From: Mehmet Odekon
Chair, FPPC

Re: Annual Report, 2003-2004

Date: May 28, 2004

Please find below the summary of the activities of the FPPC in the 2003-2004 academic year. The committee met a total of sixteen times (plus a meeting in the fall with the President's Staff).

1. Benefits Review

In Fall 2003, the Benefits Committee brought its recommendations regarding the employee cost-sharing for health benefit and retirement changes to the FPPC. The FPPC forwarded the list of changes to the Faculty for its endorsement. In Spring 2004, the Benefits Committee recommended further changes to benefits. The FPPC argued that the changes had already been incorporated into the 2004-05 operating budget and that they should be treated as administrative decisions. In particular, the FPPC concluded that it would be more appropriate if the administration announces them to the community.

2. 2004-2005 Operating Budget

The FPPC reviewed and deliberated the proposed budget for 2004-05 and recommended to the President a balanced budget with the following key budget parameters: a GSA of 4%, a net fiscal enrollment of 2,149 students, a comprehensive fee increase of 4.9%, and a tuition discount rate of 26.5%.

3. Subcommittee on Financial Reporting

The FPPC formed a subcommittee on financial reporting that communicated its understanding of the financial matters of the College to the larger community at a general community meeting.

4. Compensation Review

The FPPC reviewed the Executive Summary of Compensation Review and Employee Survey and the data provided by Human Resources regarding the employee compensation adjustment needs at different ranks. Human Resources shared the findings with the community in Spring 2004.

5. Guiding Principles for Financial Management

The FPPC discussed the Guiding Principles for Financial Management, reaffirmed the existing guiding principles and recommended that:

a. Any surplus in the annual operating budget be allocated at the end of the fiscal year, to the operating budget, quasi-endowment and the plant fund in proportion that is consistent with the most pressing needs of the institution. More specifically to the Fiscal Year 2003-04, the FPPC recommends that, given the fact that Skidmore employees received no GSA, a significant portion of any surplus should be allocated back to operations in the form of a one-time, lump sum salary 'enhancement' for employees.

b. Unrestricted bequests between $5,000 and $250,000 are put into the funded financial aid portion of our quasi endowment.

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