

New College of Florida Board of Trustees
Approved Minutes
Meeting of June 13, 2009

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

Call to Order

Chairman Presha called the public meeting to order at 10:10 AM and established that the Notice of Meeting was published on June 3, 2009. He noted that Trustees Mason and Misemer were connected by teleconference to the meeting and that he was glad to have Trustee Raeburn here in person this time.

Approval of Minutes of February 21, 2009 BOT Meeting

Trustee Raeburn moved to approve the Draft Minutes of the February 21, 2009 BOT Meeting as presented, seconded by Trustee Peterson, and the motion carried unanimously.

Chairman's Report

Chairman Presha commended President Michalson, the faculty, staff and students for the recognition that New College has received this year. State legislators think highly of the College, and Congressman Buchanan, who has helped secure with federal funding on more than one occasion, confirmed this to the Chairman at a recent fundraiser at Trustee Saputo's place. Col. Presha regretted not being able to attend graduation, but thanked Trustee Ruiz for filling in for him. He announced that Trustee Misemer would join the ad hoc Presidential Evaluation Committee for 2009, which also includes Trustees Keating, Peterson, and himself (appointed at the Feb. 21 meeting), and stated that Trustee Keating had agreed to serve as Chair. She will follow General Heiser in this position; Trustee Heiser led the evaluation team for the past several years in an exemplary manner. Chairman Presha stated that each Board member will be asked to complete an evaluation form, and he expects 100% participation. The Committee's draft evaluation report will be presented to the Board for review and adoption at the September 12, 2009 annual meeting. He then turned to the schedule of meetings for next year that the Trustees had received. Trustee Dupree moved to adopt the Proposed Schedule of BOT Meetings for AY 2009-2010, the motion was seconded by Trustee McDonald, and approved unanimously.

President's Report

President Michalson began by noting that the schedule is always subject to change and thanked the Chairman for prejudging the work of the Presidential Evaluation Committee. He welcomed General Counsel David Smolker back to the BOT table, observing that he had been NCF general counsel from 2002 to 2005, before Mr. Pfeiffer. The sons of both Mr. Smolker and Foundation president Andy Walker graduated from Vassar earlier in the month, and both fathers know the value of a liberal arts education. Dr. Michalson moved on to discuss the sobering prospect of New College absorbing the legislature's 11.5 percent budget cut, which could have been much more. Thanks to efforts of numerous parties, the legislature added \$500,000 in recurring funds to the NCF allocation, as a down payment of sorts on the third installment of the \$1.8 million that was among the Board of Governors top statewide priorities. In addition, the College will receive \$1.2 million in federal stimulus dollars each year for the next two years and hopes to use it without becoming dependent on it. Tuition was raised throughout the SUS by the legislature, and the universities were given the authority to add further increases to it up to 15 percent. Overall, for the NCF \$29 million all-sources budget, it is not nearly as bad a situation as it might have been. The differential tuition authority gives institutions leeway to control one of their primary revenue sources (at least for the larger schools) and more importantly recognizes that each university should be determining their own tuition structure with as much flexibility as possible. President Michalson echoed Chairman Presha's remarks about recognition. He was in Tallahassee on April 23, the day that the Senate chose to celebrate Undergraduate Student Academic Awards received by the SUS institutions. Ten of the eleven SUS presidents were in the capital for a press conference, and he, T.K.Wetherell (FSU) and Judy Genshaft (USF) were present on the Senate floor for the recognition of students ceremonies. Later he overheard Michael Dexter, the NCF student present and representing our host of award winners asked by a reporter how the budget cuts had affected students at New College, respond that there was no

