Retreat Meeting Agenda
March 12-13, 2013
Chateau Chantal
15900 Rue de Vin, Traverse City, MI

Tuesday, March 12
12:30 p.m. Lunch
1:00 p.m. Meeting
5:30 p.m. Anticipated Adjournment

I. GENERAL BUSINESS
   A. Call to Order
   B. Roll Call
   C. Review and Approval of Agenda to include additions, deletions, or rearrangements

II. PUBLIC INPUT

III. DISCUSSION ITEMS – NO ACTION WILL BE TAKEN
   D. Evaluation Processes and Doing Board Business
   E. Updates on Board Level Strategic Goals and Planning Process

IV. ADJOURNMENT

Wednesday, March 13
8:30 a.m. Breakfast
9:00 a.m. Meeting
12:00 p.m. Anticipated Adjournment

V. GENERAL BUSINESS
   F. Call to Order
   G. Roll Call

VI. PUBLIC INPUT

VII. DISCUSSION ITEMS – NO ACTION WILL BE TAKEN
   H. Updates on Board Level Strategic Goals and Planning Process (continued)

VIII. ADJOURNMENT
Carver's Policy Governance® Model in Nonprofit Organizations
by John Carver and Miriam Carver

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Over the last decade or two, there has been increasing interest in the composition, conduct, and decision-making of nonprofit governing boards. The board-staff relationship has been at the center of the discussion, but trustee characteristics, board role in planning and evaluation, committee involvement, fiduciary responsibility, legal liability, and other topics have received their share of attention. Nonprofit boards are not alone, for spirited debate about the nature of business boards has been growing as well. Whatever the reasons for this intense interest in governance, the Policy Governance model for board leadership, created by the senior author, is frequently a primary focus of debate.

The Nature of Governance and the Need for Theory

The Policy Governance model is, at the same time, the most well-known modern theory of governance worldwide and in many cases the least understood. It applies to governing boards of all types—nonprofit, governmental, and business—and in all settings, for it is assembled from universal principles of governance. In this article, we will focus exclusively on its use in nonprofit boards, though many descriptions of its application in business (for example, Carver, 2000a, 2000c) and government (for example, Carver, 1996a, 1997d, 2000b, 2001; Carver and Oliver, 2002) are available elsewhere.

Governing boards have been known in one form or another for centuries. Yet throughout those many years there has been a baffling failure to develop a coherent or universally applicable understanding of just what a board is for. While comparatively little thought has been given to developing governance theory and models, we have seen management of nonprofit organizations transform itself over and over again. Managers have moved through PERT, CPM, MBO, TQM, and many more approaches in a continual effort to improve effectiveness. Embarrassingly, however, boards do largely what they have always done.

We do not intend to demean the intent, energy, and commitment of board members. There are today many large and well known organizations that exist only because a dedicated group of activists served as both board and staff when the organization was a "kitchen table" enterprise. Board members are usually intelligent and experienced persons as individuals. Yet boards, as groups, are mediocre. "Effective governance by a board of trustees is a relatively rare and unnatural act . . . . trustees are often little more than high-powered, well-intentioned people engaged in low-level activities" (Chait, Holland, and Taylor, 1996, p. 1). "There is one thing all boards have in common . . . . They do not function" (Drucker, 1974, p. 628). "Ninety-five percent (of boards) are not fully doing what they are legally, morally, and ethically supposed to do" (Geneen, 1984, p.28). "Boards have been largely irrelevant throughout most of the twentieth century" (Gillies, 1992, p. 3). Boards tend to be, in fact, incompetent groups of competent individuals.

An extraterrestrial observer of board behavior could be forgiven for concluding that boards exist for several questionable reasons. They seem to exist to help the staff, to lend their prestige to organizations, to rubber stamp management desires, to give board members an opportunity to be unappointed department heads, to be sure staffs get the funds they want, to micromanage organizations, to protect lower staff from management, and sometimes even to gain some advantage for board members as special customers of their organizations, or to give board members a prestigious addition to their resumes.
But these observations—accurate though they frequently are—simply underscore the disclarity of the board's rightful job. Despite the confusion of past and current board practices, we begin in this article with the assertion that there is one central reason to have a board: Simply put, the board exists (usually on someone else's behalf) to be accountable that its organization works. The board is where all authority resides until some is given away (delegated) to others. This simple total authority-total accountability (within the law or other external authorities) is true of all boards that truly have governing authority.

The Policy Governance model begins with this assertion, then proceeds to develop other universally applicable principles. The model does not propose a particular structure. A board's composition, history, and peculiar circumstances will dictate different structural arrangements even when using the same principles. Policy Governance is a system of such principles, designed to be internally consistent, externally applicable, and—to the great relief of those concerned with governance integrity—logical. Logical and consistent principles demand major changes in governance as we know it, because these principles are applied to subject matter that has for many years been characterized by a hodgepodge of practices, whims of individuals, and capricious decision making.

Such a change is a paradigm shift, not merely a set of incremental improvements to the status quo. Paradigm shifts are difficult to cope with, since they often render previous experience unhelpful; they demand a significant level of discipline to be put into effect. But if there is sufficient discipline to use the Policy Governance model in its entirety, board leadership and the accountability of organizations can be transformed.

It is important that we underscore this point. Using parts of a system can result in inadequate or even undesirable performance. It is rather like removing a few components from a watch, yet expecting it still to keep accurate time. Unlike the traditional practices to which boards have become accustomed, the Policy Governance model introduces an integrated system of governance (Carver and Carver, 1996; Carver, 1997).

Greater effectiveness in the governing role requires board members first to understand governance in a new way, then to be disciplined enough to behave in a new way. Boards cannot excel if they maintain only the discipline of the past any more than managers of this new century can excel if they are only as competent as those of the past. Does this ask too much of boards? Perhaps it does ask too much of many of today's board members. Yet there are other board members—or potential board members who thus far have refused to engage in either the rubber-stamping or the micromanaging they see on boards—who would rejoice in greater board discipline.

The Policy Governance model requires that boards become far more enlightened and more competent as groups than they have been. If that means losing some board members as the composition of boards goes through change, then the world will be the better for it. The Policy Governance model is not designed to please today's board members or today's managers. It is designed to give organizations' true owners competent servant-leaders to govern on their behalf.

**Board as Owner-Representative and Servant-Leader**

In the business sector, we can easily see that a board of directors is the voice of the owners (shareholders) of the corporation. It is not always apparent that nonprofit organizations also have owners. Certain nonprofits, such as trade associations or professional societies, are clearly owned by their members. Beyond such obvious cases of ownership, however, it is useful to conceive that community-based agencies in the social services, health, education, and other fields are "owned" by their communities. In neither trade associations nor community agencies is there a legal equivalent of shareholders, but there is a moral equivalent that we will refer to as the "ownership." Looking at ownership in this very basic way, it is hard to conceive of any organization that isn't owned by someone or some population, at least in this moral sense.

The Policy Governance model conceives of the governing board as being the on-site voice of that ownership. Just as the corporate board exists to speak for the shareholders, the nonprofit board exists to represent and to speak for the interests of the owners.
A board that is committed to representing the interests of the owners will not allow itself to make decisions based on the best interests of those who are not the owners. Hence, boards with a sense of their legitimate ownership relationship can no longer act as if their job is to represent staff, or other agencies, or even today’s consumers (we will use that word to describe clients, students, patients, or any group to be impacted). It possible that these groups are not part of the ownership at all, but if they are, it is very likely they constitute only a small percentage of the total ownership.

We are not saying that current consumers are unimportant, nor that staff are unimportant. They are critically important, just as suppliers, customers, and personnel are for a business. It is simply that those roles do not qualify them as owners. They are due their appropriate treatment. To help in their service to the ownership, Policy Governance boards must learn to distinguish between owners and customers, for the interests of each are different. It is on behalf of owners that the board chooses what groups will be the customers of the future. The responsible board does not make that choice on behalf of staff, today’s customers, or even its own special interests.

Who are the owners of a nonprofit organization? For a membership organization, its members are the owners. For an advocacy organization, persons of similar political, religious, or philosophical conviction are the owners. There are many variations. But for purposes of this paper, we will assume a community organization, such as a hospital, mental health or family service agency, for which we can confidently say that the community as a whole is the legitimate ownership. In this case, it is clear that in a community organization, the board must be in a position to understand the various views held in the community about the purpose of the organization. In short, if the community owns the organization, what does the community want the organization for?

Traditionally, boards have developed their relationships largely inside the organization—that is, with staff. Policy Governance demands that boards’ primary relationships be outside the organization—that is, with owners. This parallels the concept of servant leadership developed by Greenleaf (1977, 1991), in that the board is first servant, before it is leader. It must lead the organization subject to its discoveries about and judgments of the values of the ownership.

We have thus far referred repeatedly to the board and very little to board members; that is intentional. Since we are now establishing the starting point for governance thinking, it is important that we start with the body charged with authority and accountability—the board as a group, not individual board members. It is the board as a body that speaks for the ownership, not each board member except as he or she contributes to the final board product. So while we might derive roles and responsibilities for individual board members, we must derive them from the roles and responsibilities of the board as a group, not the other way around. Hence, board practices must recognize that it is the board, not board members, who have authority.

The board speaks authoritatively when it passes an official motion at a properly constituted meeting. Statements by board members have no authority. In other words, the board speaks with one voice or not at all. The "one voice" principle makes it possible to know what the board has said, and what it has not said. This is important when the board gives instructions to one or more subordinates. "One voice" does not require unanimous votes. But it does require all board members, even those who lost the vote, to respect the decision that was made. Board decisions can be changed by the board, but never by board members.

The Necessity for Systematic Delegation

On behalf of the ownership, the board has total authority over the organization and total accountability for the organization. But the board is almost always forced to rely on others to carry out the work, that is, to exercise most of the authority and to fulfill most of the accountability. This dependence on others requires the board to give careful attention to the principles of sound delegation.

Since the board is accountable that the organization works, and since the actual running of the organization is substantially in the hands of management, then it is important to the board that management be successful. The board must therefore increase the likelihood that management will be successful, while making it possible to recognize whether or not it really is successful. This calls upon the board to be very clear about its expectations, to personalize the assignment of those expectations, and then to check whether the expectations
have been met. Only in this way is everyone concerned clear about what constitutes success and who has what role in achieving it.

At this point, we wish to introduce the chief executive (CEO) role. (Policy Governance works in the absence of a CEO role, but the governing job is more difficult than with a CEO.) We are not concerned whether the CEO is called executive director, director-general, president, general manager, superintendent, or any other title. We are, however, concerned how the role is defined and we will use the term "CEO" to reflect the role definition we recommend.

We recommend that the board use a single point of delegation and hold this position accountable for meeting all the board's expectations for organizational performance. Naturally, it is essential that the board delegate to this position all the authority that such extensive accountability deserves. The use of a CEO position considerably simplifies the board's job. Using a CEO, the board can express its expectations for the entire organization without having to work out any of the internal, often complex, divisions of labor. Therefore, all the authority granted by the board to the organization is actually granted personally to the CEO. All the accountability of the organization to meet board expectations is charged personally to the CEO. The board, in effect, has one employee.

It is important that boards maintain a sense of cause and effect with respect to their CEOs. The board creates the CEO; the CEO does not create the board. As the board contemplates its accountability to the ownership, it decides that creating a CEO role will be a key method in fulfilling that accountability. It is true that a founding father or mother will sometimes be the inspiration for a new organization, so that the board then created occurs after rather than before the founder. If the founder becomes the new CEO, it will seem that the CEO is parent to the board. Boards established in this way make a grave error when they mistake an accident of history for a proper view of their accountability. The CEO role, as such, is even in these cases created and governed by the board (see Carver, 1992).

Consequently, in every case, the board is totally accountable for the organization and has, therefore, total authority over it—including over the CEO. We can say that the board is accountable for what the CEO's job is and that the CEO do the job well. But we cannot say the CEO is accountable for what the board's job is and that the board do its job well. Unfortunately, much of current nonprofit practice supports this board-staff inversion. CEOs are expected to tell their boards what to talk about (provide agendas), to pull their boards together when there is dissension, and to orient new board members to their job. Nowhere else in an organization are subordinates responsible for the conduct of the superiors. Yet virtually all nonprofit literature on governance falls into this fallacy of CEO-centrism. "Thus, we argue, the board's performance becomes the executive's responsibility," say Herman and Heimovics (1991, p. xiii), a position we contend excuses and prolongs board irresponsibility.

We have said being accountable in leadership of the organization requires the board (1) to be definite about its performance expectations, (2) to assign these expectations clearly, and then (3) to check to see that the expectations are being met. Traditional governance practices lead boards to fail in most or all of these three key steps.

Board expectations—which are instructions—when they are stated at all, tend to be unclear, incomplete, or a mixture of whole board and individual board member expressions. Board members form judgments of staff performance on criteria the board (as a whole body) has never stated. Regular financial reports report against few or no criteria. Staff members can be seen taking notes of what individual board members say, as if it matters and as if they work for the board members rather than the CEO. Boards decide whether CEO's budgets merit approval when they have never stated the grounds for approval and disapproval. Virtually every board meeting—other than in Policy Governance boards—is testimony to carelessness of delegation and role clarity.

Traditional governance allows boards to instruct staff by the act of approving staff plans, such as budgets and program designs. When the board has approved a staff recommendation, doesn't the resulting approved document become a clear board instruction? Actually, it does not. For example, when a board approves the CEO's personnel policies or budget, does it really mean as an instruction every tiny segment of that document? Does every budget line and the smallest issues of a program plan become a criterion on which the CEO will be
judged? Certainly not. Even the most micromanaging board does not go that far. But to what level of detail should the CEO treat the approved document as being a board instruction, therefore a criterion for evaluation? The tradition-blessed habit of board approvals is a poor substitute for setting criteria, then checking that they have been met. Board approvals are not proper governance, but commonplace examples of boards not doing their jobs.

What about the clear assignment of expectations to a person or persons? In conventional practice, boards' delegation to a CEO is frequently compromised by delegating the same responsibilities more than once or by delegating to around the CEO to sub-CEO staff. An example of the former is when a board charges the CEO and a board finance committee for financial decisions. Delegating around the CEO occurs either when a board gives instructions to the financial officer or other person who reports to the CEO or when a board itself judges the performance of sub-CEO staff.

