

**INSTITUTIONAL POLICY AND PLANNING COMMITTEE**  
**MEETING MINUTES**  
**February 1, 2019**

**PRESENT:** Cerri A. Banks; Mary Lou Bates; Marta Brunner; Grace Burton; Lisa Hobbs; Bill Duffy; Max Fleischman '19; Greg Gerbi; Philip A. Glotzbach, Chair; Tim Harper, Vice Chair; Katie Hauser; Michelle Hubbs; Carolyn Lundy; Crystal Moore; Martin Mbugua; Jennifer Mueller; Donna Ng; Michael Orr; Levi Rogers; Abdul Shokur '21; Joseph Stankovich; Amy Tweedy; Joshua C. Woodfork.

**ABSENT:** Sean Campbell.

The meeting began at 10:33 a.m. at Falstaff's.

**1. President's Remarks**

President Philip Glotzbach welcomed to the committee Student Government Association (SGA) President Max Fleischman '19 and SGA Vice President for Financial Affairs Abdul Shokur '21. He called the group's attention to two items from the January 31 *Skidmore Weekly Bulletin*: first, that Skidmore had joined 23 other liberal arts colleges, and separately the NY6 consortium, in submitting two comment letters to Secretary of Education Betsy DeVos, addressing issues raised by proposed Title IX changes; and second, that Skidmore had signed the "We Are Still In" climate pledge, along with some 3500 other organizations.

President Glotzbach noted the upcoming 2018-2019 Higher Education Data Services (HEDS) Diversity and Equity Campus Climate survey on discrimination and harassment on campus. Joshua Woodfork, Vice President for Strategic Planning and Diversity, explained that the survey will be emailed to students, staff, and faculty on Monday, February 4, from President Glotzbach using a HEDS email address; he cautioned everyone not to mistake it as spam since it will look like an email from the President with an unfamiliar HEDS email address. He reminded the group that it is an anonymous survey and encouraged participation. He is working with the Committee on Intercultural and Global Understanding (CIGU) and representatives from Institutional Research, Institutional Effectiveness, Communications and Marketing, and the Inclusion Liaisons to boost student participation, including partnering with Student Affairs on having computers available at the upcoming February 6<sup>th</sup> Community Coffee hour.

President Glotzbach announced that Skidmore is now officially a smoke- and tobacco-free campus. Dean of Students and Vice President for Student Affairs Cerri Banks reported that over 300 people visited the related Case Center kickoff event on January 28, and said there may be a follow-up event later in the Spring. Along with the Implementation team, Chief Human Resources Officer and the Dean of Faculty's Office, she will be looking at the Student, Faculty and Staff *Handbooks* for placement of smoke-free policy information and enforcement regulations. President Glotzbach added that Human Resources has resources to help people quit smoking, and encouraged anyone trying to quit to reach out to HR.

**2. Approval of Minutes from December 14, 2018**

Accepted without change.

### **3. Admissions and Financial Aid Update**

Vice President and Dean of Admissions and Financial Aid Mary Lou Bates provided an admissions overview for the class of 2023, which included a summary and breakdown of applications received as of January 16, 2019. Dean Bates explained that, at this point, nearly 11,000 applications were received, which she noted was a record. The number of students seeking financial aid was also up, 77% from 74% last year. Dean Bates also provided information on the number and percentage of students of color, particularly African-Americans, and International applicants, noting that international student applications were down, which mirrors the larger trends across the U.S. and is potentially a result of messages being received around immigration and visas. She shared that she has heard Canadian colleges, by contrast, have seen a small surge in international students. The number of international students seeking financial aid was also higher overall, and Dean Bates reminded the committee that our financial budget for international students is very small. The number of Early Decision (ED) applications is trending a bit down this year. In recent years, about half of the incoming class was admitted through ED. The challenge is the increased demand for financial aid; next year, the college's tuition and fees will be over \$70,000. Under our admissions financial model and the need for net tuition revenue, one goal is to enroll more early decision students with smaller grant needs.