effect that students could see. Dr. Michalson said that he hoped this would continue to be the case through the next several years. At Commencement, speaker Sharon Matola, an alumna and founder of the Belize Zoo and Tropical Education Center, described in a vivid and wonderful way how her New College education connected to a variety of opportunities and her subsequent career path, with specific reference to the important influences that of her professors, Paul Scudder, John Morrill, Al Beulig, and Bill Tiffany. It has been a good year: the Fulbright tally rose from seven to eight, a new record number. The Fulbright grants are emblematic of students' accomplishments in other ways. The Office of Admissions has had a very tough and challenging year, trying to perceive who will apply and enroll: applications are up 103 percent since 2004. Credit goes to Dean of Admissions and Financial Aid Kathy Killion and her staff for their handling of this overwhelming avalanche of applications, which is a national phenomenon. Across the board budget cuts will not be applied to units such as this one which has absorbed a huge increase in workload without complaint. President Michalson said that he was most impressed not only that the incoming class for Fall 2009 will include a significant increase in underrepresented students and a slight increase in out-of-state students, but also that there is a measurable increase in standardized test scores, a very impressive statistic. Several years ago the conversion rate from inquiries to completed applications was at 7 percent, now, after Dean Killion has implemented new strategies, the conversion rate has more than doubled, to 16-17 percent. Groundbreaking for the new academic center will take place the new fiscal year, and the 50th Anniversary Committee, ably co-chaired by Jake Hartvigsen and Suzanne Janney, will find the right mix of celebrating the College's legacy and prospects for the future, appropriate to the occasion and our finances. This is the big challenge for now. Dr. Michalson noted that last week he concluded his year as President of the Florida Association of Colleges and Universities (FACU), a tough time to be representing the SUS, Florida community colleges, and the private independent institutions in one organization. The community colleges were in a fuss over the "state college" phenomenon, changing names and allowing them to grant "workforce bachelor's degrees," and he had to serve as a mediator for many delicate issues. However, at the last FACU meeting of the year in Orlando, he presided over a dais which included Jeff Atwater, President of the Florida Senate, Sheila McDevitt, Chair of the Florida Board of Governors, Carolyn Roberts, past Chair of the Florida BOG and FACU honoree, and Belle Wheelan, Executive Director of our accrediting agency, the Southern Association of Colleges and Schools Commission on Colleges. It was his swan song, but the visibility for New College was enormous. Dr. Michalson concluded his report by thanking Trustees Saputo and Ruiz, and others around the table for their help in Tallahassee with government relations and with our local delegates. Chairman Presha reinforced President Michalson's thanks and reminded the BOT that many of our legislative friends are stepping down due to term limits; befriending their successors on behalf of the College is extremely important to our continuing legislative support.

Audit Committee Report

Audit Chair Vicki Raeburn reported that the Audit Committee had not met earlier this morning as planned, due to lack of a quorum, but would convene after the BOT meeting today. All materials are in good, clean, shape thanks to the efforts of John Martin and his staff. A report will be provided at the next BOT meeting.

Finance and Administration Committee Report

Chairman Presha stated that the Finance and Administration Committee met earlier this morning and also held a public hearing on May 12, to accommodate the collection of student opinion on a variety of controversial issues. The final outcome is that the Committee will assure student participation in its deliberations. With that introduction, asked Vice President Martin to report on the specific issues.

He began with Proposed Regulation 4.08 Setting Tuition and Fees for AY 2009-2010, and asked that it be adopted as a regular regulation to be effective upon approval by the Florida Board of Governors. The motion was made by Trustee Raeburn and seconded by Trustee Heiser. VP Martin reviewed significant changes in the proposed regulation from last year.

- Tuition. New College proposes to the BOT to add a 7 percent increase in in-state tuition to the 8 percent increase mandated by the legislature. This equates to a 15 percent increase in base in-state tuition. The College also proposes a 10 percent increase in out-of-state tuition. Mr. Martin said Trustee McDonald raised serious concerns about the elasticity of out-of-state tuition and requested the College have a full study of the issue conducted. On the face of it, it seems that the higher out-of-state tuition rises, the fewer out-of-state students the College will attract. However, numerous other factors are involved in this very complex equation. The price of tuition is a factor, but by no means the only one in the decision-making of out-of-state students. At the Committee's request, the College will undertake a price elasticity study for use in informing future decision making regarding out-of-state tuition.

