Board of Trustees

ANTIOCH UNIVERSITY

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ANTIOCH UNIVERSITY
BOARD OF TRUSTEES MEETING
MINUTES
February 1 - 3, 2007
SANTA BARBARA, CALIFORNIA

*Note: These are the minutes of the meetings conducted **closed and open sessions**.*

NB: Draft Resolutions with the following numbers were not acted upon at the meeting and are therefore not included in these minutes: 2.3.07:7, 2.3.07:8, and 2.3.07:9

Wednesday, January 31, 2007
The University Leadership Council met all day.
The Trusteeship Committee met from 4:00 – 6:00PM.
Members of the Investment Committee met from 5:30 – 7:00PM

Thursday, February 1, 2007

Today's plenary session took place in the Hotel Mar Monte.

Trustees present: Art Zucker/Chair, Michael Alexander, Bruce Bedford/Treasurer, Amy Chappell, Howard Coleman, Dan Fallon/Vice Chair, John Feinberg, Dianne Brou Fraser, Everette Freeman, Ken Friedman, Sherwood Guernsey/Secretary, Reuben Harris, Hal Joseph, Jeff Kasch, Lillian Lovelace/Trustee Emerita, Niels Lyster, Tom McNicol, Sharon Merriman, Jack Merselis, Jan Morgan, Larry Stone, Paula Treichler, and Barbara Winslow.

Absent: None

ULC: Toni Murdock, Chancellor; Laurien Alexandre, Vice Chancellor University Academic Affairs; Leslie Bates, Executive Assistant to the Chancellor & Assist't Secretary of the Board; David Caruso, President, Antioch New England; Barbara Gellman-Danley, President Antioch University McGregor; Tom Faecke, Vice Chancellor and Chief Financial Officer; Neal King, Interim President AU Southern California Los Angeles; Mark Hower, Interim President Antioch Seattle; MaryLou LaPierre, Vice Chancellor for University Advancement; Michael Mulnix, Interim President AU Southern California Santa Barbara; Steve Lawry, President Antioch College.

Legal Counsel: David Weaver

Others present: Karen Ely, Sr. Assistant to the Chancellor and Assistant Secretary of the Board; College Community members included Tom Wamsley, Vice President Antioch College Office of Institutional Advancement; Tim Gilliland, College CFO; Levi Cowperthwaite, College Community Manager; Rick Jurasek, College CAO; Julie Gallagher, College Professor of History; and Marcy Leversee, Director of Academic Support Services/ANE. Also present were Betty Zucker, Teresa Faecke.

7:30 – 9:30AM
New Trustee Orientation.

9:30 – 10:45AM
The Board met in Executive Session, which included Chancellor Murdock for a time, and also Neal King and Michael Mulnix.

Art Zucker called the meeting order in Plenary Session at 10:50AM.

Board Chair Report – the complete text of the chair's report is on file with these minutes.

Art Zucker's report was in three parts. He reported on the visit Toni and he took to Antioch Southern California to meet with the Los Angeles and Santa Barbara communities, collectively and individually, about the changes in leadership as well as near-term and long-term plans for those campuses. He also talked about his and Toni's attendance at the AGB Institute then gave an overview of the agenda and goals for this meeting.

Related to his report on the campus visits, Art commented: "As we preach diversity within Antioch, we should look to our LA campus. This is clearly the most culturally diverse campus in the University, with the presence of many Asian Americans, African Americans, Native Americans and Hispanics." He thanked Neal and Michael for having served the two campuses so well during this recent difficult process and having made significant progress in such a short time.

With respect to those difficulties. Art asked himself how it could have happened. "Certainly, our management is responsible for campus performance. But, we trustees have responsibility as well – for setting policy, for oversight, for taking action based on performance assessment. How do we insure that this doesn't happen again? Is our executive search process objective and thorough? Is there a balance between campus autonomy and fiscal responsibility?" Art noted the corrective actions Toni has implemented to deal with some of these issues, including that the new Vice Chancellor and CFO clearly understands and accepts the responsibility for monitoring the financial performance of all campuses.

In his report on attending the AGB's Institute for Board Chairs and Presidents of Independent Colleges and Universities. This 2 day session covered the relationship between the CEO and the Board Chair, board relationships and the actions needed to develop more effective boards. Best practices were identified and shared from the combined experience of AGB and the 22 teams of participants. He and Toni prepared a comprehensive report on what was discussed and what they learned at the program to be shared with all of the Board and ULC

In closing, Art spoke to the shared responsibility for Antioch's future. "The Board, ULC, all of our administration, faculty and students have responsibility for Antioch's future. I know I speak for all of my trustee colleagues when I say that we trustees are not only here to provide oversight and vision – but we are the guardians of Antioch's ideals and its hopes."

Art gave the floor to Chancellor Toni Murdock for her report to the Board.

Chancellor's Report to the Board – the complete text of the chancellor's report is on file with these minutes.

Chancellor Murdock began by highlighting a new book, Leadership in Place: How Academic Professionals Can Find Their Leadership Voice, edited by Leadership & Change professor, Jon Wergin. The book includes a chapter, "Creative Redesign For Change," by Mark Hower interim President at Seattle and a student in the PhD in Leadership & Change program. Toni also brought the Trustees' attention to the second Annual Report, as well as the *Journal of Hispanic Higher Education* which is published by Sage Publications and co-edited by Drs. Michael Munlnix and Esther Lopez-Mulnix (faculty member at the Santa Barbara campus).

Toni restated her belief from a year ago that "Antioch is positioned to be a player in this new world as described in Thomas Friedman's book The World is Flat. It is positioned because we are a university system of multiple campuses that expands across the nation....A system that has the resources of creativity, options to address the increasing adult student population, a commitment to life-long learning and the inherent values of *compassionate flatism*—those being leadership, education, and social activism."

Antioch's success is dependent on being "deliberate in how we continue to build and plan our system," Toni continued. That system must "promote the sustainability of each independent campus, including the College," she said. "We...become sustainable when we are seen as a vital member in the communities in which we reside....The success of the individual campuses is in responding to the local and regional needs; the success of the university is as a system designed to encourage each campus to greatness by providing economical efficiencies, support systems, and safety nets unable to be achieved by a single campus."

