

February 19, 2003

The Honorable Paul A. Manglona  
President of the Senate  
Thirteenth Northern Marianas Commonwealth Legislature  
P.O. Box 129  
Saipan, MP 96950

The Honorable Heinz S. Hofschneider  
Speaker of the House  
Thirteenth Northern Marianas Commonwealth Legislature  
P.O. Box 586  
Saipan, MP 96950

Dear Senate President Manglona and House Speaker Hofschneider:

**Subject: Report on the Facts and Circumstances Surrounding the Termination of Employees of Northern Marianas College**

This report presents the Office of the Public Auditor's (OPA) evaluation of the facts and circumstances surrounding the termination of 11<sup>1</sup> employees<sup>2</sup> of the Northern Marianas College (NMC) as part of a reorganization announced on September 23, 2002. The evaluation's objectives were to determine: (1) NMC's basis for terminating the 11 individuals; (2) whether NMC adhered to applicable laws, NMC policies, and employment contract terms in terminating the 11 employees; and (3) the fiscal impact of the terminations.

Our review of documentation and responses from structured interviews with NMC Regents, staff, faculty, terminated individuals and the NMC President showed that the NMC Board of Regents (the Board) entrusted the NMC President (the President) with broad authority to conduct a reorganization and was very supportive of the way it was conducted. OPA found that the President conducted the reorganization quickly, and most individuals exclusive of Board

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<sup>1</sup> In December 2002, the NMC President terminated two additional employees as part of his continued reorganizing of NMC. Consequently, OPA also briefly addressed this matter.

<sup>2</sup> In accordance with statutory restrictions in the Auditing and Ethics Acts, names of individuals are not disclosed in this report.

members perceived they had little, if any, input into the reorganization. Most respondents, other than Board members, disagreed with the manner in which the reorganization was conducted indicating it was insensitive to employees being terminated or reassigned. OPA obtained no direct evidence showing that employees were personally targeted for termination. However, many NMC officials and employees suspected that the opinions of a few key individuals may have helped the President make his decisions.

The documentation supporting the President's reorganization was less than thorough as it only consisted of a PowerPoint presentation showing the organizational chart of both the old and new college organization and a draft "first impressions" memorandum to the Board that did not adequately specify what was to be done and when, how it was to be implemented, and who were to be affected. While the Board informally endorsed the President's decision on the reorganization, it: (a) did not vote on the reorganization even though the previous organizational chart was included as Board policy and a Board vote was needed to change it, (b) did not meet as a full board monthly as required by Board policy, and (c) did not provide Board minutes in a timely manner on a matter of concern to the community. Also, the President chose not to follow reduction-in-force (RIF) procedures even though NMC Policy 4358 indicates that "program restructuring" is a condition warranting compliance with RIF procedures.

The President did not adequately involve NMC staff in the reorganization process contra to one of the college accreditation standards<sup>3</sup> to be followed. The President terminated employees using the "without clause" provisions of the employment contracts. However, contracts for six of the 11 terminated employees had already expired when they were given termination notices. Also, NMC continued to pay terminated employees but instructed these employees to provide no services. In addition, NMC filled four position vacancies without advertising them contra to Board policy. Also, NMC failed to comply with the Administrative Procedures Act requiring it to publish its personnel regulations in the Commonwealth Code.

Finally, it appears that first year savings resulting from the reorganization will amount to about \$250,000. This will increase to \$523,743 annually after the first year when savings were reduced by the need to make lump-sum payments of accrued annual leave together with 60 to 90 days of termination pay.

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<sup>3</sup> In June of 1985, NMC was granted accreditation by the Western Association of Schools and Colleges (WASC), the accrediting commission for community and junior colleges. Accreditation Standard IV of the Western Association of Schools and Colleges (WASC) addresses leadership and governance. More specifically Sections A.1 & 3 of that standard address decision making roles and processes. Section A.1 specifies that systematic participative processes will be used to assure effective discussion, planning, and implementation when ideas for improvement have policy or significant institution-wide implications. Section A.3 specifies that the governing board, administrators, faculty, staff, and students will use established governance structures, processes, and practices in working together for the good of the institution. These processes facilitate discussion of ideas and effective communication among the institution's constituencies. That accreditation was reaffirmed in 1990 and again in 1996. Obtaining and maintaining accreditation is important because it enables students of the institution eligible for federal financial aid, and guarantees that the academic credits which students earn at college can be transferred to, and be accepted at four year institutions.

## **BACKGROUND**

On September 23, 2002, the President presented his redesigned organization to the Board during a general board meeting. Subsequently, on September 24<sup>th</sup>, the President and Vice President hand delivered termination notices to 11 NMC employees including 2 adjunct faculty members. Later, on September 27<sup>th</sup>, the President reassigned 29 other employees to different positions.

Because of community concern over the terminations, the Senate conducted hearings and the House of Representatives met with terminated individuals. On September 27, 2002, the Senate adopted Senate Joint Resolution 13-9 alleging that:

without prior notice to the Legislature, on September 24, 2002, Mr. Wright terminated, without cause and an opportunity to be heard, 11 employees of the college, some of whom held managerial positions and had worked for the college for more than 10 years, allegedly because their services were no longer needed as a result of NMC's organizational restructuring.

Later, on October 3, 2002, the House adopted the resolution requesting OPA to investigate the facts and circumstances surrounding the termination of the 11 NMC employees.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

Our evaluation had three objectives:

- What was the NMC's basis for terminating the 11 individuals?
- Did NMC adhere to applicable laws, NMC policy, and contract terms in terminating the 11 employees?
- What is the fiscal impact of the terminations?

Our evaluation was limited to: (a) reviewing existing relevant documents including documentation supporting the organizational redesign, termination letters, employment contracts, and NMC policies; (b) conducting interviews with the President, Board members, and key personnel who may have had input to the study, as well as those individuals who were terminated; and (c) reviewing documents provided by the President.

We did not assess the propriety of decisions reached by the President concerning specific positions eliminated as this was beyond the scope of this study. We limited our review to obtaining information on the process involved in order to determine the basis for the President's actions and whether he complied with the employment contracts, NMC policies, related laws, and accreditation standards. OPA also made clear to individuals interviewed that it was not serving as a grievance forum but merely acting in a fact gathering capacity.

To address our **1<sup>st</sup> objective**, namely on what basis did the President terminate the 11 individuals, we conducted structured interviews with terminated employees, Board members, staff and administrative personnel. To help understand the facts and circumstances concerning the reorganization and the termination of the 11 employees, we questioned 28 individuals<sup>4</sup> including: (a) 19 key NMC persons, (Board members, transition team members, Management Council members, and others the President acknowledged meeting with prior to his reorganization decisions); and (b) 9 of the 11 individuals who had been terminated. Because some individuals did not respond with a yes or no answer to questions asked but instead indicated they did not know the answer to the question, our computations of the percentage answering yes or no excluded those responses so as not to bias the answer. To address our **2<sup>nd</sup> objective**, we reviewed applicable laws, policies, and contracts of terminated employees, accreditation standards, and reviewed pertinent documentation to determine whether NMC complied with their terms and conditions. To address our **3<sup>rd</sup> objective**, we assessed the fiscal impact of the terminations on NMC and the CNMI.

Our evaluation was conducted, where applicable, in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Accordingly, we included such tests of records and such other auditing procedures as are considered necessary to accomplish our objectives.

## **RESULTS OF EVALUATION**

### **A. Basis for and Conduct of the Reorganization**

Our review of documentation and responses from structured interviews with Board members, staff, faculty, terminated individuals and the President show that:

- the Board entrusted the President with broad authority to conduct a reorganization and was very supportive of the way it was conducted;
- the President conducted the reorganization quickly and most individuals, exclusive of Board members, perceived they had little, if any, input into the President's reorganization;
- the documentation supporting the President's reorganization was less than thorough as it only consisted of a PowerPoint presentation showing the organizational chart of both the old and new college organization and a draft memorandum to the Board that did not

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<sup>4</sup> In planning our audit, we requested the President to identify those individuals he met with during that period while he was planning his redesigned organization, and subsequently included many of these in our list of individuals to be interviewed as we were particularly interested in their experience, including discussions with the President, during that period leading up to the reorganization. The 28 individuals interviewed included 18 individuals the President previously indicated he had met with, some who were both members of the Management Council, transition team members and/or among those terminated. The 28 included 5 of 6 Board members, 12 members of the Management Council, 4 members of the President's transition team, 2 former NMC Presidents, and 9 of the 11 individuals who were terminated. Four of these individuals occupied two positions mentioned.

specify what was to be done and when, how it was to be implemented, and who were to be affected;

- other than Board members, most interviewees generally disagreed with the manner in which the reorganization was conducted indicating it was cold and insensitive;
- other than terminated individuals, most respondents agreed with the President on the reasons he subsequently gave for terminations; and
- OPA obtained no direct evidence showing that employees were personally targeted for termination. However, many NMC officials and employees suspected that a few key individuals may have helped the President make his decisions.

### ***President's Description of the Reorganization Process***

The Board began the process of organizational change beginning with their decision to seek out a new President equipped to examine and correct perceived problems at the institution. The President based his reorganization decision on a study he conducted in about 40 days. According to the President's chronology of events leading up to the reorganization, he held many meetings with Board members, staff, and students after his appointment on August 15, 2002, where he said he always asked two questions: "Who are stars of this organization" and "What are the two or three most important issues that deserve my immediate attention?" He subsequently provided names of individuals he talked to at these meetings, and we included them among individuals we subsequently interviewed.