### **4. Strategic Framing for Budget Discussion**

President Glotzbach reminded the group that, as was stated last May at IPPC, and at the Community and Faculty Meetings, in this year's preface to the Strategic Action Agenda (SAA), and at the beginning of the Fall semester using the same messaging vehicles, IPPC would be more fully engaged in budget discussions. He briefly outlined the primary budgetary challenges: as Skidmore's tuition and fees continue to go up, the effect is a higher percentage of students needing financial aid. President Glotzbach enumerated the College's top three cost categories: first is salaries/wages and benefits, second is financial aid, and third is capital expenses. He mentioned that the College struggles to have net tuition revenue remain a positive number, with 2% as an ideal for our budget, but warned that if current outyear budget parameters stay the same, we will be face large budget deficits—an unsustainable situation. He called increasing the comprehensive fee “a double-edged sword,” and said that reducing it also reduces revenue from students who do not need financial aid. It is incumbent upon the committee to wrestle with these issues and how to communicate them beyond the group. While our financial position is strong now, there are important budget choices to be made in order to maintain it.

Against this background, the Center for Integrated Sciences (CIS) construction project is proceeding. Discussions have been ongoing since November on ways, previously not considered, to accelerate this project's completion that had not been considered before, and the Board of Trustees has been receptive to these ideas. Dean of the Faculty and Vice President for Academic Affairs Michael Orr has been in contact with Science Department chairs, as representatives of those community members most impacted by the project. Dean Orr reminded the committee that Associate Dean of the Faculty Pat Fehling acts as the CIS liaison.

President Glotzbach reminded everyone in attendance that working through the budget information involves sensitive information, particularly with various scenarios and budget levers being considered. He suggested that once the Board of Trustees has approved budgets, we report the overall budget parameters to the community.

Q: Examples of cost trade-offs with accelerating the CIS project?

A: Will be discussed during budget conversations.

## **5. Center for Integrated Sciences (CIS) Update/Q&A**

Vice President for Finance and Administration and Treasurer Donna Ng stated that since her arrival October 1, 2018, a lot of work on CIS planning has been done, including recent consultations with the Board of Trustees' Budget, Finance and Infrastructure (BF&I) committee, and continuing meetings between the Science faculty, Associate Dean Pat Fehling and Dean of the Faculty and Vice President for Academic Affairs Michael Orr. At the BF&I committee meetings on November 2018 and January 2019, she presented a range of options for completing all phases of CIS, including renovation of Old Dana, with available funds and a realistic fundraising target. VP Ng stated that without moving forward quickly with the renovation of Old Dana, the college stands to incur \$20 million in deferred maintenance costs that may be "undone" when the remaining phases of CIS are completed. Various approaches are being considered, however, nothing has yet been decided upon or approved by the Board of Trustees.

VP Ng's presentation continued with an overview of current project costs and funding status as currently envisioned in four phases, showing a funding shortfall total of \$59.2M. She defined the overarching strategy for completion: reduce project costs and find additional funding sources while ensuring that Skidmore's overall financials remain strong. She noted that it is her understanding that the Board members, in their fiduciary role, want a way forward that will protect the future of Skidmore, not jeopardize it for one particular project.

VP Ng laid out a plan to revise the four-phased construction to reduce project costs: combine East Wing and New Dana to one phase, with Old Dana renovation as a separate, next phase. The sequencing would be as follows: complete North Wing, build a swing space for occupants of buildings during renovations, tear down Harder Hall, construct the East Wing while renovating New Dana, and then renovate Old Dana.

The swing space was defined as a stand-alone structure, rather than rented trailers, with a tentative size of approximately 40k square feet, mostly classrooms and offices with a proposed site adjacent to parking lot of Falstaff's. The swing space structure would be pre-engineered on a slab, similar to North Hall. The result would be the same cost as leasing trailers (the current plan), the College would own the new building as an asset, and it would have potential for future use.

Q: Will the swing space have heating/cooling systems?

A: The details have not yet been worked out, but yes, it will have both.

Brief discussion followed regarding the benefit versus environmental impact of a permanent structure (clearing trees, putting down slab, etc.), whether the proposed location is too isolated, and the structure's usefulness in relation to the campuses overall space needs.

Q: How much is the potential savings of a permanent structure versus trailers?

A: Project cost is approximately the same. But, again, the trailers would go away after they were used, but the building would remain for other potential uses.

