

Mike DeSalle

All right. It is May the 10th, 2001, and this is an interview with Mike DeSalle who is the Vice President for Finance and the Chief Financial Officer at Columbia College.

So if you could start by telling us when did you come to the college and what were the circumstances that brought you to Columbia?

Well, I actually came to Chicago in 1986, to work at Michael Reese Hospital and Medical Center, after spending about thirteen years in higher education at Vanderbilt University. So it was a switch for me to go from higher education to healthcare. And I spent about 4 years in healthcare and realized I didn't particularly like it and I realized I wanted to get back into higher education. And I happened to see an ad in the newspaper that Columbia had run searching for a vice president for finance and so I applied and interviewed, with all the appropriate folks, and actually got the job and I started in Columbia in July of 1989.

Tell me, you answered an ad. Had you heard anything about Columbia and then after you answered did you try to find out, what were your first impressions, where did you get those impressions from?

I have to say, I knew very little about Columbia College. I had only been in the city about four years and obviously I knew about the larger institutions, the Northwesterns, the U of Cs, the DePauls. And I can say that I had heard of Columbia, but even when I responded to the ad I wasn't even quite sure where Columbia was in the city, so obviously I had to do a lot of homework.

And what did you find, this is before the first interview, what did you find out and were you surprised or were you curious as to what this—?

Well, I guess curious certainly is the right word because it seemed like a fairly good sized college and I think at the time it had about 6,000 students approximately, but a relatively small campus. And so I guess I was surprised that they had that many students. In my mind, it was a school of about 2,000 students, at least that's what I had pictured. So I was pleasantly surprised that it was larger, you know, than I had in my mind and obviously I did more research and learned a lot more about them, so that was my initial impression.

What are some of the major differences that struck you at first? You said you wanted to return to higher education. Obviously higher education at Columbia is different than higher education at Vanderbilt.
Yes.

What were some of the major differences or contrasts between the two institutions that you've known?

Well, certainly a place like Vanderbilt was a rather large place. We had a 130 acre campus and 150 buildings and we had a medical school and a hospital and separate corporations for each and it was a very complicated, complex enterprise. And Columbia was just a single corporation and not a lot of complexity, even though there is some complexity when you're dealing with, you know five, six thousand students.

But it was this school that I thought was fairly well run by a president that really knew how to do his job and looked like he had done it very well for a long period of time.

Tell me about your, did you meet with your predecessor at all? Was your predecessor still here?

Yeah I did. It was interesting after all the interviews—

And who was that?

—that I had my predecessor was a fellow by the name of John Scheibel, and John was retiring. And so John and I had an opportunity to work together for about thirty days before his retirement party. John, I believe, passed away in 1999, so it's sort of sad that he's not part of the oral history project because my understanding was he served about fifteen years as the vice president for finance and chief financial officer. So it was a real opportunity to spend thirty days, or thirty quality days, with somebody



that had done the job for fifteen years, so it was a very nice time. John was a very hardworking, a very decent man.

And why don't you describe your position approximately ten years, it's been over a decade now. Why don't you describe your position then and what your main responsibilities were and then what you have had to address over the last decade and how that position and grown, changed, evolved.

Yeah. When I came in, in '89, it was a college that had a number of good things in place but was still lagging behind in many areas, lagging behind in some of the systems that they were operating under, some of the accounting and budgeting procedures that they were operating under were somewhat antiquated. But yet the processes that they had, even though manual, were still fairly good processes and that's why Columbia did as well as it did over the many years.

I remember the days in '89 because I started in the summer didn't seem to be a lot going on in the summer at Columbia. Very few faculty around, a lot of staff taking vacations, very few students around. Columbia had four buildings at that time and I used to remember walking around the buildings and the hallways thinking, where is everybody? Am I the only one working? Versus today where you know Columbia is this college of over 9,000 students and fifteen buildings and a much larger summer program. And you know, there is not a week that goes by that it's not extremely busy all year long. So it really went from, the contrasts are from a school that was

in the summer time fairly laid back, to one that is now very busy and because of the complexity of the college.

And what did you learn to be the mission of the college when you came here? I guess one of the things I want to ask first is with your so-called numbers background, how did it feel to be around once school kicked in, kind of the artists or the creative focus or energy that is around Columbia?

Well, I think the creative focus is certainly, and there's a lot of energy at Columbia. But to me it was no different than Michael Reese Hospital and Medical Center, no different than Vanderbilt. There was always a lot of creative energy and that's why I've always liked, you know, the higher education field. So I didn't see much difference there. I do think that's probably true for most institutions of higher education. There's always a lot of energy, there's always a lot of excitement. I think that's brought about by the students and their interaction with faculty and staff, so I just like the idea of being on a campus. There just always is a lot of energy.

