

A PROGRESS
REPORT TO

*The New England
Commission of
Higher Education*

JANUARY 2024

INTRODUCTION

We appreciate the Commission's acceptance of our interim fifth-year report in March 2023 and welcome this opportunity to update you on our successes in implementing our financial plans and strategies; implementing changes to and evaluating the effectiveness of our faculty governance processes; and pursuing our goals for diversity, equity, and inclusion. Connecticut College is in a period of significant institutional transition, given the departure of President Katherine Bergeron at the end of the 2022-23 academic year and the appointment of Dr. Leslie Wong as interim President effective July 1, 2023. Additional transitions within our senior leadership include a new Vice President for Information Services, an interim Vice President for Finance, an interim Vice President for Administration, an interim Dean of Equity and Inclusion, and an interim Vice President for College Advancement. Leadership transitions provide opportunities for fresh approaches to college management, but they also inevitably complicate the development of new projects and plans for the institution. Even so, in this report, we detail important work we are doing to improve our institution, sustain momentum on various aspects of both our strategic plan and our master plan, and set up our future leaders for success.

As the Commission is likely aware, the circumstances leading to President Bergeron's departure included the February 2023 resignation of our Dean of Institutional Equity and Inclusion Rodmon King. This was followed by the peaceful occupation of our main administration building in early March 2023 by several dozen students, who along with some faculty and staff members raised concerns about the College's commitments to diversity, equity, and inclusion as well as questions about College governance and decision-making processes. A process to address these concerns began late last spring and continues this year. As we conduct the normal business of the current academic year with our second-largest incoming class and the successful conclusion of our comprehensive campaign, [Defy Boundaries](#), we are also working to improve the climate on campus in terms of trust, transparency, communication, and inclusion. To this end, in fall 2023 interim President Wong convened a broadly inclusive task force headed by our interim Dean of Equity and Inclusion to begin a restorative campus planning process that by the end of the 2023-24 academic year will produce a report and set of recommendations for the next president. We describe the work of this task force below in the section on diversity, equity, and inclusion.

In July 2023, the Board of Trustees charged our Presidential Search Committee with identifying and recommending the 12th president of Connecticut College. The Search Committee, comprised of representatives from all constituent bodies of the campus and co-chaired by the chair and vice-chair of the Board, partnered with the executive search firm WittKieffer to gather input from the Connecticut College community, including senior administrators, faculty, staff, students, trustees, alumni and friends of the College, and to create a position profile to identify candidates for the next president. Updates and information about each phase of the process are being communicated by the Committee's co-chairs on a regular basis to the campus community, through regular electronic communications as well as a [public website](#) housing all information pertaining to the search, including the timeline for the search process and opportunities for campus stakeholders to provide feedback and nominations of potential candidates.

The public phase of the search commenced on October 25, 2023 with the publication of the presidential leadership profile. In-person interviews with finalists are expected to take place in February 2024. To expand the number and variety of perspectives on short-list candidates and to give candidates a broader sense of our institution, the Committee decided to increase the number of participants in the final stage of the search to include 18 invited interviewers -- six each from the student body, staff, and faculty, in addition to members of the Board of Trustees Executive Committee and senior administrators who report directly to the president. Invited interviewers will participate in anti-bias training in mid-January and sign a nondisclosure agreement to protect the identity of candidates, who will likely occupy high-level leadership positions elsewhere.

The process of selecting the 18 invited interviewers was developed through the College's longstanding system of shared governance. Student representatives on the search committee worked with the Student Government Association (SGA), staff representatives worked with Staff Council, and faculty representatives worked with the Faculty Steering and Conference Committee (FSCC) to develop a process for identifying invited interviewers from each constituency, whether by vote, nomination, application, appointment, or other means. The presidential search is currently on track to conclude in spring 2024. The application deadline was January 8, first-round interviews will be completed by the first week of February, and second-round interviews are scheduled for the third week of February. The search committee's goal is to extend an offer by mid-March and issue a public announcement by the end of that month.

The Board of Trustees has indicated that solidifying the senior management of the College is a top priority and that searches for the four cabinet-level positions currently held by interim leaders will be launched expeditiously upon the anticipated appointment of the new president in March 2024. It is the judgment of the Board that, because the positions in question report directly to the president, he or she should have an integral role in their hiring.

FINANCIAL PLANNING

As noted in our January 2023 interim report, in summer and fall 2022 our senior administrative team began work on a long-term plan for financial resilience, and this work is continuing under the leadership of our interim chief financial officer. A comprehensive model for the College that aligns with the goals of both our strategic plan and comprehensive campaign, the first draft of the plan focused on key drivers of revenue and expenditures; offered several interconnected fiscal strategies; and recommended strategic investments in our workforce, campus infrastructure, and information technology as integral to long-term financial strength. Throughout fall 2022, the team sought input on the preliminary draft from the executive committee of the Board of Trustees as well as campus governance groups such as the Priorities, Planning, and Budgeting Committee (PPBC), the FSCC, Staff Council, and the SGA, and the senior directors. An overview of the plan was shared with the wider campus community at the December 2022 faculty and staff meeting. And the draft was the focus of the full Board of Trustees meeting in February 2023. The plan outlined six financial strategies related to enhancing student enrollment and financial aid;

improving student retention and persistence; supporting a strong faculty and an effective curriculum; increasing the College's endowment; establishing new revenue streams; and maximizing existing financial resources and pursuing creative efficiencies. Each strategy identified one or more members of the senior leadership team as the leader and listed year-by-year targets over the next five fiscal years in order to track progress. The plan also outlined areas integral to long-term institutional resilience and in need of strategic investment, chief among them compensation and employee morale, our physical plant, and our information technology infrastructure.

Prudent fiscal management and expanded philanthropic support are critical to supporting and advancing our core mission. We are fortunate to have two highly qualified interim leaders supporting the institution through this period of transition: Robert Knight, who joined Connecticut College as the interim Vice President for Finance in July 2023, is providing leadership for the College in the areas of business and finance, including financial planning, accounting and financial reporting, and legal and risk management. An experienced financial management expert, he oversees the College's financial assets and is a key member of several of the College's shared governance committees, including the PPBC and the President's Sustainability Council. Susan Daniells, who has served as a core member of our Advancement team since 2018, most recently as Director of Development, was appointed as interim Vice President for College Advancement in August 2023. Securing permanent leadership for the divisions of finance and administration and college advancement will be among the top priorities of the new president in their first year.

In fiscal year 2024, with an interim president at the helm as a new president is being recruited, the College administration, Board of Trustees, and PPBC are reviewing the plan to identify areas that may need to be revised and/or accelerated in order to support future financial equilibrium at Connecticut College. These areas include the capacity to continue growing enrollment and improving student retention, projecting the optimal size of the student body over a longer period of time, determining an accurate amount needed for annual reinvestment in physical plant and equipment, and recruiting and retention of the workforce. Given that the number of traditional college-going 18-year-old high school graduates in the United States is projected to decline steeply in 2026 and continue for five or more years thereafter, and that this demographic decline will be steeper in northeast and midwestern United States, the long-term financial plan must be carefully reviewed and consider alternative scenarios. As noted in the draft plan, “[p]lanning for the long-term financial sustainability of the College is a dynamic process that will require the ongoing focus and flexibility of us all—senior administrators, the board of trustees, and campus stakeholders. In a rapidly changing higher education landscape, challenges and opportunities we have yet to imagine are certain to emerge, and we must be prepared to adapt.” Meanwhile, a number of the core strategies are now being implemented. Work currently underway is detailed in the following paragraphs.

