

# **BENNINGTON COLLEGE**

**BENNINGTON, VERMONT**

**REPORT FOR CONSIDERATION TO THE  
COMMISSION ON INSTITUTIONS OF HIGHER LEARNING**

*of the*

**NEW ENGLAND ASSOCIATION OF SCHOOLS AND COLLEGES**

*August 15, 2011*

## **SUBJECT OF REPORT:**

*Financial stability; deferred maintenance and campus renewal; assessment of  
institutional effectiveness; and strategic planning*

## INTRODUCTION

The following report was drafted by a core team of senior administrative staff members in consultation with the President. The Vice President and Chief Financial Officer; the Associate Provost; the Vice President for Planning and Special Programs; the Vice President for Administration and Planning were all integrally involved in preparing the report. As directed by the Commission, the narrative focuses on four areas: (1) ensuring financial stability; (2) deferred maintenance and campus renovations; (3) implementing a comprehensive approach to the assessment of institutional effectiveness; and (4) implementing the Strategic Planning Framework.

## INSTITUTIONAL OVERVIEW

Founded in 1932, Bennington College is a four-year liberal arts college offering programs of study leading to a Bachelor of Arts degree in disciplines within the humanities, sciences, social sciences, and visual and performing arts. In addition, the College offers Master of Fine Arts degrees in dance, drama, music, and writing; a Master of Art in Teaching; a Master of Art in Teaching a Second Language; and a post-baccalaureate certificate in premedical and allied health sciences. Bennington's campus covers 550 rolling acres at the foot of the Green Mountains in southwestern Vermont.

The principles of active engagement on the part of students no less than faculty; an emphasis on developing internal sources of discipline and order; and a pedagogy that treats knowing in ways that are multiple, complex, and changing underlie a Bennington education. These tenets were first outlined in a 1929 prospectus, were echoed in the 1994 Symposium Report (a year-long process established by the Board of Trustees to determine the conditions for renewal and change), and are reaffirmed with each graduating class in the following traditional commencement statement:

“Bennington regards education as a sensual and ethical, no less than an intellectual, process. It seeks to liberate and nurture the individuality, the creative intelligence, and the ethical and aesthetic sensibility of its students, to the end that their richly varied natural endowments will be directed toward self-fulfillment and constructive social purposes. We believe that these educational goals are best served by demanding of our students active participation in the planning of their own programs, and in the regulation of their own lives on campus. Student freedom is not the absence of restraint, however; it is rather the fullest possible substitution of habits of self-restraint for restraint imposed by others. The exercise of student freedom is the very condition of a meaningful education, and an essential aspect of the nurture of free citizens, dedicated to civilized values and capable of creative and constructive membership in modern society.”

It is this vision that animates a Bennington education, and our academic policies, administrative structures, and community life are designed in keeping with that vision to the end that students learn what it means to discover and pursue an intellectual identity and to develop a lifelong habit of learning.

## AREAS OF FOCUS

### 1) FINANCIAL RESOURCES

Since the 2009 Self-Study report to NEASC, the financial position of Bennington College has continued to improve. The College has not only been able to weather the difficult and ever-changing overall economic conditions that have challenged all higher education institutions, but has, indeed, continued to flourish. The College's unrestricted net assets increased from \$22.3 million at the end of FY 2008, to a total of \$25.9 million at the end of FY 2010. While the increase in unrestricted net assets was budgeted at \$344,000 for FY 2011, the College will exceed the FY 2011 budget, with the change in net assets from operations expected to increase by \$2.1 million for a total of \$28 million in net assets in FY 2011. This increase resulted from additional unrestricted fund raising monies received and a favorable performance in keeping expenditures under budget. Altogether, the College has seen a 25% increase in unrestricted net assets over the past four years. The upcoming year, FY 2012 is budgeted again at a positive increase in Net Assets from Operations.