Toni emphasized the importance of strategic planning and the need for inter-connectivity to achieve the kind of system Antioch is capable of being. "System planning is focused on the optimal *collective* performance of its institutions." She stressed that the only way to achieve this is through technological development and was able to report on three events that have taken place recently to move us toward that goal: a $3.4 million grant from Pierson-Lovelace mostly dedicated to technology and to be realized over a four-year period; the University has its first Chief Information Officer; and, finally, first steps have been taken toward the vision of a Virtual University Commons in relation to library services.

Toni gave a brief update on the work of tne "Blue Book Commission," a commission of chief academic officers and faculty across all campuses who are addressing issues of academic quality, policy, best practices, and presence of the academic leadership in governance structure. She reported that the ULC has organized the Virtual Commons task force composed of faculty, staff and administrators across the campuses "to explore innovative programming across the University…to promote collaborative programs and increased enrollments."

She said the ULC has also spent time tackling the area of governance as one of its five strategic priorities with a goal of presenting a structure to the Board at its June meeting.

In closing, Toni stated that "The place we stand today in our historical development, reminds me of Rainer Rilke's observation, 'The future enters into us, in order to transform itself in us, long before it happens.' Though we acknowledge that this Antioch system was initiated with little intentional planning, we have evolved into a University that has the potential—the *potential* -- to become a preeminent, national, non-profit private university system of the 21st century."

Applause.

Review of the Agenda.
During his review of the agenda Art described how Friday afternoon's session would be a continuation of the State of the University report given at November's meeting. Near the close of the November meeting, it was suggested that Toni form a small committee to delve further into the financial condition of the university with particular emphasis on the cash flow needs of the College. This committee was formed and has met three times by conference call.

At 11:40AM, Laurien reported on the University's new **Integrated Library Services** ("ILS"), part of the Virtual Commons. She described the current library 'system' (which is fraught with disparity and antiquated methods) and compared it to the ILS and the digital library delivery service (example: documents delivered to your computer). A 2-year pilot initiative is being launched thanks to a grant from the P-L Foundation. Laurien spoke briefly to the question of costs and budgeting. All campuses are encouraged to opt into the service due to its affordability.

At Noon Art broke the meeting for lunch. During lunch, faculty and students from the Santa Barbara campus made a presentation featuring their doctoral program in clinical psychology with a family psychology concentration and a family forensic psychology specialization.

Beginning at 12:50PM, the **Compensation** and **Physical Facilities Committees** met.

At 2:10PM, Art reconvened the meeting in **closed session**. He distributed his and Toni's aforementioned report on the AGB Institute for board chairs and presidents/chancellors, encouraging trustees and ULC members to review it at their convenience. The contents will be discussed at a later date.

Art then gave the floor to Steve Lawry who, along with others, presented reports on the College in **closed session**. Julie Gallagher, College professor of History, and Levi Cowperthwaite, Community Manager, were invited to stay for this session.

Report on the College (the following is from the text of Steve Lawry's report).

At the November 2006 Board of Trustees meeting in Yellow Springs, I spoke to you about my vision for Antioch College. The College would be "fervently committed to intellectual freedom, open inquiry and mutual respect." It would provide "a highly rigorous liberal-arts education that prepares graduates for ethically-grounded lives of civic and intellectual leadership."

The New Antioch would, among other things:

...be selective: That is, it would have high admissions standards; be racially, ethnically and socially and economically diverse; and have a strong focus on inculcating personal and social responsibility and accountability.

...have, if you will, a more classical core: valuing critical thinking (critical analysis, for instance, of what we read) and writing (to communicate ideas clearly); and training in ethics and comparative religion, an ethical core, in addition to what the College currently offers in the social sciences, humanities and sciences.

...invest in development of a small number of rigorous, relevant and widely appealing flagship programs, linked to graduate training opportunities at other Antioch University campuses. Doing so would be essential to recovering for the College a clear curricular identity, something vital for any successful college, and something that I believe had been lost.

This New Antioch would have a renewed mandate for AdCil and ComCil, and community governance generally, as key elements in the College's educational mission—and particularly with respect to inculcating personal and social responsibility.

I argued that we must undertake these initiatives, building on the achievements of the renewal plan, if we were to return the College to the kind of educational distinction it was known for. We must do these things if we are going to attract and retain the interesting, curious, intelligent and creative student that contributes so much to the success of the Antioch College experience.

Steve made reference to his promise at the November meeting to develop a business plan or case statement that would articulate the new vision that prospective donors would find compelling and persuasive. Steve, with the help of his staff and others whom he introduced, provided a summary of the College's progress in developing and planning for the vision he just restated and what has been achieved thus far toward building a strong curriculum, a vibrant educational climate, and returning the College to financial health. Before presentations were made, Steve shared an update on the business plan, including the curricular reforms being planned and which he believes will strengthen the College educationally and financially.

His business plan, in addition to curricular initiatives, speaks to strengthening and integrating co-op, revitalizing community governance, student recruitment, student retention, the College's public identity, and being held accountable for effective and efficient administration, responsible and transparent financial reporting and planning, and rigorous educational assessment. Steve next distributed his Business Plan, "*Thinking Critically; Acting Responsibly*" to the Trustees and asked for their feedback with a special request to the Campaign Cabinet for their critique.

ACTION ITEM: Trustees and ULC to provide feedback on Steve Lawry's Business Plan to Tom Wamsley by February 15.

Steve introduced Paul Homburg for his analysis presentation on **Admissions**. A copy of this presentation is on file with these minutes.

ACTION ITEM: Steve Lawry to provide the Board with a copy of the probability analysis as soon as it's complete (Howard Coleman request).

Next, Jennifer Rhyner gave her presentation on **Enrollment Management**. A copy of this presentation is on file with these minutes.

Rick Jurasek delivered a presentation on **Enrollment Patterns for Incoming Students**. A copy of this presentation is on file with these minutes.

