



CMI

BOARD OF REGENTS

College of the Marshall Islands

Accredited by the Western Association of Schools and Colleges

P.O. Box 1258

Uliga Campus

Tel: (692) 625-3394/3291/4931

Fax: (692) 625-7203

Email: bor.regents@cmi.edu

Special Board of Regents Minutes - Approved July 11, 2025

Members Present

Chair Meitaka Kendall-Lekka

Regent Katt Chonggum

Regent Morean S. Watak

Vice Chair Thomas Kijiner Jr.

Regent Kino Kabua

Regent Julius Lucky

Regent Timothy Owens

Member Absent/Excused

Regent Jelton Anjain

Student Regent Willy J. Lebeau

Regent Dr. Yukiko Muller

Regent Roanna Zackhras

CMI employees in attendance:

Dr. David A. Newnham, President

Dr. Elizabeth Switaj, Vice President for Academic and Student Affairs

Stevenson Kotton, Vice President for Administrative and Business Affairs

Dr. Adedayo Ogunmokun, Vice President for Land Grant

David Strauss, Legal Counsel

Kelly Sebastian, Executive Officer/Executive Secretary for the CMI Board of Regents (ESBOR)

The meeting was called to order @ 2:01 PM

Agenda Items

1. Opening prayer & Roll call and call to order
2. Approval of the Agenda
3. Review of the last BOR meeting minutes - Online
 - 3.1. May 19, 2025
4. Accreditation Update
5. EY Audit Update
6. PAC - July 22nd
7. Financial situation at college
8. Board Development
9. Executive Session
 - 9.1. President's Contract



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Minutes

1. OPENING PRAYER, ROLL CALL, AND CALL TO ORDER

Chair Kendall-Lekka commenced the BOR meeting at 2:01 PM.

Regent Ownes led the opening prayer.

2. APPROVAL OF THE AGENDA

Regent Kabua made a motion to approve the Board's Agenda. Vice Chair Kijiner seconded the motion. The motion was unanimously approved.

3. REVIEW OF THE LAST BOR MEETING MINUTES

3.1. May 19, 2025

Regent Lucky moved to approve the May 19, 2025, Board Meeting Minutes. The motion was seconded by Vice Chair Kijiner. The remaining minutes were [approved](#) via email.

4. ACCREDITATION UPDATE

4.1. President Newnham reported that he met with ACCJC Commissioners in early June in Sacramento to present CMI's plan to complete all back audits through 2024 by December 2025.

4.1.1. The Commission accepted the plan and placed CMI on warning status—the first level of sanction—but granted the maximum 18-month period to resolve the issue.

4.1.2. A report will be submitted in January 2026, 11 months ahead of the deadline.

4.2. VPASA Switaj provided a detailed overview of the accreditation cycle and clarified that:

4.2.1. CMI remains fully accredited, despite the warning sanction.

4.2.2. The warning was issued due to non-compliance with Eligibility Requirement 5, requiring timely annual audits.

4.2.3. The warning does not impact Pell Grants, student transfers, or financial aid.

4.2.4. Sanctions escalate progressively from warning to probation to show cause if issues are unresolved.

4.2.5. CMI's next ISER (Institutional Self-Evaluation Report) is due August 1, 2027.

4.2.6. The submitted midterm report (March 2025) was accepted by ACCJC, indicating satisfactory progress.

4.2.7. Historical sanctions were reviewed, noting a period between 2002 and 2009 when the college went through all levels of sanctions but recovered successfully.

4.2.8. The college has had prior warnings in 2013 and 2016 due to fiscal and integrity issues, but has resolved them promptly.

4.2.9. Reiterated the importance of staying focused and avoiding overcorrections that could cause additional issues.

4.2.10. VPASA encouraged board members to review ACCJC standards applicable to trustees and refer to ACCJC.org for official updates, documents, and resources to combat misinformation.



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- 4.3. President Newnham concluded that the ACCJC had been flexible given the challenges posed by COVID-19 and border closures and affirmed that CMI is on track with its recovery plan.

