

Show Cause Visit
Peer-Evaluation Report



North Idaho College

Coeur d'Alene, Idaho

April 26-27, 2023

NWCCU Liaison to the Peer Evaluation Team:

Ron Larsen, PhD

Senior Vice President

A confidential report of findings prepared for the
Northwest Commission on Colleges and Universities

Contents

- I. Introduction** 3
- II. Assessment of Self-Evaluation and Support Materials** 3
- III. Visit Summary** 4
- IV. Governance** 5
 - a. Eligibility Requirement 2 5
 - b. Eligibility Requirement 7 6
 - c. Eligibility Requirement 9 6
 - d. Eligibility Requirement 22 8
 - e. Standard 1.B.4 8
 - f. Standard 2 Preamble 9
 - g. Standard 2.A.1 10
 - h. Standard 2.A.4 11
- V. Institutional Integrity and Ethics** 12
 - a. Eligibility Requirement 8 12
 - b. Eligibility Requirement 18 14
 - c. Standard 2.B.1 14
 - d. Standard 2.D.1 15
 - e. Standard 2.D.2 15
 - f. Standard 2.D.3 16
- VI. Leadership** 17
 - a. Eligibility Requirement 10 17
 - b. Eligibility Requirement 11 18
 - c. Standard 2.A.2 18
 - d. Standard 2.A.3 19
- VII. Finance** 19
 - a. Eligibility Requirement 19 19
 - b. Eligibility Requirement 20 21
 - c. Standard 2.E.2 21
 - d. Standard 2.E.3 22
- VIII. Human Resources** 23
 - a. Standard 2.F.1 23
 - b. Standard 2.F.3 24
 - c. Standard 2.F.4 24
- IX. Summary** 25

I. Introduction

A five-person peer evaluation team conducted a visit to North Idaho College from April 26-27, 2023, in response to the NWCCU's letter of February 9, 2023. The evaluation team's review focused on the Commission's letter and sanction of "Show Cause," and addressed specified Eligibility Requirements and sections of Standard One and Standard Two. Special attention was paid to the institution's response of March 30, 2023, covering most of the cited Eligibility Requirements and Standards. For review, the team bucketed the institution's response as follows: Governance (covering Eligibility Requirements 2, 7, 9, and 22; Standard 1.B.4; the Preamble to Standard 2; and Standards 2.A.1 and 2.A.4), Institutional Integrity and Ethics (covering Eligibility Requirements 8 and 18 and Standards 2.B.1, 2.D.1, 2.D.2, and 2.D.3), Leadership (covering Eligibility Requirements 10 and 11 and Standards 2.A.2 and 2.A.3), Finance (covering Eligibility Requirements 19 and 20 and Standards 2.E.2 and 2.E.3), and Human Resources (covering Standards 2.F.1, 2.F.3, and 2.F.4).

II. Assessment of Self-Evaluation and Support Materials

North Idaho College's Response to NWCCU's Show Cause letter was written by a team of five administrators, with feedback and editing provided by ten additional staff. The evaluation team was cognizant of the challenges inherent in providing a report when no pre-existing template exists. With that in mind, the approach taken by the institution was to address each of the eight institutional risks identified in the NWCCU Show Cause letter, provide background regarding events, actions, and decisions that created the risk, and to present evidence of progress, which was tied to specific Eligibility Requirements and Accreditation Standards identified as non-compliant. Consequently, the team found the report somewhat challenging given that it was focused on risks, rather than Eligibility Requirements and Standards. In addition, the report did not identify responses to ER 7 or Standards 2.B.1, 2.F.1, and 2.F.4 in the original document. When this was brought to the attention of the institution to provide an opportunity to respond, the institution added those omissions to existing discussion within the original report. Links to supporting documents were provided within the report and were appropriate to provide background and context to the associated narrative. The evaluation team was very appreciative of the ALO's responsiveness to all additional document requests.

Of concern to the evaluation team, however, was the college leadership's lack of engagement with the Board in the production of their report. The evaluation team queried Board members as to their knowledge of the report, their opportunity to provide input and feedback, and ultimately their agreement with the report's content and conclusions. Some Board members reported concern that they were not given sufficient time to adequately read and review the document, receiving it with approximately 48 hours turn-around time. Two Board members provided written feedback, which in one case resulted in minor adjustments to the report, while another's was summarily dismissed. In meetings with the President, the team was concerned that the President did not seem to know how to effectively engage Board members in a way that would provide constructive input. The lack of trust and productive working relations between the President and the Board influenced the development and implementation of a process that did not engage Board members in a meaningful way, even though the report focused on them. This lack of coordination between the President and

Board on something as important as the institutional response to a Show Cause determination highlights the governance challenges facing North Idaho College.

III. Visit Summary

Prior to its April 26-27 visit, the peer evaluation team conducted three pre-visit meetings on March 21, April 6, and April 14 via Zoom. The team participated in one final pre-visit meeting on the evening prior to the on-campus visit. NWCCU staff member Ron Larsen and NWCCU Legal Counsel Randy Aliment attended these meetings as well. The meetings were organizational, but also involved detailed discussions on background materials provided by NWCCU and the Show Cause Response Report and supporting documents provided by North Idaho College and real-time developments (e.g., Board meeting live-streamed videos, legal filings in active cases).

During its two days on the North Idaho College Campus, the team met with the following individuals and groups:

- President Swayne (two meetings);
- The President's Cabinet (without the President);
- The Interim Provost;
- The Vice President of Finance and Business;
- NIC Faculty (Open meeting with all faculty invited);
- The Chief Human Resources Officer and the Assistant Director of Human Resources;
- NIC Staff (Open meeting with all staff invited);
- The team responsible for writing the Response Report;
- The Chief Communications/Government Relations Officer;
- The College Senate;
- The Accreditation Liaison Officer
- The Executive Director of the Idaho State Board of Education (via Zoom);
- NIC Students (Open meeting with all students invited);
- Board Chair Greg McKenzie (individually);
- Board member Tarie Zimmerman (individually);
- Board member Brad Corkill (individually);
- Board members Todd Banducci and Mike Waggoner (together).

The evaluation team's perception was that all meetings were productive and informative, with attendees answering the team's questions with candor and openness. It was abundantly clear that all meeting participants were proud of NIC, expressing a very palpable sense of community, and with hopes for an outcome that would serve the best interests of the institution.

IV. Governance

a. Eligibility Requirement 2

OPERATIONAL FOCUS AND INDEPENDENCE: The institution's programs and services are predominantly concerned with higher education. The institution has sufficient organizational and operational independence to be held accountable and responsible for meeting and sustaining NWCCU's Standards for Accreditation and Eligibility Requirements.

In its Response to the NWCCU Show Cause Letter, NIC cites its engagement with the Association of Community College Trustees (ACCT) to provide training to the Board and the NIC President on effective and appropriate governance that would, as one of its objectives, support the necessary organizational and operational independence, accountability, and responsibility that would enable the institution to meet and sustain compliance with NWCCU Standards for Accreditation and Eligibility Requirements.

