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ANTIOCH UNIVERSITY

BOARD OF TRUSTEES

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ANTIOCH UNIVERSITY
BOARD OF TRUSTEES MEETING
OCTOBER 17-19, 2002
YELLOW SPRINGS, OHIO
CLOSED SESSION MINUTES

Thursday, October 17, 2002

Trustees present: Dan Kaplan/Chair, Jim Craiglow/University Chancellor, Bruce Bedford/Treasurer, Amy Chappell, Dan Fallon, Everette Freeman, Sherwood Guernsey, Reuben Harris, Bill Hooper, Jeff Kasch, Niels Lyster, Peggy McPhaden, Laura Markham, Jack Merselis, Peter Ostrander, Larry Stone, Kay Thomson, Paula Treichler, Barbara Winslow/Vice Chair, and Art Zucker/Secretary.

Absent: Chet Atkins, Sandra Deming, and Dianne Brou Fraser

Others present: Barbara Danley, President of Antioch University McGregor; Lois Mann, Vice Chancellor of Development and External Relations; Toni Murdock, President of Antioch Seattle; Chloe Reid, President of Antioch Southern California; Joan Straumanis, President of Antioch College; Peter Temes, President Antioch New England Graduate School; Glenn Watts, Vice Chancellor and Chief Financial Officer; Leslie Johnson, Assistant Secy to the Board; David Weaver, University legal counsel; and Victor Ayoub (Laurien Alexandre, University-wide Dean & PhD Pgm Director, could not attend.).

At 9:45AM, the Trustees went into Closed Session for the **New Trustee Orientation Presentation** (designed to provide Antioch history and orientation for all trustees).

Making up the orientation presenters were: Dan Kaplan, Jim Craiglow, Jack Merseslis, and Bill Hooper; making up the panel to respond to questions and lead discussion were the above plus Barbara Winslow and Art Zucker. Before beginning, Dan provided the context for and purpose of the orientation, saying that the panel would be emphasizing the structure and foundation upon which the Board's work will be built in the coming years, providing some history without dredging up the past, and giving all trustees a shared starting point.

Jim Craiglow began by "painting a mural" for the trustees that gave everyone an image in their minds of the many and varied changes in the financial and institutional pictures of Antioch over the past ten years, going back even further at times. (See Executive Summary in the October 2002 Board meeting file.) Finances, enrollment, infrastructure, the volatility and instability have all had an impact, positive and negative, on Antioch. Program development and technology have mushroomed. Internal debt has been eliminated; there is cash in the bank now; physical assets have been added at ANE and AUS, and there have been dramatic improvements in capital maintenance and physical facilities in Yellow Springs. With the Board's commitment, a significant capital campaign has begun and the endowment has tripled. The quality of the institution has been validated by external recognition, including NSSE and other groups in New England, Seattle, and Ohio. "Antioch has a lot to celebrate, and we have a compelling story to tell – it's the story we told the NCA. Now, how do we get this picture to the outside world with limited resources?"

Jack Merselis' presentation was focused on the events of the past couple of years, in particular the work of the Ad Hoc Committee. The report submitted by the committee has been summarized for limited distribution at this meeting. Some of the sensitive material with respect to specific personnel references has been removed. Jack provided background on the June 2001 Board meeting that took place in Keene, NH, and where the report of the Ad Hoc Committee was received and approved by the Board. The chancellor's role and performance had been reviewed very closely as a result of the Board and ULC retreat and self-study conducted by Fred Miller beginning a year previous. The self-study process had concentrated on three issues: Finances, Strategy, and Leadership and specific recommendations and action items were put in place to address them. There were lots of meetings and interviews with ULC and Trustees, including the chair and the chancellor. Jack concluded his presentation by requesting the Board to act before the end of the meeting to authorize the distribution of the report summary to officers and trustees so that they can continue implementing the Ad Hoc Committee's recommendations.

