INSTITUTIONAL POLICY AND PLANNING COMMITTEE
MEETING MINUTES
December 18, 2009

PRESENT: Professor Adrienne Zuerner, Vice Chair; Mary Lou Bates, Rochelle Calhoun, Michael Casey, Winston Grady-Willis, Ann Henderson, Susan Kress, Kim Marsella, Erica Bastress-Dukehart, Muriel Poston, Justin Sipher, Michael West, Tim Harper, Hugh Foley, Anne Petruzzelli, and Barbara Krause (Secretary).

ABSENT: President Philip Glotzbach, Chair; Jeff Segrave, Mary Cogan, Raina Bretan, James Welsh.

1. Approval of Minutes

Minutes of the December 4, 2009 meeting were approved as distributed.

2. Budget Planning – Major Parameters (Tuition and Financial Aid)

Vice President for Finance and Administration Michael West began the budget presentation with a report on the voluntary Early Retirement Incentive Program. Thirty-eight (38) eligible employees elected to take advantage of this program, including 11 instructional faculty (tenured and non-tenured), 16 Administrative/Professional, and 11 Support Staff. He noted that the College made every effort to develop and implement a program that was as generous as possible within the College's economic means. The program was part of the effort to lower payroll costs at a time when the College must reduce its operating budget. The savings attained from this program occur largely from the fact that many of these positions will not be replaced and from compensation savings associated with replacements of senior faculty positions with assistant professors. He noted that the positive response to the program will be very helpful as the President and Cabinet develop budget plans for FY '11. A communication regarding the ERIP will be sent to the College community later in the day.

Mr. West acknowledged the excellent work of Barbara Beck, Associate Vice President for Finance and Administration and Director of Human Resources, and her team in developing and implementing the ERIP program. Members of IPPC join Mr. West in acknowledging this good work and thanking the Human Resources team for their excellent work.

Mr. West then distributed various materials to provide a general context for the FY '11 budget planning discussions. Among the materials distributed were a list of the "Most Expensive Colleges for 2009-2010" as published on campusgrotto.com; the College Board listing of selected tuition, fees, room and board data ranked by total cost; and the list of tuition, fees, room and board for our peer comparison group for FY '10. Skidmore is ranked respectively on those lists at 5th (it is noted that campusgrotto report is incorrectly compiled from various college web sites and other sources), 14th (and 16th in a more complete listing), and 5th (of 16 peers). He noted that within our peer comparison group, Skidmore has been slightly above the mean and the median for approximately the past 5 years.

Mr. West also distributed information from the Bureau of Labor Statistics tracking the Computer Price Index by month over the past decade. He noted that Skidmore's FY '11 budget planning projections so far have assumed an increase in the Consumer Price Index of approximately 2%. The CPI, however, was negative for most months in 2009; it was only during the month of November that the annualized increase began to approach 2% (1.8% for November).

Mr. West then distributed a confidential worksheet showing various proposed scenarios for tuition and fees and financial aid. Due to concerns about price sensitivity and the College's "discount rate" for financial aid, the Cabinet's planning to date has focused primarily on these two major budget parameters.

Questions and comments on the multiple scenarios outlined in the confidential worksheet included the following:

- There was discussion about the relationship between the increase in tuition/fees and the increase in financial aid. The correlation is not direct, but the models generally assume that the percentage increase in financial aid will be at least the same percentage as the increase in tuitions and fees.

- One member asked about the impact of the various scenarios on applications – in particular, how price sensitive the applicant pool is to substantial increase in tuition and fees. Dean of Admissions and Financial Aid Mary Lou Bates responded that she and her staff agree that Skidmore's ranking toward the top of the "most expensive" list is becoming more problematic. This is true, in part, because Skidmore also is less selective than many others at the top of those lists.

- One member asked if the College had a sense of what other institutions on the list would be doing with their fees and how likely it was that the College could drop in the "most expensive" rankings. Mr. West reminded members that antitrust laws prevent colleges from discussing their tuition and financial aid plans. He noted, however, that the Sage Colleges recently issued a public announcement of a 0% increase. Mr. West stated that in his professional judgment, other schools will feel the same pressure as Skidmore to present small increases in the comprehensive fee given the economy, its impact on families, and other factors. His staff, however, is continuing to explore various scenarios and projections to determine what be might required for Skidmore to move down the list.

- A member asked whether Skidmore is able to measure our applicants' ability to pay. Dean Bates responded that last year, the College received a record number of applications indicating that financial aid was requested. She also noted that her office has received various inquiries that suggest merit aid is playing a role in the choices students are making.

- Mr. West noted that notwithstanding problems and controversy related to the *U.S. News and World Reports* rankings, families do pay attention to those lists. He noted that

Skidmore is tied at 46 with 3 other institutions (i.e., tied at positions 46, 47, and 48) and that those institutions are just slightly ahead of the last two institutions on the top-50 list. One member suggested that being listed in the top 50 in quality, but the top 5 in price, creates a problematic public perception for some (perhaps many) readers.

- In response to a question, Mr. West confirmed that over-enrollment revenues are not calculated into the various planning scenarios and that over-enrollment revenue is a potential offset against various expenditures.