The Board of Trustees and NIC's President attended a 7-hour retreat approximately a week prior to the evaluation team's site visit (although one Board member left very early during the session), and also attended a 3-hour training session during the evaluation team's visit. The trainings were facilitated by ACCT. The evaluation team was able to review the ACCT training materials, which included instruction on such topics as:

- Good governance and the roles and responsibilities which are the purview of the Board versus those that are the purview of the President;
- Good governance through effective communication between the Board and the President;
- NWCCU Eligibility Requirements and Standards, the accreditation process, and requirements for demonstrating compliance; and,
- Governance versus Operations.

Future training sessions will address Board Goals, Policies, Effective Board Meetings, Use of Committees, President's Goals, Board Ethics and Conduct, and Strategic Planning.

When completed and assuming that the Board members and the President attend, learn from, and implement the ACCT training, the evaluation team believes that the foundation for meaningful improvement and ultimately, compliance with ER 2 could be realized. Moreover, the evaluation team observed the initial steps toward progress evidenced in the Board's behavior, votes on agenda action items, and communication during its April 26, 2023 Board meeting as compared to prior Board meetings. The evaluation team watched the meeting on-line together at the team hotel that evening and recognized the notable positive effect that the ACCT training had. The same sentiment was noted in evaluation team meetings with NIC constituencies the following day, with constituents expressing both appreciation and optimism that progress was being made.

The team recognizes that progress demonstrated in one Board meeting is not long-term, sustained evidence of effective governance. The team feels that with continued adherence to the ACCT training and ongoing demonstration of progress, NIC has a positive plan and a pathway forward.

b. Eligibility Requirement 7

NON-DISCRIMINATION: The institution is governed and administered with respect for the individual in a nondiscriminatory manner while responding to the educational needs and legitimate claims of the constituencies it serves as determined by its mission.

NIC's Response Report to NWCCU's Show Cause Letter did not explicitly address the institution's assessment of its compliance with ER7. However, the evaluation team developed questions sets for faculty, staff, and students designed to assess the institution's compliance with this Eligibility Requirement. Dialogues between the evaluation team and these NIC constituent groups can be summarized as follows:

- Students, faculty, and staff report that for the most part, they are able to work and learn in an environment in which they feel respected and communicated that when concerns of potential discrimination were reported, they were satisfactorily resolved.
- However, these constituencies also reported that at times when their concerns were brought forward through public comment opportunities at Board of Trustee meetings, they often felt that Board members were dismissive.
- Additionally, students, faculty, and staff have passed several resolutions of "No Confidence" in the Board of Trustees (13 within a span of two years). These resolutions were read to the Board at their scheduled meetings and communicated legitimate concerns directly to Board members. Each of the constituent groups expressed frustration regarding the Board's apparent dismissiveness of their concerns. However, at its April 26, 2023 meeting, Board Chair Greg McKenzie read a statement which included a verbal acknowledgement of the votes of "No Confidence" and expressed the Board's commitment to working toward a resolution. When the team met with students the following day, they expressed appreciation for the acknowledgement and their hopefulness that the statement represented a positive first step forward.

c. Eligibility Requirement 9

GOVERNING BOARD: The institution has a functioning governing board(s) responsible for the quality and integrity of the institution and for each college/unit within a multiple-unit district or system, to ensure that the institution's mission is being achieved. The governing board(s) has at least five voting members, a majority of whom have no contractual or employment relationship or personal financial interest with the institution. Institutions that are part of a complex system with multiple boards, a centralized board, or related entities, shall have, with respect to such boards, clearly defined authority, roles, and responsibilities for all entities in a written contract(s). In addition, authority and responsibility between the system and the institution is clearly delineated,

in a written contract, described on its website and in its public documents, and provides NWCCU accredited institutions with sufficient autonomy to fulfill its mission.

As acknowledged in its Response to NWCCU's Show Cause letter, NIC's governing board's actions over the past two years have created risks to institutional quality and integrity. These risks include (Note: risks listed below are not the complete list of risks identified in NWCCU's Show Cause letter—other risks will be addressed under this report's discussion of other Eligibility Requirements and Accreditation Standards):

- Multiple lawsuits resulting from Board actions including violations of open meeting laws, dismissing the Chief Executive Officer (CEO) and/or placing the CEO on administrative leave without cause;
- Having five different CEOs or Acting/Interim CEOs in the span of fifteen months;
- Having two CEOs under contract to the institution simultaneously, one of whom was placed on administrative leave after a court-ordered reinstatement of the other;
- Engaging legal counsel in a manner that was interpreted as having violated NIC policy regarding awarding professional service contracts;
- Multiple votes of "No Confidence" in the Board by the Faculty Assembly, Staff Assembly, Associated Students of North Idaho College, and the College Senate (analysis and discussion presented under Eligibility Requirement 7).

In response to NIC President Swayne's lawsuit filed after he was placed on administrative leave in December 2022, a preliminary injunction issued in Kootenai County District Court ordered his immediate reinstatement. The NIC Board complied with the injunction, reinstating Swayne as President at its March 6, 2023 meeting and placing Interim President Dr. Greg South on administrative leave. Consequently, NIC's Response Report identifies Dr. Swayne as the President of NIC. However, in a special meeting of the Board held on April 24, 2023, the Board's counsel called into question the validity of Dr. Swayne's contract citing a violation of open meeting laws during the June 2022 meeting at which the Board voted to hire Swayne. This led to the Board voting to nullify Dr. Swayne's contract (3 for; 2 against). The site evaluation team followed up on this development during various meetings held with the President, the President's Cabinet, Faculty, Staff, Students, and Board members during its visit. To a person, there were verbal assurances that Dr. Swayne is currently NIC's CEO. Dr. South remains under contract to NIC as Interim President, albeit currently on administrative leave.

With respect to contracted legal services, NIC's Response Report notes as progress toward satisfying ER 9, that an RFQ had been issued for legal services. Although the RFQ was unsuccessful, President Swayne and his CFO identified potential legal firms with the requisite expertise and made a recommendation to the Board at its April 26, 2023 meeting. The Board voted to accept the President's recommendation and will develop a plan for a smooth transition to new counsel in the coming weeks with the expected introduction of new counsel at its June meeting.

Additionally, NIC's Response Report addresses progress by citing the Board's ACCT training to address governance issues that create risk to institutional integrity and quality. The evaluation team's assessment of the ACCT training is presented in the narrative associated with ER 2.

d. Eligibility Requirement 22

RELATIONSHIP WITH NWCCU: The institution understands and accepts the Standards and policies of NWCCU and agrees to comply with these Standards and policies. Further, the institution agrees that may, at its sole discretion, make known the nature of any action, positive or negative, regarding the institution's status with NWCCU to any agency or member of the public requesting such information.

At its February 22, 2023 meeting, NIC's Board of Trustees unanimously adopted a "Statement on Accreditation". This statement reads as follows:

"As a board, we are working on our board governance development and realize the severity of the Show Cause Sanction. We will strive to provide evidence for our report and response to the NWCCU's request. We will also be focusing on updating our board governance policies to bring them up to date and in alignment with governance best practices. We will ensure adherence to these policies with the goal to become an effective governance board and increase NWCCU's confidence that we will meet eligibility requirements and standards. The board understands retaining accreditation is vital to the North Idaho College."

