

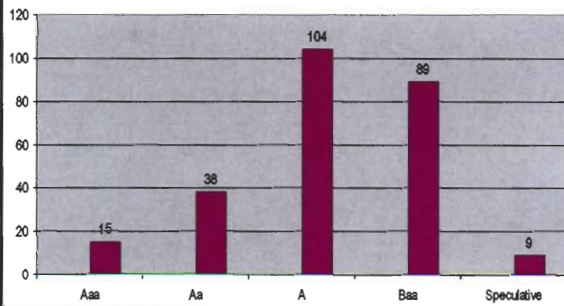
Skidmore College Faculty Report

May 2006

SELECTED MOODY'S FINANCIAL RATINGS

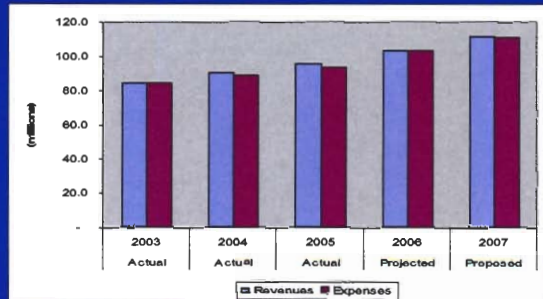
Swarthmore	Aaa	Franklin & Marshall	A1
Williams	Aaa	Trinity	A1
Amherst	Aa1	Connecticut C.	A2
Wesleyan	Aa2	Gettysburg	A2
Bowdoin	Aa3	Skidmore	A2
Middlebury	Aa3	Union	A2
Vassar	Aa3	Wheaton	A2
		Bard	A3

Private College Rating Distribution Moody's
Skidmore College Current Rating A2



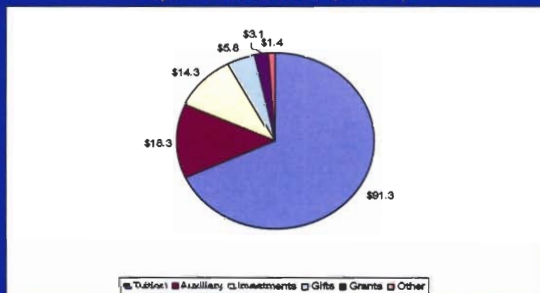
Operating Budgets

Fiscal Year



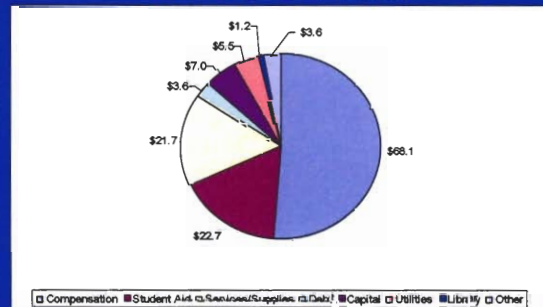
Operating Budget Revenues

Proposed Fiscal 2007 (millions)



Operating Budget Expenses

Proposed Fiscal 2007 (millions)



Key Operating Statistics

Peer Endowments

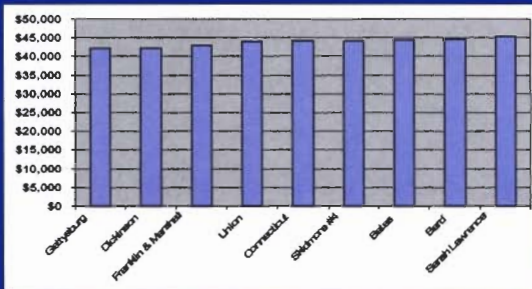
Prior Year Data

College	Total (millions)	Per Student (thousands)
Franklin & Marshall	\$ 298.6	\$ 154.5
Union	291.8	134.4
Gettysburg	220.0	89.8
Dickinson	206.2	89.6
Connecticut	164.8	88.5
Skidmore*	196.6	79.7
Sarah Lawrence	52.0	33.7

* Skidmore as of March 31, 2006 is \$220 million, 81% to median of peer group

Selected Tuition and Fees

Fiscal 2007



Compensation Budget

- General Salary Increases History

FY 02	FY 03	FY 04	FY 05	FY 06	FY 07 (Recommended)
3.5%	3.0%	0.0%	4.0%	3.0%	5.0%

- In fiscal 2006, market, equity and promotion adjustments including full benefits were \$372,000 for faculty, academic support \$90,000 and \$319,000 for administrative professional and support staff.

Faculty Salaries

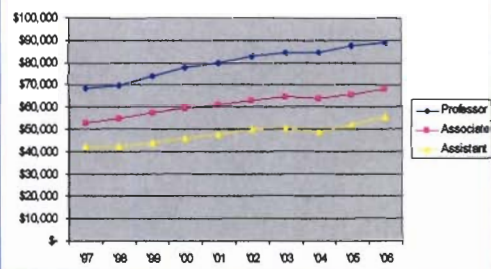
Fiscal 2006

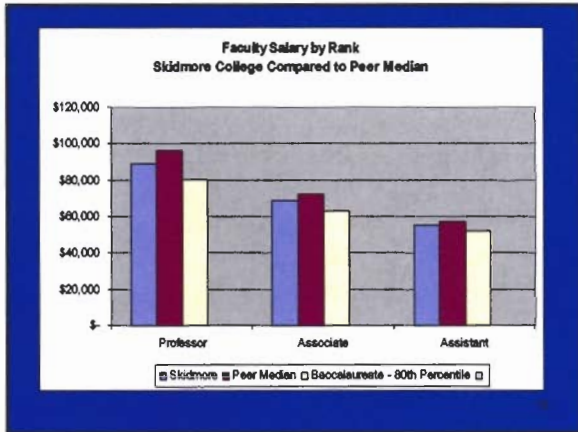
Skidmore	Average	Rank	%	Continuing	Median%
Full	\$89,023	15	1.5%	3.8%	92%
Associate	68,876	12	4.2%	4.5%	95%
Assistant	55,394	14	6.7%	12.9%	96%