Enrollment growth and planning for expanded residential capacity

Dean of Admission Andrew Strickler and Dean of Students Victor Arcelus are leading our

ongoing efforts to examine the issues surrounding optimizing the student body size, considering not just net tuition revenue but also available dormitory space, classroom and instructor needs (including an evaluation of class schedules), balancing study away schedules between fall and spring semesters, and evaluating dining facility needs. Both deans serve on the PPBC, where these issues are under in-depth discussion this year. As we develop the College's FY 2025 budget, we are currently using incoming first-year classes of 550 as future targets. Achieving these would give us an enrollment that peaks at around 2,040 in two years (as our two unusually large first-year and sophomore classes proceed towards graduation) and then levels off at around 1,950 as an academic-year average – somewhat above the 1,930 or so that we expect to have as an academic-year average this year, and above the figures of 1,840 to 1,900 that we averaged in the years immediately prior to the COVID-19 pandemic.

Pursuant to these goals, Dean Arcelus has initiated a new effort on behalf of the College to work with an outside vendor that helps colleges design alternative housing options, both for students and residential life staff, including the choice between self-financing and public-private partnerships. Our registrar's office recently conducted a review of the logistics of classroom availability and course scheduling in light of our growing student body, the need to improve accessibility for disabled students, and the need for sufficient specialized laboratory space for our STEM programs. Dean of the College Erika Smith, in collaboration with the faculty-led Study Away Committee, is working to strategically balance the number of students choosing this option between fall semester and spring semester. And Vice President for Human Resources Reginald White has continued to lead efforts to work with a consulting firm that helps colleges and universities evaluate dining vendors, and how well they meet the needs of a given institution from both a cost perspective and student satisfaction perspective. Several meetings about potential changes to dining services were held in spring and fall 2023 and college-wide communications have explained the purpose of this exploratory process and what, if any, impact a shift in operations would have on members of our dining staff. An RFP for dining operations was issued in October 2023 and the seven proposals received from potential vendors are currently under review by an ad hoc College dining committee (comprised of staff, faculty, and student representatives) established as part of this process. Consideration of these proposals is also taking place against the background of a recent unionization effort by our dining services employees, a step that is still unfolding as we finalize this report.

Together, all of this work indicates the ways we are managing a transition to a larger student body in ways that will preserve the quality of the residential education we offer our students.

Addressing our aging physical plant

Like most historic residential colleges, our aging physical plant requires ongoing reinvestment at a level at least equal to annual depreciation and represents a key area in need of significant additional capital investment to remain competitive. As our PPBC and our Board of Trustees' Futures Committee continue developing a viable long-term financial model, there is heightened awareness of the need to increase our annual budget for asset reinvestment. In 2021, the College received \$50 million of debt funding (via the Connecticut Health and Educational Facilities Authority – CHEFA) to accelerate physical plant improvements and upgrades. The College identified capital projects to receive this bond funding based on several criteria including safety, priority deferred maintenance,

modernization, and program support. The projects fall into three main categories, and to date funds have been spent as follows:

	Asset Renewal	Program Support	Safety	TOTALS
Total allocated	\$21,800,000	\$18,600,000	\$9,600,000	\$50,000,000
Spent	\$9,700,000	\$8,900,000	\$4,600,000	\$23,200,000
Remaining	\$12,100,000	\$9,700,000	\$5,000,000	\$26,800,000
Percentage spent	44%	48%	48%	46%

Sample projects include:

- Asset renewal/deferred maintenance: Critical repairs and upgrades to residence halls, air conditioning restoration, replacement of main electrical switchgear, and repairs to Blackstone residence hall exterior envelope.
- Academic program support: Construction of new parking lot to support a pedestrianized central core of campus, 33 Gallows Lane interior and exterior renovation, and classroom improvements.
- Campus safety: Residence hall bathroom privacy enhancement and parking lot security cameras.

Deferred maintenance has been a central topic of discussion at recent Board of Trustees meetings, and senior administrators are currently working in close partnership with trustees on the Futures Committee, the Facilities and Infrastructure Committee, and the Finance Committee to initiate a comprehensive facility conditions assessment (FCA) beginning in January 2024. A proposal for the infrastructure and energy assessment plan is already under review. Interim Vice President for Administration Justin Wolfradt, who chairs the college Facilities and Land Management Committee (FLMC), will be aligning these efforts with the agenda of the FLMC committee in the spring 2024 semester. Data from this assessment will provide a realistic estimate of the total cost of addressing deferred maintenance and will help guide a more strategic and transparent approach to the College’s deferred maintenance backlog as well as decisions about future budget allocations. To address immediate staffing, service contracts, and operational needs, the Board authorized a \$2 million increase to the annual facilities budget at its December 20, 2023 meeting.

Human Resources

In fall 2023, the Dean of Faculty Danielle Egan circulated a white paper outlining her strategic vision for that division of the College. The white paper, informed by a year-long review in 2022-23, outlines a series of three interrelated initiatives to address the integration of our general education curriculum into the academic program as a whole; climate and belonging issues in the division; and faculty staffing and compensation. An analysis of salary compression of the faculty is currently wrapping up and the dean is working in collaboration with the Committee on Faculty Compensation to draft best practices for addressing the issue. The salary-data analysis itself was completed in December 2023 just before winter break and the results and recommendations will be shared with senior leadership in mid-January 2024. The dean is also working through the

appropriate committee structures to explore opportunities for new revenue generation to support enhanced academic programming and the faculty salary pool. This work aims to improve faculty compensation within the overall context of the College's financial planning.

The dean supported a request by members of the Connecticut College chapter of the American Association of University Professors (AAUP) to commission an independent analysis of the College's finances and issues of faculty and staff compensation. Upon review of the report, which drew from the College's publicly available audited financial statements and was shared with faculty and staff via the faculty listserv in the fall, the PPBC co-sponsored an event organized by the campus AAUP chapter and hosted several additional open meetings to address questions about the report's findings and to promote informed discussion of the College's budget and overall financial picture. The AAUP report will be part of the body of evidence the PPBC uses this spring as it finalizes its recommendations for the FY 2025 budget.

Similar compensation work is being done on the staff side. In late 2022, our Office of Human Resources began collecting updated job descriptions for all staff positions at the College. Simultaneously, HR began investigating survey providers that could be used to assess our compensation practices and ultimately identified Salary.com as a partner. As a survey aggregator collecting a broad data set of information across industries and the nation, they are assisting us in institutionalizing ongoing salary reviews. Over the summer and fall of 2023, HR staff compared our salary information to compensation data in higher education across the state of Connecticut, supplementing their assessment with data from CUPA-HR and the Connecticut Department of Labor. Their analysis has been shared with members of the senior administrative team who, in turn, have generated recommended salary adjustments for staff in their respective divisions. In fall 2023, College leadership assessed the budget implications of these adjustments to determine a viable strategy, with a goal of making progress towards addressing the most acute salary inequities in the coming calendar year within the College's budget capacity. As the FY 2025 budget is developed over the course of the spring 2024 semester, the availability of financial resources will determine the extent to which the College is able to make staff-salary adjustments based on the analysis.

Maximizing student enrollments and optimizing our discount rate

In fall 2023, Connecticut College enrolled 1,995 students (1,959 full-time and 36 part-time undergraduates). This is the largest student body in our history and is the result of two consecutive large incoming classes – 630 in fall 2022 and 555 in fall 2023. These enrollments reflect the College's continuing attractiveness to students and their families, and we are mindful of the need to strike a balance between the tuition revenue these enrollments bring and the expenditure of need-based financial aid and merit awards to yield a socioeconomically diverse pool of admitted students consistent with our core institutional values. As such, the current-year budget work of our PPBC as well as the multiyear work of the senior leadership and the trustees is attuned to achieving discount rates that are financially sustainable for the institution. Enrollment parameters for AY 2024-25, approved by the Board of Trustees at their October 2023 meeting, have been set at 550 students at a 45% discount rate, with a 3.75% increase in the comprehensive fee. This

discount rate is a modest decrease from the 48.4% rate in FY 2023 and 46.2% in FY 2024.