This statement and its unanimous adoption indicate that the Board understands and accepts the Standards and policies of NWCCU and agrees to comply with them. In its meetings with individual Board members, the site evaluation team confirmed that Board members have gained a better understanding of the accreditation process and consequences of non-compliance with eligibility requirements, standards, and policies. This was supported in the team's review of ACCT Board training materials. However, it will be important to continue to monitor Board actions over time to ensure that the commitment expressed in the "Statement on Accreditation" is actualized.

e. Standard 1.B.4

The institution monitors its internal and external environments to identify current and emerging patterns, trends, and expectations. Through its governance system it considers such findings to assess its strategic position, define its future direction, and review and revise, as necessary, its mission, planning, intended outcomes of its programs and services, and indicators of achievement of its goals.

In its response to the NWCCU "Show Cause" letter, NIC supports its compliance to Standard 1.B.4 citing its recognition of, and actions taken to mitigate declining enrollments (monitoring internal environment), as well as the administration's efforts to address concerns of key community partners (monitoring external environment).

Based on meetings with the President, the President's Cabinet, and NIC Faculty, it is clear that President Swayne has identified declining enrollments as a key strategic threat and has begun taking specific action steps designed to enhance student numbers over time. Related to the initiative to increase enrollments are the efforts being undertaken to restore the confidence of key

community partners who serve as pipelines for students to NIC. For example, the NIC response report indicates that NIC has been “aggressively reaching out to high schools, dual credit, and business community partners to address and reduce the level of concern.” These efforts have included meetings with regional high school principals, with the STEM Charter Academy Principal and the Secondary Program Director, plans for holding townhalls with dual credit students and parents, and hosting “Counselor Days” on campus for high school counselors.

Not all members of the Board of Trustees consider addressing the enrollment decline as a strategic initiative that NIC should pursue. Given this disconnect, it was unclear that NIC’s governance system effectively considers findings from internal and external environmental scans to assess its strategic position and to define its future direction.

During meetings with staff and faculty, a consistent theme emerged regarding their sense that issues raised in the multiple votes of “No Confidence” in the Board of Trustees had been disregarded. Given the significant number of “No Confidence” votes (13 in a span of just over two years), the gravity of such votes, and that the concerns outlined in these votes are an indicator of the internal environment, the Board’s unresponsiveness substantiated concerns that a systematic way of monitoring and identifying strategic priorities to address potential strategic threats is lacking. That being said, at the April 26, 2023 meeting of the Board, Board Chair McKenzie did read a statement acknowledging the “No Confidence” votes with a verbal commitment to address the concerns therein. The following day, the evaluation team met with students, who indicated that they felt the simple acknowledgement of the “No Confidence” votes was a very positive step forward and they expressed appreciation for this gesture. It remains to be seen if the Board will follow through on this commitment.

f. Standard 2 Preamble

The institution articulates its commitment to a structure of governance that is inclusive in its planning and decision-making. Through its planning, operational activities, and allocation of resources, the institution demonstrates a commitment to student learning and achievement in an environment respectful of meaningful discourse.

North Idaho College’s governance system includes representation of staff, faculty, and student constituencies through the Staff Assembly, Faculty Assembly, and the Associated Students of North Idaho College (ASNIC). These groups provide representation to the College Senate. Each of these groups report out at regularly scheduled Board meetings to provide input and feedback on institutional planning and decision-making. Additionally, these groups were the source of the votes of “No Confidence” in the Board that were discussed in prior sections of this report.

While the structure exists for inclusive institutional planning and decision-making, recent Board actions have circumvented this. Examples of this include: the Board’s decisions to name Drs. Sebaaly and South as Interim Presidents (in November 2021 and December 2022, respectively) without input; passing Resolution 2022-04 to suspend Filling of New and Vacant Positions, which would have enabled the Board to hire administrative positions below the President; and hiring college counsel in a manner that violated Board policy regarding awarding of continuous service

contracts (although the Board had suspended that policy, the action to suspend the policy was later determined to be in violation of Idaho's Open Public Meeting Law).

As evidence of progress, NIC's Response Report notes the Board's reinstatement of Dr. Swayne, their rescinding of Resolution 2022-04, the RFQ for legal services, and the ACCT training sessions. As discussed in previous sections, while these do represent positive initial steps, it remains to be seen whether effective change can be sustained.

Finally, the Standard 2 Preamble notes that the institution should demonstrate a commitment to an "environment respectful of meaningful discourse". In preparation for its visit, the evaluation team viewed several publicly available videos of Board meetings held over the past several months and years. In general, the environment exhibited during those Board meetings (with multiple different iterations/constitutions of Board membership) could not have been described as respectful; and the lack of civility, decorum, and professionalism shown by all parties—all Board members, college counsel, the President, and attendees included—prevented meaningful discourse. Should future Board meetings continue in this manner, the ability of the institution to function effectively would be in question. However, it is important to note that a noticeable and profound change in conduct during Board meetings was observed during the April 26 meeting. The evaluation team believed that this may have been the direct result of Board members and the President adjusting their behaviors as a result of the ACCT training they had received. If the manner in which the April 26 meeting was conducted were sustained in future meetings, it would help to establish that an "environment respectful of meaningful discourse" is embraced and actualized at NIC.

g. Standard 2.A.1

The institution demonstrates an effective governance structure, with a board(s) or other governing body(ies) composed predominantly of members with no contractual, employment relationship, or personal financial interest with the institution. Such members shall also possess clearly defined authority, roles, and responsibilities. Institutions that are part of a complex system with multiple boards, a centralized board, or related entities shall have, with respect to such boards, written and clearly defined contractual authority, roles, and responsibilities for all entities. In addition, authority and responsibility between the system and the institution is clearly delineated in a written contract, described on its website and in its public documents, and provides the NWCCU accredited institution with sufficient autonomy to fulfill its mission.

While NIC meets most of the elements within this standard, a concern exists with respect to its current governance structure being "effective." As noted in earlier subsections under section "IV. Governance," actions and behaviors exhibited by the Board, college counsel, and the President over recent months have limited the effectiveness of the institution, particularly in the areas of institutional planning and decision-making.

Also limiting the effectiveness of NIC's governance structure is the lack of policies and procedures regarding how Board meetings are conducted and how policies are developed. This lack has led to Board meetings in which (Note: examples are representative, not all-inclusive):

- Last-minute agenda items for Board action that in some cases could be considered violations of Idaho’s Open Public Meeting Laws. For example: the decision to hire new legal counsel at its December 5, 2022 meeting; and the decision to hire an Interim President at its December 21, 2022 meeting.
- Inclusion of agenda items for action in which key information was withheld from the Board packet, such as the hiring of Interim President South without providing his curriculum vitae, and the President’s recommendation on April 26, 2023 for new legal counsel that did not provide Board members with information regarding the rubric used to evaluate potential legal firms or any information regarding expected fee structures.
- Resolutions on college policies are passed seemingly without analysis of the potential impact of such changes; For example: Resolution 2022-04 suspended college policies on Creation, Revision, or Elimination of College Policy and Procedure and Presidential Authority and Responsibility.