On September 23, 2002, about five weeks after he was hired, the President presented the reorganization to the Board. The President had little documentation to explain why certain positions were being eliminated. His reorganization consisted of (a) a PowerPoint presentation showing the former as well as revised NMC organization charts, as well as (b) a draft of a "first impressions" memorandum he wrote to the Board. Consequently, OPA requested the President to provide a chronology of the events leading up to the reorganization on September 23, 2002, as well as a narrative explanation of how he arrived at the decision to eliminate each of the 11 positions. The narrative provided focuses on program areas, for the most part, and does not address individuals. A reorganization of this magnitude, with the legal and structural effects it implied, should be accompanied by documentation adequately explaining it the College community.

Board minutes, received 3 months later, show that the reorganization was not approved by a formal vote of Board members. Instead the President received the Board's positive acknowledgment to both the reorganization and the names of those to be terminated, albeit without a formal vote of approval.

The President acknowledged that, although he met many times with Board members prior to the final reorganization, he did not discuss individuals to be terminated. He indicated that although he previously advised the Board that NMC was overstaffed, he furnished no names to the Board until September 23<sup>rd</sup> when he provided the Board a copy of the new reorganization chart and a list of individuals to be terminated.

To implement the reorganization, the NMC President: (a) individually notified each of the terminated employees of NMC's action by letter, dated September 24, 2002, and (b) sent another memorandum, dated September 27, 2002, to 29 other employees notifying them that they had been reassigned. In the letters of termination, the President advised the employees that they had been discharged from their duties immediately, and that they had until the close of business that day to remove their belongings and to return college property. Some respondents indicated that individuals terminated should have been consulted before they were given termination letters and that the decision to lock them out of their offices after being given termination letters was impersonal, uncalled for, and showed disrespect and a lack of trust.

In these terminations letters, the President provided his reasons for the terminations. He explained that he had examined NMC's operations so as to improve the productivity, efficiency, and quality of NMC programs. Most respondents (12 of 17 or 71%) agreed with this explanation, and most (16 of 22 or 73%) also believed that the reorganization had focused on functional problems within NMC, and most (16 of 23 or 70%) believed it had been conducted to address overlap in functions and gaps in responsibilities, with much of the dissent coming from terminated employees. Most (15 of 19 or 79%) believed that the reorganization was not intended to achieve cost savings.

### ***Objectives of the Reorganization***

The President advised us that he had initiated the reorganization effort perceiving he had a mandate from the Board to make changes. He had inferred from his initial meeting with the Board when hired on August 15, 2002, that the Board was looking for changes even if such changes might be resisted. He said that during his hiring interview the Board expressed its frustration over personnel matters, grievances, financial matters, obtaining information, etc. Finally, he said the Board wanted change and responsiveness but did not indicate what changes it wanted. While the Board sought change in an expedient manner, it provided the President with no deadline in which to institute changes.

The President advised OPA that two primary objectives motivated the reorganization:

- Enlisting the college to address parts of its mission that had previously received inadequate attention, specifically in the areas of career education, community services, and student development. The latter two could, if not addressed, affect the school's continuing accreditation.

- Improving the mechanisms by which the college discharged its existing responsibilities by improving the clarity and cohesiveness in assignments, cleaning up the financial fiasco, improving the efficiency of operations, and taking advantage of existing educational technology.

The NMC President stated his focus was on reorganizing functions and that in the process he determined that certain positions were no longer needed. Asked to summarize why the 11 individuals were terminated, he replied, “because there were no jobs for those people.” Asked whether he had heard of problem employees during interviews with faculty, staff and students, he responded, that while he had heard complaints concerning 3 to 5 individuals, these individuals were not among those who were terminated.

### ***President’s Decision to “Terminate” 11 Positions***

The President’s review prior to the terminations appears to have been less than thorough in that the terminations were made: (a) without input from individuals being terminated or those who assumed the duties of individuals who were terminated, (b) without informed input from Human Resources (HR), and (c) without HR’s review of all personnel files in departments effected. The lack of a thorough review resulted in the President needing to “back track” and reassign an employee found to be ineligible for the position assigned.

The President and the Board questioned OPA why the President should obtain input from individuals about to be terminated. Obtaining input is not only fair to those individuals but also prudent as they may assist in making a more informed judgement. The President and Board disagreed with our statement that his review of the terminations was less than thorough, stating that organizational redesign is the purview of the President, not of HR. Although organizational design is the responsibility of the President, a prudent manager should rely on his HR staff for input in assisting him in making decisions on personnel matters, particularly when he has been on the job for only 40 days. They said that the “backtracking” referred to by OPA was not because of the lack of thoroughness but rather because of the lack of forthright responses to the President’s inquiry. Again, the President could have avoided making a mistake in assigning an employee ineligible for the position assigned had he obtained input from HR personnel most knowledgeable about the matter.

We found no direct evidence that specific individuals were personally targeted for termination. More specifically:

- Individuals had no direct knowledge but had circumstantial suspicions as to the President’s basis for the termination actions.
- Many individuals voiced the perception that a few in the President’s inner circle influenced him in his decision as to whom to terminate. They believe that members of the President’s inner circle, or close friends of those members, had previously crossed or had

poor relations with individuals terminated, and that this helped to explain why they, rather than others, were singled out for termination.

- None of those interviewed had any direct knowledge that Board members provided input into the decisions to terminate the 11.

None of the respondents (0 of 28 or 0%) indicated that he or she had personally participated in the decisions to terminate any of the 11 employees. While one of 25 (4%) said he had direct knowledge that the employee terminations were based on the recommendation of an NMC official, that respondent was, however, unable to provide sufficient direct evidence to substantiate that response. More specifically he said that prior to the reorganization, the Vice President had advised him that a certain individual's contract was not going to be renewed.

Many of the respondents agreed with the President's reasons for terminating the 11:

- 15 of 26 or 58% agreed that a significant redesign was essential to eliminate overlap and gaps in the organization discharged by various offices,
- 11 of 23 or 48% agreed that the redesigned organization would clarify several previously confusing aspects of NMC operations, and
- 16 of 25 or 64% agreed that the reorganization would provided clear direction as to who would be responsible for what, resulting in a number having their assignments change.

Half of all respondents (9 of 18, or 50%) and about 31% of all respondents excluding terminated individuals indicated that one or more of the terminations were based on factors unrelated to the reorganization. Many individuals voiced concern about their relationships with the Vice President. The President, himself, acknowledged that he met with the Vice President and the former Budget Director<sup>5</sup> several days prior to the reorganization.

The former Budget Director acknowledged providing information to the President that was subsequently used in the reorganization and suggested that the President implement the reorganization before October 1, the beginning of the new fiscal year. He said he did not participate in any decisions to terminate individuals, and was not aware of those to be terminated until the day the President announced the reorganization to the Board on September 23<sup>rd</sup>.

The Vice President also acknowledged providing verbal input into the development of the reorganization, mostly in the way of suggestions, during the two weeks prior to it being announced. She stated that shortly after the President had been appointed, he asked her who the

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<sup>5</sup> The former Budget Director was subsequently promoted on September 26, 2002 to the Position of Director of Finance and Administration Services.



stars of the organization were, and who were the most reliable. She responded with a list of 4 or 5 names together with characteristics as to why she chose each. She said she did not, however, participate in any decisions to terminate employees, and the President was careful not to ask for such input. Asked if she advised the President on individuals viewed as a problem, she replied that she did not mention malcontents as that would have been unprofessional.

The Vice President said she believed the President had reviewed a broad cross section of employee files and not just the files of those who were terminated. She said she wasn't aware that any of the 11 were performing at a level that warranted them losing their jobs. Finally, she didn't think any of the terminations were based on factors unrelated to the reorganization.

In December 2002, three months after the initial terminations/reorganization, the President continued to make organizational changes i.e. eliminating two additional positions based apparently on a consolidation of functions without input from others. One of the two individuals terminated in December 2002 stated that HR, her immediate supervisor, and the current Vice President<sup>6</sup> were all unaware that she was being terminated until she received her termination letter. The Vice President, as well as others, stated that the continuing organizational change has created a "climate of fear" among administrative staff, faculty, and students.

### ***President's Handling of Terminations***

All Board members responding (5 of 5, or 100%) agreed with way the reorganization was conducted (notification process) and their ability to provide input to it (4 of 4, or 100%). However, respondents other than Board members had different views on both the notification process and their inability to provide input. Most non-Board members (21 of 23, or 91%) felt they had provided little or no input to the President concerning his reorganization, and most of these (16 of 20, or 80%) also disagreed with the way the reorganization was conducted (notification process), many feeling it lacked sensitivity to the employees.

The President acknowledged that many have criticized the way the reorganization was conducted, namely because of a notification process which resulted in individuals being notified to discontinue work by the close of business. He said obtaining a consensus from employees was not workable and had been tried several years earlier with poor results, namely poor morale. He acknowledged the impact on the morale of the 11, but indicated that a failure to quickly terminate employees could well have resulted in similar morale problems with a debate over jobs in the next few months and the resulting impact on the productivity.

The President explained that the 11 terminated employees were not allowed to continue working because the employee's continued presence could interfere with work on campus given that terminations are considered "traumatic," and that this decision was necessary to protect and

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<sup>6</sup> On December 6<sup>th</sup>, 2002, the President announced at an executive session of the Board, that the Vice President was resigning effective March 1, 2003.

preserve the assets entrusted to him. Also, he said NMC terminated the 11 rather than merely allowing their contracts to expire because he wanted to bring closure to the reorganization.

See **Appendix A** for a tabulation of questionnaire results.

