

**New College of Florida Board of Trustees  
Approved Minutes  
Meeting of February 5, 2005**

**Members Participating:** Brian Cody; John Cranor; Rev. Jerome Dupree; Dr. Keith Fitzgerald; Warren Hudson; Bob Johnson; Major Gen. Raymond E. Mason; Kenneth Misemer; Col. Mickey Presha; Dr. Vicki Raeburn; Alexis Simendinger; Jane Smiley. **Ex Officio:** Gordon E. Michalson, Jr., President. **Participating by Teleconference:** Robert N. Allen.

**Call to Order**

Chairman Johnson called the meeting to order at 10:03 A.M.

**Acknowledgement of Notice of Meeting**

Chairman Johnson requested and received acknowledgement that the meeting had been duly noticed on January 25, 2005.

**Approval of Minutes**

Mr. Cody moved and Rev. Dupree seconded a motion that the minutes of the Board of Trustees (BOT) meeting of November 6, 2004 be approved. The motion was approved unanimously.

**Chairman's Report**

Chairman Johnson announced with pleasure that the Governor had reappointed Trustees Jane Smiley and Warren Hudson to the New College of Florida Board of Trustees for new terms. The remaining two appointments are to be made by the Board of Governors (BOG). Mr. Johnson commended General Counsel Steve Pfeiffer for his good work on several contentious issues since the last meeting and noted that the administration is operating extremely smoothly. He reported that President Michalson was honored at the "People of Vision" dinner sponsored by the Prevent Blindness Florida organization earlier in the week. He is, indeed, a person of vision. Throughout the dinner a fine PowerPoint presentation on the College prepared by Jake Hartvigsen, Director of Public Affairs, was shown continuously. Chairman Johnson noted that he would comment later in the meeting on other issues such as land acquisition.

**President's Report**

President Michalson reported that the major indicators of institutional health remain positive: the College continues to live within its budget, enrollment and admissions are strong, and applications have increased 20 percent over the last two years. This year out-of-state applications have increased 58 percent, accompanied by a 52 percent increase in the admission rate of out-of-state students. The legislative session gets underway in early March. New College of Florida (NCF) has secured recommendations in the proposed budgets presented by both the BOG and the Governor for \$4 million in PECO infrastructure and utilities improvement funds, and an additional \$1 million in land acquisition funding. Dr. Michalson reported that NCF's programmatic budget requests have not fared as well. Our combined project request, for an Information Technology Center and a Latin American/Caribbean curricular initiative, totaled \$726,700; the BOG recommended \$200,000 of funding and the Governor zeroed us out. The College is now working with Hugh MacMillan and Pat O'Connell, the local delegation, and our other friends in both House and Senate to see what can be realized. NCF's annual legislative reception in Tallahassee is scheduled for Tuesday, March 15<sup>th</sup> in the quarters of Pat's firm, down the street from the Capital. Additional information on this event will be forthcoming for BOT members and students who wish to attend. With ISP period and the first week of the second semester completed, Dr. Michalson looked back on organized efforts in January to focus on campus diversity issues and the campus master planning effort; a simultaneous discussion of faculty governance issues also took place last month. He pointed out interesting linkages across these themes as the campus community begins to imagine and design the New College of the future – the type of college that we want to be, one that reflects our mission, celebrates our values, and takes full advantage of our independence. One should think of what would best replace the letter buildings on the Palmer Campus. Aside from a more diverse and fully built-out New College, a more fully articulated faculty governance structure is critical for the long term. Skipped at transition time in deference to more pressing concerns of gaining funding, a political footing, and independent accreditation, a dialogue on various governance structures to support transparent institutional budgeting and planning is now being conducted by the faculty. This on-going discussion connects in important ways to the campus master planning and diversity initiatives. President Michalson reminded the Board that the negotiations with one of the three unions on campus, the PBA, were successfully concluded and a contract ratified at the last BOT meeting. Negotiations with the UFF should conclude soon. AFSCME, the third union on campus which includes administrative non-supervisory personnel, has been voluntarily recognized by PERC; the College team, representing the BOT, will be engaged in discussions with their representatives. With respect to land acquisition issues, Dr. Michalson pointed out that through fast action on the part of New College Foundation, the College or the Foundation now owns the first four parcels on 58<sup>th</sup> Street; the Foundation acted quickly to purchase the Reichert property, next to the former Knight home. Eventually, the College will buy the Reichert property