Although the governance system has clearly defined authority, roles, and responsibilities in place, policies and accompanying procedures that exist should be reviewed and strengthened, or created to ensure that expectations regarding authority, roles, and responsibilities are clearly understood and followed. It is encouraging that two Board members have agreed to form an ad hoc committee to accomplish that task. Moreover, continued ACCT training and support from ACCT consultants should effectuate improvement.

Finally, the evaluation team confirmed in meetings with Board members that none had participated in board orientation nor in any ongoing board development programs as required per NIC Board Policy 2.01.11 (exclusive of the ACCT training currently underway). This policy states that it is the President’s responsibility to adopt procedures to administer the policy. Creating a strong new board member on-boarding program as well as ongoing development as it relates to board governance, roles and responsibilities, effective participation, and ethics would clearly benefit the current Board as well as any future Board members. However, when asked, the President indicated that he did not have a plan for administering this policy and the evaluation team was unclear as to whether the President understood that this was his responsibility as per policy. The evaluation team believes that if this policy were actuated with planning for orientation and development in place and carried through, the effectiveness of NIC’s current governance structure should improve.

h. Standard 2.A.4

The institution’s decision-making structures and processes, which are documented and publicly available, must include provisions for the consideration of the views of faculty, staff, administrators, and students on matters in which each has a direct and reasonable interest.

As noted in section IV.f., “Standard 2 Preamble”, NIC’s decision-making structures and processes include provisions for the consideration of the views of faculty, staff, administrators, and students on matters in which each has a direct and reasonable interest. However, past action by the Board has circumvented these structures and processes. As noted in that section, the Board and

President's ACCT training along with the significant improvement seen in Board action during its April 26 meeting are encouraging, but need to continue.

V. Institutional Integrity and Ethics

a. Eligibility Requirement 8

INSTITUTIONAL INTEGRITY: The institution establishes and adheres to ethical standards in all of its academic programs, operations, and relationships.

There is no perceived issue with the college's ethical standards regarding academic programs. The perceived issues rest in operations and relationships. On May 26, 1999, the College established "Professional Ethics" policy 3.05.01. This policy impacts faculty and is tangentially relevant to the current situation. The board's ethics policies are contained in Article III of the "Responsibilities and Duties" policy 2.01.02. Established in 2002 and revised on October 28, 2009, Article III reads in total:

In support of effective community college governance, the board of trustees believes:

1. That it derives its authority from and is accountable to, the community and that it must always act as an advocate on behalf of the entire community, honestly debate issues that affect it, and speaks with one voice once a decision or policy is made.
2. That it must clearly define and articulate its role.
3. That it is responsible for creating and maintaining a spirit of true cooperation and a mutually supportive relationship with its CEO.
4. That it provide [sic] overall direction to the college by setting policy while allowing the President the authority to provide daily administration of said policies.
5. That its trustee members should engage in a regular and ongoing process of in-service training and continuous improvement, and regular evaluation.
6. That its trustee members come to each meeting prepared and ready to debate issues fully and openly, vote their conscience and support the decision or policy made; [sic]
7. That its behavior, and that of its members, exemplifies the principles of ethical trusteeship.

On August 24, 2020, the Board established its "Board Member General Conduct" policy 2.01.10. It was rescinded on December 16, 2020—less than four months later. It was revised and reinstated on May 26, 2021 and revised again on August 22, 2022. Though this policy has been debated and may be revised by the board's current quest to review and revise all of its policies (according to the April 26, 2023 board meeting), it remains in effect and was used during the board meeting of April 24, 2023 to discuss the potential censure of a current board member. However, Board members have repeatedly violated both policy 2.01.02 and 2.01.10.

Specifically:

- Board members have not created or maintained a spirit of cooperation or harmony among fellow trustees. Repeatedly in public board meetings, trustees have criticized current and former trustees and showed a general lack of respect for one another. The disunity of the Board is also evidenced by the lack of any Board motion to pursue

litigation opposing the reinstatement of President Swayne or a willingness by Board members to meet to discuss the litigation, resulting in a cancelled meeting on March 30, 2023. Meanwhile the lawsuit is proceeding.

- The Board has not created or maintained a mutually supportive relationship with its CEO as evidenced by the decision to place President Swayne on administrative leave on Dec. 5 and 21, 2022 and by the vote to nullify his contract on April 24, 2023.
- The Board has not spoken with one voice once a decision or policy is made, nor respected majority decisions of the Board as evidenced by action taken on April 24, 2023 to nullify actions taken by the Board with a different majority in June 2022.
- The Board has not confined its role to setting policy while allowing the President the authority to provide daily administration of said policies. In August 2021, the Board intervened in daily administrative duties by rescinding the college's mask policy and then on December 5 rescinded Policy 2.02.01 Presidential Authority and Responsibility as well as Policy 3.02.03 Filling of New and Vacant Positions, which resulted in the college not filling the Provost position. The Board later "cured" the suspension of the policies and did not renew the suspension.
- The Board has not engaged in a regular and ongoing process of in-service training. Prior to the current effort to participate in intensive training with ACCT over eight or nine months, board training has been limited.

The evaluation team sees an administration and board who need to work together and who are currently committed to making it work through the help and guidance of the ACCT. Ongoing training is key, but so is policy creation and implementation, which is in its infancy. Board training materials of April 25, 2023, notes that the CEO (President) must do the following:

- Respect the Board and its role
- Listen
- Engage the board in policy level discussions
- Make recommendations that include analysis and options
- Publicly support the board
- Adhere to board policy
- Facilitate trustee involvement in community and college
- Do not ask to make decisions without advance preparation
- Provide all board members with same information
- Treat all equally
- Respect time
- Stay out of board politics
- Keep Board informed of financial condition of college
- Manage/administer all aspects of the operations of the college within policy framework

An example poor governance was noted with the quest to obtain new legal counsel in the meeting of April 26, 2023 (material information on the counsel's costs nor context for how the firm or lead attorney were selected were not included in the board packet). This issue was pointed out to the

President in a meeting the morning of April 27. He stated that he not know why he didn't include those materials for the board. Items like this cause continued question in adherence to this Eligibility Requirement, though the rest of the meeting showed progress in both operational and relational implementation of ethical standards.

b. Eligibility Requirement 18

PUBLIC INFORMATION: The institution publishes current and accurate information regarding: its mission; admission requirements and procedures; grading policy; information on academic programs and courses; names, titles, and academic credentials of administrators and faculty; rules and regulations for student conduct; rights and responsibilities of students; tuition, fees, and other program costs; refund policies and procedures; opportunities and requirements for financial aid; and the academic calendar.

