

Naval Postgraduate School (NPS)  
Board of Advisors Subcommittee  
Meeting Minutes

24 April 2013 / 0800 – 1630  
25 April 2013 / 0800 – 1630\*  
Open Meeting  
(\*closed session 25 April 2013 0900 – 1130)

Executive Briefing Center  
Herrmann Hall  
Naval Postgraduate School, Monterey, CA 93943

Board Members (or ex officio alternate) attending the meeting:

- |                                       |                                   |
|---------------------------------------|-----------------------------------|
| 1. VADM Lee F. Gunn, USN (Retired)    | 8. Maj Gen Thomas Murray, USMC    |
| 2. Mr. Walter Anderson                | 9. Dr. M. Elisabeth Pate-Cornell  |
| 3. Honorable Michael Bayer            | 10. Honorable G. Kim Wincup*      |
| 4. Honorable Jack R. Borsting         | 11. Mr. Scott Lutterloh (for CNP) |
| 5. Lt Gen David Fadok, USAF           | 12. Dr. Lance Betros (for AWC)    |
| 6. Dr. Robert R. Fossum               |                                   |
| 7. VADM David E. Frost, USN (Retired) |                                   |

\* By Conference Call

Board Members absent:

1. RADM Matthew Klunder, USN

Naval Postgraduate School staff and other personnel attending:

- |  |                                 |
|--|---------------------------------|
| 1. RDML Jan E. Tighe, USN NPS Acting President | 15. Dr. Jeff Paduan, NPS        |
| 2. Dr. Doug Moses, NPS Acting Provost          | 16. Dr. Jim Wirtz, NPS SIGS     |
| 3. Dr. E. Jan Kehoe                            | 17. Ms. Kath Ashton, NPS OGC    |
| 4. CAPT Paula Jordaneke, USN (Retired) NPS     | 18. Dr. Fran Horvath, NPS       |
| 5. CDR Mary Sims, USN NPS                      | 19. LCDR Bill Clinton, USN PAO  |
| 6. Dr. Christine Haska, NPS                    | 20. COL Mitch McCarthy, USMC    |
| 7. Brig Gen William F. Mullen, III MCU         | 21. LT Jon Volke, USN NPS       |
| 8. Col Zoe Hale, USAF NPS COS                  | 22. LT Kris Yost, USN NPS IAAC  |
| 9. CAPT Gerral David, USN NSAM                 | 23. Dr. Doug Porch, NPS IAAC    |
| 10. Mr. Kevin Little, NPS                      | 24. Dr. Bill Colson, NPS IAAC   |
| 11. COL Timothy Lawrence, USAF AFIT            | 25. Dr. Rob Dell, NPS IAAC      |
| 12. Dr. Bill Gates, NPS GSBPP                  | 26. ADM Mark Ferguson, USN VCNO |
| 13. Ms. Patty Hirsch, NPS                      | 27. Ms. Jaye Panza, DFO         |
| 14. Ms. Sarah Rubin, Monterey County Weekly    |                                 |

## Board Activities and Discussions

**Wednesday, 24 April 2013**

The Board of Advisors to the President of the Naval Postgraduate School Subcommittee (NPSBOA) meeting convened at 0800 on 24 April 2013 in the Executive Conference Center in Herrmann Hall at the Naval Postgraduate School (NPS). In accordance with the Charter, VADM Lee F. Gunn, USN (Retired) assumed the role of Board Chair and informed the Board members that this meeting was open to the public and was advertised in the Federal Register on April 10, 2013 (Vol. 78, No. 69). Mrs. Jaye Panza, Designated Federal Officer for the Board was present during the meeting and a quorum of subcommittee members was met.

Members reviewed SECNAVINST 1524.2B (Policies Concerning the Naval Postgraduate School) and were provided with the 2012 NPS Annual Report. Members were in agreement that the publication was nicely done and a useful tool.