Finally, in the absence of clear instructions or clear assignment, evaluating performance is an exercise in futility. Yet boards receive volumes of information that purports to monitor organizational performance. The sheer amount of information masks the fact that proper monitoring is still not occurring. Because monitoring performance is the systematic disclosure of whether board expectations have been met, monitoring that is fair and incisive can only occur after clearly stated and clearly assigned board expectations.

### Using the Ends/Means Distinction

The point was made earlier in this paper that the board is accountable that the organization works. Clearly, the word "works" must be defined; defining it establishes the board's expectations for the organization, the performance that will constitute success. The board need not control everything, but it must control the definition of success. It is possible to control too much, just as it is possible to control too little. It is possible to think you are in control when you are not. The zeal of a conscientious board can lead to micromanagement. The confidence of a trusting board can lead to rubber stamping. Defining success is a matter of controlling for success, not for everything. How can a board control all it must, rather than all it can?

Boards have had a very hard time knowing what to control and how to control it. Policy Governance provides a key conceptual distinction that enables the board to resolve this quandary. The task is to demand organizational achievement in a way that empowers the staff, leaving to their creativity and innovation as much latitude as possible. This is a question of what and how to control, but it is equally a question of how much authority can be safely given away. We argue that the best guide for the board is to give away as much as possible, short of jeopardizing its own accountability for the total.

What is there to control? In any organization, there are uncountable numbers of issues, practices, and circumstances being decided daily by someone. The Policy Governance model posits that all of these decisions can be classified as those that define organizational purpose, and those that don't. But the model calls for a very narrow and careful definition of purpose: it consists of what (1) results for which (2) recipients at what (3) worth.

Let us define these more fully: Some decisions directly describe the intended consumer results of the organization, for example, reading skills, family harmony, knowledge, or shelter from the elements. Some decisions directly describe the intended recipients of such results, such as adolescents, persons with severe burns, or low income families. Some describe the worth of the intended results, such as in dollar cost or priority against other results.

In Policy Governance, this triad of decisions is called "ends." Ends are always about the changes for persons to be made outside the organization, along with their cost or priority. Ends never describe the organization itself or its activities. For example, the professional and technical activities in which the organization engages are not ends. In a school, for example, which students should acquire what knowledge at what cost are ends issues. Ends are about the organization's impact on the world (much like cost-benefit) that justify its existence.

Any decision that is not an ends decision is a "means" decision. In that same school, the choice of reading program, teachers' credentials, and classroom arrangement are means issues. Most decisions in an
organization are means decisions; some are very important means. But even if a decision is extremely important, even if it is required by law, even if it is critical to survival, unless it passes the ends test (designation of consumer results, which consumers, or the worth of consumer results), it is not an ends decision. Hence, means include personnel matters, financial planning, purchasing, programs, services and curricula, and even governance itself. No organization was ever formed so it could be well governed, have good personnel policies, a fine budget, sound purchasing practices, or even nicely planned services, programs or curricula.

The ends/means distinction is critical. Many boards claiming to use the model routinely confuse the Policy Governance meaning of ends and means, thereby sacrificing much of the benefit the model can give. For example, means is not synonymous with "administration" as some have misinterpreted (Herman and Heimovics, 1991, p. 44). Ends is not synonymous with "strategic plan," as others have misinterpreted (Murray, 1994). The ends/means distinction is not comparable to any other distinction used in management or governance; it is not parallel to policies/procedures, strategies/tactics, policy/administration, or goals/objectives. Indeed, ends may include very small and specific decisions about a single consumer, while means may include very important programmatic decisions as well as how a board constructs its committees. The ends/means distinction is exclusively peculiar to Policy Governance (with the possible exception of Argenti, 1993) and, therefore, is governed by Policy Governance principles. In Policy Governance, ends are means simply because they are not ends.

Are ends the same as mission? Unfortunately, the answer is usually "no," because mission statements have not traditionally had to conform to the definition we have given ends. Consider the following mission statement of a mental health center: "The mission of the XYZ Center is to be a responsible employer, providing quality mental health services in a cost-efficient manner." This statement—quite acceptable in traditional governance—is entirely means, no ends. This organization can fulfill its mission even if consumers' lives are not any better. In contrast, consider this broad statement of ends: "The XYZ Center exists so that people with major mental illness live productive lives in an accepting community at a cost comparable to other providers." In the latter, unless the targeted group are benefited in the required way, the organization is not successful, no matter how good an employer it is and no matter how much "quality" its services have. Notice that the cost component in the first statement is the cost of staff activity (services), while in the second statement it is the cost of consumer results.

No matter how central ends are to the organization's existence, however, because the board is accountable for everything, it is accountable for means as well. Accordingly, it must exercise control over both ends and means, so having the ends/means distinction does not in itself relieve boards from any responsibility. The ends/means distinction does, however, make possible two entirely different ways of exercising control, ways that—together—allow the board to have its arms responsibly around the organization without its fingers irresponsibly in it, ways that for the staff maximize accountability and freedom simultaneously. The board simply makes decisions about ends and means—that is, it controls the organization's ends and means—in different ways, as follows:

a. Using input from the owners, staff, experts and anyone in a position to increase the board's wisdom, the board makes ends decisions in a proactive, positive, prescriptive way. We will call the board documents thus produced "Ends policies."

b. Using input from whoever can increase board wisdom about governance, servant leadership, visioning, or other skills of governance and delegation, the board makes means decision about its own job in a proactive, positive, prescriptive way. We will call the board documents thus produced "Governance Process policies" (about the board's own job) and "Board-Staff Linkage policies" (about the relationship between governance and management). Both of these categories are means, but they concern means of the board, not the staff.

c. Using input from whoever can increase its sense of what can jeopardize the prudent and ethical conduct of the organization, the board makes decisions about the staff's means in a proactive, but negative and boundary-setting way. Because these policies set forth the limits of acceptable staff behavior, that is, the unacceptable means, we will call the board documents thus produced "Executive Limitations policies."

At this point in our argument, we have used the ends/means concept to introduce new categories of board policies. These categories of board policies are exhaustive, that is, no other board documents are needed to
govern except bylaws. (Articles of incorporation or letters patent are required to establish the nonprofit as a legal entity, but these are documents of the government, not the board.) We will not discuss bylaws here, except to say they are necessary to place real human beings (board members) into a hollow legal concept (the corporate “artificial person”) (Carver, 1995). However, so that we might continue to discuss the concepts represented by the words “ends” and “means,” yet distinguish the titles of policy categories, we will capitalize Ends, Executive Limitations, Governance Process, and Board-Staff Linkage.

The negative policies about operational means requires further discussion. Here is the logic: If the board has established Ends and has determined through monitoring that those Ends are actually accomplished, it can be argued that the staff means must have worked. In other words, the means by which Ends were accomplished, though interesting, is of little importance to the board. This logic is largely accurate, but there is an important problem with it. Some means can be unacceptable even if they do work. Means that are effective, but still “unacceptable” are ones that are improper treatment of people or assets, that is, means that are imprudent or unethical. Consequently, although there is no reason for a board to control staff means decisions for reasons of effectiveness, there is reason to control staff means for reasons of prudence and ethics.

Whoever is directly responsible for producing ends must decide which means to use. That is, one must be prescriptive about one’s own means. But the board is not charged with producing ends, only with defining them. It is to the board’s advantage to allow the staff maximum range of decision-making about means, for skill to do so is exactly why staff were employed. If the board determines the means of its staff, it can no longer hold the staff fully accountable for whether ends are achieved, it will not take advantage of the range of staff skills, and it will make its own job more difficult. Happily, it is not necessary for the board to tell the staff what means to use. In Policy Governance the board tells the staff or—more accurately—the CEO what means not to use! Therefore, it is the board’s job to examine its values to determine those means which it does not want in its organization, then to name them. The board can then tell its CEO that as long as the Ends are accomplished and the unacceptable means do not occur, the CEO can make all further decisions in the organization that he or she deems wise. It is in this way that extensive, albeit explicitly circumscribed, authority is granted to the CEO. Effectiveness demands a strong CEO; prudence and accountability to the board demand that the CEO’s power be bounded.

This unique delegation technique has a number of advantages. First, it recognizes that board interference in operational means makes ends harder and more expensive to produce. Therefore, delegation which minimizes such interference is in the board’s interest. Second, it accords to the CEO as much authority as the board can responsibly grant. Therefore, there is maximum empowerment inside the organization to harness for ends achievement. Third, it gives room for managerial flexibility, creativity and timeliness. Therefore, the organization can be agile, able to respond quickly to emergent opportunities or threats. Fourth, it dispels the assumption that the board knows better than the staff what means to use. Therefore, the board does not have to choose between overwork and being amateurs supervising professionals. Fifth, in this system all means that are not prohibited are, in effect, pre-approved. Therefore, the board is relieved from meticulous and repetitive approval of staff plans. Sixth, and perhaps most importantly, by staying out of means decisions, except to prohibit unacceptable means, the board retains its ability to hold the CEO accountable for the decisions that take place in the system.

Thus, when we say a board is responsible that its organization works, we simply mean that the organization (1) accomplishes the intended results for the intended people at the intended cost or priority—expressed in the board’s Ends policies; and that it (2) avoids unacceptable methods, conduct, activities, and circumstances—unacceptable means expressed in the board’s Executive Limitations policies.

**Expressing Expectations in Nested Sets**

We have established that Policy Governance boards express their expectations for themselves and for their organizations in four categories of board policies: Ends, Executive Limitations (the unacceptable means), Governance Process, and Board-Staff Linkage (the latter two are board means divided into two parts). The separation of organizational values into these categories is a major organizing principle for governing boards. These four categories completely embrace all possible organizational values (except those more pertinent to
articles of incorporation/letters patent and bylaws)—no other policies or documents are needed. But another feature must be added to enable the board to address its desired level of specificity within these categories.

To ensure precision as well as completeness in policy-making, Policy Governance provides an additional principle, one which recognizes the varying sizes of issues and values. One Ends statement of a nonprofit board may be that persons without shelter should have adequate housing. Another may be that families with school age children should have housing that allows children of different genders to sleep in separate rooms. It is easy to see that the second example is more detailed, or "narrower," than the first. Notice that these two statements can be pictured as a set of nested bowls, in that the first is a broader value that includes the second one within it. Even more detailed choices exist within the second level, and so on to third, fourth, and more bowls until the specificity reaches a level where Mr. Smith rather than Mr. Jones gets a particular amount of shelter next week.

Now let's illustrate the "nested bowls" concept with an example of unacceptable means. One means value of a nonprofit board may be that the CEO not allow anything imprudent, illegal or unethical. Another may be that unbonded persons may not have access to material amounts of funds. The first example is a broader prohibition than the second, but less specific. Even more detailed "bowls" exist, of course, such as a further proscription against access to more than $5,000 on any one occasion or more than $8,000 cumulatively over a one year period.

Board values about ends and unacceptable means, as well as the board's own means, then, can be stated broadly, or more narrowly. The advantage of stating values broadly is that such a statement is inclusive of all smaller statements. The disadvantage, of course, is that the broader the statement, the greater is the range of interpretation that can be given to it. To take advantage of the fact that values or choices of any sort can be seen as nested sets, the Policy Governance board begins its policy making in all four categories by making the broadest, most inclusive statement first.

The board then considers the range of interpretation that such a statement allows, and determines whether it is comfortable with the statement being given any interpretation that is reasonable. If the board would be uncomfortable delegating such a range, that is a signal that the board must define its words more narrowly, moving into more detail one level at a time. At some point, the board will have narrowed its words to the point that it can accept any reasonable interpretation of those words. Now the board has reached the point of delegation.

As an example, consider an Executive Limitations policy in which the board is putting certain financial conditions and activities "off limits." At the broadest level, the board might say: "With respect to actual, ongoing financial condition and activities, the CEO shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies." That covers the board's concerns about the organization's current financial condition at any one time, for there is likely nothing else to worry about that isn't included within this "large bowl" proscription.

However, most boards would think such a broad statement leaves more to CEO interpretation—even if reasonable interpretation—than the board wishes to delegate. Hence, the board might add further details, such as saying the CEO shall not: (1) Expend more funds than have been received in the fiscal year to date except through acceptable debt. (2) Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days, but in no event more than $200,000. (3) Use any of the long term reserves. (4) Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by unencumbered revenues within 30 days. (5) Fail to settle payroll and debts in a timely manner. (6) Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed. (7) Make a single purchase or commitment of greater than $100,000, with no splitting of orders to avoid this limit. (8) Acquire, encumber or dispose of real property. And (9) Fail to aggressively pursue receivables after a reasonable grace period.

A given board might go into less or more detail than in this example. But in any case, these principles stay intact: The language moves from a broad level toward a lesser level (we showed two levels in the example just given). The values that become policy are generated by the board's deliberations, not approved from a staff recommendation. The board, not the staff, decides what to say and where to stop. No matter where the board
stops, the CEO is granted authority to use any reasonable interpretation of the board's words. The board can shrink, expand, or change the content of the policy at any time, as long as it does not judge performance retroactively.

This view of organizational issues—as values that can be specified moving methodically from the broadest to more narrow levels—allows the board to manage the amount delegated. The board is always clear about the authority being given away. The recipient of the board's delegation is always clear about the amount of accountability expected in return. There is a continuum of sizes of issues upon which, in Policy Governance, the board owns the broadest level, then successively smaller levels until it decides to delegate, after which it is safe to allow the remaining decisions to be made by others.

It is often observed by other governance authors that the distinction between what is board work and what is executive work is a naïve distinction. There is no universal rule, they contend, to mark where board policy stops and administration begins. Indeed, they are right as far as traditional governance is concerned, for the conventional approach to the board job is unable to make a policy-administration distinction that holds up in the real world. Policy Governance, however, introduces entirely different, more powerful conceptual tools—rigorous “one voice” clarity of delegation using descending levels of board control within the ends/means context. Even though there is still no predetermined or fixed point where board work automatically becomes executive work, each board using the principles we are describing can establish and, when necessary change, a distinct point of delegation applicable to its own organization. It is at that point, by the values of that board, for that organization, for that time, that governance stops and “sub-governance” begins.