So you felt right at home here?

Oh, I felt right at home from the very first day. I felt at home in the interview processes when I interviewed a number of times with both Mike Alexandroff and a fellow who has since passed away too, but contributed so importantly to Columbia. His name was David Ruben. David was a board member and a corporate CEO here in Chicago and supported Columbia for many, many years. And I felt at home during the interview process with him and certainly felt at home taking the position in July of '89.

And how would you describe Columbia's mission?

Columbia's mission is, I think, the strength of the college. And that mission hasn't changed in a long time even though it's been debated by a number of different constituencies over the years as recently, as the president's planning committee in the mid to late 90s that spent, and I was part of the committee, the president's advisory committee, planning advisory committee spent six months debating the college's mission. And at the end of the six months it wasn't changed, and so I do think it's the college's strength.

And the mission, is that the college has an arts and communications' focus and that focus is wrapped in the context of liberal education, so it's not a comprehensive institution—it's not a doctoral institution. It is a, you know, under the Carnegie classification, it's a masters institution, but yet it's more of a baccalaureate institution because our grad program is rather small. And its niche is within the arts and communications, wrapped within this liberal arts context and then part of the purpose of that mission is to admit at the undergraduate level anyway, to admit openly and to admit unreservedly, and that's the word actually used in the mission is unreservedly and I think that's been the strength of Columbia.

The strength has been, it has admitted, those people with an inclination to the things we teach. And if they have that inclination they can come to Columbia, they can study and they can learn and they can further those inclinations, whether that be fine arts, or whether that be graphic arts, or whether that be photography.

And Mike Axelandroff used to say, and I think it was right and we're seeing it now, play out at higher education, with the chancellor of University of California system who is no longer going to use the SATs for admission. Mike Alexandroff used to say that sometimes an important artist or sometimes maybe even the next great American novelist is not going to score very well on the SATs and that's just a fact. Nobody is quite sure why. So I think the niche focus of arts and communications and the open admissions go hand in hand to make this college strong and that's why it survived. And it's not a college that's all things to all people. I mean our focus is the arts.

Then let's talk a little bit about your department's relationship to that and how a school that you know Columbia is always referred to as tuition driven. Maybe you could talk a little bit to that and the challenges that creates if tuition is rising, if there's a tension between open admission and the tuition driven college?

We are a tuition dependent school unlike other colleges and universities, at least some of the bigger college and universities, but not unlike some of the other good, smaller, liberal arts colleges throughout the country, which are also very tuition dependent. Tuition certainly is the life blood and I think it is more difficult sometimes to run a Columbia College, than it is to run a Northwestern. I can't imagine the chief financial officer at Northwestern sweating the budget for the upcoming year because they know they have a 1,000 freshman seats and they get 12 or 15 thousand applications for those seats and maybe some years they get 13,000 applications and maybe

some years they get 17,000, but who cares, they're going to fill their thousand seats.

With Columbia and its drive for growth and its uncertainties on who's going to actually show up and register for classes. It becomes a very difficult, complex process of, you know, budgeting and financial planning, much more so than the other institutions. Plus the other institutions, like a Northwestern and others, can count on large alumni giving to construct buildings on campus and that makes the job a little easier than before. So I think in many ways a Columbia College is very difficult to run, whether it be from my office or whether it be from the office of the president of the provost or anywhere else. It becomes an extremely difficult corporation, I think, to run.

So do you watch enrollment numbers as the semester comes closer to the beginning and like other people watch the stock market or—?

It's funny because we do watch enrollment and we actually have it up on our computers. And we can see each student as they register, as their bill prints out, wherever that is on campus another number clicks up on the computer screen, so you can see it literally second by second. And both presidents that I work for, it's not true with Warrick so far because he's fairly new. But both Mike Alexandroff and John Duff, would literally two times every morning or three times every afternoon come around the corner and run into my office and say, "what's the number?" and I would pull it up on the screen and I would say well, "we've registered

225 students so far." And they would say "oh, is that good or bad?" And we would say, "well, that's four hours and we're going to be open another five." So we would take that number and we'd—

Project.

—project out through the end of the say what the number would be and we'd compare it with the budget and we'd say, "oh, we're going to hit the budget today it looks good." And then literally, without an hour later they'd come back and ask the same question, just to be sure it didn't fall off or it didn't go down.