Cost-containment and diversification of revenue

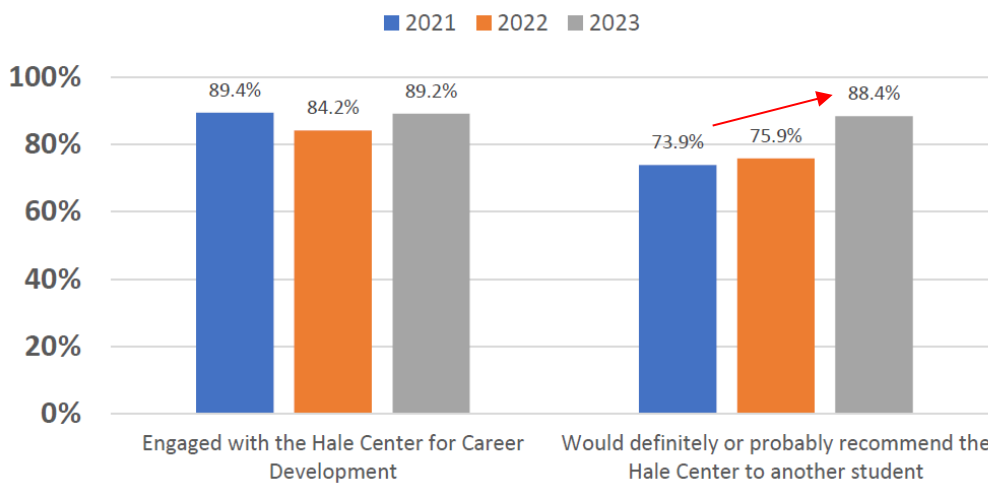
Under the direction of the interim President and interim Vice President for Finance, several additional cost containment strategies have been implemented in support of prudent fiscal management, including restructured oversight of all legal expenses, restructured oversight of all grants and contracts, more disciplined use of external consultants, and controlling contractor costs.

We are also actively piloting new programs and conducting market research to identify viable mission-aligned opportunities to diversify revenue streams and relieve pressure on our tuition-based financial model. For example, in summer 2023 and after a year of planning, the College offered four new pre-college residential programs (on climate action, dance, global challenges, and entrepreneurship) to approximately two dozen high school students. An additional program on sports management will be offered in summer 2025. With expanded marketing, the goal is to grow enrollments over the next three to four years. Dean of the Faculty Danielle Egan is also spearheading efforts to evaluate the market potential of establishing new master's degree programs that align with our mission (her fall 2023 position paper mentioned social justice, ecology and sustainability, and data analytics as several possibilities that might warrant more investigation). In addition, interim President Wong has recommended analyzing opportunities to provide continuing-education courses that are desirable to local business and industry, as well as the potential of new undergraduate degree program opportunities in areas such as sports management, business studies, and global studies.

Campaign outcomes and Advancement

On June 30, 2023, the Defy Boundaries campaign came to a successful conclusion, having secured \$317.5 million, 106% of the goal of \$300 million, \$46 million of which was raised in the final two months of the campaign. That the Connecticut College community stepped up with such philanthropic generosity amid a period of campus protest and presidential transition is resounding evidence of their belief in the institution and continued willingness to invest in the College's future. As we shared in our interim report, the comprehensive campaign was planned and launched in 2017 in support of our ten-year strategic plan *Building on Strength* (2016-2026). The resources generated have fueled progress in virtually all dimensions of the plan. Of particular note is \$154.4 million raised for the endowment through gifts, pledges, and bequest intentions and which, by growing our total endowment by 53%, advances the key goal of building long-term financial health; \$66.5 million for capital projects identified in our strategic plan (i.e., the Hale Center for Career Development, the Walter Commons for Global Study & Engagement, the Athey Center for Creative Research and Performance, the Stark Center for the Moving Image, and the Kohn Waterfront) and which will allow us to leverage areas of academic distinction for current and future generations of students; \$46 million for new scholarships and financial aid, supporting our ongoing commitment to reducing barriers to a Connecticut College education; and \$36 million to strengthen athletics, investments that have already positively impacted admissions efforts and the student experience.

New scholarships have enabled the College to double the number of scholars in our Posse program, from approximately 44 to 88, with the addition of second cohort in fall 2020, and the total enrollment of U.S. students of color has increased steadily since 2017, from the past 7 years, from 19.6% to 23.6% in 2023. Substantial upgrades to athletics facilities along with the creation of eleven full-time assistant coaching positions have led to greater competitive success, including the College’s first ever NCAA Division III national championship, for men’s soccer, in 2021. And we have seen growth in our team rosters, with approximately 20% more varsity athletes on our rosters 2023-24 than in 2017-18. Strategic capital projects have also had immediate benefits: the relocation of the Hale Center to central campus in fall 2019 has increased student satisfaction with career-enhancing experiences over the past three years, according to data from our annual senior survey. Nine out of ten Class of 2023 graduates (89.2%) reported having engaged with the Hale Center at some point during their time at Conn, and this percentage has been consistent over the last three years. A follow-up question asks whether students would recommend the services of the Hale Center for incoming students. A similar percentage of students, 88.4%, said they would, and this percentage has been rising in the last three years:



Finally, expanded access to global programming and staff enabled by the new Walter Commons, which opened in 2018, has notably impacted student fellowship success, more than doubling the number of international awards over the past five years as compared to the previous five.

	Fulbright	Marshall	Gates-Cambridge	Watson	Gilman	Critical Language Scholarships	Boren	Davis Projects for Peace	Pickering	Rangel	TOTALS
2014-18 awards	20	0	0	0	2	5	0	2	0	1	30
2019-2023 awards	25	1	1	4	21	12	1	5	1	0	71
Change	+5	+1	+1	+4	+19	+7	+1	+3	+1	-1	+41

Campaign results have been disseminated widely, via a public [website](#), a printed report disseminated widely to friends of the College, and presentations by the interim Vice President for College Advancement to key governance committees and the broader campus community.

With the successful completion of the campaign, the focus of the College Advancement team during this period of presidential transition is on meeting the annual \$7 million target for the Connecticut College Fund in order to ensure the College’s projected operating budget of \$109 million for FY 2024. With a leadership transition on the horizon, we anticipate that College will embark on the development of a new strategic plan to guide future fundraising priorities. Presentations to internal constituencies, such as the presentation to faculty and staff at the October 2023 All-College meeting, have sought to illuminate how college advancement works and how our fundraising priorities are established in addition to detailing the results and impacts of the Defy Boundaries Campaign. (As discussed in the next section of this report, our monthly all-College meetings are an important way of sharing campus news with faculty and staff members and encouraging questions and discussion led by College leaders.)

Moody’s upgrade of Connecticut College’s credit rating

On October 3, 2023, Moody’s Investors Service announced it had revised Connecticut College’s outlook from negative to stable and had reaffirmed the A2 debt rating. According to the Moody’s analysts, “the college’s prudent financial management supports prospects for maintaining improved operating performance. A strong academic reputation as a selective liberal arts institution, coupled with robust philanthropic support, and an endowment per student of over \$246,000, will continue to support the college’s very good brand and strategic positioning.” A copy of the Moody’s credit report is attached to this draft as an appendix, and we view this as important independent confirmation of our sound financial management.

NECHE financial screening dashboard

The latest updates to the NECHE dashboard were submitted to NECHE in fall 2023 by the Connecticut College Office of Finance. In the years since the end to the COVID-19 pandemic, we have seen improvement in all of the ratios identified by NECHE.

In sum, then, we believe all of this concerted work by Connecticut College amounts to substantial evidence of our alignment with the Commission’s expectation that “the institution’s multi-year financial planning is realistic and reflects the capacity of the institution to depend on identified sources of revenue” (Standard 7.6) and that “[t]he institution plans for and responds to financial and other contingencies, establishes feasible priorities, and develops a realistic course of action to achieve identified objectives” (Standard 2.4).