To summarize the policy development sequence, Policy Governance boards develop policies which describe their values about Ends, Executive Limitations, Governance Process, and Board-Staff Linkage. Each policy type is developed from the broadest, most inclusive level to more defined levels, continuing into more detail until the board reaches the point at which it can accept any reasonable interpretation of its words from its delegatee. A step-by-step guide to such development of policy documents is available (Carver and Carver, 1997). Ends and Executive Limitations are delegated to the CEO, who is held accountable by the board for accomplishing any reasonable interpretation of the boards expectations in these areas. Governance Process and Board-Staff Linkage policies are delegated to the board Chair, who is given the authority to ensure that the board governs in accordance with its own expectations of itself, using any reasonable interpretation of the policy language.

**Board Discipline, Mechanics, and Structure**

It is clear that the Policy Governance model requires a board to govern in an organized, planned and highly disciplined manner. Boards which are accustomed to talking about issues simply because they interest individual board members will find agenda discipline to be a major challenge, as will boards that rely on their staffs to supply their agendas. Not everything is appropriate for board discussion just because it is interesting or even because the staff wants the board to make the decision. Matters that have been delegated to the CEO should not be decided by the board or by board committees, for in making such decisions, the board renders itself unable to hold the CEO accountable.

Policy Governance boards know that their job must result in the production of three deliverables. (1) The first deliverable is a systematic linkage between the organization and the ownership. This is not public relations. The board connects with the ownership in order to ascertain the range of ownership values about the purpose of the organization. If the board is to make Ends decisions on behalf of the owners, it must know what the owners in all their diversity think. (2) The second deliverable is written governing policies in the four areas, using the principles we have described. (3) The third deliverable is the assurance of organizational performance, that is, performance which can be shown to be a reasonable interpretation of the board's Ends and Executive Limitations policies.

We use "deliverables" to mean job products, outputs, or values-added. Since these summarize the purpose for the board's job, producing these deliverables is what board meetings are for. In fact, the list of job outputs can be considered to be a perpetual job description, for every agenda is an instance of the board's working to perform its job. A board can decide how much, in what detail, and at what level of excellence it will pursue its
perpetual agenda in the ensuing year. By doing so, it takes control of its own agenda, rather than allowing its agenda to be staff-driven. Establishing its own job description and the longterm or midterm agenda is recorded as one of the board's Governance Process policies. As we shall shortly point out, if the board sketches its annual agenda only broadly, the specifics will be filled in by the board Chair, who is charged with taking care of Governance Process details.

Accordingly, the board must plan meetings that enable and guarantee the production of these deliverables. Being entertained or intrigued by staff jobs is no substitute for the board's accomplishment of its own job. While the board is entitled to any information it wants, it must be aware that collecting information about staff activities and even conscientiously listening to many staff reports does not substitute for governance. Let us again reiterate that the board, not the staff, is responsible that a board's meetings fulfill its governance responsibilities.

In taking responsibility for its own performance, the board confronts the difficulty of acting responsibly as a group of equals. Since the board is by definition a group of peers, no one has authority over anyone else. The first action of a group of peers is to create a position of Chairperson—a first among equals—to help it stay on task. Although it is important that each board member continue to take responsibility for the board's group behavior, the board grants the Chair extra authority required to make rulings that keep the board on track. To stay consistent with the superior role of the board as a group, however, in Policy Governance the Chair only has authority that is within a reasonable interpretation of the board's policies on Governance Process and Board-Staff Linkage. Hence, the Chair is truly the servant-leader of the board (Carver, 1999).

It is usual for nonprofit boards to expect the Chair to supervise the CEO, but in Policy Governance there is no need for the Chair to have authority over the CEO. Only the board has authority over staff operations, and it exercises that authority through carefully crafted policies. It is not only unnecessary, but harmful for the Chair to tell the CEO what the board wants, for the board speaks for itself. Consequently, both the Chair and the CEO work for the board as a whole, but their roles do not overlap because they are given authority in different domains. The Chair's job is to see to it that the board gets its job done—as described in Governance Process and Board-Staff Linkage policies. The CEO's job is to see to it that the staff organization gets its job done—as described in Ends and Executive Limitations policies.

Board Treasurers, as commonly used, threaten CEO accountability as well as the one voice principle. Treasurers are typically expected to exercise individual judgment about the financial dealings of the organization. But Policy Governance boards do not allow Treasurers to exercise authority over staff. (Rendering an official judgment of performance against one's own individual criteria has the same effect as exercising authority.) By creating a role with supervisory authority over the CEO with respect to financial management, the board cannot then hold the CEO accountable for that topic. The board should accept responsibility for financial governance (setting policy, then comparing performance) and require the CEO to be accountable for managing finances so that performance compares favorably to policy. The typical use of a Treasurer, when a Policy Governance board is required by law to have one, is to assist the board in making financial policy, never to judge CEO compliance against the Treasurer's own expectations. For more thorough treatment of the board's role in financial oversight, including commentary on the Treasurer and finance committee, see Carver (1991, 1996b).

In keeping with the "one voice" principle, the board can allow no structures or practices in which board members or board committees exercise authority over staff, any function of staff, or any department of staff. Typical nonprofit boards have a myriad of traditions that violate the one voice principle, such as placing the Chair between the board and the CEO. So it is common for boards to underestimate the amount of board member interference in operations. Such interference, even when well-intended, undermines the board's ability to hold the CEO accountable, for the CEO can argue that his or her actions were taken in compliance with a board member instruction.

Advice is a concept often carelessly used in nonprofit boards. This seemingly innocuous and well-intended practice can have the same deleterious effect as direct instruction by individuals or committees. It is common for the board, board committees, or individual board members to give advice to staff. But advice, if it is really advice, can be rejected. If staff has any doubt that advice given by the board or one of its components cannot safely be turned down, the clarity of board-to-staff delegation will be undermined. Policy Governance boards
refrain from giving advice or allowing their members to give advice unless advice is requested. This protects the board’s ability to hold the CEO accountable for his or her own decisions. The CEO and any of the staff can request advice if they need it, and they can request it from wherever they wish.

Traditional boards frequently create committees to assist or advise the CEO or staff, such as committees on personnel, finance, program, property maintenance, and other such staff means issues. In Policy Governance, such committees are illegitimate. They constitute interference in the CEO’s sphere of authority and accountability, and damage the board’s ability to hold the CEO accountable.

If, for example, the staff wishes to have an advisory committee, it is perfectly free to create one, then to use the advice or not as it deems wise. If, however, the board controls the mechanism of advice, a very different relationship between advisors and advisees is established. The wisest route is for the board to govern and leave advice and advisory mechanisms to the staff’s own initiative. This way the staff gets all the advice it needs, role clarity and accountability are maintained, and board members are frequently spared unnecessary work.

Policy Governance boards use committees only to help the board to do its own job. Hence, a committee which explores methods of ownership consultation about Ends options is legitimate, as is a committee that studies possible sources of fiscal jeopardy that the board might address in an Executive Limitations policy. But a human resources committee that advises on or intervenes in personnel issues is not. To request advice or assistance with one’s own job is acceptable and does not compromise accountability, but to foist help or advice on subordinates is not only unnecessary but destructive of accountability as well.

Policy Governance takes seriously the normally rhetorical assertion that boards be visionary and provide long term leadership. The discipline required for this challenge cannot be overstated. In fact, Policy Governance has been criticized as a “heroic board” model that is romantically idealistic! Yet boards do, in fact, have a critical job to do; no amount of helping staff can substitute for getting its own job done. Boards must persevere with the arduous, complex task of describing purpose and ethics/prudence boundaries. Forming those values into clear policies is far harder than telling the staff how to do its job. Speaking proactively for the ownership requires strong commitment not to take reactive refuge in rituals, reports, and approvals.

This requires board member expertise relevant to governance, not management. Board members should no longer be recruited based on their having skills that mirror the skills of staff. Governance excellence requires members who can think conceptually and with a long term perspective, able to welcome a diversity of opinions but abide by group decisions. They must be able to speak on behalf of the ownership rather than merely from their own or some splinter group perspective. They must place organizational accountability above personal gratification. They must be able to view the board’s task of assuring performance at arm’s length—through setting expectations (using the ends/means principle and values viewed as descending “bowls”), delegating pointedly (to a CEO if possible), and monitoring. And it is to the function of monitoring or evaluation that we turn now.

**Evaluation**

Evaluation of performance is not extraneous to the board's job. It is as integral to the board's job as it is to any manager’s. But, as we have shown, proper evaluation is impossible unless the board has first stated its expectations and assigned them to a specific delegatee. That is, evaluation of staff performance cannot occur appropriately unless the board has done its job first.

Moreover, if the board has a CEO, the results of proper evaluation of organizational success is the only fair evaluation of CEO performance. Since the CEO's job is to see to it that the organization meets the board's expectations, there is nothing more and nothing less to evaluate when assessing the CEO. Thus, the board's evaluation of organizational performance is the same as board evaluation of CEO performance (Carver, 1997a). Monitoring the evaluative data, as we shall see, is an ongoing activity—perhaps as frequently as monthly—and the board may wish to have a formal evaluation of the CEO once each year. However, the CEO's formal evaluation is only a summary of the accumulated monitoring data, not something in addition.
But let us consider the monitoring or evaluative information itself. Not all information is useful in monitoring performance. There are two types of information that are useful for other purposes, but not for monitoring: one is information for board decisions, the other is information simply to satisfy board members' casual interest. To examine evaluation or monitoring, we must first separate out these two types of information, for they do not qualify as monitoring against pre-established criteria.

First, information for board decisions is needed in order for the board to make wise policy in the first place. To create policies that are both realistic and demanding, boards require information from a variety of sources. These sources include staff, owners, experts, associations to which the board may belong, and others. This information is required for the board's own decision-making and does not judge staff accomplishment. Boards should invest a great deal of energy in gathering wisdom, spending perhaps half their time in becoming educated. So information for board decisions is essential for board performance, but not for monitoring staff performance.

Second, information for board interest is information about the organization or its environment that is not useful for board decision-making, but is of political, social, or technical interest to board members. This information does not include data that directly measure the degree of staff performance on board expectations, for that would qualify it to be called true monitoring information. This kind of information is incidental to the board's job of monitoring, but comprises most of what most traditional boards receive. There is nothing wrong with boards getting all the incidental information they want, but there is something very wrong with the delusion that they are at that time doing their job. In traditional governance, most staff reports, including most financial reports and reports that purport to be "evaluation" are incidental information simply because they are not data compared with previously stated board criteria.

Monitoring or evaluative information must speak directly to whether board expectations are being fulfilled. Consequently, it is always related to expectations set by the board in its Ends and Executive Limitations policies. This discipline not only makes it unnecessary for the board to trudge through the mountains of data staff are able to assemble, but it keeps evaluation fair. After all, it is only right that the CEO should know ahead of time the criteria on which he or she will be judged. Since monitoring information is only that information that describes actual performance compared to expected performance, it is evident that most reports collected, examined and approved by traditional boards constitute interesting information, but cannot be said to be effective monitoring reports. For example, boards that gravely approve (or accept) financial statements thinking they have thereby exercised fiduciary responsibility are simply engaging in a meaningless ritual, for without criteria they don't even know what in those reports would have been disapprovable.

When monitoring is defined as we have done here, reports tend to be straightforward and transparent. Each board member can follow the link from board criteria to management data, for the report is not cluttered with incidental information. Monitoring is not nearly as difficult or time-consuming when boards know what performance they are expecting to see proven. Monitoring is thus more exact and, simultaneously, requires negligible board meeting time. In fact, we recommend that monitoring data be mailed to board members, thereby preserving valuable meeting time for board education and deliberation. Getting monitoring largely out of board meetings allows those meetings to focus on creating the future rather than reviewing the past, because inspection of the past is now safely routinized. For each Ends and each Executive Limitations policy, the board will have set a frequency and a method of monitoring, after which the process runs automatically. The choice of method will be a report from the CEO, judgment by a disinterested party (for example, an auditor), or—less frequently—direct board inspection of organizational practices or circumstances. It turns out to be rare that monitoring needs to be discussed in the board meeting, except for board members to affirm that they have received and read the mailed reports.

To illustrate the nature of what is reported in a Policy Governance monitoring report, we will use two items from an Executive Limitations policy already shown. In that policy, among other unacceptable means, the CEO was told he or she cannot (1) expend more funds than have been received in the fiscal year to date except through acceptable debt and (2) indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days, but in no event more than $200,000. Here is what the monitoring data might look like for these two provisions: Item 1: Through the end of May, $3,694,800 has been expended. Receipts in the same period were $3,654,728. The shortfall of $40,072 was offset by a $60,000 short term loan. Item 2: Total debt is a 45 day working capital loan for $60,000 incurred on May 25. Revenues of $75,000 from
our foundation grant, guaranteed by letter of May 5, are not otherwise encumbered and will be used, in part, to retire the debt prior to due date.

Notice that the data are rather bare-bones, only enough to answer the question, unobscured by incidental information. Board members should adopt a "prove it to me" attitude, so if the information submitted is insufficient to convince them, then more detail can be added. But the detail must be such that directly address the criteria. For example, what data prove the "not otherwise encumbered" statement? Obviously, the complexities of some organizations will cause the monitoring data to have more facets than in our simple example. Even then, however, the reported data should be as brief as possible and maintain a razor-sharp connection to the policy-based criteria being monitored. If more interesting, explanatory information, other than that directly addressing the criteria, is desired by the board or offered by the CEO, it should not clutter the monitoring report, but be distributed separately. Board members can know anything they wish, but they should never be in doubt about what is disclosure of performance on the board's criteria and what is not.

Using similar criterion-focused reasoning, when the board seeks to evaluate itself, it compares its actual behavior and accomplishment with the behavior and accomplishment it committed to in its Governance Process and Board-Staff Linkage policies (Carver, 1997b). Policy Governance boards tend to self evaluate on a frequent basis—we recommend every meeting—because a more sophisticated system requires continual tending.