After an overview of the meeting agenda and activities by the Chair, the Subcommittee Members received their annual Ethics and Standards of Conduct training by Ms. Kath Ashton, NPS Counsel. Ms. Aston's brief included guidance on Special Government Employees; requirement to file annual Confidential Financial Disclosure Report; Conflicts of Interest; and Gift Acceptance.

NPS Update and Discussions: RDML Jan Tighe provided an overview and update on NPS after the recent changes in leadership. She discussed several focus areas to lead NPS forward with emphasis on mission, students, faculty, and research. The mission of NPS is clear—to provide relevant and unique advanced education and research programs to increase the combat effectiveness of commissioned officers of the naval service to enhance the security of the United States. The NPS functions are to educate naval officers, authorized U.S. and allied military officers and U.S. enlisted personnel, and civilians within available resources and to provide executive and continuing education programs that support continuous intellectual innovation and growth throughout the careers of the total force. Other functions of the NPS include: Design Programs; Maintain Faculty; Partnerships; Professional Development; Relationships; Civilian Institutions; Research; Distance Learning; and Outreach.

RDML Tighe provided an update to the subcommittee on each of the four schools' programs, faculties, and student enrollment. The members acknowledged the importance of interdisciplinary research centers which combine expertise from across the campus.

Accreditation Update: RDML Tighe provided an overview of NPS accreditation requirements. Western Association of Schools and Colleges (WASC) accreditation midterm report is due March 1, 2014, with reaccreditation due in the Fall of 2020. Subcommittee members pointed out the importance of accreditation and stressed that this process not be taken for granted in light of NPS being awarded a full 10-year reaccreditation (the longest term achievable) in the last round. Dr. E. Jan Kehoe (NPS BOA member awaiting term renewal) was invited to attend this meeting as an accreditation subject matter expert and noted the Overarching Board should assure compliance with the governing role as found in WASC Senior standards and policies. The Board should also monitor changes in WASC Senior standards and policies to assure exceptions for military institutions are included, which will continue to allow the NPS Board to satisfy its part of the governance requirement.

Other NPS accreditations upcoming: ABET (Accreditation Board for Engineering and Technology)-Fall 2013; AACSB (Association to Advance Collegiate Schools of Business) -2014-15; and NASPAA (National Association of Schools of Public Affairs and Administration) -2014. Members asked for, and received, clarification of the Board's unique contribution to governance. The board recommends creating a BOA sub-committee to review Accreditation topics. The subcommittee also feels the school would benefit from having someone from NPS leadership as a member on the WASC Commission.

There was much discussion of the fiscal uncertainty caused by the continuing resolution/sequestration/hiring freeze/AD review/DOD Conference policy. NPS is taking a \$3,771K budget reduction for FY13. The subcommittee encourages NPS to continue to seek alternatives to these and future budget issues. The present DOD conference policies and controls have in some cases adversely impacted NPS faculty in achieving and/or maintaining professional accreditations. The policies have also proven to be extremely disruptive, as faculty seeks collaboration within industry. The uncertainty is adversely impacting faculty. The board asked if it were possible for NPS as an academic institution to seek statutory relief or obtain additional authority to help with the fiscal uncertainties.

Reviews/Audits: Besides the NAVINSGEN review of June 2012, NPS has undergone 15 various oversight reviews in the last 12-months for various activities.

Faculty spotlight: Presently, there are 775 faculty, including: Tenure Track-34%; Non Tenure Track-24%; Associate Faculty-23%; Non Tenure Track Research-12%; and Military-7%. The board enjoyed having lunch with some members of the NPS faculty on Wednesday, 24 April. A number of faculty received awards since the Board last met in October 2012. A listing of those awards will be attached to the board report.

Student spotlight: Current enrollment at NPS is as follows: Resident Degree, USN-706, USMC-181, USA-247, International-212, Civilian-165, USAF-76, and USCG (and others)-18; Distributed Learning, Civilian-631, USN-324, USAF-18, USMC-17, USA-7, USCG-1; Certificate/Non-degree, Civilian-229, USN-90, USA-24, USAF-7, and USMC-7. Subcommittee members also met with several students during a breakfast on Thursday, 25 April in the El Prado Room at NPS.