from the Foundation with PECO dollars. Also, after a 20-year dialogue on purchase price with the previous owner of the Circus Hall of Fame property, the College is about to swap the Ring Plaza property plus some cash for the Circus Hall of Fame property. The Foundation filled in the differential between what the state will allow the College to pay, based on the state-approved appraised value, and the purchase price set by the present owner of the property, Bluewater Development. President Michalson acknowledged that the financial flexibility provided by the Foundation in these negotiations was invaluable and exemplifies the value of the public - private partnership. He mentioned that the report distributed to the Board, "Contributing to the Local Community Through Volunteer Activities and Service: Cataloguing Student, Faculty and Staff Activities," sets out some categories for the various types of volunteer and community service activities pursued by the New College community. It should be beneficial over the long term to see the numerous organizations and groups that benefit from the College's volunteer efforts in various ways. Dr. Michalson reported that the high cost of housing in the Sarasota-Bradenton area is affecting faculty and staff recruitment more and more; Dean Pelland's first choice candidate for catalogue librarian was someone who contemplated a move with his family from Illinois but decided against accepting her offer due to very high housing costs here. In this year's interviews with candidates for three tenure-track positions, Dr. Michalson noted that housing costs were mentioned again and again. In his eleven years as chief administrative officer, he never had the housing cost issue come up, as he stated at the last Board meeting. Dr. Michalson cautioned the BOT that the College will have to address housing costs in connection with recruitment, taking it up with the Foundation and developing a housing subsidy plan. The subsidy would not be to add to the income of new employees, but to assure that the College is able to hire the best people. One of the three faculty searches is successfully completed: an African-American woman sociologist, a graduate of Miami U. of Ohio, who earned her Ph.D. from the U. of Michigan, one of the top programs in the country, and is now completing the second year of a post-doc at UCLA, has been recruited to replace Prof. Penny Rosel. Searches in Applied Mathematics, American History, and Studio Art are still underway.

President Michalson made several announcements. This semester a creative writer-in-residence, Lenore Hart, is living in the Salvatori House, thanks to the Foundation. A Fulbright-sponsored professor from Senegal, Dr. Fatou Diop, a gender studies expert, will also be here for part of the semester. Dr. Diop will present a series of lectures and her main public talk is scheduled for Feb. 16 in Sudakoff on the topic of "Women in Islam." Later today, a poetry reading will be held at College Hall in honor of retiring Prof. Mac Miller, and a New Music New College concert will take place in Sainer.

President Michalson reported that New College has become a member of the Common Application Process, one of only two COPLAC schools to be accepted by the group of highly selective institutions that utilize the Common Application; Mary Washington University is the other COPLAC member. He commended Dean Killion for this coup. COPLAC, the Council of Public Liberal Arts Colleges, held a business meeting at the annual AAC&U Conference which Dr. Michalson and Provost Callahan attended in San Francisco last month and the Consortium for Innovative Environments in Learning (CIEL), to which New College belongs, also held a meeting there. Dr. Michalson noted that AAC&U, the American Association of Colleges & Universities, devotes one day of its meeting to programming just for Presidents and the session this year featured the relationship between the needs and interests of the business community and the liberal arts. He was struck by the idea the business community wants to have liberal arts colleges succeed in their missions: the business community wants employees with the skill sets that are nurtured by the liberal arts – critical thinking and adaptability, and the soft skills such as diversity awareness – and needs to have these employees transfer such skills into successful performance in a multinational environment. These thoughts and the challenge they bring for institutions like New College resonated with him. President Michalson concluded by noting that he has been asked to make a presentation on the liberal arts on behalf of the State University Presidents' Association at the June BOG Meeting. He has been invited as well to take part in a panel discussion with other presidents at a meeting in Charleston of the Southern University Conference, an organization of mostly private institutions, focused on the state of the liberal arts.