The website is the domain of the Chief Communications and Government Relations Officer. When asked to post the "Macomber Report" before 4pm on April 25, 2023, she ensured that it was placed on the website for the public. She has ensured that the public has been well-informed of all accreditation-related communications via the public-facing website (see <https://nic.edu/keypoints> and <https://nic.edu/websites/default.aspx?dpt=46&pageId=13577>) in addition to maintaining all other information required in this Eligibility Requirement. The institution is successfully keeping its public informed and up to date on the status of the NWCCU Show Cause determination.

c. Standard 2.B.1

Within the context of its mission and values, the institution adheres to the principles of academic freedom and independence that protect its constituencies from inappropriate internal and external influences, pressures, and harassment.

Though this standard was not addressed within the document, the team discussed potential pressures or inappropriate influence in its meetings with the college senate, faculty, and students. There were comments about how some faculty feel as though they could be terminated from their jobs but that they would not change the way they teach. There were comments about how at least one trustee on the most recent campaign trail used scare tactics related to faculty indoctrination as a means to get elected, but "playing to the audience" (as this trustee stated to us) was effective in getting him elected. The currently constituted, elected trustees have not demonstrated additional forays or campaigns that would be construed as challenging the college's policy on academic freedom.

Of note is the NIC's Response to the Show Cause Letter. When asked about trustee involvement in the final document, we were told that two trustees made comments. Of those comments, some were incorporated into the final report—others were not. The fact that many of the Board members' comments were disregarded in the submission to NWCCU—and that each board member when asked about his or her inclusion in the creation of the report did not challenge the final submission as "inaccurate"—is evidence that academic freedom and independence were granted by the board members at this pivotal juncture.

d. Standard 2.D.1

The institution represents itself clearly, accurately, and consistently through its announcements, statements, and publications. It communicates its academic intentions, programs, and services to students and to the public and demonstrates that its academic programs can be completed in a timely fashion. It regularly reviews its publications to ensure accuracy and integrity in all representations about its mission, programs, and services.

The college's response to Risk 4 in their Show Cause Report discusses the ways in which they have reached out to stakeholders to rebuild relationships and alleviate their concerns. The team is concerned by the number of potential inaccuracies in the final report (as noted in one of the Board member's written feedback regarding the report), but we take note that all final documents to and from the commission have been regularly posted for public consumption.

The balance of the college's website does demonstrate an institution which uses its website to clearly, accurately, and consistently represent itself to the public in a timely fashion.

e. Standard 2.D.2

The institution advocates, subscribes to, and exemplifies high ethical standards in its management and operations, including in its dealings with the public, NWCCU, and external organizations, including the fair and equitable treatment of students, faculty, administrators, staff, and other stakeholders and constituencies. The institution ensures that complaints and grievances are addressed in a fair, equitable, and timely manner.

In its response to the Show Cause Report, NIC states:

Other statements and exhibits from the complaint cite numerous examples of unethical, intimidating, and aggressive behavior by Trustee Banducci. The President formally requested in the Email from President MacLennan to Trustees January 18, 2021 that the board investigate these incidents, but to date the board has taken no official action. The College Senate, Faculty Assembly, and Staff Assembly have called on the board to address these grievances, reinstate the Board Member Conduct policy, participate in board member training, and follow best practices in trustee governance. On May 26, 2021, the board released a Board of Trustees Accreditation Inquiry Response, agreeing in part to reinstate the Board Member Conduct Policy 2.01.10 with amendments, (See 2.A.1), readdress the board leadership roles, and participate in training designed to assist members with serving their roles effectively.

At issue in the Show Cause Report (and top-of-mind in the interviews we had with faculty, staff, and College Senate) were the thirteen votes of "No Confidence" taken by the faculty, staff, senate, and the ASNIC between February 2, 2021 and February 16, 2023. The meetings with faculty, staff, and College Senate expressed their frustration because of no response, and the board chair's final statement of the April 26, 2023 meeting while appreciated by students, was nonetheless questioned regarding why the statement was so long in coming. They cautioned that the April 26, 2023 statement could be pandering to the visiting evaluation team and that sustained action is paramount. The team concurs. Nonetheless, the statement—which may be adopted at the next

board meeting—does address the multiple votes of no confidence and ends with the following paragraphs:

“The board desires to learn together to build bridges and move beyond the votes of no confidence.

Through this response, that is not meant to defend board actions, the board hopes to see NIC maintain an environment for students to excel and employees to thrive. The board recognizes all parties want NIC to succeed. The board desires to work with all constituent groups for the betterment of the students and our college.

Trustees McKenzie, Banducci, Waggoner, Zimmerman and Corkill intend to learn to speak with one voice, focus on resolving conflict and work together as a board to keep the interests of our students at the forefront of our efforts. The board looks forward to the continued success of North Idaho College.”

f. Standard 2.D.3

The institution adheres to clearly defined policies that prohibit conflicts of interest on the part of members of the governing board(s), administration, faculty, and staff.

Adhering to policies is a pivotal issue at North Idaho College. Many of the policies are old (some over 30 years), but the College Senate has a plan in place to systematically review and update all policies. Similarly, the board is committed to reviewing, revising, and updating its own policies with the help of ACCT personnel.

The team notes that Board Policy 2.01.10 claims that board members should “Declare any conflict of interest. A trustee will not participate in, vote on, or exert influence on, any decision in which the trustee has any interest.” One of the trustees claimed to have an in-law employed by the college, yet that trustee voted on the college’s first reading of the budget on April 26, 2023—without acknowledging the potential conflict, refraining from the vote, or seeking the board’s guidance.

Conflict of interest is also noted in Policy 3.02.05, 3.02.09, 3.02.12, 3.02.15, and 3.02.23.01. That college personnel adhere to these policies appears to be solid, although no evidence of implementing any procedures in relation to these policies were sought. Procedure 3.02.15 states the following:

“In cases where a conflict of interest or the potential for conflict of interest is believed to exist, the trustee, employee, or consultant (which are hereafter referred to as “public officers”) involved shall prepare a written statement describing the nature of the conflict of interest and deliver it to the College President. The President may obtain an advisory opinion from legal counsel. During the period when an advisory opinion is being sought, the public officer will take no official action, make no formal decision, and make no recommendation for action or decision making, and shall remove himself/herself from all discussions pertaining to matters in any way related to the potential conflict of interest.”

The team notes that this procedure is for trustees, employees, and consultants. It is one of many items that will hopefully be part of the policy review being undertaken by the two trustees. The team also notes that the College Senate—charged with policy oversight—is only reviewing “0.25 policies per meeting” at present and may be available to assist in the board’s policy review.

VI. Leadership

a. Eligibility Requirement 10

CHIEF EXECUTIVE OFFICER: The institution employs an appropriately qualified chief executive officer who is appointed by the governing board and whose full-time responsibility is to the institution. The chief executive officer may serve as an ex officio member of the governing board(s) but may not serve as chair.

