



# Special Report

Submitted to the Northwest Commission on  
Colleges and Universities, September 15, 2023

# NIC Special Report: Sanction of Show Cause

## Introduction

This report is North Idaho College's response to an action letter received from the Northwest Commission on Colleges and Universities dated [July 7, 2023](#).

NIC has been open and transparent throughout the entire period of accreditation sanctions by posting relevant, accurate, and timely accreditation information on NIC's [Accreditation Key Points Webpage](#) and [Accreditation Communications Webpage](#).

The college has used two writing approaches in responding to the set of recommendations from Spring 2022 and Spring 2023 listed in the July 7, 2023 action letter. Responses to the Spring 2022 recommendations consist of updates and additions to the March 30, 2023 report. Responses to the Spring 2023 recommendations are limited to events taking place after March 30, 2022, to remain forward focused with the goal of regaining good standing.

For any response involving a Standard Two citation, the college included all of the suggested items in the [Policies, Regulations, and Finances Review Team Template](#), and any additional information demonstrating improvement or compliance with a particular section of the respective standard.

The board and employees representing each of the college's constituent groups contributed to the writing of this report. The core writing group consisted of six leadership members and two trustees, both members of the Board Policy Review Committee ([See Recommendation 2, Spring 2022](#)). The entire Board of Trustees received a draft on September 1, 2023, with a request for input by September 11, 2023. There was no feedback provided prior to September 14, 2023. The core writing group incorporated trustee feedback as time allowed considering the report submission deadline. See [List of Contributors](#)

**Recommendation 1, Spring 2022:** *The College's Board of Trustees be constituted to include the minimum of five Trustees (Eligibility Requirement 9).*

The college has had a fully constituted board since April 27, 2022. The Idaho State Board of Education (ISBOE) appointed three eligible residents to the [North Idaho College Board of Trustees](#). The three appointed trustees served until the most recent election which occurred on November 8, 2022. See [Board Minutes, May 13, 2022](#), and [May 6, 2022, ISBOE Press Release](#)

On November 8, 2022, Brad Corkill, Mike Waggoner, and Tarie Zimmerman were elected to the board. The new trustees assumed their seats at the December 5, 2022, board meeting. The current membership of the Board of Trustees has remained the same since the election. See [Board Minutes, December 5, 2022](#), and [Link to Board Books](#)

**Recommendation 2, Spring 2022:** *The Board of Trustees reviews, affirms, and adheres to institutional and Board policies, particularly those pertaining to appropriate roles and responsibilities, expectations, professional conduct and ethics, and grievance procedures (Eligibility Requirement 9 and Standards 2.A.1, 2.D.2).*

The [North Idaho College Board of Trustees](#) derives its authority from Chapter 21, [Sections 33-2101 through 33-2144](#) of Idaho Code. Board members, elected by the public for staggered four-year terms, have no contractual, employment, or personal financial obligations to the college. The board has codified its roles and responsibilities in [Section 2.00A – Internal Governance](#) of the [NIC Board Policy Manual](#).

The board and administration have taken swift action to move into compliance with NWCCU Eligibility Requirements and Standards with the identification of gaps and required revisions to board policy based upon the recent NWCCU Action Letter.

The board and the president continue to work together with consultants from the Association of Community College Trustees (ACCT) to educate and develop the board to make well-advised decisions and improve overall governance. Various members of the board have participated in eight workshops and sessions since the April 2023 Special Visit. They have pledged to work with ACCT through the current contract and will evaluate the need for continued training. *See [ACCT Contract](#), and [List of ACCT/NIC Board Development Meetings](#)*

At the July 19, 2023, workshop, members of the board, the ACCT consultants, and the administration reviewed the most recent NWCCU Action Letter and developed a plan of action for both the board and administration. The board also developed a resolution accepting "...the recommendations of the Commission and is dedicated to taking positive action to resolve each of the recommendations in a timely manner." The board approved this resolution at their August 23, 2023, regular meeting. The signing of the document acknowledges the commitment of the board to adhere to governance best practices and to uphold NWCCU Standards and Eligibility Requirements. *See [July 19, 2023 Board Workshop Packet](#), [Signed Resolution](#), and [Draft Board Minutes, August 23, 2023](#)*

On August 22, 2023, four of five trustees, the president, and the two ACCT consultants participated in a 150-minute development session covering the following topics: governance board policy revisions, progress on the required NWCCU report, NIC board goals, an introduction to strategic planning, presidential goals, and characteristics of effective board meetings. The topics were selected based on a ranking by trustees and the president. *See [August 22, 2023, Board Workshop Packet](#) and [Draft Minutes, August 22, 2023](#)*

On April 26, 2023, the board created a policy subcommittee charged with the revision of college policies in Section 2, Governance, with the goal of improving governance. The board's subcommittee consists of two trustees, the president, the two ACCT consultants, and the Interim Executive Assistant to the President. The subcommittee has met 9 times since the April

2023 Special Visit. See [Board Minutes, April 26, 2023, Page 4](#), and [Board Packet, April 26, 2023, Tab 4, Attachment A](#), and [List of ACCT/NIC Board Development Meetings](#)

