

**INSTITUTIONAL POLICY AND PLANNING COMMITTEE**  
**MEETING MINUTES**  
**December 1, 2017**  
**10:30 a.m.**

**PRESENT:** Cerri A. Banks; Erica Bastress-Dukehart; Mary Lou Bates; Beau Breslin; Grace Burton; Paul Calhoun; Sean Campbell; Bill Duffy; Max Fleischman '19 (for Kira Geary '18); Greg Gerbi; Philip A. Glotzbach, Chair; Tim Harper; Lisa Hobbs; Hèdi Jaouad, James Kennelly, Vice Chair; Kris Leggiro; Martin Mbugua; Crystal Moore; Eric Morser; Levi Rogers; Joseph Stankovich; Michael D. West; and Joshua C. Woodfork.

**Guests:** Kyle Bernard and Kelley Patton-Ostrander.

Called to order at 10:30 AM.

**1. Approval of Meeting Minutes**

IPPC **approved** the minutes from the November 17<sup>th</sup> meeting.

**2. TED Talk:** Anne Lamott, “12 Truths I Learned from Life and Writing”

Jim Kennelly and Tim Harper selected the *TED Talk* for this meeting. They noted that in this time where we are questioning truth, it is appealing to witness one’s clarity over items that we really know as “truths.” Jim appreciated the message that we all have a story to tell in our own voice and what we lose when it is not shared in some way. Tim offered that the message he took away was that when you think about life, consider what we should really let bother us. When one looks at history, generations have endured a lot, and we should keep that in mind.

Max Fleischman and Kris Leggiro will present the *TED Talk* on 12/15. Joe Stankovich and Levi Rogers volunteered for the first IPPC meeting next semester, February 2.

**3. IPPC Subcommittee Check-In**

Joshua Woodfork reminded the committee that in the past, based on a request from FEC, the IPPC subcommittees were asked to consider the following questions: do we have the right subcommittees? The right memberships? Are the committees working as efficiently and effectively as possible? He indicated that for the meeting today, he is asking committees the following: Do you have any spots unfilled? Do you have a meeting schedule? Do you have any items of which IPPC should be aware?

- Subcommittee on Budget and Finance: Mike West, chair

Mike reported that the committee views the IPPC as part of shared governance. All spots on the committee are currently filled. The committee meets regularly as needed, and has met five times to date. They have no major concerns to report at this time, however, during the breaks and over the summer there are instances in which it can be challenging to meet the goals of the College and the IPPC.

- Campus Sustainability Subcommittee (CSS): Levi Rogers, chair

Levi reported that there are no open spots on the committee. They meet one to two times per semester, although working groups meet more frequently to work on specific goals. He noted that the committee is always looking to expand sustainability initiatives on the campus. They anticipate reporting to the IPPC next semester.

- Subcommittee on Student Affairs: Cerri Banks, co-chair

Cerri reported that the committee has not met this semester, although a few members have been working to develop the Smoking Policy. The committee has questions about who is on the committee, the timing of appointments and noted that they currently need one of the two faculty representatives on the committee. The committee will also review the overall charge and expectations of committee. Joshua indicated that the Faculty Executive Committee (FEC) waits for a formal request from the President's Office for faculty appointments, so the committee should let the President's Office know when they need a representative appointed. Grace Burton noted that she is the current faculty representative appointed by the IPPC.

- Committee on Intercultural and Global Understanding (CIGU): Hèdi Jaouad, co-chair  
Hèdi reported that the committee membership is complete. Phil recently appointed a non-exempt staff representative and their current student representative will serve another term. Regarding items of concern, he noted that the committee continues to support a Black Studies program and social justice center.

- Bias Response Group (BRG, a subcommittee of CIGU): Luis Inoa, chair  
Joshua reported that this group is still working on membership and is considering ways to fulfill its charge. Over the last couple of years, the group has been focused on responding to individual complaints. In the Spring semester, the group will return to its other charge around prevention and education, particularly with the previously work begun on reviewing our policies that have the unintentional consequence perpetuating bias.

