

## PREAMBLE

For the past several years members of the Board of Trustees have wrestled with the financial condition of Antioch College. The focus was consistently on invigorating the Campaign for the College, preserving Antioch College and allowing it to grow and develop with committed students, faculty and administration. At the November 2006 meeting, Chancellor Toni Murdock and CFO Tom Faecke presented data pointing to the financial vulnerability of the College and University. The Board charged a sub-committee of trustees to work with the Chancellor and CFO requesting the evaluation of several possible scenarios for moving forward and to present their findings at the February 2007 meeting.

Over the months, the excellent Antioch University Leadership Council (ULC), with complete consensus, provided their well constructed recommendations and thorough analyses to the Board. Upon arrival in Seattle for the Annual meeting last week, additional reports requested by the Board at its February meeting were distributed, including analyses by independent external consultants charged with studying the documents and providing opinions on turnaround or rescue strategies. Opening discussion revealed that members of the Board had arrived with the hope and even expectation that means could be found to preserve the College, allowing it to move toward financial stability within five years.

Ongoing discussion led with gravity to a clear picture that the College in its current configuration was unsustainable. All options were thoroughly examined, including the prospect of requesting judicial review to free the endowment from restrictions so as to enable its use on behalf of the College at this time, making severe reductions in healthcare and retirement benefits, selling some or all of the assets of other campuses of Antioch University, and making creative use of assets in Yellow Springs.

No option made a significant impact upon the deficits the College was facing, even under optimistic projections; further reductions would further damage the institution. The President of the College made a valiant appeal to keep the College open, which was judged to be imaginative and constructive, but with little promise of success to sustain the College over the long term. Some creative ideas were advanced that might have led to reduced costs and increased revenue; however, without the large amounts of funding needed to rebuild the campus, Antioch College would continue to be unable to maintain its mission to provide a quality education for its students.

Having thus considered all of the options open to it, the Board saw no alternative but to immediately declare financial exigency at the College. Rather than close the College permanently, the Board sought to encourage further development of a plan brought forward by the University Leadership Council without dissent. The plan calls for exploration of several creative options, including the prospect of a public-private partnership to re-build the physical plant along with the implementation of a new academic program constructed in accordance with the core mission and values that have long characterized Antioch College, and true to its illustrious history. Thus, rather than closure, the Board agreed to suspend operations of Antioch College, effective July 1, 2008, and to devote energy and resources to the prospect of reopening the College no later than 2012.

The endowment of Antioch College is currently about \$32 million, of which approximately \$7 million is in non-marketable YSI stock. The remaining \$25 million contains some unrestricted funds, but is comprised primarily of funds restricted by covenants, mostly for scholarships. This endowment, and any other similar funds raised will continue to be employed exclusively for the benefit of Antioch College, and not for other parts of Antioch University. As plans are developed for the reopening of Antioch College, funds will be sought and secured on its behalf.

The decision to declare financial exigency was reached with heavy hearts. Discourse was civil and responsible, amid occasional tears and some anger and frustration. As difficult as it was for the Board to exercise its fiduciary obligation in this way, the Board understood that the hardship for the diligent imaginative and dedicated faculty and students of Antioch College, and the broader Antioch Community, including Alumni and residents of the Village of Yellow Springs, was incalculable. Knowing that it could not undo its inevitable action, and understanding that it would likely provide little consolation, the Board nonetheless resolved to make clear its sympathy with the courageous and industrious community that has maintained unswerving commitment to the ideals of Antioch College. Thus, the Board adopted the following resolution.

## RESOLUTION

WHEREAS, with a mixture of deep sadness and great hope for the future of a revitalized Antioch College, the Board of Trustees of Antioch University voted on June 9, 2007, to suspend the full operation of Antioch College as of July 1, 2008; and

WHEREAS, the Board of Trustees recognizes that since 1852 Antioch College has consistently produced some of the most amazing alumni of any private liberal arts college in the world, who have by their lives continued to fulfill the challenge of Horace Mann to "be ashamed to die until you have won some victory for humanity;" and

WHEREAS, the College has produced these alumni by virtue of the passionate dedication of an extraordinarily gifted and resilient faculty, of an incredibly bolstering staff, of an unmatched dynamic student body, and of an enduring and supportive Village of Yellow Springs; and

WHEREAS, over the past thirty years the finances of the College have often required significant and deep budget reductions that have resulted in financial hardship for faculty and staff and emotional stress upon the Antioch community; and

WHEREAS, for many years Antioch College alumni have stepped forward to provide support to keep the College open, making contributions of funds and their time,

RESOLVED, that the Antioch University Board of Trustees expresses to the students and faculty of Antioch College, the staff of Antioch College, the Alumni of Antioch College and to the Village of Yellow Springs its deep debt of gratitude, its recognition of support, service, and dedication to providing a college that educates the change leaders of tomorrow; and

RESOLVED FURTHER, that the Board's expectation for the Antioch College of tomorrow is founded on the continuance of these same qualities, which form the enduring foundation of our College by all of those who form the beloved Antioch Community.

June 9, 2007