## **B. Compliance with Applicable Laws, Regulations, and NMC Policies**

Our review of legislation, regulations, and NMC policy indicate that:

- The Board endorsed the reorganization based on a PowerPoint presentation which illustrated the new and old organizational charts but which provided little explanation as it did not specify in writing what is to be done, how, when, and who was to be affected. Although not required, a decision of this magnitude should have been accompanied by documentation adequately explaining it to the college community;
- NMC staff were not involved in the reorganization process contra to Accreditation Standard IV, Sections A.1 & A.3, established by the Western Association for Schools and Colleges (WASC);
- the Board was lax in: (a) not voting on the redesigned organization given that the previous organization chart was included as Board Policy 1002 and therefore needed a Board vote to change it, (b) not meeting as a full board monthly as required by Board Policy 1000; and (c) not providing Board minutes on a matter of concern to the community in a timely manner;
- the President chose not to follow reduction-in-force (RIF) procedures even though NMC Policy 4358 includes “program restructuring” which results in a RIF as a condition warranting compliance with NMC RIF procedures;
- the President terminated employees following the “without clause” provisions of the employment contracts;
- six of the 11 terminated employees did not have valid contracts in as much as their previous contract had already expired prior to the reorganization being announced;
- NMC continued to pay terminated employees although they were instructed to discontinue providing services;
- NMC filled four position vacancies without advertising them contra to Board policy;
- NMC failed to comply with the Administrative Procedures Act requiring it to publish its Personnel Regulations in the Commonwealth Code; and

- finally, after one of the 11 terminated employees appealed his termination, the Civil Service Commission issued an opinion stating that NMC employees are covered by the Civil Service Act.

### ***The Board Informally Endorsed the Reorganization***

As stated above, given only a few hours, the Board endorsed the reorganization albeit without a formal vote, based on a PowerPoint presentation which illustrated the new and old organization charts but which provided limited explanation as the accompanying draft memo did not adequately specify what was to be done, when, how it was to be implemented, and who were to be affected. Although not required, a decision of this magnitude should have been accompanied by written documentation adequately explaining it to the college community.

The college's enabling legislation places broad responsibility on the Board for overseeing the college. While Board Policy 1000 states that the Board shall delegate to the President all administrative functions necessary for the development and implementation of Board policies and decisions, it also states that the Board shall periodically:

review the organizational structure , financial management, and overall operations of the College in light of the goals and general directions set by the Board as well as the policies approved by the Board in pursuit of such policies. (underscoring added.)

Further, Board Policy 1009 indicates that the President's termination of staff should have been preceded by not only a Board review of the proposed action, but also by an approval of such action. More specifically, Board Policy 1009 describes the President's position, duties and responsibilities in part as follows:

Subject to prior review and approval by the Board, establishing respective faculties and staff for the various departments and other divisions of the College, approving their programs, and courses of studies, and modifying or disestablishing the same as the President may deem most appropriate to carry out the policies, goals, and general directions established by the Board for the College. (Underscoring added.)

The Board had a responsibility to thoroughly review the President's proposed reorganization before making a decision as indicated by Board policy. While the Board indicated they had many meetings with the President prior to the reorganization, a Board member acknowledged that insufficient information was provided to enable them to understand it. Previously, the only input the President provided the Board was a draft document indicating that he believed NMC to be generally overstaffed as indicated by comparative community college data, and that he would propose a reduction of 15 positions.

The President and the Board advised OPA that Board involvement in this matter would border

on micro-management and could have a negative impact on accreditation. We do not believe that Board participation in this matter would have constituted micro-management and further believe that the Board should carry out policy it has established.

### ***Lack of Staff Involvement in Reorganization Process***

Both accreditation standards<sup>7</sup> as well as NMC procedures encourage staff involvement in activities involving change at NMC. NMC has received dual accreditation, as it has been accredited as a junior college and allowed to provide a 4 year baccalaureate program by the Western Association for Schools and Colleges (WASC). To ensure continuing accreditation, NMC must carefully adhere to WASC's accreditation standards. One of those standards, adopted in June 2002, encourages broad employee participation when programs, practices, and services are to be improved.

More specifically, Standard IV, which addresses leadership and governance, emphasizes that "the institution recognizes and utilizes the contributions of leadership throughout the organization continuous improvement of the institution" (underscoring added). Further, it states that governance roles will facilitate decisions to improve organizational effectiveness while acknowledging the responsibilities of the Board and Chief Administrator (the President). Sections A.1 & A.3 of that standard encourages broad employee participation when programs, practices and services are to be improved:

1. Institutional leaders create an environment for empowerment, innovation, and institutional excellence. They encourage staff, faculty, administrators and students, no matter what their official titles, to take initiative in improving the practices, programs, and services in which they are involved. When ideas for improvement have policy or significant institution-wide implications, systematic participative processes are used to assure effective discussion, planning, and implementation..... (Underscoring added.)
3. Through established governance structures, processes and practices, the governing board, administrators, faculty, staff, and students work together for the good of the institution. These processes facilitate discussion of ideas and effective communication among the institution's constituencies. (Underscoring added.)

The standard also states that the institution will implement a written policy providing for participation in decision-making processes. While NMC has no policy addressing participation

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<sup>7</sup> In June of 1985, NMC was granted accreditation by the Western Association of Schools and Colleges (WASC), the accrediting commission for community and junior colleges. That accreditation was reaffirmed in 1990 and again in 1996. Obtaining and maintaining accreditation is important because it enables students of the institution eligible for federal financial aid, and guarantees that the academic credits which students earn at college can be transferred to, and be accepted at four year institutions.

in decision making processes, it has a procedure which calls for the involvement of the Management Council<sup>8</sup>.

According to WASC standard, such policy should specify the manner in which individuals bring forth ideas and work together, and emphasizes that faculty and administrators will have a substantive and clearly defined role in institutional governance and exercise a substantial voice in institutional policies, planning and budget that relate to their areas of responsibility and expertise. Based on this standard, one could readily infer that those administrative personnel who were terminated should have had a role in the planning leading up to the President's reorganization since it involved their areas of responsibility and expertise.

Despite the President's statements that he interviewed numerous staff, the reorganization appears to have been implemented without adequate participation from a broad segment of staff and faculty at the college as most respondents interviewed indicated they had not provided input to the reorganization. More specifically, our interviews with 23 employees exclusive of any Board members, but including 9 terminated individuals and 4 transition team members, and 10 members of the Management Council show that 21 of the 23 interviewed had not provided input into the organizational redesign. The President advised that on September 18, 2002, or 5 days before the announcement of the reorganization, the Council agreed that organizational design was too personal and divisive for the Management Council to discuss. The draft minutes to this Management Council meeting, however, contain no information to show that this matter was brought up.

While not an NMC policy, NMC procedures currently in force provide various means by which faculty, staff, and students may influence the review, formulation, and/or revision of Board policies and administrative procedures affecting the function and operation of the College. The Management Council, can provide advice on matters significant to the institution. The Council "acts as the final advisory group which recommends to the President transmittal of new or revised policies to the Board of Regents for ultimate approval." Unfortunately, it appears that the Management Council was not called upon to review or provide input into the reorganization.

Instead, the President convened, what he called, a "deliberations council" consisting of individuals choosing to attend and who could suggest change. Several officials stated that this committee is less participative than the Management Council, because the committee has no designated members, and does not develop change for adoption by the President. The President seemingly places the college in a more disadvantageous position when it comes to obtaining re-accreditation from WASC by not adhering to participative practices encouraged by WASC Accreditation Standards and its own procedures. Finally, the President and the Board stated that efforts are underway to establish a truly participative governance system in conformity with WASC accreditation standards.

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<sup>8</sup>A policy is a higher level guidance approved by the Board where as procedures are only steps to be followed and are not necessarily approved by the Board.

### ***The Board was Lax in Not Voting on the Reorganization Chart and Not Meeting Formally***

The Board was lax in not officially voting on the new organization chart given that NMC's existing organization chart was previously included as Board policy (Policy 1002). Because NMC's previous organizational charts were incorporated as Board policy when most recently adopted (on 11/28/94) and amended (on 12/30/98), any amendment to such policies should have been formally approved by the Board. According to Board policies, the President is responsible for developing policy and the Board is responsible for approving policy. Therefore, because the organization chart at the time of the reorganization was included as a policy, any action to remove or replace it should have been done by a formal vote of the Board. NMC policies indicate the need for the Board to meet formally with a formal vote of its members when changing policy. Furthermore, any action taken should have been in an open meeting as required by CNMI law. After the announcement of the reorganization at the September 23 Board meeting, the Board recessed to a closed session for several hours, but failed to reconvene in an open meeting to act on the decisions as required by 3 CMC §1315(d). When questioned on the need to vote on the reorganization, Board members stated that they felt that a formal vote was unnecessary as they considered it to be a procedural rather than a policy matter.

Also, Board Policy 1009 indicates that the President's establishment of staff was subject to the prior review and approval of the Board. More specifically, Board Policy 1009 (Sections L & P) describes the President's position, duties and responsibilities in part as follows:

- L. Appointing and terminating staff consistent with applicable Human Resources rules and regulations.
- P. Subject to prior review and approval by the Board, establishing respective faculties and staff for the various departments and other divisions of the College, approving their programs, and courses of studies, and modifying or disestablishing the same as the President may deem most appropriate to carry out the policies, goals, and general directions established by the Board for the College. (Underscoring added.)