The subcommittee has been active since its inception bringing forth six revisions to board policy that were approved as of August 23, 2023. The subcommittee revised four additional policies on September 6, 2023, including a new ethics policy (2.01.12), that will be brought to the entire board at the September 27, 2023, board meeting. See [Board Policy Review Tracking Sheet](#), [Authority, Appointment and Functions Policy 2.01.01](#), [Responsibilities, Duties, and Standards of Good Practice Policy 2.01.02](#), [Meetings Policy 2.01.03](#), [Communications with Board of Trustees Policy 2.01.05](#), [Board of Trustees Performance Review Policy 2.01.08](#), and [President's Authority and Responsibility Policy 2.02.01](#), and [September 6, 2023, Board Subcommittee Agenda and Materials](#)

In response to the previous team's concerns about board orientation, the subcommittee revised New Board Member [Policy 2.01.11](#) on September 6, 2023, with the goal of presenting the policy to the entire board for a first read on September 27, 2023. The policy includes a statement for the board to sign, assisting the newly elected trustees with their proper roles and responsibilities in NIC's governance structure. With the assistance of the ACCT consultants, the president has developed a new board member orientation program. See [New Board Training Orientation Folder, September 6, 2023, Board Subcommittee Agenda & Materials](#), and [Draft Board Subcommittee Minutes, September 6, 2023](#)

Since the April 2023 Special Visit, most of the focus of the college with this particular recommendation is with the "affirmation" of the board with their roles and responsibilities. Both the board and the president have improved their adherence to appropriate communication channels which has created improved respectful dialog. The college asks that the NWCCU and the visiting team recognize that this signifies progress toward improved "adherence" to respective roles and responsibilities and that evidential documentation of satisfactory progress will require additional time.

**Recommendation 3, Spring 2022:** *The institution works to rebuild its administrative and academic leadership team. This includes:*

- a. *The appointment of a permanent president utilizing a process that permits an appropriate level of engagement by institutional stakeholders. (Standard 2.A.3, 2.A.4 and ER 10).*

As stated on pages [16](#), [29](#), and [31](#) of the March 30, 2023 Show Cause Response Report, the board selected Dr. Nick Swayne as the 11<sup>th</sup> president of North Idaho College on June 22, 2022. The search process involved a 27-member screening committee representing all of the college's constituency groups, members of the community and administration. See [Board Minutes, December 15, 2021](#), and [June 22, 2022, Nick Swayne, Ph.D. Biography, Curriculum Vitae, Employment Contract, Presidential Search Webpage](#), and [Search Committee Membership List](#)

*b. Hiring for the currently vacant/interim Vice President positions after the permanent president is identified (Standard 2.A.2 and ER 11).*

As noted on page 26 of the March 30, 2023 Show Cause Response Report, after conducting a national search with input from constituent groups, President Swayne announced that Sarah Garcia was named Vice President for Finance and Business Affairs on November 18, 2022. *See [March 30, 2023 Show Cause Response Report, Page 26](#), [NICNow Announcement, November 18, 2022](#), [Vice President for Finance and Business Affairs Search Page](#), and [Sarah Garcia, Biography, Resume](#)*

In addition, the following senior administrative and leadership positions have been filled since March 30, 2023: dean of students, dean of instruction workforce education, registrar, director of advising, executive director of workforce & economic development, and director of admissions & recruitment. A summary of the employment status of the membership of President's Cabinet and senior administrators is provided in Table 1 below. *See [NIC Organizational Chart](#), [NICNow Announcements March 29, 2023](#), and [August 8, 2023](#), [Search Committees Membership List](#) and [NICNow Announcement May 17, 2023](#)*

An unsuccessful nationwide permanent provost search concluded in December 2022, under the direction of Interim President South. In January 2023, Interim President South released Dr. Duman from the Interim Provost role and contracted with Dr. Peggy Bradford to serve as Interim Provost through June 2023. On February 9, 2023 the NWCCU issued a show cause letter which was followed by an NWCCU team site visit, a report from that visit, a meeting with the full NWCCU commission, and a letter on July 7, 2023 affirming a continuation of show cause. On March 6, 2023, Dr. Swayne was reinstated as President and Interim Provost Bradford resigned. President Swayne determined it best to keep the interim provost model in place and brought back Dr. Duman, a 31-year employee, to serve until more favorable conditions exist in which to hire a new permanent provost.

