

New College of Florida Board of Trustees
Approved Minutes
June 23, 2004 Teleconference Meeting

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

Call to Order

Chairman Johnson called the meeting to order at 1:00 P.M. and called the roll. He noted that Florida Statute 286.012 prohibits the use of proxy votes and stated that no governing body in Florida uses proxies. General Counsel Smolker added that an Attorney General's ruling also prohibits votes by proxy.

Acknowledgement of Notice of Meeting

Chairman Johnson requested and received acknowledgement that the meeting had been duly noticed on June 12, 2004.

Approval of Minutes

Mr. Cranor moved and Rev. Dupree seconded a motion that the minutes of the Board of Trustees (BOT) meeting of May 27, 2004 be approved as submitted; the motion was approved unanimously. Chairman Johnson called attention to the Revised Schedule of Meetings for 2004-05. He noted the next meeting would be a Special Teleconference Meeting on July 29, 2004 at 1:00 PM to approve the Capital Improvement Plan priorities for 2005-2010 to comply with legislative requirements.

• **BOT Action on 2004-05 Preliminary Operating Budget**

Vice President for Finance and Administration John Martin explained that New College must provide documentation to the Florida Board of Education (FBOE) and the Board of Governors (BOG) on or before June 28, 2004 confirming that the 04-05 Operating Budget has been approved by the College's BOT, in order for the Governor to authorize spending authority for New College. With such confirmation, the State's Chief Financial Officer will make cash available for operations effective July 1, 2004. He noted that the summary of new dollars projected was based on projected enrollment growth (\$197,169) and the mandated 7.5% increase in in-state tuition and fees and 12.5% increase in out-of-state tuition and fees (\$134,483). The general revenue budget appropriation also includes an additional state appropriation of \$500,000 for financial aid. The total Education and General (E&G) revenue increase of \$964,881 includes salary and fringes for the period July to December 2004, to complete the FY 03-04 funding package that was previously authorized but not allocated. Local fees, including increases approved by BOT in May, are reflected in the Activity & Service, Health, and Athletic Fees, which go to the Student Government for appropriation to those services. The Auxiliary Services are estimated to increase 5% to cover increases in personnel and other costs; the increases in Housing and Meal fees approved at the May BOT meeting will cover increased costs. The Contracts, Grants and Gifts category includes an estimated increase of \$300,000 in federal, state, local and private grants. In total, Mr. Martin stated the College was projecting \$1.4 or \$1.5 million in new funds and anticipates expending the same amount. The State expects a balanced E&G budget and the projected budget is balanced. VP Martin anticipated that he would return to the BOT in August with a more detailed Operating Budget. Rev. Dupree asked why the State did not want to see a budgeted E&G reserve. VP Martin replied that Statute requires that universities build a rainy day reserve equal to at least 5% of the General Revenue base budget. The rainy day funds are recorded as part of the College's fund balance and are not included specifically in the FY 04-05 operating budget format presented today. Mr. Cranor asked whether the 04-05 budget had some sort of built-in current year reserve. VP Martin replied that the more detailed budget forthcoming will include an unallocated reserve line item from current year funds that will be available, if needed, to address unanticipated expenses that may occur during the course of the new year. President Michalson added that the E&G \$964,000 item was a little deceptive, for \$500,000 is being taken off the top for designated new scholarship monies and he fully anticipates a salary increase process for all campus employees. Chairman Johnson asked for clarification of the status of a technology fee that was at one time under consideration; President Michalson stated that the SUS presidents asked the BOG give the local BOTs the authority to establish a technology fee, and they were unable to do so without a legislative mandate, which did not go through. Mr. Allen moved to approve the Preliminary Operating Budget for 2004-05 and to authorize the President to make necessary adjustments to the budget during the operating year. His motion was seconded by Mr. Cranor and was approved by unanimous vote.

