

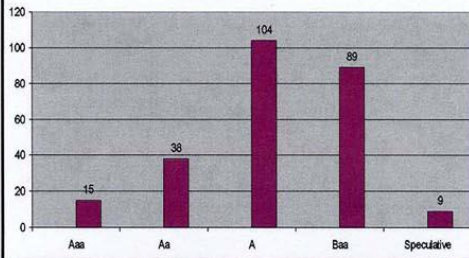
Skidmore College Budget Report

May 2007

SELECTED MOODY'S FINANCIAL RATINGS

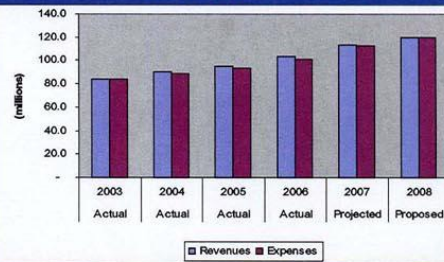
Swarthmore	Aaa	Franklin &	A1
Williams	Aaa	Marshall	
Amherst	Aa1	Trinity	A1
Wesleyan	Aa2	Connecticut C.	A2
Bowdoin	Aa3	Gettysburg	A2
Middlebury	Aa3	Skidmore	A2
Vassar	Aa3	Union	A2
		Wheaton	A2
		Bard	A3

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



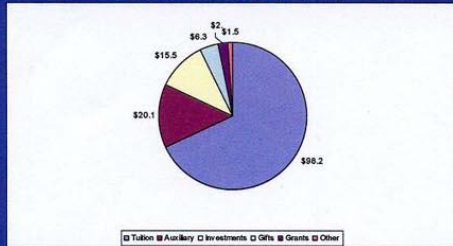
Operating Budgets

Fiscal Year



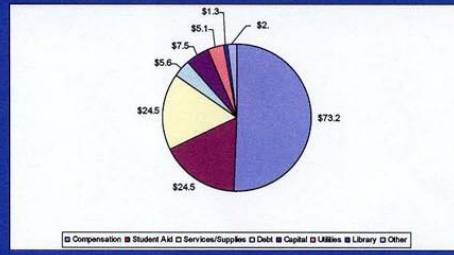
Operating Budget Revenues

Proposed Fiscal 2008 (millions)



Operating Budget Expenses

Proposed Fiscal 2008 (millions)



Key Operating Statistics

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Peer Endowments

Most Recent Year Data (2006)

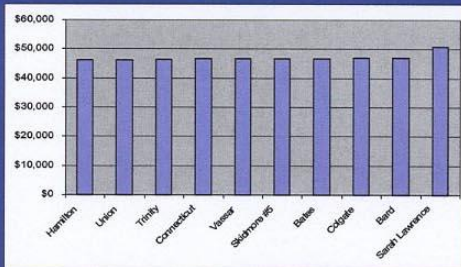
College	Total (millions)	Per Student (thousands)
Franklin & Marshall	\$ 321.1	\$ 158.6
Union	315.6	141.8
Connecticut	192.5	104.1
Dickinson	242.0	103.9
Skidmore*	222.1	88.6
Gettysburg	233.8	88.5
Sarah Lawrence	62.6	38.7

* Skidmore at March 2007 is \$272 million

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Selected Tuition and Fees

Fiscal 2007



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Compensation Budget

General Salary Increases History

FY 03 FY 04 FY 05 FY 06 FY 07 FY 08 (Recommended)
3.0% 0.0% 4.0% 3.0% 5.0% 4.0%

Comprehensive Compensation Framework for Fiscal 2005, 2006, 2007, 2008 provided an additional salary and benefits pool of \$500,000 each year.

Faculty Salaries

Fiscal 2007

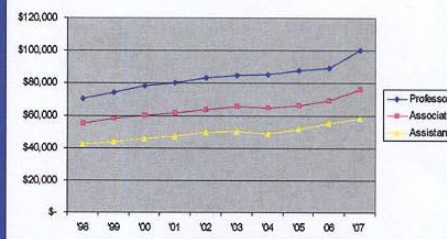
Skidmore	Average	Rank	%	Median%	Continuing
Full	\$99,890	10	12.2%	99	11.2%
Associate	75,902	8	10.5%	101	11.1%
Assistant	58,359	12	5.4%	99	11.3%

GSA for fiscal 2007 was 5.0%

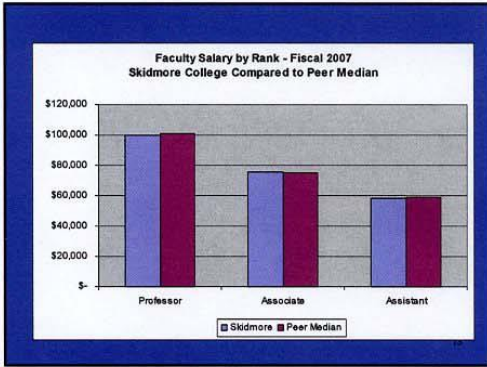
Ranking and median for Full was #15 and 92% in '06
Ranking and median for Associates was #12 and 95% in '06
Ranking and median for Assistants was #14 and 96% in '06

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Average Salary
Skidmore College Faculty by Rank
Fiscal 1998 - 2007



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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 approximately 75% 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 2008
Inflation	3.0%
Tuition/Fee Increase	5.5%
Student Enrollments (NFE)	2,280*
Endowment Total Return	8.0%
Endowment Spend Rate	5.0%
Financial Aid Growth	10.2%
Annual Gifts	\$6.3 million

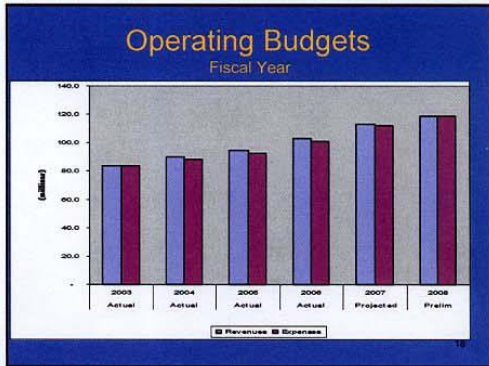
- Target is +/- 15 students
- Estimated Over enrolled 42 students to 2,280 by 2010.

Proposed Budget

Item	Assumptions 2008
Salary Pool Increase*	
Faculty	4.0%
Staff	4.0%

*Plus selected market, equity and promotion adjustments per fourth year of four year compensation plan totaling \$600,000.

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



Operating Budget – Summary

in millions

	Projected 2007	Proposed 2008
Excess of Revenues over Expenses	\$ 9	\$ 0
Enrollment Over Plan – Net Tuition	\$1.5	\$1.1

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