Strategic Goals: At the conclusion of her briefing to the board, RDML Tighe outlined her vision in four focus areas: Transformative Education—ensuring graduates continue to have the transformative education and research experiences required for them to meet present and future threats to national and global security; Excellence in Scholarship—NPS will continue to sustain and enhance; Leverage Investment—NPS will leverage the Navy's investment in graduate education; and Institutional Effectiveness—NPS will relentlessly pursue.

Internal Inspector General Report (IG) Progress: Col Mitch McCarthy, USMC provided the board with an overview of the Plan of Action and Milestones (POA&M) for addressing the 89 IG recommendations. Of the 89, NPS has the lead for 62, with 27 having Secretariat level lead. Of the 62 for which NPS has the lead, 20% of the milestones are completed and those projects have been closed out and catalogued for future reference; another 44% are up to date; and all others are progressing to completion. Several briefs were provided the subcommittee:

**Indirect Policies and Practices – IG Issue 65-12:** Team lead is the NPS Comptroller, Mr. Kevin Little. The team's purpose is to reform the Indirect Rate System, ensuring cost effectiveness and appropriate charges and compliance with fiscal regulations. The present system is cumbersome,

complex, and inequitable (meaning projects with a high labor/low non-labor pay a higher indirect rate than those projects that have a low labor/high non-labor cost). One critical problem is that the indirect rate also adds significantly to the cost of interns.

New recommended guidelines must illustrate and ensure that NPS provides substantial return to sponsors and taxpayers; the guideline must be simple, equitable, and stable in collections; and they must be efficient, transparent, and accountable in collections and expenditures.

The NPS team offered proposals for reforming the collection of Indirect Funds: determine a single Rate for all product lines; use Total Direct Cost as the basis for the collection of funds; and formulate a Stable Rate which uses the Indirect Cost Recovery Rate in the project proposal as the rate for the life of each project. The NPS team requests BOA support for determining the most efficient method in order to lower the load on faculty, and lower the rate for most projects.

**Faculty (Administratively Determined Pay Plan) Personnel Position Review – IG Issue 80-12 and 81-12:** Team leads are Dr. Doug Moses, Acting Provost; Ms. Julie Carpenter, Human Resources Director; and Professor Davis Olwell, Faculty Chair elect. The team's purpose is to conduct a review of all excepted service AD appointments at NPS and develop a plan, subject to review/approval by ASN M&RA, to address any previous improper appointments and establish appropriate procedures for ensuring that the use of AD appointments aligns with OPM authorizations. The reviewed approach will include developing criteria for positions whose primary function is academic—teaching, lecturing, instructing, conducting scholarly research, etc. The goals are to remedy any misclassifications and explore options for placing the individuals affected in competitive appointments. Subcommittee members asked if the Navy would consider “grandfathering” any employees who would be affected or asking OPM for a one-time authority to retain employee(s) who could be out of a job as a result of reclassification of his/her position.

**Other IG charges to the team include the review and updating of local policies (Pink Book, NPS Faculty handbook, and other NPS Internal Guidelines).** This includes involving the NPS Human Resources Officer in the strategic planning, staffing, and position description review process; the Bonus (Recruitment, Relocation, & Retention) Program; Faculty appointment terms; and the Tenure Faculty Buy-Out practice.

Subcommittee members observed that in light of the recent IG fallout the formation of several ad-hoc sub-subcommittees (Accreditation, Institutional Advancement, Fiscal) should be considered.

Dr. Christine Haska introduced members of the Institutional Advancement Advisory Council (IAAC), who addressed the subcommittee on NPS faculty dedication. LT Kris Yost of the NPS Student Council presented concerns recognized by the student body following release of the IG Inspection Report. Students are concerned with the apparent questioning by the IG of the value of an NPS diploma in light of the report. Student representatives asked: “Does this call for Navy leaders to take steps to emphasize the importance of the school to the Navy and Nation?”