- **BOT Action on Emergency Rule 6C-11 ER04-06 Setting Tuition, Fees, and Percentage Costs for AY 2004-2005**

General Counsel Smolker explained that each year because of the long timeframe of the rule-making process, it is necessary for UBOTs (1) to adopt an emergency rule establishing tuition and fees and percentage of costs so that these can be effectively in place for budgeting purposes, and (2) to authorize permanent rule-making to establish these rules. He anticipated the permanent rule would come before the BOT in August. Ms. Smiley asked why this happens. VP Martin explained that the time frame was too short between legislative authorization and the need for the budget information to avoid the emergency rule, but that planning and budgeting proceeded regardless. Mr. Cranor moved that the Board approve the following actions:

1. find that an immediate danger to the welfare of New College of Florida exists unless the College sets, by emergency rule, to be effective immediately, the tuition and fees set forth in proposed ER6C-11-ER04-06;
2. finds that a fair procedure for adopting these tuition and fees on an emergency basis was to publish in the Sarasota Herald-Tribune and post in prominent locations on the campus of New College of Florida and on the New College of Florida Official Website notice of emergency rulemaking at least 48 hours prior to this meeting stating that the BOT intended to take action on the proposed rule at that time;
3. adopt the proposed rule to be effective immediately and thereafter for 90 days;
4. authorize initiation of non-emergency rulemaking to adopt the tuition and fees effective upon expiration of ER 6C-11 ER04-06.

His motion was seconded by Mr. Misemer and was approved by unanimous vote.

- **BOT Action on FY 2005-06 Legislative Budget Request**

President Michalson noted that the first part of the Legislative Budget Request, “Integrating and Enhancing Academic and Administrative Computing Support,” should be familiar to the BOT, since it is basically the Quantitative Proficiency request NCF submitted last year which was not funded, supplemented by some additional costs of separating the College’s computing function from that of USF, for a total of \$443,700. (Chairman Johnson noted that \$2 million in land acquisition was funded unexpectedly last year although we thought it would take several years to reach the top of the list, and the Quantitative Proficiency request was not funded.) President Michalson explained that the second part of the Request came about when one of our government relations experts pointed out that the Governor’s Office was interested in Caribbean/Latin American initiatives and this related directly to the College’s academic strategic planning goals in this area, which had been advanced substantially by Trustee Allen’s activities in the Turks and Caicos in recent months. Thus, the second part of the Request, \$283,000 to fund the College’s Latin American/Caribbean Studies initiative, was added for a total request of \$726,700. Mr. Cranor moved to approve the College’s FY 2005-06 Legislative Budget Request as presented, seconded by Ms. Smiley, and the Request was approved unanimously. Dr. Michalson added that it was important to explain the Quantitative Proficiency part of the Request to our legislative friends; he may provide some talking points to the BOT on this matter at a later date.

- **Resolution of Thanks to Local Legislative Delegation**

Chairman Johnson stated that the Board resolved to thank the local Sarasota-Manatee delegation to the State Legislature for their dedicated support during the past session. Rev. Dupree moved to adopt a resolution of appreciation thanking the local legislative delegation for their support, seconded by Ms. Smiley, and it was approved unanimously. Mr. Johnson noted that a similar Resolution was adopted by the BOT last month, thanking Representative Lindsay Harrington, who completed his final term in the House as President Pro Tempore. That Resolution has been framed and will be presented to Rep. Harrington on June 28th by President Michalson. The Chairman also apprised the Board that Senator Lisa Carlton would be bringing Senator Tom Lee, who will serve as President of the Senate in the next session, to campus for a visit on July 12 at 1:30. Members of the BOT are invited to be present at that meeting with him at The Keating Center; details will be forthcoming. Mr. Cranor added that he had sent a personal letter of thanks to each member of the local delegation and suggested the Foundation board members do the same; Larry Vernaglia sent a very nice letter on behalf of the Alumnae/i Association.