Tom Wamsley delivered his report on the **Campaign for Antioch** which included progress on all fundraising goals.

This concluded Steve's report on the College. Trustees offered comments and acknowledged all the hard work being done by Steve and staff members. Bruce requested more in the Business Plan relative to the physical facilities.

Art adjourned the meeting at 5:10PM.

The Board and ULC were joined by AU Santa Barbara's Board of Visitors and Michael Mulnix's executive staff for a reception at *The Mondial* in downtown Santa Barbara.

Friday, February 2, 2007

Trustees present: Art Zucker/Chair, Michael Alexander, Bruce Bedford/Treasurer, Amy Chappell, Howard Coleman, Dan Fallon/Vice Chair, John Feinberg, Dianne Brou Fraser, Everette Freeman, Ken Friedman, Sherwood Guernsey/Secretary, Reuben Harris, Hal Joseph, Jeff Kasch, Niels Lyster, Tom McNicol, Sharon Merriman, Jack Merselis, Jan Morgan, Larry Stone, Paula Treichler, and Barbara Winslow.

Absent: None

ULC: Toni Murdock, Chancellor; Laurien Alexandre, Vice Chancellor University Academic Affairs; Leslie Bates, Executive Assistant to the Chancellor & Assist't Secretary of the Board; David Caruso, President, Antioch New England; Barbara Gellman-Danley, President Antioch University McGregor; Tom Faecke, Vice Chancellor and Chief Financial Officer; Neal King, Interim President Antioch University Southern California Los Angeles; Mark Hower, Interim President Antioch Seattle; MaryLou LaPierre, Vice Chancellor for University Advancement; Michael Mulnix, Interim President AU Southern California Santa Barbara; Steve Lawry, President Antioch College.

Legal Counsel: David Weaver

Others present: Karen Ely, Sr. Assistant to the Chancellor and Assistant Secretary of the Board; College Community members included Tim Gilliland, College CFO; Rick Jurasek, College CAO; Virginia Dowse, University Controller; and Deb Caraway, College Controller.

Committee Meetings: 7:30 – 9:15AM – Academic Affairs and Communications met.

Today's plenary session took place in the Hotel Mar Monte.

At 9:30AM the Board and ULC convened for the **Finance Committee (a meeting of the whole)**, in **closed session.**

ACTION ITEM: University CFO to include balance sheet in future finance financial reports (request from Michael Alexander).

The presidents were asked to speak on their budget reports. These are contained in the bound "*Budget Report and Tuition Requests*" booklet provided by the University's finance office ahead of this meeting, a copy of which is on file with these minutes.

Steve Lawry reported that Glen Helen had shortfalls in revenue; a grant of $160K was received from the Morgan Foundation which will serve as a match for EPA funds earmarked for wastewater work at the Outdoor Education Center. Some portion will also be used for some "curb-appeal" work; the new director is in the process of "resuscitating fund-raising efforts."

David Caruso reported on the **ANE** budget which is in a positive position at the end of the second quarter of FY 06-07. He is requesting a 7% increase in tuition. Although it was seen in recent years as being important to be at the low end with regard to tuition, David's analysis is that ANE can compete on quality, not on price, moving the tuition to mid-range.

Mark Hower reported on the **Seattle** budget. Delayed maintenance plus hiring freeze has helped the campus maintain a balanced budget. His biggest concern is with enrollment projections; he's finding that it's necessary to be more creative around marketing (web-site and more targeted marketing). Seattle is requesting a 7.25% increase in tuition.

Neal King reported on the **AUSC-LA** budget. The campus has exceeded its adjusted enrollment projections. He reported that the community has responded beautifully to the many adjustments being made to the budget, showing great restraint and responsibility in spending. Neal requested a 5% tuition increase, to address increases in healthcare and facilities needs.

Michael Mulnix reported on the **AUSC-SB** budget which had to be adjusted due to on-going restructuring. From a funding standpoint, he remains positive. His campus will be concentrating on a number of new initiatives for ensuring growth and prosperity, and include increased emphasis on the Arts. Michael is requesting a 5% increase in tuition.

Barbara Danley reported on the **McGregor** budget. She reported that the operating budget remains strong through the second quarter; actual expenses through the first two quarters of the fiscal year are running $113K. There is a new move for teaching on weekend evenings. The campus is experiencing a morale problem due to increases in healthcare in January which equates to a pay cut. Sherwood asked for information on what it will mean for McGregor to be NCATE accredited. Barbara stated that it's a great recruiting tool to have this accreditation.

Laurien Alexandre reported on the **PhD in Leadership & Change**. The program continues to generate more tuition-generated income than budgeted, its expenses are in check, and its enrollments continue to be above projections. There were 29 applications at this time last year compared with 42 applications currently. Laurien spoke to the problems inherent in increasing cohort size or numbers of cohorts because of the direct increase of burden on faculty and staff, not to mention facility space (the program's classes use existing campus space). In the works is a non-degree initiative for engineering faculty in grad schools – they have asked for help to design a certificate, funded by the NSF. Antioch University would be the provider of that certificate. Also being considered is an international division of the PhD Program. She reported that the ULC is looking at other university-wide, cross-campus program initiatives. "Our unique structure is a huge advantage," she remarked. Laurien is requesting a 5.3% increase in tuition which places the program toward the upper end of similar programs.

Tom Faecke reported on the ***Antioch Review*** and **WYSO Radio**. Toni reported that there will be a think-tank put together to review the *Review*. There are two plans being considered for making WYSO self-sustaining: one is a 2-year plan (involves adding more news programs, making the station less Yellow Springs-like); the other is a 5-year plan. Also being considered are cooperative ventures with the public TV stations in Cincinnati and Dayton.

Bruce asked for Toni's report on the hiring and capital expenditures 'freeze.' She responded that the freeze is still in place and then thanked the presidents for their cooperation, expressing her appreciation for the hardships that this imposes on them. Tom reviewed the **cash flow analysis** handout. Art noted that there would be complete detail on this during the afternoon session.