**Board Meetings**

Because in Policy Governance the board is in charge of its own job, board meetings become the board's meetings rather than management's meetings for the board. Board meetings occur because of the need for board members to learn together, to contemplate and deliberate together, and to decide together. Board meetings are not for reviewing the past, being entertained by staff, helping staff do its work, or performing ritual approvals of staff plans. As a result, many board meetings may not look like traditional board meetings at all, but learning and studying sessions or joint meetings with other boards, particularly in communities where boards rarely talk with each other.

The CEO is always present, but is not the central figure. Other staff might be present when they have valuable input on matters the board is to decide. For community boards, with rare exceptions meetings would be open—not to please the law, but because a board commitment to transparency. The board is not merely a body to confirm committee decisions, but the body that makes the decisions. Board committees might be used to increase the board's understanding of factors and options, but never to assume board prerogatives or remove difficult choices from the board table. In contrast to the old bromide that "the real works takes place in committees," in Policy Governance the real work takes place in the board meeting.

Board meetings should thus be more about the long term future than the present or short term future . . . more about ends than means . . . more about a few thoroughly considered large decisions than many small ones. And by their very character, meetings should demonstrate that the board's primary relationship is with owners, not with staff.

**Summary**

The Policy Governance model recognizes that any governing board is obligated to fulfill a crucial link in the "chain of command" between owners—whether legal or moral in nature—and operators. The board does not exist to help staff, but to give the ownership the controlling voice. The board's owner-representative authority is best employed by operating as an undivided unit, prescribing organizational ends, but only limiting staff means, making all its decisions using the principle of policies descending in size. The model enables extensive empowerment to staff while preserving controls necessary for accountability. It provides a values-based foundation for discipline, a framework for precision delegation, and a long term focus on what the organization is for more than what it does.
The Policy Governance model provides an alternative for boards unhappy with reactivity, trivia, and hollow ritual—boards seeking to be truly accountable. But attaining this level of excellence requires the board to break with a long tradition of disastrous governance habits. And it offers a challenge for visionary groups determined to make a real difference in tomorrow's world.

For boards unhappy with reactivity, trivia, and hollow ritual—boards determined to be accountable for making a real difference in tomorrow's world—Policy Governance offers a visionary challenge. But transforming today's reality into tomorrow's possibility requires a radical break from a long tradition of comfortable, but disastrous governance habits.

References


———. "Un nouveau paradigme de gouvernance: un nouvel équilibre entre le conseil d'administration et le chef de la direction", *Gouvernance: Revue internationale*, 1 (1), Printemps 2000c, 100-108.


Core Competencies

- The Core Competencies (CC) are the general skill areas required of the college president. They represent the “HOW” of the president’s performance.

- This is the document by which performance relative to the president’s leadership style, behaviors, and general effectiveness are assessed. The definitions under the number ratings are specific to each CC.

- Each Trustee should assign a number rating to each CC. Use the “Comment” section to explain the rating or give examples. Any indication of improvement or decline from prior year performance should be specifically addressed.

- Rating choices are: 1, 1.5, 2, 2.5, 3, 3.5, or 4. Other increments should not be used.

- The seven trustees’ ratings are then compiled into one consensus document, which becomes the document that is presented to the president and is supported by the entire board.

- The weights may be reassigned at the start of each contract year, upon agreement of the board following discussion with the President.
**CORE COMPETENCIES**
These are College core competencies, which the president is expected to have and demonstrate in carrying out his/her duties. Consensus Board ratings that are a 1 or 2 should trigger a discussion for specific performance improvement plans.

<table>
<thead>
<tr>
<th>1. Communication:</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Weight</th>
<th>Points</th>
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<tr>
<td>Consistently handles communications handled with outstanding effectiveness.</td>
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<td>12.5%</td>
<td>3.66</td>
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<td>Effective communicator. Expresses ideas very clearly both orally and in written form. Good listening skills; refers only the most complex communications to Board.</td>
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<td>Basically a sound communicator. Handles routine communication effectively, tries to help others or refers requests to proper place; refers non-routine communications to Board.</td>
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<td>Listening skills need improvement. Has trouble expressing ideas in a clear and concise manner. Requires supervision and checking of oral and written material.</td>
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Comparison to previous year (circle one): **Improved** – **Consistent** – **Declined**

Comments:

Tim listens, evaluates and proposes meaningful solutions to all parties. Faculty and staff appreciate being kept informed.

Tim continues to carry out his responsibilities as president of NMC. He communicates well at all levels.

While always good, Tim continues to improve his communication and message.

President Nelson does a great job at keeping the Board informed of challenges, opportunities and his own activities.

All communication has been timely and candid.
2. Teamwork:
The willingness and ability to work for and with others to achieve a common goal.

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<th>Weight</th>
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<td></td>
<td>Does whatever is necessary to insure a group’s success. Provides leadership and volunteers to help with group tasks.</td>
<td>Consistent participant in group activities. Helpful to others in group. Contributes ideas.</td>
<td>Usually cooperative. Interacts adequately with others. Occasionally participates in group activities.</td>
<td>Does not cooperate or work well with others. Does not participate in group activities.</td>
<td>12.5%</td>
<td>3.83</td>
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</table>

Comparison to previous year (circle one): **Improved** – Consistent – Declined

Comments:

He continues to involve faculty and staff and offer them the opportunity to be part of the solution. His “team” is outstanding.

Tim mandates teamwork at all levels his staff. Further, he works effectively with his Board of Directors.

Tim has improved his interaction, anticipation and response to Board inquiries.

Tim’s teamwork with the Board is exceptional.

Teams are created when necessary and work effectively to achieve positive outcomes.
3. Productivity:
The amount of acceptable work performed as efficiently and cost effectively as possible.

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<th>Weight</th>
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<td>3.75</td>
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Comparison to previous year (circle one): **Improved** – **Consistent** – **Declined**

Comments:

- Tireless in his efforts for NMC. Supports his troops and they return the respect with cost efficient proposals to meet the challenging financial times.
- Frankly, I don’t know where he finds the time to get everything done.
- President Nelson is “24/7” President of the institution and he uses his time exceptionally well. Moreover, he seems to be able to effectively delegate tasks to his leadership team and leverage his own time.
- Without exception, deadlines are achieved.
4. Dependability:
The ability to accept and complete responsibilities

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<th>Score</th>
<th>Description</th>
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<tr>
<td>4</td>
<td>Work is completely reliable and on-time. Anticipates needs and completes most work without Board follow up.</td>
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<tr>
<td>3</td>
<td>Work is usually completed correctly and on a timely basis, with very little Board follow up.</td>
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<tr>
<td>2</td>
<td>Generally meets responsibilities. Does work assigned and results can usually be relied upon with normal Board follow up.</td>
</tr>
<tr>
<td>1</td>
<td>Can seldom be relied upon to meet work responsibilities without constant Board follow up. Often fails to complete tasks correctly and timely.</td>
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Comparison to previous year (circle one): **Improved** – **Consistent** – **Declined**

Comments:

Always takes responsibility and does not focus on errors but supports the ability to try something new. Supportive leader.

Tim completes most every project timely or has good reasons for any delays. Normally ahead of the Board.

“Dependability” should be Tim’s middle name.

Tim can be counted on to provide what he says he will provide or what is asked of him.
5. Quality:
The work produced is accurate, thorough and consistent.

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<tr>
<td>Work is superior, accurate, thorough and precise. Continuously seeks to improve aspects of work.</td>
<td>Exceeds an established standard of position. Consistently produces error-free work.</td>
<td>Meets minimum established standards. Usually precise and accurate.</td>
<td>Poor quality of work. Requires excessive checking and repetition of work. Frequently makes errors.</td>
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Comparison to previous year (circle one): **Improved** – **Consistent** – Declined

Comments:

Not afraid to make a mistake and admit it. Many examples of the thoroughness are noted by budget, audit, conditions of facilities and student opinions.

Tim and his staff produce high quality work.

While they were appropriately addressed, several staff reports to the Board initially lacked appropriate substantiation.

Tim has the skill set at a very high level that the college needs.

Work produced is always thorough and at an exceptional level.
6. Problem Solving:
The ability to define and resolve problems in a timely manner.

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<tr>
<td>Anticipates, recognizes and confronts problems with extraordinary skill. Perseveres until a solution to the problem is reached.</td>
<td>Defines and addresses problem well. Typically reaches useful solutions.</td>
<td>Acknowledges and attempts to solve most problems. Usually comes to a conclusion on how to resolve basic issues.</td>
<td>Has difficulty recognizing problems and always needs guidance, rarely comes to a valid conclusion.</td>
</tr>
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Comparison to previous year (circle one): **Improved** – **Consistent** – **Declined**

Comments:

Very strong skills I anticipation and responding to problems. Does not do things on emotions but looks to longer term solutions.

Good problem solving and analytical skills. Timely in preparing and resolving issues.

President Nelson is a firm believer in involving many perspectives in addressing challenging problems. NMC has been able to solve problems by involving a broad spectrum of employees and other stakeholders who ultimately take ownership in the results of their work.

Tim welcomes challenges and perseveres.
7. Ethical Behavior:
The ability to apply ethical, open, and honest behavior in interactions.

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<td>4</td>
<td>Leads by an example of open, honest interactions that are driven by the College’s values. Takes actions to influence other employees to act in a similar manner.</td>
<td>3</td>
<td>Almost always exhibits open and honest behaviors. Shares information most of the time.</td>
<td>2</td>
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</table>

Comparison to previous year (circle one): **Improved** – Consistent – Declined

Comments:

Outstanding in all respects!

I have not had an issue with Tim’s ethical behavior, since he became president of NMC.

Would give higher than a 4.0 if I could.

President Nelson is trustworthy and dependable in all aspects of his work on behalf of NMC.

Strong ethical thought process and demonstrated behavior is non-negotiable for Tim Nelson.
8. Shared Governance:
The ability to engage the College shared governance process.

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<th></th>
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<tbody>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>Points 3.66</td>
</tr>
</tbody>
</table>

Champions the shared governance process.
Actively works to improve and clarify processes.

3
Consistently engages multiple constituencies in decision-making processes.
Identifies ways in which shared governance processes might be improved.

2
Acknowledges the need to involve others in decision-making processes. Is judicious in what involvement is allowed.

1
Has difficulty sharing authority and decision-making responsibilities. Exhibits the need to “over control” others.

Comparison to previous year (circle one): **Improved** – Consistent – Declined

Comments:

Shared governance continues to produce collaborative solutions from faculty and staff for financial and progress needs. New employees are pleased to be part of the NMC family.

Sometimes I think shared governance gets in the way with our progress, but Tim does engage the process of shared governance and manages effectively within the process.

Tim conveys the shared governance process consistently to the entire college community.

<p>| Total Weighted Score for All Core Competencies | 3.72375 |</p>
<table>
<thead>
<tr>
<th>Core Competency</th>
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<td>=</td>
<td>.4525</td>
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</table>

Total Weighted Score 3.72375
Key Responsibilities

- The Key Responsibilities (KR) are the major categories of responsibility for the college president. They represent the “WHAT” of the president’s performance.

- This is the document by which performance relative to specific annual goals is assessed. The definitions under the number ratings are appropriate to any goal statements.

- Each trustee should assign a number rating to each goal under each KR. Then determine a composite rating for the entire KR category. Use the “Comment” section to indicate specific feedback relative to individual goals within the KR category. Any indication of improvement or decline from prior year performance should be specifically addressed.

- Rating choices are: 1, 1.5, 2, 2.5, 3, 3.5, or 4. Other increments should not be used.

- The seven trustees’ ratings are then compiled into one consensus document, which becomes the document that is presented to the president and is supported by the entire board.

- The weights may be reassigned at the start of each contract year, when the specific goals under each KR are determined, upon agreement of the board following discussion with the president.
**KEY RESPONSIBILITIES (KR)**
Each year the Board and the President will establish goals and outcomes in the following seven areas. Progress toward attainment of these goals and outcomes will be assessed according to the following scale. Comments citing evidence are extremely important in this evaluation.

<table>
<thead>
<tr>
<th>KR # 1: Maintain Community Relations:</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Outstanding Progress exceeded expectations.</td>
<td>15%</td>
</tr>
<tr>
<td>3 Commendable Expectations were met.</td>
<td>Points 3.83</td>
</tr>
<tr>
<td>2 Acceptable Some progress was made however not as much as was expected.</td>
<td></td>
</tr>
<tr>
<td>1 Unsatisfactory No progress was made and no acceptable reasons for lack of progress were provided.</td>
<td></td>
</tr>
</tbody>
</table>

Comparison to previous year (circle one): **Improved – Consistent – Declined**

Comments:

Tim continues to demonstrate excellent communication skills both within the organization as well as outside contacts at all levels. Very open and up front with information to the Board. Well respected and deeply involved in many local, state and national organizations.

We have accomplished a lot during this past year!! If we could just get the bachelor’s degree programs approved.

In the area of community relations, Tim is NMC’s most important asset.

While the community continues to value and truly feel a sense of ownership and price in NMC, I am gratified to see improved relations with the local media and the acknowledgment that NMC has received for its success. I appreciate that the President does not take the communities support for granted. President Nelson does an excellent job of representing NMC in broad range of local, state and national forums.

Tim is a great ambassador for NMC. I would like to see him expand his reach to new groups.

Tim is visible, assessable and effective as a leader.
**KR # 2: Maintain Effective Strategic Planning Processes:**

<table>
<thead>
<tr>
<th>Weight</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>3.75</td>
</tr>
</tbody>
</table>

Comparison to previous year (circle one): **Improved – Consistent – Declined**

Comments:

We continue to see improvement in strategic planning and greater participation by faculty and staff. It gets better every year and the bolder outlook toward international programs will fit well in the future.

Continues to move forward, although it always seems so slow and time consuming.

I continue to be impressed by the strategic thinking demonstrated by the President and his leadership team. This has included active involvement in the State’s legislative process in order to positively influence the direction of education in the State of Michigan.

Strategic planning and thinking are a clear strength for Tim.

