

MINUTES OF A COMBINED MEETING OF THE FACULTY COUNCIL OF
 REPRESENTATIVES AND THE UNIVERSITY FACULTY

October 14, 1992

First Meeting of 1992-93 Academic Year
 (Number in parenthesis indicates attendance at meetings to date)

Present: **CALS:** Awa, N.E. (1); Baer, R.A. (1); Baveye, P.C. (1); Berkey, A.L. (1); Ewert, D.M. (1); Feldman, R. (1); Gillett, J.W. (1); Pritts, M.P. (1); Riha, S.J. (1); Rockcastle, V.N. (1); Tauer, L.W. (1). **Geneva:** Koller, W.D. (1); McLellan, M.R. (1). **AAP:** Perlus, B.A. (1); Saltzman, S. (1). **A&S:** Berger, A. (1); Blume, L. (1); Brown, L. (1); Coleman, J.E. (1); Darlington, R.B. (1); DeVoogd, T.J. (1); Kennedy, K.A.R. (1); Livesay, R. (1); Loring, R.F. (1); Rusten, J.S. (1); Rutten, A.R. (1); Shanzer, D.R. (1); Speh, B. (1); Strang, D. (1); Strauss, B.S. (1); Usner, D. (1); Volman, T.P. (1). **Engr.:** Brown, G. (1); Farley, D.T. (1); Giannelis, E.P. (1); Kay, R.W. (1); Parks, T.W. (1); Rand, R.H. (1); Scheele, G.F. (1); Subramanian, D. (1); Warhaft, Z. (1). **Hotel:** Dunn, D.C. (1). **H.E.:** Garner, C.E. (1); Laquatra, J. (1); Schwartz, P. (1); Street, L. (1); Wethington, E. (1). **ILR:** Kuruvilla, S. (1). **JGSM:** McAdams, A.K. (1). **Law:** Alexander, G.S. (1). **ROTC:** Shirk, J.L. (1). **Vet. Med.:** Dubovi, E.J. (1); Hermanson, J.W. (1); Meyers-Wallen, V.N. (1); Weiland, G.A. (1). **At-Large:** Farley, J.T. (1); Kazarinoff, M.N. (1); Levitsky, D.A. (1); Lucey, R.F. (1); Walter, M.F. (1).

Absent: **Afr. Ctr.:** Edmondson, L.G.E. (0). **CALS:** Glynn, C.J. (0); Hudler, G.W. (0); McCormick, C.C. (0); McDonald, D.G. (0); Parks, J.E. (0); Ranney, C. (0); Shapiro, M.A. (0); Slack, S.A. (0); Smith, M.E. (0). **Geneva:** Shelton, A.M. (0). **AAP:** Jarzombek, M. (0). **A&S:** Bathrick, D. (0); Cotts, R.M. (0); Feigenson, G.W. (0); Hamill, O.P. (0); Hayes, D.P. (0); Howland, H.C. (0); Keil, F. (0); Mitchell, J. (0); Mullen, H. (0); Peirce, L. (0); Siggia, E.D. (0). **Engr.:** Moore, F.K. (0); Philpot, W.D. (0); Raj, R. (0); Seyler, C.E. (0). **Hotel:** Sherry, J.E.H. (0). **ILR:** Abowd, J.M. (0). **JGSM:** Lind, R.C. (0). **Law:** Taylor, W.F. (0). **Univ. Libr.:** Atkinson, R.W. (0). **Vet. Med.:** Ball, B. (0); Casey, J.W. (0); Farnum, C.E. (0). **At-Large:** Allen, J.A.V. (0); Lumley, J.L. (0); MacDougall, B.G. (0); Norton, M.B. (0); White, R.N. (0). **Faculty Trustees:** Calvo, J.M. (0); I. Kramnick (0).

President Frank H.T. Rhodes: "With your permission, I'll call the meeting to order and hand over the chair to the Dean of the Faculty, Walter Lynn."

Dean of the Faculty, Walter R. Lynn: "The President is the official officer of the Faculty and until we elect a speaker - this is one of the first duties we have to attend to at this meeting - I will serve as speaker.

"There are three items of old business for FCR members and it is our intent to deal with those with dispatch.

1. APPROVAL OF MINUTES

"The Summary Minutes of the FCR for the meeting of February 12th, which is a short time ago, have not yet been approved due to a lack of a quorum and so the chair would like to entertain a motion for approval. Is there a second to that motion? Discussion? All those in favor, please say aye. Opposed? The minutes are approved. Thank you.

2. REORGANIZATION OF THE FINANCIAL POLICIES COMMITTEE

"The second item is a resolution that was also transmitted to the Faculty somewhat earlier, approving the reorganization of the Financial Policies Committee. There were two committees. The Financial Policies Committee was established under the organization and procedures of the FCR. An ad hoc committee was originally appointed by Dean Bugliari to address the particular financial circumstances of the statutory college faculty. There was a decision made by both committees that it would be in the interest of the Faculty if these two activities were joined to have a university-wide committee focused on financial policies. That is basically what is contained in the resolution that is before you. The Executive Committee has, under its so-called emergency powers, approved that, and if somebody will offer to confirm that resolution, the chair would appreciate that action.

"The resolution is largely to restructure the Financial Policies Committee and create a new organization of the Financial Policies Committee which effectively enlarged the body and merged the two together. Is it now at all possible to approve that resolution? Is there a second to that motion? Any discussion? All those in favor, please say aye. Opposed? The resolution has been approved (Appendix A, attached).

3. RESOLUTION AMENDING APPEALS PROCEDURES

"We also had a number of items having to do with the appeals process. As you know, the Faculty have a very elaborate and creative appeals process for those who in some way have been denied due process of tenure or promotion. The appeals process I can report to you is alive and well. When an appeal is heard, the Appeals Committee, selected from the panel of Faculty, is asked to reexamine the appeals process and to make suggestions or corrections that they think would improve the process. We bring to you, on recommendation of the Committee on Academic Freedom and Professional Status of the Faculty, together with the approval of the FCR Executive Committee, a resolution that largely addresses the appeals process. This was also circulated to you earlier. It largely involves no substantive change and I would be happy to show all of those to you. One is that the Dean is given the power to collect all the necessary materials that the Appeals Committee would require in order to conduct its work. It also deals with the question of arbitrary or capricious decisions, and the committee decided to clarify that definition. 'A decision is not arbitrary and capricious if it is one

about which reasonable persons could disagree.' The change of wording is an attempt to explain that in the proceedings so that if the Appeals Committee attempts to address that, they better understand the basis. Is there a motion to approve this resolution? Thank you, Professor McAdams. Is there a second? Is there discussion? All those in favor, please say aye? Opposed? The resolution (Appendix B) has only taken about four months to complete.

4. REMARKS BY THE DEAN

"That completes the old business on our agenda. I do have a few remarks that I think are important to present to you. First of all, I would like to congratulate and thank those individuals who have been elected to the FCR seats on standing committees. It's a pleasure that they have volunteered to do so. Their terms began on July 1, as specified in the legislation (Appendix C, attached).

"The second item is important to call to your attention and that is the change in Article 224-a of the State Education Law (Appendix D, attached). This has to do with observance of religious holidays. And the difference is not that Cornell has not by and large followed the conditions of the State Education Law, but that we were not required to do so until the law was amended to include all institutions that report to the Board of Regents. The two major items that were approved in the amendment were that one could not penalize students if they could not register for courses and that an opportunity shall be made available to make up work missed as a result of the religious observance. The major issue is that Cornell is now included as are all other institutions that report to the Board. Formerly, it was just those so called public institutions that were required to comply with the responsibility.

"A number of faculty have asked what their responsibilities were under the Rehabilitation Act of 1973. It's an act that is 20 years old. It's one that Cornell has complied with but questions have been asked. The guide distributed with the call has been produced for your information and if you have any questions, Joan Fisher, in the Office of Equal Opportunity, is available to answer them.

"We have recently distributed a new version of the Academic Integrity Handbook, which has been tuned up and improved. It's intended to be of assistance to the Faculty, and will also be distributed to all other individuals who have teaching obligations.

"Two other items. One is faculty governance. You might have noticed some stress about quorum problems for the FCR. It continues to be a problem. I've asked the appropriate body of the University Faculty, which is the Review and Procedures Committee, to consider whether some changes in its legislation are necessary in order to have this legislative body function in a way that is intended. We have produced a study on attendance at FCR meetings. It's the initiative of the Review and Procedures

Committee as to whether we change the quorum requirements or find whatever procedure appropriate to insure that this body is able to function in a viable fashion. There are a set of rules that pertain to the FCR called OPUF, for the Organization of Procedures of the University Faculty. That is the guiding instrument that governs our procedures in the way we function.

"Finally, the last item is a conflict of interest issue. There are two major proposals, one by the National Science Foundation and one by NIH, both of which will require Cornell University and all other institutions to submit proposals to these two bodies to insure that conflict of interest issues are properly addressed in these institutions.

"I call your attention to the fact that in 1986, the Board of Trustees at Cornell established a conflicts policy that is also in the Faculty Handbook. It has been there for some time and in fact Cornell has intended to carefully observe those requirements. I will quote directly from the Federal Register, quoting NSF: 'NSF favors and has actively increased involvement of academic researchers and educators with industry and with private entrepreneurial ventures. However, such involvements create increased risk of conflict between the private interests of individuals, or of the companies with which they are involved, and the public interest that NSF funding should serve.' In fact the foundation is now going to impose more stringent requirements in the way we carry out those obligations. That concludes my remarks. The chair would now like to call on Professor McAdams for a motion."

5. ELECTION OF SPEAKER

Associate Professor Alan McAdams, JGSM, and Chair, FCR Executive Committee: "I nominate Professor Emeritus Russell Martin as Speaker of the FCR and University Faculty."

Dean Lynn: "Is there a second? Mr. Martin is an institution unto himself and all who serve on the Executive Committee are delighted he is willing to continue in this role. He's done a magnificent job. Are there any further nominations? All those in favor, I invite everyone to vote for this motion, all those in favor please say aye. Opposed? Thank you. Mr. Martin, would you like to continue?"

Speaker, Professor Emeritus Russell Martin, Communication: "Apparently, you do not think it is time for a change. I thank you very much for the privilege of serving as your Speaker. The Chair now calls on Professor Carlos Castillo-Chavez, Chairman of the Committee on Affirmative Action, for a report of that Committee."

6. REPORT OF COMMITTEE ON AFFIRMATIVE ACTION

Associate Professor Carlos Castillo-Chavez, Plant Breeding and Biometry, Chairman, Affirmative Action Committee: "It is time for a change, and I'm going to talk about that today. Since my time is limited, I will get right into the business that brings me here.

"In 1987, the Cohen-Gates report - the work of two distinguished faculty members - increased our awareness of the problems that face Cornell in recruiting and retaining minority and white women faculty members. Because of that report, the FCR created the Affirmative Action Committee, first chaired by Professor Robert Harris of Africana Studies in 1989-90 and over the past two years by me. It is my duty as chair of this committee to report to the FCR and the Faculty on our progress or lack thereof in increasing the pool and employing minority faculty.

"Let me begin with the history of this committee over the last two years. In my first term as chair of this committee, our committee was summoned to the first meeting of the FCR Executive Committee in the Fall of 1990. During that meeting we were informed of the seriousness that the FCR attaches to our affirmative action policies. In fact, the ability of this committee to deal simultaneously with issues that affect minority men and women as well as white women was questioned. We were asked about the need to create a new FCR Committee to deal exclusively with affirmative action issues as they apply to white women. We asked the FCR to evaluate the work of our committee during 1990-91 before creating a new committee. Two years later we are still waiting to hear from the FCR. The FCR and its Executive Committee have expressed no interest in affirmative action policies as evident from their lack of response to last year's report. In short, the committee's work on affirmative action policies in general has not generated the kind of attention that parking has.

"During the 1991-92 academic year, in order to get a first hand look at the way in which our affirmative action policies are implemented, we got involved in several searches that involved minority men and women candidates applying for various academic appointments: visiting, tenure track, etc. Our general conclusion was that except for positions that involve minority programs or areas of expertise associated with ethnic studies, there was no significant effort to recruit minority faculty. We remain an academically segregated university. The recommendations proposed in the Cohen/Gates report such as asking our own graduates to apply, being flexible with regards to the exact area of expertise, mortgaging a line, etc. were not used or recognized by most of the faculty as important or relevant to the searches being conducted. Hiring the best faculty, however one defines best, was not the main goal either. Positions seemed to be allocated to groups. If the best candidate was from group A and the position belonged to group B, then the best candidate was not hired. Minority candidates often were perceived as academically diffused, that is, working at

the intersection of areas A, B, and possibly C. Therefore, regardless of their record, they were not the 'best'. The phrase that was often used was 'there is not a good fit.' Minority candidates were seldom identified or recruited.

"The main obstacles for hiring minority faculty are posed by internal departmental or group politics. Let me provide you with a 'typical' example involving groups A, B, and C in department X. Group A looks to fill a vacancy of a type *a* faculty and a minority candidate is found but she is classified as a type *a'* so there is no good fit. Group A would like to have her if somebody finds the time to get involved and that's unlikely. It becomes necessary to convince the appropriate administrators that we cannot pass up this candidate. If the effort succeeds and if there are funds available a new line is obtained. A vote is carried to offer her the job, but group B does not support her because members fear that department X is not really getting a new line, but only the line in area *b* which was lost or frozen three years ago. Group C does not care. Candidate *a'* gets no job and group A eventually offers the job to a non-minority candidate who is classified as type *a*.

"The above example suggests a simple policy of optimization. Group A finds two strong candidates for a type *a* job which they classify as type *a* and *a'*. They offer the job to *a* and approach the appropriate administrators with candidate *a'* minority candidate who would have been hired if she was not an *a'* but an *a*. With probability *p* between 0 and 1 depending on economic conditions, etc., the administration manages to get the funds for a new line and *a'* gets position with probability *p* while *a* gets the position with probability 1. Note that *p* approaches zero if department X is asked to mortgage a line instead, since in that case candidate *a'* becomes less desirable. Consequently, the best strategy for group A, if they wish to grow, is to follow the optimization policy outlined above.

"In summary, there is a quota system that is promoted by the current system. Regular positions are reserved for non-minority faculty while growth is possible by the use of minorities in the above fashion or by recruiting non-minority big shots with the promise of extra lines to increase his group size, and this is not an equal opportunity approach. Unless we face and document the hiring practices at Cornell, we won't be able to change them. We need to look back and analyze who was hired and why. Is faculty being hired an enticement to attract senior faculty? We should find out. Are we hiring only the students of our former Ph.D. advisors? We should find out. Are we hiring mainly from Ivy league institutions? We should find out. We are certainly doing well, we have a very distinguished faculty, but we do not have a controlled experiment.

"We are counting on the active participation of the Executive Committee of the FCR in the development and implementation of an effective affirmative action policies by the faculty. We are counting on the active and financial co-sponsorship by the Executive Committee of the FCR of our forum on the nature of academic appointments. To improve the way we do business we have to openly discuss the way we do business.

"Provost Nesheim formed the Human Resources Development Council (HRDC) in 1991. His committee has been charged with addressing in part some of the issues raised by this committee. Through the joint work of HRDC, the Provost, and the Deans, and following the successful approaches used by the Law School, we have created the Provost's Visiting Professors Program at Cornell. This program will be funded at the level of \$150,000 for five years to bring underrepresented faculty to Cornell. This program will contribute up to \$50,000 towards each new appointment and will be administered by the provost and deans of the colleges. The details of the program will be released by the Office of the Provost during the first week of December. The support that this committee has received from the administration during very difficult economic times sends a strong signal to the university community that the administration supports our affirmative action policies. We need a similar commitment from the University Faculty.

"Using the data provided in the Appendices, compiled at my request by the office of Joycelyn Hart, Associate Vice President for Human Relations, we note that of 106 departments and units, 54 have no minority faculty, and 75 have no African-, Hispanic- or Native-American faculty members. An update on last year's report reveals no change in the four telling examples used. The ILR School still has only two minority faculty members, both assistant professors. The College of Engineering has added an Asian-American male to their faculty and now has 23 minority faculty: 20 Asian-American males, 1 Asian-American female, 1 Hispanic-American, and 1 African-American. The Physics Department still has 6 minority faculty members, all tenured Asian-American men, and 1 woman faculty member. The Africana Studies Program still has 7 faculty members, all African-Americans. These data clearly indicate that we continue to live in an academically segregated university, with minority faculty concentrated in a relatively small number of departments and programs. Some new examples: there are no minorities in the Education Department, ILR's Extension and Public Service Department has no minorities either. A typical example of tokenism are the many departments that have either 1 white woman or 1 male faculty member of color. There has been essentially no change in the areas and departments where change is needed. Yes we need a change.

"There has been a decrease in the number of faculty. However, there are still 24 departments or units with no women at all. This year we are again forced to conclude that we have not seen a significant rise in the number of underrepresented faculty at Cornell.

"Let me talk a little about the applicant pool. Some statistics illustrate our points. The percentage of the faculty by sex that reported getting their bachelor's degrees abroad is 15.2% male and 0.077% female. Most of the female faculty were educated in the U.S.A. The percentage of minority faculty that got their bachelor's degree abroad is 40.5%; 13.5% of African-American faculty, 0% of the Hispanic-American faculty, and 62.5% of the Asian-American faculty. Most of the Asian-American faculty are males;

there are 69 Asian-American male faculty and only four Asian-American female faculty. Thus, Asian-American women find themselves at the greatest disadvantage at Cornell. Most of our minority faculty got their bachelor's degree outside the U.S.A. U.S. minorities either are not being encouraged to attend graduate school, are not choosing to go to graduate school, are not being accepted, or are not being hired on completion of their degrees. Graduate field representatives and graduate field admission committees must have a policy to deal with these issues.

"A glance at the Appendices shows that non-faculty academic positions, especially those of lecturer, are held primarily by women. Decisive measures need to be taken or the situation at Cornell will not change in any significant manner. Cornell not only should commit itself to affirmative action within the university but should play a leadership role at the national level. The emphasis that you as Dean of the Faculty, Provost Nesheim, and President Rhodes have placed on the recognition that our future depends heavily on the success of our minority and white women populations, has led us to the following set of recommendations.

"We recommend the establishment of affirmative action mechanisms that are run by the faculty with administrative support. The change in the Dean of Students to a faculty level position sent a signal of the importance of this office to the university community while providing the necessary leadership, resources, and continuity to support long-term policies and planning. We must promote a similar office, a Dean for Diversity and Equal Opportunity, that is capable of maintaining, evaluating, and promoting the affirmative action policies and goals of the university. We need to institutionalize affirmative action policies through direct faculty participation and input. Only the faculty can address in a systematic way the failings of affirmative action at Cornell. Only the faculty can implement successful affirmative action policies.

"An Office for Diversity and Equal Opportunity (DEO) should be run and managed by a tenured faculty member and should be provided with adequate university support. We recommend that as a first step, an Office of an Ombudsman for diversity and equal opportunity be created and that a tenured faculty member be appointed for a five-year period. The position of Ombudsman for DEO would become 50% a regular faculty appointment and would be provided with the necessary administrative support. Unless we move forward in this direction the efforts of this committee will depend on the commitments of energy and time by future committee members. It is unrealistic to ask a committee to carry this tremendous task year after year.

"We again recommend the establishment of guidelines in the formation of hiring committees. Committee members should be aware of the status of Affirmative Action efforts at Cornell as well as of hiring policies. A faculty advocate of affirmative action

that is external to the search should be added as a voting member to each hiring committee. The affirmative action faculty officer would provide a written recommendation to the appropriate dean as to whether or not it is necessary to initiate a search if she or he feels that no substantial efforts have been made to consider white women or minority candidates.

"Graduate admission committee members should be trained on the development, re-evaluation, and implementation of fair admission criteria. We are very busy individuals with a narrow set of priorities and naturally we are very selective as to the type of activities in which we participate. We set our priorities as defined by accepted measures of success including the number and quality of publications and the number and amount of the research grants that we manage to secure. We not only publicize who gets grants but also the amounts. We are setting, perhaps unwillingly, the priorities of our units, departments, colleges, and the university within this limited context.

"Discussions with colleagues often end with phrases like 'we believe that what you are doing is important but those are not our priorities' or 'we appreciate your efforts in this direction but we do not feel that any of my unit's, department's, or center's funds can or should be used to promote scientific activities that do not have a direct, clear, and immediate impact on our program.' We plan for the university's future in the same way that we plan for a two-year NSF or NIH grant. We, like General Motors, demand direct, clear, and immediate results.

"We are aware of the demographics and the reduced participation of U.S. students, of all races, in the development of science and technology. We are able to maintain a top research environment through migrant labor. We have failed at attracting enough talented U.S. students into our tax-supported institutions. We place the failure and the responsibility of the current situation on the elementary and secondary educational system. The buck does not stop in the ivory tower. It never has.

"We demand increased leadership from administration, the FCR, and the faculty to address these issues. As one of the best institutions of learning in this country, we cannot relinquish the responsibility that we have to the future generation of Americans and to the taxpayers of this nation. It is our responsibility to educate our people. It is our responsibility to hire individuals that will carry out these tasks. The credentials demanded of new faculty should include their ability to educate and attract U.S. students, their ability to contribute to our country. We need to hire not only good researchers but also first-rate citizens. Unless these qualities become part of the responsibility of each faculty member we will repeat the failures of those U.S. industries that cannot seem to look beyond the next fiscal year. Thank you."

Mr. Speaker: "Are there questions?"

Professor Keith Dennis, Mathematics: "I am pleased to see that there is finally a report from this committee. I feel that there has been insufficient attention to obtaining the facts in the statements made in the report. And there are some recommendations that I feel we should consider very carefully before going forward. I would like to bring your attention to the footnote on page five which refers to the Mathematics Department. I was never contacted about this particular footnote. No one ever asked anyone in the department about our policies. No one asked us any questions at all and from the rest of the footnote, I gather no one bothered to ask our Dean either. Let me just put the record straight. We had three positions filled last year. We had over 700 applications. For the two tenure-track positions, the two best qualified candidates, whatever that may mean, were Asian as it says here. They were offered the job and accepted. For the non-tenure track position, the best candidate was a woman. We called her up to offer her the position, she was not interested. She had five other offers from Chicago. We had no chance to negotiate with her, she'd already made up her mind unfortunately. We have another Asian who filled that position. I gather that Asians are counted as minorities; whether they should be or not is a different question. So that is what happened. What our procedures are I could go into but perhaps this is not the correct place. I do think it is inappropriate for this committee not to ask us what our procedures are, however. Another thing that I find rather strange here is that Dean Randel could have seen what we were doing and immediately halt the search. Dean Randel did indeed ask what were the possibilities for hiring women and minorities, and we had a number of discussions related to this. I believe that this is not a slight on him but certainly does not give the correct impression of his feelings about the subject. All you seem to mention is that he is a supporter. I have no doubts that if this woman expressed any interest in accepting our offer at Cornell, we would have worked something out with Dean Randel himself. But I believe that this comment is inappropriate. In regards to the Mathematics Department itself, what I am about to say is irrelevant and nobody is going to consider this fact anyway, but I would like to say that the Mathematics Department has two women, both tenured faculty members, rather small I'll admit but we are trying to do better. However, and again, if you look at the top ten departments of Mathematics in the U.S., Cornell has as many as all of them put together, I'm not saying that makes us great, I'm saying it for pride. I particularly find the Mathematics Department being used as an example of why certain committees or affirmative action officers should exist as being very distressing. My own personal feeling is that there should be no such interference by the administration. I gather that you would prefer that scientific considerations should not, in some sense, play as great a role in the decisions in hiring faculty as they currently do. I really fear for that if the faculty at this university allow all sorts of changes of that sort, where there is some oversight on administration, making sure we have done everything properly, did we make the right decisions and so on. I believe that the various research groups should in fact pick the best people. I do not believe that there should be any sorts of discrimination in any way. I really think that is a dangerous step

to take. If you look around at this university, and see some of our success stories of our administration, you will for example, find an over abundance in our salaries, an over abundance of parking places, and no doubt if they go into the affirmative action business, we will have an over abundance of minorities and faculty the same way and I really believe that this sort of interference from above will not have any positive results. I will be sending a detailed letter, I have a lot of things I would like to say to you but I think I have said enough. Thank you."

Professor Castillo-Chavez: "All I have to say is that in fact my department did hire two Asians, foreigners. Once they get a visa, they will be classified as Asian-Americans."

Mr. Speaker: "Are there further questions? Thank you. It is now my pleasure to call on President Rhodes for the State of the University address."

7. STATE OF THE UNIVERSITY - PRESIDENT FRANK H.T. RHODES

President Frank H.T. Rhodes: "Mr. Speaker, Mr. Dean, and colleagues, I'm delighted to be back and delighted to be able to meet with you after a brief vacation. I was reminded of a friend of mine who is a President at a small college in New England who broke his leg badly in a skiing accident and missed to his regret no doubt, a meeting of the faculty. And a vote was taken wishing him a speedy and complete recovery, and the vote was 37 to 29. I have to say that I am very relieved you didn't meet during my absence. But I want to say seriously, if I may, how grateful I am for the support and the encouragement from so many friends on the faculty. I am deeply touched and I want to thank you both collectively and individually.

"I want to talk tonight about three converging trends that are severely impacting higher education in general including Cornell. And I not only want to talk about those trends in a general sense but then to talk more specifically about the ways in which they are likely to affect us here at Cornell. Let me mention what the three trends are.

"The first is a continuing rise in public skepticism concerning higher education. This is not new, we talked about it before but it is increasing. It categorizes not simply the media but also the public. It is heard increasingly with increasing shrillness in Washington, not just in Congress but also in the Executive Branch, and in the Department of Justice, in particular, in recent months. It is heard not only beyond the academy, outside the academy, but also within the academy and some of the most savage attacks recently have come from existing former members of the university world itself. What are the public concerns that drive our citizens to these sweeping condemnations? One is an allegation that we have forgotten our vows to teaching, that we are ignoring what once was a commitment to teaching. And especially in large research universities such as this, we no longer take it seriously. We hand it over to ill-prepared teaching assistants. That's the first allegation.

"The second allegation is for what they pay in exuberant tuition, it is said, our students receive very little. They don't get value for money to put it in the terms of a market place.

"There is a variety of concerns of research. Some argue that it is inflated in terms of its importance; that it is out of control in terms of the indirect cost charges that we impose upon it and that we are guilty at best of poor judgment and at worst of criminal activity in regard to indirect cost recovery.

"Third, it's alleged that the integrity of the research process itself has undergone erosion in recent years. And people not only point to cold fusion but also to well publicized incidents such as Dr. David Baltimore and others.

"And fourth it is suggested that we are incapable as institutions of dealing with the growing problem with conflicts of interest between the commercialization of research and interest and behaviors of faculty members who are conducting it both as researchers and supervisors of graduate students.

"There is also a profound concern about political correctness. Just two weeks ago, Dr. Lynn Cheney, the Chair of the National Endowment for Humanities wrote a new report called, 'Telling the Truth', in which she said, 'That the aim of education on many campuses has become not truth but persuasion, transformation, political transformation of students and society.' Professor Martin Anderson, formerly of Columbia University, recently published a widely publicized book called, Impostors in the Temple. This is the temple where you and I are impostors according to Dr. Anderson. And he says quite simply that, 'Universities are tended by those who pretend to teach and pretend to do original important work. They do neither.' We are impostors in the temple. And to make matters worse, those in the position to influence the outcome for support for higher education, are people such as Congressman Dick Armey of Texas, himself, a former chairman of Economics at the University of North Texas. In a recent review in the Wall Street Journal of Martin Anderson's book, the review agreed line by line with it and argued that something should be done. While a report which was chaired by two professors of small independent colleges for Congresswomen, Pat Schroeder concluded that one characteristic that the colleges have is that they require too little of their professors. There should be, they argued, in public universities work orders to make sure that we perform. I don't know if you find the kind of chill that I find in the breadth of those attacks made upon us, but it seems they are increasing in intensity.

"There is a second aspect of the public's perception of higher education which will have an impact upon us. And that is paradoxically at the time we are most criticized for our inadequacies, public expectations of what we are to perform, what we are to provide are rising. Not just in terms of traditional things but in terms of re-training the work force, in terms of training a new kind of work force that will be more competitive.

In terms of social mobility, particular attention is given to underrepresented groups who failed to benefit in earlier years by what is offered in our institutions. Social mobility will depend increasingly upon the work we do in the universities as we just heard. There is a growing demand that our research productivity should be geared to technology transfer because we are viewed as the engine of economic competitiveness, catalyst for regional transformation. Our economy is on the down turn in our whole region. And there is increased concern about the quality of professional education whether its law or engineering or medicine. In the ills of society, it is said that only research and education can cure the inner cities, to the cure for AIDS to the problems of drug dependency and the inadequacies of the schools. I mention that as a paradox because it seems to me strange that when we are condemned as impostors in the temple, increasingly society should demand solutions to its problems. And there is a third, pressure, which converges upon us with the other two at this particular time, and that is growing financial pressure.

"I gazed at the board as I sat down here in the front row and looked at the left hand side with money, roll of money and some facts. But if I needed a text for the rest of the talk, I would do very well.

"Let me say a little about the financial pressures that we face this year because they are severe. It's just not the public colleges that are facing financial pressures. The first issue of the ACE campus reports for this year said that '60% of public universities during the past year had to make budget reductions.' And our colleagues in the statutory colleges know that only too well. It's not just New York, of course. We've seen it in Massachusetts, we've seen it in California, we see it in Illinois and so on. But beyond that, it's the so-called 'elite' private institutions that are also facing problems. The well publicized deficits of Stanford, Yale, Columbia, MIT, and others represent the same kind of difficulty. And this I have to say is not a short term problem, it's a long term problem which I hope to explain in a moment. And I think what we are seeing collectively here, is the transformation in the underpinning, in the level of support for institutions such as ours. I believe we are facing something of a change at the beginning of the 90's that will have, if we aren't careful, an adverse effect on our higher institutions of learning. But if we manage it well, it can in fact leave us continuing strong.

"So I want to say that it seems to me that there are two kinds of responses that are already being made by institutions and by members of our profession to these public pressures. These three public pressures, public criticism which is increasing public expectations which are increasing financial pressures continue.

"There is an immense amount of which we at Cornell can and must be proud and we must respond to that kind of criticism when we hear it. On the other hand, that does not imply that everything is perfect because we know that it's not. And we know that there are some areas that we can improve and to deny these charges, seems to me just as

fruitless, as cowing under and pretending every one is true. We need to face the truth and state it openly and to correct what is in need of correction.

"I want to talk tonight chiefly then about the impact of these pressures on Cornell. And I will start with the financial impact because that is a direct one which affects others and then it is one that I want to move away from and talk about other things.

"This particular year is a very tough one for all of us on the campus. And its tough whether its already appeared to be tough, whether you already know that, or whether that will emerge later during the course of the semester. There are three things that make this a difficult year for us. Let me just tell you in the briefest outline what they are.

"The first is that we continue to struggle with the problem of indirect costs. And our indirect cost rate for the endowed colleges has now been changed to a lower level then it has been in the past. The last two or three years, we have had an indirect cost rate of 75%. It has been lowered without appeal by the Office of Naval Research to 68% and that's a big reduction. That may cost us something like \$3 million during the course of this year. It may be less and we hope it is. It may conceivably be more because that 68% provisual rate is not a fixed one and it may in fact be lowered below 68% when its finally fixed. So we have a hint of something that might turn out to be \$3 million on the indirect cost flow.

"Second, an over expenditure on student financial aid. The Sun a couple of days ago, described this as a major mistake. It's not a major mistake but it is a major concern and let me explain as briefly as I can the issue. Freshmen recruitment went well in terms of financial aid and we are on target in terms of the budget for freshmen financial aid. We shall probably overspend something between 2 and 3 million dollars on the financial aid needs on returning students not freshmen. Justifying aid has risen from 4,000 a year ago of returning students to 4,200 this year, that increase is an increase that could be between 2 and 3 million dollars.

"There is a third pressure issue this year on the budget. That is that we have a shortfall in student enrollment. We don't know whether that's a short term thing or a long term thing. But at the undergraduate level, we are about 44 students lower then we were a year ago. At the freshmen level, we are down by about 83 students and we don't know whether that is a blip or whether its a trend. In Engineering, for example, Dean Streett will tell you that they not only went to their wait list but they went through their wait list and still ended up with 20 fewer students than they would have liked to have had. Now is that a long term trend? We will have to wait and see but it is certainly a concern. The 83 freshmen we don't have, in general, were ones that did not need financial aid, the ones that didn't show even though they were accepted, were not ones who were to receive financial aid. And so we are at a shortfall of \$1 million in revenue from tuition in that area. Take those together and we face a budget shortfall for this year, something between \$5 and 6 million, and that is a serious concern. We

are not going to end here with the deficit but it does mean we shall have to act promptly in order to prevent the year ending with the deficit. I want to say also that it's going to require tough decisions in order to close that gap. We want you to continue to turn the lights off when you leave the building in the evening and not to make more long distance phone calls than you need to but those two things and many others like book purchases and xeroxing and all the rest will not close the budget gap of \$5 or 6 million. We will have to make tougher decisions than that and we shall look to you for help and advice in doing it. We shall indeed have to make structural changes in order to adapt to that.

"I mentioned a moment ago the shortfall we face this year in admissions and the budgetary consequences as well as the consequences in other areas. Is our admissions system, which at this moment is dispersed throughout the campus, sufficiently flexible to give us the student enrollment we want in an increasingly competitive market? I don't know the answer to that question but the degree of dispersal is a matter that concerns me. It's not only dispersed to the colleges but to the departments in many cases. And it may just be that we have to revise the way we make admissions and financial aid decisions in order to get an optimal student enrollment within a given level with financial aid. We shall be seeking your help in that.

"A second question is have we got an optimum use of support services for students and faculty? If we take one example among several that one could take, we have a University Registrar, we have college registrars, we have departmental registrars in some places. We may have others which I don't know. But certainly at those three levels we have a major overlap of functions. I'm not sure in this age of advance technology, we need quite the checks and balances we had in earlier years. We shall be asking you to help us with questions of overlap and duplication and rationalization of that kind in many areas across the campus.

"There is a third concern that's a major one. That's the extent to which we are able to support research in a traditional sense, if increasingly the federal government, in particular, is chipping away at the level of indirect costs. Those indirect costs have to come from somewhere and we simply cannot off load them onto gifts, which do not exist for research. How are we going to continue to support research in the style that we need to if increasingly the federal government erodes the base of support? Erodes in fact, the social contract which the research in universities represents. That's a question we shall be addressing during the year. Related to that, there is something that the Dean of the Faculty mentioned a moment ago and that is the conflicts policy that you helped us to develop and we hope to take that to an early meeting of the Board of Trustees to respond to these concerns in Washington about the nature of conflicts.

"And related equally closely is the question of graduate education. We were down about 62 or 68 Ph.D. students this year for various reasons, partly because we spent all the support we had available. We were up relatively in the number of professional masters students but we are still down 20 or so students overall in graduate and professional enrollment. One of the questions we have asked Professor Robert Barker and a widely representative committee to look at this year is the whole question of graduate support and graduate education. This is one of the important issues that we could raise on the campus and we shall need your help and need your advice in the work of that committee. And not just in terms of the numbers of graduate students, not just in terms of financial support but in terms of the overall strategy of graduate education within the university as a whole. We need to look at that in a fresh way. And we hope that you will help.

"Anyone who read Science September 18th of this year, and read in particular the bitterness of many people in the scientific community about the lack of preparation in their graduate work for what they were now doing could not fail to be impressed by the need for us to look again at the pattern of education.

"Let me move from the financial questions as such to educational questions which I think are going to be impacted to some extent by the financial pressures we face.

"I'm always intrigued at the edition of U.S. News and World Report which ranks colleges and we normally end up 10th or 11th, I think we were 10th this year and that seems to me a gross underestimation. But I was intrigued by one particular aspect of our ranking this year. We ranked third in faculty distinction and we ranked 20th in terms of student satisfaction. I cannot understand the difference between the two. I can understand the difference in faculty distinction, that's easy, but nothing I know by talking to members of the student body said, 'Yes, they are that dissatisfied with their Cornell experience.' On the contrary, they tend to be glowing about it with one or two notable exceptions. But it does seem to me that there are things that we can do better in terms of our educational offerings. Let me just check one or two of them off. Because if public expectations continue to rise, and if financial pressures continue, what we've got to insure is that the benchmark of excellence in which we all believe is realistic in terms of the level of financial support we should be able to draw on in the years ahead. Let me mention one or two concerns.

"One complaint that students frequently have is the level of advising on the campus. Dean Randel and Dean Streett and our respective colleges have attempted this year to address some of those concerns of advising. Dean Randel is opening up the freshmen colloquium to all students who wish to come. Although it hasn't been an unambiguous success this year, he is looking for ways to extend that in future years. Dean Streett has organized a one credit hour course in which faculty members get together with students in small groups and I commend them both for the initiative they have taken there. But beyond that it seems to me, there is more that we have to do.

We have a student/faculty ratio of 1 to 9 or 1 to 11 depending how you count lecturers and others. Let's take the higher number 1 to 11. Why is it so difficult, I ask myself, for each faculty member to know 11 people well, and to act as a good advisor for them throughout their undergraduate career. I think we can do better there. I ask you very simply to help me do it. I don't know how to do it. I don't know how to encourage it. I don't know how to reward it but we do need help in doing a better job of student advising. Some of you are extraordinary in the job you do. Others do less well. We all need to take this seriously. It won't happen unless we do.

"The second thing I want to ask your help in is introductory courses because many of those are very big and many are impersonal and some TA's are not well prepared. Bill Streett again in Engineering, has given wonderful leadership in that area in talking to everybody who teaches introductory courses, splitting them up into smaller groups and sitting in on some of the courses. Daniel Q. Gilman, the first President of Johns Hopkins, was once asked, 'What makes Hopkins such a great university?' And he answered surprisingly, 'We sat in on each others lectures.' I think there is real benefit in that. I think one of the things we've forgotten is to take part in that kind of interchange. Help us, help me look at the question of introductory courses and the levels of enrollment and support in some of those courses.

