INSTITUTIONAL POLICY AND PLANNING COMMITTEE
MEETING MINUTES
FEBRUARY 2, 2024

Present: Adrian Bautista, Marc Conner (Chair), Tim Harper, Masako Inamoto, Dan Konstalid, Michelle Hubbs, Lisa Jackson-Shebetta, Nathaniel Lowell '24, Josh Maxwell '26, Dorothy Mosby, Lori Parks, Beth Post, Jess Ricker, Tarah Rowse, Rodrigo Schneider, Joseph Stankovich, Elizabeth Stauderman, Dwane Sterling, Smriti Tiwari (Vice Chair), Amy Tweedy, Dominique Vuvan, Joshua Woodfork, Carey Anne Zucca.

Zoom: Sarah Vero.

Chair Conner called the Meeting to order at 10:34 am.

1. Approval of Meeting Minutes from November 17, 2024
A motion was made to approve the meeting minutes for November 17, 2023. With no proposed changes, **the meeting minutes were unanimously approved.**

2. President's Updates
President Conner called upon VP for Strategic Planning and Institutional Diversity Joshua Woodfork to share some updates. VP Woodfork shared a campus map of all-gender restrooms on campus, noting the substantial increase in recent years. Additionally, he invited committee members to Lovefest an open house at Valentine's Day from 12:30 to 4:30 at the Wyckoff Center. There will be activity stations and sweet treats provided. All are invited. Please spread the word.

Chair Conner spoke about our budget and enrollment and their implications explaining that we cannot talk about strategic planning without talking about strategic resources. We need to look at what we can afford, our capacity, limitations, and what kind of choices we need to make moving forward. As a tuition dependent institution, we need to look at the enrollment landscape and the financial implications.

3. Enrollment and Financial Context and Landscape
VP for Enrollment and Dean of Admissions and Financial Aid Jessica Ricker addressed the higher ed landscape and the demographic changes taking place. Demographics show fluctuations in the size and structure of the population caused by changes in birth as well as migration. Researchers who track birth rates have been predicting a decrease in the volume of high school graduates for several years. Unfortunately, the pandemic accelerated that decline. There is also a growing population of high school graduates who do not intend to enroll in college at all or won't look at an institution with a high price tag. Skidmore's student body tends to come from areas where there is a projected decline in high school populations. The opportunity for Skidmore is to think about expanding our reach into Texas and Florida and markets that have potential that we have not tapped into, but have the most promise for the future. Regarding racial and ethnic diversity, there is a significant decrease projected through 2026 in high school graduates who identify as white, which creates a downward trajectory in that population which is how most students at Skidmore identify.

International students and the countries students come from to study in the United States began to decrease around 2020 because of the pandemic and the political climate in the U.S. China had previously been the number one country bringing students into the U.S. and this number is on the decline. Places like India, Vietnam, and countries in Africa are on the rise in bringing students to the U.S. There are many factors that are beyond our control that impact our enrollment. In regard to our own applicant pool, there are students from various backgrounds outside the North and Northeast who are interested in applying to Skidmore and we can build into those markets, however we will likely need more financial aid. Because of our budget constraints, we are waitlisting or denying those students.

IPPC previously had a meeting where Maguire Associates, now Carnegie, shared the market demand that Skidmore can reasonably expect to enroll with a tuition dependent model is approximately 700. When Maguire did this analysis, they were leaning heavily on our record-breaking year of 2022 showing us trending upward. Additionally, researchers had not completed the toll the pandemic took on these numbers including who was dropping out and leaving school and other factors affecting enrollment trends. The Maguire report showed that we could come in at 705 which would mean no budget surpluses from over enrollment like previous years. We need to look at who we want to be and the student population we serve. The conclusion from Maguire Associates, which is now two years into their five-year window, is to get ourselves ready for the future using these projections. Additionally, we recently announced that we are a QuestBridge partner which is a national organization that supports talented high school students who are coming to college with fewer economic resources and making sure they are aware of institutions like Skidmore.

VP for Finance and Administration Daniel Konstalid addressed some terminology related to our budget. Net Tuition Revenue is the aggregate tuition that we charge to all students, less the aggregate amount of financial aid that we provide to all of our students. This is the resulting portion of tuition revenues that remains to support the College's Operating Budget after we provide financial support to students. The Tuition Discount Rate is financial aid awarded to all students expressed as a percentage of tuition that we charge all students. The discount rate is a measure of the extent to which discounting impacts our net tuition revenue. As an example, an institution with a 40% tuition discount rate means that for every one dollar of gross tuition they charge to their students, they provide an offsetting forty cents of support and in turn they realize sixty cents in net tuition for every dollar that they charge out. Net Tuition per student is the average net tuition revenue per student which is derived from taking net tuition revenues in total and dividing them by the number of enrolled students. Net tuition per student quantifies the amount of net revenue that we actually realize per student after awarding offsetting financial aid.

