

INSTITUTIONAL POLICY AND PLANNING COMMITTEE

MEETING MINUTES

April 29, 2016

10:30 a.m.

PRESENT: Mary Lou Bates; Addison Bennett '16; Beau Breslin; Paul Calhoun; Gail Cummings-Danson; Philip A. Glotzbach, Chair; Tim Harper, Vice Chair; James Kennelly; Kathy Kinnin; Kris Leggiro; Ela Lepkowska-White; Eric Morser; Levi Rogers; Kelly Sheppard; Denise Smith; Joseph Stankovich; Charles Tetelman '16; Peter von Allmen; Mike West; Joshua C. Woodfork.

ABSENT: Michael Casey; Bill Duffy; Debra Townsend.

1. Approval of Committee Minutes

IPPC **approved** the Minutes from the April 15, 2016.

2. Middle States Reaccreditation Update

Dean of the Faculty and Vice President of Academic Affairs Beau Breslin reported that Skidmore's work in the Middle States Reaccreditation process is now complete. Beau provided IPPC with a copy of the Report from the Middle States Evaluation Team to Skidmore College. In addition, he provided a copy of President Glotzbach's letter to Dr. Elizabeth H. Sibolski, President of the Middle States Commission on Higher Education in which the President acknowledges the many commendations, comments on the two recommendations noted in the Report (pages 10-11), and indicates his disagreement with the process taken by the Middle States team in addressing Standards 7 and 14, which were presumed settled during the generalists visit in the fall. Janet Riggs, Chair of the Evaluation Team and President of Gettysburg College, will present the report to the Middle States Commission on June 1, 2016, and Skidmore will learn about its reaccreditation by the end of June.

Beau Breslin noted that there is still work to be done in assessing student learning and those conversations will be brought back to IPPC in the fall. Additionally, the community will need to focus on the many suggestions and recommendations outlined in the self-study.

The Middle States documents are now posted on Skidmore's website.

3. Honorary Degree Policy

President Glotzbach reported that the Board of Trustees' Trusteeship Committee had a conversation on whether or not the College should ever consider rescinding an honorary degree. President Glotzbach also had a conversation with the Committee on Appointments, Promotions, and Tenure (CAPT) on this issue. Following these conversations, the Trusteeship Committee has recommended to the Board of Trustees that Skidmore should not be in the business of rescinding honorary degrees. This recommendation will be included in the Trusteeship Committee's manual that guides its policies, and it will be noted that the policy can be revisited

in the event that there is ever a very compelling case in the future that the College feels a particular need to rescind such an honor. There is no need for an amendment to the College's Bylaws.

4. Admissions Update

Vice President and Dean of Admissions and Financial Aid Mary Lou Bates provided an update on Admissions numbers to date. Mary Lou reported that the deadline is May 1, and the goal is to receive 346 deposits from regular decision candidates. As of this morning, acceptances are currently at 75% of goal (compared to 67% at this time last year), and she estimates that we will probably meet and exceed our goal. A majority of the responses are now received online.

5. Budget Update for FY'16 and FY'17

Director of Financial Planning and Budgeting, Kelley Patton-Ostrander, joined the IPPC meeting for a discussion on the Budgets for FY'16, FY'17, and the Center for Integrated Sciences (CIS) Funding Proposal.

Vice President for Finance & Administration and Treasurer Mike West provided the following update to the Current Operating Budget Estimate for FY'16 and the Proposed Operating Budget for FY'17:

Budget Update Fiscal 2016

Our estimate for Fiscal 2016 operating results is positive. There are some noteworthy changes since we last met. We are now estimating an operating surplus of \$3.8 million or 2.5% of operating revenues, excluding over-enrollment. Lower financial aid expense (and accompanying favorable discount rate of 36.7% vs. 37.1% previously estimated) and greater revenues from room and board (shown in the Auxiliary Operations line) will help to offset lower predicted Skidmore Fund gifts and grant-related revenue. The special endowment take-out for the Campaign has also been reduced, reflecting lower anticipated spending.