- **BOT Action on Equity Accountability Program Report for 2003-04**

VP Martin introduced Director of Human Resources Lara Sladick who explained that each state university is required by statute to participate in an annual Equity Accountability Update which reports on progress made in improving diversity during the year and establishes hiring goals for 2004-2005. Last year the College reported on 66 positions, as defined by the Department of Education. Of the 14 employees who were hired or promoted this past year, 10 were females and 2 were “Other,” a very good record. Even though there are no vacancies in some of the underrepresented categories – e.g., among the full and associate professor ranks – we are making a good faith effort by attempting to hire appropriate individuals in the assistant professor categories, so they become an applicant pool for the higher level faculty positions. Rev. Dupree asked if New College has set an acceptable goal for diversity. Ms. Sladick explained that while the goals are set by the

College, the extent of the underrepresented applicant pools of qualified candidates are established by national statistics, so that the possibility of our realizing our goals is set mathematically. The College has done a very good job in hiring two new African-American faculty members for next year, who will count toward our goals for next year. One hire resulted from President Michalson's "hires of opportunity" policy, which stated that if a qualified candidate was found who met our curricular goals, even if no vacant position existed at the time, we should seriously consider recruiting that candidate. In response to a second question from Rev. Dupree, Ms. Sladick stated that the diversity of the student body is not addressed in the Equity Accountability Report. Professor Fitzgerald added that in the academic strategic planning exercise, the faculty has made it a high priority to identify areas of growth which might attract strong candidates from diverse backgrounds. Rev. Dupree moved to approve the New College of Florida 2003-04 Equity Accountability Program Report for submission to the Florida Board of Education, seconded by Dr. Fitzgerald, and the motion was approved unanimously.

Other Business

President Going to Oxford in July

Chairman Johnson announced that President Michalson would be going to Oxford University from July 1-25, 2004. The Vice Presidents and he will be available to the Trustees and staff during that time.

Report on Applications

In response to a question from Chairman Johnson, President Michalson noted that applications are up 20 percent and it looks as if New College will be heavily enrolled for fall, with a higher mix of first-year students. This high yield is a compliment to both the previous Dean of Admissions, Joel Bauman, and Kathy Killion, Acting Dean of Admissions, who seamlessly transferred responsibility for the Admissions function in midyear. He stated that some resources may be sprung loose to help underwrite the additional instructional for in-coming students; this is still under discussion with the Provost and the Division Chairs. In response to a question from Ms. Smiley regarding out-of-state admissions, Dr. Michalson reported that the outlook is not so good – only about 20 percent of the incoming class is from out of state. Three years in a row, we've had double digit tuition increases for out-of-state students, and out-of-state enrollment is down throughout the state. It's not clear yet what is going on.

BOT Nominating Committee Appointed

Chairman Johnson appointed a BOT Nominating Committee to include Ms. Smiley, General Mason, and Mr. Cody; they are charged with presenting a slate of officers to the Special Teleconference Meeting on July 29, 2004 for the Board to review in advance of the Annual Meeting in August, at which the Board Chair and Vice Chair are elected.

BOT Presidential Evaluation Committee Appointed

Chairman Johnson appointed a BOT Presidential Evaluation Committee to include Vice Chairman Presha, Mr. Misemer, and Rev. Dupree; they are charged with reviewing last year's BOT evaluation, the President's statement of goals for the year, and the faculty evaluation from June 2004. The evaluation can be presented at the August Annual Meeting.

Accreditation Decision Expected Momentarily

President Michalson stated that we hope to know very soon about the accreditation status. BOT members will be advised via e-mail.

July 29th BOT Special Teleconference Meeting

VP Martin reported that the July 29th Special Teleconference meeting will primarily concern the College's Capital Improvement Plan. He added that the College is about to close on its first land acquisition, the parcel on 58th Street owned by Fred and Sylvia Knight, the first home after turning onto 58th St. The Governor and Cabinet will sit as the Internal Improvement Trust Fund tomorrow, and, assuming all goes well, will authorize New College to go forward with the purchase of this property. Shortly thereafter, we will proceed with the purchase of other properties on 58th Street, such as the Salvatori house and the vacant lot owned by the Foundation.

Since there was no further business, the meeting was adjourned at 1:45 P.M.

Respectfully submitted,

Suzanne Janney
Assistant Secretary