Or it came up a bit?

Or it came up you know, so it was always funny. And I would say to John or Mike, "look, don't bother me anymore." You know what it's going to be for the day, but yes we do watch it very closely.

How does tuition get determined? Does it come out of your office, that we need to raise tuition or are you one of the opposites that is part of that and how does that concern—you know again I'm talking maybe in relation to the admission. Is there a worry that, that increasing tuition you still might attract a lot of the students because it would still be seen as affordable, but some of the students of lower income that might not be able to afford it but would like to have that access to higher education to the arts you know might be excluded? Could you speak to that in that round-about way I asked?

Sure. Tuition is established by a number of folks, including myself. And it starts every year in the month of January. And in that month, my office does financial projections for the following year, so in the month of January 2001,

we would have done projections for the college's fiscal year 2001, 2002, beginning September 1, 2001.

September, okay.

And we have a computer generated model, which helps us do the projections and that model has a number of variables that go into it and we put as many things, as much information as possible, numbers of faculty that we believe we want to hire, numbers of staff that we believe we want to hire, new program initiatives that we know about that are on the drawing board that may be close to implementation, upgrading of facilities, a number of variables that go into that model. We generate the outcome of that model and then determine how much tuition its going to take to accomplish those tasks, or to finance those investments.

And we look at the reasonableness of that, of doing all the things we want to do and sometimes it becomes unreasonable, because the tuition would have to be set at a level that would be too high, 15% increase, 20% increase. So then, we start backing out or removing some of the investments that we'd like to do, but we realize we probably should put off and push them into some future year so that we can get the tuition back down to some reasonable number. Once that number is decided on, it's really decided on by the president, myself and the provost.

We do, within recent years, run it through the budget priorities committee of the college council, which is composed of mainly faculty, so they get a chance to have input as well on the number. And then once everybody is in agreement with it, we then take it to the Board of Trustees for final approval.

The committees and the Board and the full Board and show all the reasons for it.

But you do ask an interesting question, and that is once it's set you know it does have an impact on students, an economic impact and that's always a concern. And one of the things we do, is we analyze what a student in the lower economic class would have to pay and how much aid that student, in that lower economic class, would get.

Could reasonably be expected to get?

Yes.

That's interesting.

And we look at that quite—

So you do look at that carefully.

Yes, very carefully. Now it has gone up over the years and one of the things that's difficult to measure is what President Clinton put in at about 1998 I believe it was, it's a tax credit. It's a lifetime learning credit and a hope scholarship credit, which you can declare on your tax returns and it sort of depends on what income tax bracket you're in. So, it's hard for us to measure a particular student and their family and how much money they actually might be getting back, with those tax credits.

But with that, even with that we believe that student in that lower economic class is losing a little bit of ground, simply because some of the federal money and state money has not increased at the same rate that we have increased our tuition. So there is a spread and we do worry about that and we do look at it, but we still don't think its unfair for higher education degree to pay that spread between what a

student would get in full aid and what they would have to pay out of their pocket.

And the third thing that we do from time to time, we haven't done it recently, but on or about 1996 we brought someone in from the outside, a professor of the University of Pennsylvania that does a lot of research in higher education and he took our tuition rate and put it in the context of the market and we concluded, at that time, that we were substantially under priced in the market and based on that conclusion, we went through a period of some years where we increased tuition quite a bit. I think as high as 12% in a few years, simply because we felt we were underpriced given our position in the market.

So we look at a number of things. We look at the economically disadvantaged students, we look at the market competition and then we look at just the reasonableness of the rates themselves.

And another thing maybe you can give us a little insight into that I don't think many people know about, the relationship with the Board of Trustees. At Columbia from what I understand is a pretty healthy one between the Board of Trustees and institution or do you find them supportive or do you find that you have to convince them?

No, the Board is wonderful and the place would not exist without the board. There's certain people on the board that have given so much of their time and money on behalf of Columbia and in particular I mentioned him earlier, David Ruben before he passed away, gave so much of his time, money and attention and his wife is still giving money to Columbia college on

behalf of him. Al Harris, Chairman of the Board, longtime chairman of the board, for 12 years, is going to be stepping down this year as chairman, but Al Harris has given so much of his time and effort over the years. And I mean, Columbia would not be a place without somebody like Al Harris.

And Bill Hood, who's been on the board for probably 12 to 15 years, used to teach photography as a part time instructor back in the 70s and went on to be a successful investment banker and lawyer. He's given so much of his time and attention to Columbia. So the board has actually played a really key role and the board's role certainly is a policy role and they have really stayed within that role and they have allowed the administration of the college to actually run the college and it's always been a very good relationship.

