



# NORTHERN MARIANAS COLLEGE

-2966-

## Office of the President

P.O. Box 1250 Saipan, MP. 96950

Phone: (670) 234-5499

FAX: (670) 234-1270

June 28, 1995

Henry U. Hofschneider, Chairman  
Justo S. Quitugua, Member  
Committee of Judiciary and other Elected Offices  
Third N.M.I Constitutional Convention  
Legislature Building, Capitol Hill  
Saipan, MP 96950

Dear Mr. Chairman and Mr. Quitugua:

This is written in response to Mr. Quitugua's letter to the Chairman of the Board of Regents dated June 6th in which he asked for several pieces of information and for responses to a series of questions posed in his letter. Because of his busy schedule the Chairman has asked that I reply in his stead. I am pleased to do so.

However, before responding in detail to the contents of Mr. Quitugua's letter, I would like to say that it was a pleasure to appear before your committee on June 21st. I hope I was able to answer most of your questions regarding Northern Marianas College (NMC). During the remainder of the Constitutional Convention I would be most happy to meet with you at any time to further discuss the College and its proper place in the Constitution.

In response to Mr. Quitugua's letter of the 6th, there are no "rules" from the Western Association of Schools and Colleges (WASC), our accrediting agency. Rather, the College, like all other accredited institutions of higher education, follows WASC "recommendations" which are tantamount to directives. I believe you are already in possession of the interim report from WASC's Accrediting Commission which we at the College consider to be NMC's requirements for maintaining its accreditation.

It is unfortunate that some delegates and some legal counsels are of the opinion that there is no need for any provision about the College in the Constitution. Enclosed you will find material recently sent to us by the Executive Director of our Accrediting Commission indicating that twenty-six states have established their public postsecondary educational institutions by means of their state constitutions. And in half of those states the powers and responsibilities of their Boards of Regents are explicitly delineated. I believe that this in itself proves our point:

establishment of our College and delineation of its mission together with assurance of financial support *does* belong in the Constitution of the Northern Mariana Islands.

It is neither necessary for a college to be established in a constitution in order for it to have guaranteed autonomy, nor it is the Board of Regent's position that this is the only way to satisfy WASC. However, because of the unique political environment in the CNMI under which government jobs (or loss of same) are used as reward or punishment by autocratic elected and appointed officials, constitutional creation of the College surely helps to keep it free of political interference.

I feel sure that most delegates to the Concon are cognizant of this political reality even though it may be difficult for visiting legal counsel to grasp when working in the Commonwealth only once every ten years or so.

I have served as a member of the WASC Accrediting Commission for the past six years. This experience has taught me first hand that what the Commission looks for in granting or reaffirming accreditation is solid and continuous support for a college from both the legislative and executive branches of government. It is my opinion as an experienced member of the Accrediting Commission that WASC would certainly consider a guaranteed, adequate budget set forth in the constitution to be "solid assurance" of government support. It would also certainly help NMC officials to plan realistically for the future.

As our legal counsel, Ken Govendo, explained before your committee last week, sometimes it *is* necessary to put "legislative language" in the Constitution. The Governor's placing the College in the executive branch by means of Executive Order 94-3 (see his organizational chart) is a perfect example of why it is so necessary to "spell out" the nature and place of the College in the Constitution.

It is not at all inconceivable that some shortsighted politicians in the CNMI might jeopardize NMC's accreditation for their own purposes. Accreditation of the College is so important to our people's welfare and future that clearly establishing the College's and its Board's autonomy in the Constitution is both proper and necessary.

The constitutionally guaranteed budget of 1% has not helped make the College into a first class institution of higher education. A first class institution needs much more than a minimally guaranteed budget. The dedication of our faculty, our staff, our Board and our students is what is helping NMC become first class. Nevertheless, money is always needed, and NMC has never received enough. Please remember that our College started its campus with the old, worn out Dr. Torres hospital, and

with the exception of funds to build a small student toilet building, not one cent has ever been appropriated by our Legislature and approved by the Governor for capital improvements at the College.

We have had some success obtaining from the private sector donations of materials and labor for buildings as well as paving and some outdoor lighting. We have also sought and received considerable financial assistance from various agencies of the Federal government, principally the Department of Education, the Department of Agriculture, the Department of Interior and the Department of Labor.

Unfortunately, we have not yet received from the private sector any significant contributions such as classroom buildings, lecture halls, cafeteria, etc. I attribute this lack of generosity to the fact that we are still relatively new, and to the fact that we tend to be judged as "part of the government" which doesn't generate a lot of respect from the private sector. However, I believe that the first step toward more private sector contributions is the total, unflinching support by everyone in the CNMI government -- beginning with this Constitutional Convention!

The College strives to hire first rate instructors. We have been fortunate because many of our instructors eventually choose to call the CNMI home. We would like all of instructors to be content, and certainly a decent salary with respectable benefits would make NMC more attractive. A constitutionally guaranteed adequate budget would make eventually competitive salaries a reality.

