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1. Three lawsuits, one settled and two active.
 2. Frequent changes in leadership with little to no input from relevant stakeholders, without following institutional policies and procedures.
 3. Uncertainty as to who is the Chief Executive Officer at North Idaho College, with a regular president placed on administrative leave (Swayne) and an interim president (South) appointed concurrent with the regular president.
 4. Declining enrollments, including termination of partnership with STEM Charter Academy, with concomitant reduction in tuition revenue.
 5. Continued exodus of faculty, staff, and senior administrators.
 6. Decision with little to no input to expand athletics program and to change athletics conference with potential added costs.
 7. Multiple No Confidence Resolutions from the Associated Students of NIC, NIC Faculty Assembly, and NIC Staff Assembly.
 8. Risk of significant financial stress, including but not limited to:
 - o Expanded payroll for two presidents, interim provost, and special assistant to the interim president, along with moving expenses, and other contracted charges and/or obligations.
 - o Significantly increased insurance costs with higher deductibles.
 - o Moody's Bond Rating review for potential downgrade.
 - o Declining donor support.
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Timeline of events listed by NWCCU	Risk 1 Lawsuits	Risk 2 Leadership	Risk 3 CEO	Risk 4 Enrollment	Risk 5 Exodus	Risk 6 Athletics	Risk 7 No Confidence	Risk 8 Finances
November 25, Marc Lyons resigns as NIC attorney	X	X			X		X	X

December 5, The NIC Board of Trustees hired attorney Art Macomber to serve as the college’s attorney, ignoring its recruitment and hiring policies, despite the reminder to the Board by NIC

Timeline of events listed by NWCCU	Risk 1 Lawsuits	Risk 2 Leadership	Risk 3 CEO	Risk 4 Enrollment	Risk 5 Exodus	Risk 6 Athletics	Risk 7 No Confidence	Risk 8 Finances
December 17, NWCCU sent a letter requiring a response no later than January 4, 2023. It was sent to Acting Co-CEOs Duman and Garcia.	X	X	X	X	X		X	X

December 20, former Coeur d'Alene

It is important to note that while we discuss each of the risks individually, the reality is that many are intertwined, and thus, it is challenging to address them in isolation. Rather than restating each risk multiple times, we cross-reference when appropriate.

Risk 1: Three lawsuits, one settled and two active.

: Over the past two years, the NIC Board has taken actions that have resulted in several lawsuits, one of which is settled while two remain active. Of particular note, none of the pending lawsuits seek financial damages or financial settlements. However, the cost of litigation may impact the college's ability to manage the current budget and planning of future budgets.

The Board took the following actions from September 22, 2021, to December 8, 2022, that have led to litigation against the college:

- x September 22, 2021:
 - o Terminated President MacLennan without cause on a 3 to 2 vote.
- x December 5, 2022:
 - o Voted on [Resolution 2022-03](#) to suspend Continuous Professional Service contracts and New Legal Services [Policy 7.01.04](#) and [Resolution 2022-04](#) to suspend Filling of New and Vacant Positions [Policy 3.02.03](#), Board and College Governance in Relation to Creation, Revision, or Elimination of College Policy and Procedure

- x December 21, 2022:
 - o Acted to “cure” Idaho Open Meeting Law violations from earlier meetings that had the effect of (1) reinstating President Swayne, (2) canceling the hiring of attorney Macomber as NIC’s legal counsel, and (3) restoring several suspended policies. However, immediately afterward “curing” Idaho Open Meeting Law violations, the board acted to once again place President Swayne on administrative leave for no disciplinary reason, and once again hire attorney Macomber as NIC’s legal counsel, retroactive to his original date of hire of December 5, 2022. See _____

are asking for financial settlements, the cost of litigation is not budgeted and therefore impacts the institution's ability to manage its financial resources. (Eligibility Requirement 19 - Financial Resources and Planning, and Standards 2.E.2 Financial Planning and 2.E.3 Financial Resources):

