

**REPORT OF THE WSCUC TEAM**  
**SPECIAL VISIT**

To Northern Marianas College

December 1- 2, 2016

Team Roster

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The team evaluated the institution under the 2013 Standards of Accreditation and prepared this report containing its collective judgment for consideration and action by the institution and by the WASC Senior College and University Commission (WSCUC). The formal action concerning the institution's status is taken by the Commission and is described in a letter from the Commission to the institution. This report and the Commission action letter will be made available to the public by publication on the WSCUC website.

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## **SECTION I. OVERVIEW AND CONTEXT**

### **A. Description of the Institution, Accreditation History, and Visit**

Northern Marianas College (NMC) is located in the U.S. Commonwealth of the Northern Mariana Islands (CNMI). It was founded in 1976 and established as an official government entity by Executive Order by its Governor in 1981. The college's mission is "through its commitment to student learning, provide high quality, affordable and accessible educational programs and services for the individual and people of the Commonwealth."

The main campus is located on Saipan with instructional sites on the islands of Tinian and Rota. The college offers associate degrees in business, liberal arts, natural resource management, criminal justice, hospitality management, and nursing. It also offers two bachelor degrees, in education and business management, as well as a number of certificate programs. As of 2015/2016, total enrollment was 1,186 (*Northern Marianas College website*).

In June 1985, NMC received its Initial Accreditation from the Accrediting Commission for Junior and Community Colleges (ACJCC); this accreditation was reaffirmed in 1990, 1996, and 2001. Due to workforce changes and as the only higher education institution in Saipan able to respond to those needs, NMC wanted to offer a baccalaureate degree in education, but this offering was beyond ACJCC's scope. At that time, all regional accreditation in the West, for elementary, secondary and post-secondary education, was incorporated as the Western Association of Schools and Colleges (WASC). As a result of that relationship, the ACJCC and the Accrediting Commission for Senior Colleges and Universities (ACSCU), who was recognized to accredit undergraduate and graduate degree programs, agreed to jointly accredit NMC; ACJCC was the primary institutional accreditor and the senior Commission would be responsible for the

baccalaureate degree. NMC had to go through the senior Commission's seeking accreditation process and in 2001 was granted Initial Accreditation for the baccalaureate degree program in education.

NMC was jointly accredited from 2001 to 2013, though the college received a number of sanctions during this time for falling out of compliance with accreditation Standards. Of particular note, in 2010, NMC was cited for serious issues with autonomy from outside interference, financial management and integrity, and governance and accountability. In 2013, the ACJCC issued an Order to Show Cause, a decision to terminate accreditation unless the institution could show cause why such an action should not be taken.

Also in 2013, the United States Department of Education (USDE) required WASC to unincorporate and no longer allowed joint accreditation between the ACJCC and senior Commission. NMC withdrew from ACJCC accreditation in 2013 and began a second seeking accreditation process with the senior Commission, now known as the WASC Senior College and University Commission (WSCUC). NMC received approval to add the second baccalaureate degree in business management and was granted Initial Accreditation by WSCUC in June, 2014. On September 11, 2014, the USDE recognized NMC's change in accreditation from ACJCC to WSCUC.

After the formal review of a complaint about NMC submitted to WSCUC in October 2015, a Special Visit was scheduled to investigate questions about NMC's adherence to the Standards of Accreditation. In light of WSCUC policy, the details of the complaint remain confidential. Based on concerns from that review presented by WSCUC staff, the executive committee of the Commission identified the following lines of inquiry for the visit: appropriate autonomy from

external entities (CFR 1.5); integrity and transparency in operations and demonstration of sound business practices (CFR 1.7); leadership reflecting integrity, high performance, responsibility and accountability (CFR 3.6); and, an independent governing board exercising appropriate oversight of the institution (CFR 3.9; *WSCUC Independent Governing Board Policy*).

#### B. Description of Team's Review Process

The team reviewed documentation provided by NMC as well as by the complainant. While on Saipan, the team met with the chief executive officer (CEO), the Board of Regents, the CNMI Governor, the Attorney General, the faculty senate leadership, the accreditation liaison officer, as well as with the executive secretary to the board who handles logistical support for board meetings. The hospitality extended to the team was gracious and welcoming.