Further, Board Policy 1000 states that Board decisions will be established by a vote of the Board members at a meeting where a quorum is present. Almost 3 months have lapsed since the Board has met formally, and recorded its proceedings. According to Board Policy 1000, the Board must meet monthly, and must record minutes of those meetings as a permanent record. While the Board met frequently on an informal basis, it did not meet formally as a full Board (with a quorum present) to adopt minutes between the Board meeting of September 23, 2002 and a recent December 6, 2002 meeting two and one half months later, despite the community's concern over the reorganization. Even then the minutes to the earlier September 23, 2002 Board meeting were not approved by the Board Chairman until December 23, 2002.

## ***Board Policy on Reduction-in-Force Lacks Clarity***

NMC Board Policy 4358 sets forth NMC's reduction-in-force (RIF) policy and procedures to be followed in the event of a RIF. Employment of RIF procedures could have significantly altered which specific individuals were terminated. In carrying out the reorganization, the President and the Board appears to not have considered it necessary to follow the RIF procedures, even though NMC policy indicates that they should be in a RIF scenario due to program restructuring, budgetary limitations, or other reasons.

While not the stated reason for the reorganization, reducing staff and the budget appears to have been a focus in carrying it out. In providing his "first impressions" to the Board prior to the reorganization, the President advised that NMC staffing was excessive as compared to the average community college, and that reductions would make a more effective organization and provide a net savings for taxpayers of over a half million dollars. He said that he had found a lack of focus within the school, and that there has been a tendency to hire additional staff to cope with problems created by a lack of coordination, and that the additional hiring has reduced effectiveness with the result that the college is overstaffed.

Using a comparative analysis, the President explained that NMC staffing was excessive as compared to similar institutions. More specifically, he showed that NMC was significantly overstaffed, in the areas of Academic Administration (307 percent of the average community college), Institutional Support (169 percent) and Student Services (471 percent). OPA's subsequent analysis shows that positions eliminated were in these areas. To illustrate, of the 11 positions eliminated, (a) one was in Academic Administration, (b) five were in Institutional Support, and (c) four were in Student Services. Then in December 2002, the President eliminated 3 additional positions in the area of Academic Administration<sup>9</sup>.

Because the President's justification and actions indicate that he was moving toward a program reorganization that would provide budgetary savings through reductions in staff, he should have consulted with the Board for a decision on whether RIF procedures were necessary. According to Board Policy 4358, NMC will consider both seniority and competence in determining who shall be laid off when factors such as program restructuring, budget limitations, and other reasons are present. More specifically:

When it becomes necessary to employ reduction in force because of budgetary limitations, program restructuring, or other reasons, it is the policy of the Northern Marianas College that both seniority and competence be considered in

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<sup>9</sup> In December 2002, almost three months after the reorganization, the President announced an additional reorganization change, namely the elimination of one of three academic administrative tiers at NMC. The President stated that although he was aware of excess in Academic Administration when he announced the original reorganization, he had not eliminated it then because of anticipated College growth resulting from anticipated recruitment of international students. However, after the Vice President resigned, he decided to eliminate one of those academic tiers consisting of the Executive Vice President, a Special Assistant to the Vice President, and the Director of Outreach Programs.

this procedure. That is, if a position is to be eliminated, and the person filling that position is of equal competence, and has more seniority than a person in a comparable position or in the same class, the person with less seniority will be laid off. (Underscoring added.)

The President advised OPA that he viewed a RIF as a tool used when an organization has insufficient financial resources. The President insisted that the focus of the reorganization was not to eliminate positions or obtain cost savings, but rather on reorganizing functions. The Board Chairman acknowledged that the terminations were the result of the Board's mandate to make the college more efficient, and advised that no consideration was given to conducting a RIF as it was not considered necessary. The Budget Director advised that the terminations were not based on the need for cost savings, but reiterated that the college was currently facing a deficit of almost \$1 million. Had RIF procedures been followed, the names of those terminated could well have changed given that seniority and competence would factor into the decisions as to which individuals would be released.

#### ***Employees Terminated Pursuant to the "Without Cause" Provisions of Their Contracts***

The contracts of the 11 employees authorized NMC to terminate their employment without cause, and NMC cited this clause in termination letters to the 11 employees. All employees terminated had clauses in their contracts allowing NMC to terminate them "without cause" provided they were given 60 or 90 days notice, depending on the terms of the contracts.

#### ***Contracts for Six of the 11 Terminated Employees Had Already Expired***

Our review of files for the terminated employees shows that six of the 11 terminated individuals did not have valid contracts inasmuch as their previous contracts had expired, but they continued to get paid. While renewal contracts had been drafted for five of the six, such contracts did not contain the required signatures of one or more NMC officials necessary for them to be considered valid contracts. No renewal contracts were on file for two others that were soon to expire.

When provided this information, the President indicated he was neither aware that some employees had been working without a contract nor aware that some contracts had not been completely executed. NMC's former HR Director also acknowledged that although the President had requested certain employee files, the President did not consult with HR concerning these files prior to his decision to terminate employees.

#### ***NMC Contracts Make No Provision to Pay Employees Who are Not Working***

NMC directed the 11 terminated employees to cease working, but these employees continued to receive compensation even though such action is not provided by employee contracts or NMC policy. The contracts of terminated employees required them to be given 60 or 90 days notice of termination in advance of termination. However, termination letters sent to each of the 11



indicated that they need not show up for work after the receipt of the notice. The President acknowledged that this was, in effect, a benefit to the terminated employees.

The Board Chairman agreed that NMC needed to pay the 11 employees for the next 60 or 90 days thereby honoring their contract terms, but said he would not interfere with the President who deemed it unnecessary for employees to work after September 24<sup>th</sup> citing the potential for morale problems cropping up due to the presence of terminated employees. OPA's concern is that the Commonwealth make the most use of its resources by utilizing staff who are being compensated.

### ***Positions Filled Contra to Board Policy***

The President failed to follow NMC policy when he filled vacancies through reassignment without first giving terminated individuals or anyone else the opportunity to apply for such position vacancies. NMC's personnel listing shows that of 35 vacancies that existed just prior to the reorganization, the President filled four (Executive Secretary II, Director of Financial and Administrative Services, Institutional Researcher, and Administrative Manager II) through reassignments without any public announcement that such positions were available. While NMC policy gave the President responsibility for assigning and reassigning employees, it also provided that all vacant positions will be publicly announced before being filled. Because Policy 4061 does not include language overriding the requirements set forth in Policy 4009, it appears that the two policies should be read together to permit the President to assign or reassign employees, but in the manner prescribed in Policy 4009 which requires that the vacancies be announced. Consequently, terminated individuals were not given the opportunity to apply for such vacancies, contra to NMC policy.

### ***Terminated Employees May be Protected by Civil Service Act***

There has been some discussion as to whether or not the terminated employees are covered by the Civil Service Act and its protections. On November 6, 2002, OPA advised NMC that Public Law 8-18 had repealed language in the Civil Service Act which exempted NMC from the Civil Service System. According to NMC's Board Chairman, NMC's legal counsel's opinion is that Public Law 8-18 did not place NMC's employees within the Civil Service System, but he acknowledged that one could argue that such exemption was repealed. He suggested that the Legislature could clarify the matter by enacting legislation to reestablish the previous exemption. Historical documentation provided by NMC supports the NMC legal counsel's position that NMC may not be covered, and OPA agrees that clarifying legislation would be beneficial. Finally, after one of the 11 terminated employees appealed his termination with the Civil Service Commission, the Commission issued an opinion, dated February 5, 2003, stating that NMC employees are covered by the Civil Service Act. It stated:

there is no ambiguity in the Post Secondary Education Act of 1984 as amended, 3 CMC §§1301 et seq., in respect to the employees of the Northern Marianas College being within the civil service system. There is no provision in the law

which exempts the employees of the Northern Marianas College from the civil service system.

### ***Personnel Policies not Promulgated in Conformity with the Administrative Procedures Act***

Although NMC's enabling legislation requires the Board to promulgate its personnel policies and procedures in conformity with the Administrative Procedures Act, 1 CMC §9102, NMC has not done so. Our concerns were provided to NMC in a letter dated November 6, 2002. The NMC Board Chairman responded on December 2, 2002 advising that:

- He is unaware of any legal opinion which would indicate that the Administrative Procedures Act does not apply to NMC. Although previous Boards and Presidents have likely concluded that the Act does not apply to NMC since NMC has not published them in the Commonwealth Register, NMC's legal counsel has advised the Board to revisit the issue.
- If WASC believes that the Act should not apply to NMC, the NMC Board Chairman will bring this matter to the full Board to propose legislation that would exclude NMC from the Act. If WASC believes that the Act should apply, the NMC Board Chairman will suggest to the Board that NMC begin publishing its policies in the Commonwealth Register.

If the personnel policies are required to be published, pursuant to Section 9102 of the Administrative Procedures Act, NMC personnel policies do not have the force or effect of law as rules and regulations. The employees in question may, however, have rights under the existing personnel policies because of the theories of implied contract or promissory estoppel that require NMC to comply with its personnel policies. NMC essentially mirrored agreement that compliance with policies is not excused by the Administrative Procedures Act issues.

### **C. Fiscal Impact of the Reorganization**

The reorganization could generate considerable savings especially after the first year:

- While first year savings could generate savings of about \$260,000, NMC should realize about \$524,000 in savings for years thereafter.
- NMC could have terminated the 11 employees at a significantly lower cost had it closely reviewed the contracts of the terminated employees.

