

May 7, 2003

Jim,

I've had some reluctance about responding to your e-mail note of April 16th. Your characterization of those "carriers of the Antioch values" who distort the truth, engage in vitriolic behaviors and exhibit a disdain for civility seemed to preempt dialogue, and I honestly have no desire to engage in a war of words. I also have too much respect for you, as a friend, a colleague and a long-time exemplar, to want to wrangle or in any way denigrate your work as Chancellor.

Callie and I gave a lot of thought to our decision to withdraw our pledge to the capital campaign. Over the past five or six years we've invested more than \$ _____ in Antioch (College and University), motivated by the institution's commitment to values and ends (particularly at the College) that resonated with our own. That may seem inconsequential in the scheme of things, but it has meant significant sacrifice for us. In my time at Antioch I haven't known another president or former president, alumnus or not, who has made such a sustained commitment to the College.

It is also important for you to know that we don't mean to harm the College or to give public voice to our grievances in any way, at any time. Callie continues to do an extraordinary job of building vital alumni support and an engaged alumni organization, and I continue to do everything I can do to help the College succeed. During the past few months, though I'm technically on sabbatical, I've worked at recruiting students, writing letters to bring in Annual Fund donors, making calls on donors and potential donors (

), consulting and serving as a sounding board for members of the relatively new administrative team at the College, advising Joan on the reorganization of the Dean of Students area, and doing focus groups and participating full-bore on the College's Retention Commission. In the interest of stemming the tide of attrition at the College, I've resumed my practice of having pizza-and-talk sessions with students in the dorms, and given the precipitous drop in summer enrollment, I've also given back a month of my sabbatical to teach an additional (and brand new) block course in the hopes of enhancing our ability to retain students through the summer term. I hope that it is apparent that we continue to support the College, and that our intentions have everything to do with the College's success.

There *was* a precipitating incident, and glibness aside, I don't think that the incident or its implications have been given the scrutiny they deserve. The actual circumstance of seeking to charge local alums for the short-term use of a space at Antioch (a) undermined the efforts of those whose time and expertise is focused on building local alumni support, (b) challenged the professionalism of those making judgement calls on behalf of the College, (c) alienated supportive alums, and (d) very nearly resulted in the loss by resignation of one of our newest, brightest and most promising mid-level managers. Regardless of what you (or Glenn) may think of _____ as a consequence of the ongoing WYSO controversy, they give very generously of their time and energy to the College, its programs and its students. _____ developed and coordinated the WYSO course last fall, without pay and with considerable effort at every level, simply because they support the College. Over the years they have employed and mentored students, loaned equipment and facilities, and assisted the College's Communications program in hundreds of ways. _____ who is not even an alum, has pitched in on any number of occasions. He filled in for me in the classroom at least twice during my bout with cancer (with no compensation) and when we were laying off staff several years ago, he came to me and wrote the College a \$ _____ check to show his support. Apart from undermining those who regularly work with alums and have some expertise with regard to short- and long-term strategies for building support and social capital in the Yellow Springs community, the mandate to charge alums \$75 to use one of our rooms for a few hours was, to my way of thinking, insulting, ill advised and unconscionable.

Of far greater concern to me is the underlying pattern of which this incident was a part. The real *irony* in this particular circumstance was that Glenn was insisting, in his dual role as Vice Chancellor and College CFO, that he is charged with finding and maintaining ways of utilizing College facilities in a way that maximizes the flow of resources to the College. Charging fees for the use of facilities would seem perfectly reasonable in that context, and might be seen as trumping the essential values of "community" that Morgan and Henderson tried so hard to inculcate in the culture of the College. In truth, however, the College has never been permitted to recover fair market value for the very facilities that Glenn was seeking to "sub-let" to our alums! As far as I

know, McGregor does not pay any rent for the use of those facilities (donated specifically to the College for the College's use, even though held by the University as the corporate entity), or for other College facilities, and my understanding that the "non-compete" subsidy that was part of the original spin-off of our Adult Degree Completion program as it evolved into the McGregor School has been diminished to negligible proportions. The question then becomes: *Why isn't Glenn protecting the College's interests by recovering fair market value for the various ways that University programs utilize resources that were originally intended for and allocated to the College?*

This brings me to the underlying basis of my critique of University and Board leadership and direction -- the tip of the iceberg that motivated Callie and me to withdraw our unrestricted pledge to the campaign. Though I don't for a minute doubt your intentions and good will toward the College, you are, of course, implicated in the critique because you preside over the current directions of the University.

