

**INSTITUTIONAL POLICY AND PLANNING COMMITTEE  
MEETING MINUTES  
November 3, 2008**

PRESENT: President Philip Glotzbach, Chair, Professor Sue Bender, Vice Chair; Rochelle Calhoun, Michael Casey, Ann Henderson, Susan Kress, Kim Marsella, Dan Nathan, Muriel Poston, Jeff Segrave, Justin Sipher, Michael West, Mark Huibregtse, Barbara McDonough, Phyllis Roth, Jackie Shydrowski, Mary Cogan; Barbara Krause (Secretary).

ABSENT: Mary Lou Bates, Winston Grady-Willis.

President Glotzbach began the meeting by thanking members for attending this special meeting. The meeting was called primarily to update IPPC members on the Board of Trustees meeting and to continue conversations regarding the College's budget. President Glotzbach noted that the meeting originally scheduled for Friday, November 7, needed to be cancelled in light of the Friends of the Presidents event in New York City on Thursday evening.

**1. Approval of Minutes**

Consideration of the minutes from the meeting of October 24, 2008 was deferred until the next meeting.

**2. Update on Board of Trustee Meetings**

President Glotzbach expressed gratitude for the \$12 million gift from Trustee Donald Sussman, designated as a lead gift for the Scribner Village replacement project. He noted that although there is considerable excitement and appreciation for this major gift – which represents a wonderful vote of confidence in Skidmore – the College has extremely difficult budget conversations ahead of it. President Glotzbach further indicated that while program planning for this project will move forward, the College would not be able to move beyond the planning stage without significant additional funding.

President Glotzbach next reported that the economic situation had been a subject of discussion with the Board of Trustees. The Trustees are confident in how the administration is analyzing and proceeding with its budget conversations. He noted that the Board gave tentative approval for early release of funds to begin planning for two capital projects: the Penfield Hall renovation (estimated cost of \$2.1 million) and the Saisselin Art Building HVAC replacement and geothermal outfitting (estimated cost \$3.2 million, with \$800,000 to be provided from state HECap funds and approximately \$200,000 to be designated from the senior family gift). Finally, he reported that the

Strategic Planning Committee of the Board affirmed the Strategic Action Agenda for 08-09. The Board also engaged in an interesting and lively conversation with faculty members and administrators on the subject of Shared Governance.

### **3. College Budget**

President Glotzbach reported that following conversations with IPPC and further discussions in the Cabinet, he would like to propose a framework as we think about potential budget models, scenarios, and the values that should inform those discussions. He suggested the following:

- Community
  - Student body
  - Financial aid
  - Diversity/ strength of student body
  - Faculty
- Compensation
  - Maintain current policy regarding cost-sharing for health insurance
  - Compensation (avoid salary freeze)
- Curricular Integrity
  - Academic (faculty: student ratio, faculty searches)
  - Student experience
- Capital Projects
  - Buildings/space (Penfield, Saisselin)
  - IT investment

President Glotzbach indicated that he would like to maintain some momentum in these areas, even if that momentum must be at a slower pace. He noted that the list is not prioritized, but that it represents a framework for considering difficult budget issues. All decisions, of course, will depend on what happens with the broader economic situation.

One committee member noted that the framework is very broad and suggested that a large number of possible initiatives could fit within the framework. President Glotzbach acknowledged the comment but suggested, nevertheless, that the framework does reflect certain potential areas that might not be funded. Moreover, he suggested that within each area, the College will need to identify particular areas in which we wish to maintain our momentum. He further suggested that the student experience should be at the heart of all conversations, and that the College should avoid taking actions that would fundamentally alter our students' core experience.

The committee then began a conversation related to the current (Fiscal Year 09) operating budget. Vice President Mike West reviewed three possible budget scenarios, each of which makes numerous assumptions about key budget parameters.

President Glotzbach indicated that while it is the administration's responsibility to resolve problems, it is also the administration's intention to seek feedback, advice, and counsel from IPPC at an early stage, hence the conversations at the previous meeting and today.

With that framework in mind, Vice President West reported that Cabinet members have begun reviewing current expenditures with a goal of achieving savings of \$650,000 in the current fiscal year. With that as the initial goal, it is hoped that the College will be able to identify savings of approximately \$500,000. Those savings would be across the categories of services and supplies, critical review of open positions, energy savings, review of part-time and temporary positions, overtime savings, and capital and equipment projects. He suggested that although the College comes to this problem from a position of strength and budget discipline, we must begin now to address reductions, in preparation for what is expected to be a very difficult budget for fiscal year 2010 and, potentially, future years as well.

President Glotzbach noted that over-enrollment money will provide the College with a surplus of approximately \$3 million and suggested that some community members will question why we should be making any cuts at all given that surplus.

Potential responses to that question included the following:

- The coming years will be even more challenging than the current year; it is important to save everywhere we can in order to ease the challenge in future years.
- The College should view the over-enrollment funds as analogous to the six-month savings account that every family should maintain. The existence of that emergency fund does not mean that one should draw down the savings before doing everything possible to reduce costs.
- We should anticipate the question of what happened to over-enrollment monies in prior years. Mr. West explained that we have used some of those funds for one-time capital expenses (including residence hall renovations) that have been seriously delayed. Another portion of the funds has been reserved for a balloon payment on debt service that will come due next year. The remainder has been placed in a reserve to provide insurance in the case of an under-enrolled class or in the case of an over-award of financial aid. It was emphasized that notwithstanding the excellent work of the Admissions office, it is impossible to come in "on the dime" with regard to these parameters.
- It is appropriate to ask the community now to find savings in the current year's budget. First, the College cannot live in a vacuum, and requesting these savings is an important symbolic act. Moreover, it will be important to educate the community about the importance of saving every amount we can. For example, attempting to find savings of \$500,000 is approximately the equivalent of a 1%

GSA increase next year. It also will be important to encourage all community members to find savings where they can – for example, in energy savings.

President Glotzbach closed this portion of the discussion by noting that the Dean of the Faculty will be discussing these targets with department chairs and that all members of the President's Cabinet are looking for savings in their areas.

#### **4. Fiscal Year 2010 Budget**

President Glotzbach provided an overview of the potential budget shortfall for next year based on various assumptions. The President shared a monetary range which he asked IPPC members to hold in confidence in order to allow the administration to have conversations in an orderly way with other constituencies on campus.

In the context of those conversations, it was noted that although over-enrollment funds provide challenges elsewhere on campus, “missing low” on enrollment of next year's entering class would produce a significant problem for the College. President Glotzbach affirmed that for the current year, the guidance to Admissions would be not to miss low.

#### **5. Other Reports**

Kim Marsella noted that the Student Energy Conservation Contest is underway. Especially in light of the fact that energy is a category in which the College might achieve savings, this contest could be a great way to engage students in the budget reductions.

*Minutes prepared by Barbara Krause. Please notify of any changes.*