As referenced earlier in this report and as noted in the NIC Response to the Show Cause letter, NIC employs a qualified Chief Executive Officer (CEO/President) who is appointed by the governing board. However, due to the fact that NIC has had five different, board appointed CEO’s (interim, acting, or permanent) in a span of less than two years, much confusion has arisen across the college community as to who is CEO at any given time. The following line-up of NIC’s Chief Executive Officers over the last two years is noted in the response to Show Cause Letter and was validated by the team during the NIC Campus visit:

- September 2021: President MacLennan (terminated on September 23, 2021)
- September 24, 2021: Dr. Lita Burns appointed as Acting President
- November 10, 2021: Dr. Sebaaly appointed as Interim President
- July 14, 2022: Dr. Nick Swayne appointed as permanent President
- December 8, 2022: Board placed Dr. Nick Swayne on Administrative Leave with pay
- December 21, 2022: Dr. Greg South appointed as Interim President
- March 6, 2023: Dr. Nick Swayne is re-instated by the board as “active President with full operational authority” following a court decision that granted Dr. Swayne’s preliminary injunction motion.
- March 6, 2023: Board places Dr. Greg South on paid administrative leave.
- April 24, 2023 (two days before the NWCCU peer evaluator site visit): The board votes to nullify Dr. Nick Swayne’s contract but to retain him at his current rate of pay as Acting President. The evaluation team asked Dr. Swayne on April 26 if he had received any information from the Board about his rights, responsibilities, procedures for evaluation, retention, or termination. Dr. Swayne responded that he was surprised by the Board’s action and had not received any information from the Board about his position since that action.

During the various meetings that the evaluation team had with campus stakeholders (faculty, staff, and students), the following question was posed: Who is serving as the NIC President today? In most cases, the response to that question was, “Dr. Nick Swayne.” However, some responses from faculty and staff included, “I don’t know, can Dr. Swayne be our official President since his contract was seemingly nullified during the board meeting on April 24, 2023?” Further, some faculty,

students, and staff indicated that while Dr. Swayne is their President, some thought that Dr. Greg South was also an interim President since he still had a valid contract (albeit on paid administrative leave) at the same time.

The evaluation team received feedback from various college stakeholders during the site visit that the constant changes in who is serving as NIC's CEO at any given point in time has caused uncertainty, frustration, and instability among the college community.

b. Eligibility Requirement 11

ADMINISTRATION: In addition to a chief executive officer, the institution employs a sufficient number of qualified administrators, with appropriate levels of authority, responsibility, and accountability, who are charged with planning, organizing, and managing the institution and assessing its achievements and effectiveness. Such administrators provide effective leadership and management for the institution's major support and operational functions and work collaboratively across institutional functions and units to foster fulfillment of the institution's mission. Executive officers may serve as an ex officio member of the governing board(s) but may not serve as chair.

NIC has employed a sufficient number of qualified administrators that, when fully staffed and permanently staffed, would better position NIC to be in full compliance with ER 11. Position descriptions note that these positions have appropriate levels of authority, responsibility, and accountability. It has been a demonstrated challenge for NIC to retain administrative professionals within all of their administrative positions, in part, due to the uncertainty of NIC's future accreditation status.

As noted in the NIC response letter to Show Cause, "Since January 2022, the college has worked to fill the following positions, President, Vice President of the Office of Finance and Business Affairs, Dean of Instruction—General Studies, and Dean of Enrollment Services." NIC followed their established and inclusive search process to fill most of these positions (with the exception of some of the acting/interim Presidents as outlined above). However, at the time of the peer evaluator site visit, there remained four Cabinet-level administrative positions that have been filled with "interim" placements. The following list of administrative positions have non-permanent appointments: Interim Provost, Interim Associate Dean of Instruction, Interim Dean of Students, and Interim Dean of Instruction for Workforce Education.

Further, NIC currently has approximately 50 vacant positions with 27 of them listed as "under recruitment," according to the NIC HR Position Vacancy Detail Report as of April 27, 2023. Some of these vacant positions that are administrative in nature are not under recruitment. NIC staff and faculty noted concerns that these vacancies are creating some gaps in daily operational leadership in some units at the college.

c. Standard 2.A.2

The institution has an effective system of leadership, staffed by qualified administrators, with appropriate levels of authority, responsibility, and accountability who are charged with planning, organizing, and managing the institution and assessing its achievements and effectiveness.

As noted in the above narrative associated with Eligibility Requirement 11, North Idaho College has established an effective system of institutional leadership. While the institution struggles to retain administrators in key leadership roles, they have successfully been able to fill many of the more senior-level administrative roles with interim placements until they can fill the positions with permanent people following their established search processes.

However, as noted earlier in this report related to some of the governance standards, deliberate work needs to be done to clearly delineate the leadership responsibilities of the governance board members as compared to the leadership responsibilities that must be maintained at the college-level for college, day-to-day operational oversight, responsibility, and accountability.

For example, the evaluation team noted that during a recent Board meeting, the Chair of the Board attempted to obtain college operational control over having the final authority on all college hiring decisions. Decisions for who is hired into college positions should reside within the leadership of the college and ultimately with the NIC President. While this proposed policy change made by the Chair of the Board did not pass, the evaluation team made note that the Board may still not fully be differentiating their role as the governing body from the institution's leadership role of President. The team feels that the recent ACCT training that is underway may help in this regard, but only time will tell.

d. Standard 2.A.3

The institution employs an appropriately qualified chief executive officer with full-time responsibility to the institution. The chief executive may serve as an ex officio member of the governing board(s) but may not serve as its chair.

As described above under Eligibility Requirement 10 and below regarding Standard 2.F.2, NIC is currently employing two CEOs with one on contract, but under paid administrative leave (Dr. Greg South) and the other (Dr. Nick Swayne) with a recently nullified contract but continuing to serve in paid status as NIC's Acting/Active President. The Board and the college community (by-in-large) believe Dr. Swayne is indeed the current CEO of NIC with full-time responsibility to the institution. During the site visit, the team validated that Dr. Swayne is the current CEO charged with day-to-day operational oversight of the college, presumptively without a current contract.

The evaluation team wishes to emphasize, however, that due to NIC having five different people serving as (acting, interim, and/or permanent) President over the last two years, the college community has expressed uncertainty at times as to who is actually serving as the CEO. Further, during the staff, faculty, and student forums with the evaluation team, it was noted multiple times that the constant change in presidential leadership over the last several months has created instability for the college.

VII. Finance

a. Eligibility Requirement 19

FINANCIAL RESOURCES AND PLANNING: The institution demonstrates financial stability, with cash flow and reserves necessary to support and sustain its mission, programs, and services. Financial planning ensures appropriate available funds, realistic development of financial resources, and

appropriate risk management to ensure short-term financial health and long-term financial sustainability.

In advance of the onsite visit the evaluation team reviewed financial reports including, but not limited to the March 30, 2023, Response to February 9, 2023, Show Cause Letter document, Audited Financial Statements for period ending June 30, 2022, and requested budget to actual financial information. The evaluation team notes the college has adequate financial reserves, adequate cash flows and reserves to support the mission, programs, and services.

During the course of interviews, individuals noted that the college has a strong financial position, and financial stability is not at issue for its continued accreditation. However, over the past 10 years, the college has realized a decline in enrollment of 48%. Sources of operating funding are comprised primarily of state appropriations, local tax levy, and tuition and fees. In the current fiscal year (FY 2023) these represent approximately a 40%, 34%, and 20% allocation (per the FY 24 Budget Reading during the board meeting of April 26, 2023) resulting in a decline in tuition and fee revenue. The college estimates that a \$1M shortfall will be realized in FY 2024 (as noted on page 32 of the Response to Show Cause report).

