

New College of Florida Board of Trustees
Approved Minutes
Meeting of June 16, 2007

Members Participating: Gen. Rolland V. Heiser; Bob Johnson; Elaine Keating; Major Gen. Raymond E. Mason, Jr.; Kenneth Misemer; J. Robert Peterson; Col. Mickey Presha; Dr. Vicki Raeburn; Jane Smiley; Frederick R. Strobel. **Not Participating:** Anthony Circharo; Rev. Jerome Dupree; Warren Hudson.

Call to Order

Chairman Johnson called the meeting to order at 10:05 A.M.

Acknowledgement of Notice of Meeting

Chairman Johnson requested and received acknowledgement that the meeting had been duly noticed on June 6, 2007.

Approval of Minutes

Chairman Johnson asked for approval of the Minutes of the BOT meeting of February 3, 2007 with the corrections on pages 1 and 3, recommended by Trustee Misemer and Mr. Cranor: page 1, last paragraph, line 8, correct "while" to "with;" and line 10, delete "are;" page 3, first paragraph last line, correct "29" to "19" and last paragraph, third line for last, correct "change" to "charge." Trustee Misemer so moved, seconded by Trustee Heiser, and the Minutes were approved unanimously.

Chairman's Report

Chairman Johnson's first order of business was to welcome New College of Florida Chair of the Faculty, Selby Professor of Economics Frederick R. Strobel to the Board as a new Trustee, and appoint him to the BOT's Academic Affairs and Strategic Planning Committees. The Chairman noted that New College has enjoyed an enormously successful year in terms of students winning national grants and the College garnering top recognition by *U.S. News & World Report* and various college guides. He asked for a motion for a Resolution from the Board recognizing the New College faculty and staff for their contributions to the extraordinary success of the graduating seniors this year. Vice Chair Presha so moved, seconded by Trustee Heiser and the motion carried unanimously. Chairman Johnson then remarked on the success New College has had with the Board of Governors and the State Legislature in winning support and approval of most of its 2007-08 Legislative Budget request. He asked the Board for a second Resolution thanking Hugh MacMillan and Pat O'Connell, NCF lobbyists in Tallahassee, for their good work in conveying the New College message to key legislators and their staff members. Trustee Misemer so moved, seconded by Trustee Strobel, and the motion carried unanimously. Chairman Johnson then turned to the appointment of two ad hoc committees. He announced that the Nominating Committee, charged with developing a slate of new officers for the Board to vote on at the Annual Meeting in September, would consist of Trustee Smiley as Chair, and Trustees Keating and Heiser. The 2007 Presidential Evaluation Committee will be chaired by Trustee Heiser and include Trustees Mason and Peterson. Both BOT Committees will report back to the Board at the September 15th Annual Meeting. The Chairman reminded the Board members of the July special teleconference meeting and of the Financial Disclosure Forms, to be returned to Tallahassee by July 1, 2007.

President's Report

President Michalson thanked Chairman Johnson for his on-going good work on behalf of the College and added his welcome to Trustee Strobel. He reported first on the overall strategic situation: following the completion of the Campus Master Plan process, the Provost is providing able guidance to the Academic Master Plan process. Topics such as the shape of the curriculum in the years ahead and the kinds of new faculty positions to be added are being considered. The integration of the two Master Plans is reinforced by the on-going integration of student life and the academic program. The College is increasingly conscious of educating the whole student and will be wonderfully supported in this endeavor by the new residence hall project, which will offer natural venues for seminars and tutorials with faculty on the East Campus. The gathering spaces and meeting rooms in the new halls were intentionally designed to support activities

integrating academics with student life. Construction continues with one eye on the weather, and he noted that most bodies should have beds by late August. Three halls definitely should be ready on time, with the other two coming on-line shortly thereafter. Within this larger strategic context, President Michalson reminded the BOT that they may want to consider enrollment growing to a goal of 1,000 – 1,200 students. His State of the College Report in 2005 contained his views on the wisdom of an enrollment of this size and his views have not changed. The President urged Board members to give serious thought to the growth issue and to contact him at any time. A critical mass of faculty will be needed to meet student needs for the 21st Century. He concluded by noting that there will be some opportunities to reallocate faculty positions as retirements occur, but not many. Most new positions will be added as a result of enrollment growth.

