

New College of Florida Board of Trustees
Approved Minutes
Meeting of February 21, 2009

Members Participating: Rev. Jerome Dupree; Gen. Rolland V. Heiser; Dr. Patrick McDonald; Thomas “TM” Mawn; J. Robert Peterson; Chairman Mickey Presha; Mary Ruiz; John Saputo; Jane Smiley.
Participating by Teleconference: Kenneth Misemer; Vicki Raeburn. **Not Participating:** Elaine Keating; Gen. Raymond E. Mason, Jr.

Call to Order

Chairman Presha called the public meeting to order at 10:04 AM and established that the Notice of Meeting was published on February 10, 2009. He noted that Trustees Misemer and Raeburn are connected via conference phone.

Approval of Draft Minutes of November 8, 2008 BOT Meeting

Trustee Dupree moved to approve the Minutes of the November 8, 2008 BOT Meeting as presented, seconded by Trustee Peterson, and the motion carried unanimously.

Chairman’s Report

Chairman Presha welcomed the two new Trustees to the Board: Mary Ruiz and Thomas “TM” Mawn. Appointed by the Governor to complete former Trustee Warren Hudson’s term, Ms. Ruiz, the CEO of Manatee Glens Mental Health & Addiction Services, Inc., is an alumna of New College. New College Student Alliance (NCSA) Co-President TM Mawn is a statutory appointee to the Board by virtue of his office. Chairman Presha noted that four Trustees’ terms would end January 6, 2010: the terms of two Trustees, Heiser and Mason, appointed by the Board of Governors; and the terms of two appointed by the Governor, Trustee Ruiz and Trustee Smiley. In keeping with attention to BOT housekeeping matters, Chairman Presha noted that President Michalson, who has done a fabulous job, needs to have his contract reauthorized beyond June 30, 2009 and he requested the Board authorize him to negotiate the contract with the President. Trustee Heiser so moved, seconded by Trustee Dupree, and Chairman Presha was given the authority to negotiate the President’s 2010 contract by unanimous vote. The Chairman appointed Bob Johnson, former BOT Chair and Trustee of New College Foundation, to work with him on the contract. The Chairman shared with the BOT that President Michalson is entitled to a five percent in his salary, paid annually, but he has consistently deferred any increase.

President’s Report

President Michalson thanked Chairman Presha for everything that he does for the College and added his own welcome to Trustees Ruiz and Mawn. He noted that he had been encouraging Trustee Ruiz to consider a position on the BOT for the past five or six years. Her strategic sense and knowledge of state politics, coupled with her budgeting skills honed in the non-profit sector will be very valuable additions to the NCF talent pool. Mary was also the founding president of the New College Alumnae/i Association (NCAA). TM Mawn also knows the local scene, since he is from Sarasota and a graduate of Pine View School. Dr. Michalson avowed that the budget issue is paramount. It is tricky because so many of the parts are moving and it is very difficult to plan without any givens. Last week he and VP John Martin met with 14 members of the state legislature over a two-day period. They sensed a “disconnect” between the state’s position on using the federal stimulus package and the state budget under discussion, but the outcome remains to be seen. In the worst case scenario, the State of Florida will have to make up a \$6-7 billion loss. New College’s sole legislative priority is to seek consideration of a smaller percentage budget cut, because small institutions like NCF are disproportionately affected by across-the-board cuts. The NCF \$1.8 million is still one of the top five legislative priorities of the BOG, along with special funding for the two new medical schools at FIU and UCF. All need that special start-up support, but NCF is content to have a lower level cut in the budget, we are not seeking new funding at this time. The President shared that he, VP Martin, and Nick Iarossi, the lobbyist who accompanied them, were all struck by how well-regarded New College was in Tallahassee; in fact many powerful legislators from outside our immediate area seemed to consider themselves part of the NC “family.” With respect to New College Foundation, President