Obviously over a long time period you have difficulties, but all in all it's always been, at least in my tenure coming up on 12 years now it's been a very healthy, very good relationship and that's the only way it works so it's been wonderful.

You mentioned earlier this computer, the model that you have that you put all the information in and also being able to track the number of registrants you know as they come in. Can you talk about some of the things that under your tenure you've implemented and why you wanted to bring these into Columbia you know some of the changes that you've overseen and what they have helped the college to do? Yeah, and that's a long question.

That's okay, take your time.

We've done an awful lot of things within the accounting, let me start with the accounting structure itself. We've done a lot of things within the accounting/systems structure. Two key people there, Bernadette McMahon, who is the college's Chief Information Officer, has been with Columbia for almost 20 years now, has done a remarkable job. Every system that we now have at Columbia, she's had a personal hand in putting that system in, that structure in. And another person, the college's Controller Ann Kennedy, who I believe you interviewed in the first round, also has been at Columbia for 20 years, has done a remarkable job.

The systems have been implemented over a long period of time and then at least in the 12 years now that I've been here, we've changed them once. So things that we put in, in the late 80s and early 90s, are now changing again as we're in the next millennium, we're changing them. So we've actually done things twice over those twelve years and it's simply because technology has changed so much and so fast.

And we're finished with a project called Enterprise Allegro, that was five to six million dollar investment over a period of about two and a half, three years which revamped purchasing and budgeting and accounting and payroll and human resources. I may be forgetting something, but a few other systems and we're ready to go into Enterprise Allegro Phase II, which is starting this summer. It will be a two year project and it's going to encompass all the student systems on the student side of the house, So that will be the course description, master files of all the classes which generate our revenue and all the

billings to students. It will be financial aid software. It will be academic advising student software. It will be cashiering software, so it's an integrated enterprise kind of system.

And that is coming out of your office?

Yes.

I mean many things that you just listed obviously are the focus of other department's offices, but that's coming out of your office.

Yes.

So there will be a system central for information and for all of that to be—?

Well, it's always come out of my office, but there are certain other departments obviously, that the line functions and I actually do a lot of the work. And then we moved things around. We've always had a separate Bursar Department, which is the Student Billing Department and a separate Financial Aid Department. We're now going to integrate those departments as one beginning this coming fiscal year, September 1, 2001 and call it student financial services. So it will be sort of like a one-stop shopping for students. It will combine cashiering, financial aid, bursar into one office so that students will now know they got to one place to handle all of their financial transactions. Other schools have gone to this. I'd say probably 25% of the colleges now in the country are running that approach and we're going to be right there with them.

But in addition to that and all the things we did there there's all the, I think the other things that were important over the years, at least in my years on the other piece of the

administrative side, I sort of listed a few year, we certainly over the years expanded the Institutional Research Department, which is headed up by Ann Foley and they've done just a remarkable job in giving us a lot of good marketing and research data, that both my office and the provost office and the president's office depend on. That's important information, so we've really expanded that.

We've added over the years an Internal Audit Department, so we have a professional auditor that checks after everybody and makes sure that the I's are dotted and the T's are crossed and everything is running. We've put in a wellness program for faculty and staff in a joint venture with Roosevelt, which I think is important till this day, because we have a lot of students and faculty and staff who use their facilities over there because we don't have those kinds of facilities. We've expanded and made a more comprehensive development and public relations program, headed up by Dr. Woody White and he's been in that position for, I think, about five or six years now and we've invested a lot more money and resources in that and I think it's paid off for the college in the long run.

And then on the academic side we've done an awful lot because every time one of these programs comes through the line from all the talents and faculty that we have it's got to be reviewed by people like me and others and then we have to decide—does this go in or does it not go in. But we've put in an awful lot on the curriculum side, digital photography came in over the last decade, the audio tech—

Okay.

The audio technology center and the sound program started over the last decade, fashion design and fashion merchandising, the master of arts and teaching program, the interpreter training program, the Booker Paper Center, the MA in interior design, the MA in architectural studies, multimedia major, the jazz program or the jazz band that we have, early childhood education and the creation of the science institute. All those things came in over the last decade which really I think has really caused Columbia to elevate itself in the eyes of the higher education community and really the community at large about our programs.

I just want to back up for the lay person like me and if you could just expand on a little bit more, because when you talk about the academic side and you don't necessarily think of the finance you know your office as being integrally related to that, do you help to assess that as being something that's good for the college? You keep saying investment in the college.