FACULTY GOVERNANCE

The Commission has expressed interest in our governance structures and processes, particularly those related to faculty governance. In our January 2023 interim report, we noted recent changes to the structure of our monthly faculty meeting and, as a result of that change, the creation of a new monthly All-College Meeting for staff and faculty as a forum to discuss important College business. Whereas historically the faculty meeting had been convened and led by the president and

attended by faculty members as well as key academic staff and senior administrators, the stated purpose of the switch to a monthly faculty-only meeting was to bolster the culture and practice of shared governance at the College by creating a space where faculty alone could deliberate fully and candidly on faculty and College matters. The reconfigured monthly faculty meeting is now open to voting faculty, library staff as noted in the legislation, the college registrar, and the Dean of the Faculty. Other members of college leadership, including the president, attend when invited to offer their feedback or expertise on particular agenda items, and they have access to the agenda, minutes, and relevant documents through the faculty listserv. Recent examples of invited guests include the Dean of the College and our newly hired associate dean of equity and compliance programs/Title IX coordinator. Both the Dean of the Faculty and members of the Faculty Steering and Conference Committee (FSCC) brief the President on any newly proposed legislation as well as faculty deliberations and decisions before and after each faculty meeting.

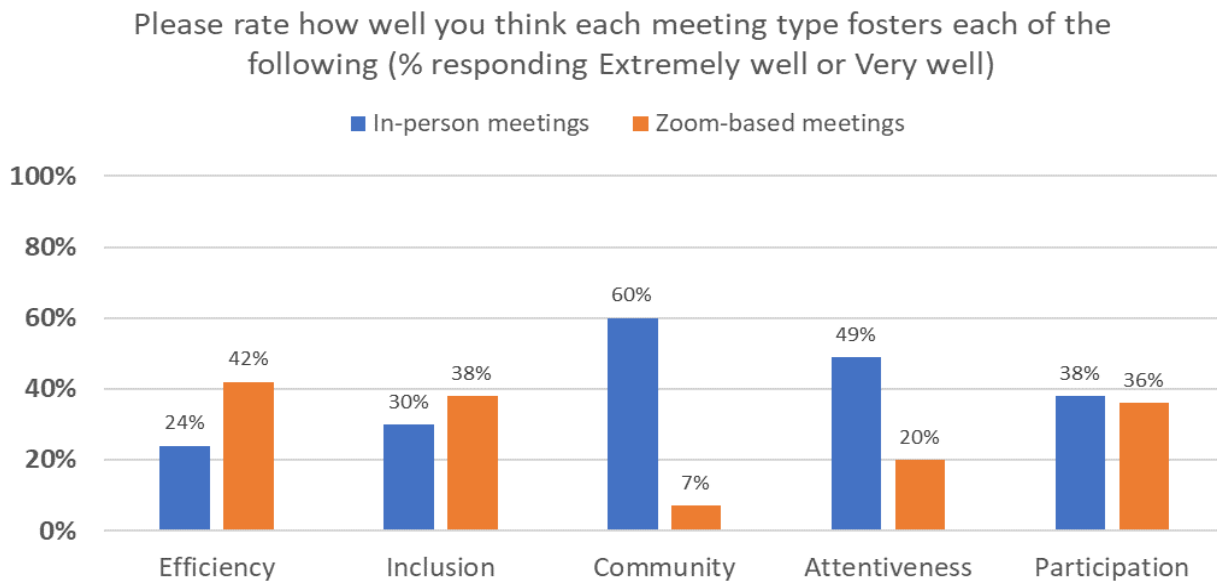
The All-College Meeting, jointly convened by the chair of Staff Council, the chair of the FSCC, and the president, is open to all members of the staff, faculty, and senior administration. The meeting provides a formal venue for disseminating critical College news and reports as well as a shared forum for discussion of these matters for all College employees. Significantly, the twice-yearly report from our PBBC was moved from the faculty meeting to the All-College Meeting so that all constituencies can learn of and respond to the information and plans set forth in those major financial reports. Both structures were legislated by the faculty and went into effect in fall 2018.

Consistent with the Commission's expectation that "[t]he effectiveness of the institution's organizational structure and system of governance is improved through regular and systematic review" (Standard 3.19), we have gathered data and feedback on several occasions regarding our new meeting structures. Data from several surveys, feedback from current and recent chairs of Staff Council and the FSCC, and attendance patterns indicate that both of these meeting structures have brought important benefits. Faculty note that managerial control over their meeting has increased capacity for more nimble organizing, a benefit that served the college especially well during the COVID-19 pandemic. Staff appreciate improved access to critical institutional information and recognize that the All-College Meeting has elevated the voice of staff leadership in significant ways. Both constituencies note that the All-College Meeting has created opportunities for more productive collaboration and dialogue between the Staff Council and the FSCC. This bridge laid the foundation, for instance, for the recent expansion of staff representation on the important Priorities, Planning, and Budget Committee (PPBC) and for the newly instituted joint FSCC and Staff Council meeting which is held each semester.

Important benefits notwithstanding, as the College community redoubles efforts to sustain the conditions for the robust engagement of faculty and staff in institutional decision-making, we are aware of the need for ongoing assessment and monitoring of the strengths and weaknesses of these two structures, given the vital function each plays in shared governance. This year both

FSCC and Staff Council chairs have invited faculty and staff to propose agenda items to make the All-College Meeting as useful to attendees as possible, for instance, and both leadership bodies are actively discussing additional adjustments that could improve the effectiveness of these two meetings.

Data from an October 2022 faculty survey on the best modality of the faculty meeting also illuminated issues that may warrant further examination. While most operations of the College resumed their in-person format in fall 2021, faculty meetings continued to be held via Zoom in 2021-2022 and 2022-23, and a mixture of remote and in-person modalities in 2023-24, formats that reflect the majority preference of the faculty. Quantitative data shown in the chart below reveals that faculty members value virtual meetings for their efficiency and ease of access, but that in-person meetings are deemed more effective in terms of fostering community and attentiveness.



Comments in favor of the virtual modality included:

- “I don’t consider a faculty meeting to be a “social” event...we should instead have dedicated in-person social events that aren’t concurrent with meetings.”
- “for meetings that are about the business and must be about the business...so that the college can function.”
- “legislation can be screen-shared and read easily...sometimes difficult for me to see legislation projected on the screen in in-person meetings...a lot easier to access for folks with physical disabilities.”
- “more time efficient. In-person meetings require extra time on both ends to get to and from the meeting location. Zoom meetings...be working right up until the start of the meeting and go back to other work immediately when it ends.”
- “the only reasonable way for us to actually get 100+ people together who live scattered across the region and have very different schedules (and caregiver responsibilities).”

Comments from the open-ended question section of the survey in favor of an in-person modality

included:

- “the collegiality that occurs in person is very important for the work itself.”
- “cameras are off, and there are no visual cues or signals, gaze, facial expressions, posture...in person, we remember how to be empathetic humans who acknowledge that people can/should not be distilled into moral caricatures for expressing an idea.”
- “Brave spaces” are easier to build when we can see each other.” “if the faculty can’t come together (in person)...how can we be invested in any efforts to build community?”
- “Zoom...allows for an unfortunate level of disrespectful behavior towards colleagues...much less when one has to look at a colleague in person.”
- “I feel uncomfortable participating in remote meetings, which tend to be dominated by a few vocal faculty members.”

In sum, there are advantages and disadvantages to each faculty-meeting modality and there is not clear majority support for either approach. Our faculty will thus likely have to continue trying to strike a balance between the two. For 2023-24, the faculty adopted a resolution calling for their meetings to be held remotely (i.e., via Zoom) between November 1, 2023 and April 30, 2024. The rationale stated by the resolution’s sponsors was that

[t]his would allow the first two and the last two meetings of the year to be in person, while the rest of the meetings would be remote. This would help build community at the beginning and ending of the year while also avoiding meeting in person during the times of the year when infectious respiratory diseases spike.

As partners in the College’s shared governance system, our faculty has thus demonstrated a practice of evidence-informed decision-making on its meeting formats that seeks to balance and promote a variety of values.

Since the submission of our mid-cycle report in January 2023, we are pleased to share with the Commission an important development within our governing board structure, the creation of a new Trustee-Staff Liaison Committee. Approved by the Board of Trustees in September 2023, the committee met for the first time during the October 2023 Board meeting and will meet on a regular basis during tri-annual on-campus Board meetings. The committee is described in article XII, section 15, of the College’s updated by-laws.

