact payments.

<i>FY 2013</i>	<b>FEDERAL SOURCES</b>
Federal Grants Revenue	8,882,907.35

\*Source: Unaudited financial statements for FY 2013

<i>Federal Grantor Agency</i>	<i>Federal Project Title</i>
U.S. Department of Education	Student Financial Assistance Programs
U.S. Department of Education	Adult Education Program
U.S. Department of Education	Upward Bound
U.S. Department of Education	College Access Challenge Program
U.S. Department of Agriculture	Payments to Agricultural Experiment Stations Under the Hatch Act
U.S. Department of Agriculture	Cooperative Extension Services
U.S. Department of Agriculture	Resident Instruction Program
U.S. Department of Agriculture	ADAP
U.S. Department of Agriculture	Aquaculture Development Pro-Marine Fish Hatchery
U.S. Department of Agriculture	Islands of Opportunity Alliance
U.S. Department of Agriculture	Implementation of SARE Professional Development Plan
U.S. Department of Agriculture	Children's Healthy Living Program
U.S. Department of Agriculture	Development Residence Instruction & Distance Education
U.S. Department of Agriculture	Water Quality of Unregulated Wells
U.S. Department of the Interior	Economic, Social and Political Development of the Territories - Compact Impact



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U.S. Department of the Interior	U.S. Apprenticeship Program (CWAP)
U.S. Department of the Interior	Technical Assistance Program - CNMI
U.S. Department of the Interior	Strategic Planning Process
U.S. Dept. of Health and Human Services	University Centers for Excellence in Developmental Disabilities Education, Research and Services
U.S. Dept. of Health and Human Services	Area Health Education Center
U.S. Department of Commerce	Learn and Serve America - Higher Education

4. **Special revenues.** Special revenues are composed of gifts and contributions including private gifts and contributions and educational tax contributions. Other revenue is composed of program revenues derived from the College's Community Development Institute that are generated to fulfill obligations for specific and contractual projects and activities, as well as interest earned, and miscellaneous revenues.

FY 2013	<b>SPECIAL</b>
<b>SPECIAL REVENUES</b>	201,399.97

\*Source: Unaudited financial statements for FY 2013

## D. LINE ITEM EXPENDITURES

The purpose of this section is to present both operating and non-operating expenses paid by the College and any other expenses. The following figures reflect the increasing costs of operating the College. The College requested for commensurate increases in appropriations, however, the funding allotted was not at the level needed. The stark reality is that the cost of providing higher education exceeds the price. The cost of providing a college education exceeds the full "sticker" price charged to students and their families in the form of tuition and related fees, by approximately \$5,000. Even those students who pay full tuition are supported by other sources of funds. The difference lies only in the amount of the additional resources (from the CNMI Government or others) and the source of the additional revenues that allows the

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

institution to provide it. The College will continue to reflect operating losses until such time that operating revenues are increased substantially and the College no longer has to rely less on CNMI appropriations as these appropriations are reported as non-operating income. In the meantime, reliance on CNMI appropriations is a necessity.

In FY 2013, major unanticipated expenses for the College were those associated with concerted, focused efforts to meet accreditation requirements. The entire college community was engaged and mobilized in a major offensive to respond to critical accreditation concerns and recommendations. In addition, other major unanticipated expenses in FY 2013 included the urgent actions taken in response the U.S. Department of Education's policy decision to make the College's bachelor's program in education ineligible for financial aid. An immediate and swift response was initiated by the College, fortunately resulting in a favorable outcome. All accreditation expenses were absorbed by the College, including those expenses incurred by the accrediting commission peer visiting team, those for professional services, and those related to the substantive change action for the College's School of Education. Approximated expenses directly related to accreditation for FY 2013 amounted to \$210,000. In addition, the College has incurred indirect costs associated with its sanction status in the form of lost revenues due to related decreases in enrollment as well as the countless hours of staff time spent on accreditation related efforts. Moreover, approximately 226 staff hours were spent on professional development and meetings directly related to accreditation matters alone during this same period, at a conservatively estimated personnel cost of \$722,363. In sum, remaining on accreditation sanction is a major institutional cost with figures that have equated to between \$1 million to \$1.5 million loss to NMC per year.