1. Without consultation or transparency, the Board and the University have recently implemented policies which subordinate the College and are detrimental to its ability (a) to attract and retain students, (b) to regain its fiscal health and balance, and (c) to control its own destiny in rebuilding its strength and its national reputation.

a. Showing depreciation in the College's budget. I wasn't born yesterday, Jim. When you say that "the depreciation issue is one that was mandated and directed by the Board," I'm stunned that you consider me that gullible. The Board's attitudes toward depreciation were carefully and methodically cultivated by Jim Hall and Glenn for more than five years. A little backstory is in order. In my very first meeting with Al Guskin and Glenn to pick up the pieces of the Crowfoot administration, Glenn suggested the need to show depreciation in the College's budget. Al clearly instructed Glenn: "Don't go there...The College just can't take the hit." That was in 1996. Glenn continued to press the issue, with ULC, with the Board Finance Committee, and with all who would listen. During my first year, in my work with Noel Levitz the topic came up again. During their consulting work on the Fiscal Effectiveness Survey, the Noel Levitz folks told us quite clearly that, given the other fiscal variables of the College (it's small endowment, its unwired campus, it's underpaid faculty and its lack of financial aid competitiveness), that the shift of depreciation to the College could seriously jeopardize our ability to attract and retain students. I mentioned Tom Clough because, though he was consulting on financial models for Admissions, one of the first observations he shared with various folks at the College was his concern about the advisability of shifting depreciation expense to the College at that time. His assessment echoed and added to previous assessments -- that it would be devastating to the College's efforts to strengthen the program and allow it to compete for students in the marketplace. In a war of attrition, however, Jim and Glenn succeeded in moving the Board toward this crippling shift in policy -- in spite of the best of advice of those who have significantly more familiarity with the dynamics of residential undergraduate liberal arts education. And, as I've cautioned on numerous occasions, the impact further weakens the program and creates a downward spiral (in both enrollment and morale) from which it will be difficult for the College to recover. Given that the Yellow Springs Campus serves as collateral for Seattle's bond, serves as the home base for McGregor and the University Administration, and serves as the central identity for Antioch University, the implementation of this policy also contributes to (and exacerbates) the widening gap between University "common sense" and the sentiments and opinions of the vast majority of the College's alumni body, making it all the more difficult to raise essential donative resources.

b. Reducing (eliminating?) the College's subsidies. Most that I've spoken with at the College have no clear sense of what has become of the subsidies set up to benefit the College at the time of the disentanglement of College and University administrations. In their policies regarding these subsidies, the Board specified certain conditions that "could" lead to a reconsideration of those subsidies. To my knowledge, none of those conditions have been met, but from what I gather, there have been some fundamental changes in the amount and nature of subsidies to the College. In the past two years I've heard the language of "approved deficits" used to describe University support of the College. The necessity of such Board-approved accrual deficits is in part necessitated by the Board's own policy shift -- the transfer of depreciation expense into the College's budget -- but I suspect that the language also acknowledges a shift in the relationship of College-to-University. Rather than a "subsidy", a deficit (a) implies a negative situation -- the failure of the College to manage its own affairs -- rather than support of the College by campuses that owe their history to that founding institution, (b) suggests that what support *is* given is temporary and will eventually disappear, and (c) subordinates the College to the beneficence and discretion of decision-makers outside of the College's decision-making

processes. The College must survive on the kindness of strangers. Another condition of the subsidy agreements had to do with the College's competition with the adult campuses. In exchange for the McGregor subsidy, in particular, the College agreed to refrain from entrepreneurial activities that might put the College in competition with the programs and clientele of that campus. As you well know, residential liberal arts education is one of the most labor intensive and expensive models of higher education delivery available. Many liberal arts programs, particularly those that are not well-situated within a university context or that lack substantial endowments, seek to spin off programs that will generate additional revenue streams sufficient to support the high costs of undergraduate liberal arts education. The College let go of its spin-off adult programs, relinquished its capacity to mount an entrepreneurial effort (the single exception being the Summer Program which was gutted last year in the same budget effort that involved folding depreciation into the College's operating expense) and now faces losing its subsidies. This shift in Board/University priorities, without consultation and discussion with the College community, breaks the covenants of the University, and further subordinates the College.

