

New College of Florida Board of Trustees
Approved Minutes
Special Meeting Teleconference of July 26, 2007

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

Call to Order

Chairman Johnson called the meeting to order at 2:00 P.M.

Acknowledgement of Notice of Meeting

Chairman Johnson requested and received acknowledgement that the meeting had been duly noticed on July 16, 2007.

Establishment of Quorum

Chairman Johnson established that a quorum of Trustees were present, in person or via teleconference, through a calling of the roll.

Report on University Governance Declaratory Judgment Action (*Graham vs. Pruitt*)

Chairman Johnson asked General Counsel Pfeiffer to report on the background materials and amended complaint that he had provided to the Board concerning litigation relating to state university governance. A suit initiated by E.T. York, former Chancellor, was joined by a number of prominent individual and the Florida Board of Governors on the heels of the Governor's veto of the Legislative increase in tuition. No action by the Board of Trustees is required at this time. Mr. Pfeiffer explained that issues regarding the authority of the Florida Legislature and the Florida Board of Governors (BOG) with respect to state university governance have been festering since the BOG was established by amendment to the Florida Constitution in November 2002. The conflict has been manifested by a repeated failure of the Legislature to revise the Florida Education Code to make it consistent with the constitutional provisions year since the amendment was adopted. During its 2007 session, the Florida Legislature adopted a governance bill that resolves many of the conflicts in favor of broad legislative authority over university governance. For example, the governance bill imposes the Administrative Procedure Act upon state universities and establishes a legislative prerogative to set tuition. The Bill was signed by Governor Crist in June. The 2007-2008 budget and its proviso language establish legislative authority more firmly over budgets and tuition that may be charged at state universities. Mr. Pfeiffer explained that a noteworthy group of Florida citizens, including former Governor Bob Graham, former Congressman Louis Frey, former President of FSU Sandy D'Alemberte, and Dr. Frederick R. Strobel, New College Trustee, Chair of the Faculty, and Selby Professor of Economics, filed a declaratory judgment action against the Florida Legislature in Circuit Court in Tallahassee in June. The Plaintiffs contend that the Governance Bill infringes upon the constitutional authority of the BOG, including the authority of the BOG to set tuition. At its July 10, 2007, meeting in Orlando, the BOG voted to join the Plaintiffs in the law suit. An amended complaint for declaratory relief revising some of the allegations of the original complaint and adding the BOG as a plaintiff was filed and served on July 18, 2007. The BOG then published its own report on its declaration, citing the following as major reasons for its action: the unresolved conflicts and confusion between Florida Statutes and the Florida Constitution; the uncertainty over tuition-setting authority; the fact that only a court ruling will be able to offer a definitive settlement of the dispute; and that the participation of the BOG in the suit should resolve issues of standing and result in the case being heard sooner. The BOG also added that it would continue to offer partnership and collaboration in all efforts. Mr. Pfeiffer explained that his own experience clearly demonstrated the issues of confusion and uncertainty that have plagued those who are charged with administering the state universities since 2002. He has daily confronted ambiguous and often conflicting directives regarding the application of the Administrative Procedures Act and state policies with regard to purchasing, personnel matters and to other matters at New College. He noted that some governance issues he has dealt with are considerably more frustrating than that of who holds authority to set tuition. In the suit against Senate President Ken Pruitt and Speaker of the House Marco Rubio, the defendants must respond to the complaint within 40 days. Mr. Pfeiffer noted that the suit could well be expedited and it will likely have to go to the State Supreme Court. Settling this dispute in favor of the BOG would ensure that the constitutional power to oversee the SUS invested in that body is reinforced.

