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Antioch University
Finance Committee Minutes
Stabilization Project
Concourse Hotel, Columbus, Ohio
July 23, 2001

Present: Jim McDonald, chair; Art Zucker, Pegene McPhaden, Judy Palmer, Dan Kaplan, Bruce Bedford, Jeff Kasch, Bob Krinsky, Jim Hall, Glenn Watts, Rosalie Sturtevant, and guest consultant, Tom Clough.

The meeting was called to order at 10:00 AM EDT.

The purpose of this meeting was to discuss possible measures to take to ensure the financial stability of the University for 2001-02. Antioch cannot have a deficit finish to the year because of the upcoming accreditation review and because of the many bond covenants we must meet.

Jim McDonald led the committee through some background material and a summary of previous meetings this group has had. We then focused on some financial schedules requested by the group. Budgeted financials by campus were restated to eliminate overhead charges, rebates, and contingencies; depreciation amounts were added. This restructuring was done to give the Committee a clearer picture of the financial situation at each unit. Personnel ratios were also examined by campus.

Next the committee focused on what items were the biggest risks to the University completing the 2001-02 year with a surplus, as well as possible offsets. The items identified were:

- Lead Gifts not materializing	$1.66 million
- Unbudgeted expenses	$ .25
- Enrollment shortfalls	$ .50
- Over-awarding of discounts	$ .20
- Shortfall in the annual fund	$ .14
- "Murphy's Law" events	$ .50
- Endowment Income (new endowment)	($ .20)
- Hold the line on embargoed items	($ .85)
- Budgeted Excess	($ .75)
Total	$1.45 million

The Committee concluded that the University was at risk for around $1.45 million because so many items were shaky or uncertain. Tom Clough suggested that we prepare some materials that looked at the trend line of net income from students for the last several years.

The Committee then brainstormed about steps that might help to reduce some of the costs, and therefore risks, during the short term. The Committee member who will assume responsibility for each item is listed in parentheses.) These include:

- An audit of the Admissions Office (Dan w/Bob Devine)
- Increased PR and marketing (Art)
- Yellow Springs functional redundancies (Bruce and Jeff)
- A mandated headcount reduction of 10 people (Bruce and Jeff)
- The establishment of a stabilization fund, status of AIF funds, other? (Dan)
- National Procurement Contracts (travel, IT, supplies, long distance) (Peggy w/Barbara Danley)
- Outsourcing (Peggy w/Barbara Danley)
- Benchmarking (Glenn)
- Marginal Cost of Students, yield management (Bruce w/Toni Murdock)
- Excess Yellow Springs physical plant & real estate sales (Judy w/Glenn)

Faculty workload was also discussed and it was agreed that Bruce should as Bob Devine to suspend the change in loads that will become effective this fall. It is not clear what the change might cost in the future, or what other impacts it might have. Until the Committee completes its report, no workload changes should be implemented.

The Committee requested some comparable personnel counts for the past few years, if available.

Tom Clough asked us to consider if there is some acceptable level of deficit we might be willing to accept for the next few years. He also encouraged us to understand the marginal cost of students at the College. His advice was that a document explaining the true financial situation at the University and at the campuses be developed and widely disbursed to faculty and staff at all campuses to dispel fears and rumors.

It was decided that as many Committee members as possible would meet with Bob Devine and Barbara Danley in Yellow Springs on August 3 to gather input on the above list. The full committee will also meet again on Thursday, September 13 in New York at 9:00 AM EDT.

The meeting adjourned at 5:00 PM EDT.