**Campus Tours:** All subcommittee members participated in round robin visits to each of the four NPS schools. Members also received briefings in several areas, to include: Center for Homeland Defense and Security Education Programs; Center for Materials Research; Advanced Network Analysis Data Visualization Research and Strategies for Irregular Warfare; Center for Civil-Military Relations; and the Center on Contemporary Conflict.

Subcommittee members met with community leaders on Wednesday evening: the West Coast Aide to Congressman Sam Farr, Superintendent of Monterey County Schools, City Manager of Monterey, Asst City Manager of Monterey, Mayor of Seaside, Mayor of Del Rey Oaks, President of Monterey Peninsula College, Interim Executive Director of Monterey Peninsula College, Provost of Monterey Institute of International Studies, President of Hartnell College, Executive Director of Advancement at Hartnell College, and the President of the Monterey County Business Council.

#### **Thursday, 25 April 2013**

In accordance with Federal Register Notice of April 10, 2013 (Vol.78, No.69) the board met in closed executive session (by teleconference) with Assistant Secretary of Navy (M&RA) Juan Garcia and Chief of Naval Personnel, VADM Scott VanBuskirk (an NPS BOA member). The Designated Federal Official was present at the closed session.

ASN Garcia provided a sitrep to the subcommittee on the progress of the IG Working Group that was set up to address the senior leadership personnel issues; to survey a range of stakeholders in the IG recommendations; and to examine the value of research at NPS as it relates to its mission. Subcommittee members were told that the working group consists of ASN M&RA, Interim President NPS, Navy OGC, HR, DNS, ASN (FM&C), USMC MCU, N1, Navy Safety Center, and DON/AA.

Board members shared concerns with ASN Garcia on five major areas: Personnel Issues (Attracting/retention of quality faculty); need for clarity on Academic Freedom; Growth and Development of Faculty/Staff in light of uncertainties in AD position review and new DOD travel/conference policy; Importance and value of Research at NPS; and NPS BOA Subcommittee's role and its contribution to governance.

Particular interest to the members was how the Secretary of the Navy sees the role of the NPS BOA. The members reviewed the Secretary of Navy memo of 24 January 2013 referencing the NAVINSGEN Itr 5040 Ser N00/1015 of 22 Oct 12 (IG Report). The board specifically addressed the nine areas identified in the Secretary's memo where the NPS BOA Subcommittee can provide advice and recommendations. Without having an oversight role, the board feels its current Charter accurately describes its appropriate and practical role. ASN Garcia praised the board for its support and sound advice during the past six months. He acknowledged the great respect for the member's diversity and asked that the BOA chairman continue to attend bi-annual AERB meetings as well as interacting with the IG Working Group.

The Vice Chief of Naval Operations (VCNO), Admiral Mark Ferguson, USN joined the closed session and reiterated that NPS is a strategic asset to the Navy and is highly valued by leadership—stating “there is no duplicate” for what happens at NPS. He discussed with the subcommittee the difficult decisions being made in response to budget/furlough/sequestration. He urged the subcommittee and the Overarching BOA to look ahead to its next meeting in the Fall with a new NPS President.

Before the conclusion of the closed session, RDML Tighe provided the members with copies of an NPS Faculty Resolution and surveys of former NPS students. Both will be provided as enclosures to the board report. Finally, Admiral Tighe indicated the upcoming realigning of staff functions and personnel

to comply with policy and regulation. This is being done to ensure effectiveness and efficiency in accomplishing the NPS mission.

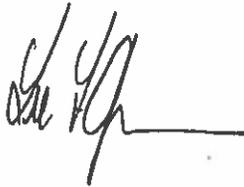
After the closed session, the members attended, and were introduced to the student body/faculty at, an "NPS All Hands" call with VCNO.