The Community Service programs at Northern Marianas College have definitely provided, and continue to provide, intellectual support for important activities in the community. The annual forum on the Covenant sponsored by the College has brought in-depth information and insights to this fundamental document linking the Commonwealth to the United States. And the six-week, call-in talk show on the Concon sponsored by the College on local television offered the general public insights on this critically important topic by interviewing and hosting Commonwealth leaders and experts on this subject.

Yes, the College did use, and is using, its "constitutionally guaranteed funds to help provide information, background and ideas for the Constitutional Convention". Just yesterday our staff member, Herbert Del Rosario, visited the Concon and spoke to key staff about what the Archives in the College Library can make available to Concon delegates and staff. Herbert informs me that on numerous occasions both delegates and legal counsel to the Convention have come to the Archives at the

College and been helped by our staff to retrieve important information for use by the Convention.

Finally, constitutionally guaranteed funds are a necessity for the College, not a detriment. Please remember that NMC is a *community* college. That means it operates for the entire community, not just some elite or privileged few. Every community college receives support from its government. And every community college operates at a loss: there is not a community college I know of that could survive on fees and tuition alone.

Northern Marianas College does not make a profit. Its doors are open to all. Our College is constantly justifying its programs to the Legislature through its regular, required, written reports, and through its budget justifications. For some years now, 75% of the College's budget is from appropriations, *not* from constitutionally guaranteed funds.

Thank you for your June 6th letter. Your interest in the College is appreciated, and your support of its inclusion in the Constitution will be welcomed.

Sincerely,



Agnes M. McPhetres,  
President

enclosures

## **STANDARD SEVEN: FINANCIAL RESOURCES**

### **Standard 7A Financial Stability**

Financial resources are sufficient to achieve, maintain, and enhance the goals and objectives of the college. The level of financial resources provides a reasonable expectation of financial viability and improvement. Financial management exhibits sound budgeting and accounting. Financial planning is based on institutional planning involving the governing board and broad staff participation.

- 7A.1 Current and anticipated income is adequate to maintain high quality programs and services.
- 7A.2 Plans exist for the payment of long-term liabilities.
- 7A.3 Cash flow provision and/or reserves are sufficient to provide fiscal stability and to meet the needs of the institution.

### **Standard 7B Financial Planning**

- 7B.1 Financial planning is based upon the educational master plan and provides for staff participation and budget approval by the governing board.
- 7B.2 The policies, guidelines, and processes for developing the budget are clearly defined and followed.
- 7B.3 Financial planning takes into account long-range projections regarding programs, services, costs, and resources.

### **Standard 7C Financial Management**

- 7C.1 The organization for financial administration is clearly defined.
- 7C.2 Financial reports are timely and accurate and are routinely distributed and reviewed.
- 7C.3 The institution has policies and programs on risk management which address loss by fire and theft and liability for personal injury and property damage.
- 7C.4 The institution's financial records and internal control processes are subjected to an annual audit by an independent certified public accountant.

## **STANDARD EIGHT: GOVERNANCE AND ADMINISTRATION**

Postsecondary education has a tradition of broadly shared authority and responsibility. For an institution to serve its purposes and achieve its goals each major constituency must carry out its separate but complementary roles and responsibilities. Institutional governance mechanisms provide the means through which policy is developed and authority is assigned, delegated, and shared in a climate of mutual support.

### **Standard 8A The Governing Board**

The governing board is responsible for the quality and integrity of the institution. It selects a chief executive officer, approves the purposes of the institution, and responsibly manages available fiscal resources. It establishes broad institutional policies and delegates to the chief executive officer the responsibility to administer these policies. There is a clear differentiation between the policy-making function of the board and executive responsibilities. The board protects the institution from external pressures and provides stability and continuity to the institution.

- 8A.1 The board includes adequate representation of the public interest and the diverse elements of the population it represents. Arrangements provide for the continuity of board membership and staggered terms of office.
- 8A.2 Board policies include a statement of ethical conduct for its members. The board acts as a whole; no member or committee acts in place of the board. Board policy precludes participation of any of its members or any member of the staff in actions involving possible conflict of interest.
- 8A.3 The board is responsible for the financial soundness of the institution and ensures that the educational program and the physical facility plans are of high quality and consistent with institutional purposes.
- 8A.4 The board reviews and approves educational programs, and ensures that programs, degrees, and certificates are of satisfactory quality, consistent with institutional purposes.
- 8A.5 The board approves an effective organization which serves institutional purposes.
- 8A.6 After appropriate consultation, the board selects and provides regular evaluation of the institution's chief executive officer.
- 8A.7 The board has a process by which its own performance can be assessed.