Barbara Winslow began by remarking how we can tend to forget our mission and so was grateful for Jim Craiglow's 'painting' the picture for us. She noted that we are a new Board; essentially, ULC is also new. She expressed a desire to begin today to create a collaborative, cohesive Board. The ways trustees get acquainted is through their work on the Board and its committees, also in meetings other than Board meetings. One example is the AGB conference in November which features a variety of workshops that a number of trustees are attending. Barbara would like to see more trustees attending other workshops in the future. She encouraged trustees to connect to the campuses by attending graduations and reunions, for example. The Trusteeship Committee's goals are to accentuate the strengths of each Trustee and assess the benefits of the Buddy process. Right now, the job for us as a Board is (1) how we can strengthen ourselves and (2) the success of the campaign.

Bill Hooper provided a concise picture of the past quarter century of Antioch's history, from times of crisis in the '70s when payroll could not be met to the current times with a new chancellor and several new campus presidents, remarking that the ULC has "achieved a true harmony of working together for the first time in our history." In among the sage advice, he charged the Trustees with directing its attention to supporting and helping the leadership (ULC), to avoid directly involving themselves in the management of the campuses, not to exclude the ULC from closed sessions, and "never leave out your attorney." He noted that this is the largest, youngest Board he could recall, and that as Trustees they were all overqualified because most of them are Antioch grads. At the conclusion of Bill's history lesson there was appreciative applause. (A complete version of Bill's comments is attached.)

At the end of the orientation session, Dan invited comments from the Trustees and ULC. Art Zucker remarked on the ad hoc report and how critically important the detail is. There followed a discussion about making the report available to all Trustees, and then a debate over the pros and cons of making the report available even more generally. Some of the Ad Hoc Committee recommendations were discussed and clarified for the benefit of new trustees and members of the ULC. This included a lengthy discussion on the campuses' Board of Visitors concept, with Jack's suggestion that each campus can develop their own community-related approach.

The discussion turned to the capital campaign and how it codifies the goals in the ad hoc report. Lois explained that in order to bring financial equilibrium to the campuses, a campaign was developed for the College. The goal was to decrease the subsidies provided by the other campuses so that they could then invest in their own campuses. Jim Craiglow put in that there is also an effort not to step on each other in gathering funding from grants, to keep us from going to the same places requires some coordination. The goal of the Future of Antioch project is to encourage interaction and collaboration. Tomorrow's Future of Antioch session will begin this process. Joan added that a Foundation Grants Officer is the College's vision for the future.

One of the Trustees asked when the subject of "enrollment" would be discussed. Dan answered that enrollment is a major focus of each campus president and information on enrollment would be provided in each president's report.

Bruce Bedford remarked that Glenn Watts could provide very helpful training to the new Trustees on how to decipher the enrollment and financial data.

In response to Dan Kaplan's invitation for comments, Dan Fallon said he found the day's discussion very "culture-driven," in a positive way, that he senses an optimism on the Board, and is encouraged by the atmosphere here. He is also enormously encouraged, he said, by the ad hoc report, that it says exactly what the Board should be doing, and that it is useful to be looking at it in this way.

There followed positive comments about the orientation presentation from each new Trustee. A suggestion for improvement was that more time be allowed in the agenda for discussion.

The meeting was adjourned at lunchtime and following lunch the meeting was reopened in Open Session.

Friday, October 18, 2002

Trustees present: Dan Kaplan/Chair, Jim Craiglow/University Chancellor, Bruce Bedford/Treasurer, Amy Chappell, Everette Freeman, Sherwood Guernsey, Reuben Harris, Bill Hooper, Jeff Kasch, Niels Lyster, Peggy McPhaden, Laura Markham, Jack Merselis, Peter Ostrander, Larry Stone, Kay Thomson, Paula Treichler, Barbara Winslow/Vice Chair, and Art Zucker/Secretary.