GSA for fiscal 2006 was 3.0%

Ranking and median for Full was #14 and 94% in '05
 Ranking and median for Associates was #14 and 95% in '05
 Ranking and median for Assistants was #15 and 94% in '05

Average Salary of Skidmore College Faculty by Rank Fiscal 1997 - 2006





Budget Challenges

Due to the economy, Skidmore is experiencing financial pressure from the combination of

- Increased student financial need;
- Competitive faculty and staff salaries;
- Increased costs for utilities up 86% since 2003, health care projected increase 13%, prescriptions projected increase 15% -20% and other insurance

In addition, the College faces challenges with new requested positions, space, and technology needs

Basic Guidelines of our Budget Process

Conditions for financial equilibrium

- Balance budgets annually
- Balance projected income and expense
- Preserve human resources values
- Preserve the useful life of physical plant
- Preserve the purchasing power of the endowment

Proposed Budget

Item	Assumptions 2007
Inflation	3.0%
Tuition/Fee Increase	5.9%
Student Enrollments (NFE) <i>Incr 6%</i>	2,280*
Endowment Total Return	8.0%
Endowment Spend Rate	5.0%
Financial Aid Growth	8.4%
Annual Gifts	\$5.8 million

* Approximate current student enrollment, target is +/- 15 students

Proposed Budget

Item	Assumptions 2007
Salary Pool Increase*	
Faculty	5.0%
Staff	5.0%

*Plus selected market, equity and promotion adjustments per third year of four year compensation plan totaling \$900,000 fiscal 2007.

The previously scheduled second phase of employee cost sharing for medical plans is deferred again to the following year.

Proposed Budget

Academic Initiatives

- Four newly budgeted faculty positions
Math & Computer Science, Sociology & Social Work, Philosophy & Religion, and Art
- Writer in Residence Program for three years
- Conversion four adjunct to full-time contract faculty positions
- Other new academic positions: technical support for art, academic environmental safety officer and chemical stock keeper.
- Increased support for Sponsored Programs to full-time position, increased academic support for Exercise Science
- Funding for First Year Experience and Environmental Studies Program

Proposed Budget

Other Initiatives

New position in Information Technology for academic software and systems support

Other academic initiatives totaling \$71,000

New full-time position for Women's Lacrosse Coach and funding to improve workload distribution of instruction and coaching staff

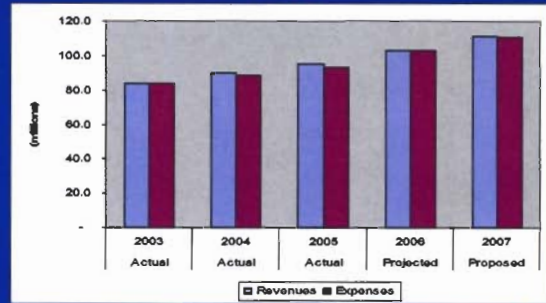
New custodial position for new Dining Hall Program

Summary of New Initiatives

Total New Initiatives \$726,000, of which 75% are directly academic

Operating Budgets

Fiscal Year



Operating Revenues

in millions

Revenues:	Estimated	Proposed	Increase
	2006	2007	on Estimated
Tuition	\$ 69.5	\$ 77.5	12%
Financial Aid	(19.8)	(22.7)	8%*
Net Regular Tuition	49.7	54.8	10%
Other Tuition	13.2	13.8	5%
Auxiliary	17.4	18.3	5%
Investments	13.7	14.3	4%
Gifts	5.6	5.8	5%
Grants	2.3	3.1	35%
Other	1.3	1.6	23%
Total	\$ 103.2	\$ 111.5	8%

Operating Expenses

in millions

Expenses:	Estimated	Proposed	Increase
	2006	2007	on Estimated
Compensation	\$ 63.4	\$ 68.1	8%
Services/Supplies	20.8	21.6	4%
Debt	3.7	3.6	-1%
Capital	6.7	7.0	4%
Utilities	5.2	5.5	4%
Library	1.1	1.2	3%
Other	2.3	3.1	35%
New Initiatives	-	7	-
Total	\$ 103.2	\$ 110.8	7%

Operating Budget – Summary

in millions

	Estimated 2006	Proposed 2007
Excess of Revenues over Expenses	\$0	\$ 8
Enrollment Over Plan – Net Tuition	\$3.2*	\$0

*\$1.6 million Designated for Capital Projects

Summary

- Challenges
 - Need to be competitive with faculty and staff salaries
 - Intense competition for students
 - Limited pricing power
 - Financial markets volatile
 - Fundraising environment difficult
 - Significant investments required in facilities and technology

Sustaining Financial Health

- Control growth rates of expenses and selectively reduce certain programs and services while maintaining the integrity of our mission
- Improve fundraising capacity from alumni and other supporters
- Improve retention including balancing enrollments between semesters
- Annual review of all new programs and regular review of all established programs
- Balance budgets annually