The Trustee-Staff committee parallels the existing Trustee-Faculty and Trustee-Student Liaison Committees (both of which were instituted in 1968) and will provide an ongoing opportunity for regular communication about issues of importance to the staff, just as the Board does for the other two major stakeholder groups. Consistent with NECHE standards 3.1 and 3.2, the action marks a significant formal acknowledgment of the longstanding involvement of staff in our governance processes and brings our structure into better alignment actual practice: Staff Council has existed as the recognized leadership body for staff since 1999 and, like the elected leadership bodies of the faculty (the FSCC) and the student body (the SGA), provides oversight of its own election

processes and procedures for addressing constituent issues and concerns. According to its mission statement, “[t]he Council solicits and expresses opinions, represents staff concerns, and makes suggestions and recommendations to the administration on behalf of the entire staff. It strives to promote visibility of staff as valuable members of the community and facilitate a sense of belonging within the community.” Staff Council circulates a monthly newsletter and maintains a digital presence on the College’s intranet, where employees can access current and previous Staff Council meeting agendas and minutes and submit suggestions and feedback. Importantly, staff have long served as voting and participating members of the many major college committees as well as special committees, task forces and commissions that are so essential in shared governance at the College. This has and continues to include participation in presidential search processes: in addition to formal staff representation on the current search committee, staff feedback has been central to community conversations hosted this fall about the needs and priorities for the next president. Staff Council, which marks its 25th anniversary in 2024, continues to advocate for increased opportunities for staff voices in decision-making processes, and is currently at work updating its bylaws to align better with *Policies and Procedures: Information for Faculty, Staff, and Trustees* (“IFF”), the governing document for the faculty.

During the current interim presidency, and in response to broad concerns raised by members of the campus community, the College has embarked on a series of efforts to renew commitments to shared governance across our governance bodies and taken steps to improve shared governance practices in a number of different areas. To build understanding and transparency for the community on how institutional decision-making processes currently function within our governance structure, we have made the policy handbooks of all constituent bodies (students, faculty, and staff) more accessible on the College’s intranet. These are the aforementioned *IFF*, the Employee Handbook, and the Student Handbook. The scope and contents of each of these policy handbooks were described in our mid-cycle report. Other formal statements developed collectively in recent years that affirm shared governance as an institutional value, such as the Covenant on Shared Governance, have also been placed in [a more prominent location](#) on the College website (linkable from the President’s page). The Commission on Shared Governance, an entity established several years ago to promote dialogue and collaboration across the governance groups of the college, is focusing this year on building understanding and meaningful engagement across all constituent bodies.

To formalize an important internal governance practice, in fall 2023, our faculty passed legislation to codify the attendance of the chair of the FSCC at the weekly cabinet meetings convened by the president. Faculty chairs of both the FSCC and the PPBC have traditionally attended such meetings, although this duty was specified in the faculty policy manual (*IFF*) only for the PPBC chair. Given that this practice is widely regarded as a critical source of connection between the faculty and the senior administration, the FSCC in consultation with the interim president deemed it prudent to formalize attendance in *IFF*.

Finally, consistent with Standard 3.8, to help its members learn about their responsibilities and

duties, the Board of Trustees itself has taken concrete steps to make shared governance a more explicit component of the day-long formal orientation for new trustees, beginning in fall 2023. A curated set of materials on this topic was created as part of the Resources for Trustees folder on OnBoard, our board’s web portal, and the Secretary of the College, our primary board professional, will add relevant material on an ongoing basis as needed. Key documents include the canonical Statement on Government of Colleges and Universities (1966), jointly crafted by the American Association of University Professors (AAUP), the Association of Governing Boards (AGB), and the American Council on Education (ACE), and formally adopted by the Connecticut College Board of Trustees, faculty, and administration in 1993; a comprehensive overview of the College’s current committee structure; and other pertinent material developed by the AAUP and AGB.

These structural changes to orientation and integration of new trustees are not the sum of the work in which the Board has been engaged, however. Indeed, the Board of Trustees is acting on the College’s longstanding commitment to shared governance. Notably, the plenary session of the October 2023 board meeting featured a deep dive into the overarching principles of shared governance as well as a review of the origins, evolution, and current practices of shared governance at Connecticut College. This session was also attended by former trustees who are regularly invited to join the October plenary session. In the spirit of its shared governance commitments, plans for the plenary presentation were previewed with campus leadership bodies, and the contents was later shared so as to inform those bodies’ work assessing their own shared governance practices. Additionally, the presidential search, perhaps the most important duties of the Board of Trustees, is proceeding in a way that centers shared governance. The committee is comprised of trustees, faculty, staff, and students. Together the committee selected the presidential search consultants, and an extended period of gathering campus input was an initial focus of the committee. Throughout, the committee has share regular updates with the broader college community, and broadened participation in the search process, in response to faculty feedback. Another way in which the Board is enhancing its existing shared governance practices involves the convenings during every Board of Trustees meeting with the Trustee-Faculty, Trustee-Student, and now, Trustee-Staff Liaison Committees to discuss issues of importance to the constituencies, and share Board perspectives. Those committees will now add a shared-governance check in item to their meeting agendas so that the dialogue across campus constituencies is both regular and intentional.

The steps noted above constitute ample evidence of Connecticut College’s adherence to the letter and spirit of the Commission’s standards regarding institutional governance – the expectation that “the institution has a system of governance that facilitates the accomplishment of its mission and purposes and supports institutional effectiveness and integrity.” As the College works to increase transparency around our community standards regarding shared governance and the policies guiding practice and behavior for all constituencies on campus, the leadership bodies of all groups, including the Board of Trustees, will continue to consider innovative ideas and updated practices to improve the effectiveness of our institution’s organizational structure and system of governance. The subcommittee convened this semester to focus on faculty governance for the

purpose of this report has already identified a number of strategies to improve the dissemination of key reports and information, such as creating an accessible digital repository to house major College and faculty committee reports, and expanding formal engagement of senior administrators with the leadership bodies of the campus. The FSCC began piloting a new practice of meeting with individual senior administrators this year in order to enhance communication and collaboration between the specific functional areas they oversee and the faculty. Members of the subcommittee also brought to light a need to improve the ways we introduce and orient students to the norms of shared governance: student representatives on College committees, for instance, would benefit from more intentional onboarding and orientation process to learn about the College’s committee structure as a whole, the distinct purviews of College committees that include student representatives, and the nature of decision-making processes within our shared governance environment. The Commission on Shared Governance is currently addressing this topic as part of a broader examination of how the College introduces all new members of the community (faculty, staff, administrators, and students) to this important dimension of campus life. We look forward to updating the Commission on this ongoing work in our 2028 comprehensive self-study.

DIVERSITY, EQUITY, AND INCLUSION

Since our January 2023 interim report, we have experienced a transition at the head of our division of institutional equity and inclusion due to the resignation of the prior incumbent amid a period of campus discussion and activism around diversity, equity, and inclusion (DEI) issues. Dr. Nakia Hamlett has been serving in the role of interim Dean of Equity and Inclusion since mid-March 2023 and has focused on the issues, challenges, and needs highlighted by interested students, faculty, and staff last spring, in particular, issues related to staff retention, operating expenses, staff compensation, program and service delivery, student engagement, and campus-wide training and education.

In what follows, we focus on four areas of the work the interim Dean of Equity and Inclusion has been leading, which we believe align well with the Commission’s expectation that we “foster[] an inclusive atmosphere within the institutional community that respects and supports people of diverse characteristics and backgrounds (Standard 9.5): staffing and retention in the DEI division, the current DEI strategic plan, current status and progress on the college’s Equity and Inclusion Action plan goals, and the President’s Task Force. Moreover, consistent with the Commission’s expectation that institutions “regularly and systematically evaluates the achievement of its mission and purposes, the quality of its academic programs, and the effectiveness of its operational and administrative activities” (Standard 2.6), we will describe the data on campus climate that we have collected, analyzed, and used in recent years, giving examples of how we have used “the results of [our] evaluation activities to inform planning, changes in programs and services, and resource allocation” (Standard 2.8).