#### ***Potential Savings***

OPA computed savings in salaries and benefits that would accrue to NMC and the CNMI. It appears that first year savings will be approximately \$259,814 while in subsequent years the savings

will increase to \$523,743 annually. First year savings are reduced because of the need to make lump-sum payments of accrued annual leave together with 60 to 90 days of termination pay. The following table illustrates these savings:

Estimated annualized salaries and fringe benefits		\$523,743
Less: Termination pay paid in 1 <sup>st</sup> year after reorganization	\$147,642	
Lump sum annual leave payments paid in 1 <sup>st</sup> year	<u>116,287</u>	<u>263,929</u>
Estimated net savings for the 1 <sup>st</sup> year		<u>\$259,814</u>

***Employees Could Have Been Terminated at a Significantly Lower Cost***

In addition to the savings cited above, NMC could well have saved additional resources by merely terminating five of the 11 with 30 days notice as allowed by NMC policy and terms of contracts. Such action would have enabled NMC to save 30 to 60 days of the 60 to 90 days of compensation it paid.

**CONCLUSIONS AND RECOMMENDATIONS**

While the Board of Regents entrusted the new President with broad authority to conduct a reorganization, the Board was very lax in carrying out its mandate to conduct a thorough review of the reorganization, and approve it through a vote of its members. The Board had little time to adequately assess the reorganization before it endorsed it. Also, despite considerable interest within the community, the Board failed to approve Board minutes in a timely manner.

Although the President complied with contract terms in terminating the 11, he failed to adhere to NMC policy when he neglected to publicly advertise four vacant positions he filled through reassignment with the result that terminated individuals did not have the opportunity to apply for such positions. The President and the Board did not follow NMC’s RIF policy which, had it been implemented, could possibly have changed the names of individuals terminated.

Despite an accreditation standard which encourages employee involvement in college decisions that involve change, most individuals interviewed perceived they had little if any input into the reorganization. Many did not agree with the way it was conducted and felt it was insensitive to employees. While OPA obtained no direct evidence showing that specific employees were targeted for termination, many NMC officials and employees suspected that a few key individuals may have helped the President make his decisions.

NMC continued to pay terminated employees but instructed them to cease working at NMC. NMC should accrue a net savings of about \$260,000 during the first year after the reorganization, and will incur savings of about \$524,000 thereafter.

Accordingly, we recommend that:

1. the Board Chairman review with the Board of Regents their responsibilities as Board members, begin to meet on a more timely basis as a full Board, and promptly document their actions as required by Policy;
2. the Board Chairman reiterate to Board members the need to thoroughly review policy level actions involving: (a) organizational structure in light of NMC goals and objectives as required by Board policy 1000, and (b) the establishment of faculties or staff as required by Board policy 1009;
3. the Board Chairman and the President strongly consider strengthening processes in place for obtaining broader employee involvement in NMC decisions by implementing a policy to address it and thus comply with WASC accreditation standards;
4. the President (a) document his reorganization with objectives, time-lines, and fiscal impact; (b) identify positions affected; (c) provide a mechanism to assess whether the results have met the redesigned organization's objectives; and (d) identify legal and human resource issues such as compliance with applicable laws, policy, and accreditation standards;
5. the Board Chairman review with the Board of Regents its policy on reductions-in-force (RIF), and clarify when RIF procedures should apply;
6. the President inquire with the Western Association for Schools and Colleges (WASC) as to whether or not the Administration Procedures Act should apply to NMC; if WASC determines that they should apply, the President should ensure that NMC policies are published as regulations as required by the Administrative Procedures Act; if WASC determines they do not apply, the President should bring this matter to the Board to propose legislation which would exclude NMC from the Act;
7. the President seek legal determination as to whether four recent reassignments were made in accordance with Board policy and, if not, take appropriate action to rectify the situation;
8. the President seek legal determination as to the legality of employing and compensating staff who have no valid NMC contracts; and
9. the President seek legal determination as to the legality of instructing individuals not to provide service to NMC despite receiving continued compensation.
10. The President and the Board consult with its legal counsel to determine the effect of the Civil Service Commission's decision on NMC employees' status.

## Northern Marianas College Response

In their letter dated January 31, 2003 (**Appendix B**), The President and the Board agreed with 6 of OPA's recommendations, namely Recommendations 3, 4, 5, 6, 8, & 9.

1. In response to Recommendation 1, they stated that they had consulted with the former Executive Director of WASC concerning the roles and responsibilities of the Board. They stated that a published list of Board meetings was needed and did not agree that Board meetings had not been timely.
2. In response to Recommendation 2, they stated that the Board has begun reviewing NMC's policies, and have concluded that policies must be modified significantly; they stated that according to WASC standards, organizational structure is a responsibility of the President.
3. In response to Recommendation 3, they stated that the President has began meeting with an all college assembly and that more recently, at the President's urging, efforts have been made to establish a truly participative governance system in compliance with WASC accreditation standards.
4. In response to Recommendation 4, they stated that the President has agreed to provide the recommended information to the Board of Regents.
5. In response to Recommendation 5, they stated that RIF policy will be reviewed as part of the review of Board policies, but said the redesign action taken on September 23, 2002 did not fall into the category of a RIF.
6. In response to Recommendation 6, they stated that the Board has discussed the matter of whether the Administrative Procedures Act should apply to NMC, and agreed that NMC should follow the Administrative Procedures Act on future actions.
7. In response to Recommendation 7, they stated that they disagreed on the need for legal advice to decide whether the four recent reassignments were made in accordance with Board policy, and said they would instead refer this matter to the Board for review.
8. In response to Recommendation 8, they stated that they would consult with legal counsel as to the legality of the contracts with 5 of the terminated employees.
9. In response to Recommendation 9, they stated that they would consult with legal counsel as to the legality of the payments to the terminated employees.
10. No response from NMC. This recommendation was added after the Civil Service Commission rendered its decision that NMC employees are not exempt from the Civil Service system.

The President and Board also provided clarifying information which we have included in the body

of the report where appropriate.

### **Office of the Public Auditor Comments**

The Board appears to be denying its responsibility to meet monthly and record minutes of those meetings as required by Policy 1000. At those meetings it has a responsibility to vote on matters before it such as the recent reorganization which involved a change in a Policy 1002 in as much as NMC's organization chart was being changed. Also they appear to be ignoring their responsibility to review NMC's organizational structure, as Board Policy 1009 states that the Board will review the organizational structure. They also believe that they have followed WASC Accreditation Standards in carrying out the organizational redesign. Based on our review of pertinent sections of Accreditation Standard IV, namely sections A.1 & 3, we disagree. The President failed to adhere to this standard given the limited employee participation in the reorganization as indicated by the results of OPA's structured questionnaire.

As discussed above, we consider Recommendations 3, 4, 5, 6, 8, & 9 as resolved in as much as the President and Board indicated substantial agreement. However, we consider Recommendations 1, 2, 7 and 10 to be open for the following reasons:

1. The President and Board were not responsive to Recommendation 1 in as much as they did not agree to conduct more timely meetings, i.e. Board policy requires that the Board meet monthly and record their minutes as a permanent record. We believe that the Board needs to follow applicable NMC policy and until they approve changes in those policies those policies should be followed.
2. The President and Board were not responsive to Recommendation 2 in as much as they did not agree to review "policy level actions" concerning its organizational structure and the establishment of faculties or staff. Instead the President and Board advised that they had begun to "review Board policies". Consequently, the President and Board appear to be avoiding the need to thoroughly review this reorganization and instead just consider changing policy.
7. The President and Board were not responsive to Recommendation 7 in as much as they did not agree to refer to its legal counsel the matter of whether the four recent assignments were in accordance with Board policy. Instead they plan to refer it to the Board which is not in the position of making a legal decision.
8. This recommendation was added after the Civil Service Commission rendered its decision that NMC employees are not exempt from the Civil Service system.

Actions or documents needed to consider these recommendations as closed are presented in **Appendix C**.

Our office has implemented an audit recommendation tracking system. All audit recommendations will be included in the tracking system as open or resolved until we have

received evidence that the recommendations have been implemented. An open recommendation is one where no action or plan of action has been made by the client (department or agency). A resolved recommendation is one in which the auditors are satisfied that the client cannot take immediate action, but has established a reasonable plan and time frame of action. A closed recommendation is one in which the client has taken sufficient action to meet the intent of the recommendation or we have withdrawn it.

Please provide to us the status of recommendation implementation within 30 days along with documentation showing the specific actions that were taken. If corrective actions will take longer than 30 days, please provide us additional information every 60 days until we notify you that the recommendation has been closed.