Michalson noted that the Foundation Board now has a strong sense of ownership of their issues. They have been rocked by the market like everyone else and their new leader, Andy Walker, is realistic and on top of the issues. Dr. Michalson congratulated Dean of Admissions and Financial Aid Kathy Killion for doing so much with so little. Applications are up this year from last (1217 to 1403) as of now, and the process of converting applicants into accepted students who enroll in the College has begun. Some issues in Student Life will take considerable work on all sides to improve communications lines and develop appropriate policies. An action of the NC faculty in December to require the electronic submission of senior theses, and to stop binding the paper theses turned out to be a hot-button issue. The decision affects a long-standing tradition, and no place is more conservative than a small, independent, innovative liberal arts college. Dr. Michalson also noted that the policy to close down "walls" (parties) at 2:00 AM was implemented after a student was injured. Bars close at 2:00 AM and the closure policy was not meant as a curfew, but as a means of turning down the amplification of music, to indicate to outsiders that parties at NCF are not open to all at a late hour. He noted that devising a policy that serves everyone's interests is not easy, recalling that in his first year at New College as Dean and Warden, his first student issue was to have walls reinstated, after they had been abolished by USF campus management. Before closing, he raised a personnel issue: General Counsel Steve Pfeiffer will retire on May 1, 2009. He may agree to return on a part-time consulting basis after a suitable interval to see us through on several key issues. Dr. Michalson said Mr. Pfeiffer had been an uncommonly good match for New College, wearing a number of different hats, and he was very gratified by his efforts over the years. David Smolker will serve as part-time interim general counsel in the short-term, and in the fall, after the budget shakes out, NCF will decide what to do about a permanent general counsel. Chairman Presha added that Mr. Pfeiffer has the ability to walk through mine fields untouched and cuts through discussion and inertia quickly.

Legislative Report

Lobbyist Hugh MacMillan reported the UNF President John Delaney is providing focused, strong leadership as "acting chancellor" of the SUS. In the current tough budget environment, he has succeeded in building a more unified, effective SUS lobby. The Chair and Vice Chair of the Board have also been proactive. As President Michalson mentioned, he and VP Martin had an intense and useful schedule of visits with key legislators this week in Tallahassee, including Senate President Atwater and House Speaker Cretul, the new man at the top. Colleague Nick Iarossi coordinated the visits. The NCF message is down to one clear page and moving toward one clear sentence. "Protect from cuts and when possible augment funding for small, top quality New College for the benefit of Florida and the SUS." Governor Crist continues to gain national fame as a governor who is an American first and also a Republican. Yesterday he released his 2009 budget recommendations. His unique approach included the federal economic stimulus law funding as a key element. This is in effect a recommendation to the President of the United States as well as the Florida Legislature, and he might pull it off, for he has created a civil and positive environment. Our New College start-up days in Tallahassee are over and we can have a successful session this year based on teamwork, respect and a little luck with timing and budgets. Mr. MacMillan observed that tough times often build teams, as witnessed by the fact that Senator Pruitt and Lynn are now working together.

New College Foundation Report

Andrew Walker, President of New College Foundation, expressed pleasure at being at his first New College Board of Trustees meeting, and thanked the people who recruited him for the position. He encouraged Trustee Raeburn, Chair of the Foundation's Board, and Trustee Misemer, Foundation Board member, to chime in on his report. Mr. Walker reported that he has been spending his time the first two and a half months getting to know the College and donor community, familiarizing himself with the Foundation board members, and getting to know the needs of the College, including the student perspective on things. He has met with TM Mawn and Chase Sokolow, NCSA Co-Presidents. Obviously, the Foundation faces financial challenges. Mr. Walker said he has looked at philanthropic giving during periods of recession and depression, and the good news is that it always rebounds. However, the Foundation has taken a \$600,000 budget cut, reducing its budget by one-third. He is restructuring the staff to do more fundraising, in order to cultivate more donors; between four to five individuals will actually be fundraising. The Foundation Board decided that on July 1, 2009 it will lower the endowment interest rate paid to New College from 5% to 4%; this will have a \$300,000 impact. In the past, a \$2.5 million line-of-credit funded the Foundation's contributions to the College. While reducing the payments to the College temporarily and sustaining its own internal cuts is a difficult move for the Foundation now, in the long run,

it will place the Foundation on far better financial footing. The Foundation has been identifying new prospects, and the big unknown is how fast the timing may be to turn new relationships into gifts. Above all, Mr. Walker stated, the Foundation has to be financially responsible for its own commitments. Trustee McDonald asked if there was any update on the College's 50th Anniversary Celebration. Mr. Walker responded that he was taking the 50th and breaking it out into 1960 to 1967 for a 7-year special campaign, broken into two three-year phases. He noted that Jake Hartvigsen had more information on the campus events connected with the 50th Anniversary.

