

THE HERO OF CHESTNUT HILL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 2001

Mr. FRANK. Mr. Speaker, on April 17, one of the leading educational institutions in America, Boston College, will honor Dr. Francis B. Campanella as he prepares to retire this year from his job as Executive Vice President. Dr. Campanella has been an extraordinary asset not just to Boston College, but to the Greater Boston community, and to higher education in America through his extraordinarily creative and diligent work at Boston College. Last September, David Warsh appropriately described Dr. Campanella's work in an excellent article in the Boston Globe. I am delighted to have this chance to join in honoring this very distinguished educational leader on the occasion of his well earned second retirement, and I ask that Mr. Warsh's column about him be printed here as an example of what commitment at its best means to our broader community.

[From the Boston Globe, Sept. 12, 2000]

THE HERO OF CHESTNUT HILL

(By David Warsh)

Anyone strolling across the densely built and sparkling campus of Boston College would find it hard to believe that there was a time when the school was nearly bankrupt.

Yet in the early 1970s, Boston College came very close to failing. The school had run major deficits for five years in a row. Its net worth was negative. Its endowment was a paltry \$5 million.

BC had a sympathetic banker in Waltham, Giles Mosher. But only by temporarily dipping into the pension fund for Jesuit professors was the administration able to keep doors open from year to year. In a memorable report, economist Edward Kane warned the faculty that BC soon might find that its (then) spacious campus had become the University of Massachusetts at Chestnut Hill.

It was about that time that the trustees hired Donald Monan, S.J. Within a year Monan persuaded professor Frank B. Campanella to leave the faculty where he had been teaching finance and take over the school's internal management instead. The rest is history.

Boston College took off like a rocket and the University of Massachusetts built its new campus at Columbia Point.

Last week Campanella, 64, said he would return to teaching at the end of the current academic year. That \$5 million endowment has grown to \$1.1 billion, the 35th largest in the country. (In contrast, Boston University says the market value of its endowment currently is about \$980 million.)

Faculty salaries, which in 1973 had been at the 50th percentile of category I institutions, are in the 90th percentile. Undergraduate applications, which had totaled 8,400, last year were 21,000 for 2,100 places—making BC the fifth most heavily applied-to university in the country.

And on the 1991 list of BC's top 12 application overlaps—meaning those schools to which a prospective BC student also had applied—the names of Fairfield University, Providence University, and UMass had been elbowed off by 1997 by Harvard, Penn, and Brown.

Campanella was a logical, if not an obvious choice for executive vice president. He had been raised in Jamaica Plain, then graduated from Boston College High School in 1954. After earning an engineering degree at

Rensselaer Polytechnic Institute and serving three years as a Marine Corps lieutenant he worked for five years in the construction industry.

Low margins and chronic uncertainty led him to retool as a finance professor, beginning as a night school MBA at Babson College, then as a doctor of business administration at Harvard Business School. (He tested Harry Markowitz's portfolio theory for his dissertation; Rober Glauber was his supervisor). He had been teaching for three years when Monan took him by the arm in 1973. He had the confidence of the faculty.

Campanella's strategy from the first was to run a surplus. He established a depreciation account—a standard business practice but among the first in the nation at a university—which freed up cash for investment. Then he set out to build the college's balance sheet.

He borrowed as much money as possible, taking advantage of the bargain rates available to tax-exempt institutions. He used it for bricks and mortar, budgeting debt service as an expense. With the physical plant growing, he lobbied the faculty to increase enrollment, and plowed the growing surpluses into endowment. He invested aggressively as well.

Then came "enrollment management," a set of yield management practices more or less invented in education at BC. The offices of admissions and financial aid were combined, making it possible to purposefully compete with other institutions on price. BC's applications pool broadened to include Texas, California, the Midwest. Retention became part of the picture as well.

Campanella gradually attracted national attention.

Campanella retired for the first time in 1991. It didn't take. In 1994, the trustees asked him to come back. He stayed long enough to get new BC president William Leahy, S.J. settled in his job. "He's a man who understood the world of higher education, the world of business too," Leahy said. "He'll be a very difficult man to replace."

A TRIBUTE TO CARMELA C. RODRIGUEZ

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 2001

Mr. TOWNS. Mr. Speaker, I rise today to honor Carmela C. Rodriguez of Brooklyn, New York. Ms. Rodriguez is a deeply religious person who has dedicated herself to serving her church, her community and her native culture.

Ms. Rodriguez was born and raised in Panama City, Panama. She migrated to the United States in 1963. Nevertheless, she remains proud of her Panamanian roots. She has expressed this pride through service. She is the President of the Day of Independence Committee of Panamanians in New York and she organized the first Panamanian Independence Day Parade.

Ms. Rodriguez is also committed to her religion and her community. She is a Eucharistic Minister of Service at Our Lady of Charity Church; she is the First African American woman to be inducted as a Franciscan Friar in the Immaculate Conception Province, and she is the Grand Lady of the Knights of Peter Claver Ladies Auxiliary. In addition, she serves her community by conducting AIDS education workshops and donating food as well as clothing for needy children.

Mr. Speaker, Ms. Carmela C. Rodriguez is a woman of deep conviction whose religious and community involvement illustrate that she does not believe it is enough simply to live in a community, but rather one must serve that community as well. As such, she is more than worthy of receiving our recognition today, and I hope that all of my colleagues will join me in honoring this truly remarkable woman.

MAKE SUBPART F LAW PERMANENT

HON. JIM MCCRERY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 2001

Mr. MCCRERY. Mr. Speaker, today I am pleased to introduce a bill on behalf of myself, Mr. Neal of Massachusetts, and 24 of our colleagues from the Ways and Means Committee. Current law contains a temporary active financial services provision in Subpart F. This provision makes sure that active business income of a U.S. financial services company operating overseas is not subjected to U.S. tax until that income is distributed to the U.S. parent. If this temporary provision were allowed to expire at the end of 2001, American financial services companies would be placed on an unequal footing with their foreign competitors.

Our legislation would make the active financial services provision permanent, securing international parity for our financial services industry and providing it with treatment comparable to that afforded other segments of the U.S. economy.

This legislation is important not only to U.S. financial services companies but also to the U.S. businesses that they service internationally. As just one example, U.S. banks and finance companies support the international sales growth of U.S. manufacturers and distributors. Additionally, Mr. Speaker, because U.S. employees provide support services for the overseas operations of our financial services companies, this legislation will also enhance the creation and preservation of U.S. jobs that depend on these international operations.

The growth of American finance and credit companies, banks, securities firms, and insurance companies is impaired by the uncertainty of an "on-again, off-again" practice of annual extensions of the active financial services provision. Making this provision a permanent part of the law will allow our financial services companies to make long-term plans for their continued international growth. Without this legislation, American financial services companies will be deprived of the certainty that their foreign-based competitors enjoy when operating outside of their home countries.

Mr. Speaker, this legislation will ensure U.S. tax policy does not hamper the ability of our financial services companies to compete in the international marketplace. The permanent extension of the active financial services provision is particularly important today, if the U.S. financial services industry is to continue as a global leader in international markets. The highly competitive and global nature of many of the businesses that will benefit from this legislation highlights the need to ensure greater parity between U.S. tax laws and those of