Division of Equity and Inclusion staffing and retention

Our Dean of Equity and Inclusion serves as Chief Diversity Officer and manages and supervises a team of ten people: seven Program Directors, two Program Coordinators, and one administrative assistant. The division also employs thirty-eight student fellows across seven identity-related programs that each facilitate a robust schedule of social and learning opportunities for the campus community. At the time of this report, all director positions are filled and the division is almost completely staffed. This is important because one of the key issues raised by concerned students, faculty, and staff during spring 2023 was the College's commitment to fully staffing the division. One position remains unfilled: a Title IX case manager position. In addition, based on feedback from staff and through examination of the current operational structure and functioning, we are creating a new position to support operations across the division. Under the leadership of the interim Dean, the College is also working to improve staff salaries, and to understand and address staff retention issues in the division – again, key concerns raised in spring 2023.

DEI strategic vision

With regard to the College's overall DEI strategic plan and strategy, first and foremost, the College's comprehensive [Equity and Inclusion Action Plan](#) described in our 2023 interim report continues to serve as a general roadmap. Within this framework, the interim Dean has focused on four key domains: policies, practices, and community standards; education and training opportunities for the campus community, centering dialogue and experiential activities as core activities; professional development opportunities for DEI staff and mentoring for staff and student fellows; and engagement within the broader College community. The interim Dean is also in the process of assessing the learning and development needs campus-wide and improving communication with the larger campus community about DEI-related development, learning opportunities, policies and procedures, and goals.

Presidential Task Force

During the spring 2023 events on our campus, students from underrepresented groups and their allies expressed concerns about the overall state of DEI efforts and resources on campus. The faculty and staff supported students while also expressing their own concerns about pay equity, the lack of transparency in leadership, and other concerns.

As mentioned earlier in this report, Interim President Wong has charged our Dean of Equity and Inclusion with leading a Presidential Task force charged with developing a campus-wide restorative planning process that engages key stakeholders. This work began in November 2023 with a call for nominations for representatives of each campus constituency to serve on the task force going out to the campus community. A town hall hosted by Dean Hamlett provided an overview of the purpose of the task force, immediate action items, and the timeline for the process. As described in more detail in the following sections, the President's Task Force will focus on student support and equity compliance, faculty and staff retention, and campus climate and communication. Members of each of these three working groups met for the first time in

December 2023 just before the winter break to begin their work, and the goal is to produce an integrated report by the end of the spring 2024 semester that will serve as a blueprint for the interim president, the Board of Trustees, and the next president of the College.

Student support and equity compliance

The task force will focus on the unique and varied needs of students, including challenges related to campus infrastructure such as housing, dining, transportation, and support services to promote student socio-emotional well-being. Particular focal points are likely to include a review of mental health needs and resources across identity groups and gaps in services for students who come to Connecticut College with significant financial and psychosocial needs not covered by current college resources.

Faculty and staff retention and satisfaction

The task force will also focus on understanding factors related to why staff and faculty stay at or leave the College. The goal is to improve retention rates overall, to increase equity and diversity within faculty and staff groups, and to increase employee engagement and satisfaction. Potential focus areas include administrative processes that make specific work tasks more challenging, staffing shortages, salary and compensation discrepancies within staff and faculty ranks, institutional standards for managerial training and procedures, employee well-being initiatives, and professional development opportunities for staff.

Campus communications and climate

The task force will examine key aspects of culture and climate with the aim of improving communication (both functional and civil communication) and developing recommendations for engaging the campus community through innovative educational and social events. Specific areas of focus will include: understanding how information flows (or fails to flow) to various campus constituencies; building capacity for civil dialogue; and creating a stronger culture of transparency.

DEI work across other College divisions

Other notable efforts that have gotten underway since we submitted our mid-cycle report include new training for staff to support LGBTQIA+ students as well as students with DACA (Deferred Action for Childhood Arrivals) and undocumented status; the creation of a new landing page on the College website with comprehensive resources and opportunities available to students from a wide range of identities and backgrounds; an institution-wide analysis, spearheaded by PPBC, of the resources devoted to activities and initiatives that support, promote, and enhance DEI efforts; and the development of new policies and procedures to review and evaluate venues for college fundraising events.

Data on campus climate

In addition to our regular examination of disaggregated student outcomes data to check for variations by student background and demographics (e.g., retention and graduation rates), we also

regularly conduct campus climate surveys to get insight into the experiences of our students, faculty, and staff.

Our most recent all-campus survey was the Higher Education Data Sharing (HEDS) consortium's [Diversity, Equity, and Campus Climate Survey](#), administered in spring 2021. Response rates were good: 37% of students ($n=610$), 61% of faculty ($n=160$), and 49% of staff/administrators ($n=236$) responded. The survey asked a variety of questions regarding campus climate, institutional policies and practices for diversity and equity, and respondents' experiences with discrimination and harassment. Initial presentations of the data (for example, to the All-College Monthly Meeting mentioned in the previous section of this report) focused on the overall results for students, faculty, and staff/administrators. Subsequent presentations to smaller audiences of students, faculty and staff included disaggregated analyses of the data to indicate how various subgroups differentially experience the College as a place of living and learning or as a workplace.

The results indicated that the experiences of a number of historically marginalized groups could be improved and that we have work to do in terms of ensuring that all students, faculty, and staff feel welcomed, listened to, and reflected in the college's activities, decision-making processes, and communications. To this end, the College has taken a number of decisive steps, including the reconfiguration of an existing position and the creation of a second position. A reconfigured full-time associate dean position with oversight of equity and compliance programs is providing ongoing education for all campus constituencies about the College's bias incident reporting procedures as well as freedom of speech and professional conduct standards. A new Director of Faculty Equity, Inclusion, and Belonging position was established in fall 2022 for the purpose of developing and implementing expanded DEI education for faculty as it relates to teaching and departmental work. The inaugural director, Nakia Hamlett (currently serving as our interim Dean of Equity and Inclusion), is working with academic units within the division to monitor and address culture and climate issues that contribute to inequities and retention issues of BIPOC faculty. Other concrete measures that have been implemented include funding faculty participation in leadership development programs through organizations such as the National Center for Faculty Development and Diversity and professional training to help our student affairs staff understand and better serve the needs of our population of DACA and undocumented students.

The results of the HEDS survey convinced us that we should continue to collect data from each of our constituencies on a smaller range of questions, using in-house surveys and other methods. In the past year, as part of the self-study of her division, our Dean of the Faculty designed and administered a survey of faculty and staff in that division to gauge their sense of belonging, meaning, and satisfaction with their work. The results directly informed the content of her white paper (described earlier in this report) in terms of initiatives to improve satisfaction and morale and to better align the curriculum with faculty members' aspirations for what they hope our students will learn.

On the staff side, in fall 2023 our Vice President for Human Resources surveyed staff to gather feedback on their experiences with our FlexWork program, which allows staff members, to the extent that it is workable in their offices, to adjust their work times (to begin work earlier or later than is typical) and their work locations (to work remotely up to two days per week). The survey gauged the quality of employees' relationships with their supervisors and asked some general questions about their satisfaction with Connecticut College as a workplace. A results report was shared with the Vice President for Human Resources in December 2023 just before break, and he will use the data in early spring 2024 to inform communications with staff and the development of the HR office's future initiatives. Overall, the survey results showed strong support for giving employees FlexWork options when it can be done within their divisions without disrupting operations and services. With a response rate of 53%, nearly three-quarters of respondents somewhat agreed or strongly agreed that FlexWork has been good for employee morale, and 65% said it has been good for employee retention. In open-ended comments, respondents offered a number of suggestions for improving the College's policies, procedures, and communication around FlexWork, and we will use this feedback to inform our recommendations for changes to the program. The core elements of the program will likely remain intact with the changes focused on increased communication about the value of the policy for recruitment and retention.