From 2014 to 2017, we enjoyed a relative amount of stability and slow growth in the amount of financial aid we awarded over that time frame. Beginning in 2018, financial aid increased sharply as we needed to award more financial aid in order to make a Skidmore education affordable to as many promising students as possible. When you look at the growth in years after, over a ten-year time frame, financial aid in total increased from about 41 million dollars in 2014 to about 70 million dollars in 2023. Over this period of ten years on average, our financial aid expenditures increase at a clip of about 6% per year.

The tuition discount rate is the percentage of tuition we offset with financial aid in a given year expressed as a percentage. 2014 through 2018 was a period of relative stability where our discount was in a range of about 33% to 35%. There was a sharp increase in 2020 followed by a continued upward trend so that by 2023 our discount rate was over 42%. Over the past two years we have been awarding greater amounts of financial aid in relation to the tuition that we charge in order to make a Skidmore education accessible and affordable to as many promising students as possible. As a result, we have also been realizing a lower percentage of the gross tuition that we charge out to students each year.

The last trend is net tuition per student and how much we actually realize in relation to the tuition that we charge in a given year. The comparison on a per student basis over the past 10 years (2014 to 2023) shows our gross tuition charge each year over the past 10 years. In 2014 our tuition charge was $44,800 a year. Last year, our tuition charge was over $61,000 a year. Over a span of 10 years our gross tuition charge increased by $16,000. Over the same time frame 10 years ago, in 2014, net tuition per student was about $29,000 a student and last year it was $35,000 per student. Over the 10-year period it had a growth of $6,000. Consequently, gross charges over 10 years increased by $16,000, while net tuition per student increased by $6,000. Over this 10-year period our tuition rate increased on average about 3.5% per year. At the same time net tuition per student increased at an average of only 2.1% per year. This shows slowing growth in net tuition revenue per student over this timeframe of 2018 to 2020, as net tuition per student starts to flatten out for us.

A breakdown of major revenue sources in the annual operating budget shows net tuition revenue is 50% of our Operating Budget. We are a tuition dependent institution and this is the portion of our budget on a per student basis that is growing at about 2% per year. The rate of increase in net tuition revenue impacts our ability to grow revenues in our budget overall.

The impact to our financial landscape from 2020 to 2022 indicated a change in this landscape as we have seen that we increased the amount of financial aid that we provide students overall. Our growth in net tuition per student was lower and had the effect of limiting the growth in our overall operating revenues. Early in 2020, the College announced initiatives to reduce operating expenses over the next several years, including reductions in departmental services and supplies budget and undertaking a position attrition savings plan. Over the years that followed, reductions in departmental services and supplies budgets resulted in ongoing savings of about 1.5 million dollars per year once the reductions were put in place. At the same time, the attrition savings plan was put in place and the College was experiencing record rates of attrition for various reasons especially during the pandemic. This coincided with a plan to start realizing savings by eliminating some positions once they became vacant as a result of attrition. By 2022, we had eliminated 31staff positions on campus and also eliminated 2 faculty budgeted lines and additionally there were 7 faculty retirements that we replaced with individuals at the beginning of their careers which brought relative savings to the College. The annual saving from the elimination of 31 staff positions is about $2.5 million a year. The faculty changes were another $500,000 to $600,000 a year. Between these two actions, we took a significant amount of cost out of our annual Operating Budget which positioned the College to begin to offset slower growth in net tuition revenue that we were beginning to realize.

The trends that we saw forming in 2018 through 2020 continue to constrain the College's Operating Budget. As we put our proposed 2025 Operating Budget together, we communicated to budget managers/supervisors in December that we were not accepting applications for new initiatives or proposals to add new personnel and that we are going to hold our supplies and services budgets flat at the 2024 level heading into 2025. We are going to need to navigate this moment of muted growth in net tuition revenue, which we will consider as we put our strategic plan together for the years to come.

Faculty Executive Committee Chair Dominique Vuvan stated that she does not believe this information will be received well by the staff and faculty when it is shared with them and encouraged the administration to be prepared to explain, including allotting enough time for Q&A. Several members of IPPC shared the view that last May we presented a strong financial landscape and now we are speaking about budget constraints.

Professor of Management and Business Timothy Harper encouraged the administration to also recognize some growth in its ranks during the period discussed. He asked if Skidmore will have to change something in order to attract students from geographic growth areas. VP Ricker suggested that we are not visible in all states so we need to work on identifying where we have the most potential and how we increase our visibility.

4. Skidmore for Palestine

A group of students who identify as Skidmore for Palestine came into the IPPC meeting with a list of demands for President Conner and the Board of Trustees to "call for the end of the genocide and Israeli occupation of Palestine" taking place in the Middle East. The letters expressing these demands were passed out to the IPPC members.

5. Call for Agenda Items

No new items were presented for the agenda.

The Meeting was adjourned at 12:02 pm.

Please inform the President's Office of any suggested changes to these minutes.