#### C. Institution's Special Visit Report: Quality and Rigor of the Report and Supporting Evidence

The team found the Special Visit report was forthcoming about the institution's recognition of existing business practices that required closer oversight and monitoring. The team further appreciated the evidence provided by the institution both in advance and during the visit. The institution was responsive to all of the team's requests.

#### **Commendation:**

1. Northern Marianas College is to be commended for its immediate and comprehensive response to all the issues identified by WSCUC as part of this Special Visit.

## SECTION II. TEAM'S EVALUATION OF ISSUES UNDER THE STANDARDS

A. Issues: The business practices of the Board of Regents, specifically archival records that pertain to board membership and their term limits; and maintenance of minutes and other relevant records produced by the board.

The composition of the Board of Regents of NMC was created by the *CNMI Constitution and Article XV, Section 2(a)* of the constitution requires that appointments to the board shall be made by the Governor and that terms are staggered. The concept of staggered appointments is obviously a sound one: it ensures that there are not multiple vacancies at a given time and that there is continuity in the membership of the board, allowing for institutional continuity and memory. But in the thirty years since this principle was established in 1986, the degree to which it was followed was less than absolute. The appointments of regents began to overlap, several regents would begin their terms at the same time, and so the practice became one in which staggering was not always followed. The problems that followed--multiple vacancies, some quorum problems--were exacerbated by a lack of clarity about the terms that were being filled and even about who was responsible for the recordkeeping.

In its Special Visit report to WSCUC, the institution described an issue that stemmed from a notification from the former CNMI Governor that the appointments of certain regents had expired. This determination was made by the Attorney General, though an independent investigation conducted by the board was necessary to confirm that the terms of two regents had expired. Questions for the team surfaced regarding the nature of term expirations, including the difference between an expiring term and termination, and this led to concerns about the accuracy of record keeping, who had the responsibility for record keeping, as well as even broader concerns about

transparency of board appointments, the potential for external influence on board appointments and therefore the potential for challenges to institutional autonomy (CFR 1.5, 1.7, 3.9).

The institution's report focused on whether the Governor and Attorney General's judgment that the regent terms had expired was correct. Obviously, the presumption of a lack of autonomy would be even more salient if this judgment were incorrect. The evidence presented in the report does support the judgment that the terms had expired and therefore the Governor was correct. It was revealed during the visit that the inquiry on expiration of board member terms was actually initially raised with the Governor by NMC. As a matter of process, the Governor then consulted the Attorney General's office to verify the appointment of current and expiring board members, which led to the discovery of the expired terms. However, the fact that all this was necessary substantiated the concerns about inadequate (and unreconciled) recordkeeping and tracking of term limits between NMC and the Governor's office.

The institutional report and Special Visit revealed an expeditious response to the concerns raised by the Commission. NMC has constructed a complete and evidence-based lineage of board appointments from 1986 to the present, and NMC and the Governor's office are in 100% agreement on this record. This should provide transparency, avoid confusion about term dates, and enable the board to return to the staggered membership envisioned in the constitution. What the team heard from the executive branch reinforced this picture, and discussions are underway about a periodic joint review of this record to make sure that there continues to be complete agreement. In addition, efforts towards a digitization initiative are underway that would make this record fully available to any member of the community via the web. However, NMC's leadership will need to

assure that the digitization of and access to BOR archived records, including documents in a web-based searchable format, is institutionalized. The availability of the board executive secretary should serve as the monitoring point to assure reconciliation of records related to Board of Regents' appointment information, replacements and term expiration dates to those maintained by the CNMI Governor's office, as part of best practice to avoid future concerns with this issue (CFR 1.7).

In addition, the team's review of the minutes of board meetings and discussions with the board showed that the minutes documenting some key decisions by the board--most recently, the hiring of a new president--were sparse. The board minutes did an adequate job describing what decisions were made and actions were taken but did not go into adequate detail about some of the reasons for those decisions and actions. Minutes are an invaluable resource, not just for visiting teams, but more importantly for the institution itself, as it is only human nature for memories to fade relatively quickly, which can mean that crucial context for crucial decisions may be lost. The team recommends, therefore, that the role of board minutes be thought of more broadly than just recording what decisions were made. For this and the other changes in recordkeeping that are being envisioned to happen successfully, the staff member dedicated to supporting the board may need to be relieved of other, additional duties. In addition, the board itself will need to focus on ensuring that the minutes it approves are complete as well as accurate.



