

QUESTIONS & ANSWERS

SEPTEMBER 25, 2007

FINANCIAL

1. What information did the BOT review that led to the decision to suspend operations at the College?

The Board reviewed and analyzed a substantial amount of data: fundraising and admissions reports, focus-group and survey data, recruitment and retention data, and detailed financial information and analyses from the College and University finance offices as well as from outside consultants. The enrollment and financial forecasts presented to the Board of Trustees were based on assumptions previously agreed upon by the College and University leadership. These forecasts included modest enrollment and retention gains, increased private support, and faculty and staff personnel reductions. This analysis made it clear that the College could not continue operating at a financially sustainable level past July 2008. For a summary of financial information, more....[hyperlink to collaboration www.antioch-college.edu](http://www.antioch-college.edu).

2. Why was the decision to suspend College operations made at the Board's June meeting?

During the last 12 months it became apparent that there were no longer sufficient reserves or donors willing to fund the operation of the College and that the deficit was reaching unmanageable proportions.

By the June meeting it was evident that student enrollment and donor solicitation goals for the College were not going to be met, and the financial forecasts indicated an inability to pay for operations and meet the payroll beyond the next fiscal year. Although several options were considered, the Board concluded that there was no viable option to make the College financially sustainable.

The June decision was made, in part, to allow the faculty and staff a full year to find new jobs, to allow incoming fourth-year students and some third year students to graduate in April 2008, and to give other students the option to transfer to another Antioch campus or elsewhere. .

3. How long has the College been operating at a loss?

It's been a long time. For the period 1995-2000, the College experienced losses of \$4.5 million. For the period 2001-06 the losses exceeded \$5.5 million. Assuming continued low enrollment for next year, losses – the estimated cash deficit at the College – would have been in excess of \$5.6 million for the 2008-09 fiscal year alone, if operations were not suspended.

4. Since Antioch College has long had financial problems and has always worked its way through them, why couldn't it continue doing so?

College deficits have been covered by subsidies from other University units, gifts from major donors, and foundation grants. While the other University units would continue to provide support, these other funds have been reduced or exhausted.

5. What is the annual operating budget of the College?

The operating budget of the College for fiscal year, 2006-07 is approximately \$21 million. It is estimated that the deficit for the year will exceed \$1 million. This number would have been \$7.3 million, if not for one donor allowing us to use a portion of his gift to fund the College's educational program and another donor's recent generous gift.

6. What are the sources of revenue to the College, and what percentage of the total College budget is student tuition?

College revenue comes from grants, federal financial-aid funds, endowment income, housing and food services revenue, charitable gifts, and subsidies from the other six units of the University, as well as from tuition. In 2006-07 net tuition and fees represented 32% of total revenue.

7. What does it cost to educate and house a student at the College?

In fiscal year 2007 it cost approximately \$51,000 per student. On average a student pays \$ 21,000 in tuition, fees, room and board for a shortfall per student of approximately \$30,000.

8. Does the College receive any help from the other Antioch campuses? Why don't they contribute – or contribute more – to save the College?

Seven units make up Antioch University: the College, five other campuses, and the Ph.D. Program in Leadership & Change. Since the early 1990s, Antioch's other units have directly contributed \$600,000 or more per year to the College. Beginning in 2005-2006, that amount was increased to \$740,000 per year.

9. How much does the University administration cost the College each year?

The College has not been paying anything to fund the University's central administration. The five other University campuses each contribute to central and administrative services, but the College does not. In addition to the \$740,000 in annual support the other units have been paying approximately \$800,000 annually to cover the College's share of funding the central administration. The presidents of the other campuses agreed to relieve the College of this financial burden for a period of time because of its financial troubles.

10. Why wasn't the endowment spent to fund the College until resources could be found to sustain it forever?

Antioch College's endowment is just \$30 million – a small amount for a private liberal arts college. The earnings on this endowment do not cover the College's needs. Even if they did, an endowment is a fund set up to carry out the specific wishes of the donors. Without donor consent the endowment cannot be redirected. In many cases the donor is deceased and so getting permission to redirect their gift is not possible.