

A Streamlined Antioch Appears on the Way to Survival

By KENNETH NOBLE

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ANTIOCH UNIVERSITY, famous for its social and educational liberalism but brought to the edge of bankruptcy by financial mismanagement, appears to be on the road to recovery.

In the midst of a cash-flow crisis in May 1979, the university suspended debt payments and its payroll. The school had used its entire \$3.8 million endowment as collateral for a loan. It needed \$2 million by the end of June to survive until the fall, when revenues would begin coming in again. In a desperate move to keep the school afloat, the faculty and other employees made what amounted to a loan of their pay.

Some lawyers were reported to be recommending bankruptcy. But in its comeback effort, the bank debt of more than \$3 million, which, assuming an interest rate of 20 percent, would be costing the university more than \$600,000 a year, has been liquidated. Similarly, bills currently owed for ongoing operations have been reduced from more than \$3 million to just over \$1 million, and improvements in the collection of tuition accounts have cut those in arrears by a third.

"At one time the amount of money we were owed on student tuition exceeded out trade payables, which is to say that we were owed more by our students than we owed trade creditors," said James Wallace, vice president for finance, "We got tough on collecting these accounts, hiring collection agencies and doing what we had to do to collect what was owed to us."

This fall faculty and staff members were given raises averaging 8 percent and, beginning this semester, are being paid the salaries that were not paid in the spring of 1979. The college has hired eight new teachers while reducing the personnel budget by more than \$800,000.

Finally, some lenders have recognized an improvement in the finances, and the college has recently re-established borrowing privileges. "We know where the money is now," said Hannah Goldberg, academic dean of the college. "We have a clear sense of what it means to adhere to a budget."

Evidence of Antioch's viability has also affected student recruitment. During the height of the well-publicized difficulties the number of applicants dropped substantially. "Last year, in talking to high school counselors, they were basically saying to us that they were terribly concerned, they could not put themselves on the line and recommend us as they normally would," said Robert Friedman, director of admissions. This year, however, Mr. Friedman is finding a "marvelous reception

— that indeed Antioch has made it."

Last year, he recalled, while recruiting at "a very good independent school in New York," not a single student showed up. He wrote in his notes not to bother visiting next year. Fortunately, he changed his mind. "When I came this year," he said, "I saw 14 students, and that's remarkable."

Founded in 1852 by the Christian Church, Antioch College opened its doors a year later with Horace Mann as its first president. From the start, Antioch espoused nonsectarianism, coeducation, a well-rounded education and superior academic standards.

Under the expansive guidance of James P. Dixon, its president from 1959 to 1974, Antioch set up "learning centers" nationwide. Eventually there was a "network" of 32 branches, including a pioneering law school in Washington with its own law firm.

Antioch was particularly proud of its work-study program — alternating quarters of campus classroom work with jobs outside the school, and the plan has been widely copied.

Then, as many other colleges began to experience financial strains, Antioch's ambitious plan to be an international center for learning began to unravel. Back in Yellow Springs, Ohio, the dispersal of scarce resources to the network was resented by students, faculty members and many alumni. By the mid-1970's, Antioch had added so many branches that the Yellow Springs campus had become subordinate.

In the 1960's, Antioch was among the first to seek out students from the nation's inner cities. That experiment seemed to backfire in 1973 when many of the poorer students seized buildings, leading a strike demanding a pledge that their financial aid would not be cut during their years in school. After the strike, enrollment at Yellow Springs dropped to about 1,100, little more than half its peak of the late 60's, and the faculty was cut from 109 to 75. James Dixon, accused of mismanagement, resigned under pressure in 1975.

Dr. William M. Birenbaum, president of Staten Island Community College, was chosen as Antioch's president

in 1976 with a mandate to overhaul the financial operations. Under his leadership, there has been a major retrenchment, with the elimination of some learning centers and consolidation of others, leaving a total of eight.

"I personally was not terribly proud of some of those centers in terms of academic quality, and they were also in places that were quite remote from our ability to easily manage," Dr. Birenbaum said. "There were a few that we closed because of the academic quality. Our major problem, though, was our inability to produce the resources to carry out the promises."

Trimming the university to a more manageable and financially responsible shape was not without its problems. Last fall, the law school became embroiled in a controversy over control. The dispute was taken to court after university officials alleged that Edgar and Jean Cahn, co-deans of the law school, refused to transfer tuition and other finances to the university treasury. The university won the case.

In January, Mr. Birenbaum was also

named provost, taking over active leadership of the college as well as the university. In part as a reaction to the financial situation, the college has instituted a major academic reorganization, consolidating more than 20 small, understaffed departments into six academic areas.

Serious problems remain, especially with regard to restoring the universi-

ty's working capital. "While our compass is now working better," Dr. Birenbaum wrote in a recent letter to the faculty, "we are far from arriving at shore." On an upbeat note though, he was "cautiously comfortable in reporting that the university has in fact broken through and turned around, has dramatically broken from its past fiscal behavior." ■

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The New York Times / Bill Garlow

A pool under a roof leak in Olive Kettering Library is named for Arthur Morgan, once Antioch president and head of T.V.A. Left, students play soccer on lawn outside Antioch Hall.

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