### **Commendations:**

1. Northern Marianas College is to be commended for its revisions to the Board of Regents' recordkeeping process, and clarifications about the actions taken by the board that framed the initial lines of inquiry for the Special Visit; and
2. Northern Marianas College is to be commended for its efforts in constructing a complete and evidence-based record of board appointments, which should serve NMC well going into the future, as well as beginning a digitization initiative to ensure that all board minutes are readily available to the public.

### **Recommendations:**

1. Northern Marianas College should pursue a broad institutionalized effort to assure the digitization of and access to all board records, starting with those reflecting Board of Regents' appointments and length of terms, with specific dates of appointment and expiration. Furthermore, in order to facilitate increased ease of access and availability to the public, these digitized records should be in a searchable format on the NMC web site (CFR 1.7).
2. Northern Marianas College should assure that the meeting minutes for the Board of Regents not only memorialize the decisions made and actions taken by the board but, at least in some key instances, include more about the rationale for these decisions and actions so that this information is fully captured in the public record and is available to others (CFR 1.7).

B. Issues: Autonomy from External Entities and an Independent Governing Board free from conflicts of interest and commitment.

As the team learned more about the history of board composition as discussed above, through meetings with the CEO, the Board of Regents, the Governor, and the Attorney General, the team determined that there was no undue influence exerted upon the board by any external entity. The board has been free to do its work. But the team did note that there was nothing in the process used to date to make sure that the board was well prepared for that work before coming onto the board, and the process used to date certainly does not prevent appointments to the board that might be

politically motivated and raise questions concerning conflict of interest and conflict of commitment.

The team was pleased to hear that the board had recently adopted a policy by which it established a new Regent Nominating Committee (with broad representation from campus constituent groups), which has already been used to successfully fill its most recent vacancy as of the time of the Special Visit. However, concern remains that absent legislative statute, the integrity of the process rests only within the purview of the board. In other words, currently there is a process by which the board can bring names forward to the Governor, but nothing requires the Governor to appoint the nominees who emerge from this process. The board noted that it intends to pursue change in legislation to make the process it has developed commonwealth law, not just board policy, and it is beginning to explore “various avenues that might bring about legislative change to support the Nominating Committee.” The team has no doubt that the new process represents a big step forward, and it has no doubt that getting the process written into statute would strengthen the board and strengthen the autonomy of the institution. A visit with the CNMI Governor confirmed that he approves of the new process, has followed it in the most recent board opening, leading to a confirmation of a new regent by the senate during the team visit, and strongly supports this proposed legislation. The inclusion of an official CNMI statutory legislative process will provide further long-term assurances for the institution’s autonomy against undue external influences on board member appointments (CFR 1.5, 3.9).

A related issue discussed in the NMC institutional report was the Conflict of Interest Policy; the board re-examined that policy and found it appropriate. The team concurred, but issues involving potential conflicts between membership in the board and other commitments have come up, and,

in fact, have just triggered the resignation of a member of the board. Continuity of board membership is an important part of stability and continuity of operations, so anything that affects the composition of the board is potentially a concern for the effectiveness of the institution (CFR 3.9, 3.6), while, on the other hand perceptions of conflicting roles may affect the institution's reputation for integrity (CFR 1.7). In exploring these issues while on the visit, the team found it useful to differentiate between conflict of interest (COI) and conflict of commitment (COC); and many institutions have found the need to develop COC policies in addition to COI policies. These issues are particularly important for board members, who must have the time to attend to their responsibilities and must attend to what is sometimes called the duty of loyalty, in other words to make sure that individual board members put the interests of the institution of which they are a board member first. It is not clear to the team whether this distinction between COI and COC is clear to the board, but it is clear that differences of opinion exist among members of the board about what actions a board member should take if there are perceptions of conflicts of commitment. It is the team's recommendation that the board should develop policies concerning this issue, and these policies could form part of the board's *Code of Conduct (BOR Policy 1014)* or be a freestanding policy. WSCUC can be a helpful resource here, through NMC's staff liaison, but AGB (Association of Governing Boards of Universities and Colleges) would also be helpful. It should be made clear that the response to a perception of a conflict (either of interest or commitment) isn't always for the board member to step down. Some appearances of conflict are just that, appearances, while other conflicts (even if real) can be managed. The team believes that many potential board members may be in situations where having a policy of this kind would help their and the board's decision making about how to handle those situations.