"There is a third thing that we need to look at. And that is that John Ford, our new Dean of Students and a member of the Faculty, former chair in the College of Human Ecology, is looking at the whole freshmen experience with a broadly represented committee that is having its first meeting this year. That committee is going to look at everything from educational experiences to life in the residence halls to counseling, professional counseling, health services, and the articulation of academic and non-academic aspects of student lives. I hope that you will help us there too in terms of being available to that committee and advising on how we can make the freshmen experience a more positive one. One of the questions they are going to be looking at is whether there is any interest in having common elements for the freshmen experience.

"The other question I want to look at is whether I am simply asking too much. I can already understand that some of you may be saying, 'you're asking me to work harder, you're asking me to work more, you're asking me to take on even more responsibilities and I already work far too hard my spouse tells me.' I know that's true and I don't misunderstand how hard and how faithfully and how consistently everyone in this room works on behalf of Cornell. But I am asking you if you will at times not work harder but to consider working differently in some of these areas. And I ask this of myself because I believe increasingly the university that prospers in the years ahead is going to be the university that asks those tough questions. Fortunately, we have models that this can be done. Eleanor Gibson, Emeritus Professor of Psychology, received the National Medal of Science from President Bush earlier this year. Mary Sansalone, Associate Professor of Civil Engineering, was appointed the Case

Professor of the Year in a nationwide contest. And both these two women are extraordinary examples of the ways in which high scholarship can be linked to great dedication and success in teaching and service on the campus. They are university citizens in the full sense as well as great teachers and imminent scholars. It can be done and we have models to prove that. And I am particularly grateful this year for the admirable Report on the Evaluation and Recognition of Teaching chaired by Walter Lynn with Jon Clardy, Jere Confrey, George Hay, Walter LeFeber, Jim Maas, and Constance Shapiro as members of that committee. David Way acted as a staff member for that and the recommendations that they have made. And Provost Nesheim will be working during the course of the year with the deans to implement the recommendations of that committee concerning the recognition of teaching and advising in the promotional award of process.

"All this then is going to be something of a challenge for us during the course of the year. Am I asking us simply to economize and do a better rational job in terms of the teaching we do? Yes, but I think more is going to be required of us and the more is, I believe, longer term as we look to the rest of the decade, we are going to have to slim down in terms of the number of people on the faculty and the number of people on the staff but not slim down in terms of the student enrollment. That is not good news but I am very conscious that I am inviting you to a cold shower tonight as I suggest that kind of solution. But I see no way over the long term that we can avoid facing that. It's important that we do face it because we are also facing, of course, uncapping mandatory retirement and that's going to be important for us as we consider the years ahead. In the short term that is going to be a positive gain because its going to be difficult in filling some of those positions. In long term its going to produce problems for us. It's going to mean we are going to have to look carefully at merges. We have to look at delayering. We have to look at simplification of the structure. We have to avoid overlap. All those things are going to be required of us.

"We have one indication on the campus that that can actually take place without the extreme results that we might suppose follow. The four statutory colleges in the last five years have reduced their faculty numbers by 100 faculty. They have also reduced their staff numbers by a comparable amount. Now 100 faculty is rather more than the faculty in the College of Human Ecology and yet the enrollment in the statutory colleges has remained constant in terms of student numbers. And to the best of my knowledge, the quality of all that they do, has remained very high. I'm not suggesting that they do everything that they did five years ago, of course they don't. But the overall quality has continued to be extraordinary high. That's a model surely of what the rest of us may have to do in terms of the rest of the decade.

"How are we going to do it? I don't propose we get an answer because I don't pretend in Day Hall we know. But I do believe that Deans working with you in the departments are the people to make those decisions. For example, we teach 4,200 different courses on the campus. That's a source of great strength. It's also a great thing

because it allows many students to be members of small courses, small seminars with almost one-to-one teaching. But I ask the question, can we continue that sort of lecture? Would we be a lesser institution if we reduce that number to 3,900, let's say, and put our efforts in other areas? We have to be very careful, I believe, in replacing people who retire or resign. Being sure that we don't make the easy assumption that we fill those in the same field or even in the same department where the pressures and the needs may change. That will be controversial but we need to face it openly and candidly. I'm particularly grateful that the Deans in some colleges are already looking at some of these questions. The teaching of mathematics campus-wide will be looked at shortly. The teaching of economics is now being reviewed with just that in mind. We shall open later this semester, the new language lab in Noyes Lodge, which cost \$1.6 million or so, which will offer not only the availability of new technology but help in reading and writing skills as well as the more traditional listening and communication skills. It will also give us the maximum use of those facilities throughout the teaching day and throughout the teaching week and will increase enrollment at the same time. Increasingly, we must look at the particular need. I'm a little more optimistic, I must confess, than some of my friends in this area. Especially, I was discouraged about many things in the report of affirmative action we just heard but I know with great satisfaction that of the 48 new appointments this year to the faculty, 28 are women, that's better than 50%, and 16 are minorities, twelve of those underrepresented U.S. minorities. Those are outstanding people I've met. I'm not sure I've met all of them, but many of them, and I congratulate you on those appointments. Although the numbers have not changed as much as we hoped, but certainly you are making efforts and I'm grateful for that.

"The real question is then, how we can maintain our strength given the harshness of the surroundings. I'm conscious too that I talk chiefly tonight about finances. Let me say again that there are only two ways of addressing the issues that I have described. One is that we can impose changes from Day Hall. I think that would be disastrous if we were to go that way. Another way is that you working with the deans and the departments can make the changes. And it's chiefly in the departments that these changes will take place. It's there that the real business of the university is transacted. It's not in college offices. It's not on the center of the campus. It's not in the library, it's in the departments and I hope that you will help us.

"Some departments and some colleges have already started and I congratulate you on that. The College of Agriculture and Life Sciences, the Hotel School, ILR, JGSM, Architecture, Art and Planning, are all on the way to college priority planning and I commend you for that work. On the other hand we are going to have to extend that far beyond those colleges and we shall have to work together to do it.

"What I am asking from you tonight, in fact, is a new kind of university citizenship. During recent years on all campuses, it's been true that loyalties to departments, the professional guild have heightened and there has been something of an erosion in the

sense of university citizenship that was once a characteristic feature of our campuses. I'm asking tonight for a renewal of that kind of sense of overall responsibility for the university. Because in times as tough of these, it is only that that will carry us through.

"Let me make two final comments. The first is that the outlook that I described is a harsh one and that is undoubtedly true. I'm always comforted when thinking of that when I think also of the statement that Clark Kerr, former President of the University of California, made some years ago. He said, 'If you go back to the year 1530, in which the Lutheran Church was founded, there are today only 66 institutions which exist in recognizable form which existed then. They include the Lutheran Church, the Catholic Church, the Parliaments of Iceland and the Isle of Man, and 63 universities. That's remarkable in itself. They have survived depressions, they have survived wars, they have survived turmoil but they have survived.' It's not a question on the other hand whether Cornell will survive because in some form it will surely survive in the years ahead.

"The real question I think is whether the thing which is the heart of Cornell, not budgets and not buildings and not priorities from an administrative sense but the kind of existence you lead day to day. The thing that brought us into this wonderful profession is going to continue with the same sort of strength. The kind of individual relationships that you foster with students and with one another across the campus. The kind of hunger for understanding that you encourage undergraduates and graduates and postdoctoral fellows. The joy of discovery in which you are an active partner. The kind of rippling social abilities of the individual commitment to nurture and exemplify yourselves. The real question is whether all those can continue in the years ahead as strongly as they have in former years. I cannot tell you how many alumni speak to me in glowing terms at various stages in their lives about the effect one or two faculty members have had upon their subsequent careers. And they will name them. I spoke to someone just yesterday who said, 'You know the transforming influence in my life was that I was invited regularly to go around the house of Clint Rossiter once a week with a group to talk about the world political situation.' That's the kind of imprint that changes the lives of undergraduates. That's the kind of imprint that transforms people and it's the kind of imprint that is permanent life and work at Cornell. What's that got to do with budgets, priorities and public perceptions and governmental pressures? Only this, that that is supported by the kind of financial needs that we have in a larger sense. So we need your help because unless we straighten out concerns that I described here in those terms, then the life and well-being of the university will not survive in as strong a form as it should. And it is upon the health of that, the well-being of the day-to-day transactions that you represent in the departments, that the well-being of Cornell depends, but I am firmly persuaded the well-being of the nation also. I invite you to join with me not just in review and not just in reflection of this but to be living in tough times and making a great institution even greater. Thank you."

Mr. Speaker: "Are there questions for the President? Is there further business to come before the body? There being none, we are adjourned. Thank you."

Adjourned: 5:55 p.m.

Mary A. Morrison, Secretary

RESOLUTION REORGANIZING THE FINANCIAL POLICIES COMMITTEE

WHEREAS, the legislation of the Financial Policies Committee, adopted December 9, 1987, charges its members with the responsibility of participating in the endowed budget planning process, and

WHEREAS, the members of the Dean of Faculty's Committee on the Economic Status of Statutory Faculty have been charged with the responsibility of formulating and monitoring the statutory budget, and

WHEREAS, the Financial Policies Committee, with the concurrence of the Committee on the Economic Status of Statutory Faculty, proposes that the Financial Policies Committee be restructured to provide a more comprehensive view of the endowed and statutory budget-planning processes,

THEREFORE, BE IT RESOLVED, that the Dean of Faculty discharge the Committee on the Economic Status of Statutory Faculty, as of July 1, 1992, and

BE IT FURTHER RESOLVED, that the FCR approve the reorganization of the Financial Policies Committee, effective July 1, 1992, as follows:

(additions underlined, deletions in brackets)

COMMITTEE ON FINANCIAL POLICIES

Charge to the Committee

1.[4.] Undertake a continuing and comprehensive analysis of the financial condition and policies of the University[.] and [2. D] develop priorities, based on educational considerations, which should be reflected in the [University Budget] budgets of the endowed and statutory units.

2.[3.] Participate, with the cooperation of appropriate administrative officers, in the endowed and statutory budget-planning process.

3.[5.] Consider the financial implications of all issues for which responsibility is also assigned to other FCR Committees (e.g. financial aid and retirement policies).

4.[1.] Examine and make recommendations concerning issues and considerations that affect the economic status of the faculty. Such examinations shall include, but are not limited to, the improvement of the conditions of employment including salary levels, fringe benefits, leaves, consultation and interdepartmental compensation.

(over)

Composition of the Committee*

[Nine] Eleven members of the faculty, [three] four elected from the FCR and [six] seven [who are not FCR members] elected by and from the University Faculty for three-year terms. At least one of the committee members shall be non-tenured and the Nominating Committee is directed[, insofar as possible,] to ensure that the committee membership [is roughly equal in number] consists of five statutory and five endowed members of the faculty [between statutory and non-statutory members of the faculty]. The eleventh member can be from either the statutory or endowed units.

The Vice President for Planning and Budgeting, the Vice President for Finance and Treasurer, and the Director of Statutory College Affairs as [an] additional ex-officio non-voting members.

*Except as noted specifically below, the Committee shall be organized and operate under the Rules and Procedures governing standing committees of the Faculty Council of Representatives as amended.

Rationale

The Financial Policies Committee and the Committee on the Economic Status of Statutory Faculty believe that the reorganization of the Financial Policies Committee would enable it to maintain common perspectives and goals, but yet deal separately with specific budgetary recommendations. The timetable of the endowed and statutory budgets is such that the preparation, dynamics in budget formation and administrative structures would enable this arrangement to be beneficial to all faculty.

April 21, 1992

RESOLUTION AMENDING THE APPEALS PROCEDURES

WHEREAS, the Committee on Academic Freedom and Professional Status of the Faculty received suggestions from an Appeals Committee to amend the wording of the Procedures for Appealing a Decision Not to Conduct a Tenure Review, the Procedures for Appealing a Negative Tenure Decision, and the Procedures for Appealing a Negative Decision on Promotion to Full Professor (Appendices 4, 5, and 6 in the Faculty Handbook), and

.

WHEREAS, the Committee on Academic Freedom and Professional Status of the Faculty recommended the attached modifications in the appeals procedures,

THEREFORE, BE IT RESOLVED, that the Faculty Council of Representatives adopt the attached amendments to the Appeals Procedures, and

BE IT FURTHER RESOLVED, that the Dean of the Faculty forward these amendments to the Board of Trustees for their approval.

(over)

Amendment 1:

Selection of an Appeals Committee, Section IV.C. of the Procedures for Appealing a Decision Not to Conduct a Tenure Review (p. 131, Faculty Handbook), Section IV.D. of the Procedures for Appealing a Negative Tenure Decision (p. 135, Faculty Handbook), and Section IV.C. of the Procedures for Appealing a Negative Decision on Promotion to Full Professor (p. 141, Faculty Handbook) shall be amended in part as follows: (additions underlined, deletions in brackets)

Within two weeks. . .the Dean of the Faculty shall be responsible for forming and charging an Appeals Committee [to hear the appeal.] and facilitating its work by assisting in the gathering of information requested by the Committee to which it is entitled for its deliberations.

Amendment 2:

Grounds for Appeal, Section IV.B.5. of the Procedures for Appealing a Negative Tenure Decision (p. 135, Faculty Handbook), and Section IV.B.4. of the Procedures for Appealing a Negative Decision on Promotion to Full Professor (p. 141, Faculty Handbook) shall be amended as follows: (additions underlined, deletions in brackets)

The decision was so inconsistent with the evidence in the record that it must be judged arbitrary or capricious. (The term arbitrary [and] or capricious fundamentally describes [actions] a decision which [have] has no sound basis in [law,] fact or reason, [or are grounded solely in bad faith or personal desires.] A [determination] decision is arbitrary [and] or capricious only if it is one no reasonable [mind] person could reach. A decision is not arbitrary or capricious if it is one about which reasonable persons could disagree.)

Amendment 3:

Principles and Restrictions to be Observed by the Appeals Committee, Section IV.E.1. of the Procedures for Appealing a Negative Tenure Decision (p. 136, Faculty Handbook), and Section IV.D.1. of the Procedures for Appealing a Negative Decision on Promotion to Full Professor (p. 142, Faculty Handbook) shall be amended in part as follows: (additions underlined, deletions in brackets)

The Committee's review shall be limited. . .The Committee may, if circumstances warrant, investigate and return findings concerning possible [violations of the] grounds for appeal (listed in Section IV.B.) not raised by the appellant.

Amendment 4:

Appeals Committee Procedures, Section IV.F.1. of the Procedures for Appealing a Negative Tenure Decision (p. 136, Faculty Handbook), and Section IV.E.1. of the Procedures for Appealing a Negative Decision on Promotion to Full Professor (p. 142, Faculty Handbook) shall be amended in part as follows: (additions underlined, deletions in brackets)

1. The Committee shall have access to the tenure (promotion) file of the appellant. [If the appellant charges that the decision was arbitrary or capricious as defined in Section IV.B.5. (IV.B.4) or based on the inappropriate considerations listed in Sections IV.B.3. (IV.B.2) and IV.B.4. (IV.B.3) and i] If the Committee finds it absolutely essential to read the files of recent comparable cases within the college of the appellant to examine [that charge,] the grounds for appeal raised by the appellant. it shall have access to those files as well. . .

(over)

Amendment 5:

Findings by the Appeals Committee, Section IV.G.3.b. of the Procedures for Appealing a Negative Tenure Decision (p. 137, Faculty Handbook) shall be amended in part as follows: (additions underlined, deletions in brackets)

If the Committee finds that the tenure review process continues to have serious deficiencies and that an independent academic evaluation is appropriate, a panel of professionally qualified and not previously involved expert scholars from inside or outside Cornell shall be appointed to review the case and make a recommendation as to the granting of tenure...The panel shall be appointed jointly by the chair of the Appeals Committee, the Dean of the Faculty, and the President of the University. The panel shall [be entitled to] receive all of the evidence [on which the original substantive] made available to the Dean of the appellant's college and upon which the Dean's decision was based and shall be entitled to collect such further evidence deemed necessary to reach a new substantive judgment. The recommendation. . .

REPORT ON FCR ELECTION*
Spring 1992

COMMITTEE ON ACADEMIC PROGRAMS AND POLICIES -
1 seat, 43 ballots cast

George W. Hudler, Associate Professor, Plant Pathology

COMMITTEE ON ADMISSIONS AND FINANCIAL AID -
1 seat, 44 ballots cast

Gerald W. Feigenson, Professor, Biochemistry, Molecular and Cell Biology

EXECUTIVE COMMITTEE OF THE FCR - 4 seats, 2-year term,
44 ballots cast

Josephine A.V. Allen, Associate Professor, Human Service Studies

Robert W. Kay, Professor, Geological Sciences

David A. Levitsky, Professor, Nutritional Sciences

John L. Lumley, Willis H. Carrier Professor of Engineering

EXECUTIVE COMMITTEE OF THE FCR - 1 non-tenured seat, 2-year term,
43 ballots cast

John W. Hermanson, Assistant Professor, Anatomy

COMMITTEE ON FINANCIAL POLICIES - 1 seat, 43 ballots cast

Donald T. Farley, Professor, Electrical Engineering

*Terms commence July 1, 1992 and are for three years unless otherwise stated.

NYS Education Law

(Section 224-a)

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 224-a of the education law, as added by chapter 826 of the laws of 1966, subdivision 6-a as added by chapter 161 of the laws of 1977, is amended to read as follows:

Section 224-a. Students unable because of religious beliefs to register or attend classes on certain days.

1. No person shall be expelled from or be refused admission as a student to an institution of higher education for the reason that he or she is unable, because of his or her religious beliefs, to register or attend classes or to participate in any examination, study or work requirements on a particular day or days.

2. Any student in an institution of higher education who is unable, because of his or her religious beliefs, to attend classes on a particular day or days shall, because of such absence on the particular day or days, be excused from any examination or any study or work requirements.

3. It shall be the responsibility of the faculty and of the administrative officials of each institution of higher education to make available to each student who is absent from school, because of his or her religious beliefs, an equivalent opportunity to register for classes or make up any examination, study or work requirements which he or she may have missed because of such absence on any particular day or days. No fees of any kind shall be charged by the institution for making available to the said student such equivalent opportunity.

4. If registration, classes, examinations, study or work requirements are held on Friday after four o'clock post meridian or on Saturday, similar or makeup classes, examinations, study or work requirements or opportunity to register shall be made available on other days, where it is possible and practicable to do so. No special fees shall be charged to the student for these classes, examinations, study or work requirements or registration held on other days.

(over)

5. In effectuating the provisions of this section, it shall be the duty of the faculty and of the administrative officials of each institution of higher education to exercise the fullest measure of good faith. No adverse or prejudicial effects shall result to any student because of his or her availing himself or herself of the provisions of this section.

6. Any student, who is aggrieved by the alleged failure of any faculty or administrative officials to comply in good faith with the provisions of this section, shall be entitled to maintain an action or proceeding in the supreme court of the county in which such institution of higher education is located for the enforcement of his or her rights under this section.

6-a. It shall be the responsibility of the administrative officials of each institution of higher education to give written notice to students of their rights under this section, informing them that each student who is absent from school, because of his or her religious beliefs, must be given an equivalent opportunity to register for classes or make up any examination, study or work requirements which he or she may have missed because of such absence on any particular day or days. No fees of any kind shall be charged by the institution for making available to such student such equivalent opportunity.

7. As used in this section, the term "institution of higher education" shall mean any institution of higher education, recognized and approved by the regents of the university of the state of New York, which provides a course of study leading to the granting of a post-secondary degree or diploma. Such term shall not include any institution which is operated, supervised or controlled by a church or by a religious or denominational organization whose educational programs are principally designed for the purpose of training ministers or other religious functionaries or for the purpose of propagating religious doctrines. As used in this section, the term "religious belief" shall mean beliefs associated with any corporation organized and operated exclusively for religious purposes, which is not disqualified for tax exemption under section 501 of the United States Code.

Section 2. This act shall take effect on the thirtieth day after it shall have become a law.

Signed by Governor Cuomo 6/30/92.

MINUTES OF A MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES

December 9, 1992

Second Meeting of 1992-93 Academic Year

(Number in parenthesis indicates attendance at meetings to date)

Present: **CALS:** Awa, N.E. (2); Baveye, P.C. (2); Berkey, A.L. (2); Ewert, D.M. (2); Feldman, R. (2); Gillett, J.W. (2); Hudler, G.W. (1); McCormick, C.C. (1); Parks, J.E. (1); Pritts, M.P. (2); Ranney, C. (1); Riha, S.J. (2); Rockcastle, V.N. (2); Slack, S.A. (1); Tauer, L.W. (2). **AAP:** Jarzombek, M. (1). **A&S:** Ahl, F.M. (1); Blume, L. (2); Cotts, R.M. (1); Darlington, R.B. (2); DeVoogd, T.J. (2); Hayes, D.P. (1); Howland, H.C. (1); Keil, F. (1); Kennedy, K.A.R. (2); Peirce, L. (1); Rusten, J.S. (2); Rutten, A.R. (2); Shanzer, D.R. (2); Siggia, E.D. (1); Speh, B. (2); Volman, T.P. (2). **Engr.:** Brown, G. (2); Farley, D.T. (2); Giannelis, E.P. (2); Kay, R.W. (2); Moore, F.K. (1); Philplot, W.D. (1); Raj, R. (1); Rand, R.H. (2); Scheele, G.F. (2); Seyler, C.E. (1); Subramanian, D. (2); Warhaft, Z. (2). **Hotel:** Dunn, D.C. (2); Sherry, J.E.H. (1). **H.E.:** Garner, C.E. (2); Schwartz, P. (2); Street, L. (2); Wethington, E. (2). **ILR:** Abowd, J.M. (1); Kuruvilla, S. (2). **JGSM:** McAdams, A.K. (2). **Law:** Alexander, G.S. (2). **Univ. Libr.:** Atkinson, R.W. (1). **At-Large:** Allen, J.A.V. (1); Farley, J.T. (2); Kazarinoff, M.N. (2); Levitsky, D.A. (2); Lucey, R.F. (2); MacDougall, B.G. (1); Norton, M.B. (1). **Faculty Trustees:** Calvo, J.M. (2).

Absent: **Afr. Ctr.:** Edmondson, L.G.E. (0). **CALS:** Baer, R.A. (1); Glynn, C.J. (0); McDonald, D.G. (0); Shapiro, M.A. (0); Smith, M.E. (0). **Geneva:** Koller, W.D. (1); McLellan, M.R. (1); Shelton, A.M. (0). **AAP:** Perlus, B.A. (1); Saltzman, S. (1). **A&S:** Bathrick, D. (0); Berger, A. (1); Brown, L. (1); Feigenson, G.W. (0); Hamill, O.P. (0); Livesay, R. (1); Loring, R.F. (1); Mitchell, J. (0); Mullen, H. (0); Strang, D. (1); Strauss, B.S. (1); Usner, D. (1). **Engr.:** Parks, T.W. (1). **Human Ecology:** Laquatra, J. (1). **JGSM:** Lind, R.C. (0). **Law:** Taylor, W.F. (0). **ROTC:** Shirk, J.L. (1). **Vet. Med.:** Ball, B. (0); Casey, J.W. (0); Dubovi, E.J. (1); Farnum, C.E. (0); Hermanson, J.W. (1); Meyers-Wallen, V. (1); Weiland, G.A. (1). **At-Large:** Lumley, J.L. (0); Walter, M.F. (1); White, R.N. (0). **Faculty Trustees:** I. Kramnick (0).

Speaker, Russell Martin: "The meeting will please come to order. The chair calls on Dean Walter Lynn for remarks."

1. REMARKS BY DEAN LYNN

Walter R. Lynn, Dean of Faculty: "The first remark is to take the gavel away from the speaker. This will be the last FCR meeting during this semester and I do have a couple of things I want to call to your attention.

"Just in today's paper, it was announced that Rutgers has been subjected to a law suit having to do with displaying student grades using social security numbers. As you know, we try to be careful about using social security numbers and ID numbers. Those of you who voted for Senator Buckley some years ago must reflect on that action because what has resulted has been an extraordinary amount of difficulty for a variety

of people but it provides for students in terms of posting grades. You may not use names, ID numbers, or social security numbers but you can, as we sent out in a notice, invent your own sort of numbering system for those students. To show you that the legal system is alive and well, I will just call that to your attention.

"The University Committee on Conflicts about which you have been informed, has been approved by the Board of Trustees, and the President is currently inviting a number of people to serve on that committee. It will be up and running hopefully, in the very near future. There are a number of issues that are currently pending before that body that require attention.

"The next item that I want to call your attention to is that there will be a canvass for candidates for University Faculty committees and that will be mailed to the Faculty in late January.

"Another announcement is that the Memorial Statements for 1991-92 will be mailed in January. They are going to the printer within the next week and those who have requested them, will receive them. As you know, we invite faculty members who are eager to receive those to simply indicate interest rather than having a general distribution. At the same time, copies are sent to departments and to the University Library for archival purposes. To reduce printing costs, where in fact many faculty members do not know our deceased colleagues, we thought we'd leave it on a selected basis and that has worked out very successfully.

"Finally as you know, there was a committee appointed by me to look at the evaluation and recognition of teaching. The Provost has accepted the recommendations of that committee, and Chairman of the Board, Stephen H. Weiss, has agreed to provide \$2 million to endow significant awards to those who are recognized as distinguished teachers. The President is in the process of constituting a Nominating Committee which will be composed of nine members. The initial group of members will be five emeritus faculty since they are not eligible directly for this award. There will be three students from the sophomore, junior, and senior class and the Secretary of the University Faculty, Mary Morrison, has agreed to serve as the chair of that Nominating Committee. We hope the President will be in a position to make the first awards at the end of this academic year. That is an outstanding achievement on the part of Mr. Weiss and I am delighted. That completes my announcements and I would like to wish you all a pleasant holiday."

Speaker: "Are there questions for the Dean? Professor Berkey."

Professor Arthur L. Berkey, Education: "I would like to speak for a moment about the new University Committee on Conflicts. I noticed that this was passed last October by the Board of Trustees. The introductory letter from Provost Nesheim indicated that the Research Policies Committee had reviewed the proposal. Would you share with us the

report of that committee? I guess I am a little concerned although I do not find anything that I disagree with in the committee. I think it was well set up. But I guess I am concerned that we haven't heard about this report that the Board of Trustees was considering when the University Committee on Research Policies had reported through your office."

Dean Lynn: "Peter Stein, who many of you know, prepared a report, primarily at my request, on the issue of the conflict situation, one of the problems that the institution is faced with which seems to be growing. We have an office of Patents and Licensing, a Cornell Research Foundation, an institution of long standing interested in licensing and pursuing patents on behalf of the Faculty members. The increased attention by members of Congress related to the way universities are behaving in regard to their faculty members involved in these affairs has raised a lot of the concerns. The National Science Foundation and NIH/PHS have promulgated a set of regulations which will be imposed on us, at least all of those of us who are involved in research from those agencies. Following the preparation of Peter's document, and some emerging situations, there was a proposal which came to the Deans' Council to consider how we might better address those problems to avoid complications and the like. That proposal was brought to the Research Policies Committee. There were a number of suggestions made to modify the policy, and the so-called Research Council received an early draft of that committee. The Committee on Conflicts is established in an amendment to the existing Conflicts Policy, which is a Board of Trustees policy. It's not a new policy.

"Secondly, the current policy requires that each faculty member make a disclosure regarding potential conflicts of interest and conflicts of commitment. That has not been carried out as diligently as perhaps was necessary nor was the format in which it was done. One of the things that this committee is expected to do is to report biennially.

"Finally, the administration of the Conflicts Policy remains and stays within the authority of the Deans. That's where it has been before, that does not change. This committee is there primarily to develop some wisdom and be in a position to advise both the Deans and the administration as these issues arise. That's its principal function."

2. APPROVAL OF SUMMARY MINUTES OF OCTOBER 14, 1992 COMBINED MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES AND THE UNIVERSITY FACULTY

Mr. Speaker: "Are there any corrections to the minutes of the combined meeting of the FCR and University Faculty of October 14th? There being none, they stand approved.

"The chair next calls on Professor Michael Steinberg, Chairman of the Committee on Academic Programs and Policies."

3. RESOLUTION ESTABLISHING A CENTER FOR MANUFACTURING ENTERPRISE

Assistant Professor Michael Steinberg, History, and Chairman, Committee on Academic Programs and Policies: "The Committee on Academic Programs and Policies received a draft of a proposal for the establishment of a Center for Manufacturing Enterprise. We discussed it at our meeting of November 13th and unanimously approved the resolution calling for the establishment of the center."

WHEREAS, Cornell faculty from several schools and colleges have research and teaching interests in the preservation and restoration of the nation's manufacturing base; and

WHEREAS, addressing these critical issues will require the interaction of individuals from technology, management, human resources, economics and government policy disciplines; and

WHEREAS, since 1982, the Cornell Manufacturing Engineering and Productivity Program (COMEPP) was established within the College of Engineering to coordinate and strengthen this important work in manufacturing; and

WHEREAS, the scope of COMEPP has broadened considerably in recent years to include interdisciplinary "manufacturing options" that cross departmental and college boundaries and exceed the original mandate of COMEPP;

THEREFORE, BE IT RESOLVED, that the Committee on Academic Programs and Policies unanimously recommends to the Faculty Council of Representatives the approval of the Center for Manufacturing Enterprise (CME), replacing COMEPP, to be involved in educational programs, research, outreach, and placement activities that are of interest to more than one Cornell unit, and

BE IT FURTHER RESOLVED, that following approval by the FCR, that the Dean of Faculty forward this proposal to the President of the University and Board of Trustees for their approval.

Professor Harry Katz, ILR: "Professor Albert George, director of COMEPP, Professor Richard Conway, JGSM and I have been involved in drafting this proposal. We actually came here thinking that our primary role would be to respond to your questions but I can at least give a short introduction. This proposal sets out to create a Center for Manufacturing Enterprise that will essentially link Faculty and Research Associates across the university who are interested in manufacturing issues. It grows out of the

recent experience in the COMEPP program. This is a program based within the Engineering School that has expanded to the point now where there is extensive involvement across Engineering, the ILR School and the Johnson Graduate School of Management. We view the Center for Manufacturing Enterprise as an effort to expand COMEPP more broadly to involve other parties in the university who are interested in manufacturing issues. We see it both as a strategy to broaden curriculum development which was begun within COMEPP across those three colleges to enhance our offerings covering manufacturing issues in a more interdisciplinary way than we have in the past. We also see it as a device to expand research and industrial extension activities. We do not envision and are not asking the university to make contributions towards the Center. The Center is seen in fact to do the opposite, it is a device to generate substantial new additional resources. COMEPP has already begun to generate some resources and we view the Center as a device to help us to go on and assist those with revenue raising efforts. We also do not envision this as an activity that involves substantially new space. The center will be housed initially in the current COMEPP offices in the Engineering School. We have also received an offer from the Dean of the Johnson School when their new building is completed to have some additional space for this Center. Beyond that we don't imagine extensive new offices since the participants will primarily be existing Faculty and research staff. Maybe I should pause here to see if you have more comments that I can elaborate on."

Mr. Speaker: "Is there a second to the resolution? Questions? Comments? Please identify yourself for the records."

Professor Donald Hayes, Sociology: "Has the Arts College been involved; has the Dean shown any interest?"

Professor Katz: "No. Our hope is in fact that the Center will involve Faculty from Arts as well as ILR, Engineering, the Johnson School, the Ag School, and Human Ecology. The proposal grows up out of the COMEPP Program which has primarily involved Engineering, ILR, and the Johnson School. What we have started doing is talking to some faculty whom we knew had an interest in manufacturing. I have already begun to talk to some Faculty in the Arts College, particularly in urban planning who have an interest in manufacturing. The reason they are not listed here is just because we have run out of time in formalizing their willingness to be members. But we welcome their members and other faculty in other parts of the Arts School who would be interested. It's not our intent to construct this as a closed entity. It emphasizes those three colleges at this point primarily because that's where the COMEPP program had originated. We don't think by any means this will exclude Arts."

Professor James W. Gillett, Natural Resources: "I have three questions. If this enterprise is really successful, will it detract from the university's role as an educational institution by promoting a profit-making venture? How will employing by contract detract from the quality of the faculty by virtually creating enterprises where we employ

people part-time'? The third question has to do with taxable, non-educational activities. How are these being partitioned and what protection do we have that the university will remain a tax-free, tax-exempt institution?"

Professor Katz: "OK, I will try and ask Dick to kindly chime in. Much of this is a related point about whether this detracts from the central mission of the Faculty and the university. My answer to that is basically, no, this grows out of the existing Faculty interest. We see it as a way to supplement and enhance Faculty activities. It is driven by the faculty; I am a Faculty member; the directors of this, the participants of this, are Faculty. It grows up because Faculty expressed an interest in carrying out this activity so we see it as an outgrowth of Faculty - not as something which is created from afar that moves in and sucks faculty away from what they really want to do. We don't see it as a profit making enterprise. This is not an entity that is going to create new technologies that are going to be sold in the marketplace. It's an activity with the purpose of conducting research and teaching primarily although potentially in the future, some industrial extension about manufacturing issues so that it grows up out of that enterprise but I think it is fundamental in what we do. Clearly, Faculty and others in the university have to decide what they want to do with their time and that's always a decision made by each of us on a voluntary basis and this continues that tradition. The last one about non-educational activities, I guess I don't understand exactly what you mean. I mean the primary activity here is Faculty basically continuing to do Faculty research and teaching coming together with the center to some extent and talking with other Faculty that they might not otherwise encounter. That's part of the purpose of the center and to try to develop activities, teaching or research, that they might not otherwise develop on their own."

Professor Gillett: "There is a fine line between the consulting that we do in response to a phone call from a colleague and the consulting we do for industry and developing a consulting business. It is a very difficult time for the university drawing lines for administrators and for individuals. It struck me that this is an enterprise which increased that difficulty to some degree, in some regard. I just wanted to know how much thinking has gone into partitioning to keep the lines separate so that Cornell Inc. doesn't become a commercial enterprise that we are talking about."

Professor Katz: "It seems to me that the primary activity here is research and teaching. There will be some, we think, in the future, some industrial extension that grows up out of that. I think the latter is what poses a real issue. It may well be that through the center for example, a manufacturing firm would call an engineering professor or management professor or any other professor for advice. They may never have or would not have known about that professor or heard about their expertise in the absence of this center. It's possible that kind of phone call will come. That's not going to be the prime effort in the center, i.e. to generate phone calls like that, but they may well occur. Now, the faculty member as is normally done whenever a phone call along

those lines comes, has to decide what he/she wants to do. There may be a more industrial extension that grows up out of this center and that poses an issue to the faculty member, how much of their time to they want to devote to that."

Professor Gillett: "We have outreach extension programs at the university, but this seems to have elements of industrial consulting."

Richard W. Conway, Emerson Electric Company Professor of Manufacturing Management, JGSM: "I wonder if the word enterprise is disturbing in the title. This was a deliberate choice to try and set the breadth of Cornell's activities apart from our competitors in this regard. Many business schools and engineering schools are working together but I don't know of any other university that has the richness that Cornell has to offer."

Frank Moore, Joseph C. Ford Professor of Mechanical Engineering: "I think Professor Conway answered my question. I think the previous discussion was triggered by the word 'enterprise'."

Mr. Speaker: "Are there further questions?"

Professor Robert Cotts, Physics: "The question I have has to do with student involvements in research. Are you going to have graduate students participating in this? Presumably, the outcome of this research might involve something of great interest to a company who might then have a special interest for purposes of doing business and may want the results to be kept confidential. Have you looked into this question and whether or not the students will be inhibited in publishing their results."

Professor Katz: "Well, again that's an issue that many of us face who have graduate students doing applied research. It does see an involvement of graduate students, particularly in courses. We now, for example in COMEPP, have been offering a manufacturing concentration option for Engineering graduate students, for ILR graduate students and for Johnson graduate students. I just mention that because that is an activity at a graduate level. The question you are really asking is, does this pose a greater quantity of potential conflicts of interest in carrying out applied work that's of interest to both the firm and the graduate student. Yes, when doing applied research, that question is possible but I don't see that as becoming a special problem for the research activities we envision here. This research will be research potentially that involves graduate students in manufacturing issues whether they be management, engineering or ILR issues. They may even be collecting data from the field or they may rely on other data. I'm not sure if there is any special aspect to those conflicts generated here, or even an unusual number of those conflicts to anticipate from this."

Professor Cotts: "Are you saying that our Research Policies Committee has a policy on publishing and a company's priorities?"

Professor Katz: "We subscribe to all university policies. Absolutely."

Dean Lynn: "As you well know, it is a university policy to not accept funds in which covenants of that kind including classified research or any other kind of research. The fact is that the university waives somewhat by allowing a delay if it is within the consent of the investigator. I think the period is up to three months, but it has to have the consent of the party you are talking about. The general policy is that we will not accept funds and that includes funds for the graduate students which have such covenants that restrict their right of having open publication of their work. It doesn't mean that there aren't some abuses that possibly occur, but they are usually done by the people who are directly involved, who willingly say, 'I'll give up that'."

Mr. Speaker: "Is there discussion? Then we shall proceed to vote. All in favor of the resolution, say aye. Opposed, no. The resolution is carried."

"The chair next calls on Professor Robert Lucey, Co-Chairman of the Financial Policies Committee."

4. REPORT FROM THE FINANCIAL POLICIES COMMITTEE

Robert F. Lucey, E.V. Baker Professor of Agriculture, and Co-Chairman, Financial Policies Committee: "Well, this is an interim report from the Committee on Financial Policies. With the approval of the FCR, the Committee on Financial Policies was restructured to provide a more comprehensive view of the endowed and statutory budget-planning processes. And I think that is being achieved. Coupled with that, at the same time the Dean of the Faculty discharged the Committee on the Economic Status of Statutory Faculty as of July 1, 1992. The composition of the restructured committee consists of 11 members of the faculty; five from the statutory faculty and five from the endowed. The eleventh member can either be from the endowed or statutory. Dave Lewis, from the Department of City and Regional Planning, and I are co-chairs of the committee. I'm from the Department of Soil, Crop and Atmospheric Sciences in the College of Agriculture. Ex officio non-voting members of the committee are the Vice President for Planning, the Vice President for Finance and Treasurer, the Director of Statutory College Affairs, the Dean of the Faculty, and the Secretary of the Faculty. This group has met four times this fall. In addition the members of the group have met on five other occasions really to discuss aspects of item four which will be mentioned briefly.