Yes.

So could you speak to that just a little more how you are partnering I guess with the academic side and investment in the future of the college?

Yeah, and I think that's what it is. I think any good school does call it a partnership between the provost, which is typically the chief academic officer and the vice president for finance or the chief financial officer. Typically those two individuals at most schools really partner. And the way it typically works is a faculty member or whoever, I mean it could be a staff

member, it could be a chair of the department, it could be a dean. It could be anybody that comes up or generates an idea and that idea sort of percolates up through the system. And where it comes together obviously is within the management group which is the chief academic officer and the chief financial officer.

And so what someone like me would look at in a new program, and I'll give you an example. We're looking at a program now in composing for film at the graduate level and what someone like myself looks at is the marketing data that may or may not exist, how many students might be interested in composing for film, because obviously ideas need to be supported by the economics and you can't have a good program, if literally you're only going to end up with two or three students. That's not a viable program. So one has to research, or gather the market data to say yeah, we think over a period of time with some investment in advertising PR, etc., we're going to get X number of students. And if we do the program costs are going to be as follows and so the provost and I would work together on what are all the costs that are going to have to be involved in the program. I'll need faculty. Are we going to need both full and part time? What kinds of technology are we going to need? What kinds of space are we going to need, do we have it? And so we pull all that together and then we look out maybe a year or two or three and we say to ourselves this looks like a viable program or no, it doesn't look like a viable program.

Is the entrepreneurial spirit still alive in talking about this specific generating of new programs whereas there might be a demand on students saying we want this, but you think its viable in attracting students or you know that—?

Well, I think the entrepreneurial spirit is still alive at Columbia. It's not as alive as it once was maybe under Mike Alexandroff. But I'm not sure that it can be anymore because we're such a big, complicated place and we've got groups now that we hadn't had before. We've got the CCFO, which is the Columbia College Faculty Organization, we've got a part-time teaching union, we've got a number of committees of the college counsel. And so what used to be back when I came in more of a corporate model where a few people would sit down and percolate these ideas because there wasn't many committees and there wasn't unions and other kinds of complications, that programs could get in rather quickly. So we could take from when an idea was generated to when it was actually implemented was a rather short period of time.

And now because we're bigger and more complex and we've got more constituencies and those constituencies have a voice, it takes longer from the generation of an idea to when it's actually implemented. And in some ways that's sad, but in other ways its also healthy and so the timing is just going to be longer and that's just going to be the way it is and I don't think Columbia can ever go back because we're just too big.

What do you see as, well first of all anything else you want to add on what has changed or what

you've brought or what you've seen grown over your tenure here?

Certainly the student population has grown and maybe others will elaborate on that as well. But over the decade that I've been here the college has grown from about 6,500 students to about 9,200 students and 4 buildings and maybe 400,000 total square feet to 15 facilities and close to a million and a half square feet of space, so—

Could you speak to that just a little bit with your office in over-seeing the two— it seems almost two within the last two or three years there's been an explosion of acquisition of property and building. How much is that part of that long term plan or short term plan that you have and how does that fit into addressing the needs I guess of the college from your point of view?

Well, certainly the explosion of space is a result of the explosion in the student population, so they go hand in hand. As we increase our size, which we have wanted to do, which we have consciously wanted to do even though over the years there have been some constituencies that have indicated that we should just hold still. That we're now a school of 7,000 and we shouldn't try to grow any further and we should adequately support that size and staff it with the appropriate faculty and just be a school of X.

We have consciously wanted to grow and I would hope the college would continue to want to do that. I think growth has been its life. I do think as the college goes forward in the future, it may need to look at certain programs and not have those programs grow. We're

seeing particular pressure now, within the Film and Video Department, which is our largest department and a very good department. It's the largest film department now in the country, very difficult now to find teachers that can actually teach the subjects because we've gotten so large. So I'm thinking that in the future one of the challenges may be that certain programs will indeed have to stop growing, for one reason or another.

But going back to the real estate, obviously, and I know Bert Gall spoke in the first interview session, it's been an instrumental part in dealing with the college's growth in his capacity for many years, as both the chief academic officer and sort of a vice president for administration. He's now no longer over the academic side, but certainly was instrumental in all those years in building this campus. And you know there were certain points along the way that you know there were certain buildings along the way that were, I think, certainly the keys going on.