President Michalson noted that despite a tough legislative session, the New College budget was passed, though the Legislature based its action on an incorrect revenue assessment. The College's top priority request of \$1.8 million for the second installment of "catch-up" funds seems secure, as does the \$300,000 in non-recurring funds for Pritzker Lab enhancements and the \$12.5 million in PECO funds, which comes from a different source. Our new classroom and office building is designated to receive \$9.5 million of the \$12.5 PECO funds for construction. The Governor's tuition veto will impact NCF by about \$83,000. Actually, the Governor did not veto the tuition increase outright, he substituted a lower number for the increase than the Legislature had provided. Unfortunately, the Legislature made no provision for increases in state salary allocations. Thus, New College must find a way to deal with increasing its employees' compensation, a need of which his administration is well aware. The \$1.8 million allocation provides some flexibility, but not a lot. If a significant portion of this year's \$1.8 million were used for salary increases, rather than to continue the essential start-up enhancements for which it was intended, the College's third and final installment of the \$1.8 in our 08-09 LBR would be jeopardized. With the Foundation funding virtually flat since independence, NCF and its BOT will have to be ambitious but realistic in considering a variety of factors down the road.

He announced that the Screening Committee for the new building selected the firm of Moule and Polyzoides as the top choice to design the new facility. It was not a given that this firm would get the contract; the Committee's vote was not unanimous. President Michalson reported that he discussed the level of "service on the ground" issues with the firm. The College is gearing up for the next SACS reaffirmation process, with teams working on a Compliance Certification and Quality Enhancement Plan that must be developed simultaneously. Budget planning is going forward for the 2008-09 Legislative Budget Request. He noted that the record of student awards this year was truly extraordinary: seven Fulbrights, two NSF Fellowships and a Gates Cambridge Scholarship, adding that the shaping of student applications for these honors is a metaphor for the faculty's work over four years.

New College Foundation Report

Mr. Cranor reported that the Foundation continues engaging potential donors in discussions centered on naming opportunities for the new residence halls, in order to generate renovations funds for Hamilton Center and the Pei Complex, but no contributions have been forthcoming as yet. He announced that the Foundation had been notified by the Chancellor's Office that the \$2 million Pritzker gift will be matched by state funds. In essence, this is as pledge from the state. Counting all such pledges, the Foundation has brought in \$8.8 million this year – the largest income year in the Foundation's history. However, much of the funding is endowment funding, not immediately spendable, but it will be available to support the College in the future. Turning to alumni activity, he reported that on the May reunion weekend: more than 100 alumni registered ahead of time, the most ever, and more than 200 alums actually turned out. He interpreted the record-breaking crowd to be a testimony to the organizational skills and energy of New College Alumnae/i Association Executive Director, Jessica Rogers. Increased alumni activity generally leads to increased donations, and this year the NCAA will eclipse its previous high of \$300,000 with contributions of over \$400,000. The current participation level of 31% has brought the 35% participation target within reach. Mr. Cranor noted that back in February he mentioned a Palm Court initiative which the NCAA Board was undertaking to raise money for out-of-state scholarships. The Board committed \$25,000 toward a \$250,000 goal in a program to embellish Palm Court and create an on going source of scholarship support. A selection of bricks, pavers and s plaques bearing alumni names or statements will be available for purchase and placement in the Palm Court for amounts ranging from \$100 to \$5,000 and up. He mentioned that the Foundation's board selected Bryson Voirin, one of this year's Fulbright Fellows,

as alumni trustee for next year. Bryson already has brought in \$25,000 in contributions to the Foundation through presenting his “treetop dinners” as live auction items. Mr. Cranor concluded his report by announcing that an alumni coordinator, Holly Lillis has been hired to assist with NCAA operations.