Despite significant progress in filling many senior positions, we have realized losses. The college's Chief Communication and Government Relations Officer and the Chief Human Resources Officer provided written notification of their departures from the college effective September 11, 2023 and September 27, 2023 respectively. Subsequently, President Swayne announced an interim appointment for the Chief Communication and Government Relations Officer position and a short-term solution for the Human Resources Department. *See [Curriculum Vitae and Resumes of Senior Administration](#), and [August 31, 2023 announcements \(Interim Chief Information and Government Relations Officer, Interim Chief Human Resources Officer\)](#)*

TABLE 1: List of President’s Cabinet Members and Senior Administrators, and Employment Status

Title	Employee	Status
Provost*	Lloyd Duman	Interim
Vice President for Finance*	Sarah Garcia	Permanent
Chief Information Officer*	Ken Wardinsky	Permanent
Chief Communications and Government Relations Officer*	Tom Greene	Interim
Chief Human Resources Officer*	Karen Hubbard	Permanent (last day 9/27/23)
Executive Director of NIC* Foundation/Director of Development	Rayelle Anderson	Permanent
Dean of Instruction for Transfer and General Education	Sherry Simkins	Permanent
Dean of Instruction for Workforce Education	Vicki Isakson	Permanent
Dean of Enrollment Services	Tami Haft	Permanent
Dean of Students	Alex Harris	Permanent
Accreditation Liaison Officer	Steve Kurtz	Permanent
Executive Director of Workforce and Economic Development	Colby Mattila	Permanent
Associate Dean of Nursing and Health Professions	Erlene Pickett	Permanent
Executive Assistant to the President	Kristin Howard	Interim

\* Denotes Core Cabinet Members

**Recommendation 2, Spring 2023:** *The Board must resolve the issues underpinning all "No Confidence" resolutions and demonstrate a willingness to work with and support faculty, staff, and students when their concerns are communicated (2020 Standards 2.D.2; ER 7).*

As noted on pages 29-30 of the March 30, 2023 Show Cause Response Report, NIC’s constituent groups have passed 13 no confidence resolutions against the Board of Trustees during the past two years. Some concerns noted in the no confidence resolutions have been resolved. Constituent groups have identified unresolved issues on which they would like to see board action. See [March 30, 2023, Show Cause Response Report, pages 29-30](#)

At their May 24, 2023, regular meeting, the board voted to approve an official response to the votes of no confidence. See [May 24, 2023, Response to Votes of No Confidence, Board Minutes, May 24, 2023, Page 3](#)

At the June 20, 2023 President's Advisory Council meeting, a path forward on the votes of no confidence was discussed. During the July 19, 2023 board workshop, the president stated that he was working with the respective leaders of the constituent groups to bring forth updated items of concern to the board for consideration. As a result of these meetings, the Faculty Assembly Chair took the president's request back to the faculty assembly. At the August 23, 2023 board meeting, she reported the following three recommendations to help resolve relevant faculty concerns listed in their "No Confidence" resolutions:

- Commit, in a clearly identified, transparent timeline and detailed action plan, to addressing the NWCCU Show Cause sanctions in a timely manner to address NIC accreditation. (NWCCU Recommendations 1, 2, 3, & 9)
- Finish all Board Policy revisions in order to clearly articulate the Board's role, functions, scope – as well as limitations of Board impact on NIC operations, in a way that is consistent with accreditation standards. (NWCCU Recommendations 2, 5, 6, 7 & 8)
- NIC immediately pay off Dr. Greg South's remaining contract and sever NIC's ties with him as an interim president on administrative leave. This action would confirm that Dr. Nick Swayne is the singular president in charge of all operations. (NWCCU Recommendations 2, 3, 10 & 11). See [Faculty Assembly Statements August 17, 2023](#)

At the request of the board, the president continues to work with college constituent groups to revisit their respective no-confidence resolutions and recommend courses of action by the board. The Senate and ASNIC are reviewing the prior votes of no confidence and will present consolidated reports of their outstanding issues at the September 27, 2023, board meeting. At the August 23, 2023 BOT meeting, the Staff Assembly Chair reported that the entire Staff Assembly will have input in its response at the next Staff Assembly meeting. The chair will provide another update at the September 27, 2023, board meeting.

**\*Recommendation 4, Spring 2023:** *Procedures for Presidential evaluation and policies for retention of Presidential evaluation records need to be developed and executed (2020 Standard 2.F.4).*

*\* Denotes that the Commission has determined that the College is substantially in compliance but in need of improvement with this recommendation.*

The main concern noted by the April 2023 visiting team was a lack of clarity related to the storage and access to the final product of the president's evaluation. Consequently, the board's policy subcommittee revised Presidential Performance Review [Policy 2.02.02](#) on September 6, 2023, clarifying the storage and access of completed presidential evaluations. The policy is expected to be presented to the board for a first reading on September 27, 2023. See [September 6, 2023, Board Subcommittee Agenda and Materials](#), and [Board Subcommittee Draft Minutes, September 2, 2023](#)

**Recommendation 5, Spring 2023:** *The Board must advance specific policies, procedures, and take timely and definitive action to mitigate or eliminate risks identified in the NWCCU Show Cause letter, dated February 9, 2023 (2020 Standard ER 9).*

1. *Three lawsuits, one settled and two active.*

It is important to note that the financial risk associated with the two active lawsuits identified in the February 9, 2023 Show Cause letter is limited to the cost of litigation as the lawsuits do not seek financial damages or financial settlements from the college. The remaining risks impact governance and accreditation. The details of the lawsuits may be found on [pages 12-15 of the March 30, 2023, Show Cause Response Report](#)