Looking forward, we will administer the National Survey of Student Engagement (NSSE) to our entire student body in spring 2024. The survey asks a variety of questions about students' experiences and activities and their satisfaction with the institution and its programming and support services. We will also be administering an [optional NSSE module](#) focused on inclusiveness and engagement with cultural diversity. Because we will be surveying the entire student body (instead of just first-year students and seniors, as is typically with NSSE), we view this as a follow-up campus climate survey that will help us build on the 2021 HEDS findings and give us data from a point in time further removed from the COVID-19 pandemic's stressors and disruptions that may have inflected the HEDS results.

Connecticut College's admissions work in light of the Supreme Court's affirmative action ruling
In fall 2022, before the Supreme Court heard oral arguments for two Affirmative Action cases *Students for Fair Admissions v. University of North Carolina* and *Students for Fair Admissions v. Harvard College*, Conn joined 33 fellow liberal arts institutions of higher education in submitting an amicus curiae brief in support of Harvard and UNC. Debo Adegbile '91, chair of the Connecticut College Board of Trustees and a partner at the international law firm Wilmer Cutler Pickering Hale & Dorr, was part of a team that represented Harvard throughout the case. The college issued two campus-wide communications (October 31, 2022 and June 29, 2023) – before and after the June 2023 ruling – to affirm the institution's unwavering commitment to our equity goals and ongoing work of building an inclusive campus community.

In the wake of the Court's June 2023 ruling in *Students for Fair Admissions*, our Office of Admission continues to make efforts to have Connecticut College represent the larger world in which it operates. It has continued its multicultural fly-in recruitment program in fall 2023, added

an inclusion for those students who represent the first generation of their family to attend college, and has increased the financial resources to fly students to campus. This has served to expand the number of students who can participate in the program. Writing for the majority in the Court’s 2023 decision, Chief Justice John Roberts opined that because “the touchstone of an individual’s identity” includes “challenges bested, skills built, or lessons learned...nothing prohibits universities from considering an applicant’s discussion of how race affected the applicant’s life, so long as that discussion is concretely tied to a quality of character or unique ability that the particular applicant can contribute to the university.” Connecticut College thus added this year an optional question to our Common Application supplement to allow students to talk about their experiences and identity in a meaningful way that allows them to articulate both their fit and how they would strengthen the sense of community at the College. Finally, we rethought the personal rating we have used in our application review to better align with a student’s specific talents and experiences and Connecticut College’s stated mission-related objectives and values.

CONCLUSION

Again, we welcome this opportunity to update the Commission on our continuing successes in implementing our financial plans and strategies; implementing changes to and evaluating the effectiveness of our faculty governance processes; and pursuing our goals for diversity, equity, and inclusion since spring 2023. As noted above, we are currently actively collecting data to inform our planning and decision-making in each of the areas described above. We know that the insights we gain during these processes of institutional reflection and self-assessment illuminate both the progress we have made thus far and the important work that lies before us as we prepare to welcome the College’s 12th president. By the time of our next decennial self-study and comprehensive review in 2028, we will report to the Commission our progress in each of three areas addressed in this report. Although we do not want to pre-commit new leadership to any particular courses of action, we anticipate being able to report on the following:

- Achievement of a new equilibrium with a slightly expanded student body and improved student satisfaction with the residential experience, as demonstrated by improving student retention rates;
- New leadership at the helm and a fully assembled senior management team in place;
- The conclusion or at least commencement of a new strategic planning process with a new set of shared priorities to guide institutional work and fund-raising;
- Continued work on diversity and equity issues that is informed by ongoing data collection and analysis of the experiences of our students, faculty, and staff.

APPENDIX

Moody's Investors Service
Connecticut College Update to Credit Analysis
October 4, 2023

CREDIT OPINION

4 October 2023



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Connecticut College, CT

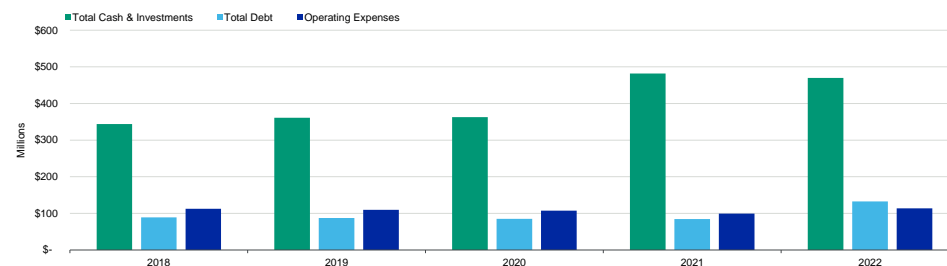
Update to credit analysis

Summary

[Connecticut College's](#) (A2 stable) credit profile reflects the college's good brand and strategic positioning as a selective undergraduate institution based in New London, CT. Sizable wealth levels of \$470 million provides robust coverage of both total adjusted debt and expenses. Conservative financial management supports improved operating performance despite limited pricing flexibility due to heightened competition and weak regional demographics. Favorably, the college benefits from a strong academic reputation, very healthy liquidity and generous philanthropic support that further support credit quality. However, a very high age of plant at 23 years indicates a potential need for additional capital investment to remain competitive. Other credit challenges stem from a high reliance on student charges, elevated leverage relative to scale and a high-cost business model.

Exhibit 1

Financial resources provide strong coverage relative to debt and expenses



Source: Moody's Investors Service

Credit strengths

- » Substantial wealth with total cash and investments providing 4.1x coverage of expenses and 3.5x coverage of total adjusted debt
- » Good brand and strategic positioning as a small, selective liberal arts college with a strong academic reputation serving about 1,900 students
- » Excellent fundraising, with three-year average annual gift revenue of nearly \$30 million providing resources to support operations and capital investment
- » Strong unrestricted monthly liquidity covering nearly 423 days of expenses, contributing to a very good financial policy and strategy

Credit challenges

- » Heightened competition from a group of wealthy peer institutions, which limits pricing flexibility and suppresses net student revenue growth
- » Elevated 23 years average age of plant, indicating presence of significant deferred maintenance and aging facilities
- » High debt relative to scale and cash flow as measured by debt to revenue and EBIDA at 1.1x and 10x, respectively in fiscal 2022
- » High cost business model reflected by educational expenses per student at about \$54,000 per year

Rating outlook

The stable outlook reflects our expectations that improved operating performance will continue, with EBIDA margins in excess of 12% through at least fiscal 2024, with no material new debt. It also incorporates expectations that philanthropic efforts will grow the endowment and provide capital funds, both critically important for the college to maintain competitiveness in a fiscally sustainable manner.

Factors that could lead to an upgrade

- » Material strengthening in brand and strategic positioning driven by stronger student demand and improved revenue diversification
- » Outsized growth in total wealth and liquidity relative to peers, materially strengthening coverage of debt and expenses

Factors that could lead to a downgrade

- » Material weakening of operating performance
- » Failure to maintain debt affordability while making progress towards consistently reinvesting in facilities equal to, or above depreciation
- » Significant downturn in liquidity relative to expenses

Key indicators

Exhibit 2

Connecticut College, CT

	2018	2019	2020	2021	2022	Median: A Rated Private Universities
Total FTE Enrollment	1,813	1,834	1,705	1,817	1,911	5,320
Operating Revenue (\$000)	106,961	109,174	107,173	99,945	114,377	239,809
Annual Change in Operating Revenue (%)	-2.9	2.1	-1.8	-6.7	14.4	10.7
Total Cash & Investments (\$000)	343,654	360,993	362,486	481,839	469,816	529,788
Total Adjusted Debt (\$000)	89,205	87,341	85,275	85,432	132,377	194,248
Total Cash & Investments to Total Adjusted Debt (x)	3.9	4.1	4.3	5.6	3.5	2.9
Total Cash & Investments to Operating Expenses (x)	3.0	3.3	3.4	4.9	4.1	2.4
Monthly Days Cash on Hand (x)	310	353	363	433	423	417
EBIDA Margin (%)	6.1	10.4	10.7	12.0	11.6	16.2
Total Debt to EBIDA (x)	13.7	7.7	7.4	7.0	10.0	4.9
Annual Debt Service Coverage (x)	1.2	2.1	2.1	2.3	2.4	3.3

Source: Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Profile

Connecticut College is a small, private liberal arts college located in New London, CT. Its strong academic reputation is highlighted by its 40% admit rate on first year applicants in fall 2022. For fiscal 2022, Connecticut College generated operating revenue of \$114 million and enrolled 1,911 full-time equivalent (FTE) students as of fall 2022.