Absent: Chet Atkins, Sandra Deming, Dan Fallon, and Dianne Brou Fraser

Others present: Barbara Danley, President of Antioch University McGregor; Lois Mann, Vice Chancellor of Development and External Relations; Toni Murdock, President of Antioch Seattle; Chloe Reid, President of Antioch Southern California; Joan Straumanis, President of Antioch College; Peter Temes, President Antioch New England Graduate School; Glenn Watts, Vice Chancellor and Chief Financial Officer; Leslie Johnson, Assistant Secy to the Board; David Weaver, University legal counsel; and Victor Ayoub. (Laurien Alexandre, University-wide Dean & PhD Pgm Director could not attend.)

At 9:30AM, the meeting went into Closed Session.

Report of the Chancellor – Jim Craiglow

Jim began by describing the NCA team visit to Yellow Springs, which occurred earlier this week, and what an involved and massive process it is. He mentioned several Antioch personnel by name, giving special thanks to Paul Ewald (who is no longer at Antioch), Steve Schwerner (retired faculty), and the team of five Trustees (Bruce Bedford, Bill Hooper, Dan Kaplan, Jack Merselis, and Art Zucker), who were interviewed by the team. Jim thanked them for their hard work over the past year and all the effort over the past several weeks to make the visit a success. He emphasized particularly that the work of Leslie Johnson, in supporting this process, was exemplary, that it would not have been successful without her efforts. He noted that the exhibits and resource rooms were first rate. Jim relayed the NCA's closing comments from the October 16 exit interview, none of which came as a surprise, he said, adding that it was not a true "exit interview" in that their visits are not yet complete. They go to ANE then Seattle beginning this coming week. The five concerns of the team that visited Yellow Springs listed were:

1. Institutional Research (some numbers were missing that should be in place)
2. Enrollment management (admissions/retention). The NCA was concerned about this ten years ago and again now. They should be; we are, too.
3. Governance
4. Scarce Resources
5. Physical Facilities (the comments were broad; no specifics).

When all the visits are complete, we'll hear from them, Jim continued. By mid-November they will call Jim Craiglow (and others, perhaps) at which point they will share substantive, specific comments. They will send a draft report to Jim who will have a chance to correct any factual inaccuracies; as far as perceptions or subjective comments go, those cannot be changed, even if we disagree with them. Any appeals we make will depend on what the final report reveals. We can appeal those items we deem unreasonable. It is hoped that we will have outcomes by the Holidays. The final account should be available by February or March at the latest. Jim reported that, during the final interview, Jim Moore, who was the NCA team chair, said "Antioch University occupies a special place in American higher ed. The Team's remarks will take this into account."

In other business, Jim announced that, beginning in January, a search will begin for a president of Antioch Southern California. The Board's involvement in this process and how the process will be conducted is yet to be decided, but Jim's goal is to avoid misunderstandings or anyone feeling out of the loop.

In an effort for the Board to get at the heart of and understand critical issues, the presidents and chancellor had been asked to answer the question: "What keeps you up at night?" Jim's response to the question was "things that are difficult to reconcile....On the one hand, we pride ourselves in being change agents – we have a PhD in Leadership and Change – but we're at the same time resistant to change, and resist 'thinking out of the box.' This creates issues for all of us." Another anomaly, he said, is that we speak of open communication, the value of social justice, things that relate to civil behavior; but intolerance prevails, there is disrespect for civility. While passion is good, there's a point when it is destructive. How do we reconcile our rhetoric with our behavior? All campuses suffer from this and I try to figure out how to resolve these polar opposites. These are some of the things that keep me up at night.

At the conclusion of the chancellor's report, Art Zucker thanked Jim for his keeping the Trustees informed through his recent newsletters. Jim promised a more professional "look" to future newsletters but that his goal was to continue making every effort to improve communication with the Board.