On May 17, 2023 the board unanimously voted not to oppose the summary judgement of the Swayne lawsuit. The judge issued a verbal ruling on the Motion for Summary Judgement on June 2, 2023, in favor of President Swayne. On July 21, the court signed the Findings of Fact and Conclusions of Law and Judgement on Dr. Swayne's Motion for Summary Judgement. However, the attorneys representing North Idaho College filed a Notice of Appeal of the summary judgement on August 31, 2023, and an Amended Notice of Appeal on September 1, 2023, with the Idaho Supreme Court. See [Board Minutes, May 17, 2023, Summary Judgement, and Amended Notice of Appeal Memorandum Decision, Preliminary Injunction, Page 40](#)

The lawsuit filed on December 20, 2022, by Mike Gridley remains active. While all but two of the elements of the lawsuit were dismissed due to a lack of standing on August 17, 2023, the two remaining issues are related to the State of Idaho Open Meeting Law regarding the hiring of Attorney Art Macomber and Interim President South. The lawsuit does not seek financial damages or financial settlements from the college. The only financial impact on the college are the attorney's fees. The lawsuit is currently going to mediation. See [Initial Lawsuit, Amended Lawsuit, and Summary Motion to Dismiss, August 17, 2023](#)

2. *Frequent changes in leadership with little to no input from relevant stakeholders, without following institutional policies and procedures.*

As mentioned in past NWCCU reports, the college's administration experienced a period of instability with five presidents over the past two years and several senior administrators serving in interim roles. There was emerging evidence of stability as President Swayne completed his first year in office and most of the senior administrative positions having been permanently filled. All searches were conducted in accordance with established hiring procedures, using search committees that included representatives of the college's constituency groups and were filled with highly qualified candidates. There are plans to fill the provost position once conditions are more favorable for a successful national search.

However, two members of the President's Cabinet recently provided written notification of their departures from North Idaho College. See [Response to Recommendation 3, Spring 2022](#)



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

The college references two statements from the May 17, 2023, Peer Evaluation Report:

“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...” The voiding the president’s contract on April 24, 2023 was resolved by the summary judgement. On May 17, 2023, the Board of Trustees unanimously voted to not oppose the summary judgement. See [Board Minutes April 24, 2023, Pages 2-3, May 17, 2023, Summary Judgement](#)

At the June 23, 2023 NWCCU Commission Hearing, the Board Chair stated to the commissioners unequivocally that Dr. Swayne is the president of NIC.

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

After the June 23, 2023 meeting with the NWCCU commissioners, senior leadership began a contingency planning task force to address the impact of potential positive, neutral, and negative decisions by the commission. After receipt of the July 7, 2023, letter the contingency planning task force transitioned to a special recruiting and marketing task force. Members include representatives from Advising Services, Enrollment Services, Dual Credit, Instructional Leadership and Communications & Marketing. Bill Jhung from NIC’s Small Business Development Center was added to help the group focus on the recruitment process and set specific goals for each of our marketing campaigns. These campaigns continue to run weekly. This task force quickly developed and adapted systems and learned how to effectively recruit a variety of student populations. The 36-day effort, again, implemented after the NWCCU’s July 7, 2023 action letter, successfully recruited 747 students that are registered for a total of 8,974 credits. See [Accreditation Contingency Task Force Membership List](#)

Increasing enrollment remains one of the college’s top priorities. Even though fall enrollment is projected to trend down, the resilience of faculty and staff to address this trend remains strong.

The Institutional Research Department created an enrollment dashboard, allowing the administration, faculty, and staff the ability to compare disaggregated enrollment data compared to a similar time period one year ago. The dashboard has enabled committees to identify enrollment gaps and generate ideas to narrow them. See [Enrollment Dashboard Screenshot Example, August 29, 2023](#)

These combined efforts resulted in the college improving tuition revenue to within 2% of its fall tuition revenue budget by the first day of the Fall semester. With additional registrations anticipated for dual credit and late start courses, the administration anticipates an increase in these figures by the census date in October. See [Video Clip, August 23, 2023, Board Meeting, 47:15-53:00](#)

The processes developed and systems adapted during this time frame will be used in future recruiting efforts to continue the positive growth in enrollment. The collaborative structure will continue to work on and develop additional tools and systems to promote enrollment. Examples of successful efforts include:

- Hosting on-campus welcome sessions with daytime and evening options, that were marketed by website and social media mediums
- Voicemail and e-mail campaigns starting the week of July 24, 2023, for students to sign up for advising sessions, using a Bookings link (an email that allows students to electronically reserve an appointment with an advisor)
- Pop-up registration events and registration reminders for continuing students
- Weekly reminders by CTE Faculty to their potential students encouraging them to sign up for advising and registration
- Reducing the number and timing of course cancellations to reduce student disruption

NIC hosted a [90<sup>th</sup> Birthday Celebration](#) on August 10, 2023. This event was designed to connect with the community and celebrate NIC's rich local history as well as support enrollment at NIC for those interested. This event was attended by over 500 community members, students, and prospective students.