"The committee basically discussed a number of issues, about 24 in all. They combined some of these issues and they agreed to work as three subcommittees. The first subcommittee is dealing with the term, transfer pricing. The present arrangements of transferring funds from state to endowed units and between different endowed units based on student credit hours taken outside their college may not reflect current realities and to us, it is not well understood. A related issue to transfer pricing is the

pricing of services from enterprise units and the example given to me was Cornell Information Technologies. The first priority of the subcommittee is to try to find out what is actually done and see if it makes sense.

"The second subcommittee is related to the statutory agenda and will concentrate on faculty and employee benefits. And they have a particular interest in the merits, lack of merit in the Empire Plan and the Dental plan, those are two examples given.

"The third subcommittee is for a better term, I guess, Cornell's 'scale and diversity' focusing on distribution of course sizes. The questions that they are looking at are the economies of scale that can be made; when does combining similar courses make sense, which is not always the case; how do we motivate the departments to do it because it's the departments' prerogative, which we recognize.

"A fourth item was brought to our attention fairly recently and has required a considerable amount of attention. I don't know if I will say it correctly because each time I say it, they correct me on it, but regardless, the item deals with the issue of how endowed funds accounting procedures affect college operating budgets. Members of the committee and other members of the Faculty are meeting with the administration addressing this issue. We anticipate that early next year, these subcommittees should have a report for the Faculty on this issue. That's a brief report, it's really to update you where we are and certainly the chairs of the subcommittee and the members of the committee welcome suggestions and guidance on other issues related to financial policy that may affect the faculty. Thank you."

Mr. Speaker: "Are there questions for Professor Lucey? The chair next calls on Professor John Siliciano for a report on Cornell's Response to Undergraduate Drinking. For those who might wish the complete report, there is a sign up sheet found at the Secretary's desk."

5. REPORT ON CORNELL'S RESPONSE TO UNDERGRADUATE DRINKING

Professor John A. Siliciano, Law School: "I probably should explain a little about the reason I'm here and the genesis of this report. It doesn't come through the normal FCR process. This is an independent report. The genesis is that last year at the Board of Trustees meeting, concerns were raised primarily of stories in the New York Times, depicting various undergraduate drinking activities at Cornell. The Board of Trustees posed a number of questions to the administration as to whether Cornell had a drinking problem and if so what Cornell was doing about it. The administration in return promised to get to the bottom of the stories and the end result is that Vice President Palmer asked me to prepare an individual inquiry into the general problem of undergraduate drinking and whether Cornell's responses to it in terms of regulation, education and treatment were appropriate. I've conducted that study during this last year by interviewing numerous members of the Cornell community and looking through

survey data, talking to other institutions, visiting bars and fraternity parties and other activities. The report was not circulated to you but I would invite anyone who is interested in reading the report itself to sign up and I would be happy to get you a copy. It is now in an interim phase - I produced a preliminary report for the Board of Trustees. At the end of January, I will produce a final report. Rather than go through all the detail and recommendations, many of which are arguably not relevant to this body or at least not that interesting, let me just touch on a few of the highlights that are more pertinent.

"In terms of the descriptive problem, Cornell's students turned out, which is not surprising, to drink a lot. The figures are representative of students nationally, approximately 85% of Cornell's students drink. Two thirds of that drinking roughly is illegal in that the students are under the state mandated age of 21. Approximately, and this depends on definition, but most of the data comes in that 20% of that drinking might be considered heavy or abusive. All of these figures are representative of what in large occurs nationally. Students here drink like students elsewhere, with quite a significant portion of it is at a dangerous level. In talking to members of the community that are most directly involved in student life outside the Faculty, dorm staff, Greek life, advisors, Gannett health people, the overwhelming consensus is that having undergraduate drinking is a primary threat to the physical well-being of students. It is the common denominator of fights, assaults and vandalism, date rape, unsafe sex practices, academic problems, emotional difficulties, drop outs, suicides and so forth. So virtually every constituency that I talked to that has an institutional concern about students well-being, identified drinking as a problem.

"Cornell in the last decade made significant efforts to address this essentially on a three prong method. It is said there is an overlapping of policies and regulations in the university that seek to either limit or prohibit drinking in certain contexts or among certain age groups. Those are the regulations. There is an extensive educational effort coming out for various components of the university: Gannett, Dean of Students, Greek Affairs, Athletics and so forth. So there is a fair amount of educational and good treatment options available for students who are actually identified as having serious problems with alcohol.

"My ultimate conclusion looking at these efforts is they were generally appropriate in scope. In fact, compared to most other institutions, Cornell is ahead of the pack, generally well designed and staffed by people who are quite committed to student welfare. So I didn't come away from my inquiry with substantial concerns that Cornell is responding to the problem in an inappropriate or non-sensible fashion. However, although these are generally appropriate in terms of design, the frustrating thing is that they are generally ineffective. That is somewhat of a contradiction and I can go into it if people were more interested but the problem is that even though Cornell's response seems to make sense, it's not significantly changing the patterns of undergraduate drinking, particularly the patterns of dangerous drinking. In fact there is anecdotal evidence in some recent survey data at other institutions indicating that, if anything, the

picture is darkening somewhat is that students are drinking more. They are using alcohol more exclusively as a drug. They are drinking more with a focus of getting drunk than other uses of alcohol in society. So you do see some increase in the intensity of heavy drinking among those heavy drinkers. So we have an odd situation in that we have sensible regulations that aren't significantly changing the picture. My explanation is that there are fairly significant limitations on the ability of this institution through either regulation or education to effect undergraduate drinking practices at least in the short run. I think there may be more chance in the long run of having an effect on it but the short run effect at least in the past ten years has been limited. Regulation is a motto in terms of alcohol consumption and hasn't proved successful in national experience. Education is difficult in that the student body is quite jaded about drug and alcohol messages and despite extensive educational efforts, people have not found the kind of right wavelengths that dramatically affect the picture.

"I do in the report, recommend a series of essentially mid-course corrections in issues regarding administration structure about alcohol policy, some changes in the regulatory efforts, some potentially more useful in educational treatment programs. I can discuss those but I want to bring your attention to other ideas I was interested in getting feedback on. I think the problem is deeply entrenched to reflect social problems generally; Cornell is not going to find the magic bullet that no one else has. What the university needs to do is to commit to a long term effort to attempt to influence at least marginally this area of student life because it does have such a significant impact on student health and safety but it is not likely to find a magic solution to escape society as a whole. So I have made suggestions more incremental than they are dramatic.

"The issues I think that are most pertinent to the Faculty are in the category of long term and somewhat vague concerns. They are not at a level of amending specific policies or writing different educational brochures. But the primary issue that I came across in the relationship between undergraduate drinking and the Faculty at Cornell is the very powerful sense that I got from students and people who are directly involved in student life and support services staff that the students are essentially abandoned to their own social culture. Students here learn about drinking from each other and that is about the extent of their input of formulating ideas about what a sensible relationship with alcohol is. I base this on my experience here 20 years ago as an undergraduate which was considerably different. That was during the Vietnam War and the drinking age was 18. It was not at all uncommon to have hot dogs and beer with a Faculty advisor. Since the advent of the 21 year old drinking age, I think those kinds of informal contacts between faculty members and students that involve in some aspect the consumption of alcohol, has largely severed. Certainly, the university on a formal level can no longer legally set up situations in which Faculty members drink with undergraduates. At least there are very significant limits on that in terms of what is legal and what raises liability concerns. So I think that was one of a number of changes that have essentially created a quite independent student culture. Students therefore learn from themselves but also learn that Cornell makes an effort to address this problem through peer counselors. I am

really skeptical about how much peer counseling is really successful, at least in comparison to other models. So one thing the report does is that it is very vague and fuzzy and I am uncomfortable with the generality in suggesting that Cornell needs to think about directions to move in the long run that at least attempt to recreate connections between the student body and other members of the university community, primarily Faculty. Faculty are a little bit farther down the road and may have more successfully solved the problem of what a balanced relationship with alcohol might look like. Students really are acting without models here. I guess my question to you is, is this a ridiculously romantic notion, is it feasible, is it something that the Faculty can be expected to undertake. I know in my institution, the idea of having to be asked to undertake anything else at this point is usually greeted with groans because the Faculty are under such pressure from so many different directions. The idea that the Faculty need to also think about serving as some kind of general mentor for the student body is a difficult idea to swallow and I'm aware of that. The reason I raise it and I suggest it generally in the report is that you do sense a desire or interest on the part of students in some other perspective besides their own about what alcohol consumption is all about. By the way, I should note that this sort of gap that I perceive from the students from my interviews with them and from what I've read isn't limited to alcohol issues alone. It obviously applies to all sort of issues about what a responsible and productive person looks like. So there is this similar black hole bordering on issues of sexuality, relationships, how one chooses a career, how one resolves all sorts of conflicts. There is a real sense of abandonment within the student culture. I'm not sure the degree to which it can be addressed but I think that is what I noticed more to be most pertinent in the facts.

"I want to focus on that and I also want to invite any questions or if the hour is too late, I would like to invite you to write your name down so I can send you a copy of the report. I would be happy to hear from you by phone or mail."

Professor Gillett: "Have you talked to Ron LaFrance, American Indian Program?"

Professor Siliciano: "I haven't talked to Ron directly."

Professor Gillett: "The point is nationally, American Indian programs have 3 to 5% retention rates. The most significant problem is alcohol. The problem has been alleviated by recent involvement in intensive counseling by Cornell staff, and Ron LaFrance deserves a lot of credit for that."

Professor Siliciano: "That's a good point and that is an intense model. A more general process that I have in mind is that we identify one ethnic group as having a particular hereditary susceptibility to alcoholism. We also have a student body that has sort of a less dramatic kind of problem and virtually isn't the same thing."

Mr. Speaker: "Are there questions or comments?"

Professor Moore: "I wondered about the matter of drunk driving. Do you feel our campus police are being aggressive enough?"

Professor Siliciano: "I didn't get any indication there was a concern about that. I think part of the problem, part of the reason you see that pattern is that most of the cars, most of the parking lots, most of the fraternities are located off campus so it will be the peripheral police of Cayuga Heights and downtown police. I see very many students listed in the monitor that have been on Cayuga Heights Road. You don't particularly see those on campus. But I don't have any indication that there is a drunk driving problem on campus. That's not being addressed. It may be something I have to check into."

Mr. Speaker: "Are there other questions and comments? Don't forget if you wish a copy of the report, please sign up before you leave. The chair next calls on Professor Arthur Berkey."

6. OTHER (NAME CHANGE OF DIVISION OF SUMMER SESSION, EXTRAMURAL STUDY, AND RELATED PROGRAMS TO SCHOOL OF CONTINUING EDUCATION AND SUMMER SESSION)

Professor Berkey: "I am listed under 'other' because it was the decision of the FCR Executive Committee not to place this on the agenda. I did prepare three things for you for distribution (Appendix A, attached). First is a two page resolution. The second item is a letter from the FCR Executive Committee chair, Alan McAdams, who was essentially saying he didn't feel it was necessary for me to appear before the FCR Executive Committee. I had asked him and he had committed, then I was allowed to appear before that committee. However, I did not have the opportunity to appear before CAPP before the issue was discussed.

"Essentially, the issue is, a matter of concern to me, that we have an administrative unit which has been newly designated as an academic unit. That is the administrative Division of Extramural and Summer Sessions has been designated as the School of Continuing Education and Summer Sessions. Let me share with you two conversations I had which brought this to my attention. I received a call from a secondary business teacher in the Poughkeepsie area and she said to me, 'I am interested in taking your 621 and 622 education series and those courses are listed under the School of Continuing Education,' and she didn't say Summer Sessions. 'I would like to take those courses to see what you are all about then what degrees are offered in case I decide to enroll in that program.' And I said, 'You can't really enroll in this school or register for any degrees because you would have to go into our field, which includes the specialization of Agriculture extension and adult education.' Her comment was, 'Well, that's very strange, other schools at Cornell I can enroll in.' I said, 'I'm sorry, this one you cannot, it offers no degrees, it has no faculty, it admits no students.'

"The second one of the calls I received was from a person who was interested in continuing education, had intended to apply at the University of Syracuse where that program was offered but which was cut as a result of budget constraints. So this person was someone who was intending to apply there and called with the understanding we had a new school and thought it was somewhat strange that Syracuse was dropping it and we were picking it up. And again to this person I had to explain that this was not a school, it was an administrative unit, again that had no faculty, admitted no students and administered no degrees.

"So on the first page, number one expresses the specifics of the change that has been approved, this did not come before CAPP or the FCR or the University Faculty before it was approved, nor is it mentioned in any report by the Dean. Therefore the issue is clearly, is it appropriate for an administrative unit to be designated with an academic title, does this constitute misrepresentation of compliance and what will this do to our image? If we were ever reviewed, I would be a little bit embarrassed with the review team if I was asked, 'What kind of a school is this?' And for this reason, I brought this resolution before the group that the Dean communicate to President Rhodes on behalf of the FCR, that the Faculty has legitimate interest in, and should be consulted on, new academic designations such as the School of CESS, and to maintain a positive image and avoid misrepresentation, only academic units should be named with academic designations. The resolution also requested that the Dean contact the FCR Executive Committee and the administration to report back to us on recommendations on implementation of the Organization and Procedures of the University Faculty. We have a problem here because our procedures say, 'All schools should have at least one faculty representative.' But the problem we have is that we have no Faculty in the school, so therefore, they cannot be represented, therefore, we have a problem of implementing our own procedure. Perhaps those will be changed, I don't know.

"I would like to quote to you Oliver Wendell Holmes. He said, 'It isn't so important where you stand, as to the direction you are moving.' So the decision you have to make this afternoon is, is the naming of administrative units with academic designations, the direction in which this faculty should vote? And if it is not, then we should vote yes on this resolution and if it is, then you should vote no."

Mr. Speaker: "Is there a second to the resolution? Discussion? Questions for Professor Berkey?"

Ross Atkinson, University Library: "Did you hear something about the rationale for the name change Why is that so?"

Dean Glenn C. Altschuler, School of Continuing Education and Summer Sessions: "As the Dean of this academic/administrative unit, perhaps it would be appropriate for me to say something about the rationale. The designation of what is an academic unit and what is an administrative unit has continued and will always be something that is not

always as clear as Professor Berkey has implied in his comments. As Dean, I have met with the group of academic Deans that meets with the Provost every couple of weeks. I began doing that when I was Dean of something called the Division of Summer Session, Extramural Study and Related Programs. Perhaps it would be more appropriate if I said a couple of words about the process of the genesis of the change. The term of this unit, the Division of Summer Session, Extramural Study and Related Programs, has been regarded universally as cumbersome. There was notice by many that we had a Division of Biological Sciences and a Division of Summer Session, Extramural Study and Related Programs, and people had a sense this title was not restricted and certainly did not indicate either the work being done in the unit which is largely in the realm of Continuing Education, nor was there an overall designation that would give some coherence to us. There was some discussion of equivalent names in other institutions around the country, many of which have the designation of school. A proposal was made to rename this division the School of Continuing Education and Summer Sessions. I want to make absolutely clear and did at the time of FCR inquiry, there is no plan, intention, discussion, interest in taking on degree granting responsibilities. This is not the opening salvo in my imperialism to take over some other college. There is no desire on my part to have a permanent standing faculty. This is step one of a one-step process and it is not going any further. The Board of Trustees acted on the proposal by the Trustees. That proposal emanated from a series of conversations among the Deans of all the colleges at Cornell. We met on at least three occasions where we received communications from the Provost on this subject several times and then were canvassed by the Provost around this issue. The Provost made the recommendation of the name change to the President and then that proposal was passed along to the Board of Trustees. The proposal contains no change whatsoever in the powers granted to this entity and although my desire for representation on the Faculty Council of Representatives is second to none, I yield on this ground and can state emphatically in writing and in perpetuity that this unit makes no claim on a seat on the Faculty Council of Representatives and in that sense seeks no equivalence with any of the colleges or schools on this campus. There is something to be said of Board name changes and I'm sorry for any confusion that might be out there. Let me tell you that my experience of the last year indicates that for every confused person out there, there are 10 more enlightened people and perhaps 20 who are more interested in coming to Cornell when there is a name that gives the offerings under it a greater amount of coherence. So, please as you think about which way you want to vote on this resolution, divest yourselves of any concern that there is an attempt for a power grab either by this Dean or anyone else in this unit and if in your secret heart of hearts you wish to think about it as an administrative and not an academic unit, please feel free to be encouraged to do so."

Associate Professor Alan McAdams, JGSM: "I want to thank Arthur Berkey for putting my letter before all of you. It is my impression that the procedures that were followed foreclosed any possibility of this becoming an academic institution because it did not follow the procedure required to make it an academic institution. I congratulate Mr.

Berkey for bringing this to our attention so that all could review it in every level of the FCR possible to absolutely nail down the possibility that this could be an academic unit. I congratulated him on his work and suggested it was over and he did not need to appear before the Executive Committee. He appeared in any case and we had a discussion and the Executive Committee concluded that there was no issue and I asked for a motion to recommend to the Dean, to put it onto the agenda. With no motion forthcoming from the Committee after further discussion with Mr. Berkey, he has arranged to get onto the agenda and we have had this discussion and I urge that you vote no, there is no issue."

Associate Professor Peter Schwartz, Textiles and Apparel: "I was for this resolution only in the sense that words are important, and I encourage you to vote yes."

Dean Altschuler: "I would just like to say one more word and that is, please be clear that the term 'school' is a term that has broad use throughout the United States and it is simply not the case that 'school' inevitably involves degree granting or that 'school' inevitably involves the functions that are listed here. There are throughout the United States, Schools of General Studies in universities which do not grant degrees or have permanent faculty. There are Schools of Continuing Education throughout the United States which do grant degrees and which do not have a permanent faculty. So I agree with my colleague that names are important. It is equally important that we not attribute to this name, qualities that are inexplicable to it that are not so recognized throughout the United States. There are innumerable instances of such designations around the country. This is by no means a precedence setting action."

Dean Lynn: "Just a point of reference. We already have a number of schools that are not degree granting units and I view this as much ado about nothing. All the Schools in the College of Engineering - there is a School of Civil and Environmental Engineering, there is a School of Electrical Engineering - these arose out of a tradition of moving colleges into departments when the College of Engineering was formed, it was seen not to diminish the former college status, so we called them schools. They are departments in effect within that college. But I don't think there is any confusion, although there may be temporary confusion. I should remind you that the Committee on Academic Programs and Policies reviewed this situation, saw this first of all as a Trustee prerogative in the naming of units and renaming them, and saw no special view. So it has been through the machinery together with the Executive Committee and I too urge you to vote no to this resolution."

Professor Berkey: "Since I was not extended the courtesy of speaking, of being asked to be present when CAPP met, I talked to the Chair, Michael Steinberg, and I asked him if the issues that I raised in my second letter were addressed by his committee, and he said, 'No'. Perhaps Dean Lynn knows of other schools at Cornell University that have no Faculty but I personally don't know of any. Secondly, the primary person administering the operating procedures of the University Faculty which designates that

'schools' shall each have a representative on the FCR, certainly the definitions in this Faculty at Cornell University indicate that 'school' is an academic unit, assuming that it has some Faculty and this school does not. It administers programs from other units only. I've been in higher education for a number of years myself, perhaps not as long as you, Dean Altschuler, but I wonder if you could give me the name of two schools of continuing education that have no faculty. You said there are many."

Dean Altschuler: "There are schools of general studies."

Professor Berkey: "Schools of Continuing Education."

Dean Altschuler: "Are we talking about school or are we talking about continuing education?"

Professor Berkey: "I am talking about Schools of Continuing Education which is the designation which is on the unit of which you are Dean."

Dean Lynn: "For the record, sir, I would like to read to you from O.P.U.F. 'For this purpose, a member of the University Faculty shall be considered as belonging to that constituency from which the greater part of his or her base salary derives.' Therefore having a Faculty or not, or having Faculty members who participate in summer school and are paid for delivering a course which is the normal procedure that is followed, their voting rights still are retained within their basic department."

Associate Professor Njoku E. Awa, Communication: "Do we have jurisdiction over the name change?"

Dean Lynn: "My answer to that is the Board of Trustees believes that it has jurisdiction to change the name. Mr. Berkey, on the other hand, is asking you to assert this Faculty's view that it should have the last say or a say in this process. That's really the issue, so that's part of what I think he is asking you to decide."

Mr. Speaker: "Are there other questions?"

Professor McAdams: "I would like to comment on the last question, and that is if in fact this was an academic change with substance, then the Faculty would indeed have a role to play. Since it is only cosmetic, a mere change of a word, then the Faculty essentially has no role."

Professor Berkey: "I would also like to read to you from the Organization and Procedures of the University Faculty. 'All membership seats on the Council of Representatives shall be apportioned among the various colleges, schools and separate academic departments, divisions and centers at Ithaca.' It also says, 'Each constituency, no matter how small, shall be entitled to at least one seat on the Council

of Representatives.' I think the issue that is before us is, is this designation appropriate? Does it misrepresent us to our clients? That's really the question and I wasn't aware that we were going to address the question that a school can be administrating rather than academic. I began by that basic assumption."

Dean Altschuler: "I don't want to get into a lengthy debate, but if you will listen to the sentence that Professor Berkey read, you will hear the word 'division' in it just the same as school. So if there was a problem with misrepresentation or a lack of misrepresentation when we were the Division of Summer Session and Extramural Study it was in no way altered when we became a school. It seems to me that we are talking about nothing here. The same words have been applied when we were a 'division', and would apply or not apply when we are called 'School'."

Professor Berkey: "Let me read it to you again. 'Apportioned among the various colleges, schools, and separate academic departments, divisions.' And the academic is a modifier to divisions and departments but it is not a modifier to colleges and schools."

Professor Howard C. Howland, Neurobiology and Behavior, called the question.

Speaker Martin: "Madam Secretary, we have lost some people, do we still have a quorum? Will the FCR members please rise and the Dean and the Secretary will take a count. We do have a quorum. The question has been called. If there are no objections, we shall proceed to vote. There being none, all in favor of the resolution, please say, aye. Opposed, no. The chair rules a no vote but to be sure, would you please stand up for all in favor of the resolution. Thirteen. All opposed, please stand. Thirty-two opposed, thirteen in favor. The resolution is defeated. Is there further business to come before the body?"

"If you have not signed in, please do so."

Adjourned: 6:00 p.m.

Mary A. Morrison
Secretary of the Faculty

RESOLUTION ON NEWLY DESIGNATED SCHOOL OF CESS

1. Whereas: President Rhodes has recommended, and the Board of Trustees has approved, changing the name of the administrative *Division of Extramural and Summer Sessions* to the academic designation of *School of Continuing Education and Summer Sessions (CESS)*, and
2. Whereas: the designation of school by definition is an academic unit while a division may be administrative, and
3. Whereas: unlike other schools at Cornell University, the newly designated school of CESS has no resident faculty, offers no CESS courses, administers no degrees, matriculates no students and is therefore functionally an administrative, rather than an academic unit, and
4. Whereas: the Dean of the Faculty has stated that neither his office, nor the Faculty Council of Representatives were consulted in the decision on the name change to the academic designation of School of CESS, and
5. Whereas: courses from many Cornell academic units are administered through the CESS unit, thus involving academic matters beyond a single academic unit which are the legitimate concern of the Faculty, and
6. Whereas: the new academic designation of School by the Board of Trustees may empower the School of CESS to perform academic functions , and
7. Whereas: Section VIII, parts D -I and D-3 of the *Organizational Procedures of the University Faculty* (OPUF) require that at least one FCR seat be apportioned to each academic unit including schools , and the School of CESS has no appointed faculty . Therefore naming administrative units without faculty with academic designations prevents implementation of the FCR membership provisions of OPUF, and
8. Whereas; the functions of the newly designated School of CESS have been reported by the Administration to remain administrative as under the prior administrative designation of *Division of Extramural and Summer Session*, i.e. without intent/plans to add any academic functions, and

9. Whereas: the lack of any intent for the School of CESS to perform academic functions as reported by the Dean makes unclear the purpose, and therefore the appropriateness, of the new academic designation for the School of CESS, and

10. Whereas: naming an administrative unit with the academic designation of school constitutes misrepresentation to those served by Cornell, and reflects negatively on the image of the Faculty and Cornell University as a whole.

BE IT RESOLVED:

1. That the Dean of the Faculty communicate to President Rhodes on behalf of the FCR that :

- a) The Faculty has a legitimate interest in, and should be consulted on, new academic designations such as the School of CESS, and
- b) To maintain a positive image and avoid misrepresentation, only academic units should be named with academic designations.

2. That the Dean of the Faculty and the FCR Executive Committee consult with the appropriate FCR Committees and the Administration, and report to the FCR, regarding :

a) Recommendations on Implementation of OPUF provisions for FCR membership for the newly designated school while this administrative unit continues to be named as an academic School.

b) Any academic functions enabled by the new academic designation.

c) The Administration's purposes and plans regarding the name change to an academic designation.

d) The Administration's response to items 1 - (a) and (b) .

Submitted by Arthur Berkey, Department of Education

EXECUTIVE COMMITTEE
FACULTY COUNCIL OF REPRESENTATIVES
CORNELL UNIVERSITY

Professor Arthur Berkey
Education
Kennedy Hall

Dear Arthur:

Congratulations! The FCR has now established a solid record on the question of the name change of the Summer Session from "Division" to "School". Any possible substantive misuse of that change is now foreclosed. All parties are in agreement that the change is cosmetic only and conveys no new powers to the Summer Session; i.e., this does not represent the creation of a new "School" in the sense of that word in your memorandum. The procedure to achieve this was as stated below.

Your memorandum on "Establishment of a New School" regarding the name change of the Division of Summer Session, Extramural Studies and Related Programs to the School of Continuing Education and Summer Session was referred by the FCR Executive Committee to the Committee on Academic Programs and Policies (CAPP) for review and comment.

At its meeting on September 21, 1992, CAPP considered the issue of the name change and the possible implication of such a change and determined that no further action was necessary, and so informed the FCR Executive Committee. The Executive Committee, therefore, decided there was no need to take further action on your request to have the matter placed on the agenda of an FCR meeting.

These actions establish that the new "School" will be a name change only, and that the policies and procedures will be the same as under the "Division" designation. Academic matters and degree granting status remain in academic units.

With the matter resolved, we see no need for you to invest further of your time and energy, and release you from our invitation to appear before the Executive Committee at its upcoming meeting on October 28, 1992.

We thank you for bringing this matter to our attention.

Yours sincerely,



Alan K. McAdams, Chair
FCR Executive Committee

cc: President Rhodes
Provost Nesheim
Dean Lynn
Dean Altschuler
Secretary Morrison
Michael Steinberg, Chair, CAPP

October 27, 1992

Professor Alan K. McAdams, Chair
FCR Executive Committee
Johnson Graduate School of Management
515 Malott Hall, Campus

Dear Alan,

The undated letter you personally delivered unannounced while I was in a student preregistration conference (which left me no time to comment) offers to release me from your invitation to appear before the FCR Executive Committee.

By this letter hand delivered to your office, I respectfully decline the release and will plan to attend the FCR Executive Committee as we agreed and as is on the agenda. At the meeting, I will provide copies of a resolution on the newly designated school that I propose be on the agenda of the next FCR meeting.

A telephone conversation with CAPP Chair Michael Steinberg revealed that CAPP had not addressed substantive questions involved:

1. Should the FCR be consulted in new academic designations?
2. Given the assertion in your letter that the functions of the new school are to remain administrative as at present, is an academic designation appropriate? Have you any written memoranda to support the assertion?
3. What are the purposes/plans of the Administration in proposing a new academic designation for an administrative unit when no change to academic functions is planned?
4. What academic functions are enabled/approved with the new academic designation of school? E.g., is the school now authorized to add CESS courses for credit? To employ faculty?

5. Under OPUF, all academic units (including schools) are mandated to be allocated a minimum of one FCR seat, yet the new school has no resident faculty. Has this been considered? Planned for implementation? This points out the undesirability of giving academic designations to administrative units.

Your explanation in your letter that the new academic designation is a justified "name change" because only administrative functions will be performed addresses none of the above questions.

Also, the issue of how the Dean of the Faculty's Office was not involved (his statement) in the decision on the new designation when he is a member of the Deans and Directors group that considered the matter remains unexplained.

I also note here that under the FCR section of the OPUF, that the Executive Committee of the FCR " . . . shall assist the Dean in preparing the agenda for regular and special meetings of said council. " Dean Lynn stating to me that agenda items are the responsibility of the Executive Committee is therefore inconsistent with OPUF which we all are responsible to follow.

I look forward to meeting with the FCR Executive Committee on 10/28 at 4:30 p.m. in the Day Hall Board Room.

Yours Sincerely,.



Arthur L. Berkey

Professor and FCR Member

MINUTES OF A MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES

February 10, 1993

Third Meeting of 1992-93 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **CALS:** Baer, R.A. (2); Baveye, P.C. (3); Ewert, D.M. (3); McCormick, C.C. (2); Parks, J.E. (2); Pritts, M.P. (3); Ranney, C. (2); Rockcastle, V.N. (3); Shapiro, M.A. (1); Tauer, L.W. (3). **Geneva:** Koller, W. (2); McLellan, M.R. (2). **AAP:** Drennan, M. (spg. only)(1). **A&S:** Barzman, K. (spg. only)(1); Berger, A. (2); Darlington, R.B. (3); Hayes, D.P. (2); Howland, H.C. (2); Kennedy, K.A.R. (3); Loring, R.F. (2); Rusten, J.S. (3); Rutten, A.R. (3); Shanzer, D.R. (3); Siggia, E.D. (2); Speh, B. (3); Strauss, B. (2); Usner, D. (2); Volman, T.P. (3). **Engr.:** Brown, G. (3); Farley, D.T. (3); Kay, R.W. (3); Parks, T.W. (2); Raj, R. (2); Rand, R.H. (3); Warhaft, Z. (3). **Hotel:** Dunn, D.C. (3). **H.E.:** Garner, C.E. (3); Laquatra, J. (2); Schwartz, P. (3); Wethington, E. (3). **ILR:** Kuruvilla, S. (3). **JGSM:** McAdams, A.K. (3). **Libr.:** Atkinson, R.W. (2). **Vet. Med.:** Ball, B. (1); Farnum, C. (1); Hermanson, J.W. (2); Meyers-Wallen, V. (2). **At-Large:** Allen, J.A.V. (2); Farley, J.T. (3); Kazarinoff, M.N. (3); Lucey, R.F. (3); Norton, M.B. (2); Walter, M. F. (2); White, R.N. (1). **Guest:** P. Stein

Absent: **Afr. Ctr.:** Edmondson, L.G.E. (0). **CALS:** Awa, N.E. (2); Berkey, A.L. (2); Feldman, R. (2); Gillett, J.W. (2); Hudler, G.W. (1); Riha, S.J. (2); Slack, S.A. (1); Smith, M.E. (0); White, S. (spg. only)(0). **Geneva:** Shelton, A.M. (0). **AAP:** Jarzombek, M. (1); Perlius, B.A. (1). **A&S:** Bathrick, D. (0); Blume, L.E. (2); Castillo, D. (spg. only)(0); Coleman, J.E. (1); DeVoogd, T.J. (2); Feigenson, G.W. (0); Hamill, O.P. (0); Keil, F. (1); Livesay, R. (1); MacDonald, J.F. (spg. only)(0); Mitchell, J. (0); Mullen, H. (0); Strang, D. (1). **Engr.:** Giannelis, E. (2); Moore, F. (1); Philpot, W. (1); Seyer, C.E. (1); Subramanian, D. (2). **Human Ecology:** Hahn, A.J. (spg. only)(0). **ILR:** Abowd, J. (1). **JGSM:** Lind, R.C. (0). **Law:** Alexander, G.S. (2); Taylor, W.F. (0). **ROTC:** Shirk, J.L. (2). **Vet. Med.:** Casey, J.W. (0); Dubovi, E.J. (1); Weiland, G.A. (1). **At-Large:** Levitsky, D.A. (2); Lumley, J.L. (0); MacDougall, B.G. (1). **Faculty Trustees:** J.M. Calvo, (1); I. Kramnick (0).

The Speaker, Professor Emeritus Russell Martin: "May the meeting come to order. Because of the anticipation of renovation of 110 and 120 Ives, we will meet here in Schwartz Auditorium for the balance of the term. I want to also remind you that the ballots for election of the Dean of Faculty have been distributed and are due by Noon on February 17. If you did not receive one, please let the Dean's office know.

"If we do not have a quorum, we will delay the approval of the minutes from our last meeting, and proceed to the first item on the agenda.

"The chair calls on Dr. Les Elkind for the presentation and discussion of the HIV/AIDS Policy. During the discussion, any questions or discussion is appreciated. Please identify yourself for the record. Incidentally, we will be allocating 30 minutes to this discussion."

1. HIV/AIDS POLICY - DISCUSSION BY DR. LES ELKIND

Dr. Les Elkind: "Thank you very much. I hope everyone has received a copy of the draft policy and what I would like to do is to simply provide an opportunity for people to comment and discuss this policy. I will dutifully note things down and provide this input back to the Provost and others working on this policy.

"Just so that you all are clear as to where I am coming from, the policy originated with the AIDS Advisory Committee, which is a committee of faculty, staff and students and a particular policy subcommittee of that group which is faculty and staff. An early version was presented at the Deans' Council, and at that time the members were extremely interested in pursuing the policy and the Provost asked that it go forward for comment and further work and back to him. So that's where it will be going.

"In any event, this version that was distributed to you, has already been reviewed by the Council's office and numerous other campus entities. "

Professor Richard Baer, Department of Natural Resources: "This is a sensitive issue so I have written down some of my comments so that I would have a chance to think through them better. I want to thank the committee who put it together. The document reflects a good deal of compassion, decency, and common sense. Again, on the other hand, I find it unbalanced in significant respects and one should speak to those.

"In the first place, I think the document offers a great deal of protection to individuals with HIV/AIDS but very little protection to the larger Cornell community. For instance, what disciplinary action, if any, will the university take toward a member of the Cornell community who has HIV/AIDS and knows that he or she has it, but does not inform a sex partner that he or she has infected? We know that such an action has potentially lethal consequences, with or without the use of condoms. Will Cornell expel or fire the infected person for such potentially lethal deception? Will we provide legal aid for those who have been deceived and who may as a result become infected and die?

"Or what about the case where the infected person does inform the sex partner? We know that even when we are dealing with so-called consenting adults, there is often an element of seduction and emotional coercion when it comes to sex. Is Cornell making any attempts to protect the larger community by trying to dissuade infected persons from having sex with uninfected persons? If not, why not?

"Second, the proposed policy very likely will have a chilling effect on academic freedom and freedom of speech on campus. Universities, more so than most institutions in our society, have a responsibility to uphold freedom of speech. I am not convinced that this document will do so adequately.

"Section II.G.1, which is entitled 'Harassment', states: 'No person shall harass or otherwise abuse emotionally or physically a student or employee with HIV/AIDS.' What does this really mean? The term harassment has fairly specific common law meanings. It

suggests persistent, malicious, deliberate attempts to defame or hurt another person. But as far as I know, the phrase 'abuse emotionally' is more open-ended. What if I as a faculty person express the view that a majority of persons who have been infected with the HIV virus over the past five years or so, that is since we have had a good deal of knowledge about how the HIV virus is transmitted, have themselves to blame for what has happened to them? Will this constitute emotional abuse? What if I express the view that certain forms of sexual intercourse are unnatural or immoral? What if I note that the very rapid spread of HIV/AIDS is closely related to a high level of promiscuity among some people? Will any of this constitute emotional abuse?

"Should the university also try to protect students from faculty members who offend them in other ways, who perhaps belittle and ridicule their religious beliefs? I would oppose such a policy, for I think the danger of compromising freedom of speech and academic freedom is too great, which is also my view in the present case. It is one thing for the university to recommend polite, gracious and civilized behavior. It is quite another thing to require such behavior, with various penalties for those who do not comply.

"Three, Section II.G.3 states: 'Educational and counseling programs will be provided to address these inappropriate and destructive responses.' Just what does this mean? Will offenders be required to attend such classes, with threat of punishment or loss of job if they do not? If so, I want to oppose the policy, rigorously.

"Four, the document offers a high degree of protection to one minority on campus, but as far as I know Cornell offers little or no protection to others who are emotionally abused at the university. For instance, do we offer any protection to those students who claim that they were emotionally abused in workshops sponsored by Residence Life during RA training week? If the students' claims are found to be accurate, will those perpetrating this abuse also be expected to attend reeducation programs or will they be disciplined by Cornell?

"Five, confidentiality and release of information. Once again, this draft policy gives all of the benefits, but none of the responsibilities, to the HIV/AIDS infected person.

"If a member of the Cornell community volunteers to me that he or she has HIV/AIDS, and I also learn from this person or from someone else, that he or she is having sex with one or more people but without mentioning the infection, can I not warn the victim of this potentially lethal act that he or she may be in mortal danger? Do I protect the privacy of the first person at the expense of the second person's life?

"Overall, my sixth point. I believe that this draft statement needs a good deal of further refinement before it deserves to be approved by the faculty. As I have already noted, it reflects compassion, human decency, and common sense. But at the same time it fails to protect the interests of the larger Cornell community, it threatens freedom of speech and academic freedom, it discriminates against students and others at Cornell who are not offered similar protection from other kinds of harassment and emotional abuse, and it deals with the question of confidentiality in an inadequate manner.

"Perhaps worst of all, and this is my last point, this draft document reflects an ideological view of what it means to be a victim, a view which may constitute one of the worst forms of discrimination in America today. By not holding HIV/AIDS infected persons accountable for their own behavior, and by not adequately protecting those who might be victimized by infected individuals, the draft policy basically dehumanizes all of us. When we treat persons as equals we hold them accountable for their actions. We expect them to act responsibly. But when we treat others simply as victims, and do not hold them accountable, we put them in a class of children, the senile, or the mentally incompetent. I for one do not want to be party to such a process.

"Again my sincere thanks to those who crafted the document, it has much good in it and I think we are deeply indebted to them."

Dr. Elkind: "Thank you, Professor Baer. I'm not sure if there are others who would like to respond to those comments or make their own comments, I leave it open to your discretion."

Associate Professor Joseph Laquatra, Design and Environmental Analysis: "I think the issue of infected persons transmitting the virus to uninfected persons is dealt with through educational programs. The issue of discrimination against HIV positive people is far more serious."

