

Call number: 01-79-10 PT. 1

Name and place: Foster Diebold, UA President, interviewed by Paul McCarthy.

Date: July 18th, 1979 Rasmuson Library, UAF, Fairbanks, Alaska.

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Notes: Original on ?-inch reel, master copy on CD. Many tapes end abruptly as interview runs all the way to the end of the reel.

Paul McCarthy introduces the recording with Foster Diebold who has served as the president of University of Alaska for last 1.5 years and has been the executive secretary to the board of regents prior to that. Paul asks Foster to tell about his personal background before discussing his career in the board of regents, as an administrator, and then as the president of the University.

1:00 Foster Diebold tells that he is 46 years old and he was born in New Jersey in 1932, where he stayed until he joined the Air Force for four years in 1950. He attended schools in New Jersey and went to a prep school in New Brunswick. He was doing police work in Europe for those 4 years and he married after returning from Air Force, but the marriage ended in divorce. He remarried and is now married to Patricia neé Gorsky and they have a 4-year old daughter.

His professional background consisted of attendance at a private liberal arts college in Jersey coast form where he went to Seaton Hall University for his master's degree in educational administration and supervision. Then he went to do his doctoral work in labor studies and collective bargaining. He completed all the other assignments but the dissertation.

During his senior year as an undergrad in 1958, he started working as a teacher on an emergency certificate when teachers were hard to come by. Two years prior to that, he worked at a Brisbane Child Treatment Center in New Jersey, which was dedicated to children with emotional problems. He was promoted in 1964 to be the assistant superintendent, which was quite a jump since generally one climbs the ladder slower.

3:53 He was working as an assistant superintendent in a large district in Neptune Township that had 15,000 students. He did that for 5 years, until the school year of 1968-1969. Then he worked under the acting president of Newark State College that later became the Caine College of New Jersey. He was one of the four executive officers and he went to work there in 1968-1969, under the title of Director of Division of College Development. He stayed there for almost 10 years. [Gives his job description.]

5:51 He started having conflicts of philosophy with the president and Foster didn't want to insist on changing his philosophy, so he decided to leave. His wife and he made a decision that Foster wouldn't take a position that was similar to the one he had had and they wanted to do something different. He applied for jobs that satisfied that want.

He had just had an interview in Washington D.C. when his secretary told him that he had a call from Alaska. He was offered a post as an executive secretary to the board of regents and he also got offered the job from Virgin Islands. He and his wife chose to go to Alaska because it was a better job. He didn't think that shortly after arriving he'd become the president of the university.

8:19 Paul asks what Diebold's first impressions were about why the University needed an executive secretary in the first place, and continues that there was distance between president's office and the board of regents, and perhaps a lack of communication. Foster says that that was the prevailing opinion. His personal feeling was that that wasn't exactly the situation but that there were people on board who didn't want President Hiatt to continue.

Diebold thinks that the board wanted an executive secretary for all of the wrong reasons since they were trying to hire an administrator to deal with the president in lieu of cultivating good working relations with him. President should be the chief executive officer of the board who is supported by the board, or else the president must be changed.

10:18 Foster thinks that board created the position to solve problems that would have best been dealt with by doing something with the president. The public idea was that the system had become so complex that they needed their own staff to

assist them, but the system is just as large as a college with under 10,000 FTE. It was not a large and complex system although it had large and complex problems.

Diebold continues that it's not unusual to have a staff to the governing board. In most states, the staff has assumed the 1202 responsibilities, or the post-secondary commission responsibilities, but Alaska decided to have a separately created post-secondary commission as well as a board of regents for political reasons, which is laughable. [Foster explains how things were done in East Coast.]

13:01 Alaska had both, the 1202 Commission, and the post-secondary commission. Post-secondary commission shouldn't have been created but their duties should have been given to the board of regents. They should have had more staff to the board and their responsibilities should have been taken by the governing board.

Regent [Mildred] Banfield of the board championed the idea of a separate 1202 commission to create a watchdog authority for UA even before the position of executive secretary was created. They were trying to conjure up tools with which to deal with problems of the university without doing the most obvious thing that would have been to go into the central office "and grab a hold of the situation and deal with it."