This subcommittee reported its findings and recommendations to the full committee during this session since all approved members of the full board were in attendance. The full committee will issue a report on this meeting to the Secretary of the Navy, via Chief of Naval Operations.

At the conclusion of their meeting, all members extended their appreciation to RDML Tighe for her outstanding job as Interim President of NPS during the past six, difficult months. The Board Chair drafted and faxed a letter from the board to the Secretary of the Navy and the Chief of naval Operations concurring with the CNO's nomination of a newly proposed candidate to fill the position of President, Naval Postgraduate School.

Board Chair welcomed any comments or remarks from the public. There being none, he gave concluding remarks and the DFO adjourned the meeting at 4:45pm on Thursday, 25 April 2013.

Meeting Minutes Certified on 31 May 2013 by:

A handwritten signature in black ink, appearing to read 'Lee F. Gunn', with a horizontal line extending to the right.

LEE F. GUNN  
VADM USN (Retired)



Naval Postgraduate School Board of Advisors Subcommittee Meeting

24 April 2013

Meeting to be held at:

Naval Postgraduate School  
Herrmann Hall Executive Briefing Center  
Monterey, CA 93943

Wednesday, 24 April 2013

Navy Uniform: Khaki (Service Equivalent)  
Civilian Dress: Business dress (jacket/tie)

<u>Time</u>	<u>Event</u>	<u>Place/Detail/Briefer</u>
0700 - 0745	Breakfast (no host)	On own (El Prado Room)
0800	Open Meeting	Designated Federal Official
0800 - 0805	Welcome/Agenda Overview	Chairman Lee Gunn
0805 - 0815	Annual Ethics Training Overview	Kath Ashton, NPS Counsel
0815 - 0915	Command Brief	RDML Jan Tighe, USN
0915 - 0930	BREAK	
0930 - 1130	Internal IG Progress	Col Mitch McCarthy, USMC
1130 - 1230	LUNCH (no host) with faculty	El Prado Room
1230 - 1235	Meet with Deans	El Prado Room
1235 - 1500	Round Robin Sessions Schools/Research	Deans will escort
1500 - 1515	BREAK, Regroup for Photo	EBC
1515 - 1530	Official Photo	NPS Photographer
1530 - 1615	Institutional Advancement Advisory Council	Dr. Christine Haska
1615 - 1630	Closing remarks/Adjourn	Chairman Lee Gunn
1630 - 1745	Personal Time	On own
1745 - 1800	Walk to Stanley House	Protocol will escort
1800 - 2000	Reception with Community Leaders and Partners	Stanley House Open collar casual



Naval Postgraduate School Board of Advisors Subcommittee Meeting

Thursday, 25 April 2013

Navy Uniform: Khaki (Service Equivalent)  
Civilian Dress: Business dress (jacket/tie)

<u>Time</u>	<u>Event</u>	<u>Place/Detail/Briefer</u>
0700 - 0745	Breakfast (no host) with NPS Students	El Prado Room
0745 - 0800	Walk to EBC	DFO will escort
0800	Meeting reconvenes	
0800 - 0900	Board Discussion	Chairman leads
0900 - 1130	VTC visit from ASN Garcia	<b>CLOSED EXECUTIVE SESSION Board Members Only</b>
1000 - 1100	VCNO will join executive session in progress	
1130 - 1145	Board Discussion	Chairman leads
1145 - 1245	BREAK/LUNCH (no host)	On own
1245 - 1255	Return to EBC	
1255 - 1300	Proceed to King Hall	
1300 - 1400	ALL HANDS Call with VCNO	Board Members introduced
1400 - 1405	Return to EBC	
1405 - 1415	BREAK	
1415 - 1630	New NPS/NWC Charter Rework/Bylaws	Board Chair Lee Gunn
1630	Final remarks by Chairman/Meeting Adjourned	

**NEXT NPS BOA MEETING  
16 - 17 October 2013  
National Capital Region**