There was a brief discussion on the consequences of failing to get the re-accreditation. Jim responded to the initial concern, and reminded everyone that we received a ten-year accreditation back in 1992 noting how much further ahead Antioch is now than it was then. Joan Straumanis interjected that the most crucial part of being accredited is the quality of education your institution provides and this was not one of their concerns. Peggy McPhaden asked what the advantages are of going through the self-study process. Jim responded that it helps to affirm that you are doing what you say you are doing and if you have the resources to continue. A self-study does wonders for institutional renewal. Being programmed to focus on our own campus, the self-study helps to expose the broader picture. Our accomplishments as a university are not widely known, Jim continued, and this is what he attempted to correct at the open forums during his pre-NCA campus visits.

Barbara Winslow asked if it is known what the NCA visit/accreditation cost Antioch. Jim said he'd report back when that figure is known. Jeff Kasch asked when the NCA report would be shared with the Board and with the community at large. Jim responded that he would send an e-mail to ULC and the Board highlighting their comments so everyone would have a sense of the report, adding that he may not be at liberty to release certain items.

Dan asked the Trustees to review the first two resolutions.

RESOLUTION 10.19.02:1 (Kaplan/Guernsey)

RESOLVED, that the Board hereby approves the minutes from the June 6-8, 2002, Board of Trustees meeting held in Seattle, Washington, and the minutes from the special meetings held on July 8, 2002, and September 13, 2002, via conference call.

Passed unanimously.

RESOLUTION 10.19.02:2 (Merselis/Kasch)

RESOLVED, that the Board of Trustees of Antioch University hereby ratifies and confirms the actions of the Executive Committee as reported in the minutes of the conference call and meeting held on September 19, 2002.

Passed unanimously.

Dan asked Barbara Danley to report on **Information Technology**. Barbara provided some recent history as background, noting that after the Spring '02 consolidation of IT the newly integrated group went on a retreat. The goal of the retreat was to find ways to work together. Goals of the IT team are to move the College to the FirstClass system, make it possible for upgrades to be done on-line, to get each campus what it needs, and allow faculty to do evaluations on-line. What Barbara says she has found is that re-engineering the organization is more difficult; it's not the technology, it's the way people work together. The vision of the institution is to move the technology plan forward, but we can't fulfill the vision without more people. Barbara emphasized that the IT consolidation could be a model for the institution; i.e., getting like people together from all campuses.

Dan next asked Glenn Watts to provide the **Budget Update**. Glenn pointed out that if anyone has a 401K or the equivalent, they know things aren't going well, that 2001/02 was impacted significantly by the stock market. When the economy is down, gifts are down. He reported that Antioch is trying to narrow any losses in spite of what the market is doing. Glenn reviewed the operating losses of the past five years, then college enrollment, and costs. There is a $1.9M decrease in spending and Glenn praised the campus presidents for keeping an eye on expenses. Glenn emphasized that he expected additional weakness on the revenue side and, as a result, the budget will get tighter as we go. The College will bear the brunt of this and needs a lot of help. Financials reviewed at this meeting are available in the Chancellor's office and in the Antioch Library.

Dan Kaplan asked Glenn to expound on how it's working now that he is CFO of the College. Glenn responded that he and Joan Straumanis are scheduling time together more and more, and that he and his staff are doing their best to meet the needs of the College. When resources are down, it has an effect on morale, he added, and Antioch needs to continue to provide students with the individual attention they need and expect at Antioch.

There was a 10-minute recess.

Reports of the Campus Presidents.

Antioch College, Joan Straumanis (report on file)
Enrollment. Joan distributed a matrix on enrollment that showed the significant improvements over last year. She reviewed her two main reasons for being president – to improve enrollment management and improve financial stability.

Joan touched on upcoming faculty searches and tenure reviews. Bruce Bedford asked that any decisions regarding tenure be brought to the attention of the Board in a timely way. She also mentioned unofficial discussions with the AIF (Antioch Independence Fund) and emphasized that she has made it clear to AIF that she is not negotiating on behalf of the Board.