Mr. Speaker: "Is there further discussion or questions?"

Roger Cramton, Robert S. Stevens Professor of Law: "A question. It is my understanding that medical ethics, American Medical Association ethics, require and place a duty on the physician treating an HIV positive person who then discovers the patient has sex partners who have not been informed. This contravenes that."

Dr. Elkind: "I certainly don't think the intent of the policy or the wording is to contravene the statutory obligations. You are right, in New York State there is a requirement that physicians ascertain that people who are infected, and I'm not sure if we are talking about people with AIDS or HIV positive, to inform their sexual partners and provides actually an immunity shield for physicians who feel that someone is not disclosing to their sexual partner their status. In terms of the State assisting in making that notification, of course that's done with the awareness of the infected individual."

Professor Cramton: "In a sense, responsibilities don't have a place here at all, just rights. A physician who reveals any information of the positive person is subject to sanctions for violating this policy."

Mr. Speaker: "I will remind all of you that anyone who wishes to speak at this forum may do so regardless of whether or not you are an FCR member. Professor Bronfenbrenner."

Professor Urie Bronfenbrenner, Jacob Gould Schurman Professor of Human Development and Family Studies Emeritus: "I would presume from the nature of the questions posed by Professor Baer that most of them would have received some consideration in the deliberations of the committee that drew up this document and for that reason, I would be interested in what their response would be and if some of them have not, then I would suggest that it would probably be desirable that that happen."

Associate Professor Daniel Krall, Landscape Architecture: "I would like to make a couple of points in response to Richard. I think the problem is that AIDS is ever present. It's a horrific disease and we all know that and I'm a little dismayed by your response in a sense. I think it's typical that we're attacking those with AIDS rather than the disease itself. If in fact we make it very legalistic and hold those with the infection, very accountable, then there is really no reason. And if in fact we are all accountable, responsible individuals as you say, then why should you inform other sex partners. They know it's a disease and it's out there, why can't they be held as responsible as the person with the infection? If we are accountable, we are all equally accountable. You're an adult, you know it's out there. You're the one who also consents to a sexual relationship. It is no role of the University to be telling others what they should and should not be responsible about. We are all responsible adults you say so let's treat everyone equally and there would be no relegation. That is one point I make and I feel again that it's really an attack on those with the disease and not trying to have a compassionate, intelligent, understanding of the people who have it. And we try to make it more compassionate in terms of community sharing and protecting them because they have nothing in fact when it comes out if it's simply going to be a lot of legalese which is not there to defend them. And there is no reason for it."

Professor Cramton: "Tort liability is being imposed throughout the country for people who do not disclose in those situations. Isn't there a moral obligation to do so? This is not legalese, this is ordinary morality that if you're dealing with someone and you know that your condition threatens them, don't you have an obligation to offer them information."

Professor Krall: "I hear people say that it's an awful disease and if I were infected and give it to someone, I would expect to be a moral person. But I also hear people saying I don't want you to tell me how you got it, I don't want you to prove perhaps you are gay, perhaps you got it clandestinely. So you are asking me to reveal that and holding me more wrong now that I have a disease which everyone thinks is terrible. If I have it, why should I reveal it. Am I more moral because I'm HIV positive? That is an awfully difficult assumption."

Mr. Speaker: "Other comments or questions?"

Professor Rishi Raj, Materials Science and Engineering, said the overriding concern has to be compassion for anyone in that position.

Professor Richard B. Darlington, Psychology: "I want to go back to the point made by Professor Cramton. He said certain physicians might be obligated to release information and if I followed you, you said yes, that there would probably be a phrase added that exempts physicians. I would find that very odd to say that pacts which are required of physicians by State law are prohibited from the rest of us and I would, as a non-physician, be very resentful if informing a sex partner of any infected person would expose me to liability."

Peter Jessen, a student in the JGSM: "I was an undergrad here from 1983-87 and lived in fraternities, lived in dormitories, and now I'm back as a student so I guess my perspective is a little bit younger than many people here. The majority of students have a feeling they are invincible, that it couldn't happen to them. The issue of informing someone that they have AIDS or HIV, I don't think you can say you're an adult, you're responsible for your own actions on both sides. It's common, not like a common flu where someone has the sniffles and everyone catches it. One out of five people have it and all through the period of disability, going to the authorities and being a part of the community, the average 18 year old student hasn't been one and doesn't think about does this person have AIDS, or does this person have herpes or any of the other diseases. As far as the statement that you're an adult and responsible for your own actions, I don't think that it can be said so blatantly that if you have HIV that hopefully they are responsible to inform their partner."

Professor Laquatra said he had been a graduate student here, but suggested that a policy is needed to insure that people are compassionate to those who have AIDS.

Professor Cramton: "This statement of policy doesn't quite contain a compassionate statement. It is a legal statement of institutional policy. There is a moral obligation to reveal to others under certain circumstances of HIV affected."

Dr. Elkind: "These are workplace issues. Employees need some accommodation. There is need to encourage individuals to act responsibly."

Professor Cramton: "This is a legal statement of policy."

Unknown: "I just want to say that by not having all parties act responsibly, it is precisely that statement that builds bad feelings. I think the way we handle this maturely and compassionately is simply to expect that all parties, in a reasonably, non-judgmental way, expect responsible actions. I can't believe this discussion that you can be acting immorally by deceiving a sex partner."

Dr. Elkind: "This policy was not drafted to regulate disclosure between sexual partners of HIV status. The issues that were addressed were workplace issues for supervisors in which they receive information on an employee that is HIV positive. So I do understand that it wasn't present in the thoughts of people writing the draft policy that they needed to cover the issue of disclosure. I would certainly present that to the committee to consider. I would really like to encourage Professor Baer or anyone else who has phraseology in mind, to send me a few sentences for potential insertion in the draft."

Dean Walter R. Lynn: "I would like to offer a general comment about this policy. It's too long. One of the difficulties that we face in this institution is trying to write policies about everything. It's impossible in such a policy to cover every possible status and condition. It's a trade off between trying to stay with the institution's principles compared with compassion, understanding the right of the HIV persons to be in this community, but sticking to principles rather than trying to identify every plausible or feasible condition under which the problems may arise. I think that's a human problem where judgments will be exercised and policies are looked at by people that will give us a book. So if someone asks the question, we can say that's covered, right? But that's nonsense. There are enough variations of what people will do in a behavior that you will never be able to do it adequately. That would be my suggestion."

Mr. Speaker: "We have time for two more comments."

Dr. Elkind thanked the body for the opportunity to discuss this important topic.

2. APPROVAL OF SUMMARY MINUTES OF DECEMBER 9, 1992 MEETING

Mr. Speaker: "Before moving on, are there any corrections to the minutes of December 9th? There being none, they stand approved. Now we move on to Professor Stein, Chairman, Faculty Commission on Higher Education, for a report."

3. REPORT OF THE FACULTY COMMISSION ON HIGHER EDUCATION - PROFESSOR PETER STEIN, CHAIRMAN

Professor Peter Stein, Physics, and Chairman, Faculty Commission on Higher Education: "A copy of a chart that describes the mission of the Cornell Faculty Commission on Higher Education and its membership has been distributed to you (Appendices A and B, attached). There is the Commission itself which I chair, and a Council of Senior Advisors to the Commission. The work of the Commission is carried out by Task Forces. And there are three Task Forces that are currently in operation. The first is Task Force #1, composed of Alan McAdams and Dick Schuler who are looking at the issue of the degree to which indirect costs of sponsored research are recovered. The second Task Force is chaired by myself and includes Susan Christopherson, Bob Cooke, John Nation, Ron Ehrenberg, and Dick Schuler. It is looking into a historical study of the finances of the University and will report on that study. The first Task Force has a report that is almost done and hopefully will be distributed to you for the next FCR meeting. The third Task Force, chaired by Joe Novak, of the Department of Education, with Dick Lance, Alan McAdams, James Maas, Steve Ceci and Dan Tapper, and they're looking into advancing ways of teaching. And with that, let me go on directly to the report of Task Force #2.

"What I am going to present to you today is a progress report. It is not a complete report; it is an interim report. What we tried to do is to get an understanding of exactly what are the causes of the financial difficulties of the University that we hear about so much. Wherever you turn in circles when people talk about higher education, not only at Cornell but at every university around the country, people use words like 'financial crunch', 'important

changes must be made' and 'we can't go on doing what we have done before'. Task Force #2 asks a very simple question: what is it that's going on, and why is it happening? If you're as old as I am and have been with the University for a long time and you look around you and you see things that resemble the way they looked when I first came here as an assistant professor and the question then comes into my mind and others exactly what is it that has changed, what are the forces that are driving this financial crisis and so that really is the general aim of this particular work. What I have seen as possible causes of financial problems are financial aid, increasing cost of library acquisition, and differential productivity compared to industry. Those of you who have a long memory will recall a report that was circulated to all the faculty maybe three or four years ago by Bob Barker who was the Senior Provost where he talked about the two percent problem, and that's what that is.

"Another cause is excessive growth in support services, that's what I hear from most of my colleagues and faculty as being the source problem. What people are talking about are all the people hired on the campus who are not faculty members.

"Underrecovered costs of sponsored research is a subject that Alan McAdams and Dick Schuler are looking into. The increase in the cost of health insurance, the cost of government regulations and the cost of modern technology are other causes. That's a sample of some of the arguments I've heard, and we've tried to approach that to see what we could understand about those. I think there is an observation I would like to make. The last three items are quite different from the first five. In a sense the last three apply across the economy, everybody has increases in health care costs, everybody is burdened with government regulations, everybody has to worry about the cost of keeping up with the age of technology. So the university is not necessarily more clothed in those areas than others but the first five are really quite unique to the university and not shared by other institutions.

"Now the question is, how do you go about studying something as complicated as the university - a billion dollar a year activity. And so what we thought we would do is to try to approach it in a way a physicist might look at this problem. And that is to try and take a very gross overview, take the university as a very big bundle and take a look at what comes in and what goes out and see how each major item changes over the years. The first thing that is clear is that you probably shouldn't consider Cornell University as one big package because the financing of the statutory colleges and the endowed colleges isn't quite the same. And so the first thing we did was to split the big bundle in two and look at the endowed and statutory units separately. I will report to you today the results of our analysis of the endowed units only, simply because that work is further along. The statutory units are not as far along, but are making progress and will be reported on in the near future.

"In my report there are a couple of things I will not talk about. I will not talk about the way endowment is managed, which is a whole separate set of issues, and I will not talk about the physical plant. I will give you a historical report on the operating budget.

"Now, how do you go about doing this? Well, one way of doing it is to take the following point of view. Things seem to be getting worse. A decade ago people weren't talking about the tremendous financial crisis, so let's just look at a decade ago, look at the major items of income and expenditures and then see how those have changed over the course of the decade.

"If you want to look at faculty salaries, you have to go all the way back to the 60's because one has to have some sense of what happened in the 60's. 1980 seems close enough that it's fair to make a comparison because things in 1980 were quite similar to the way they are now. But of course the real reason is that you can't get data before 1980. Now, you can take the data and plot it and the first thing you see immediately is that no matter what it is you plot, it goes up. The reason it goes up is it is dominated by inflation. So one straightforward way to analyze the budget is we'll have to take inflation out. And it's easy not to take inflation out, because you can get numbers for what inflation has been every year since 1980 and in particular, the consumer price index is the one that you use. What we tried to do is plot all the major sources of expenditures and income in constant dollars and then look to see how they did. Now before I show you what we came up with, I have to say a word of caution that it's not so easy to do this thing. The reason is it's hard to understand the budget. The items you see don't readily translate into the way a faculty member sees what's going on.

"The first graph I will show you is the real growth of endowed expenditures (Appendix 1) since 1980. First I have to define what's meant by real growth or how we define real growth. Suppose you wanted to look at utilities to see what was the cost in 1991, what was the cost in 1980? If there were no real growth, what you'd expect to find is that the 1991 expenditures would be the same as 1980, corrected for the fact the dollar is now different. If, however, you found the utilities were more in 1991, then the 1980 data scales up. The difference between those two is what would be called 'real growth'.

"The major items that we looked at for expenditures were the following: payroll, utilities, capital expenses, general expenses, and debt service. Those items are essentially responsible for the expenses in the budget. Capital expenditures does not include plants; it includes such things as telephone service, the computer, etc. Financial aid as we think of it is not an expense. Tuition simply rations the financial aid along with it or to be subtracted from tuition.

"Now if you look at the graph (Appendix 2) everything is dominated by real growth of payroll. If you look at general expenses in 1989 they've been held down and so there is essentially no growth in general expenses since 1980. Likewise with capital expenses, had a little burst in 1986, but now they're down to a modest increase since 1980 in real dollars. The dominant trend seems to be payroll, and it seemed worthwhile to investigate the causes for payroll to rise at such a rapid rate. So what we did was to divide the payroll into a series of categories. The categories are Faculty, Librarians, Graduate Research Assistants/Research Associates, TA's, and Administration/Managerial/Other Professionals and Support. The last two categories include every other group that works at Cornell and doesn't fit in the other categories.

"The administration managerial or other professionals contain all the people who work for the computer operation at Cornell, the President at Cornell, all the fund raisers, the people who run the travel office, the people who work in Wilson Laboratory, etc. If you look at that you can see again that the dominant term over there is the so-called administration, managerial, or professional categories.

"The second largest growth category is faculty which was raised by roughly \$30 million a year in 1991 since 1980. Next we go to support and everyone else is down from there. So if you are looking at trying to make an analysis of the budget you can forget about everything else and just concentrate on administration, managerial and other professionals, and the faculty.

"So the first thing you might ask is will this give the real growth or only give a percentage growth? So here is the real growth in dollars and shown in another transparency (Appendix 3) is the same data but written out in a different way. So instead of showing you the real growth, I'm showing you the relative growth since 1980. The ratio between what it is now and what it was in 1980 is in real dollars. The first thing you see at the top is the category called administration, managerial and other professionals which has more than doubled. The faculty, and this came as a great surprise to me and I've not heard an explanation for it, but the faculty payroll, payroll not salary, has gone up 60% in real dollars since 1980. Some will ask why and I have to respond by saying this is all that I know. And the support staff has gone up to something like 20% in real dollars. And to answer the gentleman in the rear of the room, namely what fraction of the payroll is given by all of these categories, there's a transparency showing the total university payroll (Appendix 4). Faculty payroll has been more or less 1/3 of the total payroll. And then you see the administration, managerial and other professionals that were a quarter of the budget in 1980 are now a third. The support staff was a third and is now a fourth. So that's the level at which we can analyze the expenditure side of the ledger. Now let me show you the income side.

"There are four major categories of income: sponsored research, gifts, investment income and tuition. Now, there are a couple of things that are missing from that. One thing missing is what are called 'enterprise accounts' since these are break-even operations for dealing in consumer items for a roughly constant population. We assume the real growth is modest. Enterprise expenses should have been excluded from the previous analysis but this was impossible given the data that were available. However, to the extent that our assumption about small real growth in enterprise accounts is valid, this exclusion does not introduce significant error.

"The real growth in the first three income categories is shown in the next graph (Appendix 5). Sponsored research grew rapidly in the first half of the decade and it has not grown in real terms. The investment income has some modest growth. If you remember what was on the other graph, expenditures were up in the \$100 million level. And the investment income was down in the \$10 million level. Interestingly enough, gifts have done extremely well.

"Now we come to the bread and butter issue which is tuition. I have to apologize for this graph (Appendix 6) because it's not right. It shows the real growth of gross and net tuition. Gross tuition is the tuition multiplied by the enrollment. Net tuition subtracts financial aid. The financial aid subtraction is overdone because it includes work study expense as well as scholarship. Later I will show an analysis of the last four years, and in that analysis financial aid is properly accounted for.

"The next graph (Appendix 7) gives the ratio of endowed tuition of coming to Cornell compared to the median family income, not of Cornell's parents, but the United States. The increase in Cornell tuition follows the increase in median family income from 1970 to 1980, so the ratio was constant. Starting in 1980 endowed tuition increased at a substantially faster rate than either the median family income or the consumer price index. What happened in 1980 is not clear. One explanation is that you had a new administration at Cornell. I doubt that this is the explanation since my guess is that this ratio would show similar behavior for any private research university. Another possible explanation is that Ronald Reagan became President of the United States, which is perhaps closer to the real cause.

"Something else that I think is interesting is the graph (Appendix 8) that shows total cost of attending Cornell as a ratio to median family income in the U.S. This is now tuition plus living expenses - what the Financial Aid office says is the full cost of attending Cornell. There is no financial aid here. That ratio actually declines from 1970 to 1980 because living expenses apparently do not rise as fast as median family income. Again in 1980 the ratio starts to rise in the very same way. What's really interesting to me is where we are in that graph now in 1991, or where we were in 1991. In 1991 the value of the ratio was point six. Point six is an interesting number because it is a reasonable estimate of what the ratio is between take home pay and gross salary of a typical American wage earner. This means the average American family must spend its entire income to send one child to Cornell. I find that mind boggling. Of course this neglects financial aid which makes it possible for the children of average American families to attend Cornell. Nonetheless, it does say that to the extent we are committed to educating the children of average American families, further raises in tuition in real dollars are unlikely to produce substantial net revenue increases, since they will be offset by rises in financial aid.

"The next transparency (Appendix 9) is a summary of what has been presented. We looked at the last four years and wrote down on the same graph, the annual increases by averaging the increases over the past four years. We compared them to see how they are doing on the same graph. Let me draw your attention to two numbers; the real growth in payroll and in net tuition. Clearly the payroll growth dwarfs the net tuition growth. If like me, you thought of tuition as being the bread and butter really paying the salaries then you get a little bit worried. You can see that tuition increases can't even come anywhere near the funding of annual increases going on in the payroll. And if you look at that, you say, what's going on? Why aren't we in the poor house or why haven't the past four years driven us into the poor house? The answer is clear. The payroll increases have

years driven us into the poor house? The answer is clear. The payroll increases have been supported by gift increases and reduction in general expenses. I find this situation somewhat unsettling. Reduction in general expenses cannot go on indefinitely, and being dependent on continual growth in gift income does not seem prudent.

"Just to show you where it's coming from, the next transparency (Appendix 10) shows the same bar graph for the endowed income but takes only the payroll and separates that by the categories that I showed you before. The data shows that tuition growth cannot support the payroll growth.

"The last graph (Appendix 11) I have to show you will be very interesting, I think. Is financial aid the culprit? Could we make up a new package to solve and deal with financial aid problems? Suppose four years ago, we had said, ok, that's it for financial aid, you capped financial aid. Let us further assume that tuition increases were what they actually were. In this graph we see that the net growth in tuition is greater but it still fails to meet the demands of the growth of payroll by a significant amount. The message here is that even with an extreme limitation placed on financial aid, the budget continues to be in difficulty due to the growth in payroll.

"And those are the graphs I wanted to show you and I'm now going to conclude with some tentative conclusions. One is that the major problem appears to be the growth in payroll. It is unlikely that growths in income can continue to support historical growths in the payroll.

"Observation number two is that both the growth in faculty and support payroll should be studied further.

"The third is that the data indicate the need for growth by substitution, but do not shed light on the need (or lack of need) for specific budget cuts.

"The fourth observation is that capping of financial aid itself will not be a solution to a financial problem but the fifth, underrecovered costs of sponsored research, may be a significant problem. Thank you."

Mr. Speaker: "Are there questions?"

Professor Matthew Drennan, City and Regional Planning: "Can you explain why the faculty payroll has gone up by 60% in real dollars? Is it growth in numbers or in salaries?"

Professor Stein: "We cannot answer that question from the data that is available to us. While we do have data on the number of faculty, the so-called 'head count data', one cannot simply divide the payroll figures by the head count and use the answer as a meaningful measure of salary. In head counting, a part-time lecturer counts as much as a chaired full professor, and changes in the makeup of the faculty could seriously distort the meaning of an 'average salary' obtained by dividing the payroll by the head count."

Professor Howard C. Howland, Neurobiology and Behavior: "I am very pleased and encouraged to see such a financial analysis given to the faculty on the University budget, which I think is an absolutely crucial process. We have a committee on the budget and I just want to remind the faculty of what this committee is supposed to do. I am not simply harping on how that can be done but the charge to that committee is to 'undertake a continuing and comprehensive analysis of the financial condition and policies of the University, to develop priorities based on educational considerations which should be reflected in the University budget, and to participate, with the cooperation of appropriate administrative officers, in the budget planning process'. The faculty have been very lax over the past decade. And I think we now find ourselves in a very bad situation. I welcome this, and I hope the faculty take this process more seriously and to greater detail. I think there are astounding things in university budgets. As a naive person I just happened to glance at one report and without any explanation as one example, that Cornell had spent \$7 million of its unrestricted funds in the Cornell Club. There must be some good explanation for that but when I asked my colleagues about the budget, I found that no one at the department level has a copy of the university financial statements - it's only at the dean level. The worst thing I got from your analysis, Peter, is that from the administrative side we have too many chiefs and too few Indians but that has to be worked out and looked at carefully."

Professor Stein: "You may be right and that's just one possible explanation, I just don't know. With regards to the department chairs not having the financial report, if they had them, it wouldn't matter. The fact of the matter is, it is very hard to understand anything from the financial reports. That's not meant to be a put down of the people who issue the financial reports. Financial reports are issued for lots of different reasons. But presumably, the way the books are kept does not support this kind of analysis and this way of thinking. And I don't believe they should. But there should be books that do allow this kind of analysis."

Associate Professor Cornelia Farnum, Anatomy: "Does Professor Stein know if Day Hall administrators have made similar analysis, or were aware of these findings?"

Professor Stein: "I don't really know. I have in fact not spoken to President Rhodes but I have given this talk to Fred Rogers, who is the CFO, and to the Provost. I did not ask them if they were aware of these facts, and they did not volunteer this information, so I cannot give you a definitive answer. However, from the way that those conversations developed, my guess is that similar analyses have not been done previously."

Associate Professor Barry Strauss, History: "What affect did the building program of the 1980's have on the financial difficulties of the University?"

Professor Stein: "If you look at the number of square feet of space on campus, and take one number, it really hasn't gone up all that much. However, the increase in debt is probably a reflection of the building program."

Mr. Speaker: "Are there other questions and comments? Thank you very much, Professor Stein. Is there further discussion to come before the meeting? If not we are adjourned."

Adjourned: 6:00 p.m.

Mary A. Morrison
Secretary of the Faculty

DRAFT

Cornell Faculty Commission on Higher Education

Mission Statement

It is commonly believed by those that study and lead higher education that universities in the U.S. are, in the words of President Rhodes, facing a sea change in the coming decade. New ways must be found for the university to carry out its long-standing mission to create, discover, promulgate and utilize knowledge, because changing patterns of income and costs will make business as usual impossible.

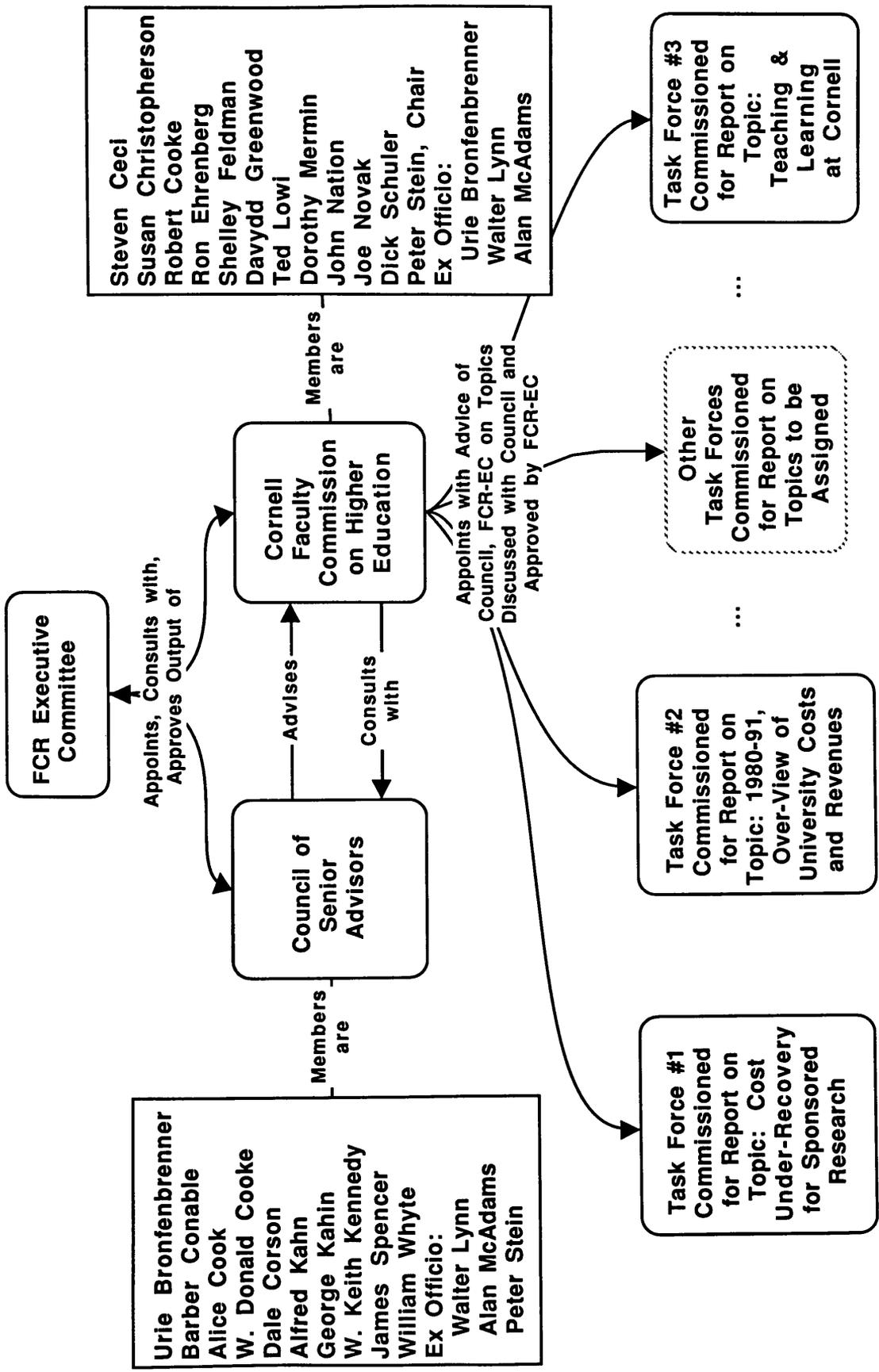
While Cornell is entering this era of change in a relatively strong financial position compared to many of its peers, it cannot escape the effects of the forces that will reshape higher education. Universities will have to make choices, and it is crucial for the well-being of Cornell and all universities that their faculties are deeply involved in both the formulation and the final choice of alternate paths.

The Executive Committee of the FCR has created the Commission on Higher Education with the broad aim of supporting the faculty's participation in that process. The Commission has been charged with the responsibility of identifying critical problems that Cornell must face in the future, bringing them before the faculty, highlighting the essential issues in a readily understandable form, and outlining the choices that must be made as well as the implications of those choices.

Current Activities of the Commission on Higher Education

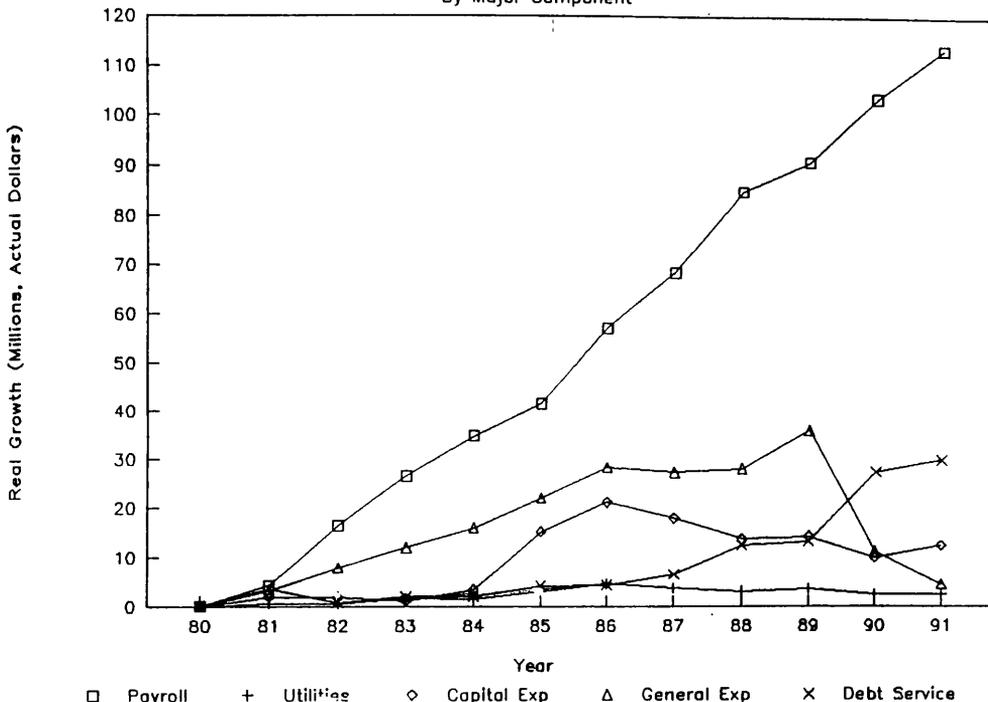
The Commission currently has three active task forces. Professors Alan McAdams and Richard Schuler co-chair Task Force 1, which is studying the sponsored research cost recovery issue. Professor Peter Stein chairs Task Force 2, which is concerned with University finances. Professor Joseph Novak chairs Task Force 3, which focuses on the learning process.

Task Force 1 is drafting a report, which will be presented to the FCR upon completion. Task Force 2 has completed the first phase of its study, which will be presented at the February FCR meeting. The study analyzes the budget of the endowed colleges in Ithaca for the past ten years, focussing principally on the growth of the major components of income and expenditures. The goal of the study is to provide an independent assessment of the nature, extent, and root causes of current financial difficulties to enable and support faculty input into the major choices that will be made in the future.



Real Growth of Endowed Expenditures

By Major Component

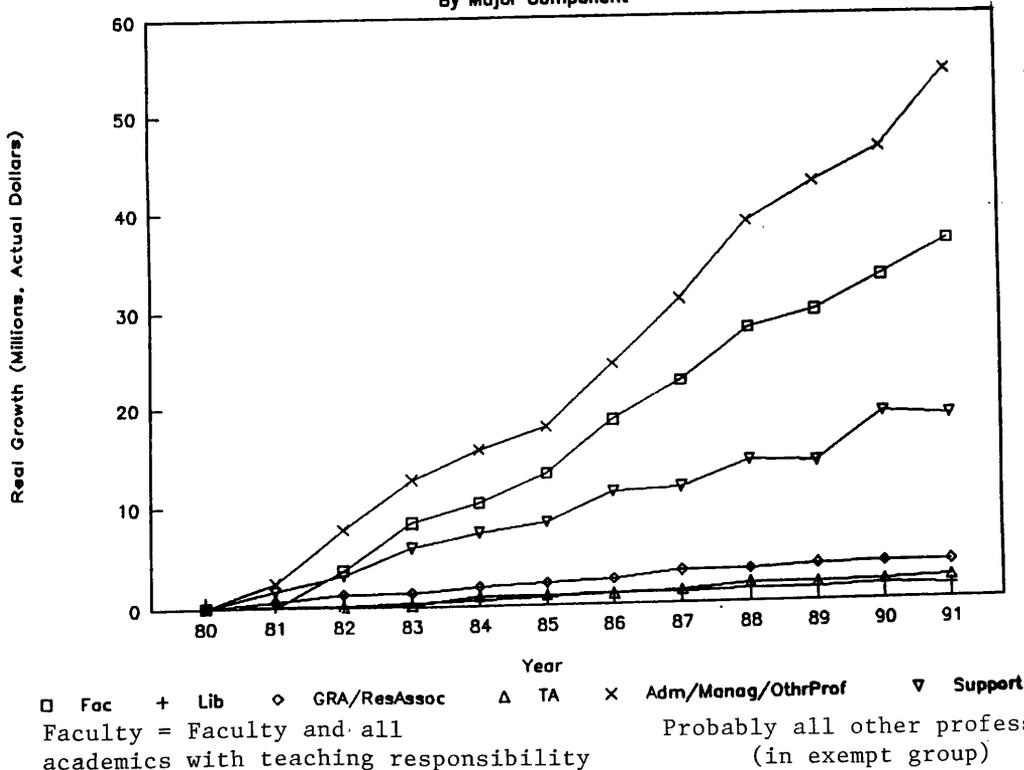


Calculations based on total endowed expenditures

APPENDIX 2

Real Growth of Endowed Payroll

By Major Component

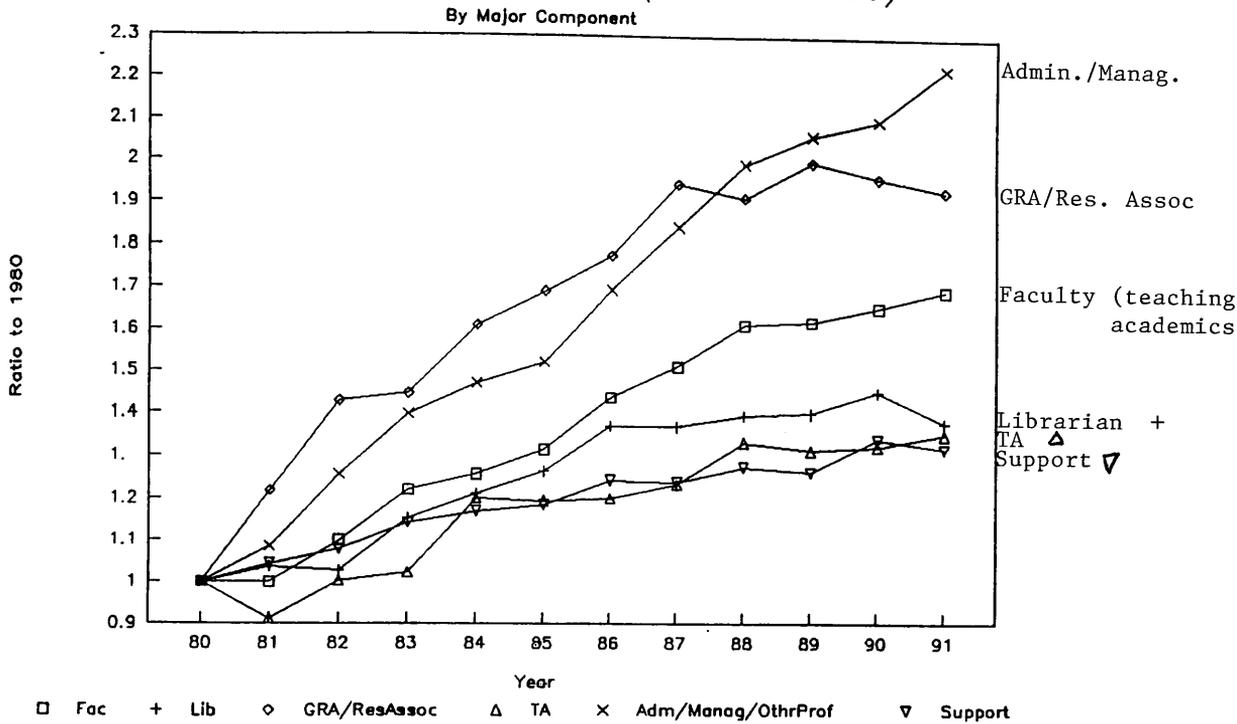


Fac = Faculty and all academics with teaching responsibility

Probably all other professionals (in exempt group)

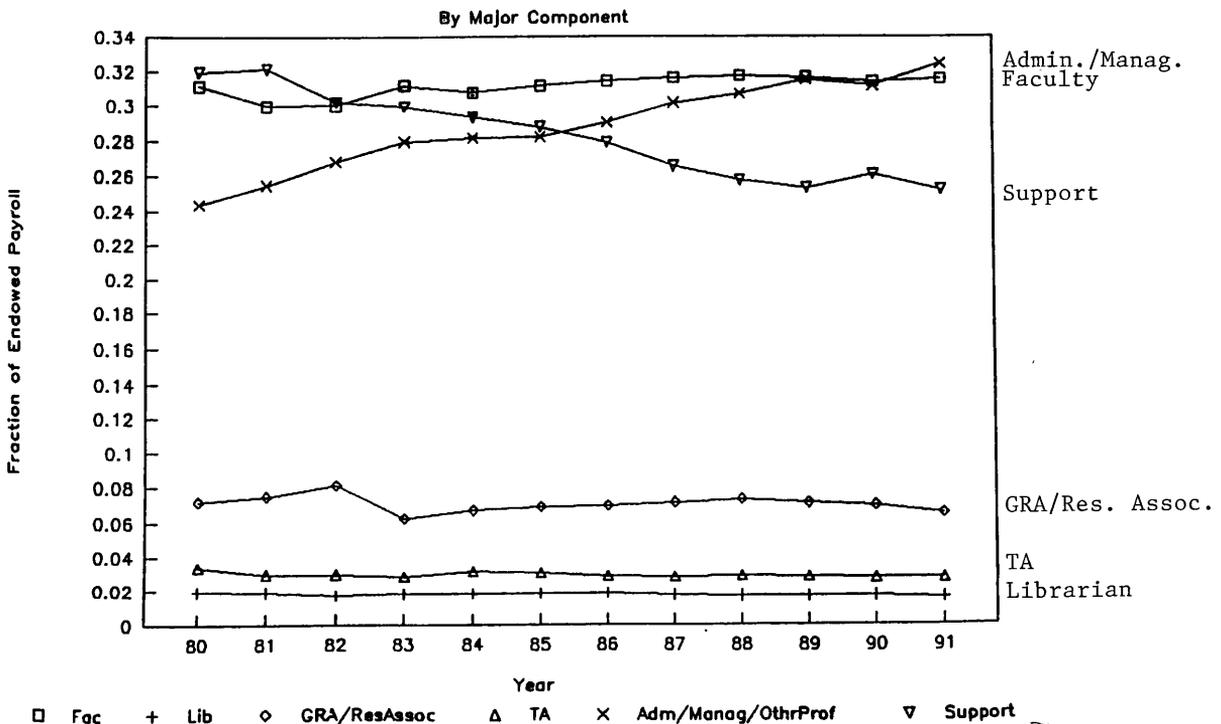
3.