The college continues to work on improving the community's perception, which diminished as a result of the Show Cause sanction. Through collaborations with local school districts and transfer partners NIC has established new dual credit class offerings in Japanese Language, Economics, Mechanical Design, and Philosophy. Due to these efforts, dual credit enrollments are up at nine regional high schools.

NIC has expanded support and advising services to all of the high schools located in NIC's region (Region 1). Starting September 5, 2023, NIC began providing additional representatives at the high schools to assist with dual credit advising and registration. In addition, the college is piloting a new financial model for dual credit with the Coeur d'Alene School District as a means of strategic recruitment. While this is the first semester of the pilot, CDA High School has increased its dual credit enrollments by over 15%, and Lake City High School has increased its dual credit enrollments by over 32%.

The ongoing conversations between NIC and its community and regional educational partners demonstrate their faith in North Idaho College for quality educational programs, academic support, and outstanding facilities. Lewis-Clark State College and North Idaho College administrators have developed a partnership creating a bachelor's of applied science degree in health science. Graduates of NIC's health profession programs, including dental hygiene and

radiology technology, will have a pathway to complete a bachelor's degree in their field of study without having to leave the area. The goal is to create a bachelor's degree program with a cost under \$20,000 for in-state students. The University of Idaho has also expressed interest in the expansion of a 2+2 Engineering program and other in-demand fields of study. See [Lewis-Clark State College Press Release](#)

#### 5. *Continued exodus of faculty, staff, and senior administrators.*

While the college has seen an increase in the number of employees departing over the past two years, the ability to continue to offer all instructional programs and all student support programs has not diminished. NIC has not discontinued any program due to the lack of human resources.

Although the college has continued to experience employee departures at a higher rate than the historical norm prior to FY2022 and above national benchmarks, the number of departures in FY2023 were essentially equal to the prior year. See [August 23, 2023, Human Resources Recurring Board Report](#)

The college has taken a number of actions to help retain employees including:

- Commitment to continued employment through FY2024 to address concerns about threats to job security. See [April 13, 2023, President's Message](#)
- Early issuance of FY2024 employment contracts. See [NICNow Announcement, June 15, 2023](#)
- 8% increase in the FY2024 budget for employee compensation approved by the board See [NICNow Announcement June 15, 2023](#)
- President's Cabinet regularly discusses employee retention and has taken a number of actions to help retain employees. See [Human Resources Updates to President's Cabinet, slides 6-7](#)

Current and departing employees report compensation as a top concern. For departing employees, this information is captured in voluntary, anonymous exit survey data. The written comments provided by these employees continue to indicate that accreditation and governance also remain among the top concerns. See [August 23, 2023, Human Resources Recurring Board Report, Slide 7](#)

The college has been successful in filling positions at a rate consistent with historical norms, in spite of the decrease in average number of applications per position in FY2022 and FY2023. Many of these positions have been filled with well qualified internal candidates, which has helped the college retain institutional knowledge in spite of the high rate of turnover. The number of employees seeking internal promotions is a proxy indicator of the faith employees have in the future of the college. See [August 23, 2023, Human Resources Recurring Board Report, Slides 5-6](#)

As the college's operational needs evolve, employees have agreed to be flexible. The college continues to readjust as vacancies arise to ensure uninterrupted operations and high-quality service to students. The administration continues to prioritize employee retention.

Two members of the President's Cabinet recently provided written notification of their impending departure from North Idaho College. See [Response to Recommendation 3, Spring 2022](#)

*6. Decision with little to no input to expand the athletics program and to change athletics conferences with potential added costs.*

At the December 21, 2022, Board of Trustees meeting, Chair McKenzie made a motion for Interim President South to "review, consider, and make a recommendation regarding the whole athletic department." The recommendation was to consider moving all teams back to the National Junior College Athletic Association (NJCAA) and the Scenic West Athletic Conference (SWAC). In the motion, the BOT expressed their willingness to "open the budget" to support athletic improvements. The board passed the resolution 5-0. See [Board Minutes, December 21, 2022, pages 5-6](#)

At the June 7, 2023, Board of Trustees meeting, President Swayne, following up on the December 21 motion, recommended that NIC transfer "teams to the National Junior College Athletic Association and the Scenic West Athletic Conference," completing the transition by fall 2024 and presented a resolution for Board approval. The board unanimously passed the resolution as recommended by the president. See [Video Clip, June 7, 2023, Board of Trustees Meeting, 1:17:02-1:31:56](#), and [Board Minutes, June 7, 2023, page 3](#)

After hearing the board discussion and actions taken by the BOT, Marco Azurdia, Executive Director of the NWAC, contacted President Swayne, Shawn Noel (Athletic Director), and Alex Harris (Dean of Students), and expressed the NWAC's support for an immediate exit from the NWAC beginning fall 2023. President Swayne and Shawn Noel negotiated a compromise for the men's and women's basketball teams to leave immediately and compete as an independent in the NJCAA while the remaining teams will transition in the fall of 2024. See [NWAC – NIC Agreement, June 26, 2023](#), and [NIC Press Release](#)