5. EY AUDIT UPDATE

- 5.1. President Newnham reported that the College has been working diligently to address audit deficiencies for fiscal years 2022, 2023, and 2024.
 - 5.1.1. A timeline was developed in coordination with EY (Ernst & Young) to complete all three audits by December 2025, including all field work.
 - 5.1.2. The FY22 audit is nearing completion.
 - 5.1.3. The contract for the FY23 audit was signed.
 - 5.1.4. EY has already begun pre-audit work for FY23, with full audit activities expected to begin in the next 2–3 weeks.
 - 5.1.5. Completion goal for FY23 is September 2025; for FY24, by December 2025.
 - 5.1.6. EY is aligned with CMI's timeline.
 - 5.1.7. Most fieldwork for FY22 was completed within one month—a record for the College.
 - 5.1.8. Automation and new systems have improved efficiency in gathering and uploading financial documents, reducing reliance on paper records.
 - 5.1.9. An email from MJ (EY) indicated that audit findings should be available within two weeks.
 - 5.1.10. The College's internal goal remains to submit all three audits (FY22–FY24) as evidence to ACCJC by January 2026, in time for Commission review and anticipated clearance.

6. PAC - JULY 22ND

- 6.1. Chair Kendall-Lekka shared that she received a general email notice indicating that CMI is scheduled for a Public Accounts Committee (PAC) hearing on July 22, 2025, and will forward the email to the rest of the Board.
 - 6.1.1. Noted the need for preparation and suggested that the Board and President meet beforehand, as the audit is listed on the schedule, and anything can arise during the hearing.
- 6.2. VPASA Switaj added that in previous years, PAC typically sent a formal letter or subpoena by hand.
- 6.3. Regent Watak clarified that a Nitijela staff member sent out the email, including CMI.
- 6.4. Regent Kabua emphasized the importance of the Board and management attending the hearing, as PAC will likely seek updates on the College's FY22, FY23, and FY24 audits.
- 6.5. Regent Lucky asked whether PAC was satisfied with the Board's prior response.
 - 6.5.1. Regent Kabua responded that PAC had received the response, but replied quite strongly.
- 6.6. Vice Chair Kijiner suggested holding a working session to prepare for the PAC hearing.
- 6.7. Regent Watak noted that the hearing will likely focus on the FY21 audit, and confirmed providing the FY21 audit summary to the Chair and Vice Chair.



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- 6.8. Chair Kendall-Lekka concluded by urging all members to review the FY21 audit report and agreed to arrange a meeting with President Newnham ahead of the July 22 hearing.

7. FINANCIAL SITUATION AT COLLEGE

- 7.1. Chair Kendall-Lekka opened the discussion by requesting an update on documents that had been repeatedly requested by the Board. She emphasized that these should have been available prior to the meeting.
- 7.2. President Newnham acknowledged the delays and noted that the staff's efforts have been focused on meeting a 24-hour turnaround agreement with EY auditors. He reported that the 22 audit is near completion, and the 23 audit contract has been signed. Requested documents had to be deprioritized to meet audit demands.
- 7.3. VPBAA Kotton walked the Board through responses to the Chair's July 8 inquiry:
 - 7.3.1. Accounts Payable: As of May, CMI had \$2.1M in outstanding payables. The books are still behind in reconciliation, including AP, AR, and other accounts. A plan is in place to address this by September 30, 2025. Examples of vendor inconsistencies (e.g., Ace One Stop) were shared.
 - 7.3.2. MISSA Delinquencies: 2023 shows \$10K delinquency; none recorded in 2024. A January 2025 delay is anticipated to appear in future reports.
 - 7.3.3. Banking Issues: Problems persist with BOMI and MISCO payments. Online payments may take up to two weeks to reflect, causing discrepancies. CMI will pay delinquent charges from a recent 17-day delay due to internal banking issues.
 - 7.3.4. Loan Allotments: Controls have been centralized under VPBAA. The college moved allotment oversight from payroll to the executive level. MISCO inconsistencies were noted—some staff have 0 days late, others up to 41 for the same pay period.
 - 7.3.5. Cash Flow & Budgeting: Government subsidies are often delayed up to three quarters. Only tuition and fees are fully controllable funds. CMI frequently borrows internally between accounts (e.g., general fund and Upward Bound) using "due to/due from" accounting. Priority is always placed on payroll.
 - 7.3.6. Vendor Payments: Reconciling vendor accounts (e.g., MIR) revealed discrepancies. Monthly reconciliations are now planned. A 90-day plan for financial improvement is underway.
 - 7.3.7. Audit Status: CMI completed most of the 22 audits in five weeks and is transitioning to the FY23 audit with EY. Automation has improved document handling.
 - 7.3.8. Governance & Communication: President Newnham emphasized the need for all Board inquiries to flow through his office per ACCJC standards and CMI bylaws. Unauthorized contact with vendors undermines internal operations.
 - 7.3.9. Board Expectations: Chair Kendall-Lekka clarified that AP requests were made due to increasing vendor concerns and the Board's desire for a complete financial picture.
 - 7.3.9.1. Acknowledged a better understanding of the current situation after the discussion.