Endowed Payroll Growth (1980 Dollars)



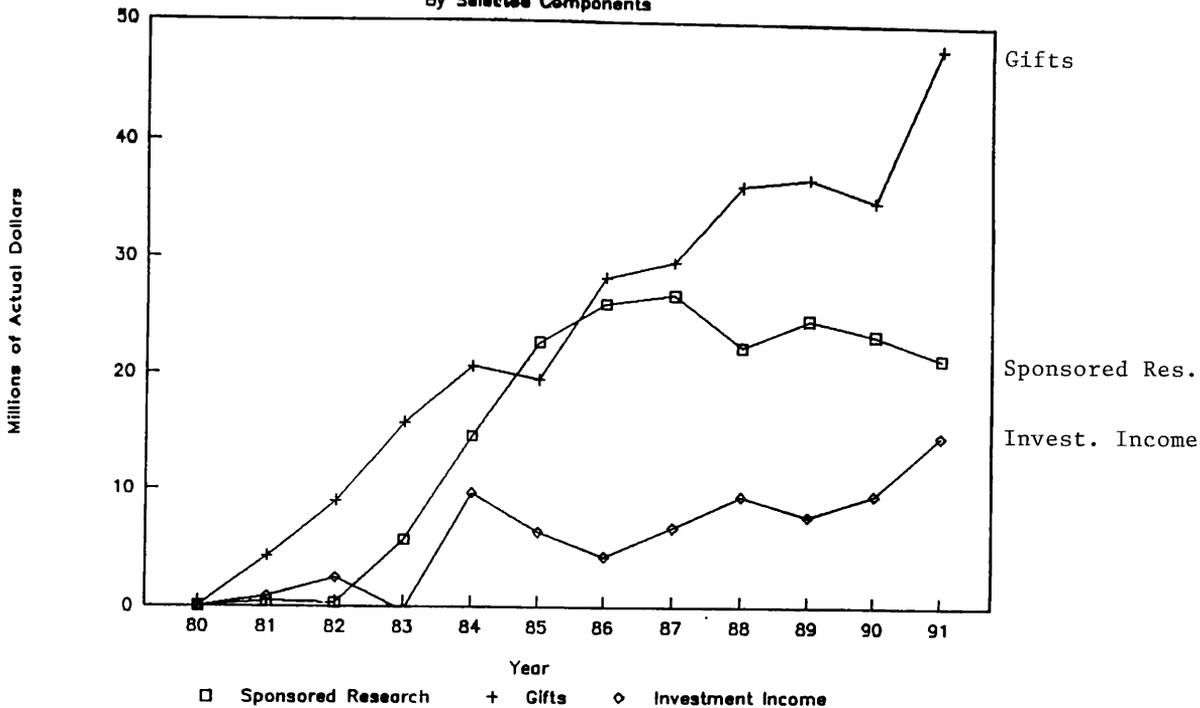
APPENDIX 4

Endowed Payroll Fraction



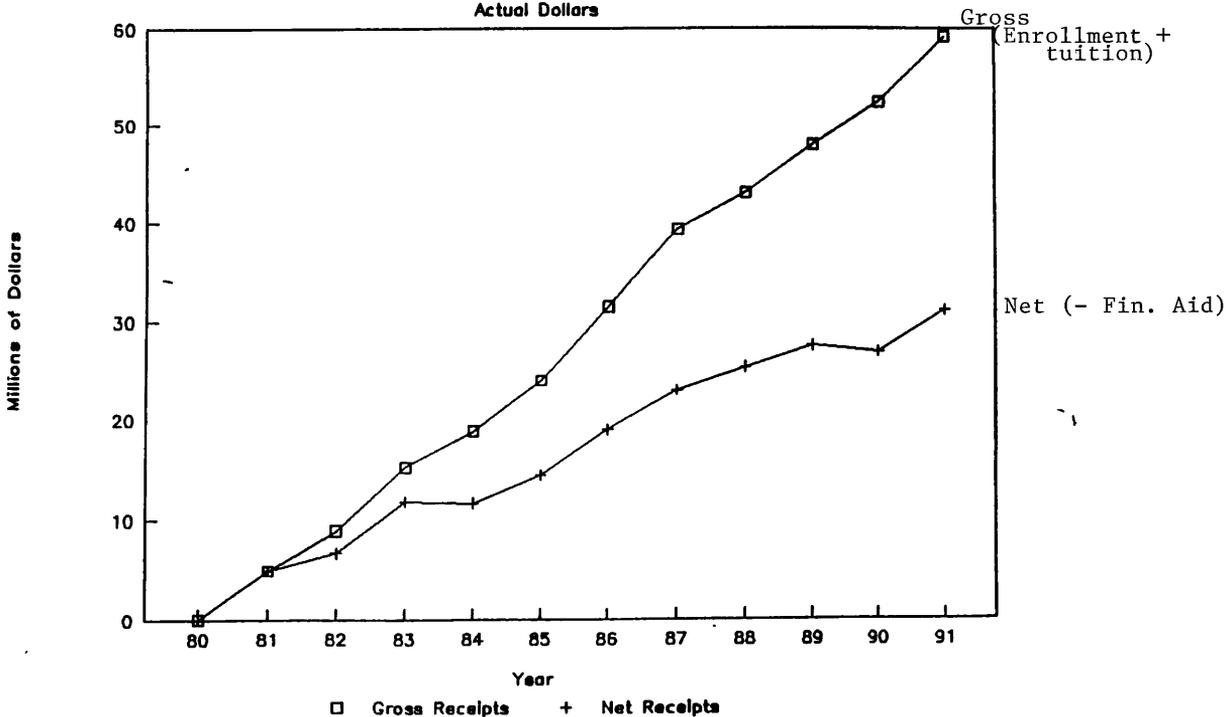
Real Growth of Endowed Income

By Selected Components



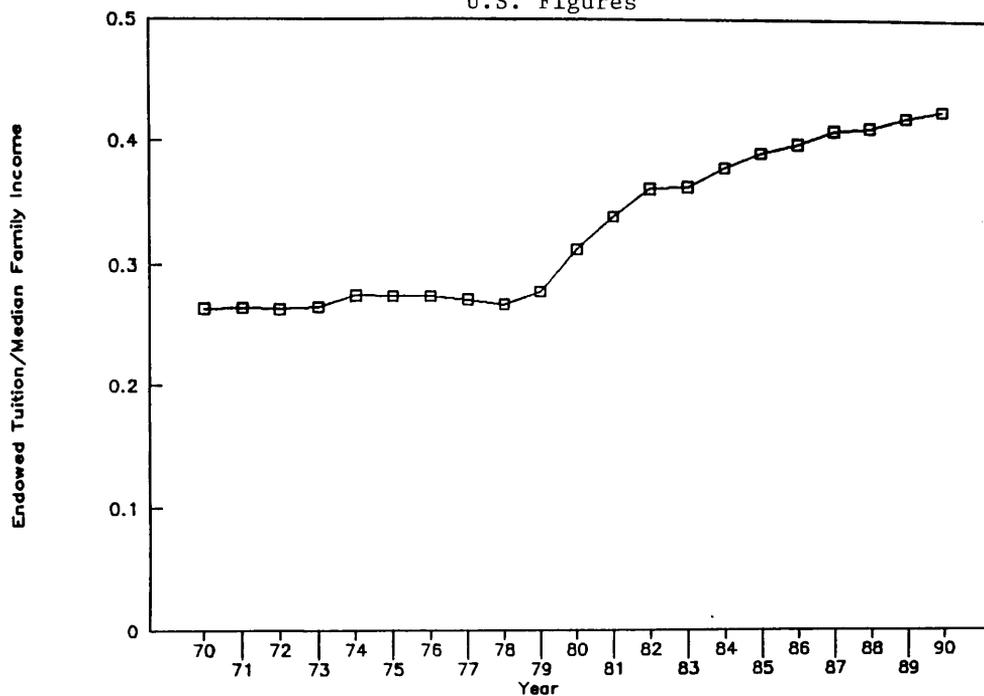
Real Growth of Endowed Ithaca Tuition

Actual Dollars



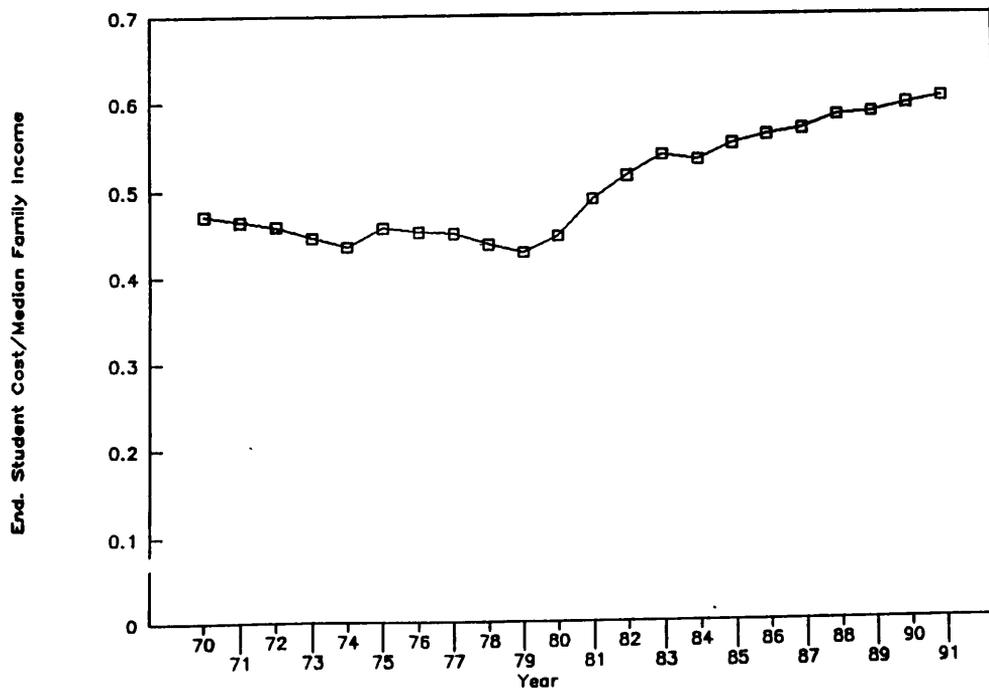
CU Endowed Tuition:Median Family Income

U.S. Figures



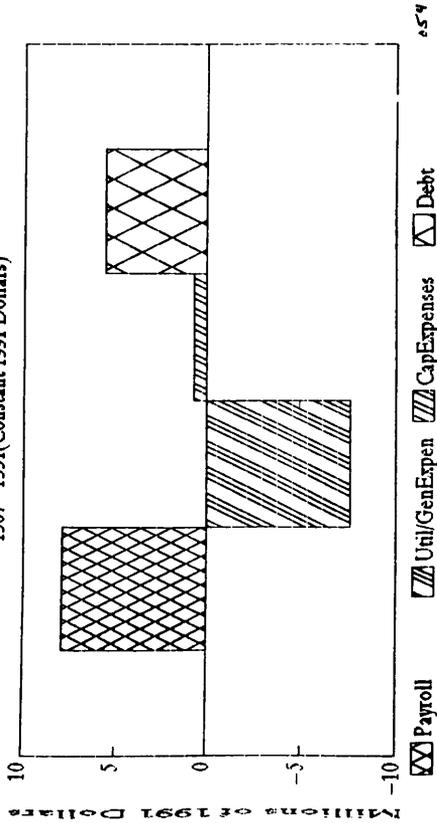
CU Student Cost:Median Family Income

APPENDIX 8



Annual Increments – Endowed Expenditures

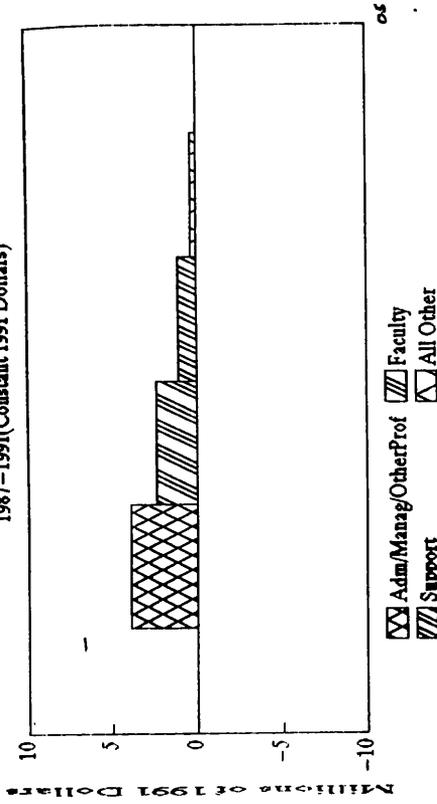
1987 – 1991 (Constant 1991 Dollars)



054

Annual Endowed Payroll Increments

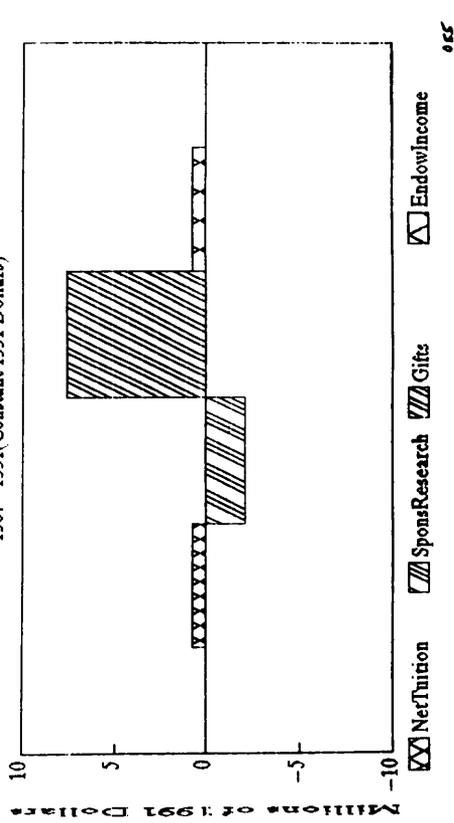
1987 – 1991 (Constant 1991 Dollars)



06

Annual Increments – Endowed Income

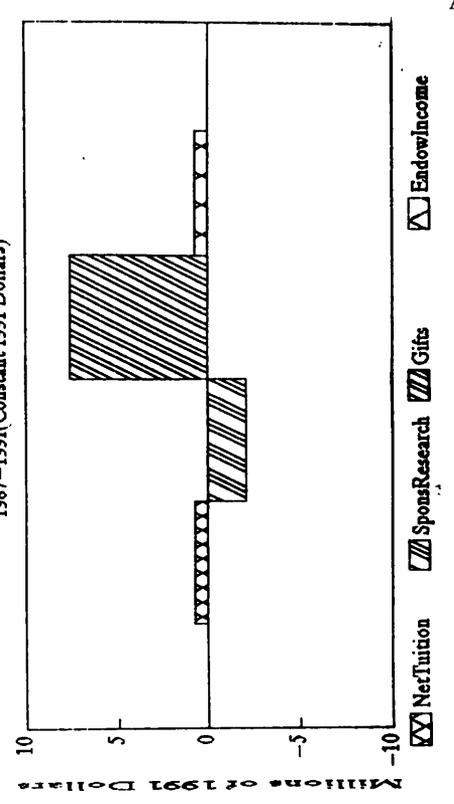
1987 – 1991 (Constant 1991 Dollars)



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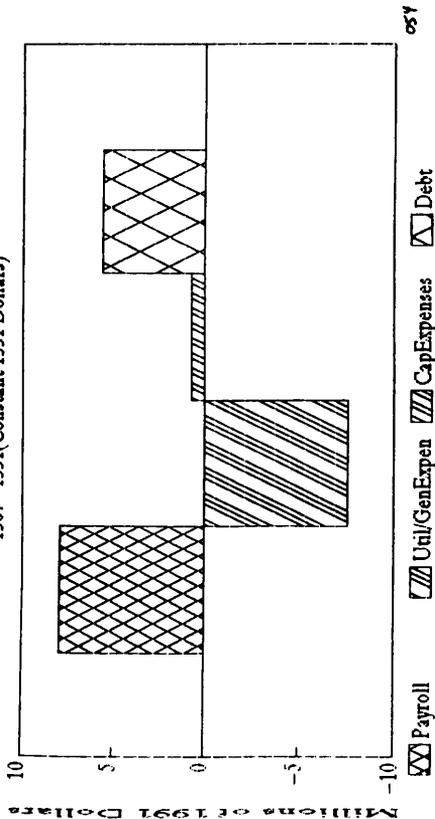
Annual Increments – Endowed Income

1987 – 1991 (Constant 1991 Dollars)



Annual Increments - Endowed Expenditures

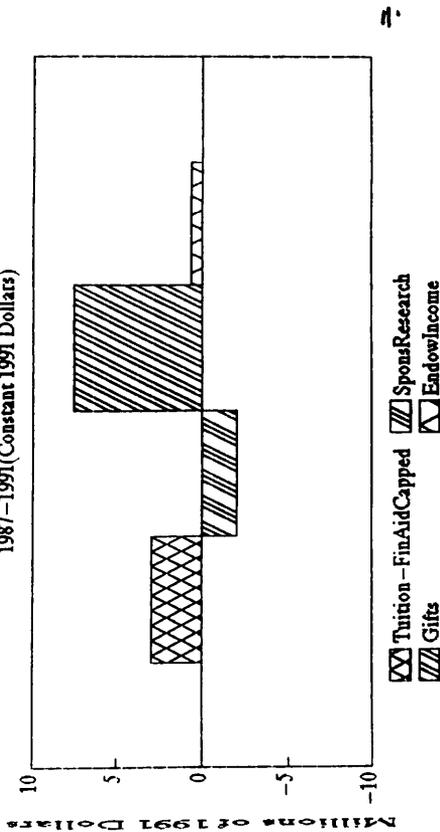
1987-1991 (Constant 1991 Dollars)



057

Annual Increments - Endowed Income

1987-1991 (Constant 1991 Dollars)



057

Tentative Conclusions

1. Major problem appears to be the growth in payroll: it is unlikely that growths in income can continue to support historical growths in the payroll
2. Both the growth in faculty and support payroll should be studied further
3. The data indicate the need for growth by substitution, but do not shed light on the need (or lack of need) for specific budget cuts
4. Capping financial aid is unlikely to be a sufficient solution
5. Unrecovered costs of sponsored research may be a serious problem

MINUTES OF A MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES

March 10, 1993

Fourth Meeting of 1992-93 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Edmondson, L.G.E. (1). **CALS:** Baer, R.A. (3); Baveye, P.C. (4); Berkey, A.L. (3); Feldman, R. (3); Gillett, J.W. (3); Riha, S.J. (3); Rockcastle, V.N. (4); Shapiro, M.A. (2); Slack, S.A. (2); Tauer, L.W. (4). **Geneva:** Koller, W. (3); McLellan, M.R. (3); Shelton, A.M. (1). **AAP:** Drennan, M. (spg. only)(2). **A&S:** Blume, L.E. (3); Castillo, D. (spg. only)(1); Feigenson, G.W. (1); Howland, H.C. (3); Kennedy, K.A.R. (4); Livesay, R. (2); MacDonald, J.F. (spg. only)(1); Rusten, J.S. (4); Rutten, A.R. (4); Strang, D. (2); Strauss, B. (3); Usner, D. (3); Volman, T.P. (4). **Engr.:** Brown, G. (4); Kay, R.W. (4); Rand, R.H. (4). **Hotel:** Dunn, D.C. (4). **H.E.:** Laquatra, J. (3); Schwartz, P. (4); Wethington, E. (4). **ILR:** Abowd, J. (2); Kuruville, S. (4). **JGSM:** McAdams, A.K. (4). **Libr.:** Atkinson, R.W. (3). **ROTC:** Shirk, J.L. (3). **Vet. Med.:** Ball, B. (2); Farnum, C. (2); Hermanson, J.W. (3); Meyers-Wallen, V. (3). **At-Large:** Allen, J.A.V. (3); Farley, J.T. (4); Lucey, R.F. (4); Norton, M.B. (3); White, R.N. (2). **Faculty Trustees:** J.M. Calvo (2). **Guest:** F. Rogers.

Absent: **CALS:** Awa, N.E. (2); Ewert, D.M. (3); Hudler, G.W. (1); McCormick, C.C. (2); Parks, J.E. (2); Pritts, M.P. (3); Ranney, C.K. (2); Smith, M.E. (0); White, S. (spg. only)(0). **AAP:** Jarzombek, M. (1); Perlus, B.A. (1). **A&S:** Barzman, K. (spg. only)(1); Bathrick, D. (0); Berger, A. (2); Coleman, J.E. (1); Darlington, R.B. (3); DeVoogd, T.J. (2); Hamill, O.P. (0); Hayes, D. (2); Keil, F. (1); Loring, R.F. (2); Mitchell, J. (0); Mullen, H. (0); Shanzer, D. (3); Siggia, E. (2); Speh, B. (3). **Engr.:** Farley, D. (3); Giannelis, E. (2); Moore, F. (1); Parks, T.W. (2); Philpot, W. (1); Raj, R. (2); Seyler, C.E. (1); Subramanian, D. (2); Warhaft, Z. (3). **Human Ecology:** Garner, C.E. (3); Hahn, A.J. (spg. only)(0). **JGSM:** Lind, R.C. (0). **Law:** Alexander, G.S. (2); Taylor, W.F. (0). **Vet. Med.:** Casey, J.W. (0); Dubovi, E.J. (1); Weiland, G.A. (1). **At-Large:** Kazarinoff, M.N. (3); Levitsky, D.A. (2); Lumley, J.L. (0); MacDougall, B.G. (1); Walter, M.F. (2). **Faculty Trustees:** I. Kramnick (0).

The Speaker, Professor Emeritus Russell D. Martin called the meeting to order. He announced that due to the acoustics, the ability to record the meeting required someone - namely Steven Gump - to wander around near each speaker with a microphone in order that a verbatim transcript can be prepared for University Faculty records. The Chair called on Secretary Mary Morrison for announcements.

1. ANNOUNCEMENTS

Secretary of the Faculty, Professor Emerita, Mary Morrison, Nutritional Sciences: "Dean Lynn is regrestfully unable to be with us. He had a meeting in Washington and because of the last snowstorm, he decided to leave this afternoon before this snowstorm hit. I will make the announcements that he has prepared.

"On behalf of the Nominations and Elections Committee, I am very pleased to report the results of the election for Dean of the Faculty. Professor Peter Stein, Physics, will become the Dean on July 1, 1993. Peter, would you please stand up so everyone knows who you are. Thank you.

"The Nominations and Elections Committee is meeting tomorrow morning and would welcome suggestions or expressions of interest as it seeks nominations for Secretary of the University Faculty. Suggestions can be given to the Office of the Dean of the Faculty. It was suggested that I should describe to you what the Secretary does. One of the jobs is to, of course, keep the minutes of the University Faculty and the Faculty Council of Representatives meetings. At the beginning of the term of Dean Lynn, we instituted providing summary minutes so that you wouldn't have so much to read and we transcribe verbatim the entire meeting for the official University Faculty records. The person is the Secretary for the FCR Executive Committee and for the Review and Procedures Committee. Other things that the Secretary is responsible for are to keep records for the University Faculty and the Faculty Council of Representatives, to supervise publications that need to be made to the University Faculty, assist the Dean of Faculty at the Dean's discretion, and serve as Acting Dean on appropriate occasions. The Secretary is an ex officio voting member of the FCR, but that person is not counted towards a quorum. And a new job has been added this year and that is to chair the Nominations Committee for the Steven H. Weiss Presidential Fellowships for undergraduate teaching, and I will say a little bit more about that in a couple of minutes. The Secretary is the chairman of the Committee on Membership of the University Faculty, and an officio member of all committees of the FCR and University Faculty in order to be aware of what occurs at each of these meetings. The Secretary can attend any or all of those, whichever ones are of particular interest. So, if you have any nominations, the Committee on Nominations would appreciate those.

"The Admissions and Financial Aid Committee has been meeting during this year, and is concerned about need-blind admission and financial aid. There has been a lot of talk about that recently. The Committee has met with Don Saleh and Susan Murphy, and asked us to distribute the handout which I hope you all have, entitled 'Definitions of Financial Aid Policies'. The Committee expects to make an interim report at the April FCR meeting. The co-chair, Gerald Feigenson, would like to present a couple of things about the committee now and answer just a few short questions."

Professor Gerald W. Feigenson, Biochemistry, Molecular and Cell Biology and Co-Chair, Admissions and Financial Aid Committee: "I got a phone call from Walter Lynn on Monday to ask if I would say a few words about what appears to be a change in policy on financial aid. Our Committee first heard about this at our last meeting and we were taken by surprise and will have a full report at the next meeting. After our meeting in January, an article appeared in the Sun and then an article appeared in the Ithaca Journal, so it's important that this body be aware of what's going on and at best to take a stand on the situation. I will be brief and I just prepared a few overheads.

"Some sort of policy on financial aid has been in place for a long time and the modern version really began in the 60's when increased funds became available from the Federal Government, in particular. And in 1969, roughly 20% of what we would call, 'needy students' were accepted by Cornell but denied financial aid because of lack of

funds. The first year in which all needy students had full financial needs met by Cornell was 1976. The Board of Trustees, in 1981, made their policy explicit about separating the admissions decision from the financial aid decision and they had stated that they would like the financial aid package to be a mix and that mix is determined by a number of factors: economic, academic, ethnic, etc. In 1985, it was projected that there would be a \$4 million shortfall. Now as it turned out, that did not happen. But nonetheless, there was an official change in policy at that time with full intent that students might receive financial aid to assist them in coming to Cornell but not necessarily the full package that would enable them to come. In fact, since 1985 there was no actual change. In 1993, a policy is ready to be implemented and I would like to attempt to define that a little bit.

"As you know, admission at Cornell is the province of the various colleges. So each college has its own ranking criteria. And each college was asked to select, I believe, up to 10% of their lowest ranked students with the idea that 4% could be accepted but denied financial aid. I came up with the following definitions:

1. True 'Need Blind' Policy

- A. Each application is evaluated and decision on acceptance is made without regard to financial need.
- B. A financial aid package is then constructed to meet full need. Note that the 'mix' of grant, loans, and work is influenced by the ranking of the student, and is reevaluated every year.

2. Current 'Modified Need Blind' Policy

- A. Each application is evaluated and decision on acceptance is made without regard to financial need.
- B. Accepted applicants are ranked, and financial aid is awarded to an upper fraction, as in 1B (above). The lower fraction is notified that no grant aid is forthcoming. Only loans and work-study assistance would be offered to this lower-ranked fraction. The size of the fractions is determined year-to-year, based on the budget. When sufficient funds are available, all accepted applicants would be eligible to receive grant aid.

"And finally I summarized some of the things we could do at the FCR meeting. The implementation of the policy is to create an actual budget for the Office of Financial Aid not allowing it to expand to meet the needs of all needy students who are accepted but

to have a fixed number by denying aid to a certain fraction. So number one is really a question, 'Should financial aid have a budget or should they have a more flexible funding scheme?' Point number two, if there is a budget for financial aid, in other words, a fixed sum for financial aid, how should that be distributed? So the policy that has been announced, is one way and could be the most fair way to do it. And finally, if a number of students are accepted by Cornell but denied financial aid and cannot come, that can certainly change in the long run the character of the student body at Cornell. So do we want to protect certain groups? I had to make a list of whom we might protect but it's pretty clear that, for example, underrepresented minorities disproportionately need financial aid so of course if they are not protected, their numbers tend to go down. So that's what I wanted to present and in a sense bring you up to date."

Mr. Speaker: "Are there questions? And again, please wait until Steven can get near you with his mike."

Professor Richard A. Baer, Natural Resources: "There has been a lot of discussion lately of colleges in a bidding war for underrepresented minorities and in some cases, aid going to students from families with incomes well over \$100,000. I would like to ask, are we aware of this in a sense, are we giving excessive aid to some students who do not need it because of being part of a bidding war?"

Professor Feigenson: "I can't answer that question. I know it is a fact that there are students with large family incomes who get some financial aid, but I don't really know if we are in a bidding war."

Professor Baer: "I would like to espouse the view at least that if we are doing that, that we stop because I think it's very detrimental to be part of that kind of a bidding war where the aid is not needed. I'm in favor of trying to increase minority representation but not to the point where we are giving aid where it becomes quite literally luxurious for the student and an object of considerable resentment and divisiveness from the perspective of other students. I would be interested if in a future meeting we can be more informed precisely of what Cornell's policy is on that."

Provost Malden Nesheim: "I can answer that question very quickly and the answer is no, we are not in a bidding war. We have an agreement among our Ivy league peers and so forth that we in fact look at financial aid on the basis of financial need and that precludes us providing aid as the type of bidding war that was in the New York Times several weeks ago."

Professor Feigenson: "There were a small number of students from families with incomes over \$100,000 who got grant aid and when the Admissions and Financial Aid Committee asked Don Saleh about that, he said, 'Well, he didn't have precise numbers but some of those families had many children simultaneously attending college.' So it was misleading to think that we were bidding for them."

Professor Peter Stein, Physics: "As far as I know, the only place I have read about this new policy is in the Sun. I believe I saw Susan Murphy quoted as saying that maybe there wouldn't be any students that were denied financial aid. So is this a policy to limit financial aid or to smooth out statistical fluctuations or what exactly is this policy supposed to accomplish?"

Professor Feigenson: "Well, speaking very roughly, there is a possibility we have a projected shortfall of a couple of million dollars. What I am told is that it's very hard to make these estimates accurate because a lot of things are changing right in March and April. The idea is not to smooth out fluctuations but they are talking about big money and there is full intent to use this wait list for financial aid. These students would get letters saying you are accepted but we are waiting for a couple of weeks to give you information about financial aid. And the Financial Aid Office tells me that they hope in that few weeks period to find out exactly what their financial situation is."

Professor Stein: "I still don't get it. Why should there be such big fluctuations? We have been doing this for years so we should have a pretty good idea of who will come and what fraction will come."

Professor Feigenson: "For example, last year, students who were already on campus found that income earners lost jobs and that was a very large and unplanned loss of roughly a million dollars. And last year, if you look at the Financial Aid Office as having a real budget, then they also went over last year."

Mr. Speaker: "Before going to Professor Berkey, I would just remind you that we will have a full discussion of this at the April meeting and we have two very important items to come up on the agenda."

Professor Arthur L. Berkey, Education: "Am I correct, that due to the admissions processing that by the time this will be discussed at our April meeting, the policy will already have been implemented for this year?"

Professor Feigenson: "That will certainly be the case."

Professor Berkey: "So our discussion is after the fact for this year?"

Professor Feigenson: "For this year."

Professor Berkey: "I guess I would like to express my disappointment that we don't have better communications so this could have been discussed at an earlier meeting rather than after the fact and your committee being alerted."

Professor Feigenson: "Yes, I agree. And as I said, when we were told this, everyone on the committee was extremely surprised. It was news to us."

Professor James W. Gillett, Natural Resources: "In 1989, I think we had 75% acceptance of students instead of the regular 70.5. In the College of Agriculture and Life Sciences there was almost a cost over run of \$2 million which we have had a hard time getting out of year after year and it has been a very serious problem of just meeting that need-blind policy in that regard. When I was on the committee, we were quite concerned about farm families who might be property wealthy and equipment wealthy but have a bad cash flow over a several year period which would mean that they would be very much in need but because of the formula used in calculating need, they wouldn't be eligible for grants and it's a very serious problem getting Ag students to come to an Ag school if in fact we cannot meet their needs."

Mr. Speaker: "Shall we move on? Thank you very much. Madam Secretary."

Secretary Morrison: "I just have a couple of quick announcements that I would like to make. One has to do with the new insurance program which Governor Cuomo announced on February 23rd of this year, namely, 'a new insurance program that will allow New Yorkers to receive long-term care in nursing homes or at home without impoverishing themselves, and will save the State and localities money by reducing Medicaid payments.' The Employee Benefits Advisory Committee has completed a review of long term care policies and has recommended that University Human Resource Services proceed with a survey to establish what sort of interest there is in this benefit should Cornell offer it. And this survey will be included with the mailing for the April FCR meeting.

"And the last announcement has to do with the Weiss Presidential Fellows. The committee consists of Emeritus Professors Abrams, myself as Chair, Neufeld, Peard, Raffensperger and Thorpe; and three students, Dan Dulitz, Jason Meier and Nancy Richmond. We have developed a set of criteria for the Weiss Presidential Award for Distinguished Undergraduate teaching and are currently seeking nominations from faculty, students and academic staff, identifying distinguished teachers. A mailing has gone out to all the faculty and you should be getting it shortly. We have a poster that we are circulating to Deans, Directors, Department Chairs, student areas and Libraries, soliciting nominations. Those nominations are due March 31st."

Mr. Speaker: "Are there any questions for Professor Morrison?"

Associate Professor June Fessenden MacDonald, Biochemistry, Molecular and Cell Biology: "I was prompted by your reference to long term care that reminded me that some three years ago when I chaired the Executive Committee of the FCR, we put together an ad hoc committee to look at retirement activities or what the University might want to do come January 1, 1994, when the cap on retirement would be removed. This was a committee you chaired along with former Dean Joe Bugliari and my understanding was that within a year something got done yet nothing has been reported to the FCR and I wonder if you might give us a status report."

Professor Morrison: "I can give you what we did. We were to look at many issues related to the upcoming uncapping of retirement. And the committee did meet and there were many uncertainties as to whether there was going to be an uncapping. This was in the spring of 1990. So the committee decided to follow-up on a report made by a previous subcommittee of what is now the Financial Policies Committee which reported on some things that they thought would let faculty know what the atmosphere was at retirement and to provide certain kinds of benefits for the retirees that they in fact would know about before they made the choice to retire. We decided in that year, since the report from the NRC Committee on mandatory retirement was in process, that we would work instead on some recommendations for policy guidelines for emeritus faculty. We in fact had a meeting with the Executive Committee at that time, met with the President, Provost and Senior Provost, and presented the recommendations along with other recommendations we had done. And this was before the report on mandatory retirement was released. You will remember that the NRC report supported uncapping in 1994. Subsequent to that, the Provost appointed a committee to look at recommendations of the NRC Committee and our recommendations and I believe that that Committee reported during the year and that's where it sits. There are a couple of interesting things that I am pleased about. Two colleges have developed policies and guidelines for their emeritus faculty which have been supported by the faculty and those are the College of Veterinary Medicine and the College of Engineering."

Provost Nesheim: "I did appoint a committee last year that took the report from the National Academy as well as the report that your faculty committee had looked at. What are the implications for us? We have done some modeling of faculty retirement behaviors that we can try to predict by the year 2002 that we may have as many as eight faculty members over the age of 70 that choose to continue to teach rather than retire. So it didn't look as though we were looming up with a large number of faculty that were going to make this choice. The other thing that we did do was to urge the individual colleges to do exactly what Engineering and Veterinary Medicine have done which is to adopt policies that explicitly state what Emeritus faculty can expect and how they would accommodate Emeritus faculty upon retirement. And the other thing that we have done is that we are working with Human Resources and Beth Warren to attempt to provide improved retirement counseling services for those who are in the process of looking at retirement. That's where we are right now. We haven't gone further than that."

Mr. Speaker: "The Chair next calls on Professor David Lewis, Co-Chairman of the Financial Policies Committee, for a report."

2. FINANCIAL POLICIES COMMITTEE REPORT

Associate Professor David Lewis, City and Regional Planning, and Co-Chairman, Financial Policies Committee: "This is a very brief report in response to the questions asked in the last FCR meeting about where the Financial Policies Committee is with regard to its work over the rest of the semester.

"As you are aware, the Financial Policies Committee was dramatically reorganized in the Fall of 1992 when it was combined with the Economic Status of Statutory Faculty Committee. We are operating now as one committee and we have co-chairs, Bob Lucey, who represents the statutory side, and myself, from the endowed side. We have tried to position the committee and the work it does within a context of a much broader sense of financial and analytical activities going on in the University.

"At the last meeting, you heard from Professor Peter Stein, Chairman of the Faculty Commission on Higher Education, on some of the macro issues that face the University and he gave you some aggregate data on critical issues such as the dramatic divergence between the real cost of tuition and median family income since about 1980, the rise in the personnel complement of our budget, and some of the factors that led to that.

"Professor Alan McAdams is going to be on our agenda later today to talk about the issue of cost recovery on indirect expenses which is particularly timely given the pressure from Washington to reduce the amount that universities are going to be allowed to recover.

"Now following up on the macro perspective you got last week, we arranged for Fred Rogers, Vice President for Finance, to meet with us today and talk to us about the University budget, the deficits, the plans to bridge those deficits, and also to talk about the cost recovery for overhead issues.

"The Financial Policies Committee has organized itself into four sub-groups or task groups to work on four critical issues which emerged from the macro picture and the budget. The first area is transfer pricing within the university. How does one unit pay for or receive payment for services received from another unit or how does it get paid for services it provides? This turns out to be a significant factor and causes a fair amount of distortion in terms of management incentives as the university tries to become more efficient. The effect of some of these transfer mechanisms is to create incentives that work in the opposite direction.

"The second major area we are focusing on is statutory financial policy agenda and this includes significant consideration of fringe benefits.

"The third area is having to do with the University scale and the diversity of courses and instruction. We are all aware of the data that suggests the University is giving an enormous number of very small courses but most of the students are getting their credit hours singly from large courses and people are concerned about this. The reality is that there is a lot more to this issue than are suggested by this data. I know that Fred Rogers has a committee that is working to try and understand this and the Vice President for Planning is also working on it. We are trying to coordinate with them.

"The fourth area that we have worked on is endowment management policies and specifically having to do with issues of how we pay for the debt service on the loan that we take out for various capital projects. This has been an issue that has caused considerable amount of interest and work is moving ahead on it and we expect that we will have a full report at the next FCR meeting.

"There seems to be emerging from our work, a set of issues that are going to go well beyond this year. The University itself is imbedded in a process of massive structural change, nationally, with regard to the funding of higher education. We know that when we start digging into the data, you begin to appreciate just how complex this is.