### **Commendation:**

1. Northern Marianas College is to be commended for its newly developed regents nomination process.

### **Recommendations:**

1. To assure the institution operates with appropriate autonomy, Northern Marianas College should actively pursue efforts to have the Regent Nomination Committee process become an official statutory process through legislation passed by the Commonwealth of the Northern Marianas Islands (CNMI) legislature (CFR 1.5).
2. The Northern Marianas College Board of Regents should consider expanding or supplementing the *Code of Conduct (BOR Policy 1014)* to address issues of conflict of commitment, cases in which board members may be perceived to have divided loyalty between the NMC BOR and either other boards or their employment in other parts of the government (CFR 1.5, 3.6).

#### C. Issues: Continuity of Leadership/CEO Evaluation and Goal Setting.

NMC needs to do great things for great things to happen in CNMI: NMC is in large measure where the future of CNMI will be created. The team recognizes that for any institution to realize ambitious, long-term goals, continuity of leadership is very important (CFR 3.6). Every time a sailboat changes direction, it loses speed and the same is true of institutions of higher education. The long-term stability of leadership--at the governing board and at the CEO level--at NMC is therefore vital to its progress and success, and the recent past hasn't been marked by the kind of stability institutions of higher education need to thrive.

In this context, it is important to note that the timing of the Special Visit came at a time of a significant transition in leadership, as a new CEO had just been hired and had been on campus for about a month at the time of the team visit. The team commends the board for what seems to have been a successful search process for the new president (CFR 3.6). As a result of less than complete

satisfaction with outside consultants used in the past, the search was conducted in-house, and a search committee was created with broad representation from the campus which allowed stakeholders on campus to feel that their input was received and listened to, even though the final decision on who to hire was a confidential or ‘black box’ decision in which the board interviewed the finalists and made the decision without a public campus visit. The team commends the board on this process: it learned from the past, developed a new way of hiring, and carried it through to an expeditious conclusion.

In the current environment with a new CEO, a new board chair and several new members of the board, NMC is still in transition, and the team believes there are issues surrounding goal setting for the new president and the institution, and evaluation of the new president which demand the board’s continued attention. Before hiring the new president, the board spent time thinking about the process of evaluating the president, and developed a new written instrument for conducting an annual evaluation (CFR 3.9). While this instrument is yet to be utilized, the team commends the board for taking the initiative to develop the instrument and for the care and thought that went into it. This will help with a past key issue which has been board oversight of the president (CFR 3.6, 3.9). The choice of a CEO—the act of hiring a CEO—is the most important single act of any board; however, the board’s responsibility for the success of that hire continues throughout the person’s tenure, as the board has a responsibility to do what it can to ensure the success of the person it has chosen. The team views this instrument as a useful and important step in this direction.

The performance evaluation form is an instrument that assists in the evaluation of the president on a scale from outstanding to not acceptable on fifteen different criteria. The team draws particular attention to the final criterion, which it believes is probably the most important and is certainly the

one where the board itself needs to be most involved throughout the period being evaluated. This is “Achievement of goals and objectives mutually set.” The creation of goals and objectives for the president are then set mutually by the board and the president working together. The team understands that a work session has already been scheduled for January 2017 to initiate this process.

The team commends the board for this, but remains concerned that the period of evaluation is for one year, and given that contracts for the NMC president and instructional faculty are for two years, that the goals and objectives being set in this process may be restricted in their temporal horizons, and therefore unduly restricted in their scope. While it goes beyond the team’s purview to suggest what these mutual goals and objectives might be, and while the team recognizes that at the time of the visit, the process had not yet formally begun, it did discuss what some of these goals might be with both the president and the board. These conversations reinforced the concern that the temporal horizon might be restricting the kind of visioning needed. The team recommends that both parties seize the opportunity presented by a new president and a substantially reconfigured board to think about the next five to ten years, and not just the next one to two years. The team recommends a judicious mixture of some important but achievable short-term goals and some important long-term goals. If one wants to see a long way one needs to find a high place to survey the horizon, and this mutual goal setting should be done from that high place.