Paul asks Foster's perspective about what the biggest disappointments with Dr. Hiatt's performance are. He says he doesn't know how Dr. Hiatt saw him and doesn't care. There are two kinds of presidents in universities: working presidencies and non-working presidencies. Non-working presidency is one in which the operation is smooth and has a long tradition with monolithic structure with built-in mechanisms to deal with problems as they come up. The president doesn't have to be the manager.

15:34 On the other hand, there are working presidencies. That means that one must really do a lot and be on a lookout for problems. Bob Hiatt didn't have a sense of working presidency. His experiences in University of Hawaii were such that he thought that he could assume the leadership role and rest of the aspects of the university would take care of themselves. Problems started piling up since the first day.

[Foster talks about a failed computer system in 1970s that gave rise to fiscal problems that drove Hiatt out of office.] They had a cash flow problem because they were too large and dependent on external funds and without a functioning computer system there was no accounting network or billing, and so on. They were using more general funding money than they had. In February of 1976, their \$30 million cash flow problem presented itself, because billings didn't go through fast enough to get money from Federal Government and they were spending general fund money.

19:00 There was also a deficit due to lack of management system and due to computers not being up. It wasn't maintaining controls on the budget and nobody knew what stage the budget was in. That wasn't a problem in the past because the university used to overstate their fringe benefit needs by 2-4% and take that million dollars as overage.

Foster mentions that overstating is a nice way of putting it and it was more of a dishonest thing to do since they requested a budget in excess of what they actually needed. They also had monumental amounts of money in salary savings and at the end of the year. Legislature finally caught up to that and the situation exploded. Prior to that, one could make up any deficit by simply taking from those overages. They used to request drawdowns with wild abandon.

One doesn't have to be a fiscal wizard to understand that when a public agency requests drawdown money in the first month of the year, it is seeking to catch up and reconcile problems from previous year. There was no real management at the top, resulting in a managerial void.

21:52 Paul says that it is surprising that Dr. Hiatt came upon the financial crisis and seemed surprised that there were problems. Paul continues that he assumed that people were competent in tackling problems. Foster says that Paul is correct, and that he doesn't think that Dr. Hiatt knew what it would take to manage a university, although he was a good researcher and an academic officer. He had minimal experience to deal with "these kinds" of problems from managerial standpoint.

Institutions of higher education can be divided into two or three kinds of roles that are intermingled and don't have clear delineations: There's a fiscal operation, an

academic operation, and management operation, and the category of management operation that umbrellas all of the previously mentioned aspects. The university suffered from lacking the umbrella managerial control.

24:15 Paul says that when Diebold first came on board, he became aware of the faction of the board that was disillusioned by Dr. Hiatt and asks Foster to talk about that. He tells that board didn't have the gumption that was needed to get rid of their chief executive even when the board didn't have faith in him.

It wasn't until they were politically humiliated that they took action. They erred. They were trying to hire an executive secretary who was immediately perceived as a potential spy between the president and the board. Diebold tells that he almost left as soon as he had got the job, and had it been in Cincinnati, he would have.

Immediately upon his arrival he asked to see the policy manual and somebody brought a document with 1986 date in it. One didn't even have to open it to know that there were problems. One can't have a complex university and expect to control it with policies that fill an 8-inch thick document. There were policies that had been valuable in 1969 that had to do with a single campus system and there hadn't been updates since that. That means that the board hadn't been put in a position to do what they should be doing – to develop policies.

27:57 Foster faults central office of administrations more than the board because a board is a slave to them to a certain extent because they should bring forth policy options for the board to consider. They went years without upgrading personnel policy manual and so on. Secondly, Foster found that the board meetings looked like a Fellini movie and the president couldn't answer the questions.

His first month was “almost frightening,” and he envisioned that he would be long gone before the problems would be solved. He was surprised how much improvement there was later.

One must have policies that control the operations of the university and those are management parameters, but at UA, there weren't even budget control or budget development policies.

[End of PT. 1]