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

## Northern Marianas College Operating and Non-operating Functional Expenditures FY 2013 (UNAUDITED)

<i>Functions</i>	<i>Salaries</i>	<i>Services</i>	<i>Benefits</i>	<i>Insurance, Utilities, and Rent</i>	<i>Depreciation</i>	<i>Supplies</i>	<i>Miscellaneous</i>	<i>Total</i>
Instructional	6,751,024	226,514	1,120,813	0	0	30,602	4,652	8,133,605
Administration	0	565,069	0	704,286	0	212,807	1,966,068	3,448,230
Student Services	0	1,342,117	0	0	0	0	0	1,342,117
Student Expense	0	3,774,927	0	0	0	0	0	3,774,927
Operations and Maintenance	0	239,155	0	0	546,868	0	0	786,023
<b>Total Functions</b>	<b>6,751,024</b>	<b>6,147,782</b>	<b>1,120,813</b>	<b>704,286</b>	<b>546,868</b>	<b>243,409</b>	<b>1,970,720</b>	<b>17,484,902</b>

\*Source: Unaudited financial statements for FY 2013

## E. BANK REPORTS

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

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

## *1. Operations (Revolving Accounts)*

Due to the amount of federal revenues the College receives, and the method in which the College is allowed to draw funding down from the federal government (the College uses operations funds to pay for federal expenses, then is reimbursed, or draws down, the amount within a month's cycle), as well as the College's obligations to students, vendors, employees, and other entities, and, importantly, to meet accreditation standards for financial resources, the College strives to maintain revolving operating funds of at least 25% of the total amount of estimated revenues per year spread out on a quarterly basis.

Because of the prolonged cash crisis facing the CNMI Government, in FY 2013 the College continued to receive appropriated allotments delayed by an average of four payroll periods. While this was an improvement over the previous fiscal year when allotments were delayed by as many as seven payroll periods (3.5 months), continued pressure was placed on the College's cash flows. The College struggled to maintain sufficient cash flows to manage its payroll and other obligations. There is an opportunity cost associated with these delays in that the College could have used such funds to improve academic, student and community services, renovated more buildings, or made other physical and technological infrastructure improvements. In addition, the College managed its cash flow to meet contractual obligations of faculty and staff due to budget cuts from the CNMI government in fiscal year 2013.

Also required of the College for accreditation purposes is a Contingency Fund of at least 5% per year of the total general fund revenues, to be reserved for emergency purposes identified by the College. Cash flow position is a very strong indicator of the College's ability to maintain financial stability as mandated by accreditation standards. In FY 2013 the College established an operations budget of \$4.0 million and set aside a minimum of \$200,000 in general funds to meet this requirement. This amount is spread out through the Bank of Guam and First Hawaiian Banks and is reflected in the snapshot below.

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

## *Snapshot of Obligated Funds for each respective bank as of September 30, 2013*

Due to dwindling resources, the amounts shown below may have been reduced and obligated towards expenses in FY 2014. All amounts reported below are as of September 30, 2013.

<b>Bank</b>	<b>Balance</b>	<b>Status</b>
Bank of Hawaii:	\$2,380,671.61	Obligated
Bank of Guam:	\$ 861,388.13	Obligated
First Hawaiian Bank:	\$ 535,373.95	Obligated

## *2. Contingency or Restricted Funds*

The College is legally or contractually obligated to set aside funds and to meet requirements by external entities that have placed time or purpose restrictions on the use of these funds. These funds are maintained in restricted accounts. Budget and expenditures have already been obligated for all for restricted funds. Due to dwindling resources, the amounts shown below may have been reduced and obligated towards expenses in FY 2014. All amounts reported below are as of September 30, 2013.

- The College is required to reserve from federal sources funding to pay for annual leave accumulated by federally funded employees. A savings account at the Bank of Hawaii maintains a fund of \$280,802.00 reserved and restricted for such obligation.
- The College maintains a special restricted account for payroll purposes. The balance in this account held at Bank of Guam was \$209,336.60.
- The College is also required to maintain a restricted account for those federal programs that require matching funds, with an ending balance of \$310,733.09.
- A special account is required to be set aside for federal indirect programs as well as our restricted investment accounts, with an ending balance of \$171,816.82.

# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

## F. COLLEGE TRUST FUND REPORT

The College administers and endowment fund through the NMC Foundation Board of Directors, a separate legal entity. The investments are held in the name of the College; however, they are administered by the Foundation Board. The endowment fund was established through a U.S. Law designating the College as a Land Grant Institution with a one time nonexpendable endowment principal of \$3,000,000 in 1986. Additional contributions were made of \$100,000 from the NMC Foundation generated through fundraising and solicitation activities during the year ending September 30, 2010 and \$100,000 from a private donation during the year ending September 30, 2008. The principal of this fund is nonexpendable while investment income is available for operations subject to approval by the Foundation Board. The investment income derived from the principal \$3,000,000 endowment is accounted for as restricted revenues of the College, while fundraising activity of the Foundation Board is accounted for as unrestricted revenues of the College. All activities of the Foundation Board are accounted for within the College's audited financial statements. The funds are currently invested with Morgan Stanley Smith Barney, LLC. As of September 30, 2013, the most recent reporting date, the total value of all the Foundation's accounts amounted to \$6.048 million, a growth of 15.01% over the prior 12 month period. This represents a significant increase over the stated policy investment objective of the fund of 6.5% annual growth. Further details are provided in the graph below.