Detailed credit considerations

Market profile

A strong academic reputation as a selective liberal arts institution coupled with robust philanthropic support and a solid wealth per student of over \$246,000, will continue to support the college's very good brand and strategic positioning. However, the college faces a challenging student market stemming from regional demographic pressures, changing consumer preferences within the liberal arts education space and heightened competition. These challenges are reflected in high tuition discount rates and weakening net tuition revenue per student. As of fiscal 2022, the college's reported discount rate was nearly 56% while net tuition revenue per student declined by 14% over the last five years to \$26,919.

Favorably, enrollment rebounded in fall 2022, with a first-year class of 630 full-time equivalent students, a five-year high following smaller class sizes during the pandemic (2020-2021). Early projections for fall 2023 enrollment indicate softened matriculation relative to fall 2022, with around 560 first-year full-time equivalent freshmen. Through new strategies for enrollment management and recruitment aimed at expanding its geographic reach, the college expects to enroll class sizes similar to Fall 2023 levels for the next few years. The effectiveness of enrollment management initiatives and the impact on credit quality will be assessed over time.

Operating performance

The college's prudent financial management supports prospects for maintaining improved operating performance, even with some enrollment volatility. We expect careful management of operating expenses along with modest revenue in fiscal 2023 through 2024 to result in thin operating surpluses. Based on preliminary data, we estimate EBIDA margins between 12-14% in fiscal 2023 and 2024. While inflationary pressures will remain a hurdle and require careful oversight, growth in net tuition and auxiliary revenue due to increased enrollment and modest increases in tuition prices will drive improved operating performance through the next year. As the college aims to maintain a relatively high per student spending to remain competitive, its ability to grow net tuition revenue will be crucial for sustained improvement in operating performance.

Wealth and liquidity

The college's solid financial resources contribute to its very good credit quality. In fiscal 2022, total cash and investments of \$470 million covered debt and expenses by 3.6x and 4.1x respectively. Coverage of debt was stronger than the peer median of 3x in fiscal 2022. With limited excess cash flow after covering debt service, the pace of financial reserve growth will be largely dependent on investment market performance and gift revenue. Favorably, philanthropic support is relatively strong and credit supportive, with an average gift revenue of nearly \$30 million annually over a three-year period, stronger than many peers of similar credit quality. Further, ample liquidity that translates to 423 days cash on hand will provide a runway in case of unanticipated operating challenges.

Leverage

An elevated debt burden relative to revenue and operations limits financial flexibility. In fiscal 2022, total debt to EBIDA was 10x, significantly higher than the A-rated peer median of 4.9x. While debt affordability will remain weaker relative to peer medians, we expect improved operations to support stronger debt to EBIDA through fiscal 2024. Favorably, the college benefits from sizable financial reserves that provide good coverage of debt. However, a rising age of plant, 23 years in fiscal 2022, indicates a need for capital improvement. The college has various capital projects planned through fiscal 2025 that will be funded through unspent bond proceeds and gifts. The college has reported no additional debt plans.

ESG considerations

Connecticut College, CT's ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 3

ESG Credit Impact Score

CIS-3

Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.



Source: Moody's Investors Service

Connecticut College's credit impact score (**CIS-3**) reflects ESG attributes that have a limited impact on the rating at this point, but a greater potential for future negative impact over time. Its **CIS-3** reflects moderately negative exposure to social risks, along with low to neutral environmental and governance risks.

Exhibit 4

ESG Issuer Profile Scores

ENVIRONMENTAL

E-2

Neutral-to-Low



SOCIAL

S-3

Moderately Negative



GOVERNANCE

G-2

Neutral-to-Low



Source: Moody's Investors Service

Environmental

Environmental risks are neutral-to-low (E-2) across all categories. The exposure to hurricanes and sea level rise is partly mitigated by strategies undertaken by both the university and the city to increase resiliency to flood risks and broader operational disruption. While the college is set along the Thames River, its elevation above the waterway reduces the likelihood of potential flood impact. A dedicated sustainability program includes a comprehensive approach to minimizing the college's environmental footprint. Investments in various infrastructure projects are facilitating a targeted reduction in carbon emissions of 26% to 28% by 2025.

Social

The college's social issuer profile score (S-3) is mainly driven by a combination of moderately negative exposure to demographic, customer relations, and human capital risks. Demographic risks are introduced by the college's elevated reliance on students from the northeast, a region with a constrained pipeline of high school graduates and heightened competition. These demographic challenges continue to weigh on student demand, reflected in softening net tuition revenue and a rising discount rate. Favorably, a solid national brand as a selective liberal arts college with sound enrollment management and academic review practices partly offsets these challenging demographic trends. Customer relations risks are introduced by elevated reliance on net student revenue and a high-cost business model. Favorably, philanthropy remains strong overall, providing an important source of funding for capital renewal, strategic programmatic investment, and financial reserve growth. Further, strong graduation rates and postgraduate earnings relative to student debt levels also factor favorably into the customer relations framework. Human capital risks are introduced by elevated exposure to faculty tenure, providing for labor rigidity, and a business model that demands a low student-to-faculty ratio, contributing

to high per student spending. Favorably, the college has no exposure to collective bargaining or material postretirement defined benefit obligations.

Governance

Connecticut College's governance issuer profile score (G-2) incorporates its sound financial management practices, along with its exposure to financial strategy and board structure risks. Management credibility is reflected in the restoration of balanced operations despite a sustained trend of constrained revenue growth. The implementation of material expense adjustments along with a move towards GAAP-based multi-year financial plans provides a pathway to generating sustainably stronger levels of cash flow. However, financial strategy risks are introduced by historical underinvestment in facilities leading to a very high age of plant. While a recent bond issuance helps address infrastructure needs, future debt affordability remains limited by the moderate levels of nominal cash flow. Favorably, an improved financial strategy is reflected in the steady gains to the quasi-endowment supporting a materially strengthened liquidity profile. Like most of the sector, the large composition of the board including alumni and key donors introduces moderately negative board structure risks. Favorably, board members have good industry diversity and experience, which provides for good capacity to exercise broad oversight responsibilities.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The Higher Education rating methodology includes a scorecard that summarizes the factors that are generally most important to higher education credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not match an assigned rating. We assess brand and strategic positioning, operating environment, and financial strategy on a qualitative basis, as described in the methodology.

Exhibit 5

Connecticut College, CT

Scorecard Factors and Sub-factors	Value	Score
Factor 1: Scale (15%)		
Adjusted Operating Revenue (USD Million)	114	A
Factor 2: Market Profile (20%)		
Brand and Strategic Positioning	A	A
Operating Environment	A	A
Factor 3: Operating Performance (10%)		
EBIDA Margin	12%	A
Factor 4: Financial Resources and Liquidity (25%)		
Total Cash and Investments (USD Million)	470	A
Total Cash and Investments to Operating Expenses	4.1	Aa
Factor 5: Leverage and coverage (20%)		
Total Cash and Investments to Total Adjusted Debt	3.5	Aa
Annual Debt Service Coverage	2.4	Baa
Factor 6: Financial Policy and Strategy (10%)		
Financial Policy and Strategy	A	A
Scorecard-Indicated Outcome		A2
Assigned Rating		A2

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.

Source: Moody's Investors Service

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