In response to a question from Trustee Hudson, Vice President John Martin confirmed the number of New College employees eligible for membership in AFSCME was 64, adding that it was too soon to know how many of those eligible employees will become members of the union.

### **Board of Governors' Report**

Lt. Gen. Rolland V. Heiser, a member of the BOG, reported on two BOG meetings since early November. The BOG recommended to the Governor and the legislature more than \$25 million for the Courtelis Facility Enhancement Challenge Grant Program and a list of projects approved for authorization of bond issuance, including \$23 million for the New College Residence Hall project. A three-year PECO Project List was also recommended, containing \$10.2 million for New College for the next three years. The FY 05-06 New College allocation of \$2.4 million for utilities and infrastructure and \$1 million for land acquisition, mentioned earlier, were approved as well. The BOG also approved an accountability plan with seven measures to replace 27 previously-required reports. The seven measures are: academic learning compacts; degree production; passage rates on licensure/certification exams; number and percent of students from underserved populations who enroll in and earn a baccalaureate degree; graduation rates; meeting professional workforce needs, and building world

class research and academic programs. The BOG approved a strategic plan which was used to measure FSU's request for a chiropractic school. At last week's meeting, the BOG disapproved FSU's request to establish a Ph.D. program in chiropractic medicine. The decision was based on the overall procedures followed, alignment with the BOG's strategic plan, consistency with FSU's mission, and cost effectiveness. At a time when the SUS is examining whether or not to establish medical schools at FAU, FIU, and UCF, as General Heiser stated, it did not make sense to approve a chiropractic school at FSU. The next BOG meeting will be February 24 in Tallahassee and include a workshop on tuition.

### **Legislative Update**

Ms. Pat O'Connell reported that the atmosphere in Tallahassee is very positive for the first time in several years. Legislative leadership is organized in a positive way, high quality professional staffers are in place, and the economy is better. A revenue-estimating conference will be held at the beginning of the session and is expected to put more money on the table. New College is blessed with strong delegation holding positions of influence: Senator Carlton chairs the Ways and Means Committee, Rep. Detert sits on the Educational Appropriations, and Senator King on the Senate Education Appropriations Committee. Everyone wants to help New College this session. For the first time in a long time, legislators are looking at the budget independent of the Governor; this means that although the Governor zeroed out the New College programmatic request, there is still a good chance to have it restored as the process moves forward. Mr. Hugh MacMillan added that General Heiser's report touched on a central issue: that of how the state universities are governed and the emerging role of the BOG. Never before has something the Governor and the Senate President agreed upon been disapproved. He predicted that state matching funds would become a major issue. Both Ms. O'Connell and Mr. MacMillan urged everyone to attend the Legislative Reception on March 15<sup>th</sup>.

### **New College Foundation Report**

Foundation President Cranor reported that the Foundation's endowment increased more than 11 percent (a net addition of almost \$2.8 million) since being consolidated on Aug. 1, 2004 under Northern Trust Global Investments. Getting a better return on investments was the first part of the Foundation's strategic plan. Mr. Cranor was pleased to state that the second part of the plan, energizing the alumni base, is now moving forward. Independence gave the Foundation an opportunity to reestablish a relationship between the College and alums, particularly those who felt disaffected by the merger in 1975. He has traveled the country with President Michalson to meet with hundreds of alums; they will be in Miami next week and in Los Angeles, San Francisco, and Seattle over the first weekend in March. Mr. Cranor said that the alumni-based fundraising efforts have begun to bear fruit: the charter class has raised \$100,000 and challenged the next two classes to do the same, generating \$300,000 needed for matchable funds at 50 percent, all designated for alumni scholarships. He mentioned that a new Foundation outreach travel initiative has been started. Following the model of other colleges to promote alumni travel as a means of fundraising, New College Foundation sponsored a nine-day trip on the Amazon in January for friends of the College with Professor Meg Lowman and six students. The trip was structured so that for every ten bookings, one student's costs were covered. A total of six students went on the trip, four gratis and two who paid. People loved having the students on board and felt they were the best part of the trip. As Mr. Cranor put it, students are the best sales team the College has, followed by the faculty. The two together are a dynamic combination and one which, combined with the travel program, should positively impact the fundraising effort. Mr. Cranor concluded by informing the BOT that the Advisory and Funding Councils for each of the Provost's Academic Strategic Plan initiatives have been constituted, faculty interviews on each initiative are mostly completed, and the Foundation is in the process of writing up documents which can be used for focused fundraising efforts. He assured his fellow Trustees that the Foundation and the College are working in concert to achieve NCF's critical goals.