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- 7.3.10. Staff & Resources: President Newnham emphasized limited staff capacity and the need to prioritize institutional obligations. He reiterated his commitment to transparency but noted that audit completion remains the top priority.
- 7.3.11. Funding Updates: VPBAA Kotton reported CMI had not yet received anticipated government allotments and that funding estimates (e.g., \$14M) remain preliminary. Compact maintenance funds received a total of \$500K.
- 7.4. Inquiries are appropriate; they must align with established governance protocols and allow the President and staff to execute institutional priorities effectively.

Other Discussion - Housing Issue

Legal Counsel reported concerns regarding a lease and renovation agreement related to a residential property previously used for presidential housing.

- Documentation showed discrepancies between lease signing dates, renovation cost estimates, and ownership transfer.
- Renovation costs exceeded \$200,000, while the property was later purchased for significantly less and is reportedly being rented out.
- The question was raised regarding the recovery of funds and appropriate legal action.

VPBAA Kotton explained that the original understanding was that the property would revert to the college upon the completion of the former President's contract.

- Lease documentation was signed based on those discussions.
- Housing benefits were redirected accordingly when residence locations changed.
- Expressed concern and intent to investigate further and report back through the President.

The President clarified the timeline of residence and housing payments.

- VPASA Switaj noted prior awareness of the situation and the board's earlier intention to handle the matter with sensitivity and respect.
 - There was agreement that caution taken during a difficult time may have delayed resolution.

Preparation for PAC Hearing

Vice Chair Kijiner emphasized the need to be fully prepared for the July 22 PAC hearing, as it may cover a wide range of topics.

VPBAA Kotton reported that expected agenda items include the FY21 audit, FY22 financial statements, and COVID-19 financials.

Chair Kendall-Lekka confirmed a Board meeting on July 21 for preparation.

VPASA Switaj noted that she and VPBAA Kotton had raised concerns with the former Board Chair regarding the MSCT Grant.

- Chair Kendall-Lekka concluded by saying the Board can revisit that matter and urged clear communication regarding payments, noting the seriousness of the matter.



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8. BOARD DEVELOPMENT

The suggestion is to defer if time permits to discuss the Board Development.

9. EXECUTIVE SESSION

9.1. President's Contract

The suggestion is to defer if time permits to discuss the Board Development.

The Next Board Special Meeting is scheduled for July 21 at 9 AM.

Meeting adjourned @ 4:04 PM

Signed by:

C1B15922CD0248A...

Scribe

Kelly Luce Sebastian,
Recording Secretary

Signed by:

7670BDE23BE74DC...

Reviewed & Approved by

Meitaka Kendall-Lekka,
Chair, Board of Regents

August 25, 2025

Date Approved