- Activity and Service Fee, Health Fee, and Athletic Fee. In lieu of a five percent across the board increase to the individual fees, it is proposed that an amount equal to five percent of the aggregate total of the three fees added together or \$1.19 per credit hour be added to the Athletic Fee. This increase is the same for Florida resident and non-Florida resident students. The fee increase is proposed to accommodate the desires of the New College Student Association to support the Fitness Center which is losing funding from USF Sarasota/Manatee. The proposed increase is recommended by the 2009-2010 Student Fee Committee established in accordance with Section 1009.24 *Florida Statutes*.
- Technology Fee. The legislature gave the SUS authority to establish a technology fee of \$4.42 per credit hour at each of the eleven member institutions. The revenues from this fee will be used to fund instructional technology resources for students and faculty, with specific emphasis on operations associated with the “Smart Library” initiative currently underway. The technology fee will not be included in any award under the Florida Bright Futures Scholarship Program. Students have expressed strong opposition to this fee, through a referendum vote, at the public hearing held on May 12, 2009, and at the Committee meeting held earlier in the morning. Mr. Martin reported that the Committee voted in favor of the proposed Technology Fee with the following caveats, which were explained by Trustee Ruiz: the Committee believes it is obligated on behalf of the College to support implementation of all aspects of the “Smart Library” federal grant; the Committee has heard and understood the students’ objections and is determined to do a better job in the future of communicating and advising them in an a more timely manner of potential new fees; the administration will extend an invitation to students to take advantage of the opportunity to participate in planning so they can better appreciate the value any new fee will add to their educational experience; and Mr. Martin and Provost Savin will provide students with a financial accounting of how the Technology Fee dollars are spent. Trustee Mawn flatly stated that the students do not support the Technology Fee, with or without caveats. President Michalson asked him if this is a financial issue for the students. Trustee Mawn responded that yes, it is another \$150 that students will have to pay, but it also involves a general principle of creating new fees that are not covered by tuition, and there is concern over how the fee revenue will be used. The details of the “Smart Library” were not communicated to the students. The President responded that apart from the specific Technology Fee, statewide there is a lot of upward creep in fees in general, being levied apart from tuition; New College is not the only institution that is grappling with this issue.
- Housing Rental Rates. A seven percent increase is proposed in order to meet financial obligations of three certificate of participation issuance undertaken to support construction of new dormitories, renovation of existing dormitories, and renovation and/or expansion of the student center.
- Housing Room and Damage Fees. Specific new fees are proposed for various types of damage to College property, and increases are proposed for in the other continuing room and damage rates.
- Meal Plan Rates. Alternative and Standard Meal Plans would be discontinued. A new plan for first-year students and those residing in the Pei dorms is proposed. Apartment and Commuter plans would increase approximately three and one half percent while the B Dorm plan remains unchanged.
- Facility Licensing Fees. New Commercial facility licensing fees are proposed for set-up and cleaning tasks; new Non-Profit facility licensing fees, substantially lower, are similarly proposed for the same tasks; it is proposed that Commercial licensing fees for College Hall and environs be decreased.
- Material and Supply Fees. A new fee of \$50 for Plant Physiology is proposed, along with increases in eleven lab course fees for consumable items that student must use in the lab.
- Thesis Binding Fee. Declining budgets have made it difficult for the Library allocation to cover the costs of binding student theses. A new fee of \$75 per thesis is proposed. Mr. Martin explained that the College intended this fee to be discretionary, to apply only to those students who opted to have their thesis bound in addition to submitting it electronically to the Library, but the students wanted it to apply to all graduating students. The bottom line is that the students don’t want to have a binding fee, and if they have to have one, they want it to make it mandatory. Mr. Martin said that the Committee recommended that the Board make the Thesis Binding Fee a discretionary one, and the student body could have a referendum on the issue in Fall 2009, after which the BOT could revisit the issue of the Thesis Binding Fee if necessary. He stated that the discretionary fee is included in the motion already made regarding proposed Regulation 4.08 for AY 2009-2010. Trustee Ruiz asked if the College had a plan for communicating with students about this new fee, and President Michalson responded in the affirmative. The motion was approved unanimously.