The frequent transition of leadership, governance challenges, and multiple lawsuits levied against the college have directly resulted in increased costs. Increased expenditures include:

- **Additional president contract:** There is incremental cost for a second presidential contract on payroll. The acting president was placed on administrative leave March 6, 2023, but the college is financially responsible for the cost of his contract which includes salary, associated fringe benefits, presidential benefits, and other contract provisions. An annual salary of \$235,000 with the college's estimated fringe benefit rate of 23% (conservative estimate) and \$3,000 per month housing allowance costs an estimated \$346,905 from March 2023 through June 30, 2024. This estimate excludes payment of a \$35,000 signing bonus authorized for payment on January 31, 2023 and a \$27,000 moving allowance.
- **Litigation:** The college has included an additional \$165,000 for legal services in the FY 2024 operating budget, to be funded from institutional reserves. Total legal expenditures as a result of ongoing litigation are being absorbed in the FY 2023 budget through "salary salvage" (savings from open, budgeted headcount) and other budget reallocations.
- **As per NIC's response to the NWCCU Show Cause letter,** when the board removed President MacLennan in September 2021, this was contrary to advice from the college's previous risk management insurance provider, Idaho Counties Risk Management Program (ICRMP). The College paid \$321,000 annually for comprehensive coverage for liability and property. ICRMP issued a communication on June 14, 2022, of non-renewal of the College's policy citing "adverse claim development and increasing risk exposure" as the purpose for non-renewal. The FY 2024 Operating Budget includes an increase of \$500,000 from reserves to cover increased premium costs. College personnel note that current insurance provisions include a deductible of \$100,000 for each incident. As the college has multiple outstanding pending actions, this cost may be realized and/or compounded in the future.

On February 16, 2023, Moody's Investor Services issued a communication downgrading the college's credit profile to A3 negative. Moody's cited "prolonged governance dysfunction, including turnover at Board and administrative level." The evaluation noted the college's low debt level and adequacy of reserves, diversity of revenue streams, and solid operating performance despite enrollment fluctuations. Nonetheless, challenges as a result of material governance and management disruption, loss of insurer, possible loss of accreditation, enrollment declines and impact on tuition and fees resulted in Moody's decision.

The College has historically exhibited effective financial oversight and management that has yielded an adequate institutional reserve to address these current-term adverse activities and expenditures. Institutional leadership and Board members cited the strong financial position of the College and did not express concern over the current, immediate impact on finances as a result of the current litigation and activities that have impacted actual, current, and budgeted expenditures. The team notes that long-term sustainability is a concern particularly in the areas of institutional sustainability, college reputation, outstanding question of ongoing accreditation, and the potential impact on enrollment levels resulting in a further decline in tuition and fees. The board and the college's leadership have a responsibility and fiduciary obligation to serve as good stewards of public funds including state appropriations, student tuition and fees, and local revenue taxes. Increased expenditures incurred as a result of the actions call into question the efficacy and efficiency of expenditures.

b. Eligibility Requirement 20

FINANCIAL ACCOUNTABILITY: For each year of operation, the institution undergoes an annual, independent financial audit by professionally qualified personnel in accordance with generally accepted auditing standards or International Financial Reporting Standards reconciled to US-GAAP. The audit is to be completed no later than fifteen months after the end of the fiscal year. Results from the audit, including findings and management letter recommendations, are considered annually in an appropriate and comprehensive manner by the administration and the governing board.

The college has an annual, independent financial audit performed by a professional qualified firm. The team reviewed the audited financial statements for the period ending June 30, 2022 (most recent fiscal year). The audit is presented to the board for the board's acceptance. The audit for FY 2022 included a management discussion and analysis (MD&A). The MD&A noted the ongoing status of accreditation.

It was noted in discussion with the college leadership and representatives from the board that a meeting between the contracted independent auditor and college leadership occurred during Spring of 2023 to discuss the instability of the board and management of the college. The contract with the current independent auditor is up for renewal/renegotiation next year.

c. Standard 2.E.2

Financial planning includes meaningful opportunities for participation by stakeholders and ensures appropriate available funds, realistic development of financial resources, and comprehensive risk

management to ensure short term financial health and long-term financial stability and sustainability.

The college engages in financial planning including presentation of the operating budget to the board. Interviews with college administration noted that a review of the operating budget is normally provided to the employee constituent groups prior to presentation to the board for their “First Read.” The constituent group review was not completed for the FY 2024 operating budget due to time constraints (the team also notes that the finance staff is down four headcount positions). During the onsite visit, evaluation team members met with the VP of Finance & Administration, who indicated that the ability to meet with all board members in advance of the “first reading” was not accomplished. Additionally, some board members indicated that they were provided an opportunity to meet with finance staff in advance regarding the proposed budget; however, this practice was inconsistent among board members.

The FY 2024 budget includes a recommendation of a substantial salary increase for faculty and staff in an effort to increase employee retention and address increasing cost of living expenses. With declining enrollment and limited financial increases from state appropriations, the college proposed holding 21 positions vacant to fund the increased salary and associated fringe benefit costs. If positions remain vacant for two years, those positions are eliminated from the college. The budget proposal to the board includes a request to transfer approximately \$1M from institutional reserves to address increased expenditures realized in legal services, insurance premiums, and cybersecurity initiatives (as a result of a cybersecurity concern from October of 2022).

The college has adequate, sufficient financial reserves to support current operations and support the institution; however, there is a sustained enrollment decline over the past ten-plus years that is projected to continue in the next fiscal year (FY 2024). NIC has estimated a current year (FY 2023) year as a revenue shortfall of \$500,000 in tuition and fees as a result of declining enrollment. AN additional decline of 5% enrollment has been projected for next fiscal year (FY 2024) which would be an additional \$500,000.

Enrollment declines, increased expenditures as a result of interactions between the board and leadership (litigation, multiple presidents on payroll, increased insurance premium, and leadership vacancies), and downgrade of Moody’s credit profile have impacted the college’s current and long-term sustainability. Resolving issues within the current environment including management instability, impact of a second president, insurance status, and addressing public confidence should be a priority for the institution in an effort to stabilize the college’s financial operations.

d. Standard 2.E.3

Financial resources are managed transparently in accordance with policies approved by the institution’s governing board(s), governance structure(s), and applicable state and federal laws.

Financial resources are managed on a day-to-day basis by the Vice President of Finance, the President, and the President’s Cabinet (a broad-based complement of leadership, and employee

stakeholder groups). Operating budgets, expenditures, and contracts (as appropriate) are presented to and considered by the board in accordance with College and Board policies (2.03.03, Articles IV and V, 3.02.16, and 3.02.24). The annual independent financial audit has been completed on time in accordance with the NWCCU eligibility requirements and is presented to the board. The college works with the Idaho Board of Education for legislative appropriation requests. The FY 2024 Operating Budget was presented to the Board at a regularly scheduled meeting of April 26, 2023.