c. Eliminating the College's CFO as an ostensible cost-saving "consolidation". This is, as far as I'm concerned, one of the most serious and damaging mistakes permitted by the Board. Structurally it places the College in a very compromised position with regard to being able to negotiate its own circumstances and manages its own affairs. It undermines the sense that the College has any degree of autonomy or self-determination, and it structurally undermines the role of the College President. I would suspect that it will also make it impossible to hire a competent and viable leader for the College. I know few CEO's who would not hear alarm bells upon discovering that (a) my CFO reports to me but at the same time holds final decision-making authority over the finances of the campus, (b) in a "relationship among equals" at the level of the ULC, I am not on a level playing field because of lacking a CFO to process, analyze and prepare data and budgets, while at the same time the individual serving as my campuses' CFO outranks me in that arena, (c) my campus is unable to get detailed, accurate, timely and transparent reporting on critical issues of finance, revenue and expenditures, and (d) my CFO holds the trump card of a direct reporting relationship to the Board, which I do not. It's a recipe for disaster. Few of us on the campus have regarded this dimension of the "consolidation" as a cost-saving measure that benefits the campus. Many have viewed it as a "corporate takeover" that has further wrested self-governance away from the campus. Any candidate for a senior executive position at the College would hear this perception within fifteen minutes of setting foot on campus. Further, a wide cross-section of the reasons given to the Retention Commission for student attrition have to do with inadequate, poorly managed and poorly supervised dimensions of the College's basic operational infrastructure that previously were part of the responsibility of the College's CFO -- personnel, maintenance, housekeeping, financial aid, residence halls, the cafeteria, etc. The ostensible solution to budgetary woes -- eliminating the CFO and transferring responsibility for operations to the University -- has been much worse than the problem, and has contributed directly to the decline in enrollment.

2. The Board and University have delegated far too much responsibility, authority and trust to the position of the University CFO. Glenn has very little experience with or understanding of residential undergraduate liberal arts education, and if we are to believe his many off-the-cuff sarcasms in both public and private (and I have a very thick file documenting questionable instances), he also has great disdain and lack of respect for the core values of the College, the demeanor and idealism of its students, and the professionalism of its staff and faculty. And yet during the 5 years that we suffered with a dysfunctional Chancellor in place, Glenn was delegated an increasing share of the responsibility for decisions regarding programs and directions -- far afield of his expertise, and untempered by the wisdom of a CEO to provide a fuller context for such decisions. During that time, the University became focused almost exclusively on law and finance, and the Board began to conflate *means* and *ends* (and here I'm referring to the definitional distinctions in policy governance outlined by John Carver in Boards that Make a Difference, and Reinventing Your Board: *ends* involves where the organization wants to go, the impact, change, benefit our outcome to be obtained by the organization, while *means* refers to how the organization will get there). The Board increasingly focused on finance (essentially the *means*) as the *end* toward which the institution was directed, and paid scarce attention to the real *ends* and directions of the College. In the process, Glenn divided the Board against itself, something that seems to be having repercussions on the capital campaign, and will undoubtedly have implications for the College for years to come. My personal experience leaves me very biased in this regard. During my time in the President's office, Glenn carefully cultivated a sense among those on the ULC and on the Board, that the College was not viable because of less-than-competent management and leadership (again, I have documentation). During that initial meeting with Glenn and Al to sort out the messes of the Crowfoot

administration, Glenn noted that, from his perspective, (a) too many people worked at the College, (b) we gave away too much money in financial aid, and (c) depreciation needed to be folded into the College's budget. He has now been acting CFO of the College for more than 18 months, conducting business as he always thought it ought to be conducted. During that time the physical state of the campus has deteriorated, the quality of campus life and student satisfaction has diminished as drastically as it did during the Crowfoot administration, morale has sunk to pre-Guskin levels and the retention of students has steadily worsened. Some of that can be attributed to the disjunctures of transition, but it occurs to me that in his rather narrow focus on the expense side, Glenn has relatively limited awareness of the manner in which work on controlling expense has had -- and is having -- deep negative impact on the revenue side.