There was a review of the bond debt covenants and the possibility of needing to get a waiver of one covenant in the Seattle issue as was done at the end of the last fiscal year. The auditor's management letter was addressed and Bruce Bedford requested a progress report from management at the Committee's June meeting. The prospect of adding an Audit Committee was raised by Art, as recommended at the recent AGB conference he and Toni attended. Unlike the Finance Committee, the Audit Committee would deal with government funding, Pell grants, regulation and compliance issues, etc. Auditors would review with the Audit Committee all management policies and procedures as a measure against fraud. Tom interjected that internal audit reviews will now be done periodically by the University comptroller.

ACTION ITEMS: Finance Committee will explore the creation of an Audit Committee. Management will provide the Finance Committee with a progress report at the June meeting in addressing the issues raised in the auditor's management letter.

Tom described the background on the hiring of Bill Marshall, the new Chief Information Officer, who is in the process of conceiving a centralized technology plan. In the meantime, he described the draft structure of the IT department.

ACTION ITEM: The ULC will bring a recommendation to the Board at its June meeting.

At Bruce's request, Tom reported on recent campus CFO collaboration and conferences.

At 11:50AM, there was a break for lunch. The Financial Study *ad hoc* committee met in **closed session** at this time.

Following lunch, the **Development Committee** met from 12:50 to 2:00PM as a committee of the whole, in **open session**.

Development Committee Meeting
Committee Chair, Jack Merselis explained that Trustee Giving is one of the key responsibilities of all trustees. He gave a history of the committee's duties, advising that when the College capital campaign began in 2001 that the University-wide Trustee fund-raising focus was shifted to the College campaign and in June 2002, it was agreed to separate the College campaign fund-raising from the committee's duties and leave that work to the College Campaign Cabinet. It was also noted that any future campus capital campaign would require approval by the Board of Trustees, and it was expected there be 100% Board participation in any new capital campaign.

In FY 04-05, the Committee developed a University-wide pledge form so trustees could make donations with one single check to the University for the Annual Funds of each campus, in addition to making campaign gifts if they had not already done so. Another purpose of the form was to encourage 100% Board giving which was achieved in FY05-06.

There was a discussion on encouraging trustee giving to all campuses and how to coordinate that giving with capital campaign giving. It was suggested that trustee giving expectations need to be communicated better and that there needs to be a process established for using the university-wide pledge form, including a timetable with reminder dates for follow-through on pledges.

There was also discussion about what strategy is most effective, i.e. a personal visit each year from one or more designated persons appropriate for the task; a personal phone call; a letter and document with a dollar figure showing what amount is expected from the trustee; giving history recap (what has been currently donated or pledged for the current fiscal year); or revisions to the current University-wide Pledge Form.

There was a suggestion that the university-wide pledge form be revised and sent to Trustees every July with a cover letter. The individual letter would come from the university's advancement office and could indicate the Trustee's past and / or current giving history with open pledges, an individual requirement for Annual Fund gifts, and mention any new matching challenge grants. October 1 would be the due date for the form is to be completed and returned, and then the University could follow-up with a reminder to each Trustee in December, March and June. If necessary, a phone call from the Development or Trusteeship Committee chair could be made if trustees have not returned the pledge form by October 1 each year.

Steve Lawry was asked to explain again the terms of the current College Challenge Grant to trustees. The board was advised at the November board meeting that the College had received a $500,000 challenge grant from a current member of the Board with the requirement that signed pledge forms and / or gifts be received by June 30, 2007 and fulfilled by June 30, 2009. The payment of the challenge grant, if it is met, will be paid out over five years.

Jan Morgan asked for a list of College alumni in her area. She suggested that every Trustee talk to people they know as potential donors.

Mary Lou LaPierre agreed to prepare a process for contacting Board members for all general giving. She will meet with all campuses for collaboration in defining their needs.

State of the University
From 2:00 – 5:00PM, Toni and Art presented an update on the financial state of the university in **closed session.**

Art introduced the session by giving some background on the formation of the *ad hoc* committee known as the Plan B Task Force, naming the eight members: Art Zucker, Toni Murdock, Howard Coleman, Laurien Alexandre, Bruce Bedford, Michael Alexander, Tom Faecke, Mary Lou LaPierre, David Weaver (legal counsel), and Leslie Bates (staff). With a focus on in-depth financial analysis and consideration of contingencies, the purpose of the task force was to make recommendations to the Board on sustainability measures for the on-going financial health of the College and/or the University. He emphasized that it is critical that the trustees understand the current and projected state of the institution, and that the first step in dealing with these matters is to answer the question of why these measures are being taken. Next actions can take place only after that question is answered.

Handouts (on file with these minutes):

- Projected Budget, 2006-11, Excess Revenue over Expenses
- College Historical Budget (2001-07)
- Antioch College Sustainability Analysis
- Enrollment Analysis, Sustainability Study
- Sustainability Success Measures

Discussion.

At 3:45PM, the Trustees went into **executive session.** Asked to remain were Toni, Tom Faecke, Laurien, Mary Lou, David Weaver, and Leslie Bates.

Art gave the floor to Toni to lead the discussion on a process for going forward. Toni explained that the Plan B Task Force has created a list of 61 options for diverse budget reductions; however, before any decisions could be made on any actions, what is required first is a determination of where the board stands on the question of whether we "save" the physical college or save the university.

David Weaver was asked to speak on various aspects of some options including declaring financial exigency at the College and the legal issues to be considered in contemplating these options.

Included in the discussion was that there was acknowledgement at the time of the adoption of the Antioch Plan that there would be years of deficit budgets. It was pointed out that the development plan as to date failed to raise the money needed to fund the Plan. Several asked for an assessment of performance of the Plan. Trustees made suggestions for next steps including: a PhD in Leadership & Change model for recruiting international students, notifying alums to convey the nature of the problem so they're aware and will be moved to help, and the idea of a 'Habitat for Antioch.'

Finally, Art asked to hear from the Chancellor. Toni stated that it will take another three years to determine whether the College's Renewal Plan is successful and noted that "Time is the enemy" in implementing the Plan. She also expressed her belief that the system may require structural change to remain viable. She noted that the ULC had just spent a day discussing the issue of governance with the goal of presenting the Board with their recommendations at the June meeting.