I believe we clearly have an effective strategic planning process in place. The efforts and focus have been worth it!
### KR # 3: Ensure the Fiscal Health of the College:

<table>
<thead>
<tr>
<th>Weight</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>3.75</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1 Unsatisfactory</th>
<th>2 Acceptable</th>
<th>3 Commendable</th>
<th>4 Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No progress was made and no acceptable reasons for lack of progress were provided.</td>
<td>Some progress was made however not as much as was expected.</td>
<td>Expectations were met.</td>
<td>Progress exceeded expectations.</td>
</tr>
</tbody>
</table>

Comparison to previous year (circle one): **Improved** – **Consistent** – **Declined**

**Comments:**

NMC continues to utilize a multi year budget process and did not miss a beat with the change in executive leadership. The change in audit firm will also provide fresh eyes to evaluate our operations.

The results stand on their own.

NMC continues to be ahead of the curve in comparison with other colleges and entities.

The budget was less accurate and more volatile over the past fiscal year. This is a concern for me. While there has been improvement, I believe there should be continued focus in developing NMC’s financial leadership team. I am happy to see that NMC will utilize a different firm for the annual audit. Given the structural problems associated with retirement costs, President Nelson’s appointment to the MPSERS Board is win for NMC and an acknowledgement that leaders outside NW Michigan recognize President Nelson’s abilities. Finally, in an environment of declining enrollment, I believe the President and his team have done a very good job of addressing the factors behind student retention and recruiting students.

Tim remains ahead of the game always anticipating the next challenge. The college remains fiscally sound and the budget process was well understood with excellent communication along the way.
<table>
<thead>
<tr>
<th>KR # 4: Develop Employee Base to Meet the Needs of the College:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 4 Outstanding Progress exceed expectations. | 3 Commendable Expectations were met. | 2 Acceptable Some progress was made however not as much as was expected. | 1 Unsatisfactory No progress was made and no acceptable reasons for lack of progress were provided. | Weight 15%  
Points 3.41 |

Comparison to previous year (circle one): **Improved – Consistent – Declined**

Comments:

The president has responded to many retirements and staff changes in key responsibilities by realignment of executive staff and promotions to meet changes encountered. The continued effort to building a great team with strong bench strength is a work in progress but shows improvement.

Seems to have been significant changes during the past couple of years. It was good to see Vicki made the permanent CFO.

I am anxious to see results from AQIP Talent project in 2012-13 and, in particular, new ideas for employee compensation. As I was last year, I continue to be interested in having more visibility to employee morale.

The hires and appointments made this past year appear to be successful. It appears that we now have more stability in key positions.
KR # 5: Ensure the Physical Assets of the College will Meet the Needs of the College:

<table>
<thead>
<tr>
<th></th>
<th>Outstanding Progress exceeded expectations.</th>
<th>3</th>
<th>Commendable Expectations were met.</th>
<th>2</th>
<th>Acceptable Some progress was made however not as much as was expected.</th>
<th>1</th>
<th>Unsatisfactory No progress was made and no acceptable reasons for lack of progress were provided.</th>
<th>Weight</th>
<th>Points</th>
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<tbody>
<tr>
<td></td>
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<td>4</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>3.58</td>
</tr>
</tbody>
</table>

Comparison to previous year (circle one): **Improved** – **Consistent** – **Declined**

Comments:

The overall master plan for the assets and needs of NMC are handled in a professional and detailed manner. The master plan should offer opportunities for a well planned future.

We continue to keep all of our facilities in great shape with continual planning for more new and upgraded facilities to come.

The current physical plant assessment is very timely. Moreover, I greatly appreciate the willingness of the President to reach out to other public entities and non-profits to assess opportunities to partner. This puts the public’s interest first, especially in a time of scarce public and philanthropic financial resources.

The Board needs to stay on top of routine maintenance and other decisions that impact the infrastructure of the College. We have a big physical plant with lots of needs, and it is important to the community and the institution that it be well-tended.

NMC has every right to be proud of its facilities. We have great looking campuses that are welcoming and well maintained.
<table>
<thead>
<tr>
<th>KR # 6: Build and Maintain Effective Board-President Relations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
</tr>
<tr>
<td>Outstanding Progress exceeded expectations.</td>
</tr>
<tr>
<td>Points</td>
</tr>
</tbody>
</table>

Comparison to previous year (circle one): **Improved – Consistent – Declined**

Comments:

This continues to be a strength for NMC. Tim does his share of seeing that everyone receives all information in a timely fashion. The Board needs to be more open with their opinions and questions.

We had a few bumps this past year, but everything seems to be going well as of this report.

The President sets a high standard for himself for communication with the Board. Moreover, President Nelson demonstrates a consistent desire to discuss evolving environmental and structural factors that may affect strategic decisions.

Tim made a noticeable effort to be more inclusive in his treatment of Board members.

Tim bends over backwards to understand concerns and communicate effectively with all members of the board.
KR # 7: Develop and Maintain Excellence in Educational Offerings:

<table>
<thead>
<tr>
<th>Weight</th>
<th>Points</th>
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<th>No progress was made and no acceptable reasons for lack of progress were provided.</th>
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<tbody>
<tr>
<td>20%</td>
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<td>Some progress was made however not as much as was expected.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 Commendable</td>
<td>Expectations were met.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Outstanding</td>
<td>Progress exceeded expectations.</td>
</tr>
</tbody>
</table>

Comparison to previous year (circle one): **Improved – Consistent – Declined**

Comments:

Tim leads a very innovative and talented faculty and staff in matching needs to offerings for students and local employees. The goal of expanding international programs is another testimony of thinking outsides of the box.

Tim is always on top of this. With his relationships at the federal, state and local levels, we always seem to be ahead. Tim serves on many key committees and organizations that keep us at the top of the pack with new and improved offerings. There have been certain programs where we need to take a primary position versus secondary, however. Specifically viticulture!

NMC continues to excel at base CC offerings and expanding portfolio B.

I am very encouraged to see continued progress in Portfolio B educational opportunities that are establishing international relationships and competencies.

The new programming being made available to the community is responsive to input from our constituents and to business.

Tim anticipates the learning needs of our students as well as the hiring needs present in our community. He continues to thoughtfully demonstrate he is results oriented.

TOTAL SCORE FOR ALL KEY RESPONSIBILITIES | 3.68
Score Summary

<table>
<thead>
<tr>
<th>Key Responsibility</th>
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<th>Weight</th>
<th>Equals</th>
<th>Weighted Score</th>
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\[
\begin{align*}
3.72 & + 3.68 = 7.4 \\
\text{Core Competencies Weighted Score} & \quad \text{Key Responsibilities Weighted Score} & \quad \text{Subtotal} & \quad \text{Divide by 2} = 3.7 \\
\text{Outstanding} & \quad 3.6 - 4.0 & \quad \text{Commendable} & \quad 2.6 - 3.5 & \quad \text{Acceptable} & \quad 1.6 - 2.5 & \quad \text{Unsatisfactory} & \quad 1 - 1.5
\end{align*}
\]
To: Tim Nelson, President  
From: Stephen Siciliano, Vice President for Educational Services  
Date: February 26, 2013  
Subject: Learner Success Activities—Board Strategic Goal B1

Our college, particularly since the introduction of our AQIP accreditation process, has focused on improving learning and college processes that have directly helped students to be more successful learners. As our strategic plan indicates, we are looking to improve our students’ ability to persist toward and complete their educational goals of preparing for professional careers and further their higher education.

What follows is a summary of the major accomplishments in this area in the recent past, and current efforts and future plans.

**Past Accomplishments**

The Enhancing Student Preparation AQIP Project successfully implemented a new requirement that degree-seeking students needed to begin their developmental education courses in their first semesters in order for them to be more successful in their college level work. The new requirement was based on college research that showed that students who completed their developmental courses first were more successful than those who postponed them to later in their studies.

Building on this requirement, the Developmental Education Committee adopted an “80 percent rule” requiring students enrolled in developmental Math and English courses to demonstrate mastery of the subject matter before matriculation to the next level of study. In order to matriculate to the next level, students must earn at least an 80 percent in three defined areas—attendance, homework, and assessments.
Institutional Research studied the success of students enrolled in the first-semester composition course. The results suggested that the current COMPASS placement scores could be revised to improve placement accuracy. The data indicate that a number of students would benefit from instruction in critical reading before entering first-year composition courses. These placement guidelines were changed this past fall based on the research.

In an attempt to enhance students’ college-readiness, the Math and English departments have united with local high school administrators and faculty to improve curricular alignment between the two bodies. For instance, the English faculty hosted two three-hour professional development sessions with its colleagues at the high school level. These sessions focused on effective pedagogical strategies for teaching rhetorical argument.

Model two-year schedules were developed for each program and are now available for students in the liberal arts and occupational fields. Providing a roadmap for degree completion had been requested by students and staff.

The physical space of the Math Center was increased and hours of operation extended. The Writing and Reading Center (RCT) and the Tutoring Center’s hours have also been extended.

Reducing the required credits for residency from 24 to 16 represents a reasonable policy change that should help students meet graduation requirements without excessive hardship or delay.

The College has been awarded a “Win/Win” grant from the Kresge Foundation. Participation in this grant identifies students who have completed coursework in degrees during the past ten years but have not been awarded these degrees. Records and Registration sent letters to students eligible for degrees. As a result, more than fifty students to-date have been processed for graduation.

Additionally, students within nine credits of meeting graduation requirements are contacted and encouraged to complete or to initiate reverse transfer. Additionally, Records and Registration now automatically endorses a student’s transcript with the MACRAO stamp once requirements are met.

The Kresge Foundation is also supporting Michigan’s initiative, which will create a statewide reverse transfer consortium that will implement consistent approaches to awarding associate degrees to students who transfer from community colleges to 4-year institutions without an associate degree. The Michigan consortium includes the 28 public community colleges and 15 public universities in the state, and will be administered by the Michigan Center for Student Success.
The Center for Learning has offered PLATO instruction to our Early College partners on a limited basis in order to help their students be college ready in Math.

**Current Efforts and Future Plans:**

As part of our Learning Experiences AQIP Project, there are several actions NMC has begun intended to improve student success rates, persistence, and completion. There are seven major learning experience processes NMC’s hopes to change or improve with this project over the next two years.

First, building upon our previous action projects, this project is assessing student absenteeism, root causes and improvement actions by developing an institutional framework for the collection and analysis of data at the classroom instructional level. Starting this semester, we are creating uniform follow up with absent students. Faculty contacted their students regularly via email to follow up on any absenteeism in the first few weeks of the semester. We are also surveying all students who withdraw from classes to determine the reasons for withdrawal and asking them to identify any changes we could make to avoid such drops in the future.

Second, we intend to create more structured programs of study with the advisement system to support this greater structure. Our Director of Advising has established a cross-functional advisory board to work on creating a new advising system that will ensure that every degree-seeking student has assigned advising throughout their entire academic career at NMC. We are looking to identify technological and staffing solutions that will begin in the fall of 2013.

Third, this project team is working to find ways to make the learning experience more engaging (e.g. active learning) so that students want to learn and participate; we are using our college professional development opportunities to highlight this effort. Faculty presented both at our October Professional Day and several Friday Forums to share model practices for instructors to adopt. We also used the January Professional Development Day to build on these efforts by highlighting the use of the flipped classroom in Biology classes and the case study method in Psychology classes.

Fourth, we are developing additional ways for our students to participate in their learning experiences through the use of virtual learning. We continue to expand our use of online courses and are developing professional development to enable more faculty to be trained to use Moodle in their classes.

Fifth, we are working on professional development plans to infuse the Moodle grade book in all courses were appropriate. By these means, we aim to implement a common college framework for a learning feedback system, which may include a consistent approach to incremental learning objectives with frequent opportunities early in a course for students to receive feedback on how they are doing.
Sixth, consistent with our strategic directions, we are working with the Outreach Services Office to infuse global learning opportunities in our classrooms.

Finally, we will soon establish a new general education team charged with reforming our general education outcome assessment processes to move institutional evaluation to the program and student level. Our goal will be to give us and our students information at the course level so we can make the necessary changes needed to increase the strength of our students’ outcomes.

The Developmental Education AQIP Project team is reviewing NMC’s current developmental Math and developmental English curriculum to determine what innovations can be developed or accelerated to improve student success.

This year, the English faculty on the team implemented two important changes to developmental English. They created a learning community approach linking ENG 97, the most basic English language and reading course, with ENG 107, the academic study methods course. They also infused a new curriculum based on Skip Downing’s *On Course: Strategies for Creating Success in College and in Life*. The faculty also adopted the Power Path screening program where they screen students for a variety of physical learning barriers and provide them tools to overcome these barriers.

The Mathematics faculty on the team have attended conferences and reviewed several national examples of accelerated learning and modular curriculum methods. We are investigating how applicable these are to our students. As a significant first step in this effort, all developmental Math courses have adopted online texts and homework assignments through the use of XYZ software. Not only does this help to standardize the curriculum for all these students but provides rich online resources for students to practice their work and get immediate feedback on their assignments.

In order to accelerate student progress, we developed and offered before the spring 2013 semester a week-long accelerated Math course (a.k.a. Math Boot Camp) to assist students to advance one whole course placement if they successfully prepare for a COMPASS retest before the semester begins. The format worked well for the small number of students who took advantage of project. Based on the pilot, we will launch the project more broadly this summer.

Finally, the Math faculty will begin developing a modularized approach to Developmental Math where students will be able to have access to three courses in a single semester. We will develop the modules this spring and summer and pilot two sections of this new redesigned approach this coming fall.
This memo is intended to provide a brief update on the status of the Great Start Collaborative and to review childcare options. The goal of the Collaborative is to research regional gaps and opportunities in early childhood. The completion of the initiative will provide a recommendation for a systems solution for a networked delivery for early childhood education and childcare.

The project is being led by the Traverse City Chamber of Commerce in partnership with the Traverse Bay Intermediate School District. The team has hired Cornerstone Architects to complete a county wide study. The team consists of project architects, national childcare consultants that have developed model childcare systems and marketing professionals.

Phase I of the project was to begin October 2012. A delay in the start date was due to finalizing the timeline and terms of the contract. The project is back on track with final approval by TBAISD in February 2013.