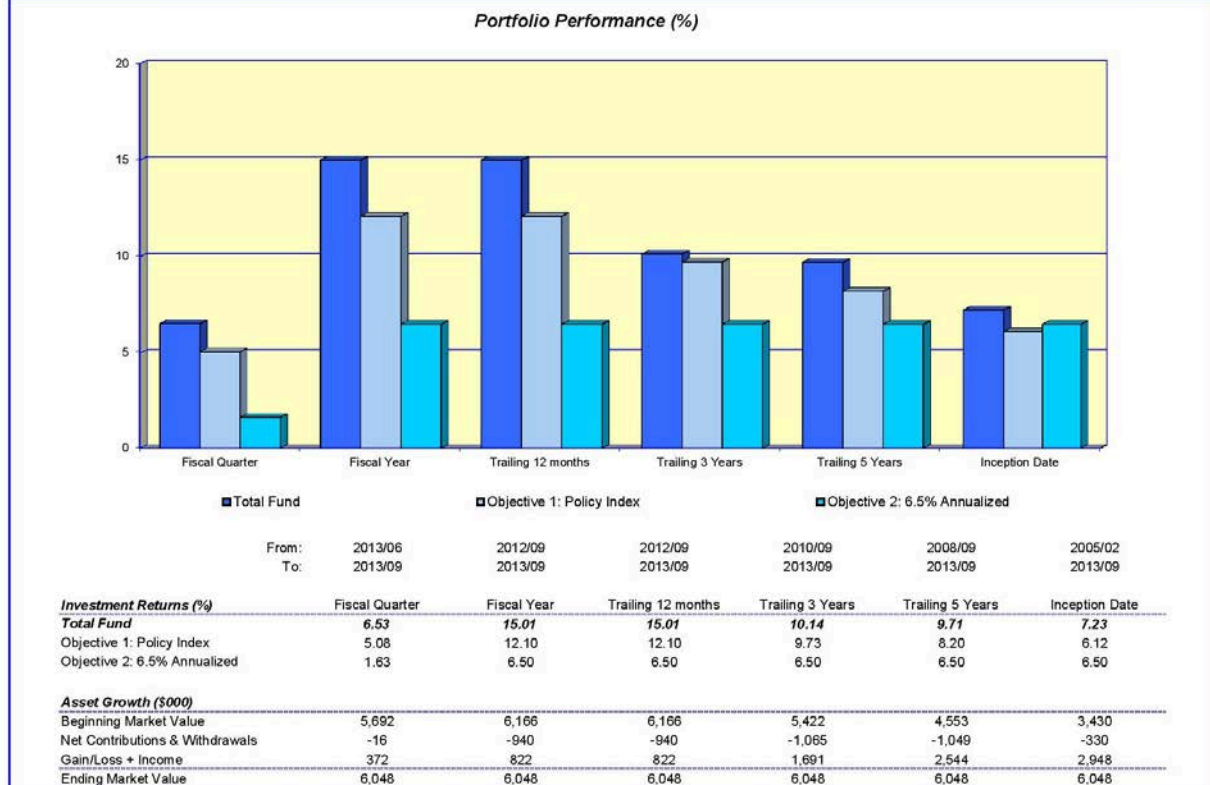
# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

Morgan Stanley

## MULTI-PERIOD PERFORMANCE

NORTHERN MARIANAS COLLEGE

AS OF 09/30/2013



# FISCAL YEAR 2013 ANNUAL FINANCIAL REPORT

## G. ACCOMPLISHMENT REPORT OF THE OPERATIONS, ADMINISTRATION, AND ACTIVITIES OF THE COLLEGE

Please see the preceding section of this financial report for the College's accomplishment report.

### *Contacting the College's Financial Management*

This financial report is designed to provide a general overview of the College's finances and to demonstrate the College's accountability for the money it receives, based on the requirements of Pub. L. 17-47. If you have questions about this report, or need additional information, please contact Tracy M. Guerrero, Chief Financial Officer at the Northern Marianas College, P.O. Box 501250, Saipan, MP 96950, via phone at (670) 237-6714, or via e-mail at [tracy.guerrero@marianas.edu](mailto:tracy.guerrero@marianas.edu).