In conclusion, Art asked the Board to meet in executive session at 8:00 tomorrow morning for a continuation of today's discussion.

There was a reception & dinner for the Board and ULC at the home of Lillian and Jon Lovelace.

Saturday, February 3, 2007

Today's plenary session took place in the Hotel Mar Monte.

Trustees present: Art Zucker/Chair, Michael Alexander, Bruce Bedford/Treasurer, Howard Coleman, Dan Fallon/Vice Chair, John Feinberg, Ken Friedman, Sherwood Guernsey/Secretary, Reuben Harris, Hal Joseph, Jeff Kasch, Lillian Lovelace/Trustee Emerita, Niels Lyster, Tom McNicol, Sharon Merriman, Jack Merselis, Jan Morgan, Larry Stone, Paula Treichler, and Barbara Winslow.

Absent: Amy Chappell, Dianne Brou Fraser, Everette Freeman

ULC: Toni Murdock, Chancellor; Laurien Alexandre, Vice Chancellor University Academic Affairs; Leslie Bates, Executive Assistant to the Chancellor & Assist't Secretary of the Board; David Caruso, President, Antioch New England; Barbara Gellman-Danley, President Antioch University McGregor; Tom Faecke, Vice Chancellor and Chief Financial Officer; Neal King, Interim President Antioch University Southern California Los Angeles; Mark Hower, Interim President Antioch Seattle; MaryLou LaPierre, Vice Chancellor for University Advancement; Michael Mulnix, Interim President AU Southern California Santa Barbara; Steve Lawry, President Antioch College.

Legal Counsel: David Weaver

Others present: Karen Ely, Sr. Assistant to the Chancellor and Assistant Secretary of the Board

The ULC met from 7:00 – 8:00AM for a special session ahead of the Board meeting.

Call to Order.
Art opened the meeting at 8:05AM in **executive session** with ULC members of the Plan B Task Force (Toni, Laurien, Mary Lou, and Tom) for continuation of and putting closure to yesterday's session.

Art stated: "It is our role to offer suggestions and then let our management run the ship. Let's begin with Trustee Actions – what can and should trustees do?" A list of Immediate and Future Trustee actions was captured and a motion made to adopt the following:

TRUSTEE ACTIONS:

1. Fulfill our responsibilities by participating in a systematic approach to our giving. Meet the requirements of the $500K College challenge grant.
2. On behalf of the College, attend alumni events, build alumni groups. Promote the College Plan to Alums, friends, and former faculty. Utilize the new Alumni Directory (due out in March) in these efforts.
3. In response to requests from the College Enrollment Management people, provide support to the College in their recruitment/enrollment efforts. This can be done by talking to friends, getting materials, attending college fairs/interviews, and hosting meetings of alums and prospective students.

Art Zucker asked for a show of hands for a commitment to the above, especially meeting the $500K challenge grant. The show of hands was unanimous.

There followed a discussion of various sustainability measures. It was noted that the ULC and CFOs from each campus will be meeting in April for the annual budget meeting.

ACTION: Tom Faecke to present preliminary budgets to the Finance Committee after the ULC/CFO Budget meeting.

Suggestions and Directives to Management

Art then led a discussion to get input from the Trustees on what they would like to see from the University management. Following is what was captured on flipcharts:

RESOLUTION 2.3.07:13 (A. Zucker/D. Fallon)

DIRECTIVES TO MGMT (to be prioritized by the ULC)	SUGGESTIONS TO MGT
1. Implement College **budget reduction plan** of $1.5M, including $1M minimum in work force reduction as quickly as possible. 2. Set **Benchmarks for College Plan**, such as enrollment for sustainability (set measures for annual performance and trigger points w/dates for actions that will be specified). 3. College pursue new ways to reach **enrollments needed for sustainability** 4. Timely reports to **Finance Committee to review the budget**, delivered by April 30. 5. Chancellor and CFO create a team to assist Steve Lawry: College **budget oversight committee.** 6. Explore hiring **outside consultant(s)** with "work-out" expertise. 7. Prepare **inventory of fixed assets**, inclusive of real property with suggestions for productive use (inc. public/private partnerships). 8. Develop and implement a **"university branding strategy"** (contact Jan Morgan).	1. **Facilities Review** – Use YS real estate to generate income, joint venture w/private sector; consider creating a for-profit subsidiary. 2. Aggressive approach to College **recruitment** that includes seeking international students, low residency delivery (PhD pgm model) 3. Consider using **alumni** to teach at the College. 4. Use Antioch **faculty** and others in public media (e.g., NPR with B. Winslow and J. Gallagher) 5. Authorize use of gains on the **endowment** after Drey funds are expended (last resort)

9. **Develop a contingency plan.** 10. **Get federal financial aid form** a.s.a.p. to admissions consultant (Paul Homburg) so 1st yr class size can be est'd.	

Passed with one abstention. J. Kasch abstained because he believes it isn't the Board's role to be so involved with operations.

ACTION ITEM: Tom agreed to get federal financial aid form to admissions consultant, Paul Homburg, by Monday, February 5.

At 9:30AM, all ULC members except for Toni Murdock and Leslie Bates were asked to leave the room so the Board could go into **executive session**.

Discussion centered around two recommendations. One involved the two interim presidents at the Southern California campuses; the other involved the issue of separating the two campuses. Toni addressed the issue of protecting those campuses from potential jeopardy regarding accreditation. She reported that Neal and Michael are working with WASC (Western Association of Schools and Colleges) to achieve accreditation for both campuses. This will present no change to how we do business and she expressed her confidence in achieving this new accreditation provided we have solid presidents at each. There was a motion to provide that Michael and Neal be named permanent CEOs at AUSB and AULA, respectively.

