

**INSTITUTIONAL POLICY AND PLANNING COMMITTEE
MEETING MINUTES
November 21, 2008**

PRESENT: President Philip Glotzbach, Chair; Mary Lou Bates, Rochelle Calhoun, Michael Casey, Winston Grady-Willis, Ann Henderson, Susan Kress, Kim Marsella, Dan Nathan, Muriel Poston, Phyllis Roth, Jeff Segrave, Justin Sipher, Michael West, Mark Huibregtse, Barbara McDonough, Mary Cogan; Alex Stark; Barbara Krause (Secretary).

ABSENT: Professor Sue Bender, Vice Chair; Jackie Shydowski .

GUESTS: Barbara Beck, Mike Hall, Kelley Patton-Ostrander.

1. Welcome New Student Member

President Glotzbach welcomed Alexandra Stark '11. Alex will join IPPC as an SGA-appointed student representative.

2. Approval of Minutes

Minutes from the meeting of October 24, 2008 were approved as distributed.

Minutes from the meeting of November 3, 2008 were approved with the following change:

Item 4 (Fiscal Year 2010 Budget) second paragraph, final sentence should read as follows: "President Glotzbach affirmed that for the current year, the guidance to Admissions would be to not miss low."

3. FY09 Budget Reductions

Vice President Mike West distributed a handout showing FY '09 Operating Budget projections updated as of November 19, 2008. In comparison to previous projections for the current fiscal year, the most recent predictions show an additional projected endowment decline and an increase in the projected financial aid budget. He reported that the President's Cabinet has targeted reductions of \$1.3 million in services and supplies. He noted that market declines over the past two months have been significant, thus the projection for further decreases in the endowment. December 31, 2008 is a key date in terms of valuing the endowment and determining income from endowment to be reflected in both the current and next next year's budgets.

Dean of Admissions and Financial Aid Mary Lou Bates reported that Early Decision Round One applications are running at about the same level as two years ago. It seems likely that last year's extremely positive results may have been a temporary "bump", possibly due to Skidmore's recognition as a "New Ivy" in the fall of 2006. The Admissions Office will look very carefully at early decision applicants and will admit as many students as possible from that group, taking into account the desired academic strength and financial aid needs.

Comments from IPPC members related to the current fiscal year budget included the following:

- Spring registration is coming to a close, and approximately 20-30 students have not yet re-enrolled. That figure compares to a number of about 40 that is typical for January. It appears that some seniors may choose to enroll on a part-time basis in order to save money; some juniors are asking about summer enrollment in an effort to complete their degrees one semester early.
- Balances on student accounts for this fall are only slightly larger than in past years. To the extent that faculty or staff members become aware of students who are not returning or who otherwise are expressing concern about ability to pay, those students should be encouraged to meet with Bob Shorb or someone in the Financial Aid Office.
- A faculty member noted that the academic strength in recent years has been noticeable in the classroom; she expressed hope that the College could maintain this level of academic strength.

4. FY10 Budget Planning Process

Vice President West then provided an overview of the budget planning process for fiscal year 2010. On the revenue side, approximately 80% of the College's budget comes from tuition, room, and fees with approximately 12.5% from the endowment. On the expense side, approximately 50% relates to compensation (including benefits) and approximately 17.5% to student aid.

Mr. West noted ways in which the national economy has affected Skidmore, including loss of endowment earnings and value, marginal returns on short-term investments, lower levels of giving to the Annual Fund, and a projected increase in student financial need. He noted that as of November 20, 2008, the S&P 500 was down 48.8% for the year.

Mr. West identified the following areas as key to the College's comprehensive financial planning: operations, endowment, physical plant, gifts for operations and capital, and debt service. He then reviewed factors that have a significant impact on the College's budgeting, as well as various strategic issues that must be determined as the

budget is prepared. He next reviewed a preliminary budget scenario based upon various assumptions related to inflation, the tuition and fee increase, endowment return and spending rate, financial aid, services and supplies, and capital projects. He noted that the preliminary budget scenario calls for a 10% reduction in services and supplies generally, with a reduction of only 5% in areas that directly support delivery of the academic curriculum. It is essential to achieve these baseline reductions – reductions that will carry forward into future budget years – in order to address the structural deficit presented by the current economic situation.

Mr. West then reviewed other specific numbers associated with the various assumptions, including the proposed salary pool increase for faculty and staff. He asked that IPPC members treat this information as confidential in order to allow for appropriate conversations throughout the College.

President Glotzbach distributed a document listing a series of guiding principles that would guide the College's budget planning. The document also described a number of specific steps the administration proposes to take in the immediate term in order to address the budget situation. President Glotzbach indicated his intent to distribute these principles and bullets as part of a communication to the community, and he invited comment from IPPC members. Comments and suggestions included the following:

- With respect to minimizing the impact on regular full-time employees, the document should specifically indicate a desire to retain the current cost-sharing policy for health care.
- Express the desire to protect the student experience as protecting the “core” educational experience.
- Describe the commitment to achieving a balanced budget as part of an overall framework rather than as an individual principle.
- There was conversation about the extent to which class enrollments could affect the quality of the educational experience.
- There was conversation about faculty workload concerns and expectations beyond core teaching obligations.
- A suggestion was made to reflect in the principles an understanding that the community as a whole feels the impact of this situation and must work together to resolve the issues.
- Members expressed a variety of views on the proposed strategic hiring freeze.
- Members suggested a clarification of the academic activities that would be targeted for reductions of an additional 5% (rather than the additional 10%

applicable to other areas). It was suggested that the 5% reduction level apply to activities directly related to delivery of the academic curriculum.

- It was noted that any time any area is “protected” from further budget reductions, that protection puts pressure on another area of the budget.

President Glotzbach noted that open community meetings have been scheduled for December 4, and the Faculty Meeting is scheduled for December 5. He anticipates that Mr. West will do a similar presentation at all of these meetings.

5. Process for Seeking Community Input

President Glotzbach invited suggestions on how the administration could encourage members of the community to share ideas for cost-saving measures. Barbara Krause, Justin Sipher, and Mary Cogan will serve as a subcommittee to solicit this feedback. Guidelines suggested by IPPC members included the following:

- Encourage both electronic and hard-copy (i.e., suggestion box) submissions.
- Express a preference for people to sign their names, but allow anonymous submissions.
- Encourage people to reflect on their own areas and/or areas with which they have personal experience.
- Be clear that there is no expectation of a response.
- Be clear that there is no expectation that every idea will be fully explored.
- The idea of an on-line chat room or interactive mechanism was strongly discouraged.

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