

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

Members Participating: Brian Cody; John Cranor; Dr. Keith Fitzgerald; Gen. Rolland V. Heiser; Warren Hudson; Bob Johnson; Major Gen. Raymond E. Mason., Jr., Kenneth Misemer; Col. Mickey Presha; Dr. Vicki Raeburn.
Participating via Teleconference: Alexis Simendinger. **Ex Officio:** Gordon E. Michalson, Jr., President. **Not participating:** Rev. Jerome Dupree; Jane Smiley.

Call to Order

Chairman Johnson called the meeting to order at 10:00 A.M.

Acknowledgement of Notice of Meeting

Chairman Johnson requested and received acknowledgement that the meeting had been duly noticed on October 29, 2005.

Approval of Minutes

Chairman Johnson asked for approval of the Minutes of the Annual Meeting of September 24, 2005. Trustee Misemer so moved, seconded by Trustee Cranor, and the motion was approved unanimously.

Chairman's Report

Chairman Johnson reported that the College was well into the Master Planning processes and everyone seemed energized by this engagement, faculty, staff, and students. He commended Trustee Cody for his service on the Master Planning Steering Committee and on the Board of Trustees during the last two years, stating that he had been a most diligent and informed member of the Board during his term as president of the New College Student Alliance. By the time of the next BOT meeting, Ms. Marissa Krumm, President-elect of the NCSA, will have succeeded Mr. Cody. Chairman Johnson said the students, faculty, and staff, as well as the Board have great respect and admiration for Mr. Cody. The Board gave Trustee Cody a round of applause.

President's Report

President Michalson began by noting that the last BOT meeting coincided with the Master Plan Discovery Charrette, but the Master Plan Design Charrette had to be postponed until the last week of November due to Hurricane Wilma. A Residence Hall Charrette took place this past week in order to keep the architectural firm of Harper Aiken Partners on schedule. Thanks to the Steering Committee, which includes Trustees Cranor and Cody and is ably chaired by Jono Miller and advised by Steve Pfeiffer, he has been reassured that the planning for the residence hall project is synchronized with the Master Planning process. The resulting consensus indicated that four to six new residence halls are needed. According to the planners, we have neglected the spaces between our buildings in the past and we need to ground them now by judiciously filling in key spaces. The planners offered many other good observations, noting that vehicular traffic connected with Physical Plant operations is unfortunately routed through the residential campus, and that mixed-use housing could accommodate faculty and staff living quarters. To his surprise, Dr. Michalson said the planners predict they will stay within budget. Moving on to other matters, Dr. Michalson reported that on November 3rd he presented the NCF Legislative Budget Request to the entire local delegation, whose members the College had contacted individually about sponsoring portions of the request. The 2006-07 request totals \$1.8 million, plus the PECO request. Dr. Michalson stated that Senator Bennett questioned NCF's request for \$1.4 million in PECO dollars to acquire the airport property which currently houses the Car Museum. Senator Bennett questioned allocating PECO dollars so that one state-funded entity could buy property from another, and said he saw no need for government agencies to engage in bidding wars with each other. President Michalson was glad to hear him say he wanted to sit down with him and the airport officials to work out a better solution. In terms of travel, President Michalson reported that he and Trustee Cranor had attended an alumnae/i event in Chicago at the beautiful art-filled Lake Shore Drive penthouse of Rhoda Pritzker, with her son, Nick, and many others. On Oct. 30, he was in New York City for a performance at the Madison Avenue Presbyterian Church of NC faculty member Steve Miles composition by the New York Virtuoso Singers. Dr. Miles' composition won third place in a competition sponsored by the National Society of Composers. Ellen Goldin, new

Executive Director of the NC Alumnae/i Assn. was in attendance along with a dozen or so people from campus and other alums. An Alumnae/i Assn. reception for Dr. Miles and other alums and guests was held after the concert at the Mark Hotel.