Audit Committee Report

Audit Chair Vicki Raeburn reported that the Audit Committee met earlier that morning and there are no actions at this time for Board action. The Committee reviewed their own charter and saw no need for any changes. The reviewed the choice of independent auditors, considering the results of a satisfaction survey of those who had interacted with the CPA Associates, Inc. last year and saw no need to make any change of independent auditors at this time; survey results were favorable with respect to CPA Associates. The Audit Committee also reviewed the New College Development Corporation statements for FY 2008, which required no action. There were no questions for the Audit Committee.

Finance and Administration Committee Report

Chairman Presha reported on the January 29, 2009 meeting of the Finance and Administration Committee, which was duly noticed and held in Cook Library's Special Collections Room. The purpose of the meeting was to address concerns raised by Trustee Saputo regarding the process followed by the College in evaluating bids and awarding contracts to construction and management firms. Mr. Saputo had received some complaints from local contractors (who were also donors to the College), about their unsuccessful bids for major projects at New College. At the Jan. 29th Committee meeting, the protocols governing the current procurement process were fully explained and discussed; the Committee decided that the process in place is a good one. Subsequently, staff members reviewed the College's procurement process and evaluation criteria with local contractors to help them develop more competitive proposals in the future. Chairman Presha stated that the Finance and Administration met again earlier in the morning, right after the Audit Committee meeting, and continued discussion on the current procurement processes and evaluation criteria. Vice President Martin explained that there are already more points awarded to local firms than to those from out of state but proximity is not the only factor considered in the evaluation process. Following the January 29th meeting, he asked Facilities staff to refine the definition of "local" to grant more points to Sarasota and Manatee contractors and A/Es in relation to companies farther away. He proposed that the Committee look into new ways to incorporate geographical proximity more heavily into the already-existing point system before the next major call for bids.

Turning to a subject requiring Board action, Chairman Presha asked VP Martin to introduce the proposed building site for the Archaeology Lab. Mr. Martin stated that the College had received a federal grant of \$215,174 in 2008 for an Archaeology Lab, covering support for planning, equipment and salaries, but not a bricks and mortar building. A physical facility is needed to provide a public display area and research space for Professor Uzi Baram's public archaeology projects in Sarasota and Manatee counties. The siting of an Archaeology Lab was not provided for in the master planning process. On February 2, 2009 the College's Ad Hoc Campus Master Plan Advisory Committee recommended to the Board that it amend the Campus Master Plan to identify a building site, if it is possible to construct a new facility, near the Four Winds Café. The building will be labeled W-31 on the amended Campus Master Plan; it will have no additional parking and virtually no impact on off-site infrastructure. A small, new stand-alone building of 1800 square feet is envisioned, of the same scale and design as the Anthropology Lab and the Four Winds Café. Trustee Raeburn moved to amend the Campus Master Plan to identify a new building footprint for an Archaeology Laboratory that will be South of and no further West than the existing Anthropology Laboratory, seconded by Trustee Misemer. Trustee Mawn asked how much the construction would cost and VP Martin estimated \$300,000. He explained that \$150,000 was already earmarked in PECO funds with the rest to be drawn from the College's reserves, if possible, given the current budget concerns. The Board voted unanimously to approve the amendment to the Campus Master Plan as stated. President Michalson added that Congressman Vern Buchanan worked hard to make the federal funds supporting the lab available.