Expenses are estimated to be less than previously projected, with lower expenditures for salaries and wages (largely associated with vacant positions), lower services & supplies expenses mainly due to timing of spending for additional new initiative dollars (especially related to important admission and communications & marketing projects. We now expect to incur expenses for these initiatives in fiscal 2017). We are also anticipating lower utility costs, now estimated to be less than fiscal 2015 by more than 9%. We have reduced our contingency for possible end-of-year needs, maintaining \$0.3 million at this time.

Lastly, and also importantly, we expect to generate approximately \$1.8 million in net revenue from 43 over-enrolled students. This reflects a slight decrease (of seven students) from our earlier estimate. As in prior years, we intentionally exclude this net revenue from operations so as not to build it into our base operating budget, and so that we do not become reliant upon it to support the ongoing operations of the College since it is not assured of continuing.

Proposed Operating Budget Fiscal 2107

For Fiscal 2017, we are proposing a balanced budget with essentially the same key parameters as presented and discussed earlier, however we have incorporated a few changes into our proposed budget. Perhaps most notably, we have reduced our internal financial aid discount rate from 38.1% to 37.9% based on the favorable rate we are seeing in the current fiscal year, in recognition of the financial aid characteristics of the three classes of returning students. The actual rate for fiscal 2017 will also be heavily influenced by enrollment responses from our incoming first year class. We would like to note that Admissions has indicated that overall we are on target with respect to deposits for that incoming class. Given our deposit deadline for Regular Decision students of May 1st, as of the time of this report we are unable to provide full details regarding the class size, composition and the status of financial aid awards accepted for this pool of incoming students. At our next meeting we will be providing an update on this most important information.

We have made several other adjustments in our proposed Operating Budget for Fiscal 2017. While we have maintained the same three percent rate of increase, we are now estimating lower Skidmore Fund gifts based on the lower giving level that we are experiencing in the current year. Given current endowment market value information, we have also reduced our core endowment takeout projection and are now predicting that it will be equal to the current year. This assumption seems appropriate given the market volatility we are currently seeing.

As mentioned previously, timing of important new initiatives approved in fiscal 2016 for admissions and marketing & communications have caused us to propose a larger services & supplies budget than was preliminarily presented since those expenses are now expected to be incurred in Fiscal 2017. Somewhat offsetting this increase is an anticipated decrease in utilities expenses.

Beau Breslin will report on the American Association of University Professors (AAUP) faculty salary data at today's Faculty Meeting.

6. Center for Integrated Sciences (CIS) Funding Proposal

President Glotzbach and Dean Breslin began the discussion on the importance of the CIS project whereby all ten science and math disciplines will be co-located in the Center, solidifying Skidmore's reputation in creativity and innovation in the sciences by sharing key research and teaching resources, retaining faculty, and recruiting students in science and math. They informed IPPC of the CIS Working Group, consisting of President Glotzbach, Beau Breslin, Mike West, Kim Frederick, and Trustees Linda Toohey, Scott McGraw, Jon Brestoff-Parker, and Barbara Kahn Moller.

President Glotzbach distributed a draft of CIS Scenario 6a, which is the result of many discussions and revisions to determine funding for this project. Scenario 6a is the most recent version which outlines funding that has already been spent, allocated, or pledged; the amount to consider borrowing; transfers to capital from over-enrollment and other transfers as well as capital budget dollars; fundraising, and additional ideas proposed for consideration.

Beau Breslin provided further details and answered questions on each of the proposed funding sources (noting that the proposed figures are based on the premise of continuing over-enrollment and no economic recession), the effect of borrowing on the College's bond rating, the risk factor (low, medium, high) associated with each of the funding options, and the escalation of costs to this project if it is further delayed.

Due to time limitations, this agenda item will be carried over to the next IPPC meeting on May 13. The discussion will include fundraising for this project and more information on when the College's current debt expires. It was also acknowledged that a sensitivity analysis will need to be done as one more step in the process of gathering additional information.

President Glotzbach asked for confidentiality on this issue to allow the CIS Working Group to continue gathering financial data before it is shared more publicly, which should be shortly.

The meeting adjourned at 12:00 noon.

Please notify the President's Office of any changes to these minutes.