Unrestricted cash balances continue to grow, with cash and short-term investments increasing from approximately \$5 million at the end of FY 2008, to \$9.9 million at the end of FY 2010 and close to \$11 million at the end of FY 2011. This increase is the result of continuing strong fund raising and grant procurement efforts by the College. We have also managed to keep operating expenditures under budget for the past several years with prudent administrative and financial oversight.

#### **Enrollment Management and Financial Aid**

The planned growth strategy that began in FY 2008 has shown substantial progress to-date, with record setting applications and enrollment for the last three years. Full-time undergraduate enrollment has increased steadily over the past four years, with an overall percentage increase in Fall enrollment of 14.3% from FY 2008 to FY 2011, an average of 3.6% per year. The College has also managed to achieve this steady growth while enhancing the overall academic quality of the student body. Fall full-time undergraduate enrollment has increased from 581 for Fall 2008 to 664 for Fall 2010. As of August 1, 2011, Fall enrollment for 2011 is projected at 692. This significant enrollment growth has had a positive impact on overall financial performance of the College. Gross Tuition and Fees have grown from \$22.9 million for FY 2008 to \$27 million for FY 2010, \$29 million for FY 2011 and a forecast of \$30.8 million for FY 2012.

Improving retention rates has also played a significant role in keeping our enrollment position moving forward. We have seen good progress in this area with first-year retention rates increasing from 76% in FY 2008 to 81% for FY 2011.

Further efforts are underway to continue making further improvements in overall retention rates.

Over the same period, Bennington has been able to continue its recent trend of moderate (and in some cases below our peer group average) annual increases in tuition and other enrollment charges. Rates increased by 3.9% for FY 2010, 4.0% for FY 2011 and for FY 2012 year, a 3.9% rate increase was approved by the Board of Trustees. To minimize tuition rate increases in these challenging economic times, the College has focused on prudent expense management to absorb increased costs for food, fuel, utilities and health care costs for faculty, staff and students.

While the difficult economic conditions continue to play a major role in skyrocketing national trends, the College has managed to keep the percent of financial aid to tuition below the 40% mark. Financial aid as a percent of total tuition & fees will be 38.3% for FY 2012.

This winter, the College retained the services of S.H. Brooks Co. an enrollment management consulting firm to strengthen our capacity to maximize our financial aid decisions. With more than 25 years of experience in the field and a client base that includes Brandeis University, Bryn Mawr College, Columbia University, Hamilton College, Hampshire College, Smith College, and New York University, S.H. Brooks is providing the College with a powerful econometric modeling and enrollment projection process, and an analytical enrollment software that provides an enrollment data warehouse along with the ability to model, simulate, and predict enrollment behavior and outcomes.

### **Managing Debt**

Bennington's new curricular initiative focused on reconnecting the liberal arts curriculum and the arts of effective citizenship has raised over \$25 million in gifts. This accumulation of committed funds enabled Bennington to participate in an extremely advantageous bond issue in the amount of a \$28,150,000 bond issued in December 2008 by the Vermont Economic Development Authority (VEDA). These bond funds were used to finance the CAPA facility, renovate other existing campus facilities and for the defeasance of \$7,345,000 principal remaining on the 1999 Vermont Educational and Health Buildings Financing Agency (VEHBFA) bonds in October 2009.

The College also borrowed \$3,000,000 through VEHBFA in FY 2007 for the purchase and installation of a biomass boiler. This loan was also at exceptionally low rates because of its use in energy conservation. Moreover, aside from the ethical issues, savings in energy costs accruing from this boiler will enable us to repay the debt by 2021.

These expenditures were devoted to significant investments for the College in three areas: energy conservation (the biomass project); building improvement (VAPA project and other deferred maintenance issues) and market position (CAPA).

Finally, the College continues to re-pay borrowings from its endowment that occurred in the mid-1990s. At the end of FY 2011, \$500,000 was repaid, leaving a balance of \$4,000,000. As a sign of the increased financial strength of the College, the Board voted to maintain that level of repayment going forward. The endowment funds continue to be managed by Hirtle, Callaghan & Co., with oversight provided by the Investment Committee of the Board of Trustees.