The SWAC officials have agreed to allow the men's and women's basketball teams to compete in league competition for the 2023/24 season; however, the SWAC officials did not commit to full conference affiliation for all teams for the fall of 2024. Shawn Noel provided an update on the transition to SWAC including the status of the men's and women's transition and the costs of conference transition at the August 23, 2023, board meeting. See [Draft Board Minutes, August 23, 2023](#)

*7. Multiple No Confidence Resolutions from the Associated Students of NIC, NIC Faculty Assembly, and NIC Staff Assembly.*

See [Response to Recommendation 2, Spring 2023](#)

8. *Risk of significant financial stress, including but not limited to:*

- *Expanded payroll for two presidents, interim provost, and special assistant to the interim president, along with moving expenses, and other contracted charges and/or obligations.*

For the Fiscal Year ended June 30, 2023, the college's general fund realized a surplus. This surplus was due to a combination of factors including increased interest income revenue and reduced spending on salary and benefits due to vacant positions. These factors more than offset the increased spending for an additional presidential salary, insurance premiums, legal expenses and other contracted charges and/or obligations. The surplus was enough to enable the board, in its approval of the FY24 budget, to use carry-over of funds to support an 8% increase in compensation for the faculty and staff of the college. See [Preliminary Pre-Audit Income Statement Draft, Board Minutes, June 7, 2023, Page 3](#), and [Board Packet, June 7, 2023, Tab 1, Board Presentation Slides, June 7, 2023, Third Reading](#)

- *Significantly increased insurance costs with higher deductibles.*

The approved FY2024 budget is balanced and provides for funding to cover the increased cost of insurance premiums, salary increases and a projected decrease in tuition due to anticipated lower enrollments. The administration used a combination of one-time funding and cost reductions to accomplish this. See [FY2024 NIC Budget](#)

- *Moody's Bond Rating review for potential downgrade.*

On July 27, 2023, Moody's released an announcement stating that with the continuation of the show cause sanction, the college's issuer and bond ratings remain at A3 and the outlook remains "negative." The college has no outstanding debt and no plan for any new bond issues at this time. While the rating downgrade impacts the college's reputation, it does not impact the college's financial position in the near-term. See [Moody's Announcement July 27, 2023](#)

- *Declining donor support.*

The NIC Foundation continues to fulfill its mission of providing support to NIC students, faculty, and staff. The Foundation recently hosted two very successful annual fundraising events, including the Really Big Raffle and Bon Appétit. The Really Big Raffle was held July 2023 and sold out for the 30th year in a row, with net proceeds exceeded \$300,000. Bon Appétit, a fine dining and auction event held in March 2023, also set a fundraising record with over \$97,000 raised in one night.

The NIC Development Office recently announced that the NIC Foundation provided a record \$1,257,286 to NIC in support of scholarships for the academic year 2023-2024. Last year, the

NIC Foundation made \$1,244,512 available for student scholarships. See [Video Clip, August 23, 2023, Board Meeting, 53:48-55:07](#), and [NIC Foundation Announcement Letter](#)

The success of the NIC Foundation is evidenced by data from the Integrated Postsecondary Education Data System (IPEDS). For the past four years, North Idaho College's Endowment Assets (year-end) per FTE are the highest in Idaho when compared with Idaho's community colleges and Lewis-Clark State College (See Table 2), and North Idaho College's Reported Endowment Assets and Scholarship and Grants are comparable with Idaho's Community Colleges and Lewis-Clark State College (See Table 3).

TABLE 2: Endowment Assets (in dollars) per Full-Time Student Equivalent as reported to IPEDS

	2018	2019	2020	2021
North Idaho College	7,035	7,651	8,265	12,061
College of Southern Idaho	2,087	7,579	7,406	8,956
Lewis-Clark State College	2,966	3,201	3,447	4,766
College of Western Idaho	185	229	294	403
College of Eastern Idaho	N/R*	N/R*	N/R*	N/R*

\* Denotes no report

TABLE 3: Endowment Assets and Scholarships and Grants (in dollars) as reported in Fiscal Year 2022 Audited Financial Statements

	Assets	Scholarships and Grants
North Idaho College	30,119,876	1,713,566
College of Southern Idaho	19,482,295	2,707,653
Lewis-Clark State College	15,914,915	1,855,277
College of Western Idaho	5,823,246	679,509
College of Eastern Idaho	8,588,657	335,642

**Recommendation 6, Spring 2023:** *Through its governance system, North Idaho College should work to achieve consensus between the Board and college leadership to identify internal and external strategic initiatives and to jointly create and execute plans to address them (Standard 2020 Standard 1.B.4).*

An RFQ for strategic planning was issued on August 25, 2023. The proposal requires higher education experience and a completion date in April 2024 so that goals can be included in the

FY25 budget process. Included in this new plan will be facility needs. See [RFQ for Strategic Planning](#)

In preparation for the upcoming strategic planning RFQ process, the ACCT consultants reviewed the four phases of a typical community college strategic planning process including development, implementation, monitoring, and evaluation. The consultants also explained how the board is generally involved at the “10,000-foot level” with each phase of the process, and how the board will also be responsible for approving and allocating resources to support the plan. The consultants also explained the administration’s role in implementing the plan and providing updates to the board, and how the board’s role will be defined in consultation with the president and the firm selected in the upcoming RFQ process. See [Strategic Planning Sheet for NIC Board Discussion](#)