President Michalson brought the BOT up to speed on union-related issues. Bargaining continues with the United Faculty of Florida (UFF), but the College has concluded salary agreements with the PBA and AFSCME for increases this year of 3.6 percent increase in state-administered funds plus a \$500 addition to each unit member's base salary. In the summer, UFF said they wanted to think about this increase, and NCF management agreed to put it on hold, expecting a speedy resolution to the salary agreement process. Nothing happened until the UFF team communicated to NCF management that the UFF bargaining unit thought that by holding up the 3.6 percent increase, the NCF team was not serious about raising faculty salaries. Provost Callahan got the 3.6 percent increase in state-administered funds processed immediately in a good faith effort and then asked to be relieved of her negotiating role. President Michalson stated that he has tried to reassure everyone that he and the BOT are serious about increasing faculty salaries. Prior to independence, the College was eligible to receive state-administered salary dollars from the Board of Regents. Once each member institution of the SUS had its own independent BOT, they were no longer deemed eligible. The SUS presidents worked hard to reinstate the administered funds and were successful in doing so. The 3.6 percent salary increase is being funded from this source and is not in jeopardy, as some of our other budget items are. For example, the \$550,000 in non-recurring funds that NCF received in last year's allocation, most of it being used to fund NCF separate Information Technology operation under Erich Matola's direction, and the \$350,000 necessary to fill the gap in financial aid, are items the president hopes will become recurring components of NCF's base budget this year. President Michalson said he thought there was confusion in the UFF about the context of some of the College's funding. He wanted to reiterate the true situation in a public setting and make sure Board members have an opportunity to speak up on this matter. He pointed out that with the 3.6 percent increase and the \$500 equity increase, since 2001, the mean percentage increase in faculty salaries is 24 percent; the maximum increase is 47 percent; and the minimum increase is 12 percent. NCF's faculty salaries compare well with those of other SUS institutions and those at nearby Eckerd College, although NCF faculty salaries are nowhere near the level of those at our aspirational peer institutions in the private sector. Added to the mix is the inflated cost of housing in Sarasota, plus the issue of faculty morale in light of new administrative additions to the staff as we develop an increasing number of separate services apart from USF. President Michalson stated that he hoped this discussion will be beneficial in providing the framework for future discussions, and of course, salary increases are not the only priority item on the table demanding attention. A balance must be found.

Before concluding his report, President Michalson mentioned that he would be rushing off to chair a Florida Humanities Council panel at the Sarasota Reading Festival on "Religion and Public Policy." He informed the BOT that Trustee Fitzgerald was running for the state legislature, Rep. Donna Clarke's seat, "walking where no man has walked before." He congratulated Marissa Krumm on her election to the NCSA presidency, and said he can't thank Trustee Cody enough for his exemplary service, so won't try.

Trustee Hudson asked about any latitude that exists in reprogramming salary dollars into faculty salaries. President Michalson responded that most state funds are fungible except PECO and auxiliary dollars. As an example he stated that the funding New College received to support three divisional deans at \$90,000 each were used instead for the last round of faculty salary equity increases. Trustee Cody questioned whether the Hamilton Center renovations were included in the PECO budget request, expressing concern that funding would be drained from the Ham Center renovations to that of the Pei Complex. The President responded that six weeks ago he was concerned about having to downsize the residence halls and the number of beds provided, but he has been reassured on this score. Hamilton Center is third in line for renovation, but the residence hall project will buy time and, we hope, generate an influx of private donor funding. However, he admitted that it is true that Ham Center is getting short shrift at the moment. General Counsel Pfeiffer added Ham absolutely needs a new roof and kitchen. Originally \$300,000 in Capital Improvement Trust (CIT) funds were set aside for this purpose, and much more will be needed. Since the bonds to pay for the renovations are to be funded through housing revenues from the residence halls, Hamilton Center will be vulnerable. Trustee Cody expressed the need to identify a clear time frame and a clear plan of action in order to act responsibly, since people have been talking about renovating Ham Center for the last ten years. Vice President Martin stated that he knows that Ham Center needs attention and he will do everything he can to squeeze some renovations out of the \$28 million bond; the scope of the project is key to funding renovations and the Charrette process will move the College along to the define the project's scope in a highly detailed way. He stated that \$350,000 in CIFT funds were set aside for the Ham Center renovation project this year and another \$350,000 will be

needed in the next three years. Mr. Martin assured Trustee Cody and the Board that they would get more than that \$700,000 worth of Ham Center improvements for those funds.