This relates to another important issue on campus, which is the duration of presidential contracts. The new president is on a two-year contract, as are all faculty and academic administrators at the campus. This as far as the team was able to discern is a NMC policy, not something mandated by CNMI statutes or rules. The team understands the rationale for offering an initial term to a new

president of this length, as it could be thought of as a probationary or trial appointment. (The team is very aware that recruitment can be difficult given such a short initial period, and understands that this has been an issue in the past, though it seems not to have been in this case). A continued series of such short contracts runs several risks. A president perpetually on a short term employment situation may, as the team has already suggested, focus just on easy wins, on things achievable within the current contract. He or she may also look elsewhere, anxious to have greater security of employment. Finally, while a close relationship between the president and the board is vital, a president shouldn't be so fearful for his or her job that he or she doesn't have the ability to lead and manage as the president. For all of these reasons, the team recommends that the board reconsider its policy of only using two-year employment contracts for the president. Such a short period does not seem to represent best practice, and may in fact inhibit the performance of the president (CFR 3.6). This policy issue is a different matter from a decision whether this or any particular president's contract should be extended, clearly a board decision that the team has no purview over.

**Commendations:**

1. Northern Marianas College is to be commended for its transparent process which led to the successful recruitment and hiring of its new president who seems to have broad campus support; and
2. Northern Marianas College is to be commended for its newly designed performance evaluation process for the CEO.

**Recommendations:**

1. The setting of mutual goals and objectives for the president by the NMC Board of Regents and president should be strategic and long-term, as appropriate to the institution's purpose as a higher education institution (CFR 3.6, 3.9, 4.6).
2. The Northern Marianas College Board of Regents should reconsider the CEO's two-year contract limit beyond the initial term, because of the potential effect on performance and implications for recruitment, hiring, and retention (CFR 1.7, 3.6).



### **SECTION III. FINDINGS, COMMENDATIONS AND RECOMMENDATIONS**

#### **Commendations:**

Northern Marianas College is to be commended for its:

1. immediate and comprehensive response to the issues identified by WSCUC;
2. revisions to the Board of Regents' recordkeeping process, and clarifications about the actions taken by the board that framed the initial lines of inquiry for the Special Visit;
3. construction of a complete record of appointments to the Board of Regents and its beginning a digitization effort involving all board actions and minutes;
4. newly developed Board of Regents' nomination process;
5. transparent process which led to the successful recruitment and hiring of its new president who seems to have broad campus support; and
6. newly designed performance evaluation process for the CEO.

#### **Recommendations:**

1. Northern Marianas College should pursue a broad institutionalized effort to assure the digitization of and access to records, particularly those reflecting Board of Regents' appointments and length of terms, with specific dates of appointment and expiration. Furthermore, in order to facilitate increased ease of access and availability to the public, these digitized records should be in a searchable format on the NMC website (CFR 1.7).
2. Northern Marianas College should assure that the Board of Regents' meeting minutes not only memorialize decisions and actions made, but include the rationale for all decisions and actions to fully capture this information in the public record (CFR 1.7).
3. To assure the institution operates with appropriate autonomy, Northern Marianas College should actively pursue efforts to have the Board of Regents' nomination process become an official statutory process through legislation passed by the Commonwealth of the Northern Marianas Islands (CNMI) Legislature (CFR 1.5).
4. The Northern Marianas College Board of Regents should consider expanding or supplementing the *Code of Conduct (BOR Policy 1014)* to address issues of conflict of commitment, cases in which board members may be perceived to have divided loyalty

between the NMC BOR and either other boards or their employment in other parts of the government (CFR 1.5, 3.6).

5. The setting of mutual goals and objectives for the president by the Northern Marianas College Board of Regents and president should be strategic and long-term, as appropriate to the institution's purpose as a higher education institution (CFR 3.6, 3.9, 4.6).
6. The Northern Marianas College Board of Regents should reconsider the CEO's two-year contract limit beyond the initial term, because of the potential effect on performance and implications for recruitment, hiring, and retention (CFR 1.7, 3.6).