

FY 04 Operating Budget Update

April 30, 2004

- Recent budget updates have not been good news
- Together we faced those realities and adopted a tight budget for this year
- And we have more belt tightening ahead
- The result... a more sound financial plan for the College

- This year ... some good budget news
- As a result of:
 - Difficult decisions
 - Hard work and
 - Some fortuitous events,
- We are predicting a budget surplus

- Current estimate of surplus is about
\$1.9 Million
- Resulting primarily from:
 - Improved Student Retention
 - Low utilization of Financial Aid and
 - Favorable Endowment performance
- Combined with the implementation of cost reduction initiatives

SKIDMORE
COLLEGE

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April 30, 2004

- Uses of the surplus
 - We made a proposal to the Board of Trustees
 - Teleconferences with Budget & Finance Committee and the full Board
 - Similar recommendations from FPPC
- Board unanimously approved our recommendations

- | | <u>(Dollars x
1,000)</u> |
|--|------------------------------|
| • Approved uses of FY 04 surplus | |
| – Repay internal loan-deficit in FY 02 | \$363 |
| – FY 05 Capital Projects & Reserves | \$715 |
| – One-time employee discretionary
bonus of 2% of salary | \$830 |
| • Will also be offered to union-
represented employees | |

- This is a unique circumstance
- Not a precedent for future budget surpluses
- Year unusual because most employees received no raises/ began to contribute to benefits, but we had a surplus
 - Surplus was not predictable
 - Result of good luck along with hard work
- We have all shared in the bad news, now
- Will share in the good fortune

- So the news is good :
 - Predicting a budget surplus
 - One time employee discretionary bonus of 2%
 - Will be paid in May
 - 4% GSA in Proposed Budget for FY 05
 - New total compensation framework
 - Market Salary Adjustments
- New Comprehensive Fund-raising Campaign
- Sound financial plan for the next five years