Residence Hall Charrette Report

Mr. Pfeiffer reported that the Residence Hall Charrette was completed yesterday. The solid consensus results indicated that (1) four new residence halls will be located between Dort and Goldstein Halls, alongside Hamilton Center; (2) the center quadrangle in front of Ham Center will be renovated and closed to all but emergency traffic; and (3) the locations of the other two residence halls will not be resolved until November 14, when the Campus Master Plan Steering Committee meets with Stephanos Polyzoides and the Harper Aiken representatives. The locations under consideration are in the area of the berm, the area of the existing recreational facilities, and the West Campus area. Mr. Pfeiffer noted that student participation in the Charrette had been outstanding. He regretted the Harper Aiken architects could not be present at the meeting with their drawings. On the financial side, Mr. Pfeiffer stated that the creation of a direct support organization approved by the BOT at the last meeting was for the purpose of bond issuance; it has no relation to a private fund-raising entity or to New College Foundation. Trustee Hudson inquired whether the DSO's Articles and By-Laws were submitted to the BOT for approval and Mr. Pfeiffer responded in the negative, stating that he had to file them yesterday, when he received approval from the Secretary of State. Only the directors of the DSO corporation can change the Articles, and the Board of the DSO is constituted by the Chairman of the NCF BOT. It is composed of Trustee Presha, Trustee Cranor, Vice President Martin and Mr. Brad Baker, a Trustee of New College Foundation. Trustee Hudson stated that he understood Counsel Pfeiffer had filed the Articles of Incorporation, but he still wondered if the BOT members were going to approve the Articles and the By-Laws. Chairman Johnson reminded the Board that in September, it gave the administration the authority to create a direct support organization. Trustee Cranor moved, seconded by Trustee Misemer, that the Articles and By-Laws of the New College of Florida Development Corporation be approved as presented. Trustee Hudson stated that the documents indicate that the powers reserved to the Board of Trustees are not enumerated. Only two duties are specified: the NCF BOT receives an annual audit report from the Development Corporation and the NCF BOT must approve any changes to the By-Laws. He said it appeared that the BOT has no oversight over the DSO. Chairman Johnson stated that his understanding was that the language of the documents was standard for SUS DSOs. Mr. Pfeiffer said he saw no reason the provision suggested by Trustee Hudson could not be added to the By-Laws of the new corporation. Trustee Hudson noted that the functions of the New College Development Corporation seemed to be well laid out in the Articles of Incorporation and that the NCF Board is well-represented on the Development Corporation's Board, but under the By-Laws, it does not seem that the NCF Board is handling its fiduciary responsibilities as well and as seriously as it could if the responsibilities were made more specific. Mr. Cranor, seconded by Mr. Misemer, moved to approve only the Articles of Incorporation of the New College of Florida Development Corporation, and the motion was approved unanimously.

New College Foundation Report

Trustee Cranor, President of New College Foundation, reported briefly on growth in the liquid endowment, by a shade over \$4 million in the last 15 months, to a total of \$28 million. This capital has generated \$200,000 more to share with the College. He noted the Foundation had welcomed three new Trustees at the meeting yesterday: Brian Ellison, a 2005 graduate, B.J. Creighton, and Doug Chapman, the New College Library Association President. Unrestricted giving has doubled, and the Foundation is sending President Michalson's *State of the College Report* to all alums and donors. The goals listed in the Report are the underpinnings of the upcoming capital campaign. Trustee Cranor reminded the BOT that the Foundation looks to the President and the Provost for direction and priorities for fundraising, and then reviews those priorities in order to match them with private donor, foundation or grant-funded opportunities and interests.

Audit Committee Report

Trustee Raeburn reported that the Committee met earlier in the morning to consider two primary issues. The first issue under consideration was the NCF Draft Response to the Auditor General's Preliminary and Tentative Operational Audit. The College fared very well in the Operational Audit; Trustee Raeburn stated that it was a "clean" audit and she complimented VP Martin and his staff on behalf of the Board. The Committee aligned some language and tweaked a few actions in the Draft Response, which will be incorporated in the Auditor General's final audit report. The second and final issue to be considered by the Committee was review of the 2005-06 Internal Audit Program which they found to be in order.