While no private liberal arts college is likely to be able to completely fund its operating costs from tuition revenues alone, the differential between tuition revenues and operating costs is continuing to decline and funds from other sources are continuing to increase. All of this indicates that Bennington's overall financial position is strengthening and that we are increasingly well positioned to readily manage debt repayment. As an external verification, the College received an unqualified opinion on its financial statements in the FY 2010 Audit, in addition to a very positive management letter from the auditors stating that they saw no internal control weaknesses in the College's financial reporting systems. This is particularly notable since the audit industry standards have been revised and upgraded.

## **2) DEFERRED MAINTENANCE AND CAMPUS RENOVATIONS**

Since the Evaluation Team's campus visit in October 2009, there has been much work done both on the deferred maintenance/renovation front as well as the area of campus planning. The annual expenditure for deferred maintenance over the past three years has been \$7.8 million. The acceleration of spending over this three-year period made significant progress in reducing the amount of the deferred maintenance backlog. For the current fiscal year (FY 2012), the projected outlays for deferred maintenance will continue at this accelerated pace.

In addition, the College has recently launched a Campus Renewal campaign to speed up further the completion rate of deferred maintenance projects. With a goal of \$3 million, the College has already raised \$2 million. The College's facilities leadership is identifying major projects that will be funded by this new fund.

In addition to recommending annual funding priorities for deferred maintenance, the leadership of Facilities and Planning review the outstanding list of campus needs and requests. This list is continually being revised, listing and estimating costs for everything from trash bins to gut renovations. The most recent review will be completed by Spring 2012 and will include an audit of every building on campus, the landscape and circulation needs, and all other facilities-related items and projects.

### **Recent major campus projects**

#### **CAPA**

The most significant building project at Bennington in decades, the new Center for the Advancement of Public Action (CAPA) has just been completed. The building complex, to formally open this fall, is the home of an innovative civic engagement curricular initiative and signals an important new direction for the College. The main building houses classrooms, conference space, offices, student areas, and a faculty lounge. Another building provides inviting and elegant apartments for visiting faculty and fellows. The Lens, the Center's third building, is a dramatic space with a more contemplative design for small gatherings, meetings, classes and mediation sessions.

#### **VAPA Enhancement**

The CAPA site energizes a formerly neglected area of the campus and, true to the 2004 Master Plan, expands the core of the campus. The addition of the CAPA complex provided the College with an opportunity to restore the Visual and Performing Arts building's (VAPA) North lot, enhance teaching and learning spaces adjacent to VAPA, and add much-needed storage for VAPA. We were

able to take advantage of reduced construction costs and the synchronicity of combining projects during the recent economic downturn.

### **East Academic Center**

As student enrollment increased to record levels over the last several years, the need for additional academic space became more urgent. Over the course of the 2010 Spring term, a team of College faculty and administrators worked on classroom planning including visits to other colleges in the New England region. The result was the conversion of the former Early Childhood Center buildings – which were in serious physical decline – to two new state-of-the-art classrooms, 24-hour study lounges, and student art studio space. The project, completed in the summer of 2010, also activated yet another sector of the campus and addressed a significant chunk of deferred maintenance backlog.

### **VAPA**

In 2009, the College engaged architects and engineers to provide a comprehensive audit of VAPA, the largest building on campus. The first and most pressing need was the wall of windows on the north elevation of the structure. The first phase of the window replacement project was completed in the summer of 2010, the second phase is ongoing this summer, and the two final phases will continue into 2013. The air quality was another issue identified in the 2008 report and, after careful planning with the designers and the art faculty, this project was launched in the summer of 2010.

The project was completed at the end of June 2011. Because of advantageous construction costs, a great deal (more than anticipated) was accomplished – architectural enhancements to the aging building modernized many of the spaces and improved the functionality of the studios.

### **Cricket Hill Barn**

Another smaller but important “gut renovation” to the Cricket Hill Barn was accomplished in the summer of 2010. What was formerly a dilapidated barn is now a handsome contemporary conference/meeting space used by all members of the College community and for Admissions information sessions. Because of its central location, it has become a heavily used building and, again, for a modest cost, the College was able to recover needed square footage and delete another project from the deferred maintenance list.