- x The MacLennan lawsuit was cited as one of several reasons NIC's insurance carrier, Idaho Counties Risk Management Program (ICRMP), chose not to renew coverage after the policy expired on June 30, 2022. ICRMP did extend coverage until September 30, 2022 in order to give NIC extra time to secure another carrier from the open market. NIC found other carriers; however, while the total comprehensive cost of coverage under ICRMP was \$321,000 per year, on the open market it has increased to \$1,100,000. (Risk 8) _____

- x The college experienced declining donor support which harms the Development Department's ability to support the college through grants, scholarships, and program support. (Risk 8)

Both the board and the college have recently engaged in actions to reverse and/or mitigate the effects of

- x The Interim President sent NWCCU two letters in February updating the commission on recent opportunities in which the NIC Board participated in constructive, meaningful training in an effort to fulfill its governance

x

- x Creation of a leadership crisis in that the college effectively has two presidents with identical duties. (See Risk 3)
- x Potential long-term financial consequences such as continued increased costs for liability insurance and increased cost of borrowing for future capital projects. (See Risk 8)

Board actions in terminating the President (MacLennan), placing the President on administrative leave (Swayne) and hiring two Interim Presidents (Sebaaly and South) without following established process for ensuring appropriate qualifications or including input from relevant stakeholders has created uncertainty and disruption that have a negative cascading effect throughout the college (students, faculty and staff), community partners, donors and significant cost.

Confusion and uncertainty about campus leadership stability has been widespread during this time. The arrival of NWCCU's Show Cause sanction letter on February 9, 2023, made it clear that swift action and cooperation were needed above all else.

The board reinstated President Swayne as the active Chief Executive Officer of the college on March 6, 2023. _____
 _____ His reinstatement marked a critical turning point and set the precedent for compliance to be demonstrated over time.

While reinstating President Swayne is an initial step, it is a significant step. However, the ultimate objective is to have the board fully realize the cascading effects of not following the NWCCU's Eligibility Requirements and Standards, and NIC's best practices to hire, terminate, place on administrative leave, and appoint an interim president.

Therefore, the board and administration have taken and/or have committed to take the following actions in order to come into compliance with Eligibility Requirements 9 - Governing Board, and 10 - Chief Executive Officer and Standards 2.A.1 Effective Governance Structure, 2.A.2 Effective System of Leadership, and 2.A.4 Consideration of Views of Constituency Groups with Decision-Making Processes:

- x The board and President are working together with consultants from the Association of Community College Trustees (ACCT) to educate and develop the board to make well-advised decisions and improve overall governance. As stated above, each board member has committed to participate in twice monthly meetings for 6 to 8 months with the consultants and to monthly workshops with the full board and President. Thus far, the board members have met all their obligations, attended all scheduled training, and committed to the first in-person workshop scheduled for April 15, 2023. This commitment to training by the board is a crucial step in the development to improve communication and governance. _____
 _____ (Eligibility Requirements 2, Operational Focus and Independence, 9 Governing Board, Eligibility Requirement 22 Relationship with NWCCU, Standards 2.A.1 Effective Governance Structure, and 2.D.2 Ethical Standards)

x

- x The administration and the board will work with the ACCT consultants to develop a policy on hiring interim positions, particularly external interims:
 - o The college has received [draft policy language](#) from ACCT to address the hiring of interim presidents. It will be submitted to the board for consideration. (Eligibility Requirement 10 and Standards 2.A.2 and 2.A.4).

Risk 3: Uncertainty as to who is the Chief Executive Officer at North Idaho College, with a regular president placed on administrative leave (Swayne) and an interim president (South) appointed concurrent with the regular president.

Recent board actions have created uncertainty as to who is the college's Chief Executive Officer. In the Interim President's contract, drafted by newly appointed college counsel, there was no exit provision included should

- o The board is actively engaged with consultants from ACCT to understand its role in order to seek a resolution to this matter. _____ , _____
- x President Swayne is receiving professional coaching with Association of Governing Boards (President Swayne’s contract with AGB will be provided when it is completed) to help organize reports to the board.