Sincerely,

Michael S. Sablan, CPA  
Public Auditor

cc: NMC Board of Regents  
NMC President  
Governor  
Lt. Governor  
President of the Senate  
Speaker of the House  
Attorney General  
Special Assistant for Management and Budget  
Secretary of Finance  
Press

**Summary of Interview Responses from 9 Terminated Employees,  
5 Board Members, and 14 Other NMC officials**

Question		Yes	No	Don't Know
1.	<b>Did you provide input into the development of the NMC's reorganization plan?</b>			
	--Terminated employees	0	9	0
	--Board members	4	0	1
	--Others	2	12	0
2.	<b>Do you agree with the way the reorganization was conducted?</b>			
	--Terminated employees	0	8	1
	--Board members	5	0	0
	--Others	4	8	2
3.	<b>Do you think that most of the inquiry and problem-solving during the 6-week period leading up to the announced reorganization plan involved issues concerning the efficiency, productivity, and quality of programs?</b>			
	--Terminated employees	0	2	7
	--Board members	4	0	1
	--Others	8	3	3
4.	<b>Do you think that the reorganization was primarily to correct functional organizational problems?</b>			
	--Terminated employees	2	4	3
	--Board members	4	0	1
	--Others	10	2	2
5.	<b>Do you feel the reorganization was conducted to address overlap in functions and gaps in responsibilities assigned to various offices?</b>			
	--Terminated employees	2	4	3
	--Board members	5	0	0
	--Others	9	3	2

**Summary of Interview Responses from 9 Terminated Employees,  
5 Board Members, and 14 Other NMC Officials**



Question		Yes	No	Don't Know
6.	<b>Do you think that one or more of the employee terminations were based on factors unrelated to the objective of the reorganization plan?</b>			
	--Terminated employees	5	0	4
	--Board members	0	5	0
	--Others	4	4	6
7.	<b>Were one or more employee terminations based primarily on the need to come up with cost savings?</b>			
	--Terminated employees	2	3	4
	--Board members	0	4	1
	--Others	2	8	4
8.	<b>Did you actively participate in any decisions reached on the termination of employee(s)?</b>			
	--Terminated employees	0	9	0
	--Board members	0	5	0
	--Others	0	14	0
9.	<b>Do you have direct knowledge on whether one or more employee terminations were based on the recommendations of any member(s) of the Board of Regents?</b>			
	--Terminated employees	0	7	2
	--Board members	0	5	0
	--Others	0	14	0
10.	<b>Do you have any direct knowledge on whether one or more employee terminations were based on the recommendations of any NMC official(s)?</b>			
	--Terminated employees	1	8	0
	--Board members	0	3	2
	--Others	0	14	0

**Summary of Interview Responses from 9 Terminated Employees,  
5 Board Members, and 14 Other NMC Officials**

Question	Yes	No	Don't Know
11. Do you have any direct knowledge as to whether employee performance was a factor in the termination of any of the 11 employees? <sup>10</sup>			
--Terminated employees	3	6	0
--Board members	1	3	1
--Others	0	14	0
12a. Do you agree with one of the reasons the President provided for terminating the 11, namely that a significant redesign of the organization was essential to eliminate overlap and gaps in responsibilities discharged by various offices?			
--Terminated employees	1	6	2
--Board members	5	0	0
--Others	9	5	0
12b. Do you agree with one of the reasons the President provided for terminating the 11, namely that the redesigned organization would clarify several previously confusing aspects of NMC's operations?			
--Terminated employees	0	6	3
--Board members	4	0	1
--Others	7	6	1
12c. Do you agree with one of the reasons the President provided for terminating the 11, namely that it would provide clear direction as to who would be responsible for what, resulting in a number of personnel having their assignments change?			
--Terminated employees	2	5	2
--Board members	5	0	0
--Others	9	4	1
13. Before Monday, September 23, were you aware of who was on the list of employees to be terminated?			
--Terminated employees	0	9	0
--Board members	1	4	0
--Others	2	12	0

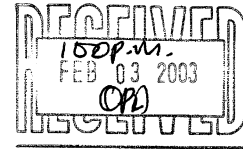
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<sup>10</sup> Although these individuals answered “yes”, they appeared to have answered “yes” based on either the President’s statement or the termination letter which indicated that performance was not a factor.



**Northern Marianas College**  
**Office of the President**

P.O. Box 501250, Saipan, MP 96950  
World Wide Web Site: [www.nmcnet.edu](http://www.nmcnet.edu)  
Phone: (670) 234-5498/99  
Fax: (670) 234-1270



January 31, 2003

Mr. Michael S. Sablan, CPA  
Public Auditor  
Office of the Public Auditor  
P.O. Box 501399  
Saipan, MP 96950

Subject: Response to OPA Draft Audit Report

Dear Mr. Sablan:

We write to convey the response of the Board of Regents and NMC to the draft OPA report concerning 'the propriety of the 11 employees' termination from their employment with the college. We note with concern that the scope of the report exceeds that stipulated by S.J.R. No. 13-9 and that certain editorial comments detract from the objectification of the report. The resolution specifically stated that it was the termination that was to be investigated, not the reassignments.

We certainly are pleased, however, to note that your recommendations are all matters that the Board had previously taken up with actions already under way.

**Conclusions/Actions**

The opening sentence in the conclusions and recommendations asserts that, "...the Board was very lax in carrying out its mandate to conduct a thorough review of the reorganization plan, and approve it through a vote of its members." This assertion is quite wrong from three points of view: First, there is no such mandate as OPA must know since it did not cite any source for claiming there was a mandate. Second, there was not a reorganization plan, merely reorganization. Third, OPA's advice, repeated here, is diametrically opposed to the WASC standards. Board Policy # 4061 is entirely consistent with WASC standards and requires no Board approval. A complete copy of the WASC accreditation standards is enclosed. The pertinent section is Standard IV: Leadership and Governance.

We suggest modifying the opening sentence in the conclusions section by omitting the beginning and ending portions of the first sentence. The modified sentence would then read, "The Board of Regents entrusted the new President with broad authority to conduct

A Land Grant Institution accredited by the Accrediting Commission for Community and Junior Colleges and by the Senior Commission for Colleges and Universities of the Western Association of Schools and Colleges

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a reorganization.” We also would suggest that OPA consider adding to this section the phrase, “consistent with WASC accreditation standards.”

The actions enumerated here correspond to the numbered recommendations in the OPA report.

1. We have consulted with former Executive Director of WASC regarding the role and responsibilities of the Board. He was on our campus recently concerning accreditation matters. Included in the discussion were considerations of meeting periodicity. We will soon establish a meeting schedule consistent with the advice received. Note, however, that what is needed is a published list of regular meeting dates throughout the year. We do not agree with the implication in your report that our meetings have not been timely.
2. The Board began last September the process of reviewing all of our policies. We agree that significant modification is needed. We have received two recommended model policies and a third set suggested by our WASC consultant. Note, however, that WASC standards are quite clear about making organizational structure a responsibility of the President, not of the Board.
3. The President began meeting with an all-college assembly on several occasions during the fall semester. He has followed their advice on every instance they have given it. Most recently at the President’s urging, efforts are underway to establish a truly participatory governance system in compliance with WASC standards. The all-college assembly has appointed a subgroup that was scheduled to report back to the assembly on Friday, January 31, 2003.
4. The President has agreed to supply the recommended information to the Regents.
5. The RIF policy will be reviewed as part of the review of all policies outlined in number two above. The action taken on September 23, 2002, however, did not fall into the category of Reduction in Force.
6. The Board has discussed this recommendation and has agreed that NMC should follow the Administrative Procedures Act for future actions. WASC urges member institutions to comply with local laws and customs and we can agree as stated without consulting with WASC.
7. We disagree that it is necessary to incur the expense of legal advice for this matter. The Board will review whether the reassignments were made in accordance with existing Board Policy.
8. We will consult with legal counsel as to the legality of these contracts.

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9. We will consult with legal counsel as to the legality of these payments.

### **Comments on the report**

We have a number of modifications to suggest to the body of the report that we believe will improve the accuracy of the information contained therein. We request that you consider these modifications and will list them in the following five categories: (1) Accreditation, (2) Balanced reporting of data, (3) Compliance, (4) Descriptive language, and (5) Participatory decision-making. We will then add a concluding section providing the corrective action we plan to take to implement OPA's recommendations.

The balance of this memorandum will be organized in the six categories of suggested modifications mentioned in the second paragraph above.

#### **1. Accreditation**

Note that one of our goals in seeking a new President was significant experience with accreditation. Dr. Wright has led three institutions through four successful accreditation efforts, one of which was an initial accreditation. Furthermore, he has served on over 30 visiting evaluative teams concerning accreditation and chaired three of these teams. Also, the former Executive Director of WASC, Dr. David Wolf, served us recently as a consultant on accreditation issues. Drawing on that experience, we note a number of suggestions in your report that are unsupported by and in at least one instance, diametrically opposed to the standards of WASC.

We also note on page four how you went about addressing your objectives. You wrote that you "...conducted interviews...reviewed applicable laws, policies, and contracts of terminated employees and reviewed pertinent documentation to determine whether NMC complied with their terms and conditions... assessed the fiscal impact of the terminations on NMC and the CNMI." The report makes no mention of reviewing the WASC standards and no questions concerning accreditation were asked of Dr. Wright. Since no specific language of the standards was cited, we infer that you have not reviewed actual WASC language. We request that you delete all references to accreditation. Alternatively we suggest the following statement that accurately reflects the standards as they apply to our processes concerning the organizational redesign:

The President relied upon WASC standard IV and the Board's direction regarding organizational issues to support his approach to formulating an organizational redesign. That standard reads in pertinent part:

#### **"Standard IV : Leadership and Governance**

"The institution recognizes and utilizes the contributions of leadership throughout the organization for continuous improvement of the institution. *Governance roles are*

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*designed to facilitate decisions that support student learning programs and services and improve institutional effectiveness, while acknowledging the designated responsibilities of the governing board and chief administrator.* (Emphasis added)

A. Decision-Making Roles and Processes

1. ...

2. The institution establishes and implements a written policy providing for faculty, staff, administrator, and student participation in decision-making processes. The policy specifies the manner in which individuals bring forward ideas from their constituencies and work together on appropriate policy, planning, and special-purpose bodies.

a. Faculty and administrators have a substantive and clearly defined role in institutional governance and exercise a substantial voice in institutional policies, planning, and budget that relate to their areas of responsibility and expertise. (Underscoring added).

b. The institution relies on faculty, its academic senate or other appropriate faculty structures, the curriculum committee, and academic administrators for recommendations about student learning programs and services.

3. ...”

“B. In addition to the leadership of individuals and constituencies, institutions recognize the designated responsibilities of the governing board for setting policies and of the chief administrator for the effective operation of the institution.

...

“1. ...