VP Ng continued discussion regarding a revised timeline and asked the group to consider the CIS project as a whole, arguing that the benefit of committing to the entire project is that we can get contractors to bid out the other phases and thus lock in pricing. If all this is accomplished, she stated, the project will be completed by second quarter of 2024.

Q: Does this leave the principle of not proceeding without funding?

A: I will answer on funding shortly.

VP Ng provided a summary of updated project costs with three phases instead of four, showing a revised figure of \$127M versus the original \$140.3M construction project cost, and projected savings of \$13.3M. She gave examples of value engineering options; VP Ng said that these are just the largest-dollar items, and the College has many more options than those displayed here.

Q: Impressed at cost reductions. Has anyone talked to future occupants of spaces?

A: No, not the assigned occupants yet, but we are looking at types of space overall.

Q: Comment – Linux server room should not be moved out of the building.

A: There will be dialogue about all of this, hopefully with Associate Dean Fehling, VP Ng, VP Orr, and Science faculty; these are proposals, but we have to capture savings at this order of magnitude.

VP Ng's presentation continued to the topic of funding sources. \$28.2M is needed. Fundraising will account for \$2.1M. \$5.5M will come from budgeted debt service; \$5M from annual capital budget (\$1M per year for 5 years); \$1.7M from FY19 projected operating surplus, part of which goes to CIS; and \$13.9M from investment earnings and gains.

Q: Probability?

A: High on the \$2.1; annual capital budget, over \$1 operating surplus, high; \$13.9, high—\$10M in investment gains is already earned.

Q: If \$1.7M is taken from projected surplus, what can we *not* do?

A: This is one-time money. President Glotzbach added that this could be asked of any capital expense, and that IPPC had made a strong recommendation that excess capital be spent on the CIS project.

Discussion followed regarding the fiscal sacrifice associated with the construction of the CIS. Committee members also raised the perception that the recent healthcare cost increase and future increases are already felt as a sacrifice from community members. These concerns were suggested as making communication regarding CIS plans more difficult.

President Glotzbach added two comments: first, that administration had received a clear message from Science faculty (and IPPC members) last academic year asking for a definitive plan (funding and sequencing) to move CIS forward. When these questions were raised our answers related to needing more time to develop funding scenarios and shifts in senior leadership did not seem to be accepted as satisfactory. We can now answer that question, and the plan being

proposed does not require greater sacrifice than the previous plan. Second, we (as senior leaders and IPPC members) are responsible for helping people understand the realities that the College is facing. Skidmore is not going to close and, at this juncture and in the near-term, is not going to lay-off employees, or cut salaries. While it is helpful to know what people are saying, we must communicate the reality of the long-term budget situation with out-year deficits forecasted.

VP Ng concluded her presentation with a simplified forecast, referring to what VP Bates had shared earlier, net revenue is not growing, and in some years is projected to decrease. Expenses continue to grow at 2% without corresponding revenue growth. The decrease or leveling off of tuition revenue vs increasing expenses is the heart of the overall budget challenge.

Q: For projections, if any assumptions fall through, then what?

A: Accumulated investment earnings; we have options but careful and thoughtful planning and preparation are required.

## **6. Setting the Stage for IPPC Retreat**

President Glotzbach and Vice Chair Tim Harper requested that a “skeleton agenda” for the February 8<sup>th</sup> IPPC half-day Retreat be shared with the committee; VP Ng added that during the Retreat there would be a breakdown of salary, wages, benefits and healthcare, and provided materials for more detail. The goal of the Retreat is to provide context information for committee members, and determine: what are the levers we can pull in these budget and expense categories? Committee input is needed on these decisions. Vice Chair Tim Harper asked that everyone please bring questions to the Retreat. President Glotzbach echoed that request, instructing the group to treat all materials as confidential, as rumors generated by sharing pieces for consideration without context would be problematic. Anyone having any suggested edits to the Retreat agenda items, including additions are asked to contact the President, Vice Chair Harper, or Joshua Woodfork. President Glotzbach thanked the committee members for their willingness to give time (9:00 am to 1:00 pm) to the Retreat next week.

With meeting time running short, consideration of the two other agenda items:

**Review Long-Term Projections and the Depreciation Explanation** were delayed until next week’s Retreat.

## **7. Call for Agenda Items**

None.

## **8. Other Business**

None.

The meeting adjourned at 12:01 p.m.

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