- Subcommittee Responsible Citizenship (SRC): Eric Morser and Michelle Hubbs, co-chairs

Eric reported that the committee is working well, and membership is good, although they need to add a student. The committee meets twice a month, and is ramping up various activities. They are currently considering whether it would make sense to invite another faculty representative. The committee is also considering its role as an IPPC subcommittee versus what it would look like as an administrative group and will discuss this further in the spring.

- Assessment Subcommittee (AS): Beau Breslin and Sarah Goodwin, co-chairs  
Beau reported that this committee has not met yet. They just appointed a faculty member, so membership is currently full. He noted that assessment is currently in flux, with Sarah stepping down and Lisa Christensen's departure, so going forward the committee will need to ramp up assessment work on campus.

- Space Planning Working Group (SPWG): Dan Rodecker and Loretta Greenholtz, co-chairs

Joshua reported that this group is currently looking at membership and will be reporting to the President's Office next week to discuss. They have been meeting and are doing good work managing space needs and available resources.

- Enrollment Management Group (EMG): Mary Lou Bates, chair  
Mary Lou noted that this is an administrative committee appointed by President's Cabinet, and membership has been full, with one open spot based on the retirement of Sue Layden. This year they have been working on a retention study and are currently evaluating that report.

#### **4. Operating Budget Results for FY '17, Operating Budget Updates for FY '18, and Preliminary Discussion of Key Budget Assumptions for FY '19**

Michael West welcomed Kelley Patton-Ostrander (Director of Financial Planning and Budgeting) and Kyle Bernard (Controller and Associate Treasurer) to the meeting, and asked that they provide the Committee with an update and overview of the Operating Budget Results for FY '17, and an Operating Budget Update for FY '18.

##### Audited Financial Results

Kyle first called the Committee's attention to Skidmore's audited financial statements for the year ended May 31, 2017, which had been distributed in advance of the meeting. Kyle summarized the independent auditor's report noting that the College received an unmodified (clean) opinion with no management letter comments or findings. Kyle thanked his staff in Financial Services for their hard work in achieving these results and also the members of the Financial Aid Office for their efforts on the federal financial aid compliance component of the audit. President Glotzbach thanked Kyle, his team members, and others for their excellent work in receiving no audit findings this year.

Kyle then reviewed the College's statements of financial position highlighting the major changes year over year and matters of significance, including but not be limited to investment performance, operating revenues and financial aid. Kyle noted overall that the College's balance sheet is stronger than in the prior year and that net assets increased by \$48.9 million or 9.0% to \$594.8 million, largely the result of favorable operating and investment results. Kyle then reviewed in detail the College's statements of activities highlighting tuition and fee revenues, financial aid, net tuition revenue, total operating revenue, total operating expenses, non-operating revenues and expenses and other matters of significance. Kyle then briefly referenced the statements of cash flows, notes to the financial statements, and other disclosures required under generally accepted accounting principles. Michael and Kyle then responded to questions from Committee members on matters including but not limited to investment performance, our retiree health plan liability, financial aid, net tuition revenue, and capital expenditures.

##### FY '17 Operating Budget Results

Kelley then called to the Committee's attention that for FY '17, we achieved an operating budget surplus of \$1.2 million (or 0.8%), excluding over enrollment net revenues. She noted the following:

- Endowment Takeout, Campaign Support reflects recommendations made earlier by the Investment Committee shared with the Budget, Finance and Infrastructure Committee and the Trustees concerning our relatively high endowment spending rate compared to our peers and the industry. This year given the favorable operating budget surplus, we have not needed the special additional spend rate to support the Campaign.
- Auxiliary Margin was slightly unfavorable by \$0.3 million due to room and apartment revenue that was less than planned.
- Total Compensation was close to our estimate (within .6%), but was slightly unfavorable overall. Salaries and wages were lower with more open positions having remained unfilled than anticipated, but benefits expenses were higher. In particular, our health care expense for active employees was greater than estimated earlier. Skidmore is self-

insured, as are most of our peer group, and this past year claims were larger than planned (particularly related to specialty drugs).