The timeline for this project includes three phases: (time-line attached)
- Phase I – Discovery & Development – 10 weeks (February –April)
  Develop 3-5 alternatives for community engagement
- Phase II – Community Engagement - 12 weeks
  Review community engagement results and develop concept development plan
- Phase III – Concept Development - 7 weeks
  Develop operating systems and sustainability plan

Members of the advisory team include:
- NMCAA/Head Start
- Chamber EDC Foundation
- TBAISD
- Munson Medical Center
- Grand Traverse Band
- Leelanau Children’s Center
**Background**

**NMC Childcare Scholarship**
NMC currently provides scholarship awards for daycare costs. The scholarship is funded through the general fee. The Childcare scholarship fund receives 5% of the student activity fee.

The table below provides a summary of the last four years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Balance</th>
<th># students awarded</th>
</tr>
</thead>
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<tr>
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<td>4,340</td>
<td>18,484</td>
<td>7</td>
</tr>
<tr>
<td>2011</td>
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<td>19,603</td>
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<tr>
<td>2013</td>
<td>7,000</td>
<td>10,250</td>
<td>18,355</td>
<td>13</td>
</tr>
</tbody>
</table>

**Other delivery methods**
Some colleges and universities do provide on-campus childcare that can be accessed by students, staff and faculty. Large colleges and universities stabilize enrollment through faculty and staff childcare demands. Relying on student childcare demands to provide consistent enrollment usually results in the institution needing to subsidize the program. On-campus centers require an investment by the institution for space, administrative support, institutional expenses (i.e. insurance, utility costs), and adherence to compliance and reporting requirements.

Another regional community college built a childcare center in the last 5 years. Discussions with them provided the following information:
- Cost of construction $600,000 (4,608 sq ft ~ $130)
- Licensed for 59 children
- Revenue from services do not cover total expenses; general fund contribution needed
- State grant funding has decreased or been eliminated
- Students have used it as a babysitting service not as a daycare solution – enrollment is low
- The goal in the next year is to phase out on-campus childcare and repurpose the building

**Options:**
- Continue to provide scholarships for students to access private childcare
- Seek partnership with one or several providers to secure seats
- Provide on campus childcare

**Recommendation:**
Based on the current analysis of costs and space requirements to provide an on-campus childcare center the recommendation at this time is to:
- Continue to work with The Great Start Collaborative to research the regional needs of childcare
- Provide students with information on NMC’s Childcare Scholarship opportunities
- Continue to monitor scholarship fund balance and to make recommendations for additional funds if necessary

Childcare update March, 2013
## Work Plan

### Discovery and Development: 10 weeks

<table>
<thead>
<tr>
<th>STEP ONE</th>
<th>Corn</th>
<th>CHC</th>
<th>NDG</th>
<th>ISR</th>
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<tr>
<td>Discovery and Development: 10 weeks</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Advisory Team Meeting 1: kick off, finalize scope and project plan, identify existing data sources</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Research Strengthening Families model; incorporate existing data into this model</td>
<td>X</td>
<td></td>
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<tr>
<td>Identify gaps or inconsistencies in existing data</td>
<td></td>
<td></td>
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<td></td>
<td>X</td>
</tr>
<tr>
<td>Assess existing communications assets of Great Start Collaborative members</td>
<td></td>
<td>X</td>
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</tr>
<tr>
<td>Develop an identity system to support Cornerstone Team &amp; center/network communications during Steps One-Three</td>
<td>X</td>
<td></td>
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</tr>
<tr>
<td>Prepare for Functional and County Working Groups: develop materials, recruit participants</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Hold initial meetings of Functional and County Working Groups</td>
<td>X</td>
<td></td>
<td>X</td>
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<tr>
<td>Identify potential partners and participants in the center/network through Functional and County Working Groups</td>
<td>X</td>
<td></td>
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<tr>
<td>Incorporate additional data and information from Functional and County Working Groups</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Develop Discovery Findings (DELIVERABLE), develop 3-5 Alternatives for center/network, develop Engagement Plan</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Advisory Team Meeting 2: present Discovery Findings, approve 3-5 Alternatives, approve Community Engagement Plan</td>
<td>X</td>
<td>X</td>
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</table>

### Community Engagement: 12 weeks

<table>
<thead>
<tr>
<th>STEP TWO</th>
<th>Corn</th>
<th>CHC</th>
<th>NDG</th>
<th>ISR</th>
<th>ADV</th>
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<tbody>
<tr>
<td>Community Engagement: 12 weeks</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Develop presentation materials and research instruments for 3-5 Alternatives</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Follow Engagement Plan to train and equip Ambassadors to collect community perspectives through providers and families</td>
<td>X</td>
<td></td>
<td>X</td>
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</tr>
<tr>
<td>Collect and analyze data</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Capture level of support of partners and participants in the center/network through working the Engagement Plan</td>
<td>X</td>
<td></td>
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<tr>
<td>Conduct Asset Mapping for the center/network</td>
<td>X</td>
<td></td>
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<tr>
<td>Prepare a Community Engagement Report (DELIVERABLE) detailing community priorities, a single desired Alternative, and likely partners and participants</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Advisory Team Meeting 3: present Engagement Results, Present a Recommended Alternative, approve Concept Development Plan</td>
<td>X</td>
<td>X</td>
<td>X</td>
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</tbody>
</table>
**Work Plan-continued**

Concept Development: 7 weeks

<table>
<thead>
<tr>
<th>STEP THREE</th>
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<th>ISR</th>
<th>ADV</th>
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</thead>
<tbody>
<tr>
<td>Concept Development: 7 weeks</td>
<td></td>
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<tr>
<td>Revise Alternative and Concept Development Plan based on Advisory Team input</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Develop Service Menu(s) for the new center/network</td>
<td></td>
<td></td>
<td>X</td>
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</tr>
<tr>
<td>Develop revenue/sustainability model, memoranda of understanding, governance, and other tools necessary for the center/network</td>
<td></td>
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<td>X</td>
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<tr>
<td>Develop operating systems for the network: intake, information sharing, reporting</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<tr>
<td>Create a space plan</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Develop preliminary design package to build or transform spaces in support of the space plan*</td>
<td>X</td>
<td></td>
<td>X</td>
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<tr>
<td>Develop a financial “pro-forma” with several components for financial planning and development</td>
<td>X</td>
<td></td>
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<td>X</td>
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<tr>
<td>Develop a communications plan to raise visibility and build sustainability</td>
<td>X</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Develop assessment tools for ongoing monitoring and tracking</td>
<td>X</td>
<td></td>
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<td>X</td>
</tr>
<tr>
<td>Advisory Team Meeting 4: present all recommendations and deliverables for program delivery, the built environment and communications</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
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</tbody>
</table>

*This phase will provide schematic facilities design for a physical center, for further consideration and review. The next step upon approval is to authorize construction documents for the renovation of an existing facility, or the construction of a new facility.

**Corn** = Cornerstone  
**CHC** = Cynthia Honore Collins  
**NDG** = Nielsen Design Group  
**ISR** = Avenue ISR  
**ADV** = The Advisory Team
MEMO
Outreach Services

To: Timothy J. Nelson, President
From: Marguerite Cotto, VP for Lifelong and Professional Learning
Stephen Siciliano, VP for Educational Services
Chris Weber, VP for Enrollment Management & Student Services

Date: February 26, 2013
Subject: International and Service Learning Endorsement – BoT Level Strategic Goals (B2)

Background

Outreach Services (OS), formed in fall 2012, has three primary areas of responsibility which include High School Services – coordinating the administration of Early College and the Commitment Scholarship Program; Military Services – providing support for Veterans and current military services members, their spouses and dependents in compliance with Executive Order 13607; and International Services – coordinating international learning experiences for NMC learners.

OS began the development of International Services by coordinating study abroad opportunities including the application process and procedures for participation. In addition, an International Services Advisory Board was formed with representatives from NMC and the Traverse area community for the purpose of generating new ideas related to the responsibilities of International Services. Membership includes:

- Jim Bensley – NMC Director Outreach Services
- Lindsey Dickinson – NMC Admissions
- Lisa Dohm – TCAPS / NMC Faculty
- Julie Doyal – NMC Extended Education Services
- Constanza Hazelwood – NMC Faculty, Costa Rica Program
- Darby Hiller – NMC Exec. Director of Research, Planning & Effectiveness
- Eric Hines – NMC @ WNMC
- Gene Jenneman – NMC Exec. Director of the Dennos Museum
- Dick Kennedy – International Affairs Forum Board
- Deb Lake – Traverse City Film Festival
- Gevas Moyo – Utopia Foundation
- Marvine Stamatakis – Interlochen Arts Academy
- Carol Taberski – NMC Registrar
- Steve Ursell – NMC International Aviation Program
- Lindsey Wiejaczka – NMC Outreach Services
- John Zachman – NMC Faculty / Instructor of Political Science

Overview
In order to accomplish NMC’s stated Mission, Vision, and Purposes, organizational activities focus on achieving the five strategic directions and demonstrating competence in Institutional Effectiveness Criteria. As a support for this Strategic Direction #1 (“Ensure that NMC learners are prepared for success in a global society and economy”), it was determined that all NMC learners should have “co-curricular certification” to demonstrate they had engaged in learning experiences that reflected international and service learning. To that end, OS and others have researched what other colleges and universities have done to transcribe this type of learning and are developing a plan for certification at NMC. This also included input from the International Services Advisory Board. Students will likely earn points for engagement in various types of international and service learning such as the following:

- Dennos Museum events and exhibits
- NMC student organizations
- NMC courses that include a substantial international and/or service learning focus
- International Affairs Forum
- TCAPS partnerships
- Mentoring international students
- Study abroad programs
- NMC events (“Window on the World Week” – March 15-21, 2013)
- Community events (“Go Global” – March 10, 2013)

In conjunction with the development of the certificate, OS and the International Services Advisory Board are exploring ways to document the learning as a result of participation – portfolios, presentations, journals, papers, videos, etc have been suggested demonstrations of learning. OS is planning to complete development and tracking processes by June 2013 for implementation in Fall 2013.
To: Timothy J. Nelson, President  
From: Chris Weber, VP for Enrollment Management & Student Services  
Date: February 26, 2013  
Subject: Enrollment Plan – BoT Level Strategic Goals (B3.1)

Review

Enrollment planning at community colleges across the US has traditionally been focused on convenient access for local students within the surrounding geographic area of the individual community college identified as the community college’s service area. NMC’s service area includes Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau counties. In recent years as transportation and technology have improved and academic programs have expanded, the role of community colleges has evolved to include a larger geographic reach and a more diverse student population. This necessitated a redirection for recruiting and a more intentional approach toward enrollment planning than has been utilized by community colleges in previous decades. In addition, during this same time period NMC has become more reliant on revenue from tuition and fees due to the decreases in revenue from the state and property taxes.

Current Focus

The past two years have included an ongoing review of service area data on employment, individual income, population growth or decline and degree attainment. Service area high school enrollment, graduation rates and the rates at which these students enroll at NMC have been tracked along with individual income related to financial aid dispersed. Further, there is daily review of the data provided through NMC’s digital dashboard specific to patterns of inquiries, applications, admits, registration and retention. This data has provided foundational information for development of a multi-year enrollment plan.

Other recent changes in NMC’s enrollment have changed the components of the enrollment plan. Early college and concurrent enrollment have been added to the longstanding dual enrollment option for high school students to accumulate college credits prior to high school graduation. Processes have been developed and initiated and adjustments will be made as needed to support these initiatives. In the past year, efforts focused on international recruiting have included creating a tracking system, updating communication and marketing pieces for prospective students and developing a support system when students arrive in Traverse City. Current work also includes the review of technology supporting student recruitment and the admissions process in addition to cross training of staff.

The Outreach Services office is providing targeted support for Veterans, current military personnel and their spouses and dependents and we are seeing early results in the number of student veterans rose to the highest levels recorded for FA2012 (190) and SP2013 (186).
The Office for Research, Planning & Effectiveness developed and is modifying a set of predictive analytics which is beginning to yield data to give further refinement to the work of recruiting, admissions and retention.

An Enrollment Team was created representing recruiting at NMC in academic credit programs in order to review current recruiting efforts, coordinate these efforts and the accompanying modes of communication. This team includes the recruiting staff members from Great Lakes Maritime Academy, the Aviation program, Admissions Office (responsible for all other academic programs) and representatives from Financial Aid and Outreach Services.

**Future Efforts**
The current Marketing Plan will support the Enrollment Plan by targeting specific programs and utilizing consistent, targeted messages in a variety of print, internal and external modes while also tracking the response rate to these various modes.

Craig Mulder, Executive Director of Learning Resources & Technology (LRT), is leading a review of CRM (client relationship management) products that support the student recruitment efforts and will likely plan implementation of the software which may begin to impact enrollment as early as FA2014. As part of NMC’s Technology Plan, training intended to provide foundational and advanced Banner database training targeted to specific departments will begin in Admissions in SU2013. This training will provide a broader understanding of the database system, standardize processes and yield efficiencies in admissions processing, documenting and communication.

The Admissions office will develop and implement a comprehensive visitation program to area high schools and re-invent on-campus tours, including virtual tours, with the expectation that these initiatives will impact enrollment for FA2014. They are also giving special focus to Dual Enrollment and seeking to continue to increase the number of students completing college credits while still in high school. The number rose from 215 in FA2011 to 301 students in FA2012 for a 40% increase. In SP2013 there was a 55% increase from 170 students in SP2012 to 256 in SP2013. In addition, the admissions staff is working toward the NMC goal of 5% international students and is seeing early results going from a total number of international students of 43 in 2011-12 and 63 students anticipated for 2012-13 or a 47% increase.

The Admissions staff has also begun to accompany the Financial Aid staff on Financial Aid night presentations in area venues (November through February) in addition to supporting February FAFSA Fridays on NMC’s Front St. campus – these financial aid focused events provide additional support for students and families as they seek potential funding resources for college education.

New Student Orientation has been revised in the last several years and is in the process of another review/revision with anticipated implementation for FA2013. This will complement the Advising Center staff work of developing a comprehensive advising system which will be completed by December 2013.
Campus master plan discussion
Board Retreat
March 2013

- Review overall goals and objectives
- Review overall assumptions and national trends
- Immediate needs/proposed projects
- Options
- Next steps
- Future planning

Campus master plan

Design phase
Funding scenerios

Board approval for individual building contracts
To: Timothy J. Nelson, President
From: Vicki Cook, Vice President, Finance and Administration
Date: February 27, 2013
Subject: Campus Master Plan Update (Strategic goal: B3:3)

This document is intended provide a framework for future planning and decision making regarding the Campus Master Plan and address questions from the Board of Trustees.