VP Martin then introduced the topic on everyone's mind, the Budget Reduction Process, referring to three documents he provided for the Board meeting: a Feb. 11, 2009 Status Report on the NCF Budget; a Feb. 17, "Budget Facts" one-page document he and the President used in Tallahassee, and a Feb. 20 summary from Tim Jones summarizing the Governor's budget proposal. Mr. Martin reminded the BOT that in January, the Special Legislative Session cut New College \$680,000, a cut which was anticipated by NCF and discussed at the November BOT meeting, at which the budget was officially reduced by that amount. From July 1, 2007 until now, the NCF budget has been reduced \$2 million, a 10.5% reduction, due to a drop in the State's general revenue and lottery funds. New College has absorbed these cuts. He announced that the current operating budget (FY 2008-09) may have to sustain yet another cut, depending on whether or not the federal stimulus package provides some relief for the state. Next year, beginning July 1, 2009, another state cut of 10-20 percent is anticipated (a 15% cut would equal \$2.5 million for NCF). Mr. Martin reminded the Board that they had heard from Mr. Walker that the Foundation's contribution to the College of \$2.4-\$2.5 million annually in November 2008 was reduced by \$150,000 and now it will have to be reduced even further, so that the Foundation contribution will drop from approximately \$2.4 million annually to \$1.4 million this year. With the action on the budget reduction in Nov. 2008, the BOT gave President Michalson the authority to make adjustments, so now the adjusted Foundation contribution is now reduced by \$1 million dollars.

Mr. Martin stated that a Budget Review and Planning Committee had been formed to serve as a sounding board within the College; the three bargaining units will be represented on the Committee. Trustee McDonald has formed a faculty committee to review cuts and revenue-generating opportunities. The Governor's budget proposal includes a 5% tuition increase for the SUS with authority for each university to increase it up to 10% more. A Technology Fee option passed during the 2008 legislative session is also available to the College. He concluded that there would be lots of work between now and May, reducing expenses and trying to increase revenue. The President, the Provost, and he are committed to protecting the academic core from cuts.

Trustee Ruiz questioned, since everything is on the table for discussion, whether the administration had done a financial scenario for student enrollment growth, if growth was financially feasible? VP Martin responded that the Budget Review and Planning Committee will model a lot of different scenarios. Enrollment is now at 767; they will model growth at 800. The challenge now is enrollment of students, and maintenance of the student-faculty ratio at 10:1. Trustee Ruiz commented that she was looking for alternatives to faculty layoffs. Mr. Martin advised that no layoffs are being considered at present. The College has approximately \$3.2 million in cash reserves, which will permit time for thoughtful discussion of the budget problems and lead-time to implement a responsible plan to address them. He noted that it will take until late in FY 2009-10 to implement most of whatever cost reductions are eventually decided upon. Chairman Presha stated that is absolutely necessary to have faculty input into this discussion process. Trustee McDonald reported at the last faculty meeting, the New College faculty formed an ad hoc Committee for Budget Contingency Planning, to channel faculty input on budget cuts and their prioritization to the administration. Everyone wants to avoid faculty layoffs and generate additional sources of revenue, but the problem is difficult. If a decision is made to offset the revenue reduction by increasing tuition, NCF may drop down in the magical ratings it receives from the college guides like the Princeton Review and US News & World Report. The free publicity that comes with these high ratings is practically irreplaceable. We sit on the cusp of some very vulnerable numbers in these ratings, such as tuition and SAT scores. Generating new revenue based on growth and tuition increases is very tricky. So planning for the worst case now is prudent. President Michalson added that he hoped it was clear to everyone that protecting the integrity of the academic program is everyone's shared premise.

Trustee Raeburn noted that in the press, she has been reading about many students reassessing their college prospects in light of family budget concerns, and wondered if this was affecting New College's prospective students, if NCF is seeing more students who previously would have been more interested in the costly, private selective colleges. Dean of Admissions and Financial Aid Killion responded that the private highly-selective colleges are continuing to meet 100% of student unmet financial need as defined by the federal government. One of the biggest challenges for NCF in enrolling out-of-state students is that we cannot enroll out-of-state students and meet 100% of unmet need. The College has the resources to meet, on average, 95% of the need of those who do apply and are enrolled; many students go elsewhere because