### **External Affairs Committee Report**

Trustee Simendinger congratulated Trustees Smiley and Hudson on their reappointment to the BOT and noted that their continuing presence on the External Affairs Committee was important. She remarked on how gratifying it was to see the early suggestions of the External Affairs Committee come to fruition: the president's speaking schedule and presence in the community, the listing of volunteer and service activity outreach, the pulling together of alumnae/i information and activities, and the national travel undertaken by the Foundation and New College presidents to reach alums. She complimented Jake Hartvigsen, Director of Public Affairs, on the fine external as well as internal communications work that his office of two handles and asked him to describe the impressive recent accomplishments, including the new e-mail newsletter and print publications. Mr. Hartvigsen reported that the Admissions recruitment campaign, *There is Only One*, was selected for two national awards and one regional award at meetings of magazine editors and marketers. At the Admissions Marketing Report 20<sup>th</sup> Annual Admissions Advertising Award Ceremony, one of the largest gatherings of its kind in the country, New College was chosen for a gold medal in the "Total Recruitment Package" category for "small schools" of under 2,000 students, competing successfully against a field of 2,000 other entries. The firm of Robert Rytter & Associates of Butler, Maryland, was responsible for the development and production of the materials, working jointly with New College Admissions and Public Affairs. At the same meeting, the New College admissions viewbook was judged "Best in Show," one of 12 such awards given. Mr. Hartvigsen announced that he had been informed that the

admissions viewbook also has been singled out to receive special mention at the CASE (Council for Advancement and Support of Education) District III regional conference in Atlanta later this month. He stated that such kudos support the New College branding and identity campaign by increasing the exposure, visibility, and recognition of the College around the country, for the awards ceremonies and events are attended by editors, admissions people, and others in higher education. Dean of Admissions Kathy Killion thanked the New College faculty and students for participating in interviews with Robert Rytter and his staff. In response to a question from Ms. Smiley regarding the effectiveness of the admissions materials, Dean Killion responded that the new materials were used in the latter part of the Fall 2004 admissions campaign, and the Fall 2005 campaign. She allowed as how that they may have been responsible for the significant bump in completed applications. Mr. Hartvigsen stated that two different public service announcement opportunities will also promote New College through several hundred local broadcasts airing in the next year. One series, starting soon, will be on Channel 7-ABC, featuring students and focusing on active learning, engagement with faculty, and involvement with community outreach. The other series was developed through New College Foundation President Cranor's connections with Leadership Sarasota, and will be aired on Channel 19-Comcast. Mr. Hartvigsen echoed Trustee Cranor's comment that New College students are the most effective promoters of the college. The new e-mail newsletter, going out to 4,000 people around the country (alums, Foundation contacts, guidance counselors, prospective students, etc.) includes a monthly student profile, showcasing an exciting range of student engagement. Ms. Simendinger commended the small Public Affairs office once again and said that while New College has always known how to educate students, it now knows how to market and sell.

### **Student Affairs Committee Report**

Ms. Smiley reported on the Committee's meeting on Feb. 3, earlier in the week. She noted that the search for the new Dean of Students, chaired by Julie Morris, was going well; 67 applications have been received to date, in advance of the Feb. 15 deadline. Telephone interviews will be conducted in March, resulting in the selection of finalists coming to campus for interviews in April. A new Dean of Students should be chosen and in place by July. Bonding authority for the new residence hall construction and renovation project is anticipated to be increased and the project has been expanded to include improvements to Hamilton Center, as well as the renovation or rebuilding of the Pei Complex. If all goes well, the new residence hall with 218-240 new beds should open in 2007, the Pei complex and other work should be completed in 2008, and the College should have housing for a total of 610-630 students.