The board reviewed a draft of board goals for the FY2024 at the August 22, 2023, board training retreat, with assistance from the president and the ACCT consultants. In the future, the board goals will be reviewed to ensure alignment with the goals, objectives, and measures from the upcoming strategic planning process. See [Board Goals](#)

The board also approved a list of President’s Goals for FY2024 at the August 23, 2023, meeting. In accordance with NIC policy 2.02.02, the board and president have mutually agreed upon goals for the current academic year. The president collaborated with his staff in the development of the goals and the board had multiple opportunities for input with several iterations exchanged between the president and the board before final approval. See [Video Clip, August 23, 2023, Board Meeting, 1:19:55-1:21:27, Draft Board Minutes, August 23, 2023, and President’s Goals](#)

North Idaho College recognizes the importance of involving the community in the process of accreditation as expressed by Dr. David Yarlott Jr., President of Little Bighorn College, at the June 2023, Commission meeting. The following internal and external strategic initiatives highlight that effort:

- Retooling our recruitment and enrollment system through the Recruitment and Enrollment Task Force (See [Recommendation 5, Risk 4, Spring 2023](#))
- Community outreach forums on accreditation and rebuilding support for the college. Forums were held in March and April. The college, in partnership with local school districts and the local chamber of commerce, will host a forum on October 5, 2023 focusing on scholarships including Idaho Launch, a new state scholarship program passed by the legislature in the 2023 session
- Host faculty/staff colloquia to discuss current events, new state programs (Idaho Launch), and other contemporary topics
- Working with nine area institutions, industry partners and other stakeholders to create Inland Northwest Tech hub with the goal of creating new jobs and new academic opportunities
- Expanded partnerships with major employers such as Kootenai Health, Idaho Forest Group, Empire Air, Coeur d’Alene Paving, and NW Line JATC.

- Developing partnerships with four-year colleges to develop or expand 2+2 programs on the NIC campus to reduce overall cost and ease barriers of completion, (See LC press release)

**Recommendation 7, Spring 2023:** *The Board and College President should ensure that they adhere to the inclusive articulation in the college’s planning and decision-making processes. The Board and College President should demonstrate a commitment to an environment respectful of meaningful discourse, in their official capacities and when interacting with each other (2020 Standard: Std 2-Preamble).*

As reported under Recommendation 2, Spring 2022, and Recommendation 5, Spring 2023, there are examples of inclusive articulation of NIC’s decision-making processes.

- The board’s policy subcommittee has been effective in creating and revising board policy over the last spring and summer months with six policies approved as of August 23, 2023.
- On September 6, 2023, at a special meeting of the board’s policy subcommittee, the board reviewed and made amendments to the draft Board General Conduct [Policy 2.01.10](#). We anticipate that the board will approve the changes at the September 27, 2023, meeting.
- At the request of the board, the president continues to work with college constituent groups to revisit their respective no-confidence motions to determine outstanding issues for consideration and action by the board. The Faculty Assembly provided a formal response (See Recommendation 2, Spring 2023). The Staff Assembly, Senate and ASNIC are reviewing the prior votes of no confidence and will present consolidated reports of their outstanding issues at the September 27, 2023, board meeting.

As noted in previous sections of this report, the ACCT consultants have coached the trustees and the president as to their roles and responsibilities and how to follow best practices in community college governance. This coaching includes adhering to the inclusive articulation of the college’s decision-making process. For example, the ACCT consultants have been encouraging trustees and the president to establish and adhere to a “no surprises” rule during meetings.

The trustees and president are receiving coaching and professional development on how participatory governance allows others (faculty, staff, students, and the community), through the president, input into important decisions and processes for those decisions that impact the college. The board hires a CEO and acts appropriately on the recommendations of the president. As noted by Cindra J. Smith in *Trusteeship in Community Colleges*, “While there are certainly instances where the board legitimately asserts its authority by not accepting a CEO recommendation, doing so with regularity signifies that something has gone wrong in the relationship. Governing boards rely on their CEOs for leadership and have confidence in their recommendations. They contribute their perspectives early in policy discussions so that CEO recommendations to the board reflect board values and can be easily supported by the board. Governing boards maintain healthy board-CEO relationships by working as partners with their



CEOs. But first, they create healthy relationships by being exemplary employers and supervisors of their presidents” (p.76). Consequently, the consultants have aided the board and administration with the communication required in the development of meeting agendas and advanced preparation for meetings.