Finance and Administration Committee Report

Trustee Presha reported the Committee met at 9:15 am. They discussed the Campus Master Plan and approved a recommendation to create a direct support organization (DSO) to provide funding assistance for construction of and/or renovation of capital improvements to residence halls. The State of Florida has a system for establishing fixed rate bonds, and for projects such as these at state universities, variable rate bonds issued by a SUS university's DSO are generally offered at a more favorable rate. Since the creation of a DSO had already been dealt with by the Board, Col. Presha asked Vice President Martin to summarize the remainder of the Committee meeting. VP Martin referred to the fourth quarter financial reports for the year ending June 30, 2005, provided earlier to the BOT members; the financial audit is underway and will be reviewed in detail with the Trustees at a subsequent meeting. He reported on the status of the union contract negotiation with both PBA and AFSCME: the entire PBA contract is open for renegotiation and the College is following the recognition of AFSCME with the building of their very first contract. AFSCME has submitted proposals to NCF and the administration has countered with a set of their own proposals. It is important to note that the 2005 salary increase approved at the last BOT meeting for NCF employees across the board has been implemented.

✓ BOT Action on FY 2005-06 Operating Budget

VP Martin asked the Board to approve the College's 2005-2006 operating budget as presented. He reminded the Trustees that at their June 22, 2005 meeting, they had adopted a Preliminary Budget to allow the College administration to work with the Florida Board of Education to complete the technical tasks necessary to record the beginning FY 2005-06 budget as of July 1, 2005. Sufficient information is now available to allow the BOT to adopt the actual operating budget. This budget may be amended further during the course of the fiscal year to include: (1) funding to support state employee benefit increases, less mandated salary lapses; (2) funding to support property, casualty and other insurance premiums; (3) funding provided by the NC Foundation; and (4) various adjustments as directed by the Governor, Legislature, BOG or the College President. Trustee Raeburn moved to adopt the NCF 2005-06 Operating Budget as presented, seconded by Trustee Hudson and approved unanimously. VP Martin reminded the Trustees that they have a report on the first quarter actual expenditures, which projects a surplus of \$243,000 for the coming year. The outlook is very solvent.

✓ BOT Action on College Regulation on Educational Assistance Program for Employees

VP Martin presented a College Regulation regarding an Educational Assistance Program for employees, designed to encourage them to pursue educational opportunities for professional growth and development. Following consultation with President Michalson and his administrative council, this regulation was developed to provide eligible employees with opportunities to enhance their job skills and further their education by providing assistance in meeting the expenses of continuing education. This regulation will expand the standard six hours of tuition paid to USPS employees within the SUS to all full-time FTE employees up to six hours per semester for vocational-technical, undergraduate, or graduate level coursework. NCF will reimburse the employee at the College's per credit hour tuition rate. Mr. Martin said the administration was not sure how many people would take advantage of the program or how much it would cost, and advised the BOT that the program might have to be revised in the future. As of now, it is available to the bargaining unit employees through negotiation with the bargaining units. Trustee Simendinger asked how the employees were to be advised of the benefits. Mr. Martin stated that as soon as the BOT adopts the regulation, the information will be provided to all relevant employees. Trustee Mason moved to adopt the regulation, seconded by Trustee Cranor, and the motion carried unanimously.

✓ BOT Action on College Regulation of Employee Security Checks and Screenings

VP Martin stated that this regulation, developed in response to a review by the Auditor General of pre-employment, post-offer employee programs within the SUS, would impact all employees after adoption. General Mason moved to adopt the regulation, seconded by General Heiser. Trustee Fitzgerald commented that screening and background checks were common at the state level for K-12 school boards, but now SUS institutions seem to be doing such screening internally. VP Martin responded that the individuals handling cash needed to be screened, according to the Auditor General's viewpoint. Trustee Cranor asked that fingerprinting be explained. Mr. Martin explained that the process used to take several weeks, but now through a palm scan, available through FDLE and the FBI, we can get very rapid results. Trustee Fitzgerald requested the administration to be "surgical" about the application of this policy, to be clear with the faculty about the necessity of applying it. President Michalson interjected that none of this would affect people already on staff. Chairman Johnson stated that caution would have to be exercised with the bargaining units with regard to this regulation. VP Martin assured the Board that the regulation was only directed toward new employees. Trustee Cody asked about its application to OPS employees and whether it would affect minor student

employees. VP Martin responded that OPS employees performing certain tasks as outlined in the regulation are subject to the screening at time of employment. The President said the process needs to be explained carefully to everyone. The motion was adopted unanimously.