### **Finance and Audit Committee Report**

Dr. Raeburn reported on the Committee's meeting earlier that morning at which three recommendations for BOT action were made. She drew the BOT's attention to the CPA Associates' Report evaluating NCF's payroll, purchasing and cashing processes, and internal controls; the Committee reviewed this assessment and management's response and is comfortable that the appropriate internal controls are in place. A formal audit of these processes will begin in March. The Committee also reviewed a Second Quarter Budget Report for 2004-05, indicating that the College continues to enjoy a favorable budget position in which revenues exceeded expenditures. Trustee Raeburn reported that the last item discussed was the 2000 update of 1995 Campus Master Plan, a required but routine, highly-detailed document which must be completed to provide data on campus conditions existing in the past before the forward-looking NCF 2005 Master Planning process can get underway. Vice President Martin has assured Dr. Raeburn that the 1995 Master Plan Update is near completion and the Committee was glad to hear his estimate that closure will be coming soon to this long-delayed update.

### **BOT Action to Amend By-Laws – Article V. – Committees**

Acting on a recommendation from the November 6, 2004 BOT meeting, Chairman Johnson proposed that establishing an audit committee separate from the Finance Committee would strengthen fiscal and management accountability and ensure an appropriate measure of independent oversight. College employees would not serve on the Audit Committee. The Finance Committee would incorporate the duties and responsibilities of the Building and Grounds Committee into a new "Finance and Administration Committee," providing more efficient Board oversight of the College's finance and administration operations. Mr. Mismar moved to amend Article V. of the Trustees' By-Laws such that an Audit Committee is established as a separate standing committee and the duties and responsibilities of the Building and Grounds Committee are incorporated within the Finance Committee to form a single committee named the Finance and Administration Committee, seconded by Rev. Dupree and approved unanimously. Chairman Johnson appointed Trustee Raeburn, Hudson, and Dupree to the new Audit Committee and designated Dr. Raeburn as Chair and financial expert. He designated Trustee Presha as Chair of the Finance and Administration Committee.

### **Status Report on 1995 Campus Master Plan Update**

Vice President John Martin assured the Board that the 2000 Update of the 1995 Campus Master Plan would require Board action for adoption once it is completed. The document is voluminous, with lots of charts and graphs indicating the placement of new street lights, etc. He asked the Trustees to keep in mind that the footprint of the new residence hall complex will be included in the 2000 Update, as well as the land parcels targeted for priority acquisition by the BOT – the

58<sup>th</sup> St. properties, the Circus Hall of Fame property, and the Car Museum – all priorities previously approved by the Board. Nothing new will appear in the 2000 Update. VP Martin predicted that once the Update is approved, development of the 2005 Campus Master Plan, the first real campus plan for New College of Florida, should take a year or so. Chairman Johnson said that comments on campus master planning issues are welcome from the Trustees and the public at any time.

**BOT Action to Ratify a Land Exchange Agreement with Bluewater Development of Sarasota, L.L.C.**

Vice President Martin reported that the College has completed negotiations with Blue Water Development of Sarasota L.L.C. to exchange the state-owned Ring Plaza property on University Parkway for the Circus Hall of Fame property on Bayshore Road which is contiguous to the NCF Palmer campus. The appraised value of Bluewater's property (Circus Hall of Fame), as certified by the Department of Environmental Protection (DEP), Division of State Lands, Bureau of Appraisal is \$1,175,000. Subtracted from that is the appraised value of the public property (Ring Plaza), as certified by the DEP's Bureau of Appraisal (\$730,000). NCF will contribute \$445,000 in state funds to Bluewater in addition to the property exchange. A cash premium of \$295,000 from New College Foundation supplements the College's state funds, bringing the full cash payment accompanying the exchange to Bluewater to a final total of \$740,000. The total value of land and cash to be provided to Bluewater is \$1,470,000. Mr. Martin explained that the BOT must act to approve the land exchange agreement before it can be brought to the Governor and Cabinet for action on Feb. 16. If they approve, the closing will take place within 120 days. Mr. Cranor moved to ratify the exchange agreement under which the Board of Trustees of the Internal Improvement Trust Fund (TIITF), comprised of the Governor and the Cabinet, would convey one parcel, totaling approximately 1.4 acres, of state-owned non-conservation land (a.k.a. Ring Plaza) in Sarasota County to Bluewater Development of Sarasota, L.L.C., in exchange for one parcel, totaling approximately 3.6 acres, of land (a.k.a. Circus Hall of Fame) in Sarasota County owned by Bluewater Development of Sarasota, L.L.C., to benefit the Florida Board of Governors and New College of Florida. Trustee Misemer seconded the motion and it was approved unanimously.