Approval of Preliminary Operating and Capital Budgets for FY 2009-10

Vice President Martin presented the 2009 – 2010 Preliminary Operating and Capital Budgets for approval and requested the Board authorize the President to make necessary adjustments to these budgets during the operating year. Mr. Martin explained that the College must provide documentation to the Florida BOG on or before June 30, 2009 confirming that a budget for FY 2009-2010 has been approved by the NCF BOT. With such confirmation, the State's Chief Financial Officer will make cash available for operations effective July 1, 2009. The preliminary budget is based on the 2008-09 approved budget, plus changes in the 2009-10 State allocations appropriated by the Legislature and approved by the Governor; proposed changes in tuition and fees, including an 8% increase in Florida resident base tuition, a 7% increase Florida resident tuition differential, and a 10% increase in Non-Florida resident tuition and fees; a new Technology Fee and proposed changes in auxiliary operations, student activities as well as changes in contracts, grants, and gifts. There is a reduction in Foundation support, due to a lower endowment payout. The preliminary budget proposal also includes other State appropriations earmarked for capital construction. These budgets may be adjusted during the course of the fiscal year to include: (1) funding to support property, casualty and other insurance premiums; (2) funding provided by New College Foundation; and (3) various other adjustments as directed by the College President. Mr. Martin stated that he anticipated bringing a more detailed budget for 2009-10 back to the BOT in November. He added that the PECO budget for Utilities and Existing Building Infrastructure, requested at \$2,680,936, is the most flexible way the College could request capital construction funding. Trustee Ruiz moved to approve the 2009-2010 Preliminary Operating and Capital Budgets and to request the Board authorize the President to make necessary adjustments to these budgets during the operating year. The motion was seconded by Trustee Heiser, and the BOT was unanimous in its vote of approval.

Ratification of Revisions to Collective Bargaining Agreement between New College of Florida and the United Faculty of Florida for 2008-2011

Provost Samuel Savin stated that since 2003, the United Faculty of Florida (UFF) has been the certified and exclusive collective bargaining agent for the New College faculty and library and counseling professionals. In 2005, the BOT ratified the Collective Bargaining Agreement (CBA) between NCF and UFF for the period 2005-2008. The proposed revised agreement will cover the three year period of 2008-2011. The CBA provides that Articles 23 and 24 shall be renegotiated each year during the duration of the Agreement, and that each party may choose as many as three additional Articles to be renegotiated each year. Article 23 relates to salaries and Article 24 relates to administration and benefits. The third year of the CBA, everything is up for renegotiation. Both sides received training in Interest-Based Bargaining, coached by U.S. Department of Labor attorneys last summer, and found that they agreed on many issues, and some not as easily resolved will be discussed next year. The UFF has ratified the changes presented to the Board today; most are of the routine bookkeeping sort:

Article 3 – removes disincentives to serve on the negotiating team;

Article 9 – relates to the procedure for resolving disputes over assignment of responsibilities; **Article 10** – ensures that the College is in compliance with SACS Comprehensive Standard 3.7.2, requiring the College to evaluate the effectiveness of all faculty members annually, including one-year visiting faculty and faculty who will not return the following academic year;

Article 17 – brings the College into compliance with state rules regarding the employer's contribution to health care insurance during a period of leave without pay;

Article 23 – provides a 1% base salary increase to each member of the bargaining unit employed on May 5, 2009, retroactive to the beginning of the 08-09 employment contract period and specifies that associated retirement contribution will be retroactive as well and paid in a lump sum in June 2009. The total cost in recurring dollars is approximately \$63,000.