That motion was tabled while the Board considered the second recommendation (to separate the LA and Santa Barbara campuses). Art and Toni both acknowledged that campus constituencies support Neal and Michael at LA and SB, respectively, and trustees acknowledged the strong leadership in place at this moment. Toni pointed out that IT and HR will continue to be shared between the two. David Weaver interjected that there is a by-law issue, that if we proceed the by-laws need to be amended to show the split of the two campuses. Art responded that the by-law process could be expedited by having a Board of Trustees conference call to approve the amendment.

At the conclusion of the discussion, the following resolution was drafted by David Weaver and distributed to Trustees for their review and consideration.

RESOLUTION 2.3.07:12 (S. Guernsey/B. Bedford)

WHEREAS, the Los Angeles and Santa Barbara campuses of Antioch University Southern California have different programs and priorities and serve distinct populations within their respective communities; and

WHEREAS, upon the recommendation of the Chancellor the Board of Trustees finds that the Los Angeles and Santa Barbara campuses have reached a point in their growth and development to warrant operating as separate campuses of the University; and

WHEREAS, the Board believes that establishing said campuses as independent campuses of the University should occur at the earliest possible time; and

WHEREAS, the Chancellor has recommended that Neal King and Michael Mulnix be designated to serve as the Chief Executive Officers of Antioch University Los Angeles and Antioch University Santa Barbara, respectively.

NOW THEREFORE BE IT RESOLVED, that the By-Laws of the University be amended at the earliest possible time to delete Section 5.10 of the By-Laws and to add new sections to the By-Laws needed to establish Antioch University Los Angeles and Antioch University Santa Barbara as separate and independent campuses of the University.

RESOLVED FURTHER, that at such time in the future as the By-Laws have been changed, a special meeting of the Board of Trustees will be called for the purpose of electing Neal King as Vice President of the Corporation and President of Antioch University Los Angeles and Michael Mulnix as Vice President of the Corporation and president of Antioch University Santa Barbara.

RESOLVED FURTHER that until such time as the By-Laws have been amended and Neal King and Michael Mulnix have been elected as contemplated in the prior resolution, said Neal King and Michael Mulnix shall have all authority and shall be authorized to perform all the duties of the Vice President of the Corporation and President of Antioch University Southern California on their respective campuses.

RESOLVED FINALLY that the Chancellor is hereby authorized and directed to negotiate and enter into appropriate employment contracts with Neal King and Michael Mulnix in consultation with the Executive Committee of the Board of Trustees, and

FINALLY RESOLVED that the Chancellor is hereby authorized and directed to develop and implement an appropriate publicity plan for effectuating the actions authorized by the foregoing resolutions.

Passed by unanimous voice vote.

The Board expressed great appreciation to Toni and the ULC. At 9:45AM, the Board went into **executive session without the Chancellor.** At 10:35AM, the ULC was asked to return for a review and approval of resolutions.

RESOLUTIONS

Consent Agenda (Resolutions 1, 2, 3):

<u>RESOLUTION 2.3.07:1 (A. Zucker/J. Merselis)</u>

RESOLVED, that the Board hereby approves the minutes from the November 2-4, 2006, Board of Trustees meeting held in Yellow Springs, Ohio, and the meeting held by telephone conference on December 19, 2006.

<u>RESOLUTION 2.3.07:2 (A. Zucker/J. Merselis)</u>

WHEREAS, the University is the owner of an unimproved parcel of real estate situated under an elevated portion of Interstate 75 and located at 617 W. Third St., Cincinnati, Ohio; and

WHEREAS, the University acquired the said parcel in November 1903 when the parcel was leased to a predecessor of The Penn Central Corporation, but the lease was rejected by The Penn Central Corporation through its bankruptcy proceedings in April 1976; and

WHEREAS, the City of Cincinnati has offered to purchase from the University either the fee simple title to the entire said parcel or an easement over a portion of the said parcel for the price of $4,565.00. The City intends to install a water main under the property acquired; and

WHEREAS, since the said parcel is surplus property not needed for University purposes, the University believes it is in its best interest to convey the fee simple title to the entire parcel to the City of Cincinnati.

BE IT THEREFORE RESOLVED, that the Vice Chancellor and Chief Financial Officer is hereby authorized to execute the documents necessary to terminate of record the lease of the said parcel with The Penn Central Corporation, to undertake the sale of the said parcel to the City of Cincinnati at a price of $4,565.00 and on such other terms and conditions as he deems best, and to execute any and all documents necessary to complete this sale, including the Contract, Settlement Statement, and Deed.

<u>RESOLUTION 2.3.07:3 (A. Zucker/J. Merselis)</u>

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 meetings held by conference call on July 18, September 6, and September 22, 2006

Passed by unanimous voice vote.

Development Committee Report. Jack Merselis reported on the following resolutions. On behalf the Board, Art expressed great appreciation for these gifts and grants.

<u>RESOLUTION 2.03.07:4 (J. Merselis/S. Guernsey)</u>

RESOLVED, that the following new endowment gifts and pledges received from October 1, 2006, through December 31, 2006, are gratefully accepted acknowledged by the Antioch University Board of Trustees:

Donor	**Amount**	**ANTIOCH UNIVERSITY NEW ENGLAND Restriction / Type**
	$115.00	ESMS Endowed Scholarship
	$25.00	ESMS Endowed Scholarship
	$85.00	ESMS Endowed Scholarship

Donor	**Amount**	**ANTIOCH COLLEGE Restriction / Type**
	$12,000.00	Coretta Scott King Endowed Scholarship
	$11,722.50	Patterson Endowed Scholarship Fund
	$2,000.00	Anne Fischer Endowed Scholarship Fund
	$1,500.00	Abrams Endowed Peace Fund

	$1,288.50	Glen Endowment - general operations
	$1,134.00	Glen Endowment - general operations
	$1,000.00	Patterson Endowed Scholarship Fund
	$1,000.00	Paul A. Coney Endowed Scholarship Fund
	$1,000.00	Abrams Endowed Peace Fund
	$250.00	General Purpose Endowment
	$250.00	Coretta Scott King Endowed Scholarship
	$250.00	Coretta Scott King Endowed Scholarship
	$150.00	Glen Endowment - general operations
	$100.00	Endowed Scholarships
	$50.00	Alice Bingle Endowed Scholarship Fund
	$25.00	Meredith Dallas Endowed Scholarship Fund
	$20.00	Coretta Scott King Endowed Scholarship
	$20.00	Endowed Scholarships
	$10.00	Endowed Scholarships

Donor	Amount	ANTIOCH UNIVERSITY SEATTLE Restriction / Type
	$200.00	Scholarship Endowment
	$100.00	Scholarship Endowment
	$100.00	Scholarship Endowment
	$250.00	Scholarship Endowment
	$31.00	Scholarship Endowment
	$100.00	Scholarship Endowment
	$110.00	Scholarship Endowment
	$40.00	Scholarship Endowment
	$31.00	Scholarship Endowment

Passed by unanimous voice vote.