✓ **BOT Action on Chapters 1, 2, and 3 of New College of Florida Regulations Manual**

General Counsel Pfeiffer explained that the Florida Board of Governors adopted a “Regulation Development Procedure for SUS Boards of Trustees” in July 2005. This procedure replaces rulemaking under the Administrative Procedure Act for boards of trustees. The new procedure enables NCF to adopt regulations in a manner that is more accommodating than the previous one, and is, in essence, the process that NCF was following in adopting Policies and Procedures. Accordingly, NCF has set out to incorporate provisions of its former Rules and its former Policies and Procedures into a single Regulations Manual. The proposed Chapters 1, 2, and 3 of the New College of Florida Regulations Manual incorporate provisions of the former Bylaws of the NCF BOT, former New College Rules, and provisions of the NCF Policies and Procedures Manual. The provisions have been edited for consistency in format, but have not been substantively changed. The provisions of Sections 1.02, 1.03, 1.04 and 1.05 of the proposed Regulations are new; these are regulation development procedures that are consistent with the provisions of the BOG’s Regulation Development Procedure for SUS BOTs. At the moment, it is difficult for an outsider to know what rules are governing the College and it is also difficult for those administering the policies and procedures. The three chapters of the new Regulations Manual presented for Board approval are part of an effort to get a comprehensive consolidation process underway. Trustee Raeburn moved to adopt Chapters 1, 2, and 3 of the New College Regulations Manual, seconded by Trustee Misemer. Trustee Hudson asked if five members of the BOT are currently appointed by the Board of Governors. Chairman Johnson responded positively and said all nominees are vetted by the Governor. Trustee Cody asked who served as Agency Clerk; Mr. Johnson responded that Ms. Janney filled that position. Trustee Cranor asked if the “Regulations” terminology could be changed and Mr. Pfeiffer explained that it was required by the BOG. The motion to adopt the Manual carried unanimously.

✓ **BOT Action on New College’s Academic Learning Compact Policies and Procedures**

Provost Callahan stated that in response to legislative mandate that the Florida Board of Education develop accountability measures for K-20 education, the Chancellor’s Office and the Florida BOG developed the Academic Learning Compacts. These compacts allow each institution and each degree program within the institution to develop tailored strategies for demonstrating that graduates in the programs have acquired competence in the three areas that are identified, as opposed to administering a universal high-stakes FCAT-like test. The compact skill areas are critical thinking, communication skills, and content in an area of study. Each institution must (a) communicate to prospective graduates exactly what criteria they must meet in order to graduate; (b) certify that each graduate has met these criteria; and (c) evaluate the process on a regular basis. Dr. Callahan explained that New College, in many respects, does accomplish these goals, with its reliance on contracts, its descriptions of area of concentration requirements, and the capstone senior project and baccalaureate exam. With the basic components in place, the proposed new policies and procedures highlight these existing components as markers in the ALC process. The Provost requested that the Board approve the College’s Academic Learning Compact Policies and Procedures, to be submitted to the Chancellor’s Office on December 31, 2005. She and the faculty agreed that their immediate goal was to address the BOG’s requirements in ways that take advantage of the current NC system without altering either its character or content. New College’s ALC policy is therefore intentionally generic and allows for further development and enhancement. As the ALC implementation goes forward, with application beginning in Fall 2006, Dr. Callahan said they would learn more about its implementation and ways that we can adopt these accountability measures to our program. Trustee Cranor moved to approve the NCF Academic Learning Compact Policies and Procedure as presented, seconded by Trustee Misemer, and the motion was approved unanimously.

New Business

Vice President Martin noted that last year the Florida Legislature passed a law that a United States flag, manufactured in the U.S., be mounted in every classroom of every college and university in the SUS. The institutions were required to seek private funding before using institutional funds. Mr. Martin reported that the Bank of America has donated \$500 to New College Foundation to cover the cost of purchasing all the required flags at NCF.

Since there was no further business, the meeting was adjourned at 11:25 A.M.

Respectfully submitted,

Suzanne Janney, Assistant Secretary