Risk 4: Declining enrollments, including termination of partnership with STEM Charter Academy, with concomitant reduction in tuition revenue.

Board actions that have resulted in a risk to NIC’s accreditation have raised concerns with the college’s educational partners, students, and parents who are concerned about the validity, transferability, and acceptance of credits and degrees.

The board made the following decisions between December 8, 2022 and March 6, 2023:

- x December 8, 2022:
 - o Placed President Swayne on administrative leave.
- x December 21, 2022:
 - o After the “curing” of the Idaho Open Meeting Law violations from the December 8, 2022, meeting, again took action to place President Swayne on administrative leave.
 - o Hired Dr. Greg South as interim president without relevant stakeholder input. The contract developed for Dr. South by Art Macomber did not adequately distinguish the role of the interim president or provide provisions for the transition in the event President Swayne returned from administrative leave.
- x March 6, 2023:
 - o Reinstated President Swayne after receiving a court decision that granted his preliminary injunction motion and reinstated him to be the active president with full authority.
 - o Placed Interim President South on paid administrative leave effective immediately with continued active email access and without a change to his contract end date or a change to his defined responsibilities.

While these board decisions are not the direct cause of all declining enrollments, the cumulative actions by the board listed above have resulted in declining confidence among community members, particularly parents of dual credit students and dual credit students themselves.

- x Although enrollment trends at community colleges are down nationwide, board governance and accreditation concerns are continuing to negatively impact overall NIC’s enrollments.
- x STEM Charter Academy stopped teaching NIC courses on their campus beginning Spring 2023, and is creating a plan to do the same for Fall 2023, in the event NIC receives an adverse accreditation outcome. Several other area

Although the issue of enrollments is not resolved and will not be in the short-term, during Dr. Swayne's tenure so far, the college demonstrated success in improving overall student enrollment, which mitigates the long-term concerns regarding tuition revenue. Results from the efforts cited above indicate that given the opportunity, the college clearly has the potential to reverse the declining enrollment trends.

In relation to board decisions that have created uncertainty among community partners, the board and administration have taken and/or are committing to take the following actions in order to come into compliance with NWCCU Eligibility Requirements 8 – Institutional Integrity, 11 – Administration, 18 – Public Information, and Standards 1.B.4 Monitoring of Internal and External Environments, 2.A.2 Effective System of Leadership, 2.D.1 Clear and Accurate Publications, and 2.D.2 Ethical Standards. Below are examples of several recent actions taken:

- x On February 22, 2023, the Board, in a 5-0 vote, approved a [statement on accreditation](#). (Eligibility Requirements 2 – Operational Focus, and 22 – Relationship with NWCCU)

- x Since Dr. Swayne's reinstatement, NIC has been aggressively reaching out to high schools, dual credit, and business community partners to address and reduce level of concern. Below is a list of actions taken immediately after President Swayne's reinstatement:
 - o Tami Haft, Dean of Enrollment Services sent out 2,231 NIC Foundation scholarship [letters](#) on March 7, 2023, to all area high school seniors. NIC is streamlining multiple application processes to reduce barriers for students. For example, the barrier of requiring placement scores was dropped allowing additional students to enroll. There are more additional students eligible to register compared to the same time last year. _____

 - o President Swayne, Interim Provost Duman, and Interim Dean Harris met with Region I high school principals on March 9, 2023, to discuss their accreditation concerns.

