

**New College of Florida Board of Trustees  
Approved Minutes  
Teleconference Meeting of June 24, 2003**

**Members Participating:** John Cranor; Rev. Jerome Dupree; Bob Johnson; Dr. Stephen Miles; Kenneth Misemer; Col. Mickey Presha; Dr. Vicki Raeburn; Jane Smiley; Maxeme Tuchman. **Ex Officio:** Gordon E. Michalson, Jr., President. **Not Participating:** Dr. Meg Lowman; Alexis Simendinger. **Note:** Robert N. Allen tried to take part in the meeting but had trouble accessing the teleconference call line.

**Call to Order**

Chairman Johnson called the meeting to order at 11:00 A.M.

**Acknowledgement of Notice of Meeting**

Chairman Johnson requested and received acknowledgement that the meeting had been duly noticed.

**Sorrow Expressed at Death of New College Student**

Chairman Johnson announced the devastating news of the death of New College senior, Kristopher "Kit" Reilly, in Puerto Rico on Saturday, June 21. Kit was taking part in a National Science Foundation summer Research Experience for Undergraduates program sponsored by Cornell University at the National Astronomy and Ionosphere Center at Puerto Rico's Arecibo Observatory. The Board of Trustees expressed profound sadness at his loss and unanimously requested that their profound sympathy be conveyed to Kit's parents and family.

**Roll Call**

Chairman Johnson called the roll and established the presence of a quorum; results indicated above.

**Approval of Minutes**

Col. Presha moved and Rev. Dupree seconded a motion that the minutes of the meeting of April 26, 2003 be approved as submitted; it was approved unanimously.

**Action on Proposed Lease of Keating Center Site by New College of Florida from Trustees of Internal Improvement Trust Fund**

Mr. Smolker explained that in the wake of education reorganization and Amendment 11, the counsel for the State Board of Education, the Florida Board of Governors, and the Trustees of the Internal Improvement Trust Fund have opined that the individual universities are the successors-in-interest to the former Florida Board of Education with respect to leases of university property owned by the State of Florida and held by the Trustees of the Internal Trust Fund. It is implicit in this opinion that New College and USF are "joint leaseholders" with regard to the Westside campus, which is owned by the State, and "joint sublease holders" with regard to the Eastside campus, which is owned by the Sarasota Airport Authority and leased to the State. In order to accomplish sublease of the Keating Center site to the New College Foundation consistent with this framework, the Department of Environmental Protection, which administers state leases, has indicated that the Trustees of the Internal Improvement Trust Fund will require: (1) a lease of the Keating Center site from the Trustees of the Internal Trust Fund to New College; and (2) sublease of that lease from New College to the New College Foundation; and (3) release by USF of its "joint leasehold" interest in the Keating Center site. USF has provided the required release.

Mr. Cranor moved, seconded by Dr. Raeburn, that the Board (1) approve the proposed lease of the Keating Center Site from the State of Florida Trustees of the Internal Improvement Fund and (2) authorize the Chairman to execute the lease and transmit the executed lease to the Trustees of the Internal Improvement Fund for their approval and execution. The motion was approved unanimously.

**Action on Proposed Sublease of Keating Center Site by New College Foundation from New College of Florida**

Col. Presha moved, seconded by Rev. Dupree, that the Board (1) approve the proposed sublease of the Keating Center site by New College to the New College Foundation; and (2) authorize the Chairman to execute the sublease and transmit the executed sublease to the New College Foundation upon receipt of a fully executed original from the New College Foundation. The motion was approved unanimously.

### **Action on Out-of-State Tuition and Fees and Waiver Authority**

Dean of Admissions and Financial Aid Joel Bauman presented a summary of the complex issue of tuition pricing and the Board's authority to set out-of-state tuition and to exercise waiver authority. The issues were presented earlier to the Board in the form of a White Paper on Tuition and Fees and Waiver Authority, dated June 20, 2003. Mr. Bauman explained that the Legislature mandated tuition and fee increases of 8.5% for all levels of in-state students for FY 03-04. Based on an incorrect assumption that all universities raised tuition to the maximum allowable rates last year, the Legislature set the base tuition rate for out-of-state students at all eleven universities at \$328.74 per credit hour. At the same time, additional discretionary authority to establish tuition and fees (up to an additional 6.5%) for out-of-state students matriculating at each state university has devolved to the individual Boards of Trustees (BOTs). BOTs continue to have full authority to waive tuition and fees. The NCF BOT's decisions on the final level of out-of-state tuition and fees and the full amount of waiver authority for FY 03-04 will significantly impact new student recruitment. Based on projected retention and new student recruitment, a tuition increase to the maximum BOT discretionary 6.5% (above the legislatively –mandated increase) combined with an increase in waiver authority up to a maximum of \$650,000 (an increase of \$150,000 over the current waiver authority of \$500,000) was recommended. Such a strategy should optimize the balance between enrollment and net tuition revenue. Mr. Bauman explained that the increase in waiver authority would be used to ameliorate the impact of the tuition increase on need-based students already receiving financial aid; the increase in their tuition would be waived and they would not be affected. For students not on financial aid, an extended payment plan under which tuition for a semester can be paid 50% at registration and 50% at mid-semester will make higher tuition payments less burdensome than under the old system of having all tuition due at registration.