Joint Academic Affairs Committee/Strategic Planning Committee Report

Trustee Misemer stated that the Committees met at 9:00 A.M. that morning and invited Provost Savin to deliver the report on the joint meeting. Dr. Savin stated that the first item coming to the full Board for consideration is a correction in the NCF Academic Calendar for 2007-08. The calendar approved by the BOT in February 2007 contained a clerical error in the week designated for three “reading/baccalaureate” days. The BOT approved the 11th week of spring semester instead of the 12th week, which had been approved by the NC faculty. Thus, the Academic Affairs Committee recommends correction of the 11th week to the 12th week in the Academic Calendar item. The second item and one discussed by both Committees was the progress to date on the SACS reaffirmation process. Dr. Savin alluded to the President’s remarks earlier and emphasized, in addition, that compliance with SACS core requirements and comprehensive standards means having student learning outcomes clearly spelled out. This positive process will enhance the NC student learning experience. Provost Savin’s third item concerned the Academic Master Planning process going into high gear. A facilitator will begin working next week with the faculty and the Academic Master Plan Committee, toward a goal of having a draft Master Plan in place by the end of August or September with a final report to follow for BOT approval by December 31, 2007. Trustee Misemer asked the Provost to comment on the panel conducting an external evaluation of NC senior theses. Dr. Savin acknowledged that this type of evaluation had resulted from SACS requirements for external review and that the panel, composed of faculty members from Emory, Rollins, Florida Atlantic U. and Hampshire College, would provide very valuable evaluation of sets of randomly-selected baccalaureate theses from 2006 and 2007 graduates.

Audit Committee Report

Trustee Raeburn stated that the Committee met at 8:00 A.M. She commended Vice President Martin and his team for a very clean, well done and well-received State of Florida Financial Audit for the FY ended June 30, 2006. She asked him to run through the other items covered at the meeting. Mr. Martin noted that the College is following the internal audit schedule the Board approved last year, and in fact, the internal auditors attended the Committee meeting to discuss what they are doing in accordance with that plan. They have found some things we need to correct in the Information Technology area, particularly shoring up our capacity to back-up and store data with the Central Florida Regional Data Center. The Audit Committee was comfortable with the College’s responses to their recommendations and the final internal audit reports will be coming to you soon for review. He ticked off items provided to Board members earlier for information only: a review of the Internal Audit Schedule Status for the period July 1, 2006 to June 30, 2007; a copy of the New College Development Corporation Audit for the FY Year Ended June 30, 2006; and a New College of Florida Federal Awards Audit for the FY Ended June 30, 2006.

External Affairs Committee Report

Trustee Smiley stated that the Committee met at 9:00 A.M. and asked Public Affairs Director Jake Hartvigsen to summarize the meeting. Mr. Hartvigsen stated that the Committee had a robust discussion of issues and plans. David Banks, the new New College Student Alliance Vice President for Public Affairs, attended. Mr. Hartvigsen reported his office is moving forward with the integrated “IN-word” marketing and branding campaign, extending it to community outreach publications and a media campaign. The office has expanded with the hiring of two talented and accomplished Associate Directors. They have reinstated the 4-Winds e-mail newsletter and plan to unveil the new ncf.edu website soon. The team is leading a potential partnership with the Council for Innovative Environments in Learning (CIEL) liberal arts institutions to collaborate on developing and placing co-operative marketing/advertising pieces in national publications, to highlight the innovative nature of the CIEL schools. Mr. Hartvigsen announced that the high level primary publications forthcoming from Public Affairs are the New College Magazine and the College’s new Annual Report, which will accentuate finances but be used as in identity piece with alumni and for external funding. An expanded publication schedule has been better synchronized with the College’s needs and timetable. The Magazine will shift to come out after the first of the year, to coincide with the opening of the state legislative session. The College’s first Annual Report will come out after April 15th in the spring, and the New College Foundation Annual Report will be issued in the fall.