The Campus Master Plan is part of the college’s overall planning process and may change and evolve over time. The plan is a strategic picture of possible changes in buildings and infrastructure that the NMC Board of Trustees and the administration will continue to evaluate.

The plan should be driven by our assumptions on the strategic plan, academic enrollment, technology and learner needs. As you review the overall Campus Master Plan, the questions for your consideration include:

1. Does the plan address the immediate needs of the college?
2. Does the plan provide a footprint of future opportunities for growth?
**Master Plan Objective**
The campus master plan provides the college with a facility vision for the future. The objective of the plan is to:

- Establish a facilities roadmap with placeholders
- Identify best use location for specific functions, identify ideal footprints
- Plan for phased construction and/or future expansion sites
- A long-term outline
- Develop or improve (land, building complexes) through a long-range plan

NMC identified several goals when we contracted the campus master plan. Those goals included:

- identify space for future growth
- provide alternative solutions for parking
- identify areas that could be renovated to obtain maximum use of our facility assets

**Planning Assumptions**
The planning process for the campus master plan established several assumptions that are driving the current recommendations.

1. We will grow our physical enrollment of students based on the goal of 5% international students in the next five years.
2. The role of physical facility space will be important in retaining and attracting students to our campus. As a destination learning institution customers (students) have an expectation of amenities that will need to be provided.
3. Accommodations such as housing, fitness centers and library/study space all lead to the attraction of students.
4. The cost of construction is significant and we will need to consider new methods of funding opportunities in order to accomplish our goals.

**Current Needs**
The executive staff reviewed recommendations from the consultant and identified several areas of critical need. These areas were identified based on assumptions, current capacity needs and future trends in education.

1. Housing is near capacity. The apartment buildings are out dated and will not meet student expectations.
2. Library space is outdated and facility does not meet student demands.
3. Physical education building does not meet demands of students. Building is outdated and should be updated in order to attract new students.
4. Student service areas have capacity needs; Health Services, Outreach Services; need to create a one stop service area for enrollment management and student financial services.
RATIONALE

Proposed Stage 1
The projects that have been identified as areas of immediate need were evaluated and scored by the executive staff. A case for support for each of these projects is summarized below.

Multi-Disciplinary Student Learning Center: This expansion creates a 150,000 square feet facility. To put this in perspective the building is twice the size of Great lakes campus. This project is being recommended for the following reasons:

- Met 5 of the 8 criteria in the evaluation matrix (attachment a)
- Consolidation of departments to create a one-stop center will allow for a more efficient delivery of services
- New simulation space is anticipated area of growth
- Ideal solution incorporates: delivery of PE, library services, and student support services in one location. Advantages allow for more efficient delivery, one building as destination spot allowing for reduction of staff in regards to security and support staff needs.
- Moves PE to a central location close to residence halls to support national trends of fitness centers in residence halls.

Summary of square footage for services:
- Student services 70,000 SF
- Library services 25,000 SF
- Fitness/Wellness 40,000 SF
- Instruction/simulation 15,000 SF

Funding options: State Capital project, NMC Foundation, Bonding, Plant fund

Osterlin renovation: The renovation of this building is being recommended in order to better utilize facility space. The Osterlin space has been changed over time and does not utilize space well. An investment in a renovation will allow for us to better meet the needs of students. The recommendation is being made for the following reasons:

- Met 7 of 8 criteria in the evaluation matrix (attachment a)
- Demand for student study space has reached capacity
- The building is a large open structure that with improved design will address both student study space and office space for departments that provide direct support to student success
- New design will allow for more efficient use of staff and reduction of FTE’s

Funding options: Plant fund
**Student housing:** Construction of apartment/townhouse units to provide 300 beds. This would be a replacement of current apartments that were built in 1973 and are in poor condition. The new buildings are being recommended to meet the current and anticipated demand for additional on-campus housing. The anticipated demand for on-campus housing is tied to the strategic goal of expanding international enrollment.

National trends in student housing from the 2012 College Housing Report:
- Average costs $202 per sq ft.
- ¼ of all residence halls include fitness rooms
- ½ of all residence halls include some classroom space
- 78% of housing is owned by college or foundation
- 92% of colleges manage housing
- ½ of students will have individual rooms

**Funding options:** Public private partnerships, NMC Bonds

**UC driveway:** Recommendation to construct a secondary vehicular drive from the property to Wysong road. The drive is intended to be used only as need and would be a controlled entry/exit.

- University center currently has one exit/entrance
- Would provide a secondary route for emergency purposes

**Funding options:** Plant fund

### Alternatives

<table>
<thead>
<tr>
<th>Project</th>
<th>Option 1</th>
<th>Option 2</th>
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<tbody>
<tr>
<td>West Hall-student learning center</td>
<td>Seek funding for full project</td>
<td>Reduce expansion i.e. seek alternative for PE, library</td>
</tr>
<tr>
<td>UC driveway</td>
<td>Paved vehicular drive</td>
<td>Unpaved vehicular drive</td>
</tr>
<tr>
<td>Student Housing</td>
<td>Public private partnership</td>
<td>NMC Bonds</td>
</tr>
</tbody>
</table>
Future Planning

Facility planning is a part of NMC’s annual planning process. The strategic plan, operational A-3 and the FCAP review will lead to annual recommendations for building renovation or expansion. The table below provides the rational for expansion/renovation recommendations and information that will be provided as part of the construction analysis.

<table>
<thead>
<tr>
<th>Criteria for expansion/renovation</th>
<th>Construction analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Programmatic need</td>
<td>• Construction cost</td>
</tr>
<tr>
<td>• Enrollment projections</td>
<td>• Business plan</td>
</tr>
<tr>
<td>• Growth opportunity</td>
<td>• Funding opportunities</td>
</tr>
<tr>
<td>• Current capacity constraint</td>
<td>• Environmental impact</td>
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<tr>
<td>• Safety</td>
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</table>

Annual Planning Cycle

5 year Capital Plan

Review building needs

Strategic planning

Annual maint. budget

FCAP review
### Prioritization matrix

<table>
<thead>
<tr>
<th>Project</th>
<th>Support Strategic Plan</th>
<th>Meet current capacity need</th>
<th>Create excess capacity for undefined growth</th>
<th>Safety issue</th>
<th>Meet planned for capacity requirement</th>
<th>Cosmetic</th>
<th>Learner expectation</th>
<th>Time sensitivity</th>
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<tr>
<td>Osterlin</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Housing solution</td>
<td>x</td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>West Hall Student center</td>
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<td>x</td>
<td>x</td>
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<td>x</td>
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<td>Physical Ed</td>
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<td>x</td>
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<td>x</td>
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<tr>
<td>UC Driveway</td>
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</table>

Completed: September, 2012
This memo is intended to provide a brief update on the status of the Co-generation project. Ed Bailey and I have been in discussions with Traverse City Light and Power (TCLP) over the past several months. The project discussions were primarily focused on power generation for the Front Street Campus.

The objectives of our discussions were:

- Was TCLP interested in a partnership agreement with NMC for co-generation
- Was the current infrastructure from DTE able to support the project
- Will our current Power Plant building accommodate the physical needs for this project

TCLP is interested in continued work towards a partnership on this project. Based on TCLP’s charter requirements the approval process for a project would be 6-18 months. (See attached flowchart).

We recommend the following:

- Complete an engineering study that will provide conceptual design, capital cost estimate, and an economic analysis. Estimated to cost $15,000-$36,000
- Continue partnership discussions with TCLP
- Continue conversations with TC Chamber, Industrial Park Association and TCLP regarding regional co-generation
Co-generation timeline
Project with TCLP

- Engineering Study Complete by **March 2013**
- Approval in budget for phase two of study **June, 2013**
- TCLP board recommend project **November, 2013**
- Petition decision **May, 2014**
  - Yes: Election **August or November 2014**
  - No: Petition 6 month waiting period **November-May**
  - No petition
- Budget approved in **June, 2014**
- Project could begin **July, 2014**
- Election results
  - Yes: Budget approved **June, 2015**
  - No: Stop Project
- Project Begins **July, 2015**
To: Timothy J. Nelson, President
From: Vicki Cook, VP Finance and Administration
Date: February 27, 2013
Subject: FY2014 Current Conditions (strategic goal B3:6)

This memorandum details the FY2013 projected year end results and their impact on the FY2014 draft budget. A summary of both revenue and expenses follows. Two separate scenarios are provided summarizing the impact on the net results.

Scenario #1

Comparing FY13 projection to FY14 budget with no changes in tuition rates or salaries; no additional positions:

Projected 2013 Year End Results – Net Revenue over Expense $493,502

2014 Net Revenue changes:
   Revenue (reduction property tax, offset by State Aid, flight and training fees) 24,122
   Expense changes compared to 2012 Projections:
      Salaries & Benefits (adjunct & vacant) 1,399,447
      Adjustment Adjunct (974,265)
      E&G, Capital & transfers¹ 337,894

Total Net Expense changes $763,076

Net Gain (loss) before additions ($245,452)

¹ Increases in E&G include fuel costs for Aviation and GLMA, institutional expenses related to snowplowing and heating costs and departmental increases for strategic initiatives. A complete review of all new requests is being completed.
Scenario #2:

Tuition Rate Increase of 2% & 3%, Benchmark Salary Increases, and fill all position requests:

Beginning Net (loss) with above identified changes $(245,452)

Additional Tuition Revenue related to rate increase 384,144
  Net loss after tuition increase 138,692

Increase Salaries & Benefits to benchmark 600,779

Additional changes from FY2013 Salaries & Benefits:
  Reduction for retirements replaced at lower salary -75,000
  Reduction for anticipated savings - open positions -55,000
  New Position requests 540,304

Net results of additional changes from FY2013 Salaries & Benefits 410,304

Net Gain (loss) $(872,391)
This memo is intended to provide a summary of fiscal year 2014 budgeting process. All departmental budgets, including position requests, were due on February 11, 2013. The Planning and Budget Council is reviewing the 2014 budget with the new E & G and personnel requests from departments. There are several cost saving measures that the council is reviewing in addition to strategies to increase revenue. During the next several weeks Planning and Budget Council along with departments will be reviewing various scenarios and the impact on the strategic plan in order to provide a balanced budget.

- Planning and Budget Council reviewed scenarios that include all requests on February 22, 2013
- Planning and Budget Council will review and prioritize personnel requests on March 15, 2013
- Discussions regarding cost reduction initiatives are in progress
- A proposal for differential tuition for select programs is being reviewed by Planning and Budget Council and Academic Chairs
- A review of portfolio b revenue opportunities is on-going

Discussion of these areas will continue over the next few weeks with recommendations for:

- Healthcare reform (30 hour rule)
- Tuition rates
### MICHIGAN UNIVERSITIES

<table>
<thead>
<tr>
<th>Current Tuition Rates</th>
<th>Fall 2011</th>
<th>Fall 2012</th>
<th>% CHANGE</th>
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4-Mar-13
To: Tim Nelson, President  
From: Marguerite Cotto, V.P.  
Date: February 28, 2013  
Subject: Developing National and International Expertise (Strategic Goal B4)

This memo includes updates on the following projects within the Board Strategic Goal B4 (…incubate partnerships resulting in development of national and international expertise in select areas…):

- Value-added agriculture
- Entrepreneurism activities
- Allied health initiatives

Background

This strategic goal highlights the role of partnerships in strengthening our capacity to deliver programming at various levels. The initiatives correspond to content areas recognized as regional economic drivers, where external certifications are available, or where alternative experiences may be designed for learners that leverage relationships with other existing organizations.

Value-added agriculture

A. Building capacity in existing programming – NMC and Michigan State University’s Institute of Agricultural Technology, College of Agriculture, Natural Resources and Recreation have developed a joint position to enhance options within the existing Applied Plant Science Degree, and to determine the need for (and deliver) new certifications based employer and industry needs. This approach will give NMC capacity for greater visibility in the agriculture community, particularly as required to improve student placement for both certificate and degree program internships.

B. Building new ventures that complement existing programming – We have been invited to develop an MOU that would position NMC for the delivery of technical training leading to CellarMaster certification, an international qualification within the wine industry.
Entrepreneurism activities

A. Building on our relationship with the NWM Council of Governments and the Small Business Technical Development Center (SBTDC), NMC has developed a MOU that assigns a small business development coach to work directly with students, and that will support development of training with faculty and staff on entrepreneurial environments for learners. The project’s goal is to encourage student entrepreneurs by early engagement with mentors and advisors, and to improve connectivity with area organizations that support 1st stage business development.

Allied health initiatives

A. Non-credit certifications – In FY’13, NMC developed a new cycle of non-credit options for students in the area of allied health with the Certified Nurse’s Aide (CNA) certificate, now enrolling its 4th cohort. The next generation non-credit certificates are being developed in conjunction with the local area association of medical office managers and will include options in medical office assistant, home health-care aide and medical coding. The goal of the non-credit certification approach is to establish a range of entry-level career pathways in healthcare and to provide options for learners who are interested in progressing toward degree programs in this field.

B. In addition to the non-credit path, we have been developing a networked approach to partnership with some of our sister community colleges to improve regional access to degree programs where our students complete a cohort. This has been a successful model with Muskegon Community College’s respiratory therapy associate degree. We are adding collaboration with Macomb CC and North Central Community College for access to physician assistant tech and EMT options.
MEMO
Enrollment Management & Student Services

To: Timothy J. Nelson, President
From: Chris Weber, VP for Enrollment Management & Student Services
Date: February 26, 2013
Subject: International Initiatives – BoT Level Strategic Goals (B4.1.c)

Review
International engagement programs exist around the world in various forms, especially within higher education. NMC is expanding relationships and opportunities in the global community. This expansion encompasses learners participating in global experiences through for-credit courses and other international, experiential learning opportunities. In addition, agreements with colleges, universities and organizations in other countries are emerging to provide structure for learners to engage in these global experiences in the following areas (list is not exhaustive):

- Aviation
- Business Administration
- Culture
- Engineering
- Fresh Water Studies
- Humanities
- Hybrid Automotive Technology
- Renewable Energy and Sustainability
- Spanish
- Value-Added Agriculture
- Visual Communication

The formal expansion of global, experiential, academic opportunities at NMC for students, faculty and staff necessitated the development of coordination of these activities through the newly formed Outreach Services Office. The staff is in the process of discovering new engagement options and providing support for existing exchange programs. NMC’s 2013-2014 International Engagement for is located at the end of this document.