2. The president has primary responsibility for the quality of the institution he/she leads. He/she provides effective leadership in planning, organizing, budgeting, selecting and developing personnel, and assessing institutional effectiveness.

a. The president plans, oversees and evaluates an administrative structure organized and staffed to reflect the institution’s purposes, size, and complexity. He/she delegates authority to administrators and others consistent with their responsibilities as appropriate. (Underscoring added)

b. ...”

If you will consult with WASC they will tell you, as our accreditation consultants told us, that one of the changes made in the new standards adopted last June was made to clarify confusion surrounding governance issues. The new language deliberately uses the underlined clause above to specify that structure and organization are duties of the

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president. It is not accidental that issues of structure or organization are entirely absent from those portions of the standards that pertain to board responsibility.

Since some of your accreditation comments relate to participatory decision-making, we will reserve our suggestions about WASC's standards pertaining to participation for the section below, (5) Participatory decision-making. A complete copy of the current WASC standards is enclosed.

## **2. Balanced Reporting of Data**

We note that the OPA report contains information pertaining to the viewpoints of respondents "other than Board members." In particular, the first sentence in the next to last paragraph on page seven is specious and highly misleading. It states that, "almost half of the respondents including those terminated, indicated that the terminations were based on factors unrelated to the reorganization plan." First, we note that it was not, "almost half." The correct number is 32% or less than a third. And if those terminated are excluded the number drops to 21%. All of this begs the question of what importance are various opinions about the organizational redesign.

If OPA feels it important to include such information about the views of different sectors, it would be appropriate to also include some others that seem equally significant. Among all respondents who offered an opinion other than the terminated employees, please note the following summary of their thinking about the organizational redesign:

- 80% thought that the inquiry and problem solving leading up to the redesign involved issues concerning the efficiency, productivity, and quality of programs.
- 88% thought that the redesign was primarily to correct functional organizational problems.
- 82% felt the reorganization was conducted to address overlap in functions and gaps in responsibilities assigned to various offices.
- 69% said "no" when asked if they thought the employee terminations were based on factors unrelated to the objective of the organizational redesign.
- 86% said "no" when asked if the terminations were based on the need to come up with cost savings.
- 73% agreed that the redesign was "essential to eliminate overlap and gaps in the responsibilities discharged by various offices."

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- 65% agreed the redesign “would clarify several previously confusing aspects of NMC’s operations.”
- 78% agreed that the redesign “would provide clear direction as to who would be responsible for what...”
- Even on the controversial (see below) question of “the way the reorganization was conducted” 53% agreed with the way it was conducted. A note here is that there is ambiguity in possible inferences that can be drawn from the use of the term “conducted.” That ambiguity may invalidate the conclusions to be drawn from this question.

Concerning the Board’s role in the organizational redesign, several false impressions are created by the way the information is presented and by the omission of some significant information. The middle paragraph on page five incompletely describes of what the organizational redesign consisted. The existing paragraph merely says that the President met many times with the Board. We believe a more accurate description of the Board’s involvement would be as follows:

“It was the Board that initiated the organizational design changes beginning with their decision to seek out a new President equipped to examine and correct perceived problems at the institution. The Board made known to the candidate the need for significant change during the interview prior to hiring. They informed the new President of serious concerns over lack of responsiveness of the organization to expressions of Board concern. The Board pointed the new President in the direction of particular concerns in the financial and personnel areas asking him specifically during the interview whether he had the fortitude to affect such changes.

“The Board met with the new President nine times in 25 days prior to the announcement of the changes. Considering the possibly sensitive nature of the material being discussed, the preferred mode of exchanging information was oral. At these meetings the President presented evolving impressions resulting from his investigations. These impressions were presented in the form of several iterations of a ‘First Impressions’ memorandum and oral exchanges regarding each of the new discoveries.

“When it appeared to the Board that the President was describing a sense of specificity to the needed change at the meeting of September 12, 2002, the Board reemphasized its direction by requesting that the President establish a date ‘by when’ he would be prepared to finalize his action. His response was that he would be ready by September 23<sup>rd</sup>. The Board promptly established that date as the next official meeting date, thereby moving the process along and clearly indicating the Board’s determination to affect change and to remain on top of the developing changes.”



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We are unable to confirm OPA's figures regarding the cost effect of the redesigned organization. We suspect that the differences may be in whether fringe benefits are included in the OPA's calculations. In any event, our figures show a first year reduction in costs of \$351,862.36 and an annualized longer-term reduction of \$641,243.86. Neither inflation nor normal salary increases were considered on our calculations.

### **3. Compliance**

The OPA report makes comments and offers conclusions about compliance with several laws, policies, standards, and regulations. We believe some of these are unsubstantiated. To wit:

The first bullet under the compliance section on page nine is erroneous and does not, in fact, belong in this section since it makes no allegation of noncompliance with any of the rules with which compliance would be appropriate. This item should at minimum be moved to a different section so as to eliminate any possible inference that it was suggesting noncompliance. We believe elimination of this bullet is preferred because, as the previous section in our memo (above) notes, the Board had a great deal more involvement in the process than this bullet acknowledges.

The second bullet states that some unspecified standard of WASC requires some involvement of staff. That is not true. Either eliminate the second bullet or cite the WASC standard that it violates.

The third bullet is erroneous because it confuses the issues of Board Policies that are made to appear to refer to matters that are outside of their scope. For example, OPA uses circular logic by first asserting that Board Policy 1009 means something that it does not and then proceeds to base conclusions on this false assertion. The report quotes section P. of the Policy which does not pertain in this case while ignoring section L. which does. The former refers to "establishing faculties and staff of various departments" meaning the creation of departmental size and staffing. Section L. charges the President with the responsibility for "Appointing and terminating staff and faculty consistent with applicable Human Resources rules and regulations." We note also that WASC and the other accrediting boards often caution college governing boards against political interference in hiring, terminating employees. This is cautionary advice against the very thing the OPA report appears to be suggesting we should have done. Following OPA's advice would have a negative impact upon accreditation.

The question of appropriate respective roles of the Board and the President is pertinent to several comments and conclusions in the report. Because OPA misinterpreted sections 1000 and 1009 the report concludes that the organizational redesign should have been a Board and not a presidential decision. The report asserts that several conclusions about

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what OPA feels would have been an appropriate Board role including voting on the organizational design. We certainly agree that our Policies require review. Indeed, we noted deficiencies of existing policies at our public meeting in September. A review is under way. If we encounter a Policy that does, as you suggest, involve the Board in organizational design, we will certainly correct it. In the meanwhile, it would be biased to base a recommendation upon the reading of one existing policy while ignoring a conflicting one.

Reference to the RIF policy on page 12 is simply wrong on two counts: This was clearly not a RIF action and, even if it were, the question would be moot. Reduction in force is widely understood to be a reduction in the number of personnel in a certain category forced upon an organization, usually by fiscal exigency. Our policy obviously embraces this widely understood dictum by beginning with the words, "When it becomes necessary..." In our case, it never became necessary to reduce the force and this policy does not pertain. Beyond that, the issue is moot. The effect of RIF policies is to set forth rules for determining which of several employees in the same type of position should be released when that decision is forced upon us. Our organizational redesign did not reduce the number of employees in any category in which there were more than one employee. Nothing in the RIF policy suggests that, when eliminating a dean position, one consider whether to terminate a secretary and move the former dean into a clerical position merely because he/she has more seniority.

#### **4. Descriptive Language**

We believe that a report of the significance of OPA's review of our organizational redesign should go out of its way to avoid using hyperbole and editorial comment. We suggest several modifications.

- a) Page two in the footnote and second paragraph refers to the organizational redesign as a plan and then proceeds to criticize it for lacking elements of a plan. We did not refer to it as a plan. It is not customary to approach the design of anything with a formal plan. There may be a goal in mind for any human action but the term plan that the report uses to criticize this action implies that some formal plan to design should have preceded the design itself. The redesign may be considered the first step in developing a plan for the institution but it is not in and of itself a plan. It shouldn't have been criticized for lacking plan elements.
- b) The third paragraph of page two says the President "failed to adequately involve NMC staff..." We believe this reveals an unjustified bias. We note several matters below concerning how others were involved and have attached to this memo more than 25 persons the President met with one on one during the period plus more formal meetings including the Management Council, the transitional team of administrators, and visits to the Rota and Tinian campuses during the

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information gathering phase of the organizational redesign. Whether this was adequate is, at the very least, arguable and the use of the term “failed” is certainly not justified.