Chairman Johnson provided some historical background on land acquisition issues. He explained that General Heiser had been negotiating with the Circus Hall of Fame's previous owners, Ludwig and Carmen Czeisler, for 20 years. Subsequent to the abrupt purchase of the Czeislers' property by Bluewater, the College approached Bluewater about joint-use residential/commercial development, but ultimately determined that the site was not an appropriate location for college student housing. With regard to the Car Museum property, which is leased by the Car Museum from the Sarasota-Bradenton Airport Authority, Chairman Johnson announced that the College has signed a letter of intent to purchase the 3.5 acres from the Airport Authority. Purchase is possible, he explained, because FAA funds were not used by the Airport Authority to buy the property. Eventually Mr. Johnson envisions a mixed-use facility on the Car Museum property. Moving on to the 58<sup>th</sup> Street parcels, Mr. Johnson announced that last week the NC Foundation acquired another property there, which the College will purchase from the Foundation after closing on the Car Museum parcel. The additional \$1 million in land acquisition funds listed in both the Governor's and the Board of Governors' budgets should enable the College to acquire the Bluewater property, the Car Museum property, and repay the Foundation for the Slavatori and Reichert parcels on 58<sup>th</sup> Street.

Trustee Misemer asked if there was a preliminary indication as to where the new residence hall would be located; Mr. Martin responded that a definite site on the East Campus has not been determined. President Michalson noted that there is also a proposal afloat for a second floor to be added to Hamilton Center for student housing, in addition to other renovations to enhance student life. The architects are excited by the possibility of restricting vehicular traffic in the Ham Center area, except for emergency vehicles, and making that part of campus essentially a pedestrian area.

**BOT Action to Revise Request for Legislative Authorization to Issue Revenue Bonds to Construct/Renovate Dormitories and Student Activities Center**

Trustee Hudson stated at the outset that he wished to recuse himself from the discussion and vote on this item due to business interests that his brother and his banker have in the revenue bonds. Chairman Johnson clarified that the BOT action would not be on the bonds themselves, but on going to the legislature for an increase in bonding authority. Mr. Hudson stated that he wished the record to reflect that he does not have any personal financial interest in revenue bonds, only his connection to his brother. VP Martin stated that the College previously received permission from the legislature to issue revenue bonds up to a ceiling of \$23 million. The requested increase in bonding authority up to \$28 million is simply to insure that sufficient funds are available to support the addition of the renovation of Hamilton Student Center to the dormitory project, as estimated by Ken Perlowski, Director of Facilities Planning. The College's request for legislative authorization to issue bonds will be taken to the Board of Governors Facilities Committee in later in the month, so that the upgraded authorization could be included in this year's legislative agenda. Mr. Martin assured the BOT that before any bonding takes place, a detailed financial plan would be presented to this Board for approval; it would then go to the BOG for their consideration. Mr. Misemer moved that the Board approve amending the College's request for legislative authorization to issue revenue bonds for construction/renovation of residence halls, expanding the scope of the project to include construction/renovation of Hamilton Center, the student activities center, increasing the estimated project amount

from \$22.3 million to \$28 million; Dr. Raeburn seconded the motion, and it was approved by the eleven trustees present with the exception of Trustee Hudson, who abstained.