"The general management system, the financial management system that we have at Cornell has evolved incrementally over time in response to the problems that have to be solved rather than having been designed from scratch. And as a result, we are having a lot of difficulty getting the kinds of data that we need to make good assessments of what the problems are. We have had very good cooperation from our associates in the administration and that's not the problem. The problem is the system is just not organized to produce the kind of information you need and I think that in the long run we are going to have to make some recommendations that improve that situation.

"The issues we are dealing with are much too complex to be dealt with by a simple oversight faculty committee. We've gone well beyond that stage. We find that it is requiring a lot of specialized professional knowledge, detailed analysis, and time. We are getting good cooperation from the administration, that's not the issue. But what is an issue is that we have massive override of effort. I realized the other day that I am on four separate committees of the University that are all working in one way or another on different facets of the same financial problem issue. This is not a very efficient way to go about it and I think as the FCR, it's important that we come up with an agenda for trying to improve the efficiency of what we do to try and help the University run more effectively.

"I think I would like to quit at that point and I'll take any questions. Several members of our committee are here and can talk about specific issues. I would ask us all to try and be brief and make time for Fred's presentation."

Mr. Speaker: "Are there questions for Professor Lewis? The Chair next calls on Fred Rogers, Vice President for Finance and Treasurer, for a report on University Budgets."

3. REPORT ON UNIVERSITY BUDGETS - FRED ROGERS, VICE PRESIDENT FOR FINANCE AND TREASURER.

Fred Rogers, Vice President for Finance and Treasurer: "I have an ambitious agenda and I hope we can accomplish it in a half an hour in a way that is useful for you and useful for the issues that the committee asked me to address.

"I would really like to talk about three kinds of issues here and see if they can all come together and make some sense. One, the committee asked me to spend a few minutes on just the structure of the University from a budgetary point of view so that we understand what we are dealing with because we tend to talk about different pieces of it and never how they all relate together. One of the components of that budget that I want to spend a little more time on is what we call a 'general purpose budget', which is the unrestricted funds budget, if you will, excluding research funds, and excluding gifts that are restricted to certain areas of the university. Unrestricted funds of the University are essentially allocated through the Provost's office to three of our colleges and administrative areas. And I will talk about what is included in that budget. But that is really the budget where there is central discretion over how a large amount of funds are allocated. The third thing I would like to talk about is the indirect cost issue. I spoke to this body a year ago and told you about our negotiations and where we were with our federal auditors and contract agencies that represent the government with respect to all of Cornell's federally sponsored research. We have had a busy year, and I think that would be an understatement. I would just like to update you on where that stands and as was mentioned, the negotiations in Washington even as we speak are possibly impinging our discussion. So those are my three topics and we'll see how we can get through this quickly and leave time for questions. If something is extremely unclear, it's probably better to interrupt and deal with it than to go on, but general questions of philosophy we ought to deal with collectively at the end of the discussion.

"This is my adaptation (Chart 1) of what I term the Lewis analysis of the budget because David drew this on my blackboard in a meeting the other day. The point of this is to try to say that the University is managed in three large units. First of all, which all of you are familiar with, is the endowed portion, the statutory colleges and the Medical College. And here you see the Medical College and the statutory college shown in white and all the shaded areas are referred to as endowed. One of the interesting features about that is that the big block in the middle which is central administrative services, library services, financial aid, student support services, etc., tend to be pooled

for the Ithaca campus - statutory and endowed are all served by those services. There are some administrative services in Ithaca that also serve the Medical College. So in a sense there is overlap. What is endowed in that sense doesn't only relate to the endowed colleges, it relates to the whole University.

"Within endowed, we have this notion of 'general purpose' and 'other', 'other' being designated restricted funds. We have college areas that are general purpose colleges that receive their budget largely as a lump sum allocation from the Provost and those are the Arts College, Engineering College, and Architecture, Art and Planning College. Colleges which are termed designated colleges are, Hotel, Business, and Law, primarily retain their own income and manage their own budgets and do not receive a central allocation. The circles here represent the flows of money if you will. That is, there are administrative charges that go to the statutory and Medical College to pay their portions of those central services in the endowed budget, there are administrative charges that go to enterprises (the facilities, student dining, housing services, the Campus Store) to cover the administrative cost the University bears in their operations, and there are administrative expenses and administrative income that goes back and forth between the research sections. The total enterprise here is about \$1.1 billion. The endowed portion is roughly half of that and the general purpose portion is roughly half of the endowed. So we come to talk about the general purpose budget, you have a sense of what we are talking about in scale and in context with all of these other relationships.

"I'm not going to speak anymore about the Medical College. I'm going to talk mostly about the endowed side of the University but also briefly about the statutory side. This (Chart 2) is just a distribution of the income that comes into the endowed budget. It's half of the total, about \$550 million. You can see that tuition and research not surprisingly are the two largest components of that revenue. Tuition is about 40% and sponsored programs is about 26%, investment income is 8%, sales and services, 15%, and gifts are a small 1% unrestricted and 5% restricted. One of the things that many people ask me is, 'Well, if we have a capital campaign, how can gifts be such a small number in the budget. I heard we had \$170 million in gifts last year, how can there even be a budget problem if we had \$170 million in gifts?' One of the things that I think is not well understood is that the gifts that come to the University, come in a sense of \$170 million. You can see immediately that roughly out of \$170 million, a \$146 million came to the Ithaca campus, the difference went to the Medical College. On the Ithaca campus we have gifts (Chart 3) starting from the bottom of this chart, gifts to outside trusts, those are trusts where Cornell is the beneficiary, but those are not gifts that we receive the principal of, we receive the income. In some cases, we receive the income on a deferred basis. We have gifts to the plant fund which are gifts that come in to pay for buildings or renovation of spaces. We have gifts that go to the endowment, the income from those endowments will come back into the budget. In some cases we have agreements to defer the income in the endowment so that the amount of the original gift will grow larger, for example, to fully endow a professorship. We get life

income funds which donors give to us and they are the beneficiary of those funds during their life and at the end of their life, Cornell is the beneficiary. Essentially it's the same as bequeathing that money to us at their death but there are tax reasons and other investment reasons why it's better for them to give us the money first and then take back the income during their life. Then we have restricted funds that come to all the colleges and research programs and other activities at the University to support their particular activity, which are not allocatable generally by the University. Leading us at the top of this chart is \$16 million out of 146, which are unrestricted funds and many of those are what we call designated, which means they're unrestricted but they're designated in a sense that they are for the Arts College or for the Ag College or for a general program area but within that area of discretion. So we come back to the number I have in the general purpose budget which is being allocated by the Provost.

Professor Stein: "The last slide said grants and contracts but you didn't mention grants and contracts at all."

Fred Rogers: "Grants and contracts are presently in a restricted funds area, Peter. They differ from research support where we would have a grant foundation, for example.

"On the statutory side, the big difference is the amount of state support (Chart 4). State appropriations, surprisingly, only comprise 43%. Sponsored programs provide 27% of their revenue and tuition and fees count for almost 20% of the total revenue in the statutory colleges. One of the differences of state support is the relatively small amount of investment income. They do have endowments but a lot smaller in proportion.

"Just a brief note on the statutory budget to show you the levels of appropriations and then I will go on to the general purpose budget. The state budget this year is down in terms of the face appropriation to \$110 million (Chart 5). We have seen now three years of real decline in dollars, real current funds, however you care to measure it. So the amount of funding is going down.

"What I would like to do now is to turn to the endowed general purpose budget and speak to that for a moment and then come back to the issue of research. The '92-93 budget plan was adopted last year in May by the Board of Trustees. This is the general purpose budget (Chart 6), so it represents about a quarter of the total of the University. You can see in the left column, the budget and in the right column, the projection now made. Since this budget was adopted, there are several things that have changed that have brought about the need for further budget revisions in year which many of you may have heard about in the college budgets. One was we had a slight under enrollment. We are about 40 undergraduates fewer than we had projected. We are several graduate students fewer, about 13. In the investment area, the interest rates have gone down but we recovered from the endowment. Bundy aid shows on this chart as a million five and that's down a little bit from what we had forecast. The big news is that as recently as 1991 that number was \$4 million, so the amount of aid from the State

that is supporting Cornell has not only gone down in the statutory colleges but also in the endowed colleges. This is a program of aid to private colleges by the State of New York based upon the number of graduates they have. So we have quite a major reduction in that program over the past three years.

"Indirect costs is the other big item on this chart. Indirect costs are projected to be about \$3 and a half million below our budget and our budget was projected only to be 1 1/2% larger than the previous year. We are actually lower than the previous year. The reason for that is principally what I had discussed with you when we last met which was our rate was set by the Federal Government at 68% where we had originally a rate of 75% and that is resulted in a much lower recovery of indirect costs. We see actual research spending is up this year about 5%. But the decline is all due to the reduction of rates, not a reduction of volume but the underlying direct research expenditures.

"So how are we trying to deal with that? Well, there was a \$900,000 reduction in operating allocations which is largely due to the timing of the Classification Review Study which is now going to be completed this summer from earlier estimates. We have \$2.5 million in the other direction which was mentioned earlier, as an increase in financial aid expenditures. When the financial aid program goes over its budget that is a real cost to the University. Having the program operate as it is described, where we essentially have an entitlement program, where students, whoever they are, when they show up, we meet their need whatever it is, can result in this kind of circumstance where we have a real over expenditure. That over expenditure is a real cost in the budget. The budget is a final total amount of dollars, therefore, we have a touchy situation that we must deal with. To take these two together, that's about a \$3.2 million problem. That \$3.2 million problem is addressed in the Fall as it is shown on this chart (Chart 7). The Provost sent out letters to all the Deans and Vice Presidents requesting the total of \$2 billion of budget allocation that they had already been granted, be returned. And in the year, we find ways to make reductions in programs whether out of one time expenditures or continuing expenditures of the level of \$2 million this year and in addition, we're now planning as the budget comes out as forecast here, we will still need to use about a million two of reserves. So that's the circumstance on this year's general purpose budget. Parameters that drive the budget are discussed with the Deans and others in the Fall and with the Board of Trustees first thing in November, and in January they are asked to approve them, and once they are approved, they are then used to develop a final budget which is presented in detail to the Board in May. We've announced a 5 1/2% tuition increase this year. That was approved by the Board of Trustees. Graduate reduced tuition is increasing to 10% over the level as you can see here. Some of these are assumptions about the short term interest rate, that's obviously something we don't determine, that's what the market is. The long term interest rate is not what we earn but what we pay out of the endowment. We essentially pay out \$2.07 per share so for every share of each account, whether it's a professorship account or a program account or a scholarship account, we receive \$2.00 income. Shares are worth roughly \$50 today and that's about a 4% pay out.

"We have a salary pool of 3% for the endowed side which is the funds made available to Deans and Directors and other administrators, to allocate to staff and faculty in their area. The benefit rates for next year will be at 33% and 30.5 or about 1 1/2 points from this year's rate. A one and a half point increase in the benefit rate is exactly equivalent to one and a half percentage point in the salary increase pool because it is applied to the total salary base in the University. So in a sense our compensation went up 4 1/2% - three in salary and benefits.

"We had estimated that financial aid costs would go up 13% even with a 5 1/2% increase in tuition. These are for undergraduates. We did not propose an increase in the student wage scale which affects mostly the financial aid budget although many individual students get increases as they progress from freshmen to sophomore to junior.

"Well, those parameters to this year's budget after it is balanced, unfortunately produce in next year an even larger deficit budget. That is, just taking this number forward to next year we produce a \$6 million deficit budget, largely because of the fact that research income is not increasing and financial aid is increasing more rapidly than tuition. This is the problem that we have spent the winter and fall dealing with (Chart 8) in summary form I can show you how that problem has now been addressed in next year's budget (Chart 9). Using those parameters and producing that budget, (there have been discussions with Deans, with Vice Presidents, with everyone involved in parts of the general purpose budget) has resulted in budget reductions nearly \$5 million or \$4.8 million from allocations. If you took their budget last year and used those percentages to inflate it, then you would make these reductions: one point eight million dollars reduced from the college budgets, \$660 thousand from other academic programs, 380 from student services, and you can read the rest. In addition, that 13% financial aid budget was reduced to a 9% number which results in about a million dollar reduction in what you would estimate the financial aid costs would be for next year. That's not a reduction in their budget from this year's level, that's a reduction from what it would have been at 13%. And if you do all those things, then you would find that next year's budget is balanced. I think the principle way in which that financial aid number came down was not through the wait list that was discussed in this meeting, but through this change in policy and calculation of need for students with other siblings in college. It has to do with how you rate the effect of a family that has children who are spaced so that they are all in college together versus a family who has children that are further spaced apart and are in college one at a time. The Federal aid policy has tended to provide more aid to families who have them all in college at once than if they were spread out over time. The current thinking is that perhaps that's really not fair. So this is the current form (Chart 10) of the '93-94 budget and it is balanced but it's balanced following that 5 1/2 million dollar reduction. That's a quick story of the endowed general purpose budget and where we are today.

"What I would like to do next in about five minutes is to talk a little about the indirect cost situation and in particular how this impacts the budget. This budget showed no increase in our indirect cost revenue for next year from this year. Under many circumstances that are now being discussed, that may be an overly optimistic assumption, that is no increase may be overly optimistic. If you just look at total research on the endowed side, (Chart 11) it's around \$120 million. The point of this (Chart 12) is to show that on the statutory side even while Federal support has gone up, state support has gone down fairly dramatically so the sum total on the statutory side in addition to state direct appropriations has also gone down.

"The point about research that I want to make is the following. We had, when I reported to you before, no audits completed for indirect costs since 1985 and the issues that came out at Stanford and a number of other universities, pledged Cornell, as well as all these other universities, to reconsider, to re-analyze, re-calculate, re-submit our costs which we did. We submitted those (Chart 13) in December of 1991 for years 1986 to 1988. They were then reviewed by the Government and then finally in September, we received an audit report. In the meantime, we had gone on to calculate the numbers for the subsequent years and we have submitted 1989, 1990 and just recently a proposal for 1993 and we will submit by next week 1991-92 so we will be completely caught up. At the same time, as we were finishing these calculations, we were going through the audits of these years as we submitted them. The result of the audit for the first three of those years was good news and bad news - good news in that they found no points of disagreement with our calculations with respect to items that were allowable or unallowable. The appropriateness of the kinds of things that were included, and we had done extensive reviews of that with colleges and with departments. They did take exception, however, to three other things, which are in a sense less sexy in the sense of headline news but are much bigger dollars for us - much bigger dollars actually than most of the findings from the hot items that have come up at other campuses. They have to do with such mundane issues as the amount of money that can be recovered by the library, the amount of money we can recover for utilities and the definition of which research we should be allocating overhead to in the first place and it's around those kinds of topics that we have the most heated discussions. I don't want to go into them in great length but just let me say that with respect to the library, that's a discussion on the order of magnitude of \$3 million a year, that may or may not be included depending on how we allocate the cost of the library to research. On the issue of utilities, we are having a discussion that ranges from a half a million to a million dollars a year as to how much of our utility bill relates to research. As to the definition of research base, the number is about five million dollars but that's the denominator of the calculation. If you put it into a rate, it comes out to be around two or three points. It has to do with monies that the University receives from some of the gifts that come in, our departmental recharge accounts, and most ironic of all to me, is salary recovery monies which we recover from the budget when someone's salary is charged to research. It stays in their

account and is used again by a faculty member to support a graduate student or some other research activity and the government has asked us to put that back into the base as part of the overhead pool, which in a sense brings down our rate for all the rest of our research. So we are having this ongoing discussion but the affect can be very severe.

"First if you just look at it on a rate basis this is the endowed Ithaca rate history for Cornell. The line with the little x's through it is the rate that we have actually billed in each of those years. We apply for and receive approval to bill at a certain rate for research costs in advance of each year as we talk. After that year, we calculate what the rate was retrospectively and we apply to the reimbursement of that rate and carry forward any difference between what we actually billed. So the square box is what we calculated after the fact. You can see there are a few exceptions in 82-83 where our calculations came out much higher than the rate we billed and in 87-88 where they came out much lower, but we've been fairly accurate all along. Understand there could be as much as a four or five year time lag between the two points of the same year so to come out that close is fairly good. The three little points that flow in the middle of this chart are the effective rate that would apply if all of these exceptions to the three years that we've recently submitted were actually to be upheld. So one of the questions that we ask, that others have asked is, how is it possible in 1991, to come and now define what was or was not appropriate about library expenses in 1986 and assume that this kind of an outcome is at all reasonable and that it has no relationship to the history. Understand that every point to the left of that, they had previously approved so they approved the rates of 50, 59 and 60 in the years 83, 84, and 85 and we are having ongoing discussions about that.

"This is my last chart (Chart 14) and it tries to put it in dollars. This looks complicated but I think it works out to be a simple explanation of a complicated issue and we'll see if this works. The total size of this bar, is the amount of cost that we submitted after the fact for each of these years for endowed on-campus research. That says that in 1985-86, we submitted after the fact, \$25 million of indirect costs that were eligible for reimbursement under the Federal research rate calculations. Not all of that is Federal research but that was the total that we submitted for all sponsored research. The little 'x' on the lines on top of those bars is what we should have collected in dollar terms if we had used the rate that was approved in advance. So the actual dollars are pretty close to what we should have collected if we actually collected at the billed rate. The second section of that bar down, is the amount of dollars that we actually did collect based on the volume of research we did in that year. So the first increment that is missing, is the amount of indirect costs that we did not collect on the research that we did. That's because we took research at less than the full rate, that's because we have things in the base that don't pay overhead at all, that's because we have some of these other things in the base that really aren't sponsored research. There is no way to pay overhead there. So we lose that piece of indirect cost. The second little line that goes through here, these are the three rates that came back from the first year's audit around those three issues that I mentioned earlier. The third piece of the bar says, if we apply

the ratio of what we collect to what we were entitled to collect, that is we have to give a refund pro rata then we would only end up collecting this much. So we would lose about \$3 million more from overhead than we already collected in 1986. So we have results for three years and we are intensely negotiating that. What we don't have is the results for the next four years on this chart. We have what we submitted but we haven't been through a complete audit yet. I guess the point I want to make here is that these issues are extremely important to all of us because as goes the remaining years on this chart so goes the rate we have for the next number of years at Cornell, setting aside what's going on in Washington about trying to balance President Clinton's budget. So we are intensely interested in pursuing this with great diligence but when asked about this I have said to Mal and others, 'In a worst case exposure, we could be exposed here for a number as large as \$40 million' be it the case that those three years were carried forward at essentially the same interpretation.

"This issue continues and it is not over with, our arguments are all around us. I can stop here and take questions."

Mr. Speaker: "I just remind you that our normal adjournment time is 6:00 and we still have a report from Professor McAdams."

Professor Howard Howland, Neurobiology and Behavior: "I'm concerned on how we spend our money. It turns out that the Cornell Financial Statement schedule for '90-91 and '91-92, has subsidies for the Cornell Club of New York City of \$3.6 million against \$2.4 million for those two years - a total of \$6 million. So my question is in terms of saving money, are we going to continue these subsidies this year and next year. How could we justify these subsidies to the pleasure and convenience of a very small group of wealthy alumni when at the same time we are about to cut funds to students who may also eventually become alumni?"

Mr. Rogers: "Well, we have responded about this. The current expectation has been that the club would pay their losses whenever they had sufficient funds to do that. I think part of your question is, is that likely to happen and would it be paid? The club in New York was really started back in the middle 80's with discussions about how to deal with the accuracy of the previous club. The principle motivation is to develop better relations with alumni not just a small elite group who might have supported the club and the club is used by a large number of alumni. We have somewhere over 5,000 members in the Cornell Club and have several functions there every day of the week. I think the question ultimately is a question of judgment. Is the University and the Board of Trustees making a wise judgment in trying to promote a club in New York with the purpose to develop our relationship with alumni for long term interest and support for the University, and is that going to pay off? I don't have the answer to that question. I think that is an institutional level judgment question that has been made and is being pursued. We are doing things to make the club operate as efficiently as possible and it

has improved its operation greatly. I can't give you the answer to the question, 'is this worth it' and I don't know that we'll know for another 10 or 20 years. I think it is a valid question to ask."

Mr. Speaker: "Is it ok if we move along. Thank you very much, Fred."

Mr. Rogers: "I did bring a copy of an article on deficit reduction which appeared in the Wall Street Journal which you may have seen. It is yet another statement of universities being at issue and I will just leave copies here."

Mr. Speaker: "The chair next calls on Professor Alan McAdams for a report of the task force of the Faculty Commission on Higher Education."

4. REPORT OF TASK FORCE OF THE FACULTY COMMISSION ON HIGHER EDUCATION

Associate Professor Alan McAdams, JGSM: "At our last meeting, you heard from Peter Stein who gave an oral report from the Faculty Commission on Higher Education. This is our first written report (Appendix A, attached). I would like to point out two things first. We are talking about educational policy issues that flow from these numbers. A second item is that we are not talking about merely indirect cost recovery, we are talking about cost recovery of sponsored programs in general. The facts as Vice President Rogers indicated are that we do underrecover costs of sponsored research even when it's stated to be full recovery. A very important factor that we try to emphasize in our report, is that the solution to the problem cannot be found at Cornell. And another item that is directly related to that is that the US economy is unusually dependent on research output from research universities for its international competitiveness. As a step in that process, we are the goose that lays the golden egg. There are other steps that have to follow but these impacts that the Vice President has been talking about can be very substantial on our ability to function in research areas. It is very likely that there would be a strong impact on educational policy from the current policy without any changes. And then there is this 44% cap on total indirect cost recovery that has just been proposed by OMD, when we are planning to recover from 68% this year and 75% last year, which really suggests the magnitude of that change and it could be relatively catastrophic.

"The educational policy issues are mentioned on pages two and three of the report. Namely, item number six, 'more generally given the escalating costs of research, how can the University remain financially viable if it does not recover full costs of sponsored research?' And then number seven, 'can we afford to go in it alone?' I think that these are very important issues the faculty need to address and we need to address it in real times while these changes are taking place all around us.

"There are essentially four reasons why Cornell underrecovers. The first is that we are paid less than we are billed. As Fred pointed to, we billed \$25 million, we got \$20. We had an 80% recovery that ranges from 80 to maybe 85. We make the billing and we do not get paid in any case and the reasons for that - sometimes those are quite bizarre - people say we don't think that you are going to incur significant indirect costs so we are not going to pay you but we do have to put the basic cost into the denominator that Fred was talking about. Unless we recover on every one of the items that we bill, we have to eat the loss. And we are eating the loss of approximately 20%. There are occasions when we choose between alternative ways to bill and we choose a lesser cost to the bill that we submit to our sponsoring agencies. And I will go into that.

"I'm sorry I skipped number two, we choose not to bill some of our costs and these are direct not indirect and these are mentioned in the report. Cornell generally does not bill the endowed faculty for faculty time during the academic year. For persons who have sponsored research, for all of their research activity and that activity represents half of their total activity, we choose not to bill for half of that person's salary. We have not been able to qualify this amount but it is substantial. Similarly, on the statutory campus we have essentially negotiations directly between parties as to how much they will charge to research projects.

"It does appear that time is flying very rapidly, so let me go into one of these calculations which appear in a footnote on page eight. This is one of the choices we made in our selection of which type of charging we will do. We have two choices. The use fee approach or an approach that will effectively will cover all debt service. In the use fee approach, what we do is build a building for \$10 million, we expect it to last for the next fifty years, and we divide \$10 million by fifty years and say, \$200,000 a year, that's full recovery. However, when you take an annuity of \$200,000 a year, at this factor of 10% in 50 years what you get in present value in economic terms is less than \$2 million. So when we use this approach, we are effectively foregoing an opportunity to recover 80% of the cost of the building. Now there are lots of reasons to do that. And I will go over that in just a second.

"On the debt service approach that same \$10 million at 10% over fifty years, if we could get someone to give us a loan for fifty years, every year we should be billing \$1,008,000. There is a difference as you can see between \$200,000 and \$1,008,000. When you discount this for fifty years at 10% you get your full \$10 million back. No matter how you look at it, \$200,000 as a percent of the \$1,008,000, a recovery as a percent of the present value, otherwise we are getting 19 or 20%. And this is for a facility. For equipment on a fifteen-year life you get 50 cents on a dollar back. Based on the number that we have available, it looks like this would increase our indirect cost recovery rate by approximately twenty percentage points. And when we are building, it's 75% we should be building at 95%. And one of the reasons we don't do this is because if we tried to build at 95 we would have a little trouble getting any research projects approved. So what it amounts to is that we are required by the Federal

Government essentially to sell below cost in order to get research projects and as I have been told, one of the earlier items that I mentioned, is the fact that we do not bill for faculty time as a rule. That has made it more likely that Cornell will get the project in relation to some sister universities which do require their faculty members to have sponsored research cover half their salaries. So our prices are lower. When you have a lower price, you get a larger portion of the total sales.

"It is very clear that the Federal Government is not recognizing the significance of what's going on here. The President is talking about a science-based economy and you cannot run a science-based economy with the innovations necessary to keep the United States internationally competitive when you are cutting back all the funds provided from that basic source. So we see that the fundamental policies that appear to be followed are antithetical to the statement objectives that exist. We also see that many of our colleagues are not aware that when they have a very large project that 'brings money into Cornell', it is also costing Cornell very considerably. Cornell must come up with its own funds to match the funds that are paid since we are always selling below cost.

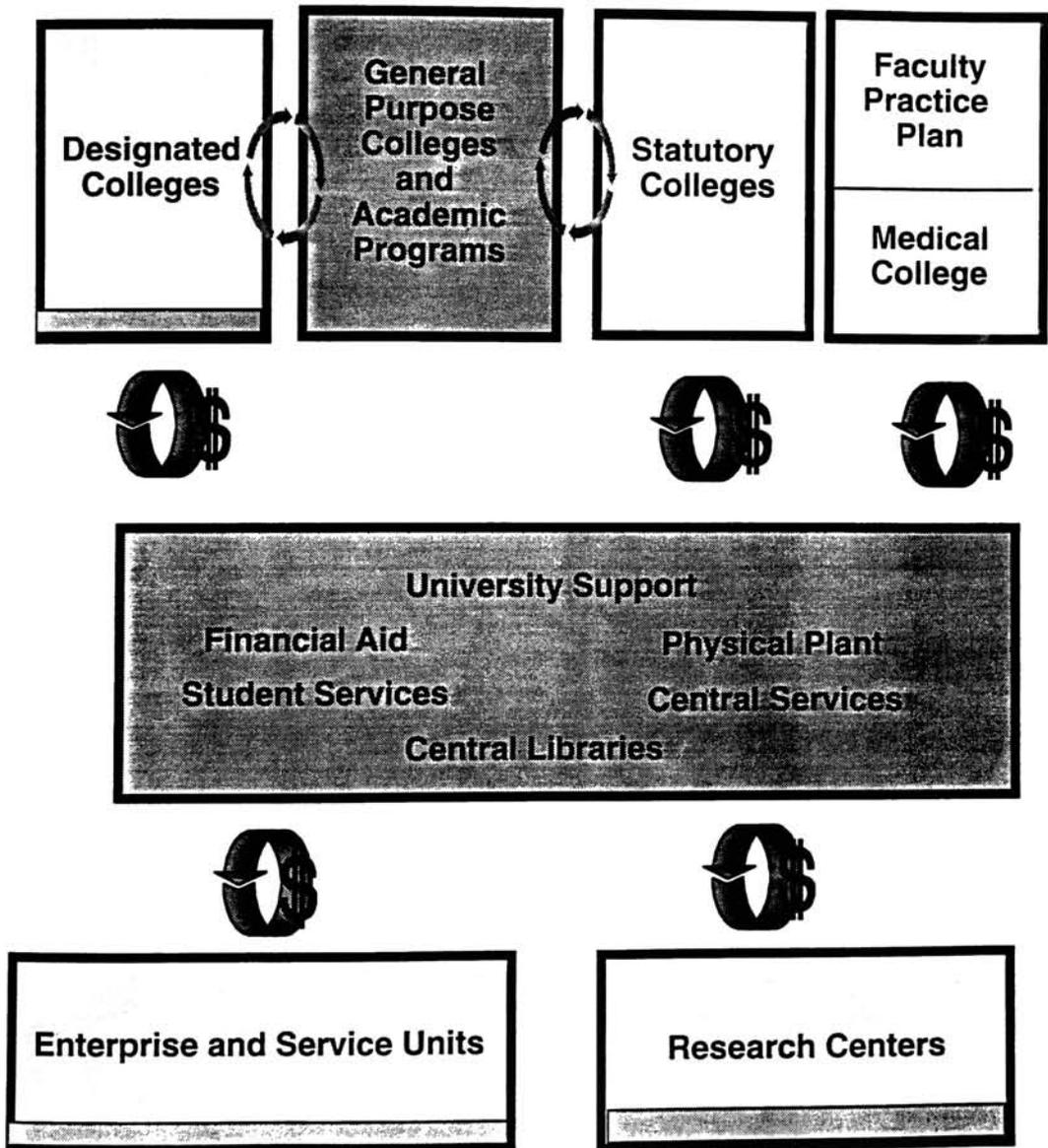
"We plan to continue our work and Professor Schuler has the next installment of this interim report. This is from the Faculty Commission on Higher Education. We are attempting to look at many issues of educational policy and the financial side of those educational policy issues. We are at 6:00, I believe, does anybody have one question or shall we quit right now?"

There being no questions, the meeting adjourned.

Adjourned: 6:00 p.m.

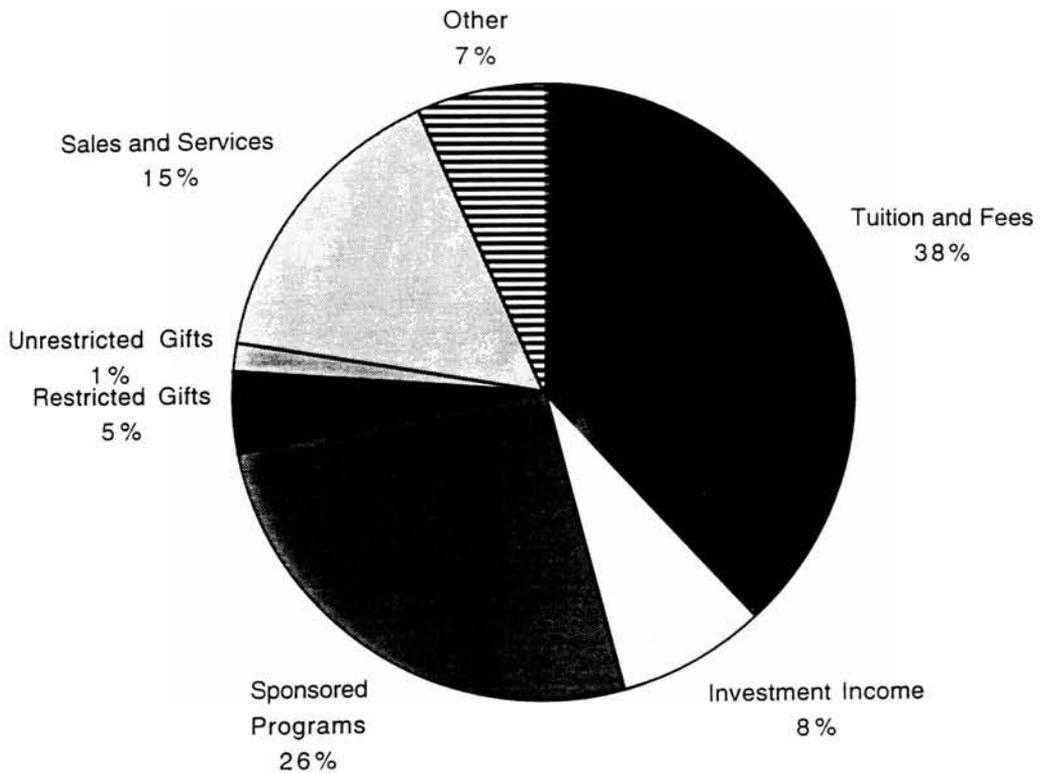
Mary A. Morrison
Secretary of the Faculty

Budget Relationships of the University



Endowed General Purpose

1992-93 Endowed Resource Budget Plan



TOTAL \$548M

1991-92 University Gifts, Grants and Contracts

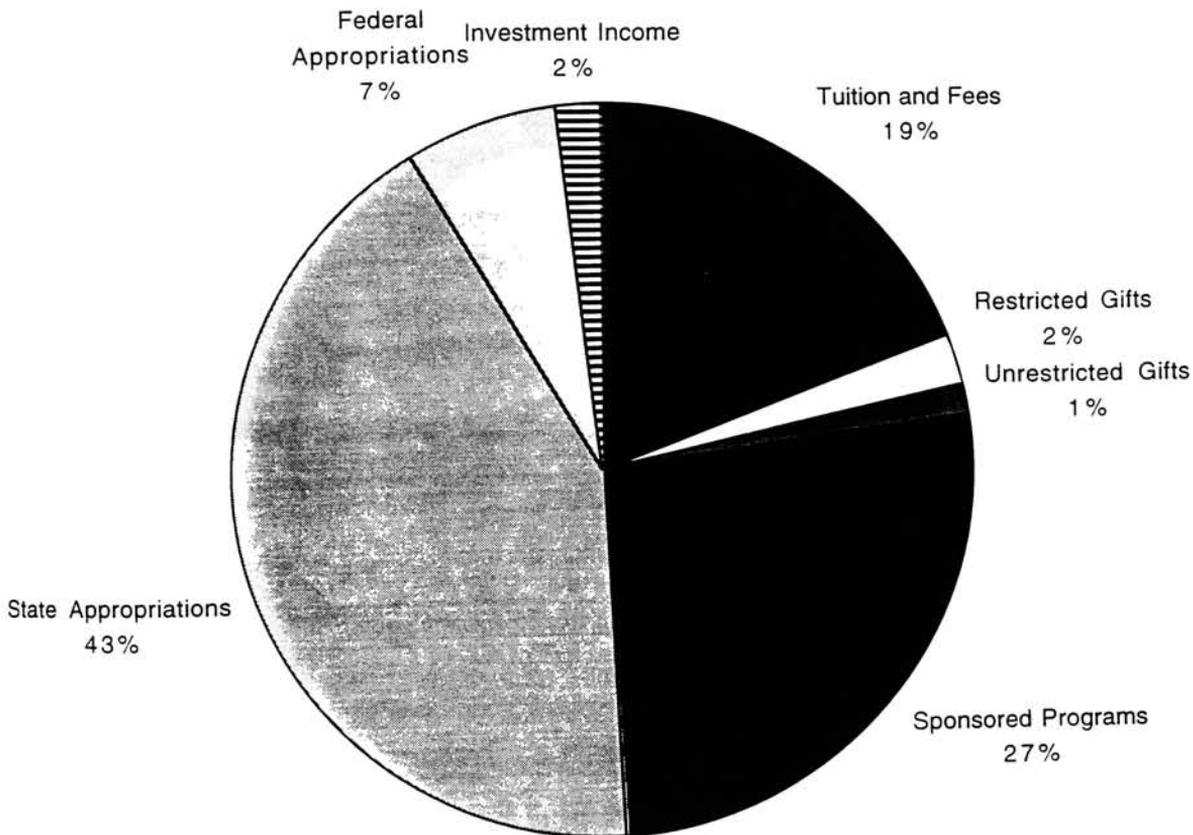
(\$ in thousands)

	<u>Endowed</u>	<u>Statutory</u>	<u>Total</u>
Unrestricted			
– General Purpose	4,242	316	4,558
– Designated	<u>8,960</u>	<u>3,149</u>	<u>12,109</u>
Subtotal Unrestricted	13,202	3,465	16,667
 Total Restricted	 26,936	 20,479	 47,415
 Life Income Funds	 7,536	 2,647	 10,183
 Endowment & FF	 31,740	 12,041	 43,781
 Plant Funds	 15,374	 1,788	 17,162
 Gifts to Outside Trusts & Other Adjustments	 14,204	 (2,578)	 11,626
 Total Ithaca Campus	 <u>108,992</u>	 <u>37,842</u>	 <u>146,834</u>

Total with Medical College

177,772

1992-93 Statutory Resource Budget Plan



TOTAL \$296M

1992-1993 General Purpose Budget Forecast

(\$ in thousands)

Income:

	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
Tuition & Fees	159,615	158,746	(869)
Accessory Instruction	9,702	9,702	0
Investments	23,963	25,905	1,942
Gifts	3,820	3,949	129
Bundy Aid	1,625	1,528	(97)
Overhead Recoveries			
Sponsored Programs	34,966	31,489	(3,476)
All Other	40,406	41,497	1,091
Miscellaneous Income	<u>3,153</u>	<u>2,782</u>	<u>(371)</u>
Subtotal Income	277,250	275,598	(1,652)

Allocations:

Operating Allocations	180,275	179,375	(900)
Undergraduate Financial Aid	26,592	29,092	2,500
Graduate	26,862	26,862	0
All Other	<u>43,521</u>	<u>43,521</u>	<u>0</u>
Subtotal Allocations	277,250	278,850	(1,600)

Unit Returns	2,000
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Use of Reserves	1,252
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93-94 Budget Preliminary Endowed Parameters

Tuition (full)	5.5%	increase from \$17,220 to \$18,170
Tuition (reduced)	10.0%	increase from \$5,000 to \$5,500
LTIP	5.6%	increase from \$1.96 to \$2.07 per share
STIP	6.00%	net return on average fund balances
Indirect Cost	0.0%	increase from 92-93 forecast, 0% change in rate (68% MTDC)
Salaries	3%	Faculty and Staff
Benefits	33.0%	Academic
	30.5%	non-academic
Graduate Stipends	4%	increase in minimum from \$9,440 to \$9,820
Financial Aid	13%	Endowed and Statutory Undergrad
Student Wages	0%	increase in wage scale
Housing	5.8%	increase from \$3,284 to \$3,475
Dining	4.2%	increase from \$2,302 to \$2,398

March 1993

General Purpose Base Reductions

(\$ in thousands)

	<u>92-93</u>	<u>93-94</u>	<u>Total</u>
Unit Base Reductions:			
Colleges	(100)	(1,887)	(1,987)
Other Academic Programs	(270)	(660)	(930)
Student Services	(650)	(380)	(1,030)
Physical Plant	(775)	(750)	(1,525)
Administrative and Support	(997)	(1,120)	(2,117)
Total	<u>(2,792)</u>	<u>(4,797)</u>	<u>(7,589)</u>
<hr/>			
Financial Aid			
reduced growth		(1,000)	(1,000)
<hr/>			
Total Reductions	(2,792)	(5,797)	(8,589)