- In response to a question, it was noted that the average Skidmore grant package projected for FY ’10 is approximately $26,875. This means that for every percentage increase in the comprehensive fee number, approximately 36 financial aid packages are required.

- One member asked how the College would address the differences in net revenue resulting from the various scenarios. Mr. West responded that the differences would need to be addressed in a variety of ways that might include reduction or elimination of work and services, decreasing or eliminating funds for new initiatives, establishing a smaller contingency fund, or a variety of other options.

Mr. West next distributed a document projecting various changes in the comprehensive fee and financial aid over the FY ’11 to FY ’15 period. It was emphasized that other planning parameters (e.g., General Salary Adjustment, new-initiative pool, endowment spending rate, etc.) will influence further discussions.

Questions and comments with respect to this information included the following:

- Members discussed what scenarios might give the College the best chance to move out of the top 10 “most expensive” list. It was cautioned, however, that we do not and cannot know what our competitors will do; such discussions, therefore, remain speculative.

- In general, it is better for the College not to move quickly back and forth between relatively high and relatively low increases. At the same time, there is much greater uncertainty and variability for Skidmore and other colleges and universities at this time.

- It is unlikely that the College would be able to drop significantly down the list of most expensive colleges all in one year. It seems likely that we will be in a low-growth environment for the next several years.

- A Cabinet member noted that part of the balance in doing this planning relates to competing goals. The desire to move out of the most expensive list, for example, must be balanced against the importance of a financial aid budget sufficient to support our institutional goals related to accessibility and diversity.

- It also was noted that College employees did not receive a salary increase (GSA) this past year, and that presently we are not planning an increase for FY ’11 – in part, to minimize the number of non-voluntary reductions in force. Sustaining competitive compensation

for faculty and staff is also a goal represented in the *Strategic Plan*. Further, it is likely that many other colleges and our peers will have salary increases next year.

- One IPPC member asked about the difference between two particular models illustrated on the tuition, fees, and financial aid scenario sheet. The difference essentially relates to the tradeoff between a slightly more generous financial aid budget vs. a lower increase in comprehensive fee. There was some discussion about the various tradeoffs represented in those two scenarios.

In concluding this discussion, Mr. West asked if there was a consensus that the College should not spend any further time exploring the scenarios at either end of the spectrum. Members confirmed their support for exploring options within certain of the "middle" scenarios. Mr. West noted that there would be further conversation and modeling around the remaining options.

3. Town Hall Meeting Synthesis Group

Vice Chair Adrienne Zuerner invited feedback on the draft charge to the Town Hall Meeting Synthesis Group that was distributed in advance of the meeting. The group generally expressed support for the draft as distributed.

Questions and Comments included the following:

- The IPPC Synthesis Group will not review or attempt to integrate the off-campus Town Hall Meeting feedback, which had a different focus than the on-campus meetings.

- With respect to question three, asking about specific ideas that might be considered, it is understood that the Synthesis Group might identify such suggestions but would not make any judgments about whether the ideas should be implemented. Those decisions would need to be made by the President or the Cabinet member.

- It is understood that the *Strategic Plan* serves as a backdrop for this exercise, but that the Synthesis Group will focus on the data and identify appropriate themes within the data. The Cabinet will be the group to determine what strategic priorities should be pursued.

- It was noted that the notion of major themes is complex, since the different meetings had different compositions of faculty, staff, and students. In response, it was suggested that the Synthesis Group will look at the total responses of all groups, identifying what themes got the most support across all of the meetings. In addition, it was suggested that when feedback is solicited on the preliminary report, there may be some way to identify people's comments and feedback based on their constituent group.

It was noted that approximately 35 students participated in the SGA-sponsored student Town Hall Meeting. The idea receiving the most "more of" votes from that meeting was the "transition from Skidmore" (various articulations in different bullets). The idea receiving the most "less of"

votes related to reducing inefficiencies (meaning, in this context, enhancing sustainability efforts).

4. Feedback on Faculty Meeting Presentation of Employee Growth Statistics

At President Glotzbach's request, Vice Chair Zuerner asked the group for their thoughts on how the presentation on employee growth had been received at the faculty meeting. Comments included the following:

- One member had been under the impression that the President gave this report because there were more cuts coming.

- Another member agreed that there was some confusion about why the information was requested, and that it may have been lost on some people that the information was provided at the request of a faculty member. Beyond that, however, the information was presented in the interest of transparency. In an environment where cuts will be made, it is legitimate to understand the various ways in which we have grown. Cuts will be required but will not necessarily occur in the areas where growth occurred, since that growth was related to strategic priorities.

- One faculty member suggested that various members of the faculty were distracted by other important issues raised at the meeting.

- It was suggested that there may have been a disconnect for some people who have been hearing that we need to make cuts; people were waiting for that information to be presented heard, instead, how we have grown. It was noted, however, that the administration has provided significant information about how various targeted reductions are being met, including presentations by the Dean of the Faculty and the Vice President for Academic Affairs, at Faculty Meetings and Academic Staff meetings, regarding budget reductions in Academic Affairs.

- It was suggested that faculty members in general may have a sense that the administration has grown faster than the faculty. The President's presentation provided helpful information to understand that context.

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