### **BOT Action on President's Request for Tenure Approval**

Provost Callahan noted while commencement celebrated graduating students and their accomplishments, this is the time to celebrate the accomplishments of the New College faculty members recommended for tenure, the highest honor the Board of Trustees can bestow. Dr. Callahan asked for a motion to approve the President's recommendation that tenure be granted to Dr. Donald Colladay, a specialist in quantum and mathematical physics, who excels in teaching, scholarship and research, precisely the areas valued at New College. Professor Colladay and a colleague organized and developed a popular recurring first-year interdisciplinary course called Patterns; he has collaborated with a mathematician on publications. The motion was made by Trustee Fitzgerald, seconded by Mr. Cranor and approved unanimously. Dr. Callahan advised the Board that the second candidate for tenure approval, Dr. Malkiat S. Johal, a chemist, was not present since he is on research leave in California. Professor Johal earned his doctoral degree from the University of Cambridge (UK) and is an affiliate of Los Alamos National Laboratory, where he conducts research. He has an impressive record of publications, has achieved international recognition of his work and, most important to New College, has been a very effective teacher and mentor. Ms. Smiley moved to approve the President's recommendation that tenure be granted to Dr. Malkiat S. Johal; it was seconded by Rev. Dupree and approved unanimously.

### **Other Business**

#### **BOT Action on President's Compensation**

Chairman Johnson presented the Board with a 2004-05 compensation proposal for President Michalson, recommending an increase in the State-funded portion of the president's salary from an annual rate of \$179,376 to an annual rate of \$200,000, retroactive to August 28, 2004, and approving a one lump-sum bonus of \$1,000 (in accordance with legislative appropriation guidelines) effective December 1, 2004 and an additional \$500 lump-sum bonus (in accordance with guidelines established by the College for all eligible employees) effective January 15, 2005. He explained that this recommendation is in recognition of the BOT's "outstanding" performance evaluation of President Michalson at the annual meeting on August 28, 2004 and is in accordance with its authority to set the President's compensation and other conditions of employment. The compensation recommended in the proposal is not an incentive but a "catch-up" action, due to the fact that President Michalson has taken only the minimal legislative increases in his salary thus far, not any incentive increases. Last year New College asked for and received some incentive funds from the legislature. Faculty members were granted an average salary increase of 7.85 percent and support staff got an average of 7 percent. President Michalson took only a 2.1 percent increase, the legislative increase, not the incentive increase that was authorized. Even with the recommended compensation package, he will still be paid far less than the other SUS presidents and most of the SUS provosts; Chairman Johnson has reviewed the salary data. The salary range of university presidents in Florida goes from that of the new president of the University of Florida (\$480,000+) down to Dr. Michalson's. Chairman Johnson stated that President Michalson is tremendously undervalued – the presidential learning curve is very steep and the time taken by a presidential search process is enormous. Without Dr. Michalson at the helm, New College would not be where it is today, and if he were to accept another offer (and talent such as his is in great demand – Mr. Johnson knew personally of a number of presidential overtures Dr. Michalson has received recently from institutions offering far greater remuneration than NCF is able to pay), New College would be at an extreme disadvantage. Chairman Johnson stated that he had not discussed his proposed presidential compensation with Dr. Michalson, but he felt it was critical for the BOT to approve his recommendation. Vice Chairman Presha moved the motion, seconded by Mr. Misemer.

Trustee Simendinger inquired what future increases in the President's salary might be considered by the BOT and what is anticipated for faculty and staff salary increases. She assured the BOT that her comments were in no way any reflection on Dr. Michalson's contributions to the College, but she noted that the U. of Florida is a much larger and far more complex institution than New College. Dr. Raeburn stated that more comparative data with real comparison groups (e.g., current salaries of the presidents of small liberal arts colleges) would be useful for subsequent presidential compensation decisions. For this year, Trustee Raeburn said she is comfortable with the recommended action, but for the future, she would like to see relevant state and national comparative data on presidential salaries. Ms. Simendinger added that she would like to have the comparative data for faculty and staff as well, to assure that the gap between salaries does not become a morale issue. Chairman Johnson reminded the BOT that last year they were provided with those peer institution comparisons as part of the case the College made for the incentive salary funds from the legislature, and that the legislature gave every university employee a \$1,000 bonus this year. New College administration further authorized a \$500 supplement for employees as of January 15, 2005. Ms. Simendinger and Mr. Johnson agreed that the New College faculty is still under-compensated. Professor Fitzgerald asked to be recognized. While stating that he supported the motion, Trustee Fitzgerald said that although last year faculty salaries were addressed, in nine of the last ten years the rate of increase of faculty base pay has been at or below the Consumer Price index; that compounds, so faculty have been falling behind, not getting ahead. He