93-94 General Purpose Preliminary

(\$ in thousands)

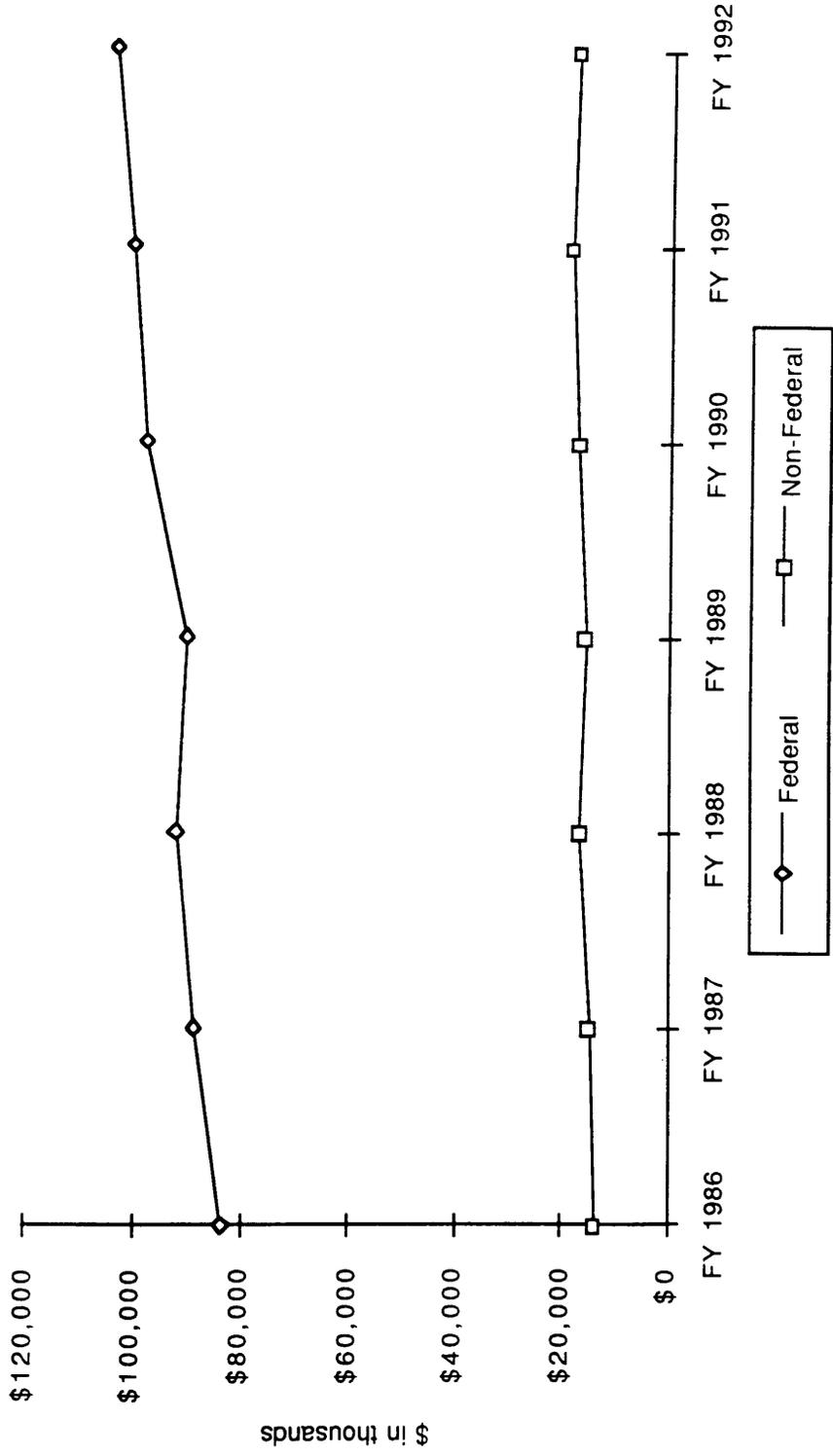
	<u>92-93</u> <u>Forecast</u>	<u>93-94</u> <u>Plan</u>	<u>Dollar</u> <u>Change</u>
Income:			
Tuition & Fees	159,138	168,291	9,153
Accessory Instruction	9,702	10,001	299
Investments	25,905	25,905	0
Gifts	3,949	4,064	115
Bundy Aid	1,625	1,625	0
Overhead Recoveries			
Sponsored Programs	31,396	31,396	0
All Other	41,306	42,486	1,180
Miscellaneous Income	3,042	3,170	128
Subtotal Income	276,063	286,938	10,875
Allocations:			
Operating Allocations	177,375	185,188	7,813
Undergraduate Financial Aid	29,092	32,763	3,671
Graduate	26,862	28,205	1,343
All Other	43,521	46,579	3,058
Subtotal Allocations	276,850	292,735	15,885
Preliminary Net	787	(5,797)	

93-94 General Purpose Projection

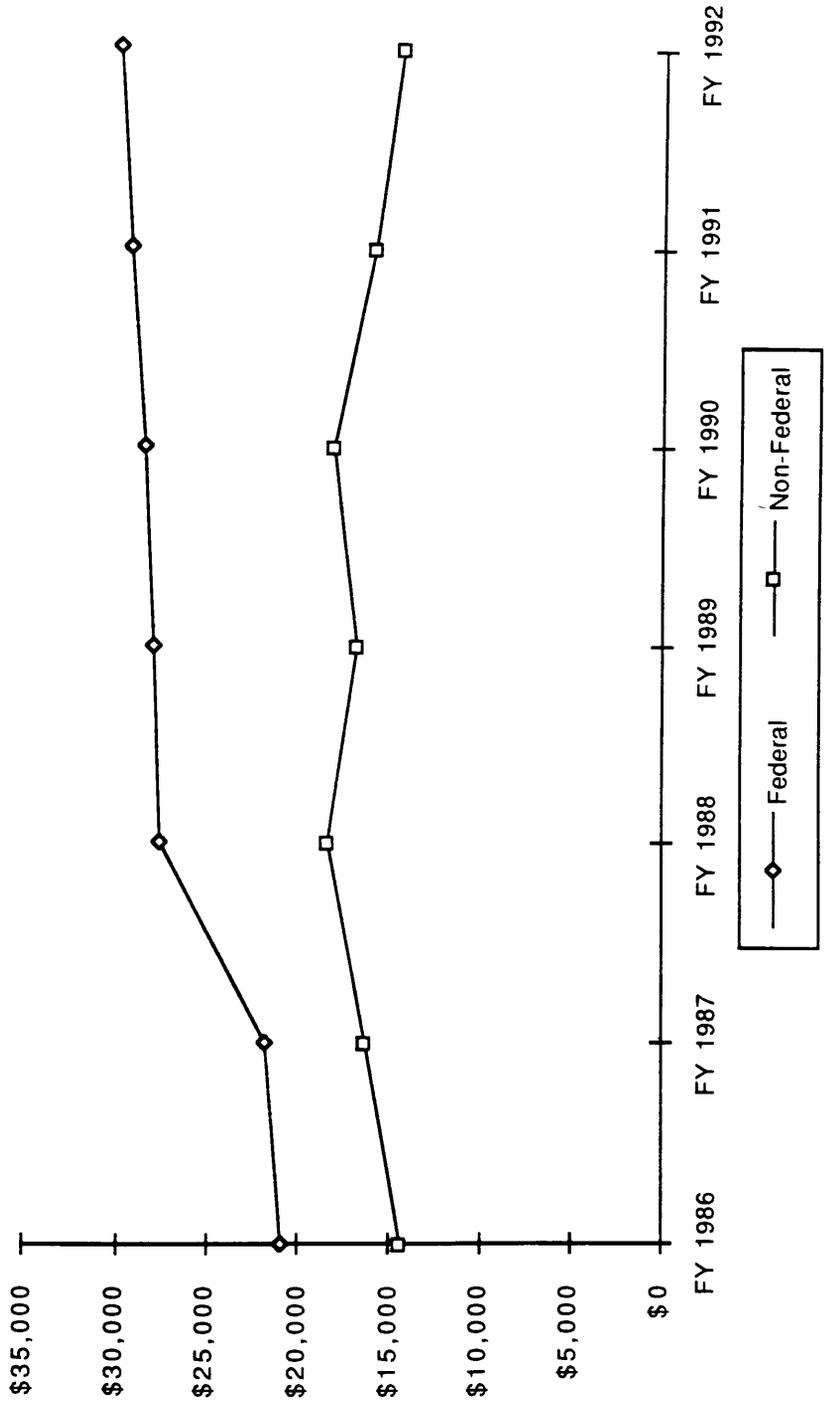
(\$ in thousands)

	92-93 <u>Forecast</u>	93-94 <u>Plan</u>	Dollar <u>Change</u>
Income:			
Tuition & Fees	159,138	168,291	9,153
Accessory Instruction	9,702	10,001	299
Investments	25,905	25,905	0
Gifts	3,949	4,064	115
Bundy Aid	1,625	1,625	0
Overhead Recoveries			
Sponsored Programs	31,396	31,396	0
All Other	41,306	42,486	1,180
Miscellaneous Income	<u>3,042</u>	<u>3,170</u>	<u>128</u>
Subtotal Income	276,063	286,938	10,875
Allocations:			
Operating Allocations	177,375	180,391	3,016
Undergraduate Financial Aid	29,092	31,763	2,671
Graduate	26,862	28,205	1,343
All Other	<u>43,521</u>	<u>46,579</u>	<u>3,058</u>
Subtotal Allocations	276,850	286,938	10,088
Use of Reserves	787	0	

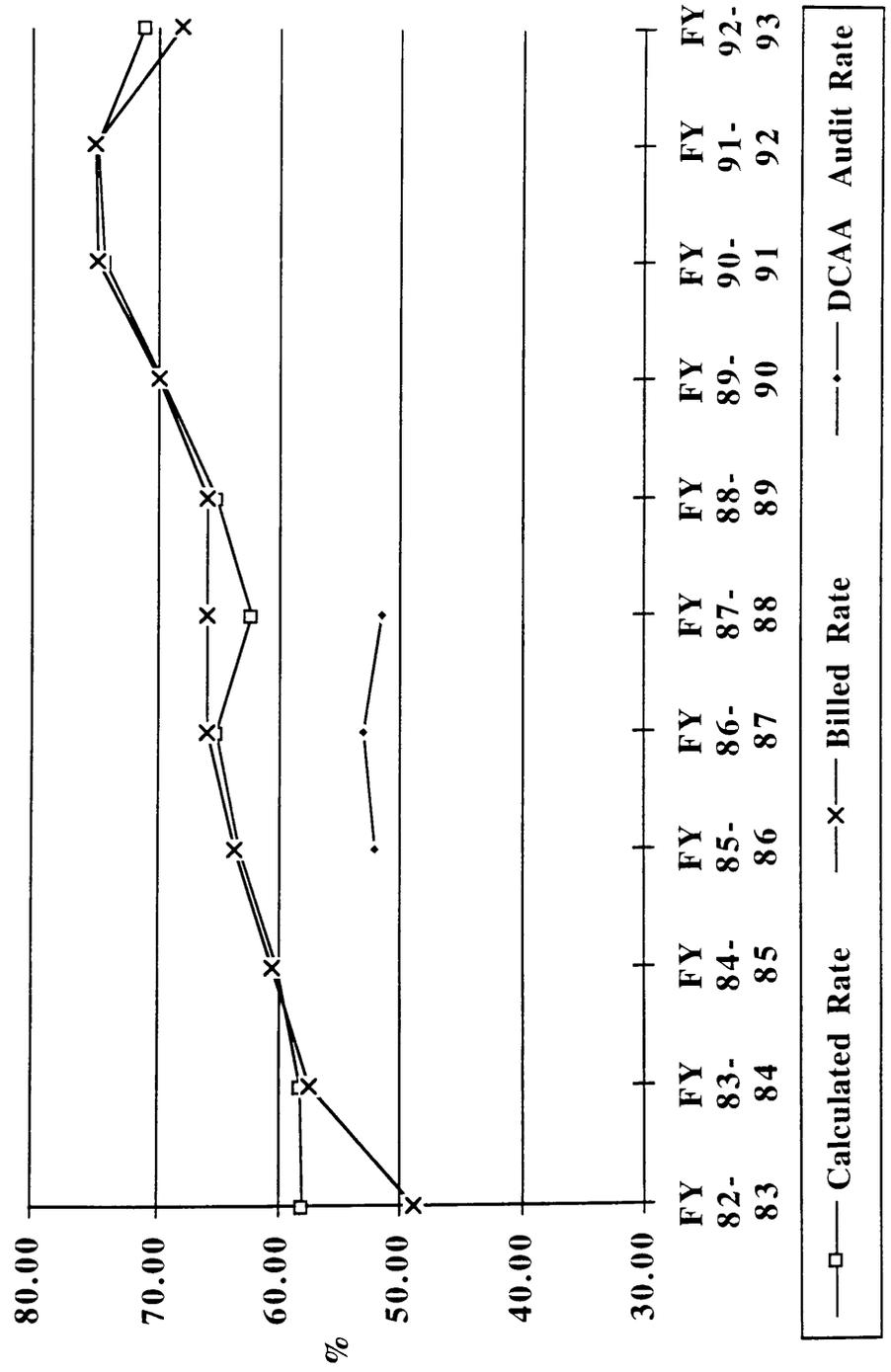
Sponsored Research Endowed



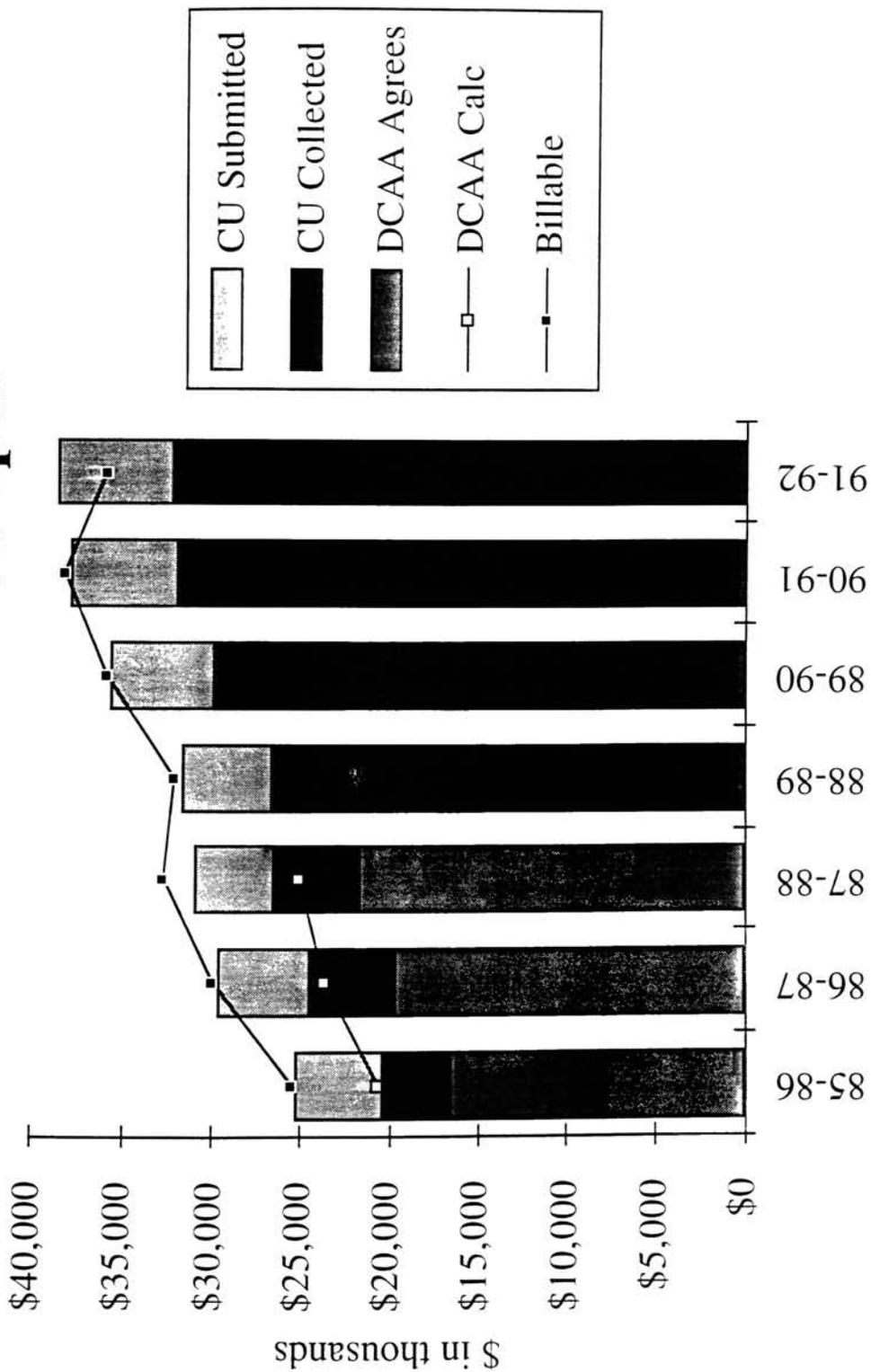
Sponsored Research Statutory



Indirect Cost Rate History Endowed On-Campus



Indirect Cost Outcomes Endowed On-Campus



DRAFT INTERIM REPORT OF TASK FORCE ONE :

Educational Policy Issues Related to Cost Recoveries for Sponsored Research

This is the first Interim Report of Task Force #1 of the Cornell Faculty Commission on Higher Education. It is intended to call attention to fundamental educational policy and planning issues related to basic financial matters such as how particular costs are measured, how projects and similar activities are financed by the University, and how financial relationships between the University and its supporting groups influence internal decisions. The Report presents several conclusions about under-recovery of the costs of sponsored research, the identification of a number of paradoxes that remain to be resolved, and the unique role played in U.S. international competitiveness by research universities. The paradoxes and national policy issues are potential focal points for further studies by the Commission.

The analysis in this interim report permits certain conclusions but simultaneously raises further questions of educational policy that must be answered before rational strategies for the future can be developed by the Faculty or by the University Administration. Discussion of the financial analyses that underlie the conclusions begins on page 7 (see especially footnotes 2, 3 on page 8); concrete examples begin on page 11. Methodologies and more detailed analyses are presented in the Appendix.

Some Conclusions

Among the conclusions supported by the analysis in this Report are:

1. The University significantly under-recovers the costs of its sponsored research in total. This is especially true of research that requires intensive use of facilities and equipment.
2. The University significantly under-recovers the costs for work done by faculty members from the Endowed Colleges on sponsored research during the academic year.
3. The University also under-recovers the costs for work done by faculty members from the Statutory Colleges on sponsored

research which, on a case-by-case basis, can exceed the average under-recovery for similar projects in the Endowed Colleges.

4. None of this under-recovery is, "because Cornell University is a high cost university." In fact, such a characterization, applied by a former Secretary of Education to research universities in general, is not accurate; it apparently misperceived low prices (e.g., lower tuitions) for some of the services of state-supported universities as an indication of low costs (e.g., the costs of salaries, facilities, and equipment) for those services. This is not the case; the low prices reflect the fact that the States subsidize the prices for those services.
5. The research university plays a unique, positive role in U.S. international competitiveness. This role is a necessary, though not a sufficient contribution to the task.
6. These realities are not fully appreciated either on campus or nationally.
7. The analyses on which this paper is based also identify a series of apparent paradoxes which occur at three interrelated levels: the societal level, the University level, and the national policy level.

Key Educational Policy Issues

Key educational policy issues related to cost recoveries for sponsored research involve matters both internal and external to the University, as well as to matters of national policy.

The internal/external educational policy questions include:

- (1) To what extent can the University continue to undertake "sponsored" research with government and industry for which it recovers only a portion of the costs?
- (2) Can the University attract outside grants and contracts with government and industry if it does attempt to recover the full costs of the sponsored research it undertakes?

(3) What would be the implications for the teaching and research programs that are closely related to sponsored research if there were to be a substantial fall-off in sponsored research?

(4) Given that laboratory-based research and teaching, especially in the case of what are termed "wet labs," are substantially more costly than are office-based research and classroom teaching, can a way be found that permits these differentials to be recognized in related charges to their clients? Or, should the University restructure its research and teaching priorities to reflect the cost differentials?

(5) What are likely impacts on teaching and research programs of the University of arbitrary, ex-post changes in definitions of "costs" subject to recovery under external grants and contracts (such as recently occurred at Cornell--see footnote 6)?

(6) More generally, given the escalating costs of research, how can the University remain financially viable if it does not recover the full costs of the sponsored research it undertakes for others?

(7) Can Cornell afford to "go it alone" on any of these matters? Can it afford not to?

And Question (8), a question of national policy:

(8) Given the unique role played by the research university in the economic and industrial structure of the U.S., can this country hope to achieve true international competitiveness of its economy without ensuring the continued financial viability of its major research universities? What is an appropriate national policy stance for this country on this question? What role is appropriate for this Faculty, this University, and universities in general in posing and resolving this and related questions?

The Context of the Commission

The premise of this and subsequent Reports of Task Forces of the Cornell Faculty Commission on Higher Education is: due to a variety of demographic, socio-economic, and technological forces, the way we as a Faculty operate at Cornell, and the services we provide as a major research university in the U.S. will have to change dramatically in the immediate future. Small modifications at the margins are unlikely to be sufficient to meet the needs of the future. Changes on an appropriate scale will require thorough, deep understanding of where we are, how we got here, as well as where we need to go. These reports are intended as contributions to that process.

Organization of The Report

This Interim Report of Task Force #1 is presented in two Parts. Part I deals with issues that arise from, Educational Policy Issues Related to Cost Recoveries for Sponsored Research, a topic that raises several fundamental questions, as noted above. Part II (for later distribution) grows naturally from those discussions to deal with the more general issue of services that are provided in various parts of the University from joint resources, e.g., libraries, faculty offices, university physical infrastructure, and administrative services. Not surprisingly these issues raise questions of the efficacy or desirability of using funds raised for one purpose or from one activity in the University, to pay for activities of another kind or in another portion of the University.

Part I

Educational Policy Issues Related to Cost Recoveries for Sponsored Research

The conclusions stated above lead to paradoxes at several levels: the societal level, the University level, and at the national policy level. These are discussed in the paragraphs immediately below.

Paradoxes at Three Levels

The societal level. The first level of paradox, the societal level, was discussed by President Rhodes in his "State-of-the-University" address to the Faculty on October 15, 1992, when he characterized public perceptions about universities in this country and the implications of those perceptions. On the

one hand, universities are expected to be the fundamental sources of innovation and education that will help solve society's problems and keep the United States competitive internationally--and thus on these counts are worthy of strong societal support. At the same time, universities and their faculties are reviled (paraphrasing) for "elitism" and for perceived wanton waste of economic resources that lead to "useless" research and "unconscionable" increases in tuition for students--with all that these perceptions imply. (President Rhodes also highlighted this year's budgetary pressures and called for belt-tightening plus further reassessments of the University's educational programs to deal with Cornell's budget problems. And he announced a related, multi-year strategic planning effort that is being mounted by the Administration to review the situation in a longer term perspective.)

Independent indications of negative perceptions of research universities by the general public--and by public officials such as a former Secretary of Education--are evident in books like *Profscam*, in the "Bromley Report" (see next page), Congressional and Administration challenges to Stanford's approach to its indirect cost recoveries for federally-funded research, as well as in the pejorative headlines and articles heralding those challenges and Stanford's puzzling implicit mea culpa response.

The University level. There are a number of interrelated paradoxes at this level. First, given that most sponsored grants and contracts do not cover the costs which the University incurs to carry them out, why, then, does the University actively seek such projects? Next, for about a decade the federal government has permitted an alternative approach to funding facilities and equipment which would lead to indirect cost recoveries approximately equal to full recovery (see footnote #2, below). Yet neither Cornell nor any other research university appears to select this alternative. Why? There are reasonable answers to this question--discussed below--but they further compound, rather than resolve, the initial paradox at this, the University level.

The third and, perhaps the greatest paradox at the University level, is: for an extended period Cornell has chosen to act as just outlined, under the conditions outlined, yet its overall financial condition, the condition of its physical plant, and the relative ranking of its faculty quality have all improved over the period. How did these favorable outcomes come about?

In any case, whatever the mechanisms used to permit Cornell University and other research universities to achieve favorable outcomes in the past, it is generally recognized that with the end of the cold war a successful era has now come to a close. New approaches will be required in the future.

The national policy level. Perhaps the most unsettling paradox occurs at the national policy level. The discussion below notes that international competitiveness for the U.S. economy is dependent to a greater degree on the research university than is true for the economies of many other industrialized nations. Yet, neither the Federal Government, nor the research universities as a group, nor this research University in particular, has recognized the need for a strategy to assure either the proper focus for, or the success of, the research university as a contributor to U.S. international competitiveness. Worse yet, there appears to be little awareness of the differential in importance of the research university for the U.S. economy as compared to that of its main economic rivals.

In the introduction to this Interim Report three of the matters we have thus far underscored are: the dispute in which the nation's research universities are held by many in the public; the fact of under-recovery by research universities of the true costs of the research they undertake for the federal government, especially costs of facilities and equipment; and the fundamentally changed circumstance in which U.S. research universities now find themselves. All of these points are confirmed by the final report¹ of Allan Bromley, President Bush's Science advisor (see attached article from Science). Most ominous is the fact that the report was the work, not only of Bromley and his staff, but of the full blue ribbon panel, the President's Council of Advisors on Science and Technology, known as "PCAST." Any possible doubt on the validity and seriousness of the three matters underscored here was resolved with the publication of this PCAST report on December 21, 1992.

The National Context for the Interim Report of Task Force #1

Somewhat surprisingly, in their report neither Dr. Bromley nor PCAST recognizes the additional point mentioned above: research universities, such as Cornell, do play an unusually important role in the economic structure of

¹ "Renewing the Promise--Research-Intensive Universities and the Nation," Office of Science and Technology Policy, December 21, 1992; Washington, D.C.

the United States. The bulk of this nation's facilities-intensive basic research is carried out by research universities. An increasing portion of applied research is also being carried out in these universities. At the same time the Federal Government is, and has been, the main--often the single--source of significant research funding for private universities. The Government has generally made its funding available through competitive bidding for grants and contracts. State-supported (supposedly low cost) universities have also been bidders for federal grants and contracts. This structure implies a great imbalance, with the predictable "excessive competition" among the multiple organizations competing for research funding from the single supplier in that "market."

One consequence of this situation is a problem that is highlighted in the Bromley Report: the necessity for, and the difficulty of, keeping the research facilities of the nation's universities at or near the state of the art. This latter problem has been complicated by the fact that the Government in the early 1970's changed its approach, from providing outright grants to universities for the construction of facilities and the purchase of equipment, to offering fees for the use of facilities constructed, and equipment purchased by the universities themselves. These fees have been, and now are, included as recoverable costs through the indirect cost recovery mechanism for Government grants and contracts (also discussed further below). They have been a source of continuing controversy, especially because it necessarily follows that there would be, and there have been, rapidly rising claims for indirect costs to be recovered. Yet our analyses show that these claims do not represent the full costs incurred and the amounts recovered are lesser yet.

Analyses at Cornell

What makes an understanding of costing and funding methods so relevant for planning and decision-making in the University, is that frequently the direction of causation is reversed: the way we measure costs or fund options can strongly influence what we do and how we do it. Yet for the Faculty to carry out its mission properly, these choices rather than being dictated as an inadvertent consequence of arcane rules or decisions made for some other, even worthy, purpose; must be made consciously, deliberately, and analytically.

The analyses summarized below are from studies made by several faculty members at Cornell over the past several years. These studies establish some fundamental facts at variance with perceptions that appear to be prevalent today about recoveries by universities of the costs of sponsored research from the U.S. Government and other outside sponsoring agencies. The analyses also raise questions about, and suggest the need for further study of, the issues raised in the controversy at Stanford about its cost recoveries.

The Cornell analyses show:

1. Universities do not, and under current conditions, cannot recover more through indirect cost (IC) recoveries under research contracts with the Federal Government than they commit to those projects. [McAdams (1),(2), Schuler]
2. As a rule, universities under-recover the costs of research facilities used for sponsored research. This under-recovery (due mainly to selection by the university of the use-fee option²) can reach 80% of the true economic costs of those facilities--and higher. [McAdams (1),(2)]
3. As a rule, Universities under-recover costs of research equipment used for sponsored research. This under-recovery (again, due mainly to selection by the university of the use-fee option³) can

² In the early 1980's the Government modified the regulations relating to the recovery of costs for use of research facilities. From that point on, it also permitted the recovery of fees based on costs essentially equivalent to full debt service for facilities actually built by the universities with borrowed funds. The new approach permits annual recoveries that when discounted to present value (PV) approximate the full value of the original outlays. Prior to that time the only permissible fee was based on an annual use-fee equal to the original cost of the facility divided by its expected useful life (generally fifty years). Annual use fees under this approach when discounted to PV (at an illustrative rate of 10%) represent only 19.8% of the value of the outlays. When a university chooses the use-fee approach, therefore, it chooses to forego up to 80% of the funds that would be recoverable under the "debt service" approach.

³ Regulations and fee structures similar to those immediately above have applied, and do apply to general-use research equipment. The expected useful life allowed for research equipment is generally fifteen years. The use-fee for such shorter-life assets provides a PV (again, using 10%) of 50.7% of the full value PV available under the "debt service" approach. When a university chooses the use-fee approach, therefore, it chooses to forego approximately 50% of the funds that would be recoverable under the "debt service" approach.

reach 50% of the true economic costs of that equipment--and higher. [McAdams (1),(2)]

4. We estimate that under-recovery from these causes [(1)-(3) above] plus essentially arbitrary refusal of particular Government agencies to honor the rate negotiated by the Government's auditors with Cornell, generally reaches one-third or more. Our estimate for 1991-92 is that only 63-66% of the indirect costs incurred for research sponsored by Federal agencies is actually recovered; 34-37% was not recovered.
5. As a rule, Cornell University further under-recovers costs of sponsored research, this time for its Faculty personnel who undertake such research: Faculty Members in the Endowed Colleges generally choose not to include their own time during the nine-month academic year as a cost, either direct or indirect, in sponsored research projects. Given that these Faculty Members are assumed to spend one half of their time on research during the academic year, and assuming all their research is sponsored, this under-recovery can reach 50% of their nine-month academic salaries. Salary recoveries are negotiated on a case-by-case basis in the Statutory Colleges. Faculty Members can arrange to recover or not to recover portions of their pay during summer, pay during the academic year, or both.

There are public misperceptions about some universities being "high cost"--especially in their indirect cost recovery rates--as compared to others that are characterized as "low cost."

The Cornell analyses show:

6. Although state-supported universities have been referred to by high level government officials (e.g., a Secretary of Education) as "low-cost" universities and thus compared favorably to "high-cost" private universities, especially research universities such as Cornell; characterizations of this kind are not accurate. They result from apparent confusion of the prices at which services are offered (e.g., tuition), with the costs (what salaries, facilities, and

equipment necessary to provide the given services cost). Recall that Cornell University has four state-supported colleges (State Contract Colleges). The Cornell studies demonstrate that the costs of research (as well as instruction) at this University are virtually identical in the State-Supported Colleges of the University, to those in the Privately Endowed Colleges of the University. The prices charged in the State-Supported Colleges are often lower, however, because they are subsidized by the State. [Schuler, Phoenix]

Much research takes place in the University that is not recognized in totals of research output, but must be paid for through some mechanism; to date this has usually been through the University's general funds.

The Cornell analyses show:

7. There is a great deal of research that takes place throughout U.S. universities that is not measured and thus is not included in the research totals attributed to these institutions. This research is carried on by faculty members and graduate students without outside sponsorship. It involves costs that are both direct and indirect. Neither class of costs is recovered or is recoverable. These costs are borne by the university and paid for from its general resources. [Schuler, Phoenix]

Discussion

These observations demonstrate the significance of cost recoveries for sponsored research and related factors as sources of conflict and dissonance between and among universities, the Federal Government, and the general public. It is interesting, as noted above, for example, that the debt-service-option (footnotes 2, 3) has seldom been exercised by Cornell or by other research universities--since it would necessitate a higher indirect cost recovery rate in competitive bidding with others for research funds. In contrast, "enterprise" units, such as dormitories and dining facilities, at Cornell and other universities do recover full debt service in the fees they charge for their services. And they should. These are true economic costs for providing the services. In most instances alternative sources of such services (off-campus housing, private sector restaurants, etc.) are available in

competition with those supplied by the University. Under the pricing policies followed by the University, the University is competing fairly with these alternate suppliers.

Why is it that research universities have chosen to accept an indirect cost recovery mechanism for sponsored research which leads to substantial under-recovery when there exists an alternative approach that could lead approximately to full recovery? First, the Cornell analyses show: full recovery would require an indirect cost (IC) recovery rate approximately 20 percentage points greater than the nominal rate that is currently used. If the current IC rate were 75%, a full-recovery-IC-rate to cover these factors would have to be 95%. If a single university alone were to undertake to achieve full recovery, such a "high" rate would clearly put that university at a competitive disadvantage. Second, if all research universities chose to use the full recovery approach, they would quickly come up against federal budget constraints. There is essentially a fixed amount of money available from the Federal Government for research and development through universities. If the universities were to achieve full cost recovery, this would merely move the boundary between "direct" and "indirect" costs within that fixed amount of funds that is available. The net to any given university would be unlikely to change significantly. The result might merely be a reclassification of essentially the same dollars.

The facts noted above include the related problem that a significant portion of total university research is not sponsored at all. Much of this research does not require laboratories and complex equipment. The questions remain: How is each unrecovered cost to be paid for? What other things can't the University do?

As indicated below, there are additional significant problems within the universities that are influenced by cost recovery issues. Together all these factors raise significant educational policy questions, a topic to which we turn in a later section of the Report.

Concrete Examples

Problems with the perceptions of indirect costs and their recovery within the University are illustrated in the next paragraphs through an example from the contrasting points of view of various Principal

Investigators (PIs) and of the University itself⁴. The following comments must be read, and inferences made, in the context of the paradoxes identified earlier in this Report.

Assume that a PI receives a grant from a federal agency in the amount of \$140,000. Assume further that the indirect cost recovery rate at the researcher's university is 75.0%. Of the total of \$140,000, indirect costs would aggregate \$60,000, leaving \$80,000 available to the researcher as direct expenditures for the project. From the point of view of this PI, the "loading" of indirect costs onto the direct costs of his or her project is often characterized as "appropriation" by the University of funds granted to the researcher by the sponsor. The PI assumes, wrongly in most cases, that the resources and facilities used for the project would be there whether the project were undertaken or not. The analyses cited above show, however, that facilities, equipment, and other resources are committed in significant part in anticipation of the availability of future--even though partial--indirect cost recoveries. If these expectations were not met, it would not take long for the University substantially to reduce the number and quality of facilities it provides.

From the point of view of the University, in light of the above findings, the University will not recover the true costs required for the performance of the research project under discussion. On average, the \$60,000 it submits for indirect cost recovery falls significantly short of the economic costs that the University incurs to carry out a representative sponsored project. And for the \$60,000--indirect costs the University actually incurs and does submit to its auditors--experience shows that payments from the Government will total about \$48,000 - \$50,000⁵. These numbers are consistent with an effective IC rate of 60.0% to 62.5%.

⁴ Examples in this section are based on Cornell's 1991-92 experience. Where ranges of figures are given, the ranges are based on experience of five academic years from 1985 - 1990.

⁵ Some Government agencies refuse to honor the rate negotiated by the Government's auditors with Cornell--some agencies pay no more than 15% on particular types of grants, for example; some pay nothing. Yet the direct costs of the projects undertaken with their sponsorship are, and must be, included in full in the denominator from which the 75% rate was calculated in the first place (see the Appendix for details of the procedure for developing the IC rate). Cornell must absorb the loss from the difference between the 75% negotiated rate and the rate actually paid (or not paid).

Further, due to the factors referred to in footnotes 2 and 3 above, the amount that the University could have billed to approximate full debt service and thus true full cost recovery would have required an IC rate of 95%--or the billing of an additional \$16,000--and recovery of the full amount consistent with that 95% (\$60,000 + \$16,000 = \$76,000). In other words, the University under-recovers: it receives \$48,000 - \$50,000, not \$76,000. It loses \$26-\$28,000. To these short-falls the under-recovery of direct costs of Faculty time that is not billed must be added to gain a better estimate of the true under-recovery.

Discussion

The perspectives of the PI and of the University on this issue are, indeed, quite different. Yet, researchers are not regularly apprised by the University of the fact that in total the indirect costs recovered fall short of the overall indirect costs incurred by the University in support of sponsored research. In fact, many PIs are likely to find such a statement to be a revelation.

A further source of difficulty is implicit in the fact that indirect costs are recovered from all research projects under the same average percentage rate established in accordance with arbitrary government procedures. The procedures are determined in large part by "administrative feasibility:" how easy or difficult it would be to administer the approach, whatever its rationality. But the impact of this external requirement is different for different PIs. There is no necessary relationship between the economic costs of a given research project and the indirect cost recovery rate that is employed on that project (except that over-all the rate used does not recover such costs in total for the University). Projects which make intensive use of facilities, equipment, and libraries are charged at the same rate as are those which are carried on mainly in the faculty office of the PI. The rate charged may well over-recover for the latter projects. But what does that imply for the under-recovery for the former projects? (See the Appendix for a detailed analysis of the mechanics of these phenomena.)

Overall Implications

There are multiple areas of essentially unnecessary controversy revealed by the preceding discussion. Conflict and dissonance in any system lead to waste; one of the major sources of such waste within the research

community at Cornell, and between the Cornell community and its sponsoring agencies, is the way in which cost recoveries are calculated and associated with research grants, foundation grants, and sponsored activities in general.

A Possible Resolution

These matters must be clarified and resolved. Their resolution can go a long way toward improving the atmosphere in the research community, thus making it possible for all parties more effectively to address truly important issues. Much of this could be accomplished through a well organized, continuing on-campus information program. And it might begin with a series of papers such as this one.

Key Educational Policy Issues

Key educational policy issues noted above, relate to cost recoveries for sponsored research and involve matters both internal and external to Cornell University, as well as to matters of national policy.