Joan expressed that the budget cuts made in administration and physical infrastructure were too deep. The College is using creative solutions in response to the lack of financial resources, including the "Team of 150" which is made up of alums and non-alums, all of whom are skilled professionals who are giving their skills/services to Antioch at reduced rates or gratis. Getting Antioch signage on I-70 has been a struggle, but thanks to local politicians it should be in place soon. A consultant (Ginsberg) will be doing some gratis work for Antioch for the greening of the campus.

It has been difficult to stay connected with alums, Joan said. Many get lost to us due to our inability to keep up with their moves or because they choose not to stay in touch. Niels Lyster mentioned the 2004 Reunion which is in the planning stages and Joan asked to attend the planning meeting that Judy Spock is organizing.

McGregor, Barbara Danley (report on file)
Keeping Barbara up at night are competition, lack of market research, and shortage of advertising dollars; inability to meet the demands of prospective learners, not enough faculty, lack of attractive compensation package for administrators and not enough staff support; too much work, too little time; no funds for program development, facilities are potentially unsafe, old, not clean; low morale, confusion in the region as to McGregor's identity, and insufficient resources. Without the financial resources, she said, we can't become the institution we could be. She recommended that next year's budget include $100K for program development.

Antioch New England Graduate School, Peter Temes (report on file)
Peter reported that enrollment is strong, that ANE is a world-class graduate institution that competes on the basis of outstanding programs. Money is a critical issue. There is a need for a 2-4% tuition discount to improve diversity (to attract students who don't normally consider ANE because there is no offer of scholarship); the campus needs to

reflect Antioch values. Peter also reported on the recent new federal grant. He described the three elements to be a world-class institution: (1) a strong faculty, (2) no barriers to entry in the form of cost, and (3) a center of unusual intellectual activity.

Antioch University Southern California, Chloe Reid (report on file)
Chloe distributed a handout that is a summary of the AUSC Fact Book and contains enrollment information and a handout on enrollment projections (on file in the Chancellor's office). What keeps Chloe up at night are a lack of financial resources – it takes money to start a development office and there is a need for reserves for program development and moving expenses, for example. Chloe reported that a Director of Admissions/ Financial Aid was recently hired. Resolving the issue of relocating two campuses, and the governance of these two very different institutions are other critical issues. AUSC plans to conduct a study to determine whether or not this (Marina del Rey) is the place to stay. In Santa Barbara, there is a conditional use permit, with a cap on the number of vehicles that can be parked at that location. The two campuses are two distinct communities that tolerate each other, there is very little interaction between the two, she said, and we need to build a bridge over that gap. Also of concern is that neither campus is accepting of new people or new ideas – change is difficult at both locations. With regard to the money that was left over in AUSC's budget at the end of the fiscal year, it should have been put in savings for AUSC moving costs, program development, market research, or development office.

Antioch University Seattle, Toni Murdock
Toni reported that there are four things that keep her up at night: a creative admissions system, flexible market-sensitive programs, a financial buffer, and a disciplined budget system. The challenges are in marketing and advertising – where to get students. It's different for an adult campus, she said, our students can't be found in the high schools or community colleges. We need good institutional data and then to make decisions based on the data. She asked that the Board allow the adult campuses to keep the money they generate, to re-invest in the future of the institution.

Bruce Bedford reviewed the Stabilization Plan and process for the benefit of the new trustees. Larry Stone asked if the financials are available to the Community and Glenn responded that a copy of the document that is given to the Board is also given to the College Library. Campus presidents share this information in different ways on their respective campuses.

Dan thanked the presidents for their candid reports and assured them they had been heard. Other trustees expressed their thanks as well.

Closed Session ends and there was a break for lunch.