I think one of them was the building that we're actually doing this interview in which was the Torco Building. It was actually purchased in 1990 when Mike Alexandroff was president and it took us an awful long period of time to convince Mike Alexandroff that this was a good purchase. He thought it was too big and the college couldn't afford it and it took us probably six months of working on him alone before we could get to the board to purchase this building. And he finally said, "you know you guys are right, we'll need the 624 S. Michigan Avenue facility." And Bert and I went off to San Francisco to buy it—because

the owner was in San Francisco at the time. And you know it turned out to be a real key building in the college's growth and now supports a lot of the arts majors.

Another key building was the dorm because we've always been a commuter school and never had a dormitory. And John Duff, was president. Mike returned in '92, John Duff became president in 1993, and we always had in our planning, we always had on the plan a dormitory, but it was always down you know number 15 and number 16 and number 20.

It got the ax at those January meetings.

Yes, that's correct. And I got a call in 1992, 1993 period from a chairman of the company that handles our insurance and he said, "I want to come out and thank you for your business for the last few years," and so I said, "sure, come on out. You can thank us for our business," and I invited Bert to come to the meeting. And so we were sitting there. The chairman of this company was actually Hazerall Insurance Company here in Chicago that thanked us for our business and said, "well what are your plans for the future? What are you guys going to do?" And so we started sharing those plans. Turned out that because he was a wealthy CEO, he was also an investor in an apartment building in the Printer's Row area.

So he called us about 30 days after the meeting and he said, "you guys still got that dorm on your list" and we said, "yeah but it's like number 15." And he says, "I've got the perfect building for you. I'm one of the investors in the building and I'd like for you guys to come

see it." So we got the president, Bert, others and we trooped over and we took a tour of this rather attractive building at 731 S. Plymouth Court and our eyes went up and we said, "this is the perfect form, this is wonderful," and the purchase price was right and we did some financial projections and we said, "we could at least put, you know, 350 students or 400 students in this dorm" and we ran the numbers and said, "we ought to do it." And so it moved from you know number 15 on the list to number 1 and so that was certainly a key in the college's growth.

The other I think is the Waddington Building that we just purchased a year or so ago. As you've said, we've gone through a few years where we've purchased a lot of buildings and that one was one that we had on the list for some time. We wanted to purchase a building again for our growth but we couldn't quite afford it and every time we looked at it we said, we just can't. We're just not of the size yet to do it.

But then we came up with a sort of an attractive or unattractive depending on ones point of view on how to acquire it and it was sort of an off balance sheet transaction. It was a financing technique where we'd let somebody else actually own the building, but yet we would use it—so that both the asset value and the debt would not be on the college's books. And so we were in the process of putting all that structure together and it was a complicated structure and the interest rates were a little high, but yet that's the way it had to be done. And some of our board members, that we had involved in it, never particularly liked this off balance sheet financing technique. They

thought it was a little risky and that we shouldn't do it and the equity investor that we had lined up was asking a little bit too much on his equity return.

So what happened was I got a call from the chairman of the board, Al Harris, I can't remember at what point in time. It must have been 1998. And he said, "I've got some great news," and I said, "what is it?" He said "we've got an anonymous donor who is willing to give the money to purchase this Luddington Building for the home of the new Film Department and there's only one catch." And I said, "well, what's the catch?" And he said, "we've got to undo everything we've done up to this point, on this off balance sheet transaction, because the anonymous donor doesn't like all this complicated financial work," and I said—

No problem.

"No problem at all. It will be unraveled in, you know, a day," and it was. And we got a check for you know close to \$5 million dollars payable to Columbia College from an anonymous donor, to buy that facility. And then the same anonymous donor, not more than a year later, gave us another \$3 million dollars to purchase some of the other buildings that we were after, so.

With an anonymous donor, do you think the board went out and said you know we don't like the way this is going. Let's try to find an alternative and the board came up or did it—?

Yes, I'm sure that's exactly what happened. I'm sure that's exactly what—

Will we ever know who it was?

I don't think so. No. No.

Wow, that's pretty amazing story.

Yeah.

You don't have to spend much time on this but I think of say like a school of U of I down in Champaign-Urbana and growth and acquisition has to be very different than trying to grow an urban institution and you know our property values, particularly in recent history, have escalated particularly in some cases in this neighborhood, this neck of the woods. Could you talk, just a little bit, to that of the challenges of being an urban institution of higher education, that's growing?