- Services & Supplies were slightly favorable by \$0.7 million due to lower spending associated with the Campaign (\$0.3 million), as well as lower-than-anticipated expenses associated with our study abroad programs. In particular, the expenses associated with our program in Spain (for which we partner with Tufts University) were substantially less than planned (\$0.3 million).

Student over enrollment of 95 students provided \$4.3 million of additional net revenue, and was very close to the May estimate. She reported that as we have done in prior years, we purposely keep this net revenue separate from regular, ongoing operating budget activity so as not to become dependent upon it to support our ongoing operational needs.

### FY '18 Operating Budget Update

Kelley then called to the Committee's attention an update on the FY '18 Operating Budget. Now that we have welcomed our incoming class to campus and the academic year gets underway, we have some notable operating budget updates to provide.

Financial aid is reflected higher than budget, with an estimated discount rate of 38.1% vs. the budgeted rate of 37.7% (or \$420,000 additional expense above the line). Our budget contemplated that 40% of the incoming class would be aided, but in fact nearly 42% of this class is aided. We do tend to see fluctuations year-to-year in the proportion of the class aided (e.g. 40% for the class of 2020, 36% for the class of 2019 and 45% for the class of 2018), and continue to monitor this closely along with the offices of Admissions and Financial Aid.

Our Current Estimate also reflects an increase in health care expenses for active, non-union faculty and staff health care expense based on FY '17 experience. Assuming a 6% increase over prior year expense, we feel our health care expense could be \$700,000 unfavorable to budget. We believe some other benefits expenses (namely, tuition exchange and workers' compensation) will be favorable, helping to mitigate this unfavorable situation. The number of covered lives in our health insurance plans has increased, as has utilization, particularly of specialty drugs which are very costly. We are working to explore options for managing our self-insured plans, including possible adjustments to our stop loss insurance coverage and examination of the parameters for specialty drug utilization.

In order to keep our operating budget in balance, we have reduced the contingency at this time from the budget of \$1.0 million to \$685,000.

From an enrollment perspective, we anticipate additional net revenue from over enrollment of \$2.9 million, associated with 65 students, compared to budgeted over enrollment net revenue of \$2.3 million based on 50 students.

Michael and Kelley then responded to questions from Committee members on these matters.

### FY '19 Operating Budget Preliminary Planning

With respect to FY'19, Kelley and Michael noted that discussions about the key operating budget assumptions will begin shortly and that we will revisit and possibly revise some of these assumptions. These will be discussed and reviewed in detail at the upcoming Trustee Winter

Budget Workshop in early February 2018. The following additional background information has been included:

- FY '17 Tuition, Fees, Room and Board data for the 75 most expensive private colleges in the U.S.,
- Peer Comparison Group: Tuition, Fees, Room and Board
- Peer Comparison Group: Faculty Salaries
- Peer Comparison Group: Faculty Compensation
- Peer Comparison Group: Endowment and Endowment per Student

#### Treasurer's Report

Michael called attention to the Treasurer's report that was shared earlier and noted the view presented for the financial outlook for the College. He also reported on several key possible impacts of the current tax reform bill, particularly on tax exempt borrowing and charitable contributions.

Michael thanked Kyle and Kelley for their excellent work.

#### **5. Call for Agenda Items: December 15 and Next Semester**

Phil reported that the Smoking Policy will be announced during the Faculty Meeting today and communicated via email to campus community this afternoon. He reminded the committee that the *Skidmore Cares* Open House is this afternoon and encouraged all to bring their donations to Scribner House.

Upcoming agenda items:

Continued discussion of Key Budget Assumptions for FY '19

COACHE Collaborators Mass Email List Policy

The meeting adjourned at 11:40 a.m.

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