### **Energy Consumption and Sustainability**

The formation of the Sustainability Committee in 2009, made up of faculty, staff, and students, has been key in moving forward green initiatives. The Biomass Facility is performing well beyond our expectations – at 97% efficiency and reducing the College’s dependence on fossil fuels. In 2006, the College was



burning over 400,000 gallons of oil; in 2010, the amount was reduced to 10,000 gallons. The College's strong relationship to the state's Efficiency Vermont agency has resulted in over \$50,000 in subsidized energy efficient projects: occupancy sensors in student residences' public areas, new low-energy lighting fixtures in VAPA galleries, energy efficient motors and compressors throughout campus, and more.

### **3) ASSESSMENT OF INSTITUTIONAL EFFECTIVENESS**

Bennington's plan process, which has been the center of a Bennington education since the College's founding, serves not only as the central organizing structure for students but also as the core process through which students and faculty participate to ensure that all students' engage in a coherent, rigorous, and deeply imaginative process of building an education. The College is in its second year of working with a revised plan process, a series of changes that came out of two years of faculty and deans reviewing core principles and strengthening the ongoing practicalities of the student plan process. The revision, which shifts authority from the traditional disciplines to the broader perspective of the faculty plan committees, builds on our integration of course, program and institutional values.

The College has also revised its process for discipline reviews. Now included as part of each program self-study review, is a clear articulation and reflection on the student learning outcomes in each discipline's written document. This information provides especially useful evidence for evaluating the program's curriculum and is integral in each program's five-year plan. Each program review also includes a statement on how their work fits within the liberal arts curriculum at the College, again making use of relevant information available in the student plans, as well as in the curricular data.

At the institutional level, we have made use of existing data to gather more targeted information on several issues, two of which are noted here.

#### **Improving writing through instruction and evaluation**

After a comprehensive review of student enrollment in writing courses, the College created a faculty task force, led by the Dean, charged with addressing how we can improve the teaching of writing throughout the curriculum. That faculty task force developed several recommendations which will be put in place during this coming year – including additional course offerings, an outside expert on the teaching of writing will offer workshops for faculty, the Dean's office will continue to track enrollment and demand for writing courses to inform course planning, and the faculty Academic Policy Committee will consider adding a writing evaluation component to all final student evaluations.

#### **Enhancing the plan process through technology**

Last year the College launched an e-portfolio pilot program. After a promising outcome review of the pilot phase, the program will expand and continue to be reviewed.

#### **4) STRATEGIC PLANNING**

Beginning in 2008, the College identified four primary areas for its strategic work over the next five years: *mission and market position; institutional infrastructure; revenue enhancement; and enrollment management*. I am pleased to report to the Commission that Bennington continues to make significant progress towards implementing the goals in all four areas – examples of which, such as enrollment management and programmatic expansions, are detailed in other areas of this report. As the strategic plan process has progressed, the College has focused increasingly on the framework itself as an especially effective tool in engaging key constituencies in steering the institution toward successfully achieving its long-range goals. The nature of those goals and their implementation is now increasing the frequency and strengthening the content of the communication throughout the College.

##### **Faculty**

During the 2009/10 academic year, the faculty and administration continued to meet where the focus was on aspects of short and long-term planning. Starting in the current academic there will be ongoing meetings with The Academic Policy Committee (a committee composed of elected faculty, and senior administrators) and the President, and Vice President/CFO to focus particularly though not exclusively on financial implications and issues.

The Board now meets regularly with faculty representative during all on-campus board meetings as a further opportunity to discuss institutional objectives. The agenda for these meetings is set by the faculty.

##### **Students**

There are currently regularly scheduled and meetings between the Dean of the College and student representatives; and the president meets at least once a term with all of the 38 house chairs. In addition to a long history of periodic meetings with trustees and student representatives, the Board has committed to meeting annually with all of the student leaders to enhance further shared understanding of institutional objectives.