Yeah, it certainly is a challenge. All you have to do is stay ahead of the game and I think we've been able to do that and I think we're going to continue to do that because that's one of the items at the top of our list. And by staying ahead of the game, certainly if we had more resources back five or ten years ago we would have purchased more land in this immediate area because 10, 12 years ago you could walk down Wabash Avenue heading south and it was a disaster once you got past the Hilton Hotel, burned out buildings and unattractive properties and nobody investing in anything till today where it's one of the hottest markets. We have condominiums, luxury condominiums going up just about on every corner.

But by staying ahead of the game, we have a lot on the corner of Wabash and 11th Street that we own. It's now a sculpture garden, but it's purpose is for future building on that site. We also have a lot at 1401 S. Wabash, right next to our facility there that is a good

sized piece of property, also suitable for building. And the third piece of property that we have is on, I think the address is 724, 754 South Wabash, right behind the Hilton Hotel, Buddy Guy's piece of property. We own that property, that building that we will be raising, that building once Buddy Guy moves into his new facility.

So we actually have three pieces of property that we think position the college for the next 10 maybe 20 years, but one I think has to look out even further so we are constantly monitoring the area and if something comes up we will obviously try to acquire something for the future, something for 30 years out, if Columbia continues to grow.

How important was it and this might just be a small side but bringing to the dance center you know that's spreading out of Columbia, it does seem to be consolidating, growing and consolidating in the same area.

That was one of the other things we had on our agenda for many years was to move the dance center down and we always said to ourselves it was just unaffordable, we couldn't do it. And I think the trigger that actually made us move the dance center down here and move it up on the list, our investment list quicker, was the area itself where the dance center existed up on Sheridan Road. It was always sort of a difficult area. It was a bad area in which to place students. And the area got progressively worse and we started to have literally drive by shootings at night in that area cause I was actually over security at that point in time. I'm not now but I was actually running the security, was one of the offices that reported to me.

And the Chicago Police Department was actually in our buildings at night with surveillance cameras because there were drive by shootings. There were drug transactions on the street. There was prostitution on the street and it just kept getting bad. And I believe, someone as I recall, someone was shot in the morning. It wasn't a nighttime shooting anymore. We weren't talking about 2 o'clock in the morning, 3 o'clock in the morning. Somebody was shot at 10 o'clock in the morning and we scrambled around because we really thought it was one of our students. The first word we got was, it was a student. And we were in a complete panic trying to figure out if it was one of our students. If it wasn't, was it one of our faculty, one of our staff? Turned out that it wasn't. It wasn't any of the above, but with that I mean it was a big wake up call.

Never the less, yeah.

It was a big wake up call and the president at the time, John Duff said, "we've got to move the dance center. That's it. We're not doing this anymore. It's coming down and it's going to be one of our top investments and even if we have to struggle financially for a while, we're bringing it down." And so it was just his will saying, "it's going to happen. We're not putting it off anymore." So, that's what happened.

What's on the top five investment list now if you can divulge that?

Yeah, the biggest item on there is a new student union and you may have heard that and others may have heard that cause we've had that out. We'd really like to build on that land a beautiful student union which would house not only a place for students to go and relax and eat and study and relate.

More home based for a community school?

Yeah, it would be a home for students to relate. Right now they have various places they can go, but we're still this diverse campus you know in an urban area. And also have offices in there, like our new student financial services office is going to be an excellent place to house. You know if a student needs to deal with their balances or their financial aid issues it's right there, so our goal was to do that. It's an \$18 to \$20 million-dollar venture and we certainly don't have the money to do it now, but it is right at the top of our list to try to do and we're hoping that both our board will help us there and our alumni will help us to get there.

We're certainly looking for more dormitory space now, that's on our list and many of you know that we're conceivably going to go forward with a joint venture with DePaul and Roosevelt and Robert Morris. It's been in the newspaper, we've been working on it for two years. If it's going to move forward, it's going to move forward this summer and we're working very hard right now on that project. So if it goes, it will go this summer. That will bring almost 1,700 new beds to this immediate area, which about 600 of them will be ours. The rest will be DePaul, Loyola and Robert Morris, so dormitory space is certainly up on the list.

And certainly the continued expansion into some of the buildings that we currently own but we can't get into yet. We own all of the 33 East Congress building, but have not had the funds to get some of the floor remodeled and some of the departments in there. We've got two more floors, in the Waddington Building, to build out

and get departments moved in there. And then obviously programs are the third or fourth, depending on how you view the last, right up to the top because we do think we want to continue to grow. Our new president has indicated he wants us to grow and so looking at new programming kinds of activities and/or reshaping some of the current academic curriculum we have so that we get better marketing for that is at the top of the list too and that's going to take some money. And the last thing on the list, is a reorganized structure for Columbia college. That's also something that's been going on for about two years and the president is ready to move forward with a new structure, that combines a lot of departments together into a school and that is going to take some investment to get the departments combined and get them into schools so the school media—

Oh okay.