Col. Presha moved, seconded by Dr. Raeburn, that the Board increase tuition and fee waiver authority for FY 2003-2004 up to a maximum of \$650,000, an increase of \$150,000 over the current waiver authority of \$500,000.

Ms. Tuchman requested the Board table this motion until July, when more attention can be given to studying the options and asked what the effect on students who are not receiving need-based financial aid would be. Dean Bauman responded that they would be paying higher tuition, but they would be made aware of the extended payment plan. Ms. Tuchman asked about the source of the waiver money. Mr. John Martin, VP for Finance and Administration, stated that it was “consumed in the budget,” meaning that it was simply funding that the institution would not collect. Ms. Tuchman asked where the extra funding would go if it were collected. Mr. Martin responded that it would be used to offset the budget cuts in general revenue as well as to maintain the quality of the academic program, through faculty and staff salaries.

Mr. Cranor asked about any actions Dean Bauman had taken to increase out-of-state enrollment. Mr. Bauman responded that he was attempting to stabilize out-of-state enrollment. Dr. Miles asked about the goals of the College for enrolling out-of-state students. President Michalson stated that the College hopes to return to a 50% out-of-state enrollment at some point in the future. Chairman Johnson noted that a mandate for the future is to attract more out-of-state students and to raise the funding needed to attract them. Rev. Dupree asked for the percentage of out-of-state students enrolled at New College; it is about 24 percent. Mr. Bauman stated that the maximum waiver authority (Option 2B) would provide him New College with the best chance to retain and recruit the highest number of out-of-state students. Dr. Raeburn voiced her support for Option 2B – waiver authority of \$650,000. Ms. Tuchman asked for the number of out-of-state minority students; Dean Bauman stated such students were the most difficult of all to recruit, but he would provide her with the numbers.

1. On the motion already on the floor the Board voted unanimously to authorize tuition/fee waiver authority for FY 2003-04 up to a maximum of \$650,000, an increase of \$150,000 over the current waiver authority of \$500,000.

2. Dr. Raeburn moved, seconded by Mr. Cranor, that the Board authorize a 6.5% increase in NCF out-of-state tuition/ fees (over FY 2002-03 levels) mandated by the Florida Legislature. This yields a total out-of-state increase of 21.5% over 2002-03 levels for FY 2003-04. The motion was approved despite one dissenting vote from Ms. Tuchman.

3. Col. Presha moved, seconded by Ms. Smiley, that Emergency Rulemaking be initiated to implement Items 1 and 2 above, plus previously authorized fees including student housing fees, laboratory fees, student health fees and parking fines. The motion was adopted unanimously.

### **Action on FY 2003-2004 Preliminary Operating Budget**

Chairman Johnson thanked Vice President Martin, Dean Bauman, and Provost Callahan for their work on the tuition and fees and waiver authority items, and for their work on the budget. He acknowledged the contribution of Mr. Cranor and Interim President Jim Harman of New College Foundation for their work on the Foundation's budget. The Foundation's contribution is incorporated in the New College of Florida budget.

Mr. Martin stated that the New College of Florida preliminary FY 2003-04 operating budget presented for BOT approval was based on projections of the expected enrollment and legislative allocations. Since the Board has approved Option 2B (providing for a state mandated tuition increase of 8.5% in-state/15% out-of-state, plus full application of a 6.5% BOT discretionary increase and authorization for up to \$650,000 in tuition/fee waivers), the proposed budget presents an increase of \$1.3 million in operating funds. The general revenue portion of the \$19.2 million dollar budget is up to \$10.7 million. The total budget increased \$1.6 million over last year. VP Martin anticipates a more complete budget for BOT approval in November. BOT approval of the preliminary budget is needed now to allow the College administration to work with the State Board of Education to complete the technical tasks necessary to record the beginning FY 2003-04 budget as of July 1, 2003.

Mr. Cranor moved, seconded by Col. Presha, that the College's recommended FY 2003-2004 preliminary budget be approved and that authority be delegated to the President to amend this budget, as appropriate, during the operating year, with periodic reports to the Trustees regarding the amendments; the motion carried unanimously.

### **Nominating Committee Report Due at Annual Meeting, July 12, 2003**

Chairman Johnson reminded the Board that a Nominating Committee report is due at the annual meeting next month on July 12. The Nominating Committee consists of Mr. Cranor, Chair, Mr. Misemer, Dr. Raeburn, Col. Presha, and President Michalson.

### **Presidential Evaluation and Standards Committee Report Also Due on July 12, 2003**

Chairman Johnson stated that the Presidential Evaluation and Standards Committee he appointed last August had been decimated by changes on the BOT. He therefore appointed a new Committee on Presidential Evaluation and Standards, to be chaired by Mr. Misemer, and to include Col. Presha, Dr. Miles, Mr. Cranor, and himself. This Committee is charged with (1) developing a presidential evaluation policy and standards for the future and (2) preparing a formal evaluation of President Michalson. He encouraged the Committee to have their report ready by the July 12, 2003 annual meeting.

**Since there was no further business, the meeting was adjourned at 11:45 A.M.**

Respectfully submitted,

Suzanne Janney  
Assistant Secretary