Article 30 – relates to amendment and duration of this and subsequent contracts.

Trustee McDonald moved to ratify the Revisions as stated to the Collective Bargaining Agreement between New College of Florida and the UFF for the New College Faculty Bargaining Unit, the motion was seconded by Trustee Dupree, and adopted unanimously.

Ratification of 2008-09 Updates to the Collective Bargaining Agreement between New College of Florida and the Florida Police Benevolent Association

Vice President Martin announced that only two articles were changed in this year's negotiations: Article 4, Employee Representation and PBA Activities and Article 20, Uniforms and Equipment. Article 4 was revised to establish a time bank that PBA representatives can use to be compensated when attending negotiating sessions that are not held during their normal work shifts. Bargaining unit members are required to donate time to the bank and the College matches their contributions, up to a maximum of 60 hours combined. Article 20 was revised to include

approved shorts as part of the summer uniform. The subject articles were ratified by the PBA in April, 2009. Trustee Raeburn moved to ratify the 2008-09 updates to the CBA between New College of Florida and the Florida Police Benevolent Association, the motion was seconded by Trustee McDonald, and approved unanimously.

Approval of Florida Educational Equity Act Report 2009

Ms. YeVette Thornton, Equity Officer and Associate Director of Human Resources, presented the 2009 Educational Equity Act Report for New College, which covers equity in undergraduate enrollment and in employment for the period July 1, 2007 to June 30, 2008. Ms. Thornton thanked the staff members who worked on the report with her: Sonia Wu, Director of Multicultural and Transfer Recruitment, Dean of Students Wendy Bashant, Vice-President for Academic Affairs Julie Morris, Hui-Min Wen, Director of Institutional Research, and Courtney Babiarz and Suzanne Janney from the President's Office. She stated that New College is deeply committed to a long term effort to support diversity of enrollment and employees; it has been an institutional priority since 2002. During the period covered, a number of diversity consultants have been brought to campus. The administration has committed more than \$100,000 to support equity and diversity efforts for 2009-10. New College seeks to increase the numbers of enrolled students from all protected ethnic groups. Women are well-represented in the NCF student body, in fact, they constitute a majority of both applicants and enrollees, reflecting a national trend. In 2007 an objective was set to improve the percentage of enrollment of students from protected ethnic backgrounds by at least .2%, and to improve the overall enroll enrollment of students from the protected ethnic groups as a whole by at least .2%. Ms Thornton stated that the report indicates that New College not only met, but exceeded that objective. Student from all protected ethnic groups in 2007 comprised 13.9% of total enrollment; in 2008, they comprised 15.8%, an increase of 1.9%. Over the last five years, the numbers of black, Hispanic and female tenured faculty members have risen. In 2003 NCF had one tenured Hispanic faculty member and in 2007-08 it had four, an increase of 300%. During the same time period the number of tenured female faculty members increased by 64%. Three black faculty members continued to progress on the tenure track in 2007-08; this is a 200% increase compared to 2003. One Asian and Pacific Islander Assistant Professor joined the faculty in a tenure track position in 2007 and one Hispanic professor was granted tenure. Steady progress is also being made in diversifying the Executive/Administrative/Managerial employee ranks. From Fall 2007 to Fall 2008, black employees increased 33%, from three to four. Two Asian/Pacific Islanders continue to be represented during this period, and there was no change in Hispanic hires from 2007 to Fall 2008. Female employees increased 14%, from 22 to 25. None of these protected groups were represented at this level at New College in 2003, thus their hiring is a notable achievement. Director of Human Resources Mark Levenson rose to share with the Board that Ms. Thornton has just completed her Master's degree in Human Resources. The BOT applauded her achievement. Chairman Presha congratulated Ms. Thornton and her colleagues on this marvelous progress. Trustee Ruiz noted that the report does not address the diversity of the Board of Trustees itself, particularly with respect to the female gender. Trustee Ruiz moved to approve the Florida Educational Equity Report for 2009, seconded by Trustee Dupree, and the Board voted unanimously for approval.