—school, art and design, and all the Liberal and Education Departments would come together under one, yes.

So students could and would be able to take from all the schools but the organization would be more—

Yes, be more vertical.

More vertical.

Yes. Yes.

Thank you, okay interesting.
Yes.

What about since you've been here, some of the biggest challenges that Columbia has had to face? You're prepared ?

Certainly the growth of the student population has been the biggest challenge for the college. And

while I've said earlier, that we've consciously wanted to grow and become a larger entity and I think a more powerful entity, it has posed a lot of challenges because we've obviously had to invest in more faculty (*inaudible*) part time. We've had to invest in more staff, support staff, academic support staff and other staff to move forward. And I think as a college while we've gotten better, while we've reduced the class sizes over the years so we've gotten smaller class sizes, we've got better ratios for student faculty to student. We've got better ratios of square footage per student that we've ever had, so we've made progress on those. We're still a little bit behind that growth curve so we always lag a little bit, we always need a little bit more faculty, a little bit more staff, a little bit more space. So that's been a challenge, but I think we've been successful because we've improved a lot of those ratios over the years.

And certainly the other challenge has been technology because technology has just caused us all, everywhere to change, not only in my areas but departments to change. For example, we talked earlier about digital photography so you can have a chair of a Photography Department that's had to deal with computers that actually do and manipulate images and the convergence of all this technology and the obsolescence rate of the technology. No sooner than you buy something and invest a lot of money in it, it's obsolete within a year or two. So the challenges of just keeping up with all of that and investing in that has been a major challenge.

And a third thing I think, is just coming up with you know new and improved ideas within the curriculum, within the structure to both

attract new students and retain current students. I mean you got to continue to make it interesting because the high school get better at their curriculum and the students come out, I think, more educated and their expectations are greater when they come to college. So we've always got to stay one step ahead of the high school so it forces us to move into technology, into areas that you wouldn't dream about years ago. English is now taught in labs you know and fiction writing is taught in labs and marketing and accounting are taught on computers, where before you had a professor stand in a classroom so those things impose a great deal of challenge to the college.

And I think the last thing I would say on challenges is fundraising. Fundraising has been a tremendous challenge at Columbia, will continue to be a tremendous challenge at Columbia. We've done better every year but we're still not in the leagues, probably will never be in the league, of you know some of the top tier schools.

Now has that fallen under your department as well? Is that something that you have to take—?

No, that's certainly not on me.

You don't have to worry about—?
That's right. I have to worry about it from the standpoint of when we put a budget together and we're going to count on the dollars to come in. I've sort of got to keep my fingers crossed to be sure that it comes in and if it doesn't come in you know what's plan B? What are we going to do in the budget since we've already made commitments?

So you say we have to do better at that, but have we gotten better at it over the last decade or so?

Yes, I do think we've gotten better over the last five to six years. I think there was a period of time, from when I came in '89 to maybe '95, that we didn't make a lot of progress. But I think certainly from about '95 through today we've made substantial progress, but we've got a long way to go. Our alumni are going to be important as Columbia moves forward. That alumni group, which is now I don't know, 15, 16, 20 thousand I can't remember the number, that whole group needs to be developed and they need to contribute back to their alma mater particularly in light of we're talking about a student union. What more for an alumni to give to, than a place you know, as they remember when they came to school here they probably didn't have a place to go. And it would be an ideal giving opportunity for alumni.

I cannot remember who I was speaking to but they talked about how surveys and research on some of the Columbia students very much identify with their department but not with the college as a whole. Is that ringing a bell or something like that and needing to focus more on that identifying with the institution and student union certainly being a part of that. I mean having a—

Yes.

Not just going to your classroom and your own department major.

Yes. That is certainly true and it comes from surveys that our Institutional Research Department does on every incoming student, every outgoing students and

students somewhere in between because we're always surveying the students. And they continue to say that and they have said that for a long period of time. They do identify with the department. You know if they're a theater major they identify with the Theater Department, the faculty and the Theater Department and they don't identify with some of the other departments.

But you know, I'm not sure if that's a real problem because I think that's probably true of many schools. They do tend to identify with the department. It may not be true with some of the bigger schools that maybe have big football programs or basketball programs where people can rah, rah, rah the football team or the basketball team.