Finance and Administration Committee Report

Trustee Presha reported that the Committee met earlier this morning and asked Vice President Martin to report on the discussion. Mr. Martin first announced some good news. Following the Virginia Tech tragedy, Governor Crist appointed an SUS Task Force on Safety and Security and the Board of Governors Chairman Roberts appointed a second Task Force to oversee the implementation of its recommendations within the SUS. He was pleased to report that NCF had been notified by the Florida Department of Law Enforcement that it has received \$75,000 to expand and upgrade emergency communications in areas such as the “blue light” system, text messaging to cell phones, and voice communications inside buildings and outside. Less positive developments have occurred with the Florida revenue situation; it appears that revenue collections are down from the revenue estimates and there may be a deficit in funding for FY 07-08, beginning July 1, 2007. The universities have been told that a portion of their base budget will be held back in 24 installments throughout the coming fiscal year. Written instructions have not been issued, but the College will budget conservatively with this “hold back” situation in mind. Mr. Martin announced that the annual Capital Improvement Plan would need to be approved in July, via a special teleconference meeting. Since the Legislature approved everything the College asked for in the CIP for the second year in a row, he stressed that it behooves NCF to attend closely to the coming year’s request.

In response to the Chairman Johnson’s request for a progress report on the Airport/Car Museum property acquisition, General Counsel Pfeiffer reported that he and VP Martin are still working on it. They haven’t gotten the level of assistance they needed from the Department of Environmental Protection, which is now attempting to take lease payments from the Car Museum tenant in the remaining years of the lease, while NCF will be insuring and maintaining the property. The closing likely will not take place before September 30, 2007. The Chairman stated that this negotiation has been one of the most frustrating experiences of his life. The property values change daily, and if it weren’t for the patience of the Airport Authority, he doubted they would all still be at the table.

Vice President Martin drew the Trustees’ attention to the Update on New Campus Housing and Pei/Hamilton Center Project in their packets. Three of the new residence halls should be ready for student occupancy in the fall, and with Dean Bashant’s help, fall-back plans for tripling students up temporarily have been put in place. He announced that Director of Facilities Planning and Construction Ken Perlowski will lead a tour of the new halls under construction after lunch for those interested. Mr. Martin also mentioned that union negotiation had begun with the PBA bargaining unit, with AFSCME to follow. The PBA will be negotiating nearly all the articles because they did not ratify the contract negotiated in 2006. AFSCME has a current contract, so only a few articles will be reviewed. General Counsel Pfeiffer will head the Administration’s negotiating team with UFF; everything in this contract is open for negotiation. Given the appropriation holdbacks, the veto of the 5% tuition increase, and no legislative increase in across-the-board in base salary, it should be a very challenging set of negotiations.

BOT Action Items

- **Academic Calendar 07-08 Revision**

Chairman Johnson asked for a motion to revise the Academic Calendar for Academic Year 07-08 to adjust the Baccalaureate/Reading Days for the 2008 Spring semester from the 11th week to the 12th. Trustee Misemer so moved, seconded by Trustee Heiser and the motion carried unanimously.

- **Proposed Regulation 4.08 Setting Tuition and Fees for Academic Year 2007-08**

Vice President Martin explained that Regulation 4.08 is proposed to replace the tuition and fee schedule for the 2006-07 academic year and to establish a tuition and fee schedule for the 2007-08 academic year. The proposed regulation was posted and advertised as required. A Public Hearing was held on May 12, 2007 on the increases outlined at a meeting of the Finance and Administration Committee. At that time, an increase of 5% in tuition for in-state and out-of-state students was anticipated, but the Governor vetoed the increase. The College thus proposes to maintain tuition for Florida residents at the same level as for the 2006-07 academic year. Additionally, he explained that the information on out-of-state tuition is subject to amended provisions of Florida law, as passed by the 2006 legislative session, specifically:

The sum of tuition and out-of- state fees assessed to nonresident students must be sufficient to offset the full instructional cost of serving students.
SECTION 1009.24 (3), *Florida Statutes*

Because this provision did not become effective until after the College had established its tuition and fees for the 2006 academic year, it had no practical applicability until the 2007-08 academic year. Vice President Martin explained that the FY 2005-06 full cost at NCF was calculated by the BOG at \$640 per credit hour, but for July 1, 2007, it is closer to \$700 per credit hour. To comply with statute and close the gap in FY 2007-08, the College recommends setting a 10% increase in out-of-state tuition. This is the maximum increase permitted by statute and will allow the College to comply with the statute governing full instructional costs. To lessen the tuition burden on students resulting from this increase, the BOT will be asked to consider increasing tuition waiver authority by \$200,000. This will be addressed as part of the preliminary operating budget to be discussed next. Trustee Raeburn asked if the \$1.8 million in enhancement funds was added to the base budget or was non-recurring funding. VP Martin assured her that it was added to the base budget as recurring funding. Trustee Presha moved to adopt Regulation 4.08, including the 10% increase in tuition for non Florida residents, and to submit the Regulation to the Florida Board of Governors for approval. The motion was seconded by Trustee Mason and was unanimously approved.

- **2007-08 Preliminary Operating and Capital Budgets**

Vice President Martin stated that on or before June 30, 2007, the College must provide documentation to the BOG confirming that a 2007-08 operating budget 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, 2007. The Preliminary Operating Budget presented for approval is based on the 2006-07 approved budget, plus the 2007-08 funds appropriated by the Legislature and approved by the Governor, plus revenues generated by the College. The preliminary budget includes: \$1.8 million for academic and administrative infrastructure enhancements, \$300,000 in non recurring funds for Pritzker, a 10% increase in non Florida resident tuition, a 5% increase in A&S, Health and Athletic fees, a \$200,000 increase in tuition and fee waiver authority, a 10% increase in housing rental rates, a 2.2% increase in meal plan rates and capital construction funds totaling \$12.77 million, as well as changes in contracts, gifts, and grants. With regard to fee waiver authority, VP Martin noted that effective 2003-04, the Trustees authorized the College to grant up to \$650,000 in tuition and fee waivers as a tool to retain and recruit the country's best and brightest students, including non-residents of Florida. With the proposed 10% increase for 2007-08, tuition and fees for non-residents of Florida are 31% higher than in FY 03-04. The proposed increase in waiver authority up to \$850,000 is recommended to help maintain and grow student enrollment. Without the additional waiver authority, it is likely that the College's enrollment (especially non-Florida residents) will decline, as will net tuition revenue. Trustee Strobel asked where the \$200,000 would come from and Chairman Johnson responded that the power to grant waiver authority comes from the Legislature and the State Constitution. VP Martin explained that such authority allows universities to waive collection of part of tuition and fees. Whatever is waived means less revenue to the College; the funds are not replaced from other sources. Waivers are part of the financial aid package used for out-of-state students. Trustee Raeburn moved to approve the College's Preliminary Operating and Capital Budgets as proposed, and to authorize the President to make necessary adjustments to these budgets during the operating year, seconded by Trustee Misemer, and the motion was approved unanimously.

President Michalson expressed his concern about the growing gap between in-state and out-of-state tuition to meet the terms of the proviso language approved in the 2006 Legislative Session. He noted a lack of wisdom in increasing the gap between in-state and out-of-state tuition at the same time the College is trying to recruit more out-of-state students. Chairman Johnson stated that other SUS institutions charge their foundations with raising increased scholarship support to negate the effects of the proviso language. Trustee Raeburn pointed out that the increase in out-of-state tuition would create a major problem in perception for NCF in the college guides; out-of-state students would have no idea the high tuition rates could be mitigated by tuition waivers. Trustee Misemer suggested that since the College has gotten legislative exemptions from proviso language before, perhaps it should explore this route. The Chairman said he would take that under consideration. General Counsel Pfeiffer added that the Legislature has the

authority to withhold appropriations to the College if it does not comply with the statutory language. VP Martin noted that NCF's is the only member of the SUS with this particular problem and it stems from our small size.