- c) On page five of the report, OPA states that the “...organization plan consisted of...” We renew our objection to calling the organizational redesign a plan and the information exchanged far exceeded what you have listed as of what it consisted. Your reference to “little documentation” ignores the significant and extensive discussions held and it therefore creates an inaccurate impression regarding the Board’s involvement.
- d) At the top of page seven the report states in a section other than a concluding one that the, “...review prior to the terminations appears to have been less than thorough...” This is a conclusion that we do not believe is supported by the comments to follow. Organizational design is the purview of the President, not of HR. And asking the individuals who were about to be terminated whether they wanted that to happen would be disingenuous. Reluctance to do so can certainly not be described as “less than thorough.” Furthermore, the “backtrack” referred to was not the result of lack of thoroughness. The President quite specifically inquired of persons in a position to know about the suitability of certain candidates for their new positions. The failure commented upon by OPA was one of a lack of forthcoming responses to the President’s inquiry.
- e) Some confusion occurs through the use of the term “conducted” when referring to the development of the organizational redesign. The judgmental comments concerning the manner in which the “reorganization was conducted” (to use your phraseology) apparently stems from those who objected to the notification process whereas some of the inferences could be that the process to arrive at the decisions were objectionable. OPA reports that some felt the security precautions taken by the President were “insensitive to or disrespectful of” employees. If you choose to report that you should also report that it is not uncommon to take seriously the President’s obligation to protect and preserve the assets entrusted to his stewardship. For example, we know of no inferences that airport security is disrespectful of passengers.
- f) The comment that the Board was lax in the manner in which it chose to bring about change to NMC and the use of “only limited” at the top of page 10 is a highly charged way of presenting an opinion with few facts to support it. OPA was not privy to all of the exchanges of information between the President and the Board. Nor was OPA present during the months that preceded the changes to witness the events that convinced the Board a change was needed. The Board was not lax and the prejudiced opinion that OPA holds that the Board should have been deeply involved in the specifics of the changes and should have voted on the individuals to be terminated is precisely the opposite of the WASC

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admonition for boards to avoid micromanagement. Contrary to the report's allegations, it is the act of following OPA's advice that would have a negative impact upon accreditation. We note with some concern that OPA'S advice, in addition to being contrary to WASC's standards, is also contrary to OPA's prior stance. OPA recommended that the CUC board should focus on policy matters and leave personnel hiring to the executive director. We fear that so much information in conflict with OPA's criticism here will cast doubt on the sincerity and credibility of OPA's report.

- g) The fourth paragraph on page eight says that three months after the initial actions, "...the President continued to make organizational changes..." We believe it would be much less prejudicial to say that, "three months after the organizational redesign, the resignation of the Executive Vice President required additional modifications."
- h) The statement on page 14 regarding "filled vacancies" is in error. It is not correct to suggest, as the report does, that there were "35 vacancies that existed during the reorganization." Modification of an employee's duties does not constitute the creation of a vacancy and simultaneous filling of that vacancy.

## **5. Participatory decision-making**

The question of what participation of faculty and staff is appropriate in making organizational decisions comes up several times in the report. The report seems to reflect an opinion held, probably by some of the terminated employees, that people should have been asked if they wanted to be terminated. We have noted above that the report is in error in its attempt to argue an inferred position of WASC on this matter. There are two other issues that pertain to participation. The WASC language cited above on this matter make very clear that faculty and administrator roles in decision making are to be directed to those that, "... relate to their areas of responsibility and expertise ..." and that governance decisions are those that, "...support student learning programs and services and improve institutional effectiveness..."

The pertinent clause noted above in section one of this letter is partially repeated here for your convenience.

*Governance roles are designed to facilitate decisions that support student learning programs and services and improve institutional effectiveness, while acknowledging the designated responsibilities of the governing board and chief administrator.*  
(Emphasis added)

- B. Decision-Making Roles and Processes
  - 1. ...

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2.
  - c. Faculty and administrators have a substantive and clearly defined role in institutional governance and exercise a substantial voice in institutional policies, planning, and budget that relate to their areas of responsibility and expertise.
  - d. The institution relies on faculty, its academic senate or other appropriate faculty structures, the curriculum committee, and academic administrators for recommendations about student learning programs and services. (Underscoring added).

First, know that the Management Council (MC), which the OPA report promotes as a representative body, is anything but representative according to WASC standards. It is presided over by the President and consists mostly of administrators who report directly to the President. There is only one student (who represents student government, not necessarily students broadly) and two faculty members (one department chair who is part administrator and the President of the Faculty Senate). The only body that IS broadly participatory (the Deliberations Council which the OPA report dismissively terms a committee) took as its very first action the decision to eliminate MC. The Deliberations Council, consisting of the entire college community, has appointed a subcommittee to make recommendations to the larger group about what sort of truly representative body would be appropriate to replace MC. That deliberation is currently proceeding.

Second, contrary to the report's assertion, the President did consult with MC as the only body available that remotely appeared to be participatory in considering issues concerning the organizational redesign. If you choose to include a statement about the MC involvement in the organizational redesign, we suggest that you include the following statement:

"The Management Council agreed without dissent at its regularly scheduled meeting of September 18, 2002 that a matter of organizational design is too personal and divisive for the Management Council to discuss."

We ask that you consider these suggestions carefully. We also ask that you continue to provide your assistance and support as we endeavor to improve the quality of NMC's offerings.

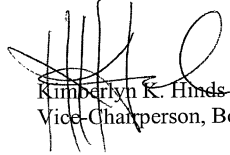
We look forward to receiving the final version of your report.

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Sincerely,



Vincent J. Seman  
Chairman



Kimberlyn K. Hinds  
Vice-Chairperson, Board of Regents



Eloise A. Furey  
Member, Board of Regents



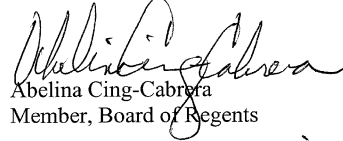
Kenneth E. Wright, Ph.D.  
President  
Northern Marianas College



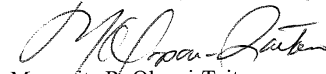
Vince Riley  
Honorary Faculty Member  
Board of Regents



Galvin S. DeLeon Guerrero  
Secretary/Treasurer, Board of Regents



Abelina Cing-Cabrera  
Member, Board of Regents



Margarita R. Olopai-Taitano  
Member, Board of Regents



Jack Kiyoshi  
Honorary Student Member  
Board of Regents

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Persons Interviewed Prior to Organizational Re-Design  
(In addition to Regents)

8/20/2002	Tinian Campus
8/21/2002	
8/21/2002	
8/21/2002	
8/21/2002	
8/22/2002	
8/22/2002	
8/22/2002	
8/22/2002	
8/23/2002	
8/23/2002	
8/26-27/2002	
8/26/2002	
8/27/2002	
8/28/2002	
8/28/2002	
8/30/2002	
8/30/2002	
9/2/2002	
9/4/2002	
9/9/2002	
9/10/2002	
9/10/2002	
9/10/2002	
9/11/2002	Management Council
9/11/2002	
9/11/2002	
9/12/2002	
9/13/2002	
9/18/2002	Management Council
9/18/2002	
9/19/2002	
9/20/2002	
9/20/2002	
9/20/2002	

Auditor's Note : Names have been deleted due to restrictions in the Auditing and Ethics Acts.

**Northern Marianas College  
Evaluation of the Facts and Circumstances  
Surrounding the Termination of 11 Employees**

**STATUS OF RECOMMENDATIONS**

Recommendations	Agency to Act	Status	Agency Response/ Action Required
1. The Board Chairman review with the Board of Regents their responsibilities as Board members, begin to meet on a more timely basis as a full Board, and promptly document their actions as required by Policy.	NMC	Open	Provide minutes of Board meetings showing that Board meetings: are being held monthly, and evidence the results of meetings. Also, one of these meetings should document that the Board Chairman has reviewed with the Board of Regents their responsibilities as Board members.
2. The Board Chairman reiterate to Board members the need to thoroughly review policy level actions involving: (a) organizational structure in light of NMC goals and objectives as required by Board policy 1000, and (b) the establishment of faculties or staff as required by Board policy 1009.	NMC	Open	Document for the record how the Board has reviewed policy level actions involving (a) organizational structure, and (b) the establishment of faculties or staff.
3. The Board Chairman and the President strongly consider strengthening processes in place for obtaining broader employee involvement in NMC decisions by implementing a policy to address it and thus comply with WASC accreditation standards.	NMC	Resolved	Implement a policy that strengthens the participation process thereby complying with WASC Accreditation Standard IV.
4. The President (a) document his reorganization with objectives, time-lines, and fiscal impact; (b) identify positions affected; (c) provide a mechanism to assess whether the results have met the redesigned organization's objectives; and (d) identify legal and human resource issues such as compliance with applicable laws, policy, and accreditation standards.	NMC	Resolved	Provide the Board with documentation that shows: (a) reorganization objectives, time-lines, and fiscal impact; (b) positions affected; (c) a mechanism to assess whether the results have met the redesigned organization's objectives; and (d) legal and human resource issues such as compliance with applicable laws, policy, and accreditation standards;
5. The Board Chairman review with the Board of Regents its policy on reductions-in-force (RIF), and clarify when RIF procedures should apply.	NMC	Resolved	Document for the record that RIF policy has been reviewed and clarify such policy to better show when RIF procedures should apply.
6. The President inquire with the Western Association for Schools and Colleges (WASC) as to whether or not the Administration Procedures Act should apply to NMC; if WASC determines that they should apply, the President should ensure that NMC policies are published as regulations as required by the Administrative Procedures Act; if WASC determines they do not apply, the President should bring this matter to the Board to propose legislation which would exclude NMC from the Act.	NMC	Resolved	Since the President has agreed that the Administrative Procedures Act should apply to NMC the President should publish its policies as regulations in the Commonwealth Register.



7.	The President seek legal determination as to whether four recent reassignments were made in accordance with Board policy and, if not, take appropriate action to rectify the situation.	NMC	Open	Document its legal decision as to whether four recent reassignments were made in accordance with Board policy.
8.	The President seek legal determination as to the legality of employing and compensating staff who have no valid NMC contracts.	NMC	Resolved	Document its legal decision as to the legality of employing and compensating staff who have no valid NMC contracts
9.	The President seek legal determination as to the legality of compensating individuals no longer working at NMC.	NMC	Resolved	Document its legal decision as to the legality of compensating individuals no longer working at NMC.
10.	The President and the Board consult with its legal counsel to determine the effect of the Civil Service Commission's decision on NMC employment status.	NMC	Open	Document the results of its communication with its legal counsel on this matter to show the effect of the Civil Service Commission's decision on NMC employment status