

TO: Members of the Board of Trustees
FROM: Karen Ely

Toni asked me to forward you this Summary of the Campus Presidents' and PhD Program Director 's Analysis of the ACCC's 8-8-3 Proposal .

Please review this prior to today's conference call.

Summary of Campus Presidents' and PhD Program Director's Analysis of the ACCC's 8-8-3 Proposal

In our roles as campus presidents and university-wide program director, we would like to present to the Board of Trustees our analysis of the ACCC's 8-8-3 proposal. We appreciated being given the opportunity during the April 23rd phone meeting to express our views. We are now aware that a revised proposal referred to as 8-8-4 has been distributed, but see it as essentially the same with regard to the issues that we have serious concerns about. We have summarized our analysis in writing so that Board members can review it thoroughly.

1. Contrary to the assertion in the ACCC proposal that its acceptance will "displace the public perception that the University is in crisis," we are concerned that the acceptance of this proposal will do just the opposite and that the University will move beyond the perception of crisis to an actual crisis.
2. Because it would be unprecedented for a higher education institution to explicitly "sell" Board of Trustee membership in violation of its normal procedures, as a self-perpetuating board, for vetting and appointing members, we are concerned this will be interpreted as a take-over and therefore could trigger an inquiry by state officials and legal action by University employees and students.
3. We are very concerned that such an unprecedented action will cause accreditors (regional and professional), regulators (OBR), current and prospective students, and the University's employees to lose confidence in the institution's ability to manage its affairs and in its future viability. Such a severe loss of confidence could result in an exodus of campus senior leadership, faculty and staff, and students that could quickly lead to the collapse of the University.
4. A careful reading of the ACCC proposal suggests to us that its purpose is not to create an effective governing body for

placePlaceNameAntioch PlaceTypeUniversity, but rather to create a mechanism to facilitate the removal of the College from the University with no fair value compensation for the College assets.

5. We are concerned that the ten ACCC Board members to be appointed to the University Board, will be perceived as having a conflict of interest with respect to their responsibility to act in the best interests of the entire corporation, not just one of its parts.

6. We do not support the concept of creating a separate board sub-committee to deal with the “academic and financial needs” of the non-residential campuses and programs. Our concern is that this would marginalize the importance of the non-residential campuses and result in a Board with contenting factions.

7. We are very concerned that the Board of Trustees is being asked to make a decision based, in large part, on trust rather than on a clearly articulated agreement. The ACCC proposal is woefully weak on specifics in critical aspects. For example, \$6 million dollars is to be contributed to benefit the non-residential campuses except that “any cost of separating the College from the University will be credited against the \$6 million.” What those costs are, however, is not specified and we are concerned that the \$6 million will never be realized.

Conclusion

In summary, we have very serious concerns about the ACCC 8-8-3 proposal. We believe that it asks the Antioch University Board of Trustees to take an action that is unprecedented: for a payment of \$10 million, given only to support one unit of the University, the Board is expected to violate its own procedures and cede control its Board to the members of another corporation that was created only to support that one unit of the institution. Our concern is that such an action would be viewed very negatively within higher education and that it would put the future of the institution in serious jeopardy. Furthermore, this proposal lacks the specifics necessary to make it a binding agreement and it therefore leaves the specification of its intent to those with whom the agreement is made and who, in the future, will control the Board. We are also very concerned that, in their legal analysis of this proposal, the Board’s attorneys raise very serious questions about the proposal in terms of the Trustees fiduciary obligations to act in the best interest of the whole corporation.

Signed:

Laurien Alexandre

David Caruso

Barbara Danley

Neal King

Cassandra Manuelito-Kerkvliet

Michael Mulnix