Despite progress resulting from the coaching and training, at August 23, 2023, BOT meeting, the board did not support the administration’s recommendation (See [Tab 2](#)) and faculty assembly’s request to hire “the most qualified educational law firm to support NIC” (See [Faculty Assembly Statement](#)). To prepare for the meeting’s “Action Item” to hire legal counsel, the administration followed the established processes for seeking professional services per Continuous Professional Service Contracts [Policy 7.01.04](#). The administration was responsive to Trustee’s requests for additional information and provided individualized scoring sheets of the evaluating committee. They also provided a comprehensive analysis of the RFQ process and a recommendation for legal counsel to the entire board and made public in the board packet. However, the board hired D. Colton Boyles of Boyles Law, PLLC as the college attorney. See [Tab 2 of August 23, 2023, Board Packet](#), [Video Clip, August 23, 2023, Board Meeting, 2:16:22-3:00:08](#), [Draft Board Minutes, August 23, 2023](#)

After several iterations, the board approved the president’s goals at the August 23, 2023 meeting. The goals were mutually agreed upon by President Swayne and the board. See [President’s Goals](#)

The administration has committed to increasing communication with trustees on important matters in the next year including:

- With the support of the ACCT Consultants, the administration has worked with the board to create a calendar of recurring reports to keep trustees informed about the work of the college on a high arching level. The first of the recurring reports were presented at the August 23, 2023, regular meeting. These included the following updates: Human Resources, Workforce Training, Athletics, Strategic Planning, and Campus Security. See [Video Clip, August 23, 2023, Board Meeting, 1:34:26-1:36:33](#), [Draft Board Minutes, August 23, 2023](#), [Schedule of Recurring Reports](#), and [Amended Agenda August 23, 2023](#)
- As part of the August 22, 2023, Board Workshop, the ACCT consultants discussed with the board and administration several improvements to conduct more effective meetings. These suggestions included the following: reduce the length of operational reports, move informative presentations from the end to the beginning of board meetings, and include budget information at every meeting.
- The administration prefers, and the ACCT consultants suggest, that the trustees are regularly informed on the progress and development of the strategic plan. See [ACCT Strategic Planning Information Sheet](#) and [Strategic Planning RFQ](#)

The ACCT consultants have included general assessments of the progress of the training during the meetings that have occurred since March. The input and coaching are intended to assist the

trustees and the President with establishing an environment at NIC that is respectful of meaningful discourse while discharging their official capacities, and when interacting with each other, both in and out of meetings.

**\*Recommendation 12, Spring 2023:** *The college must ensure transparency regarding financial resources by ensuring that processes to inform faculty and staff are consistent from year to year and processes to inform Board members regarding financial decisions are applied equitably (2020 Standard 2.E.3).*

*\* Denotes that the Commission has determined that the College is substantially in compliance but in need of improvement with this recommendation.*

Despite multiple leadership changes between December 2022 and March 2023, the FY2024 budget process was substantially the same as prior years. The Office of Finance prepared a set of budget assumptions that was reviewed and approved by Interim President South. In early March, 2023, the Office of Finance distributed the FY2024 Budget Development Guidelines to campus budget managers. This document included information for how to formulate a budget, a timeline and resources for budget managers. See [FY2024 Budget Development Guidelines](#)

Departments were encouraged to meet as a team to discuss budgetary needs and submissions were due back to the Office of Finance at the end of March in order to present a first reading at the April 26, 2023, meeting. The Vice president of finance and business affairs provided an update to Management Team (management team consists of president's cabinet plus directors, division chairs and department heads from all areas of campus) at the May 30, 2023 meeting. See [Management Team Minutes, May 30, 2023](#). The vice President for Finance and Business Affairs met with chairs of both Faculty and Staff Assembly to discuss the need for open budget forums for this fiscal year. While both chairs stated they would prefer to have the forums, both also understood and were accepting of the fact that due to competing obligations and priorities, the forums would not occur this year.

In order to achieve an 8% compensation increase, the President's Cabinet worked to identify and agree upon a list of positions to hold vacant for FY2024. Prior to the first reading of the budget, all five board members were invited to attend individual sessions with the president and vice president of finance and business affairs to review the budget in detail. Prior to approval at June 7 meeting, all trustees had met with the vice president of finance and business affairs and provided feedback. The administration is working to develop a policy that documents the process and timeline to provide clarity on the annual budget process.

## Conclusion

At the June 23, 2023 Show Cause review, the primary reviewer's first question was, "Why does NIC want maintain their accreditation with the NWCCU?" The consensus of the entire North

Idaho College community is that accreditation is not merely a symbolic badge of honor. Rather, it is about continuous improvement; it is a fundamental indicator of an institution's commitment to maintaining its educational standards, financial responsibility, and integrity. We are acutely aware that losing accreditation will have far-reaching consequences for our college, affecting our current students, our ability to attract future students, our ability to secure funding, and the future of our community.

We believe the demonstrated efforts in fostering trust and communication within the institution reflect an improving collaboration with the Board of Trustees, the President, and various community stakeholders. This collaboration has begun to foster an environment where innovative ideas and approaches are being cultivated and integrated into our educational culture. We realize that we are in the middle of a challenging process to return to good standing and meet all of the Eligibility Requirements and Standards, and believe this report demonstrates progress toward achieving that goal. The writing team strove to create a report that is objective and evidence-based by synthesizing, integrating and unifying the comments from all stakeholders.

North Idaho College is committed to regaining good standing and returning to full accreditation as a member of the NWCCU.