 - o President Swayne and Interim Associate Dean Gail Ballard met with leaders of the Coeur d'Alene Tribe on March 10, 2023, to address concerns and restore confidence. _____

 - o On March 15, 2023, President Swayne and Math, Computer Science, and Engineering Division Chair Damian Caires met with STEM Charter Academy Principal Scott Thomson and Secondary Program Director Deb Pence to discuss their relationship with NIC. Due to this visit, STEM Charter is reconsidering its partnership with the NIC dual credit program.

o

- x December 8, 2022:
 - o Placed NIC President Swayne on administrative leave.
- x December 10, 2022:
 - o Dr. Sebaaly reportedly turned down the NIC Board's offer to return as acting president.
- x December 21, 2022:
 - o Took action to "cure" known Idaho Open Meeting Law violations from earlier meetings that had the effect of (1) reinstating President Swayne, (2) canceling the hiring of NIC attorney Macomber as college counsel, and (3) restoring several suspended policies.
 - o Immediately afterwards, the board acted to once again place President Swayne on administrative leave without cause, and once again hired attorney Macomber, retroactive to his original date of hire. _____ (December 21, 2022)
 - o Named Dr. Greg South as interim president at the same time President Swayne remained on administrative leave.

These actions taken by the board have had a negative impact on employees of the college. Below are some examples of the impact:

- x Uncertainty among faculty and staff regarding their future livelihood has led some to seek other employment.
- x Increased turnover, vacancies and challenges in filling positions to fulfill the college's mission. _____
- x Increased cost to recruit, onboard and train new employees. The Society of Human Resource Management (SHRM) estimates the cost to replace an employee to be 6-9 months of salary. The contract with AGB for the search for a Vice President for Instruction and Student Affairs position was \$48,000 and due to resolution 2022-04 we were not able to complete the selection and hiring process. _____
- x Increased stress on employees and mistrust with the college attorney by some who received subpoenas.
- x Loss of institutional knowledge.
- x Increase in stress and anxiety, and a decrease in morale among employees. Of all employees accessing the

There are additional external factors that contribute to the increase in turnover, including a strong labor market (signaled by increasing pay and decreasing unemployment), continued high cost of housing in the region, and local turmoil in the community regarding the climate around public education.

Risk 7. Multiple No Confidence Resolutions from the Associated Students of NIC, NIC

x The resolutions of no confidence:

- o Faculty Resolutions of [February 2, 2021](#), [October 26, 2021](#), [March 14, 2022](#), [February 9, 2023](#), [February 16, 2023](#).
- o Staff Resolutions and Statement of [December 13, 2021](#), [February 23, 2021](#), [February 23, 2021 Statement](#), [March 23, 2022](#), and [December 14, 2022](#)
- o College Senate Statement of [March 3, 2021](#) and Resolution of [December 15, 2022](#).
- o ASNIC Resolution of [December 9, 2022](#).

Constituency groups (Faculty, Staff, and ASNIC) iss28 TD[(D)3 (28 Td)-1.6 (y7 (e)-1.7 n n n n n (l)6.2 1.6S)1.6 (N)4.6.033 0.2 0

x President Swayne holds monthly meetings just prior to each board meeting with constant

- o The continued instability and uncertainty at NIC are negatively impacting donor and grantor confidence;

This letter has been written through a collaborative effort of administrators, faculty and staff. We offer our final thoughts for you to consider.

Above all else North Idaho College remains committed to our students and their success—whatever that may be. North Idaho College serves over four thousand for-credit students and over six thousand non-credit students every year. We are the only Idaho community college serving students from the five northern counties and neighboring states. Students come to NIC for career and technical programs, nursing and health professions programs, business programs, and transfer programs. They come because we offer high quality educational programs at an affordable cost. For many students we are the only means they have to pursue higher education and job training, because they cannot afford to go elsewhere. We desperately want to continue to fulfill our mission.

The NWCCU has two overarching standards:

1. Student Success and Institutional Mission and Effectiveness
2. Governance, Resources, and Capacity

Clearly, North Idaho College is not at risk of losing accreditation for falling short of Standard One. Evidence of our quality programs and student success is documented in our year seven report to the NWCCU and its response to the report in 2021. The NWCCU placed us on

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These are positive steps