**STATE BASIC LEGAL STRUCTURES**  
**List of States Where Boards of Higher Education are Constitutional**

<u>State</u>	<u>Institutions</u>	<u>Powers Delineated</u>	<u>Legislature Authorized</u>
Alabama	Auburn Univ.		X
	U. of Alabama		X
Alaska	Board of Regents		X
Arizona	State Bd. of Regents		X
Arkansas	U. of Arkansas	X	
	Ark. Tech. Univ.	X	
	U. Central Ark.	X	
	Henderson State U.	X	
	Southern Ark. U.	X	
California	Univ. of California	X	
Colorado	Univ. of Colorado	X	
Florida	State Bd. of Educ.		X
Georgia	Univ. of Georgia		X
Hawaii	Univ. of Hawaii		X
Idaho	Bd. of Educ./Bd. of Regents	X	X
Kansas	Bd. of Educ.		X
	Bd. of Regents		X
Louisiana	Bd. of Regents		X
	L.S.U.		X
	Southern U.		X
	State Colls. & Univs.		X
Michigan	Bd. of Educ.		X
	Public Comm. Colls.		X
	Public Univs.		X

State Basic Legal Structures-Constitutional, page two

<u>State</u>	<u>Institution</u>	<u>Delineated</u>	<u>Authorized</u>
Mich., cont'd.	Wayne State	X	
	Univ. of Mich.	X	
	Mich. State U.	X	
Minnesota	Univ. of Minn.	X	
Mississippi	Bd. of Trustees Higher Education	X	
Missouri	Dept. of Higher Ed.		X
	Univ. of Mo.		X
Montana	Bd. of Regents	X	X
Nebraska	Coord. Comm.	X	
	Univ. of Neb.		X
	State Colleges		X
Nevada	Bd. of Regents all postsecondary	X	
New Mexico	Univ. of N.M.		X
	N.M. Highlands U.		X
	Eastern N.M. U.		X
	N.M. Inst., Mining & Tech.		X
	N.M. Military Inst.		X
	N.M. State Univs.		X
	Northern N.M. Comm. Coll.		X
	Western N.M. Univ.		X
New York	Bd. of Regents, Univ. of the State of N.Y.		X
North Carolina	Univ. of N.C.		X
North Dakota	N.D. Univ. System	X	



State Basic Legal Structures-Constitutional, page three

<u>State</u>	<u>Institution</u>	<u>Delineated</u>	<u>Authorized</u>
Oklahoma	Regents for Higher Ed. Univ. of OK	X X	
South Dakota	Bd. of Regents	X	
Wyoming	Univ. of Wyoming Community Colleges	X	X X

(source: 1994 State Postsecondary Education Structures Handbook, published by the Education Commission of the States, Denver, Colorado)

---

**State Postsecondary  
Education Structures**

**Handbook**

---

1 9 9 4

**State Coordinating and Governing Boards**

---

■ Profiles      ■ Legal Basis      ■ Responsibilities      ■ Membership      ■ Staffing

Authors:      Aims C. McGuinness  
                 Rhonda Martin Epper  
                 Sheila Arredondo



---

707 17th Street, Suite 2700  
Denver, Colorado 80202-3427

---

Report of Visiting Team  
Evaluation for Initial Accreditation  
Northern Marianas College, Saipan

SUMMARY OF THE REPORT

Northern Marianas College, Saipan, was granted Candidate for Accreditation status by the Accrediting Commission in January, 1983. The College completed its comprehensive self-study and applied for full accreditation in February, 1985.

A three-person team visited NMC April 9-11, 1985. The team feels that the institutional self-study, which was well prepared, is a valid representation of an institution that meets the Commission's standards of accreditation.

The College responded admirably to the previous team's recommendations. Remarkable progress has been made in all areas of college operations during the two years in candidacy.

Obviously in a young and still emerging institution a number of issues merit attention. Many of these are contained in the self-study report itself. Others are contained in the body of the team report.

Three require special follow-up:

- 1) In order to develop effectively as an institution of post-~~secondary education, the college must achieve independence in its personnel functions from the government's personnel department.~~ Legislation establishing this independence is urgently recommended.
- 2) A policy should be adopted by the Board of Regents requiring an annual external financial audit and management letter, and audits should be performed on a more timely basis.
- 3) Internally, through a process of dialogue and consultation, a policy document should be prepared clarifying and setting forth roles and relationships in college decision-making processes among the Board of Regents, the President, and the faculty. The objective of such a document should be to develop strong positive ties, deep mutual respect, and effective working relationships among all parties. Without such a document, a lack of clarity and its inevitable concomitant, frustrated expectations, will generate negativism and divisiveness.

Congress had failed to provide the college autonomy in fiscal and personnel matters, a view which the team shares with the board. The team found the Board to be extremely conscientious, knowledgeable and concerned that the new board get off to a positive start.

Given that the outgoing board is in a good position to influence decision makers because members have little vested personal interest, (XIX) it is recommended that the Board of Education continue to advocate that the College Board of Regents be granted autonomy over its fiscal and personal affairs. Early in the tenure of the board (XX) it is recommended that in addition to developing role definitions (See recommendation II) the board and administration engage in the basic work of (1) developing policy manuals for the Board and administration, (2) establishing a process for evaluation of the Board and the President, (3) determining the participation of faculty in governance.

In July, 1985 a Constitutional Convention, called by a vote of the people, will be held in the Commonwealth of the Northern Marianas Islands. It is likely that issues of governance, such as the matter of electing versus appointing governing board members, will be discussed during this Convention. Without expressing a preference for either method of selection, the team does suggest that too frequent changes in governing boards can have a destabilizing effect on institutions, a fact which the college would be well-advised to bear in mind.

5/31/85  
twf:cb