of this fact. Trustee Ruiz asked what would be needed to meet 100% of unmet need. Dean Killion responded one to two million dollars more, adding that even students without need expect to receive merit scholarships. In response to a question from Trustee Dupree regarding the availability of private grants other than those from federal or state sources, she replied that links for additional gift aid sources are listed on the Financial Aid website, adding that New college applicants have a small advantage here, because her staff works closely with students to direct them to these and other funding sources. Trustee Peterson commented that his grandson from California was on campus for a visit last week, and reported that many colleges send admission recruiting staff to visit his school, in fact Haverford was there recently. Does New College do this type of recruiting? Dean Killion replied that she has found that out-of-state travel for her staff does not give a good return on investment because New College is not that well known. Instead, Admissions uses search services to locate students who might be good fits for New College. She assured Trustee Smiley that alumni are used by Admissions, in fact ten percent of the last year's entering class was referred through alumni efforts. President Michalson added that prospective students and parents are always invited to the alumni gatherings he attends out-of-state. Admissions sends recruiters to special out-of-state events such as the annual conference of the National Consortium for Specialized Secondary Schools of Mathematics, Science, and Technology, which serves highly competitive students and events sponsored by the Colleges That Change Lives Consortium (CTCL), both of which have a good rate of return. President Michalson mentioned that Loren Pope's grand-niece transferred from Haverford to New College, and that led the author of *Colleges That Change Lives* to include New College in his book. Mr. Pope visited campus a few years ago.

The Academic Calendar for 2009-10 was recommended to the Board for approval by Provost Savin. He noted that the calendar has been in flux the past several years as the administration experimented with variations to make New College better. In each of the last two years, the approved calendar has had to come back before the BOT for revision, and he hoped that this would not happen again. Trustee Ruiz moved to approve the Academic Calendar for 2009-10 as presented, seconded by Trustee Dupree. Trustee Smiley asked if NCF coordinated its calendar with the local colleges and universities, and President Michalson replied not as far as he knew, but if we did, we would expect reciprocal behavior. The Board approved the Academic Calendar for 2009-10 by unanimous vote.

Provost Savin announced that the Board was asked by the President to consider granting tenure to two candidates this year. They have been vetted and recommended by the Provost's Advisory Committee, supported votes of their own Divisions, the recommendations of their Division Chairs, and the Provost's own recommendation to the President. The first candidate is Assistant Professor of Political Science Frank Alcock, a member of the New College faculty since 2003, who holds a Ph.D. from Duke and an MA in International Affairs from George Washington University. Dr. Alcock has long been involved with the interface of environmental issues and international affairs. He has a body of published scholarship work and is a fine teacher. He has been singled out by the local press as a commentator and served as the founding director of Mote Marine Lab's Policy Institute. Trustee Dupree moved to approve tenure for Dr. Frank Alcock, seconded by Trustee Heiser, and the motion was approved unanimously. The second candidate for tenure is Assistant Professor of Judaic Studies Susan Marks, also a member of the New College faculty since 2003. Dr. Marks is an ordained rabbi, and holds a Ph.D. in Religious Studies from the University of Pennsylvania, and an MA in Hebrew Letters from Hebrew Union College-Jewish Institute of Religion. She is a fine instructor and has published her research on women in ancient Hebrew culture. Trustee Ruiz moved to approve tenure for Dr. Susan Marks, seconded by Trustee Smiley, and the motion was approved unanimously.

Other Business

Dean of Students Wendy Bashant introduced a presentation on community service by New College VISTA (Volunteers in Service to America) volunteers Adam Roca, NC '08, and Mia Brezin, who are working in Student Affairs this year under a Florida Campus Compact grant. Along with fourth-year students Taylor Kennedy and Ashley Johnson, they discussed a variety of service projects that they had led for New College students in Immokolee and elsewhere, as well as plans for Alternate Spring Break '09 volunteer opportunities in Miami and Appalachia.

VP Martin mentioned a few physical plant improvements that had been overlooked earlier: the College will likely be acquiring a new greenhouse for placement immediately west of Heiser Natural Sciences to support Professor Clore's research. The chemical storage facility addition to Heiser Natural Sciences has been completed, allowing the current white storage sheds to be relocated to the Physical Plant compound. If it can obtain appropriate permits, the College plans to drill a well in partnership with the FSU-Ringling complex to reduce water costs at the shared chiller plant, generating estimated savings ranging from \$25,000 to \$30,000 per year.

Trustee Dupree thanked General Counsel Pfeiffer for his recent memo detailing Trustee Responsibilities. Chairman Presha wished General Counsel Pfeiffer a warm send-off and welcome return, rating him at the top of the list of attorneys with whom he has worked.

Since there was no further business, the meeting was adjourned at 11:37 AM.

Respectfully submitted,

Suzanne L. Janney,
Assistant Secretary