RESOLUTION 2.03.07:5 (J. Merselis/S. Guernsey)

RESOLVED, that the following new foundation grants and pledges received from October 1, 2006, through December 31, 2006, of $50,000 or more are gratefully accepted and acknowledged by the Antioch University Board of Trustees:

Foundation Name	Amount	Restriction / Type
	$125,000	Antioch University Seattle Early College High Schools for Native Youth
	$160,000	Antioch College Waste Water Treatment Grant for Glen Helen
	$79,775	Antioch College Bonner Scholarship Program
	$100,000	Antioch University Southern California Funding for Student Scholarships

Passed by unanimous voice vote.

With regard to the sale of the property known as G. Stanley Hall hall, Tom provided background to the $200K appraised value which appears in the budget. Bruce asked for a modification to the resolution to include that the university seek independent appraisal; involve the Antioch School as a way of addressing the politics of the situation. The resolution was modified and David Weaver read the new version.

RESOLUTION 2.3.07:6 (B. Bedford/J. Feinberg)

WHEREAS, Antioch University currently owns a certain 8.1 acre tract of land adjoining the Antioch Campus in Yellow Springs, Ohio, on which is situated the building known as G. Stanley Hall Hall (the "Property"); and

WHEREAS, the property has been vacant for several years and is not habitable or suitable for any use or any purpose without the expenditure of significant funds to renovate it; and

WHEREAS, the property is currently surplus property and is not needed for the educational purposes of the University, including any use by Antioch College; and

WHEREAS, in anticipation of the financial needs of Antioch College during the current and next budget years, the Board believes revenue derived from the sale of the property would be beneficial to Antioch College; and

WHEREAS, the property is currently zoned for residential use.

NOW THEREFORE, be it Resolved that the Vice Chancellor and CFO of the University is hereby authorized and directed to (1) have the property appraised to determine its fair market value; (2) develop a plan for marketing the property, in consultation with the Facilities Committee, and (3) notify Convivial Learning, Inc., dba The Antioch School, of the University's intention to offer the property for sale.

RESOLVED FURTHER, that the Vice Chancellor and CFO of the University or his designee, is hereby authorized to sell the property for an amount of not less than % of its "highest and best use" appraised value and on such other terms and conditions as he deems best.

RESOLVED FURTHER, that the Vice Chancellor and CFO is authorized to take any and all actions he deems necessary to effectuate the foregoing sale, including but not limited to, execution of a real estate listing agreement, execution of a deed or other conveyance on behalf of the University and execution of any and all other documents incidental to the sale of the property.

Passed as modified.

Finance Committee Report, Bruce Bedford reported the BME/WBE Activity during 2005-06 (handout).

ACTION ITEM: Tom Faecke was asked to include the percentage of total expenditures in future MBE/WBE reports to the Board.

RESOLUTION 2.3.07:11 (B. Bedford/A. Zucker)
RESOLVED, that the Board hereby approves the tuition increases as reviewed at this meeting.

Campus	% Increase
PhD in L&Ch	5.3%
Seattle	6.8 – 7.7%*
McGregor	2-11%*
AUSC-LA	5%
AUSC-SB	5%
ANE	7%
College	5%

*depending upon Program.

Passed by unanimous voice vote.

RESOLUTION 2.03.07:14 (B. Bedford/D. Fallon)

WHEREAS, pursuant to Resolution 6.3.06:26 the Board may authorize the expenditure of the gift made by Leo A. Drey and Kay Drey on or about July 27, 2001, to implement the Plan for Antioch College, and

WHEREAS, pursuant to Resolution 6.3.06:27 the Board has previously authorized the use of up to $3,500,000.00 of the Drey gift for use in fiscal year 2006-2007, and

WHEREAS, after review of Antioch College's budget performance to date, the Board has determined that an additional $1,500,000.00 may be needed to implement the Plan for Antioch College during the 2006-2007 fiscal year.

IT IS THEREFORE RESOLVED that the Board of Trustees hereby authorizes the Chancellor or the Vice Chancellor to release an additional $1,500,000.00 of the Drey gift if needed for use in fiscal year 2006-2007 (in addition to the $3,500,000.00 previously authorized in Resolution 6.3.06:27) to implement the Plan for Antioch College.

Passed by unanimous voice vote.

Investment Committee Report, Howard Coleman
Howard reported that the University portfolio performed better than average over the past year.

Physical Facilities, John Feinberg
John reported on the progress of Campus West building. Also the Santa Barbara exploration of other campus property options as the current lease is up in two years.

Communications Committee Report. Sherwood Guernsey reported on the University branding and positioning RFPs. That report is being expedited by MaryLou LaPierre who will report back to the committee. The committee is in the process of evaluating the best means of conveying data at a trustee-only web-site for trustee-only communication. With regard to campus communications to the Board, MaryLou will consolidate information in a concise format before it goes out to the trustees via e-mail (or posted to the aforementioned web-site). Each campus will be invited to send their news to MaryLou. News releases will be presented in an electronic format easily digested, similar to how the College does theirs.

Trusteeship Committee Report. Jeff Kasch reported that trustees have volunteered to serve as greeters at the coming year's commencement events.

ACTION: Leslie to send to the Board a list of events and the names of trustees who have agreed to bring greetings to the various campus commencements.