Other Business

VP Martin stated that he had neglected to report on several additional important items. First, in addition to the 1% retroactive base increase to UFF bargaining unit faculty salaries, for the AFSCME and PBA bargaining unit members and out-of-unit employees earning less than \$100,000 annually, the College will provide a \$1,000 lump sum non-recurring bonus in June, 2009. For those in the lower paying positions, it will net more than a 1% base increase.

Also the College, through the New College Development Corporation, holds a \$30 million COPs bond issue for new the residence halls. SunTrust provides the letter of credit guaranteeing repayment of the variable rate demand bonds because the College did not yet have sufficient history to acquire its own credit rating as the time of issue. Recently SunTrust's credit rating was downgraded to Tier 2, primarily due to the volume of "toxic real estate asset holdings" in its portfolio. The institutional groups that purchase bonds are restricted in the amount of Tier 2 paper they can hold. As a result, the College's bonds have been tendered back to SunTrust, and are now considered bank bonds. SunTrust's downgraded rating triggered a number of bank fees and increased costs for the College. The College is an excellent credit risk and is the sort of business partner SunTrust needs and wants to help it get through this difficult time. College staff members are working with the Development Corporation's financial advisor, Professional Financial Management (PFM), and SunTrust officials to identify options that might reduce the amount of these additional costs and stabilize further cost fluctuations. Mr. Martin will keep the Development Corporation Board of Directors and the College Board of Trustees informed of future developments in this matter.

Mr. Martin also announced that the College went onto a four-day, ten-hour per day schedule from June 1 to August 7. This new schedule will generate modest energy savings and provide three-day weekends to boost staff morale. The College will be closed on Fridays.

He also pointed out that the Budget Summary provided to the BOT indicated that starting with the \$1.5 million shortfall left over from this year due to the Foundation's shortfall, an additional \$1.5 to \$1.7 million in cost savings has to be identified. The College has \$3.2 million in rainy day funds set aside to help. An ad hoc Faculty Budget Committee reported in May on what they thought ought to be done, and a College-wide Budget Committee has adopted guidelines for the budget-reduction process. Although pain has to be spread around, the core academic program will be protected to the extent possible. Trustee Ruiz commented that it will be a challenging year, but there are opportunities in crisis. VP Martin stated that he, President Michalson, the Provost and Chair of the Faculty/Trustee McDonald would meet throughout the summer to resolve the situation. Dr. Michalson added a footnote to Mr. Martin's comments, saying that they would look at the organization chart and consider the opportunities presented by people leaving their current positions. Back in 2001-2002, the College was scurrying to build an institutional budget and replace the functions that USF had provided and there was no time to consider much beyond the basics. Now that the College has an opportunity to be more innovative, we can think about cross training and how we organize ourselves to get the most out of our collective skill sets. The guiding principle that the Faculty Budget Committee proposed, innovation and redesign to create synergy, is one that the administration also embraces.

Trustee Heiser commended NCF and the Foundation for the fine flagpole dedication ceremony on June 19 at The Keating Center in memory of Captain Ralph Stiles, the first facilities planner for New College, who worked with I. M. Pei on the early campus design and buildings. The impressive occasion was appreciated by all who attended in honor of Captain Stiles and his dedication to his country and to New College.

VP Martin announced that the Audit Committee would meet immediately following the conclusion of the Board meeting. Trustee Mawn thanked the BOT on behalf of the students for its work in keeping the College running well in these challenging times.

Since there was no further business, the meeting was adjourned at 11:15 AM.

Respectfully submitted,

Suzanne L. Janney,
Assistant Secretary