3. The Chancellor is not in Yellow Springs. I'm well aware of some of the personal challenges and difficulties you've assumed in your willingness to take on the Chancellor's role. However, I'm also very aware of the symbolic and practical implications of the Chancellor being at a distance from the College. You're simply not able to spend sufficient time to gain deep awareness of and sensitivity to the dynamics and problems faced by the College community. And my central concern is that the Chancellor does not work face to face with the Vice Chancellor and the Vice Chancellor for Development in providing context, guidance, direction and support for their work -- particularly since there are currently no real buffers between these University roles and the College's day-to-day finances on the one hand, or its capital campaign on the other.

You most certainly deserve credit and praise for the work that you and the University are doing, and the accomplishments you cite. But I must tell you that, with a few exceptions, the celebratory news that you describe benefits the other campuses and *not* the College. Of course it will be a great relief to receive a 10 year re-accreditation. And while FirstClass is very useful for faculty and staff, many (I'd guess 30-40%) of our students opt out of that system in favor of other platforms; some are more than a little vocally critical of the parameters of a platform which accomplishes more for the adult campuses than it does for the College. My bottom line for University accomplishments is quite simple: *How will this enhance and support student learning and benefit the students at the College?*

When I returned to the College in the late 1980s, I immediately became a believer in, and champion of, the College's unique position within the University context. As President, I addressed this issue at nearly 100 alumni gatherings, explaining and defending the College/University Relationship, and explaining the benefits to the College. Immediately following the June 2001 Board meeting in Keene -- a meeting that had been devastating for me because of the gross manipulations and misrepresentations that had been made by the University regarding the College's budget -- I delivered one of the best talks I've ever given to a gathering of 40 + alums at Jessica Lipnak's house on the strength of College/University relations and the benefits to the College. I've been an advocate and a true believer for more than ten years, and I've spent an inordinate amount of time defending the College/University relationship, to alums of all generations, to the AIF, to external agencies, to students and to my colleagues on the faculty. Some of the central points in my defense were as follows:

- The federal model allows for College autonomy, permitting it to maintain its pedagogy of shared governance (one-third of our curriculum) while at the same time enjoying the benefits and synergies of a relationship with other campuses. The College is able, through federalism, to maintain self-governance, AdCil, ComCil and all the rest, the President's position is still one of leadership in forging the directions of the campus (the tail does not wag the dog), and the University does not meddle in College affairs
- The University subsidies of the College are essential to its health and well being, and the (at that time) \$1 million netted by the College (including subsidies and F/A overawards) buffered the reality of not having an adequate endowment. In addition, having the diverse programs, clientele and sources of revenue represented by the University campuses provided the College with more stability -- downturns in one area can be offset by upturns in other areas.
- The College was able to exercise control of its own assets. Resources belonging to the College stayed with and were controlled by the College.

- The University continued to acknowledge the College as "first among equals", in terms of its centrality to the University, its history, its values and its legacy.
- The College President has direct contact with the Board of Trustees

In recent months I've begun to question all of these "givens" in College/University relations. The federal model has gone away, the University subsidies have -- or are -- going away, the College no longer has control of its own finances, the University intervenes in the affairs of the College on a regular basis, the College has become "last among equals," identified most often as a "problem" rather than an asset, and the role of the President has been seriously compromised. I've also begun to ask myself some ultimate questions regarding the unusual structure of the University.

- Why should the College be affiliated with the University? What are the short and long term benefits that counterbalance the subordination that many at the College experience?*
- Why shouldn't the College have its own Board, a body that has the time and focus to attend to the unique directions, vision, values and successes of the college, as well as to its particular problems and challenges (apart from simply its finances)?*
- Why shouldn't the College have control of its own assets? If it bears responsibility for the depreciation of the Yellow Springs campus, why should it not also have the benefit of endowment earnings and growth, and control of the allocation of those assets in forging its own destiny?*

In thinking about our pledge to the capital campaign, what was most difficult was the realization that those at the College best able to make judgements regarding how an unrestricted dollar ought to be allocated would no longer be permitted to have much influence in such determinations, and that such gifts would most likely slide into the vast fissure created by the funding of depreciation and diminished University subsidies.

Though I'm sure that there's more on your plate than needs to be, I would appreciate the opportunity to speak with you directly about this during one of your visits to Yellow Springs. If it's after July, I'll be the one pushing a baby stroller....

Best regards,

Bob