Academic Affairs Committee Report. Dan Fallon reported that a grievance appeal procedure is going to be put in place at Seattle. He introduced the following resolution, noting Dr. Yager's many accomplishments.

RESOLUTION 2.3.07:10 (D. Fallon/R. Harris)

WHEREAS, Jill Yager, Ph.D., has faithfully served Antioch College as a Professor of Biology and Environmental Science beginning with her appointment in 1989;

WHEREAS, Dr. Yager has been an invaluable member of the Antioch Community; and is recognized for her role in mentoring new faculty, and inspiring Antioch students to have a greater appreciation of the sciences through the development of The Science Interest Group; and

WHEREAS, Dr. Yager has for many years been a motivating and supportive educator, a knowledgeable and caring mentor and advisor to students, a respected, cooperative, collaborative colleague to faculty and staff members in the Environmental and Biological Sciences, the Physical Sciences and the College as a whole; and

WHEREAS, Dr. Yager has been at the forefront of her field, and through her research discovered a new class of crustacean, the Remipedia; and has maintained an impressive and productive research agenda throughout her tenure at the College; and

WHEREAS, Dr. Yager has been recognized nationally and globally for her continued pursuits in her field; honored as Cave Scientist of the Year in 2000, inducted into the Women Divers Hall of Fame, selected for a Fulbright Scholar Award, acted as consultant for a MacGillivray Freeman IMAX movie titled "Journey into Amazing Caves," featured in the National Geographic television series "*Sea Stories: Diving Cuba's Caves;*" and

WHEREAS, Dr. Yager has provided exemplary leadership in the Antioch College community through extensive service on College committees; serving on the Administrative Council, GreenCil, The Glen Helen Ecology Institute, The Faculty Executive Council, The Science Interest Group, and numerous Faculty Search Committees; and

WHEREAS, Dr. Yager has served as a conduit to the surrounding community; as a faculty lecturer: "Cave Research with 'The Enemy': A Twenty-Year Perspective on Cuba and Its People," and as a sponsor of community events such as The Global Water Symposium; and

WHEREAS, Dr. Yager is concluding a long period of full-time service on the faculty of Antioch College, Yellow Springs, Ohio,

NOW, THEREFORE, BE IT RESOLVED, upon the recommendation of Steven Lawry, President of Antioch College, and upon the recommendation of the Academic Affairs Committee, in consultation with Dr. Tulisse A. Murdock, Chancellor of Antioch University, the Antioch University Board of Trustees hereby grants to Jill Yager, Ph.D., the honorary title of Professor Emerita, Antioch College, effective September 1, 2007.

Passed by unanimous voice vote.

Compensation Committee, Larry Stone
Toni Murdock and the Committee have agreed on guidelines for compensation and benefits for campus presidents. Trustees who wish to see these may have a copy. A similar procedure will be put in place for evaluations of campus presidents. Toni and the Committee are also in the process of writing guidelines for campus president searches.

Summary and Status of Litigation, David Weaver gave a brief summary of pending litigation and legal matters.

Art took time to acknowledge the outstanding job David Weaver has done for this institution. He then also thanked Michael Mulnix's staff, Karen Ely, and Leslie Bates for all their work in planning the meeting. Art thanked the ULC for their huge contributions and that was followed by a standing ovation.

At 11:30AM, the ULC was excused while the Board returned to **executive session** with the Chancellor. David and Leslie included.

Discussion returned to the motion that was tabled earlier with regard to seeking separate accreditation for the two California campuses. Toni reported that, although regional accreditation is not the norm, the NCA has been very open and helpful in working on this with Neal King and Michael Mulnix.

There was a discussion about the impact of regional accreditation and, although it is a lot of work and puts the campuses under a lot of scrutiny, there did not appear to be any downside. Toni pointed out that Neal King has a lot of expertise in accreditation and that the two campuses will have four years to work toward WASC accreditation.

The meeting was adjourned at 11:50AM. Action items from this meeting will accompany these minutes.

These minutes respectfully submitted by,

Leslie Bates	Sherwood Guernsey
Leslie Bates	Sherwood Guernsey
Assistant Secretary	Secretary

ACTION ITEMS FROM THE FEBRUARY 2007 BOARD OF TRUSTEES MEETING:

ACTION ITEM	To be delivered by...	To Be Completed by
Feedback from Trustees and ULC on Steve Lawry's Business Plan due to Tom Wamsley by February 15.	Trustees and ULC	February 15
Include balance sheet in future finance financial reports	Univ Finance Office/CFO	June board mtg packet
Tom Faecke to present preliminary budgets to the Finance Committee after the ULC/CFO Budget meeting.	Tom	Late April 2007
Schedule a full board conference call for March to vote on amended by-laws (California campuses) and election of Neal and Michael as officers of the corporation	Leslie	asap
Send notice to Board about June meeting, attending commencement (1pm at Westin Hotel)	Art, Leslie	asap
Trustee pledge form/process	MaryLou, Jack M	March '7
Matrix of trustee needs (skill/qualifications)	Toni Murdock/ Jeff Kasch	June '07 mtg
Date for trusteeship retreat to be sent to committee	Jeff Kasch	No later than June meeting.
Political contract in Governor's office re CA operating authority	Hal Joseph	(If requested by Chancellor)
Rewrite compensation guidelines and circulate to members of committee	Dave Weaver/ Toni Murdock	February
Send enrollment probability analysis to the Board	Steve Lawry	March
Send transfer strategy report to the Board	Steve Lawry	2-3 weeks
Revise AUS draft policies and circulate to Academic Affairs and Executive Committees	Dave Weaver Toni Murdock Mark Hower	Within 2 weeks
Pro forma financial statements on separating Los Angeles and Santa Barbara	Toni Murdock	ASAP
Progress report on audit management letter actions	Tom Faecke	June '07
Explore creation of audit committee	Finance Comm.	June '07
Comprehensive creditor strategy	T. Faecke	TBD
Administrative reorganization plan to Board	Toni Murdock	June '07
Include percentage of total expenditure in future MBE/WBE reports to the Board	Tom Faecke	Annually