Update on 2007-08 Budget Reduction Planning

Vice President Martin reported on the current budget reduction situation facing all SUS institutions. On June 29th each university was told that 4% of its 2007-08 base operating budget derived from general revenue appropriations will be held back by the State effective immediately at the rate of 1% per quarter. They have been instructed to plan for a possible 10% reduction in base budget later in 2007-08 and also in 2008-09. These actions are the result of a reduction in state revenue, stemming from a drop-off in housing sales, which resulted in a considerable drop in document stamp revenue for the state. At its July 10th meeting, the BOG decided to deal with this situation by voting to raising undergraduate tuition for Spring, 2008 by an amount not to exceed 5%, exact amount to be determined later. This action was a challenge to the Legislature and Governor to test the authority of the BOG to raise undergraduate tuition. The second action of the BOG was to freeze freshman enrollment beginning with Spring 2008 and Fall 2009 at current levels, but to continue to accept any Florida community college transfers to keep the 2+2 articulation process viable. Mr. Martin reported that on July 13, all SUS Trustees were sent a summary letter outlining these actions by Chancellor Mark Rosenberg. On July 23rd, in a teleconference with the Chancellor and the SUS Presidents, it was decided that instead of each university planning its own 10% budget reduction, the BOG would submit a high level action plan to the State in response to the cut, to be handed down to each university when and if the time comes. Universities have been asked *not* to submit detailed plans. This high level action by the BOG avoids the adverse effects on university recruiting ability and general morale that a more institution-specific planning for program-paring would have on each institution. On August 2nd, the Revenue Estimating Conference will have more information about the magnitude of the tax revenue shortfall and there may be more fine-tuning of the revenue cuts. Chairman Johnson asked how the mandatory capping of enrollment would affect New College and Provost Savin assured him that there would be no effect at all; it is consistent with our enrollment projections for next two years, we could even add a few more students before coming up to our funded level. Vice Chair Presha asked if New College had flexibility under the worst case scenario of 10% cuts for this year and next. VP Martin reminded the Trustees that a 10% cut to the general revenue portion of our base budget for FY 2007-08 comes to \$1.8 million; such a cut would leave us in a revenue-neutral situation. Our start-up funding enhancement plan would be slowed down from a three-year timetable to take perhaps five years for completion; the three new faculty positions and funding to enhance retention and improve our graduation rate would be protected to the extent possible. Mr. Martin stated that the operating units' budgets will remain essentially the same as in FY 06-07. In November, the BOT will be presented a revised operating budget for Fiscal Year 2007-08 to consider. A Special Session of the Legislature has been called for in September to determine the size of the budget cut and what State resources might help soften the blow. For example, there is \$100 million in non-recurring funds still set aside for SUS Centers of Excellence. VP Martin hopes this funding source might be used to help offset some or all of the 4% cut to the SUS.

BOT Action Items

- **NCF's Florida Equity Report 2007**

Vice President Martin introduced the annual report on New College's progress in adding representative of protected groups to the undergraduate student body, the faculty, and the category of Executive/Administrative and Managerial personnel. He noted contributions to the report had come from across the institution: from Dr. Hui-Min Wen, Director of Institutional Research; from Sonia Wu, Associate Director of Multicultural and Transfer Admissions and Dean of Admissions and Financial Aid, Kathy Killion; and from Director of Human Resources Mark Levenson and Associate Director, YeVette Thornton. The President's Office coordinated the Equity Report and he asked Suzanne Janney, to present it to the Trustees. Ms. Janney explained that the Florida Educational Equity Act and the SUS employment equity accountability program, spelled out in Florida Statutes and Rules, require each state university to participate in an Equity Accountability Program (EAP) and to prepare an annual report on the progress made in improving diversity during the past year in the categories mentioned by Mr. Martin and on the institution's plans and budget allocation for improving diversity. The 2007 Florida Equity Report provides data on these categories for the period November 1, 2005 to October 31, 2006. The November to October period is the one for which the US Department of Education collects standard data on students in accredited institutions of post-secondary higher education through its IPEDS system. A budgetary incentive plan to support the achievement of equity goals and implementation strategies for FY 07-08 is included at the end of the report. The report indicates that New College is committed to a long-term effort to diversify the faculty, staff, and student body. Policies to that end have been put in place and the Board and the President have made increasing diversity in all forms on campus an institutional priority since 2002. In the 2005-06 period covered by the report, the President brought five diversity experts to