Faculty and staff noted that opportunity to receive information regarding the FY 2024 Operating Budget had not been provided prior to the board meeting. Members of the board noted that some individuals had an opportunity to review the proposed budget and to ask questions prior to the April 26, 2023 meeting; however, this information was inconsistent across board members. During the April 26, 2023 meeting, the President had a discussion/action item for "General Legal Counsel." During the meeting, the President noted that due to a lack of firms submitted through the Request for Proposal process, in accordance with college policy the President and Vice President for Finance solicited qualified firms for these contract services. The board meeting's materials did not include information regarding the qualification and rates for the identified firm. Some board members indicated they had been contacted by the College regarding specifics, while others were not. The team urges consistent information to be shared with board members in accordance with ACCT's training module.

VIII. Human Resources

a. Standard 2.F.1

Faculty, staff, and administrators are apprised of their conditions of employment, work assignments, rights and responsibilities, and criteria and procedures for evaluation, retention, promotion, and termination.

The evaluation team focused on how this standard element relates to the position of the President. At the time of this writing, Dr. Dominic Swayne was acting as President of North Idaho College, but the Board of Trustees had voted on April 24 to nullify his contract but retain him at his current rate of pay as acting president. When asked on April 26 if he had received any information from the Board about his rights, responsibilities, procedures for evaluation, retention, or termination, Dr. Swayne responded that he had not received any information from the Board about his position since the Board's action. Meanwhile, Dr. Greg South was on administrative leave as interim president of the college and did have a contract.

Furthermore, there is a lack of agreement between President Swayne and the Board about what are the specific rights and responsibilities of the college president in contrast with those that rest with the Board. The President and Board members are participating in training with ACCT consultants over the next several months and one of the topics of discussion in the training is the role of the President versus the Board. Agreeing on the specific roles and codifying the presidential role in college policy is another step that will be essential to show progress in this regard.

b. Standard 2.F.3

Consistent with its mission, programs, and services, the institution employs faculty, staff, and administrators sufficient in role, number, and qualifications to achieve its organizational responsibilities, educational objectives, establish and oversee academic policies, and ensure the integrity and continuity of its academic programs.

NIC reports a total of 471 full-time positions. At the time of this writing, the college had 29 vacant positions that were in varying stages of the recruitment process. The college was also holding 21 positions unfilled as a budget balancing strategy for the 2024 fiscal year and another 23 positions were vacant with decisions pending about whether to fill the positions or not. The number of individuals leaving the college peaked at 102 in fiscal year 2022. The rate of employee departures in the current fiscal year will rival the number from last year. The HR department invites departing employees to take exit surveys. Results from those who responded indicate that high housing and costs of living, concerns about losing accreditation, and poor governance are primary reasons given for departing the college.

The large number of vacancies represent a significant percentage of the total number of full-time employees and threaten the ability of the college to achieve its responsibilities, educational objectives, and ensure the integrity and continuity of its academic programs. Employees expressed frustration about the increased workload resulting from losing multiple teammates. Some staff are also covering duties in multiple departments. The delivery of services to students is less timely, and staff are consumed with attending to daily business while not having adequate time to innovate or engage in continuous improvement. The evaluation team concluded that these situations in some departments are not sustainable. At the April 26, 2023 Board of Trustees meeting, the Board endorsed the first reading of the college budget for next fiscal year, which includes a substantive salary and wage increases for employees. The college hopes that the compensation increases will have a positive impact on employee retention.

c. Standard 2.F.4

Faculty, staff, and administrators are evaluated regularly and systematically in alignment with institutional mission and goals, educational objectives, and policies and procedures. Evaluations are based on written criteria that are published, easily accessible, and clearly communicated. Evaluations are applied equitably, fairly, and consistently in relation to responsibilities and duties. Personnel are assessed for effectiveness and are provided feedback and encouragement for improvement.

This standard element was not addressed in the college's response to the Show Cause sanction. The evaluation team focused on the evaluation process for the President. NIC policy 2.02.02 states that the Board should evaluate the President annually. However, NIC does not have a procedure for evaluating the President.

The employment contract for President Swayne states that the Board of Trustees "shall review the President's performance annually in accordance with NIC policies. The Board may also elect to have more frequent reviews..." At the Oct 24, 2022 BOT meeting, President Swayne requested,

and the Board of Trustees approved, to adopt an evaluation form and conduct quarterly presidential evaluations. Three members of the five-member Board participated in an evaluation of President Swayne that was facilitated by the Association of Community College Trustees (ACCT) and submitted to the college in November 2022. When asked if the NIC Human Resources (HR) Department had a copy of the evaluation, President Swayne stated that he was not sure if the HR Department had a copy or not. The HR Director stated that the HR Department historically has not been involved with the presidential evaluation nor held the relevant documents. Later in the visit, the college provided the evaluators with a copy of it.

Given the lack of a procedure for presidential evaluations and lack of records of presidential evaluations within the HR Department, the college could not demonstrate that Presidential evaluations are conducted regularly or systematically in alignment with the mission, goals, educational objectives, or policy. Nor could the college demonstrate that the evaluations are applied equitably, fairly, or consistently. Developing a procedure for implementing policy 2.02.02 and then consistently following it would demonstrate progress toward compliance to this standard.

IX. Summary

A five-person peer evaluation team conducted a visit to North Idaho College from April 26-27, 2023, in response to the NWCCU's letter of February 9, 2023. The evaluation team's review focused on the Commission's letter and sanction of "Show Cause," and the Eligibility Requirements and sections of Standard One and Standard Two cited therein. The team's approach was to divide the Eligibility Requirements and Accreditation Standards into five categories: Governance, Institutional Integrity and Ethics, Leadership, Finance, and Human Resources.

The evaluation team drew upon several resources in writing this report including (but not limited to), background information provided by NWCCU; background information contained in publicly available recordings of Board meetings; the Commission's February 9, 2023 letter and sanction of "Show Cause"; NIC's March 30, 2023 Response to the Show Cause Report and supporting documents; additional documents requested by the evaluation team; and comprehensive on-campus interviews with NIC Board members, administration, faculty, staff and students. This report represents the consensus assessment of the evaluation team.

The issues at NIC that have led to the Show Cause sanction span a period of approximately two years. Per the NIC Response Report and as confirmed by the team, the institution is actively taking steps to address the Show Cause sanction. While some initial improvement has been observed, the commitment to positive change must be consistent and sustained. Moreover, effective structures such as policies and procedures to support good governance, institutional integrity and ethics, leadership, finance, and human resources need to be reviewed, in some cases strengthened, and in other cases developed, followed, and enforced to advance the institution. Additionally, the institution must overcome its current environment of distrust, poor communication, conspiracy, and the debilitating undercurrent of placing other priorities above those that are in the best interest of the institution. The college President and Board of Trustees, individually and collectively, bear the great and vitally important responsibility of figuring out how to work together in a spirit of peace

and unity to govern the college effectively. The future of North Idaho College and its students hinges upon their willingness and ability to do so.