Process Development
- Global learning opportunities are on NMC’s website (Student Services / Outreach Services / International Services)
- There are application processes for students and faculty / staff for global experiences coordinated by the Outreach Services Office in conjunction with appropriate administrative leadership.
- The student learning opportunities are for credit and there is a formal process for learners to share or apply the learning that happens as a result of participating in the global experiences.
• There is consistent communication to leadership, faculty and staff about ongoing global learning opportunities and the participation of students, faculty and staff through the website, faculty syllabi, monitor announcements, the Intercom, and reports provided by the Director of Outreach Services.

• Data is now consistently, systematically captured on global learning engagement – countries; number of students, faculty, staff participating; learning outcomes achieved, etc.

**Learning Opportunities**

There are various experiential, learning opportunities planned for FY14. Each of these has different criteria depending on the academic program and country location and is listed below.

- Brazil – ESL (English as a Second Language)
- Costa Rica – Water Studies
- India – Aviation
- Netherlands – Visual Communication
- Peru – Humanities
- Russia – Culture & Engineering
- United Kingdom – Aviation
- Wales, UK – Archeology

Culinary is also planning a student learning experience in Italy during SU2014. Funding for these international learning opportunities can be accessed in a number of ways such as student-led fund raising events, financial aid and scholarships. The Global Opportunities Fund is one of the scholarships available to NMC students and faculty.

**Partnerships**

NMC has developed a number of international partnerships with colleges, universities and organizations. These partnerships provide the foundation for students to study abroad, student exchange programs, internships and faculty exchange.

- Beijing Channel Consulting – China
- Huanggang Polytechnic College - China
- Yellow River Conservancy Technical Institute – China
- Earth University – Costa Rica
- IIAE Dehradun – India
- Peoples Friendship University – Russia
- University of Hertfordshire – United Kingdom
- University of West England – United Kingdom
- London Metropolitan University – United Kingdom

Exploration is ongoing for other potential partnerships.

**Global events**

The Outreach Services Office is expanding intercultural connections for students enrolled at NMC. The Outreach Services staff is coordinating with a variety of programs to arrange presentations, experiences and events that have a global focus. Currently these include the following:

- Dennos Museum
- International Affairs Forum
- “Go Global” – International Fair & Expo
- Student Life Office
- “Window on the World Week!” – NMC
- Global Reading Group
### International Engagement

**May 2013 - April 2014**

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TC = Students, Guests in Traverse City
Dates alone = Students, Faculty, Staff in country listed

Culinary - tentative plan for SU2014 Italy

Updated 2/26/13
SEM - International Engagement
NORTHWESTERN MICHIGAN COLLEGE
Department of Nursing

Date: February 13, 2013

To: Stephen Siciliano
Vice President, Educational Services

From: Laura Schmidt, MSN, FNP-BC
Director, Nursing & Allied Health

Re: Complete national-level accreditation for the nursing program by June 2014—Board Strategic Goal B4

Our accreditation visit is scheduled for September 17-19, 2013. In September I sent our consultant all six standards for review. To date I have received positive comments on four standards. These have been updated and are in a final draft. I am still awaiting feedback on the last two standards. Standards 4 (curriculum) was written well but we ran into a minor problem. Late fall I started to hear that NLNAC wanted all programs to be no longer than five (5) semesters. This was not identified in the standards. I monitored the conversations. The new standards were released in mid-January and did not address program length specifically. The last week of January I learned NLNAC was following the Department of Education recommendation of five (5) semesters; therefore we had a problem. Our program was seven (7) semesters because of the sequencing of the pre-requisites. We would not pass accreditation. I spoke with our nursing faculty and Keith Overbaugh, Nick Roster, and Nate Peplinski in Science/Math.

We have worked out a plan and succeeded in decreasing our program to meet the five (5) semester requirement. Linda Walter and I met with Keith and Nick on Tuesday, January 29th. They agreed to change ENG 111 from a pre-req for BIO 227 to allow students to take it concurrently as long as students test into ENG 111 or ENG 111/11 through COMPASS. The nursing faculty agreed on Friday, January 25th, to allow students to take BIO 228 with the first semester nursing classes. Amy Collins contacted Munson and the Cerner educators agreed to switch one of their labs to fit into the new model schedule. I plotted all the classes to be sure this new schedule was possible.

January 30th I met with Bobbi, the office manager in Science/Math, Pat Waters, the office assistant for Health Occupations, and Margaret Fox, office manager for Health Occupations and we came up with a process to assure the few students who may need BIO 228 were able to register for this class. Bobbie and Margaret will work together as a backup to complete the override that is needed and Margaret will teach Pat to do this also.

Pat updated the program maps and is working to get the website updated. On January 30th I spoke with Jenny Barnes to update the new catalog to reflect the program changes prior to it going to print. I also met with Rita Kucera from Admissions. We extended the admission deadline for fall until Feb 11th to give the new group of students the opportunity to apply.
competitively. Laura Carmickle made the needed adjustments to extend the time the competitive link was open and to allow students without BIO 228 to apply. I drafted two messages that went out to the students Friday, February 1st. One message went to the students eligible for admission explaining the change. The second was sent to all pre-nursing students so they knew about the change. The A&P II instructors announced the change in their classes. I spoke with Kim Schultz in advising and met with the advising staff on Wednesday, February 6th. Everyone had done a great job working together to make this happen for fall 2013 when our site visit occurs.

I am working to schedule a mock visit with our consultant in August. She will come for a full day and spend time with faculty, students, support staff and administration (if possible), review our exhibits, and tour the facility.

We continue to struggle with maintaining the over 50% MSN prepared clinical faculty. Fall semester we reached 56% and spring we were at 52%. I continue to advertise to try to build up our pool of adjunct instructors. We did implement the opportunity for our adjunct to receive up to $1000 toward their tuition with a two (2) semester commitment to teach at NMC after completion of the degree as an adjunct instructor. To date only one person has asked for the funds. This was reinforced with our adjunct again at our adjunct meeting in January. The nursing budget was adjusted to absorb this cost in the next fiscal year. We must have over 50% MSN adjunct instructors in the fall.

Let me know if you have any further questions.
MEMO

Lifelong & Professional Learning

To: Tim Nelson, President
From: Marguerite Cotto, V.P.
Date: February 28, 2013
Subject: Networked Workforce (Strategic Goals: B5, B6.1, B6.2)

Background
This report summarizes work to date under the strategic heading of Networked Workforce, which includes the following components:

- Classification and compensation
- Succession: transfer and safeguarding of organizational knowledge
- Talent III: leadership development, new employee PDCA, alignment to Competency model

A number of the smaller projects included within networked workforce were identified from the data in our 2012 Employee Engagement Survey, particularly as they relate to process improvement in areas of performance management and communication.

With the adoption of a campus-wide approach to the classification and compensation study, some adjustment in the timelines for activities that would follow the outcome of the major study is being proposed. For example, full implementation of all the leadership development units in Talent III may be delayed until Fall 2013.

NMC’s Classification System Review

B5 Evaluate employee classification and compensation systems and make adjustments as required.

NMC’s current classification system was an area identified as an opportunity for improvement in the 2012 Employee Engagement Survey. Some form of the system has been in place since the late 1980's with modifications taking place as reflection of changes in job descriptions, but not necessarily reflecting a comprehensive understanding of the changing context of work, most notably our own shift toward
language such as networked workforce with its focus on cross-functionality, core competencies, and within a framework of NMC values.

In 2012, Human Resources convened a small task force to develop an alternative framework for classification of jobs, one that would also provide direction for improving performance feedback, and consequently improve performance management. A prototype of this process was tested with a small group of managers and staff, and revisions based on their feedback and through a series of focus groups at the employee group level have been underway. This process will be re-started this spring and is expected to provide information as the compensation system enters the financial analysis stage.

Projects related to transfer and safeguarding of organizational knowledge, leadership development, employee performance (myPDCA), and an NMC competency model (B6.1 & B6.2)

The various projects noted in the title of this section are represented in the first generation working site for the Professional Development Institute and the associated training curriculum. This is a joint venture between the Talent III action project and Human Resources. The following illustrates the scope of work:

A more detailed view of the content and sequencing of the PD Institute approach is available at:

https://intranet.nmc.edu/professional-development/
To: Campus Community  
From: Timothy Nelson, President and the Compensation Review Work Group  
Date: January 18, 2013  
RE: Progress Update – Compensation and Classification Review

We are now almost three months into this important project and I wanted to provide an update on our status. First, I thank all of those members of the Work Group who are devoting considerable time, energy and thought to this job. As you recall, we asked each employee group to provide three members and I appointed three at large members. This group has been meeting every other week for two hours plus and have been meeting outside of that with their employee group members, plus working on issues outside of the meeting times. Next, thanks to Linda Racine and Aaron Beach who are providing great facilitation and guidance in the process. Lastly, thank you to all of you who are providing feedback to members of the Work Group.

If you have not yet visited the intranet site we have set up, I encourage you to do so. Minutes of the meetings and work that the Work Group is generating are found there. One of the operating principles we started with was transparency and we are working hard to meet that commitment. There is a separate link on the MyNMC page that will take you to the Compensation site.  https://intranet.nmc.edu/depts/human-resources/compensation-review/index.html

At our last meeting, we recognized that while we are including all of our notes on the intranet site, we need to summarize where we are for all of our sakes on a monthly basis. This will be done in the future by Linda and Aaron with input from the entire Work Group.

Summary of Activity to Date

As a reminder, the Board of Trustees adopted a Board Level Goal last year that stated:  

**B5. NMC will evaluate the employee classification and compensation systems and make adjustments as required. (Institutional Effectiveness #4)**

The Target/Metric adopted this year as it relates to this goal states:

**Complete review and adjustments, as necessary, to the employee classification and compensation systems in time to inform FY14 budget.**

Our College policies and practices instruct us to use the Mutual Gains process for this class of work. In reality, we use that approach pretty consistently throughout the College and it is fundamental to shared governance. We get representation from the affected stakeholder groups around the table, identify issues of interest and work toward a solution that is in the
best interest of all involved and the College. The process the Work Group adopted is described in the picture below.

**Compensation Review Process**

*The model...applying mutual gains process*

- Clarify the Issue
- Identify values, interests
- Evaluate current systems
- Research, Evaluate Options
- Build a consensus option

Each new step of the process allows for further clarification, refinement of earlier steps.

While the process appears to be linear, it is iterative. As we progress and learn, we sometimes circle back and add to or refine previous work.

Important to our work is that as we review compensation, we are looking at “Total Compensation” or what one reference listed on our Work Group web site calls a “Total Rewards Model”. We have defined this model as including the following elements:

1. Pay
2. Benefits
3. Performance & Recognition
4. Development & Career Opportunity
5. Work Life

As you can see, this is a comprehensive view that requires significant effort to evaluate.

The Work Group has identified 18 different values/interests to examine and determine if they fit into this Total Rewards Model framework and if so, how that might work. The Work Group is currently discussing whether a particular interest is a large, moderate, small or no piece of one of the five elements in the model. The Work Group recognizes any value/interest may fit and be demonstrated in different ways for different employee groups and that will require small group work.

The 18 values/interests we are working with right now include:

- Longevity, marketplace equity, peer equity, internal equity, transparency and consistency,
- growth, credentials, experience, leadership skills, thoughtful risk taking, going above and beyond, social equity, performance/competency, achievement of organizational goals, achievement of individual goals, and choice.
Here is our work plan for next few months:

Last year, a good deal of work was done in examining our staff classification system. That work is continuing and is an important component of our review. In our meetings, questions have been raised about the efficacy of the current system and whether it appropriately differentiates among jobs. The work to address these issues is shown in the second row of the above diagram.

I am very pleased with the work we have done so far. It is important and not easy. As with all we do in our plan-do-check-adjust approach to work, we will examine our targets and make adjustments as needed. If we believe extra time is needed beyond our initial target, I will request that from the Board of Trustees.

Thank you all for your efforts and your support of all we are doing.

Tim
February Progress Update – Compensation and Classification Review

Since Tim’s Progress Update on January 18, there have been some minor modifications to the work plan:

**Work Plan, Next Steps, Targets:**

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<td>HR Create draft Classification Structure</td>
<td>HR Create draft Classification Structure</td>
<td>HR Gather feedback/Finalize Classification Structure</td>
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<td>President Gather Board feedback</td>
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<td>President Gather Board Feedback</td>
<td>President Take Proposal to Board of Trustees</td>
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Over the last few weeks, the Compensation Review Work Group has been focused on creating a draft framework for our "Total Compensation" system, which includes:

- Pay
- Benefits
- Performance & Recognition
- Development & Career Opportunities
- Work Life

The framework will outline our overall goals as well as the components of our compensation system. For example, what are the goals of our pay structure? What values should it support? The group is also identifying which parts of our current system work well and where we should put our focus—where are the biggest gaps between how things work now and how we would like them to work? Your feedback is very important to this process. You have been invited to employee group meetings and to participate in a survey; we hope you take the opportunity to ask questions and provide input.
While the Work Group is continuing to listen and assess, there appears to be growing consensus in a few areas:

**Transparency and Consistency** are important across all categories

**Equity (Market, Peer, and Internal)** has also been identified as an area for focus. The Classification Study will play a key role here, as our current classification system contributes to perceptions of inequity.

We need to improve **Performance/Recognition and Accountability**, both in recognizing achievements/successes and in addressing low performance effectively.

As we build consensus around the overall framework, individual employee groups will start drafting details, as there will no doubt be some variation in how the over-arching principles are applied in specific employee group plans.

We encourage you to attend employee group meetings, visit the Compensation Review website, and talk with your Work Group representatives. And please feel free to contact us as well.

Thank you for your participation in the process.

Project Facilitators
   Aaron Beach  abeach@nmc.edu
   Linda Racine  lracine@nmc.edu