Saturday, October 19, 2002

Trustees present: Dan Kaplan/Chair, Jim Craiglow/University Chancellor, Bruce Bedford/Treasurer, Amy Chappell, Dan Fallon, Everette Freeman, Sherwood Guernsey, Reuben Harris, Bill Hooper, Dan Kaplan, Jeff Kasch, Niels Lyster, Peggy McPhaden, Laura Markham, Jack Merselis, Peter Ostrander, Larry Stone, Kay Thomson, Paula Treichler, Barbara Winslow/Vice Chair, and Art Zucker/Secretary.

Absent: Chet Atkins, Dan Fallon, Sandra Deming, Dianne Brou Fraser, and Jeff Kasch

Others present: Barbara Danley, President of Antioch University McGregor; Lois Mann, Vice Chancellor of Development and External Relations; Toni Murdock, President of Antioch Seattle; Chloe Reid, President of Antioch Southern California; Joan Straumanis, President of Antioch College; Peter Temes, President Antioch New England Graduate School; Glenn Watts, Vice Chancellor and Chief Financial Officer; Leslie Johnson, Assistant Secy to the Board; David Weaver, University legal counsel; and Victor Ayoub. (Laurien Alexandre, University-wide Dean & PhD Pgm Director, could not attend.)

The meeting went into Closed Session at 11:05AM.

There was a lengthy discussion among the Trustees and Chancellor as to how the current iteration of the Ad Hoc Committee Report should be treated (as discussed earlier at this meeting). It had been determined on October 17 that this is an important document that should be shared with those with a need to know. Jack Merselis said that "collaboration and trust came from this and it served us well." His opinion was that nothing in the new iteration violated the confidentiality with which the report was conducted. There was agreement from the other trustees who served on the ad hoc committee and agreement that it should be made available. The following resolution was proposed:

RESOLUTION 10.19.02:15 (Merselis/Winslow)

WHEREAS, the Board deliberated and acted upon a report and recommendations of an Ad Hoc Committee at its June 2001 meeting in Keene, NH; and

WHEREAS, the Board adopted Resolution 6.2.01:21 to assure the confidentiality of the deliberations and related actions of that meeting; and

WHEREAS, the Board has reviewed at this meeting a document summarizing the Ad Hoc Committee report and related Board actions and believes that document contains useful information for Trustees, Officers, and others within the University community having a need to know.

THEREFORE BE IT RESOLVED, that Resolution 6.2.01:21 is hereby modified to permit the distribution of the Summary reviewed at this meeting to Trustees, Officers, and others as may be authorized by the Chair of the Board or the Chancellor.

Passed unanimously.

Following a brief recess, the meeting resumed at 11:05AM in Closed Session.

With a copy of the Ad Hoc document in front of every Trustee and ULC member, Jim Craiglow led a discussion about the recommendations in the report, which ones have been taken care of or, at least, or already in process, and which remain to be addressed.

At 11:45AM, there was a brief recess while ULC was excused and the Board resumed in Executive Session.

NOTE: Resolution 10.19.02:3 Conflicts of Interest was not considered or acted upon at this meeting. It will need to be placed on the Board's February '03 agenda.

The conclusion reached during the discussion was that a search would not result in any better candidate to the lead the University at this time. It was the unanimous sense of the Board to accept the recommendation of the ULC to ask Jim Craiglow to continue as chancellor and to suspend the chancellor search pending Jim's acceptance. The Board then discussed the chancellor search and Jim Craiglow's ability to handle the job beyond the limited term for which he has been employed.

The following resolution was then unanimously approved by the Board:

RESOLUTION 10.19.02:17 (Merselis/Bedford)

RESOLVED, that the Chair in consultation with University legal counsel, is hereby authorized to negotiate an employment agreement with Jim Craiglow to serve as Chancellor for a period not to exceed five years subject to final approval by the Board.

There being no further business, the meeting was adjourned at 1:35PM.

Respectfully submitted,

Respectfully submitted,

Leslie B. Johnson

Leslie Bates Johnson, Assistant Secretary

Art Zucker

Arthur J. Zucker, Secretary