campus for advice and consultation. Additional consulting visits have taken place and are planned for the future. The report's Executive Summary touches on the progress made in attracting students from Protected Classes in the areas of student enrollment and persistence to degree over a five-year period. It details the difficulty the Admissions Office has encountered in recruiting and enrolling Black students, but comparison with peer public institutions shows that students from Protected Groups are represented here at about the same levels that they are at a subset of our COPLAC peers. The six-year graduation rate for Black students exceeded that of whites for the 2000 cohort. Admissions will increase its efforts to recruit and enroll more Black and Asian students. Right now, Protected Class students make up almost 15% of the student body. Significant gains have been made in faculty diversity. She pointed out that in Feb. 2006 the BOT granted tenure to a Black male faculty member, leaving three Black female faculty members in the tenure-track. Over five years, Black faculty members at New College have increased by 200%. Steady progress has been made in diversifying the higher level employee ranks. In the 05-06 period, Black employees increased from one to two, and two Asian/Pacific Islanders and one Hispanic were represented in this category. None of these Protected Groups were represented at this level at NCF in 2000. Hiring employees from these groups was a notable achievement. Trustee Dupree asked if there was a goal, either in numbers or percentages, which New College was striving to reach. Ms. Janney responded that there was not an overall goal, although in the past institutions were required to set goals by categories. Ms. Wu added that the Admissions Office has not set a goal, but is working toward a target increase of .8% in Black and Asian student enrollment next year. Trustee Smiley asked if the College was subject to penalties if the targets were not reached. Chairman Johnson assured her this was not the case, the BOG simply want each institution to increase diversity in the categories covered. Additional funding resources will help us attract more individuals in these categories, but the competition for them is a national one, and the obstacles that a small public institution with limited resources faces are enormous. President Michalson echoed these sentiments and underlined that the progress in recruiting faculty and staff of color is absolutely critical to the College's ability to attract students from this group. Since there were no further questions or comments, Vice Chair Presha moved to approve NCF's Florida Equity Report 2007, with typographical corrections, the motion was seconded by Trustee Dupree, and it carried unanimously.

- **NCF's Capital Improvement Plan 2008-09 – 2012-13**

Vice President Martin explained that Public Educational Capital Outlay (PECO) revenue is more stable and predictable than general revenue. PECO funds come from utilities taxes and cannot be used for operating expenses. He announced three changes in the 12 priorities listed in the PECO request that had previously been distributed to the BOT: in Priority #2, campus infrastructure, "green technology" should be added; in Priority #3, remodeling portions of Hamilton Center, the use of the proposed black box theater should be broadened from "use by the Humanities Division to support theater classes" to "use by the College to support classes..."; and in Priority #4, the intent is to "replace" not "repair" the deteriorating seawall. President Michalson asked Mr. Martin to explain the circumstances under which PECO funds were being sought for Hamilton Center. Mr. Martin observed that PECO funds could not be used for student life activities. But if the College locates educational activities supported by E&G (Education and General operating funds) in student life facilities, PECO funds can be used to make capital improvements. He stated that because we have not been able to raise private funds for these desperately-needed renovations, state funds are being proposed for this purpose to provide some quality multi-purpose E&G classroom space. He also noted that two other E&G functions housed in Hamilton Center, the student post office boxes and the diversity center, will also benefit from this funding, if received. Vice Chair Presha asked if the seawall could be replaced in stages and Mr. Martin replied that phasing the project might be feasible, but that before anything can be done, the College needs to have a detailed engineering, planning and design report prepared. Trustee Heiser moved to approve the CIP for Fiscal Year 2008-08 through Fiscal Year 2012-13 with the changes discussed, seconded by Vice Chair Presha, and the motion carried unanimously.

Other Business

Provost Savin noted that the faculty was hard at work on two major projects. The Quality Enhancement Plan, required for SACS reaffirmation, is a major initiative to improve student learning at New College. It is moving along and should be in draft format before the end of the year. The Academic Master Planning group is working under a mandate from the BOT to create a consensus plan for the academic side of the house. Their work should be posted to the web for comment within a week. The physical master plan, the academic master plan, and a financial plan to support these will be crafted into the College's Strategic Plan within the next four or five months. This plan will, of course, come to the Board for approval.

Since there was no further business, the meeting was adjourned at 2:45 P.M.

Respectfully submitted,

Suzanne L. Janney
Assistant Secretary