- **Proposed Regulation Chapter 5 Revising Existing Admissions and Financial Aid Regulations**

General Counsel Pfeiffer introduced this regulation, noting that under the new Regulation Development Procedure, former rules of New College relating to admissions and financial aid were redesignated as regulations and became immediately effective as such. The proposed revisions are designed to consolidate admissions and financial aid regulations in order to reflect the organizational structure of New College and to update the regulations to reflect changes in practices, committee assignments, and names, as well as changes in the law that have occurred since the regulations were originally adopted. He indicate that proper protocols had been followed in placing the Notice of Adoption of Proposed Regulation Chapter 5 on the NCF website for more than 30 days prior to this meeting, and in publishing the complete text of proposed Regulation 4.08 on the website during that same period, and the public was invited to provide oral or written comments to the NCF Dean of Admissions and Financial Aid. The Dean has received comments from staff members from her office, but no other communications regarding the proposed regulations. Trustee Mason moved to adopt the proposed Regulation Chapter 5 as a regular regulation to be effective upon approval by the Florida Board of Governors and to submit proposed Regulation Chapter 5 to the Florida Board of Governors for approval. The motion was seconded by Trustee Raeburn, and it carried unanimously.

- **Legislative Budget Request for 2008-09**

Vice President Martin characterized NCF's Legislative Budget Request (LBR) for 2008-09 as a "forward-looking" document that is especially challenging in its timing, since the final results of our LBR for 2007-08 are as yet unknown. The directions from the Chancellor's Office and the BOG to the state universities for preparation of the FY 2008-09 LBR included directions to New College to request funding of the \$1.8 million for the third and final year of three-year plan targeted at completing start-up of its academic and administrative infrastructure. In addition, each university was assigned a sum, based on 8% of each institution's 2007-08 recurring general revenue and lottery appropriation, which is available to request specific issues that each institution wants to include in its LBR to support community needs, institutional mission or other Strategic Plan goals and objectives. The NCF priorities for community needs/institutional mission come to \$1,469,000 in support of three academic foci: (1) Center for Environmental Teaching, Research, and Community Engagement, including full recurring funding of last year's non-recurring \$300,000 enhancement of the Pritzker Marine Lab; (2) Digital Resource Commons; (3) Community Partnership in the Arts. The grant total for the full LBR is \$3,269,000. Trustee Mason moved that the Board approve the College's 2008-09 Legislative Budget Request as presented and authorize the President to make adjustment to this request, if determined necessary, and report to Board at its next regularly scheduled meeting following any such adjustments. The motion was seconded by Vice Chairman Presha, and it carried unanimously.

Other Business

Trustee Mason stated that he wanted to see that our country's history is appreciated. President Michalson assured him that he has acted to achieve the goal of ensuring that New College students appreciate the heritage of their nation. The President's Lecture next year will be on Abraham Lincoln; this February it was on George Washington. Dr. Michalson said he would rededicate himself to the effort that New College, as a public institution, recognizes important moments in American history.

Mr. Martin mentioned that New College and FSU Ringling were recently recognized by the State's cost reduction awards program for an outstanding cost-saving project whereby Ringling located their new chilled water plant adjacent to the College's existing plant. This generated approximately \$1,000,000 in one time cost avoidance. In addition, the location of the plants enables them to back up each other's capacity in the event of emergency and to generate other cost savings. For example, New College plans to use Ringling's chilled water pipes to transport chilled water to the Caples Campus, thus avoiding the expensive cost of running a separate line. Dick Olney, Director of NCF's Physical Plant, assisted in preparing the award submittal.

Since there was no further business, the meeting was adjourned at 11:50 A.M.

Respectfully submitted,

Suzanne L. Janney
Assistant Secretary