predicted that the proposed ten percent increase in presidential salary would not be overwhelmingly popular with faculty or staff, despite the fact that Dr. Michalson enjoys a high rate of approval and there is a good relationship between faculty and administration. As the transition period is nearing completion and the focus shifts to the academic program, his salary increase will be compared with the faculty situation. Contract negotiations with the UFF continue and the faculty's three percent increase for this year has not yet approved.

Col. Presha reminded the Board that they were to address the president's compensation only at this time. His under-compensation is the issue at hand. The Board does not want to lose President Michalson, and needs time to address compensation issues at other levels. Chairman Johnson added that the chart distributed to Trustees indicates that the faculty increase last year was 7.85 and with the 3 percent increase in the works for this year, the two-year increase will likely be 10.85 percent, which compares favorably with the proposed increase for President Michalson. He said that the faculty should recognize that under another president, the situation might not be as good. Trustee Hudson underscored Col. Presha's point, noting that the issue is fair market wage. While Mr. Hudson said he understood why Trustee Simendinger want to consider faculty salaries, he pointed out that it is important to grasp how far down the wage scale President Michalson's salary is located, and he predicted that the benchmarks that Dr. Raeburn would like to see next time will be good indicators of the situation. Mr. Hudson said he thought one of primary responsibilities of the Board was to not only select the president, but to assure that he is paid a fair market wage and he announced his support for the proposed compensation package. Rev. Dupree asked what the average percentage increases in salary (with the \$1,500 bonus included) were for administrative and professional staff and for faculty from 03-04 to 04-05. Mr. Martin responded the increases totaled on average 7.8 percent for staff and 5.8 percent for faculty, including the \$1,500 bonus for both, and assuming the three percent increase is approved for faculty by UFF. Dr. Raeburn noted that she was certain that President Michalson is under-compensated compared with other chief executives and that faculty and staff are also, but the faculty and staff situations must be considered and dealt with separately. When it finally came to a vote, the motion to approve the recommended increases in presidential compensation was approved unanimously. Chairman Johnson requested a motion to reconstitute the BOT's contract with President Michalson without changing the dollars, to put more into deferred compensation to provide a more advantageous tax position. Mr. Cranor so moved, seconded by Mr. Misemer, and the motion was approved unanimously.

Mr. Misemer suggested that perhaps the BOT should consider a motion of support for helping amend the deficit in faculty salaries and for making every effort to increase the faculty level of compensation. Chairman Johnson stated that the reality was that either the Foundation will have to provide additional funding or the legislature will have to provide other incentives. The Governor's budget is closed for this year and the College can try for incentives next year. However, Mr. Johnson said, in his opinion, the real future of New College rests with an increase in the Foundation's contribution. It is not only the Foundation president's job, or the Foundation's job, but the job of every Trustee to open as many doors to increased private funding as possible – not only to write their own checks, but to interest new donors with capacity in New College. The discretionary funds which the Foundation provides to the College must be increased. It is time for Trustee action. Mr. Misemer said that he understood the reality of the situation and simply wanted to demonstrate his support for faculty increases. Mr. Hudson reiterated the need for salary data and allowed as how the administration had provided him with very helpful faculty data “sliced and diced” against comparative data from other public institutions and private liberal arts colleges. Faculty salary data is needed before action can be taken. Mr. Cranor asked if the MGT of America study done three years ago on faculty salaries was relevant or was being updated. Mr. Martin responded that the new MGT study was on staffing patterns and formula funding. President Michalson suggested that the New College Office of Institutional Research would be the best supplier of comparative salary data, and he offered to provide it to the Trustees.

Since there was no further business, the meeting was adjourned at 12:09 P.M.

Respectfully submitted,

Suzanne Janney  
Assistant Secretary