The internal/external educational policy questions include:

- (1) To what extent can the University continue to undertake "sponsored" research with government and industry for which it recovers only a portion of the costs?
- (2) Can the University attract outside grants and contracts with government and industry if it does attempt to recover the full costs of the sponsored research it undertakes?
- (3) What would be the implications for the teaching and research programs that are closely related to sponsored research if there were to be a substantial fall-off in sponsored research?
- (4) Given that laboratory-based research and teaching, especially in the case of what are termed "wet labs," are substantially more costly to provide than are office-based research and classroom teaching, can a way be found that permits these differentials to be recognized in related charges to their clients? Or, should the University restructure its research and teaching priorities to reflect the cost differentials?

(5) What are likely impacts on teaching and research programs of the University of arbitrary, ex-post changes in definitions of "costs" subject to recovery under external grants and contracts (such as recently occurred at Cornell⁶)?

(6) More generally, given the escalating costs of research, how can the University remain financially viable if it does not recover the full costs of the sponsored research it undertakes for others?

(7) Can Cornell afford to "go it alone" on any of these matters? Can it afford not to?

The Research University and the Structure of Industry in the U.S.

In a later section we present Question (8) dealing with national policy on these issues. But first we present as background, a comparative discussion of different economic structures among particular industrialized nations and the implications of some key differences among them.

As mentioned above, the research university plays a unique role in the U.S. economic structure. That structure comprises stand-alone firms, "unit" banks, an ethic of individualism, and adversarial relationships among virtually all sectors of the society. U.S. industry is characterized by mergers, acquisitions, and divestitures among firms, and rapid "job-hopping" by individuals. And U.S. industry lacks the integrated, diversified Keiretsu (industrial conglomerate) ownership structure of Japanese industry and the stability it provides.

As this last point suggests, other nations operate under different structures. The significance of this fact is not that the U.S. must (or could) emulate their ways, but that we must realize how much more important Universities are in our system than they are in the systems of others. An economy such as that of Japan achieves advanced R&D and advanced education largely through its business firms. The economic incentives implicit in the long-term (if not life-time) employment norm for the highest

⁶ The University has been notified that the basis for estimating appropriate costs (the "special studies") for library use and utilities costs in laboratories and similar facilities is under review. Under a prior provisional ruling by the auditors, substantially higher costs for operation and maintenance of such facilities--as contrasted to regular classrooms and corridors--have been recognized. The new provisional guidelines imply a retroactive decrease in allowable recoveries aggregating to more than five million dollars annually.

productivity 30% of Japan's work force plus other elements of its economic structure, make such an approach feasible. This is because investments with "spill-over" effects--such as those made in human capital and in research and development--are much more likely to redound to the benefit of the firm (or of its Keiretsu partners) in Japan, than of the stand-alone firm in the U.S.

While the industrial structure of the U.S. virtually forecloses an approach to higher education similar to that of Japan, that structure has been an important (even if fortuitous) determinant of the success of the U.S. higher education sector. It is through its universities that the U.S. pursues basic research and, increasingly, applied research. It is through its universities that the U.S. pursues advanced education. The "spill-over" characteristic of such investments is what suits them to be made in the institution of the university in this country. Universities operate on the ethic of "publish or perish." Universities are institutions that, in effect, were instituted to create "spill-overs."

Some critics suggest that the U.S. has relied excessively on higher education as the avenue to mobility for its work force. Many of these critics suggest Germany's apprenticeship training and France's "job-training account" for its workers (made possible through a 1% employment tax) as preferred alternative sources for worker education, training and mobility. Since, and as long as, the U.S. has neither, it must continue to rely on the universities to assist in these tasks.

The Stakes Nationally

The Nation is at a crossroad in transition from a cold war footing to a peace time economy. The role of education at that crossroad must be clearly defined. In part because of its focus on international geopolitical questions over the last half century, the United States has ignored its domestic infrastructure of both human and physical capital.

Nonetheless, that prior focus on national security had implications that permitted the research university in the United States to remain at the pinnacle of success in this country's--and the world's--research and higher education systems. Now, however, the fundamental changes taking place in the U.S. society since the end of the cold war, threaten the resource base on which these institutions have relied. The unique role that the research

university plays in the U.S. economic structure must be explicitly recognized and action taken to assure the survival of the research university.

Policy makers at the National and State levels must be made aware of the facts presented above. They must recognize further that higher education, and especially graduate education, even more especially graduate research education in the U.S. remain areas in which this country is pre-eminent. As global competition intensifies, the list of such areas, unfortunately, is declining rapidly. How can the U.S. remain at the forefront? What is required to assure this?

And now Question (8), the question of national policy:

(8) Given the unique role played by the research university in the economic and industrial structure of the U.S., can this country hope to achieve true international competitiveness of its economy without ensuring the continued financial viability of its major research universities? What is an appropriate national policy stance for this country on this question? What role is appropriate for this Faculty, this University, and universities in general in posing and resolving this and related questions?

These are matters of vital concern on both sides of the question, that of the national policy makers and that of the university faculties and administrations. To make their contribution effectively, universities must not merely survive, they must be able to function with innovation and esprit. It is the view of the authors of this Report that for the Nation to remain a leading global power, the viability of the research university must be assured. We urge The Commission to bring this and its related issues to the Faculty, to the Administration, and where appropriate, to national policy makers to help assure that the issues are dealt with, expeditiously and effectively.

Bromley's Last Stand

On the eve of his departure, the White House science adviser rallies his advisory panel to issue a hard-hitting call for university reforms

D. Allan Bromley's reign as White House science adviser may have been short on fireworks, but Bromley has shown that he intends to go out with a bang. On 21 December, less than a month before he leaves to make way for the incoming Clinton Administration, Bromley and his President's Council of Advisers on Science and Technology (PCAST) tossed a hand grenade into a simmering debate about the future of the research universities. They released a major study warning that the big expansion of academic research that has occurred since the end of World War II is over, and urging the universities and the federal research agencies to undertake some painful reforms to accommodate a new era—including cutting research programs if necessary.

Those scientists and institutions most threatened by such a message may be tempted to write off the report's harsh theme and tough recommendations as the rhetoric of an outgoing Administration that can safely be ignored. But the message comes not just from the White House but from the universities



MARTIN KUHN

Parting shot. Bromley will leave behind a report that has tough words for government and academia.

themselves. And what they had to say about the deep-seated problems in academia—second-rate research departments, professors too busy to teach, and ever-increasing costs—will not go away with a change of occupant at 1600 Pennsylvania Avenue.

PCAST's report, "Renewing the Promise—Research-Intensive Universities and the

Nation," is the work of a presidentially appointed group that includes a half-dozen university representatives and an equal number from industry and independent institutions. The panel held six meetings at institutions around the country and received testimony from nearly 200 academic scientists and administrators whose comments are peppered throughout the document.

The message PCAST took home from this was clear: It is "unreasonable to expect that the system of research-intensive universities will continue to grow" as it has in the past decade, because of climbing costs and increasing competition for federal money. As a result, the panel concluded that it is "ill-advised" for such universities to "aspire to excel in all or most areas of scholarship." Instead, they should focus more on teaching, even though "in doing so, many institutions will have to curtail some of their research activities." And it calls on the universities to apply a scalpel instead of a cleaver, cutting low-priority and low-quality projects and concentrating on the research they do best.

Some PCAST Dos and Don'ts

Universities SHOULD:

- Reemphasize teaching. This, PCAST warns, will often mean less research.
- Base faculty evaluation and rewards on a balance of both research and teaching.
- Collaborate more with other universities and industry and government labs, with the aim of conserving resources.

Federal agencies and Congress SHOULD:

- Pay all research costs, including all legitimate indirect costs.
- Create a temporary facilities fund, equally matched with university money, to rebuild crumbling university laboratories and buildings. Lest this program be taken over by pork-mongers, PCAST recommends that the projects be merit reviewed and available only to universities that pledge to forgo congressional earmarking.
- Establish a program of portable graduate fellowships and undergraduate scholarships in science and engineering in each congressional district, to ensure political support.
- Eliminate all federal, state, and local taxes on scholarships, fellowships, and stipends.
- Shift as much as possible the research conducted at government laboratories to universities, where research is generated in tandem with education and training.

Universities should NOT:

- Develop or implement research or education programs that would increase the net capacity of the system of research-intensive universities.
- Cut programs across the board. Rather, they should maintain those departments that are world class, and eliminate or cut back, if need be, the rest.
- Build facilities or programs without long-term prospects of sustaining them.

Federal agencies and Congress should NOT:

- Continue paying a portion of faculty salaries. That practice, PCAST argues, "artificially expands teaching faculties dependent on federal sources..."
- Encourage universities to embark on new research programs or building facilities where there is little long-term prospect of sustaining those programs.
- Continue recasting government labs, such as the national laboratories of the Department of Energy, as basic research labs in competition with universities. Government labs "have the benefit of superior resources, are not burdened by educational responsibilities, and are not subject to the same type of merit review that ensures high standards of academic research," the report complains.

Not that the message is all bitter; there are plenty of comments and recommendations that the university community will find palatable (see box). PCAST, for example, accuses the federal laboratories of unfairly competing with universities for research dollars as they look around for a mission in the post-cold war world. It shames Congress for indulging in pork-barrel funding of science projects. And it criticizes the executive branch for using arcane accounting rules that fail to reimburse the full indirect costs of university research.

Against that background, the panel urges universities and federal agencies to "refrain from developing or implementing research or education programs that would increase the net capacity of the system of research-intensive universities." For the universities, this means resisting the temptation to set up new research institutes and programs to attract new money without cutting existing projects. And for the government, it means not launching initiatives that would expand the academic research base without making compensatory cuts.

This is sure to prove controversial. According to James McCullough, a White House staff member who worked on the report, the panel had in mind politically popular initiatives like the Experimental Program to Stimulate Competitive Research (EPSCOR), which helps states that don't receive much federal research funding set up programs to attract more grants in the future. Congress added \$5 million to the National Science Foundation's \$20 million EPSCOR request this year, and the program is seen as a good way to address inequities in federal funding. But it also has a tendency to swell the overall pool of scientists expecting grants. Given the current budgetary forecast, PCAST argues, more EPSCOR-created research mouths to feed only increases the chance of an eventual famine.

This language "is not intended to freeze out the have-nots to protect the haves," Bromley says. "The important word is 'net'—some [universities] may move in or move out." As panel member Daniel Nathans, a Johns Hopkins Nobel Prize-winning biologist, puts it, "We certainly wouldn't want to discourage small universities from rising to the top."

Bromley is well aware that the universities may be uncomfortable with the overall theme of the report. "Change is always unpleasant," he says. "But even the most prestigious university can no longer aspire to having departments in every human endeavor." Bromley's cochair on the panel, Harold

Shapiro, knows just how difficult it may be to convince universities of that; as the president of Princeton, Shapiro is in the midst of a lengthy restructuring exercise along the lines that the report recommends. Yet each decision must be worked out with the faculty—the group most threatened by cuts. Progress, needless to say, has been slow.

Shapiro, who says the intent is to recover some of the teaching values that excessive emphasis on research left behind, hopes the report will have a national impact, but he warns that "the solutions will be quite different at each university." Adds Robert Rosenzweig, the president of the Association of American Universities,

"Even the most prestigious university can no longer aspire to having departments in every human endeavor."

—D. Allan Bromley

Shapiro, who says the intent is to recover some of the teaching values that excessive emphasis on research left behind, hopes the report will have a national impact, but he warns that "the solutions will be quite different at each university."

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NATIONAL SCIENCE FOUNDATION

'Strategic Research' Wins the Day

After 6 months of turmoil at the National Science Foundation (NSF) over whether the agency should obey a congressional directive to shift funds into "strategic research"—science aimed at national industrial and economic needs—the results are finally in: Like it or not, it's happening. Although NSF's total research allocation this year is actually less than last year, it will spend nearly \$100 million more in four strategic areas than it did in 1992.

These increases are detailed in NSF's 1993 operating plan, which was submitted to Congress on 21 December. The agency will spend \$17 million more than in 1992 on manufacturing research and education, \$38 million more on advanced materials and processing, \$17 million more on biotechnology, and \$25 million more on high-performance computing and communications. NSF will also channel a \$5 million congressionally mandated increase in the Small Business Innovation Research program to the four areas.

These same strategic research areas are the subject of government-wide "crosscut" initiatives under the umbrella of the Federal Coordinating Council on Science, Engineering, and Technology. As such, NSF had marked them for big increases in its original budget request for this year. But in a year when NSF's overall \$2.21 billion request for research and related activities was cut to \$1.86 billion—\$14 million below last year's figure—protecting these strategic areas means even bigger cuts in basic research. Since scientists sent in more than 800 letters last year, mostly urging NSF not to shift funds into strategic research, these cuts to core research programs suggest even bigger battles to come.

"All the easy things have already been done—now you're asking people which of their children they want to sacrifice."

Bromley, who evidently sees the report as a major part of his legacy as science adviser, has asked President Bush to commend it to President-elect Bill Clinton as a nonpartisan clarion call that should not be allowed to gather dust with the rest of the outgoing Administration's policy papers. He is also pitching the report to the Clinton transition team as a worthy policy pursuit. And he is shopping it around Congress in the hopes that several committees will hold hearings on its recommendations in the new year.

"Perhaps for some people [the report] will paint too pessimistic a picture of future funding," says Nathans. But a more muted call would probably have been ignored. The reverberations of this report are likely to persist long after Bromley leaves the White House.

—Christopher Anderson

Two groups who are likely to scream the loudest are the physicists and the astronomers. Physics research will get \$10 million less this year than the \$138 million NSF spent last year. And astronomy will drop \$9 million, to \$103 million. Most of the pain is spread in small doses across the agency, leaving most programs outside the strategic areas at or slightly below their 1992 levels. Given that NSF is also planning to increase average grant size this year, "there are going to be a lot fewer grants, especially for new people," says Robert Park of the American Physical Society.

But as painful as this year's budget sacrifices will be, they could have been worse. When the Senate, in its appropriations report for NSF's 1993 budget, demanded more emphasis on strategic research, NSF went into full damage control mode. The National Science Board created a special Commission on the Future of the NSF to get the community's reaction; not surprisingly, it came back with a strong endorsement of the status quo—a continued focus on basic research. That may have tempered further shifts.

Congress is satisfied with NSF's response, at least for the moment. Both the Senate and the House appropriations committees have approved the operating plan. But the battle over NSF's role in strategic research is expected to resume in budget hearings later this year. "NSF can either keep trying to stave off the intrusions," says Darryl Chubin, an analyst with the congressional Office of Technology Assessment, "or it can take this opportunity to start taking the [strategic research] issue seriously."

—Christopher Anderson

MINUTES OF A MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES

April 14, 1993

Fifth Meeting of 1992-93 Academic Year

(Number in parenthesis indicates attendance at meetings to date)

Present: **CALS:** Baer, R.A. (4); Berkey, A.L. (4); Ewert, D.M. (4); Feldman, R. (4); Gillett, J.W. (4); Hudler, G.W. (2); McCormick, C.C. (3); Parks, J.E. (3); Pritts, M.P. (4); Ranney, C.K. (3); Rockcastle, V.N. (5); Shapiro, M.A. (3); Slack, S.A. (3); Smith, M. (1); Tauer, L.W. (5). **Geneva:** Shelton, A.M. (2). **A&S:** Barzman, K. (spg. only)(2); Darlington, R.B. (4); DeVoogd, T.J. (3); Feigenson, G.W. (2); Hayes, D. (3); Keil, F. (2); Loring, R.F. (3); MacDonald, J.F. (spg. only)(2); Rutten, A.R. (5); Shanzer, D. (4); Siggia, E. (3); Speh, B. (4). **Engr.:** Brown, G. (5); Giannelis, E. (3); Kay, R.W. (5); Parks, T.W. (3); Raj, R. (3); Seyler, C.E. (2). **Hotel:** Dunn, D.C. (5). **H.E.:** Garner, C.E. (4); Laquatra, J. (4); Schwartz, P. (5); Wethington, E. (5). **JGSM:** McAdams, A.K. (5). **Libr.:** Atkinson, R.W. (4). **Vet. Med.:** Hermanson, J.W. (4); Meyers-Wallen, V. (4). **At-Large:** Allen, J.A.V. (4); Farley, J.T. (5); Kazarinoff, M.N. (4); Lucey, R.F. (5); Walter, M.F. (3); White, R.N. (3). **Faculty Trustees:** J.M. Calvo (3).
Guest: J. Wiesenfeld.

Absent: **Afr. Ctr.:** Edmondson, L.G.E. (1). **CALS:** Awa, N.E. (2); Baveye, P.C. (4); Riha, S.J. (3); White, S. (spg. only)(0). **Geneva:** Koller, W. (3); McLellan, M.R. (3). **AAP:** Drennan, M. (spg. only)(2); Jarzombek, M. (1); Perlus, B.A. (1). **A&S:** Bathrick, D. (0); Berger, A. (2); Blume, L.E. (3); Castillo, D. (spg. only)(1); Coleman, J.E. (1); Hamill, O.P. (0); Howland, H.C. (3); Kennedy, K.A.R. (4); Livesay, R. (2); Mitchell, J. (0); Mullen, H. (0); Rusten, J.S. (4); Strang, D. (2); Strauss, B. (3); Usner, D. (3); Volman, T.P. (4). **Engr.:** Farley, D. (3); Moore, F. (1); Philpot, W. (1); Rand, R.H. (4); Subramanian, D. (2); Warhaft, Z. (3). **Human Ecology:** Hahn, A.J. (spg. only)(0). **ILR:** Abowd, J. (2); Kuruvilla, S. (4). **JGSM:** Lind, R.C. (0). **Law:** Alexander, G.S. (2); Taylor, W.F. (0). **ROTC:** Shirk, J.L. (3). **Vet. Med.:** Ball, B. (2); Casey, J.W. (0); Dubovi, E.J. (1); Farnum, C. (2); Weiland, G.A. (1). **At-Large:** Levitsky, D.A. (2); Lumley, J.L. (0); MacDougall, B.G. (1); Norton, M.B. (3). **Faculty Trustees:** I. Kramnick (0).

The Speaker, Professor Emeritus Russell Martin, Communication, called the meeting to order. He called on Dean Lynn for remarks.

1. REMARKS BY DEAN LYNN

Dean of Faculty, Walter R. Lynn: "Good afternoon. There are a few things that I would like to call to your attention. Vice President Stuart Lynn has established a Faculty Advisory Board for Information Technologies or FABIT. It will have approximately twelve faculty members and Stuart has asked the Office of the Dean of Faculty to solicit

a set of nominees. The board will advise the Vice President of Information Technologies on University-wide and CIT policy issues, requirements, directions, priorities, etc. I would encourage you to let us know of your interest. It would be greatly appreciated.

"If we have a quorum we will approve the slate for University Faculty Committees and members at-large of the FCR. The ballots will be mailed next week.

"The mailings to the faculty for this meeting included another item that I would like to call to your attention. Guidelines on champagne at commencement are an attempt by the University to control the amount of champagne and drinking that goes on during the parade and the exercises. In the past, that campaign has been very successful in reducing the amount of alcohol consumption by our students.

Also, this year a separate graduation ceremony will be held for Ph.D. candidates on Saturday, May 29th, at 5 p.m. Therefore, you will be invited to attend the commencement exercises. In the past, all Ph.D candidates (about 500+) were invited to proceed to the lectern, shake the President's hand and be photographed as 25-30,000 people sat and watched. The President has initiated an activity that he thinks will be easier at Commencement but also provide adequate honors to those who are going to receive their Ph.D. I did receive a complaint by a faculty member who asked where the President received the authority to do that and it was my good fortune to find an ancient piece of legislation adopted by this faculty at the turn of the century and a later one which in fact this faculty voted to leave the whole business of Commencement in the hands of the President. It's the enabling legislation of this faculty to let the President do that.

"A survey on long term health care coverage is being conducted by the Office of Human Resources. The primary purpose is to get some sense of how many faculty would be interested in paying premiums for that type of insurance as it begins to look at providing that type of coverage. I would encourage all of you to respond to it.

"At the May 12th meeting, there will be a series of action items on the agenda: a resolution from the Library Board; a resolution from the Admissions and Financial Aid Committee; and the Financial Policies Committee will provide you with a report but it's not clear whether that will come as a resolution.

"Finally, what we tried to do in the last two meetings and what we will continue to do the balance of this year, is to invite the standing committees of the FCR to give brief interim reports as they keep the body informed about what the committee is doing. I thank you Mr. Speaker."

Mr. Speaker: "Are there questions for the Dean? I will remind you that because of the traveling mike, wait until Steven gets close to you."

Professor Peter Stein, Physics: "I have a question about the Faculty Advisory Board for Information Technologies. Is that a faculty committee or is it Stuart Lynn's Committee?"

Dean Lynn: "It's Stuart Lynn's Committee. It's a committee of the Vice President. All he has asked is that the Dean's office try to assist in producing names of people who would be interested in serving. But it is the Vice President's Board."

Professor Stein: "I think that this is an item of great importance to a large number of faculty and I wonder if it isn't appropriate for the University faculty to have its own committee."

Dean Lynn: "Two separate issues. If the faculty choose to do that, then they are free to do that. There is nothing to prevent the Vice President from asking for advice as there are many other advisory groups and at the moment, he simply asked for assistance in doing that. We will provide an announcement by asking people if they are interested in serving on his committee. There will be no ambiguity on his committee and if there is a reason to have a University faculty or FCR Committee, then we can simply do that. That is clearly a possibility. But at the moment, he has asked for a set of nominees who would be interested in serving on his committee."

Associate Professor Christine Ranney, Agricultural Economics: "My question is about the long term health care survey. I filled it out and sent it back. Does that refer to the statutory college employees or not?"

Dean Lynn: "It sort of refers to everybody. They are just asking about interests. They haven't devised a scheme yet as far as I know of that would treat the situation with the statutory employees as opposed to the endowed employees."

Mr. Speaker: "Are there other questions? Thank you, Mr. Dean. We are still short of a quorum, so we will have to delay approval of the minutes and the slate. I think we could at this time, ask if there are any further nominations to be added to the slate of candidates. There are none. Thank you. The chair next calls on Gerald Feigenson, Co-Chair, Admissions and Financial Aid Committee, for a report."

2. ADMISSIONS AND FINANCIAL AID COMMITTEE REPORT

Professor Gerald W. Feigenson, Biochemistry, Molecular and Cell Biology: "The Committee on Admissions and Financial Aid would first of all like to thank the Dean of Admissions and Financial Aid, Susan Murphy, and the Director of Financial Aid and Student Employment, Don Saleh, for providing all information this committee requested. And secondly, we would like to thank Walter Lynn because he felt that this situation had gone on long enough. And the situation I am talking about is the lack of direct faculty input, in the form of a vote on a resolution from this body, into financial aid

policy. As you know, there have been many important changes and developments over the last few decades. These changes have occurred without faculty input. So the purpose of this report is to inform you and to initiate discussion and then in the next meeting of the FCR, we will put before you a resolution on financial aid policy. The exact wording of that resolution is going to depend on today's discussion. So you should have a copy of the full report of the committee (Appendix A, attached) and I will take you through this report rather quickly. The issues are, of course, complicated and we are here to answer any questions you have and we are fortunate that Dean Murphy is here because she has a lot more data at her fingertips than we do. So let me quickly take you through the history of financial aid and we have divided this up into several categories.

"First, State and Federal Government. We could first trace financial aid starting in 1913, with the Regents Scholarship program, which as you know, is now over. Tuition Assistance and other programs from New York State have been developed over the past few decades. As for the Federal Government, 1935 probably saw the first federal involvement: the G.I. Bill of 1944 and the National Defense Act of 1958. Then in the 1960's and 1970's in particular, much more federal assistance for higher education, in particular with Pell Grants, subsidized loans, where the Federal Government pays the interest while the student is in college and subsidizes for working students. Cornell's contribution began right at the beginning of Cornell. So in 1867, assistance was provided to some students but in fact until the mid-1960's, the level of assistance that Cornell could provide was rather limited. In the 1960's and 1970's when Federal and State aid was picked up, Cornell could start packaging financial aid. So, by 1976, Cornell could actually meet the full financial need of all accepted students. It was at the beginning of 1976, that Cornell practiced this policy that we now call, 'Need-blind' admission. The admissions committees of the various colleges do not look at financial need; they accept students just based on various criteria of desirability. Then financial need for those students is met with a combination of loans, grants, family contributions, and student work. In 1981, policy was formally stated by the Board of Trustees. So at that time, the Board of Trustees stated that admissions would be need-blind and that full financial needs of the students would be met. In the 1980's, this situation started to change. First of all, Federal support started to go down. That was a major factor. At the same time, Cornell's cost started to rise rapidly and I will show you more of that in just a few minutes. In 1984, a huge deficit was projected for the following year for financial need; four million dollars worth for the next year. So in 1985, Provost Bob Barker commissioned a report, and I will briefly summarize that in a moment and a significant thing happened with the Board of Trustees. They formally stepped back from the policy of 1981 and stated that although need-blind admission would be retained, the needy students would be assisted in meeting that need. So this was a formal step back from the policy of meeting the full need of students. I should say that the 1985 policy of the Board of Trustees was reaffirmed in March of this year. So that is a brief history of financial aid and let me tell you a little about the Barker report.

"The purpose of the Barker report was to get input on what Cornell should do and within that report was a list that contained many mutually exclusive items. So the Barker report contained suggestions for the short term and for the long term. In the report that you have, the full report of the committee is summarized and if you look closely at those you will see that some of those are indeed mutually exclusive and they reflect options that Cornell might follow. In other words, this mission by Provost Barker did not take a stand and I will just give you some of those examples in the report that are listed as alternatives for meeting severe financial strain to the University. We could increase tuition as needed, increase aid to all needy students, select a group of needy students based on some kind of desirability ranking and just increase their aid, or take the burden of increasing financial aid and distribute it and lambaste the entire Cornell community. So you can see that these are not really compatible set of plans.

"Next I would like to turn to growth of the financial aid budget. This budget has tuition and fees and since 1980-81 has grown by about 10.5% per year and I would like to just show you on these graphs what happened. The upper line (Figure 1) is growth of the tuition budget and the axis on the right hand side gives you those numbers for tuition and the lower figure is not tuition but the financial aid expenditures. Then the lower figure, (Figure 2) these two, tuition and financial aid expenditures, have simply been indexed to one or 100% in 1979-80. So you can see the growth of tuition and then sometime in the mid to late 80's, a very rapid rise in financial aid expenditures. We would like to understand what's driving that. While the largest component or the fastest growing component of the budget is salaries and some may say that is a complex issue because, in the decade of the 80's, salaries started to keep up with inflation, but in the decade of the 70's, faculty salaries were in real dollar going down. So in the 80's, salaries were going up and going up rapidly, but were in part making up for the real losses in the 70's. Something else really occurred at the end of the 70's beginning of 80's, Cornell felt they were spending too much from endowment. The actual value of the endowment, in real dollars, was going down. Starting in the very late 70's, the 6% pay out of endowment dropped over the next few years to being 4% pay out of the endowment. So that was a definite Cornell decision that cost money to the budget. In the starting of the decade of the 80's, there was a great increase in spending on maintenance and new buildings. Also starting in the 80's, there was a rapid period of, you could say, computerization of the campus. These cost money. The three other categories: libraries, recruitment and a more diverse student body, also cost money but somewhat less so than the preceding four categories. In addition to these rising costs here at Cornell, the economy was going bad, so the financial status of families was going down and fewer families could pay the cost of attending Cornell. So, more students needed the assistance. At the same time, there was declining federal support of the 80's and that's continued and then starting around 1990, declining state support. Let me just show you one more graph that you don't have in that report. The number of grant paid recipients (Figure 3) has increased rapidly since the late 1980's. Actually before this year, in 1986, this number had not been growing rapidly. From 1986-92, there was roughly a 25% increase in the

number of students needing grant assistance and keep in mind that the total number of students on campus has stayed fairly close to the number of that period. The total budget for financial aid has been growing about 17% per year. So what do we do about financial aid? One possibility is to raise revenues and of course that is being done and is certainly being attempted, or squeeze other areas of the budget and as everyone here knows, that is going on. Third, decrease aid expenditures. That's the next category of this report. So all three of these are happening.

"So part four of this report is how to reduce grant aid expenditures. What you have in this report and listed here, A-F, are various options for Cornell. The first one is called 'indexing' grant aid. In the report you have, it's explained rather exactly how this could occur. Essentially it means that a student would be informed at what rate their financial aid would increase. They would be informed of this at the time the aid offer was made and that rate of increase would be approximately the rate of tuition increases. In other words, they would be given a financial aid award that would increase each year but much more slowly than costs have been increasing. So this is definitely a squeeze on the grant aid recipient and their family but its a squeeze that they can plan on.

"B is multiple siblings in college. Some of you know and some of you don't know that the way Cornell calculates how much a family can contribute for their student at college gives the same number whether there is one student in college at one time or four or five or two. For example, if a family has two students attending Cornell, the past way of calculating what the family could contribute is the same if the family had one student attending Cornell. The proposed new way of calculating what the family can contribute would show some increase on how much the family should spend, if they have more than just one student in college at the same time. Part A, indexing grant aid, would save about \$500,000 per year. Multiple siblings in college, the new calculation would also save about \$500,000 per year. I should mention that this isn't a change in Cornell policy or universities around the country, but they are all moving in that direction.

"C. Financial Aid wait list. So here we have possibly the most uncontroversial plan for reducing grant aid expenditures. In the report that you have, we have exactly spelled out the way it is going to proceed. The financial aid wait list would be implemented and the colleges asked to submit a list of 10% of their lowest ranked applicants. Each college has its own criteria for what's a desirable applicant. So each college differs somewhat but they submit a list of their lowest ranked people. This year, they were asked to divide that up to show a lower 5%. The way that the plan would work is that those students would get a letter saying that they are admitted to Cornell but no decisions on financial aid could be made. Then that decision would follow within a few weeks. So that is why it is called the financial aid wait list. If the decision is that the financial situation is so tight that no grant aid was coming, then it is extremely likely that most of the students that need grant aid and need help with grant aid cannot come

to Cornell. This is a policy of still admitting students to Cornell on a need-blind basis but financial aid depends on your ranking. So we will see in parts five and six that if such a policy were to be implemented, how it might affect who goes to Cornell. The estimate is that the financial aid wait list with 10% of the accepted students on it would save Cornell about \$800,000 per year.

"Part D. increased loans. This is a relatively simple calculation. Right now there are about 4,200 grant fee recipients. If for example, each of those grant recipients has \$200 of their grant transferred to loans, then this is a large savings for Cornell. So an increase in the size of the loan decreases the size of the grant. If that's done with \$200 per grant, it would save Cornell roughly \$800,000 a year. I just want to point out that this policy has some limits in that right now Cornell is near the bottom of the Ivy League in terms of the size of the grant that they award the students. So if we shrink that further, clearly we become less competitive.

"Part E. decrease fraud. This is a very tough one to estimate. And we are talking about real fraud where a family submits a 1040 form to the IRS and they make out a totally different 1040 form, sign it and send it to Cornell. So it has been impossible to guess how many students or their families have been doing this. Cornell has initiated a study of 200 students and we will find out this summer the fraud rate. If the fraud rate is 1% of the grant aid recipients, and those students should get no grant, Cornell could save \$100,000 per year. The high end estimate is that 5% of grant aid families are committing fraud. If those grants were eliminated, it would save Cornell \$500,000 per year.

"And finally, Part F. the special groups receiving financial aid. Suppose we abolish it all. If we do that, we save \$4 million a year. That is a gigantic savings. So who are these special groups? Here we are talking about all international students. There is a very limited budget for international students but it's just under a million dollars a year. We are talking about Canadian students who are treated like permanent residents in terms of financial aid; students attending summer school; transfer students; seniors, and study abroad students. We certainly are not saying that it is a wise thing to eliminate financial aid for all of these students but it is costing \$4 million per year.

"So now I would like to move to part five of this report, how would the student body change if we had a financial aid wait list? Who is on such a wait list? So what if they couldn't come? How would that affect who is at Cornell? This was the first year that the colleges were asked to be ready for the policy of financial aid wait list. Cornell is not using it this year but each college has to submit a financial aid wait list. In contrast, each college has had a long history of preparing ordinary admissions wait list and so we have a lot of data for admissions wait lists. We can see who is on the admissions wait list and get an idea of who would be on the financial aid wait list. I can tell you that the financial aid wait list that was prepared this spring, is not very different from the category of students who are on admissions wait lists. So looking at that list (Appendix

A, page 8), you can get an idea if they were coming to Cornell, the big fraction of them who came to Cornell, and how the student body would change. From such a list, you can see that a gender ratio would be effectively unchanged. If we went through a financial aid wait list, would that mean that the number of underrepresented minority students would drastically decrease? So we look on the admissions wait list and it turns out to be essentially the same as the financial aid wait list. The answer is that colleges have tried to protect those students that they desire to have on campus - financial aid applicants, athletes, international students, underrepresented minorities - and to insure certain numbers of them are on campus. It's also interesting to note some sort of academic measure of who is on the wait list and the surprising thing to me is how little difference there is between students who are on the wait list and students who actually come to Cornell. In other words, if a financial aid wait list were implemented, the quality of the student coming to Cornell, as far as we can tell, will not significantly fall.

"Now, another very important source of information is part six, experiences with other institutions. A number of these institutions got into trouble before we did, so they have already done the experiment. And we know how their financial aid policy changes changed their student body. So we can probably get a very good answer to the question of how Cornell might change if we change our financial aid policy by looking at what happened to the other schools. These are all schools that you are very familiar with. We just identify them here as University A, B and C and College A (Appendix A, pages 9-11).

"University A just before 1983, without public announcement, changed from need-blind admission to need-conscious admission. So for they have a financial aid budget. Students are in effect, ranked and a financial aid budget is allocated to meet students needs until it is all used up and then students who need money are not in it, so this policy is sometimes called 'need-conscious' policy. You can see then what happened to the student body at this university and as far as I can tell from looking at the data, nothing happened. Now what that means is that University A has a commitment to keep the student body diverse and commitment overrode questions of who is on the wait list.

"University B between 1988 and 1992 began admitting students but denying them grant aid. So for what happened here we have very clear before and after data. Again, it looks like the financial aid policy change does not affect the student body.

"That is also the case in University C. University C had a policy that was a kind of a disguised step back from need-blind admissions. They say they still have need-blind admissions but the way they did that was by forming a wait-list and they knew they would have to go to that wait list to make up the number of students they needed. Students on that wait list were admitted but without financial aid. In that case, the composition of the student body apparently was not affected by the financial aid policy.

"And finally, a small institution, College A. They also stepped away from need-blind admission. They had full need-blind, full funding financial aid in 1983. For that institution also, student body diversity apparently did not change. I show you finally here, Cornell's numbers. I just want to point out that when the option 'race unknown' was introduced, many students recently like to check off that box. That form is going to be changed so students can no longer be required to only check off one box. Students can check off several boxes to more accurately describe their race. So this number 52% for Caucasian students is probably far too low and its likely that 13% (race unknown) should be added to it for comparison.

"What I learned from seeing these data, if you will, is that a university's, and Cornell for example, commitment of each college to take in the type of students they want can override any change in the financial aid policy and that was a big surprise to me. So this is the last thing I want to tell you formally and I will be happy to try and take any questions and direct you to Susan Murphy if I need some help."

Mr. Speaker: "So if there are questions, please wait for Steven to get to you and for the record your name and department."

Assistant Professor Andrew Rutten, Government: "I had a couple of suggestions that might be useful for us to make sense out of these. One is, it might be interesting to see how much financial aid we would have to be giving now if tuition had been kept at various levels in the past, say in the early 80's. Because the problem is that from your graphs here, you can't really tell how much of the financial aid is due to increases in tuition and how much is due to the changes in the needs of financial aid in the students. It might be interesting if you could just say how much money people would have to have if they made less money. I don't know if that makes any sense. It might also be interesting to know how this incoming student body has changed in the midst of the student body increase in the neediness of the parents. Do you have any ideas about these things?"

Professor Feigenson: "I cannot tell you exactly how the financial aid budget would change that present tuition and fees."

Professor Rutten: "By looking at 1985 rates, it looks like the big increases in tuition come in the late 80's. It would be interesting to know how much of the increased financial aid we are giving is due to the fact that we are also charging higher tuitions."

Professor Feigenson: "Whenever tuition goes up, a smaller increment than that full tuition increase is covered and a piece of it has to go to financial aid."

Professor Rutten: "But it would be interesting to see how much of a change we make in the amount of money we have to give. You must have some kind of data on how much money these kids' parents have, right? So you could run back through and say if they had to give less money for tuition than they do now, how much financial aid would we have to give? I don't know if it's possible or feasible to do that."

Professor Feigenson: "I'm quite sure that all the data has been pulled out. There is one last part of the question that I'm sorry that I totally ignored. Did you ask how much lower a financial aid budget would be if it kept student diversity where it was some years ago if we didn't have tuition increases?"

Professor Rutten: "But the student population we are admitting is also changing."

Professor Feigenson: "If it happens I can give you that number. That number, if it stays at the level that it was 10 years ago, would be about \$1.4 million per year but if we had not increased what we call diversity of what it was a decade ago, that's the same."

Professor J. Robert Cooke, Agricultural and Biological Engineering: "My question really is the same one but a different facet of it and it's one that strikes at the heart of the matter and that is what is the problem you are trying to solve? It appears you are trying to fix a financial aid policy. Given that the two are linked if you increase tuition, you increase the need also. So it may be that the tuition is out of control and that is causing what was a good financial aid policy to go bankrupt and what you may need to be fixing is the tuition and not the financial aid policy. So a slight variation of this, if you took 1980 or some other year as a base and increased tuition at CPI or some other index and determine where would we be now, how we are relative to financial aid. In other words we have increased tuition much more rapidly than inflation and accounting tells us that will always be the case. There is no end in sight to that problem. How you define the problem, how you approach the problem, will affect how you fix it."

Professor Feigenson: "In the report there are a list of reasons why tuition rose rapidly and the fastest growing component there is salaries."

Professor Rutten: "Do you measure that in absolute terms or relative terms?"

Professor Feigenson: "In absolute terms, salaries went down in the 70's."

Professor Rutten: "I understand that but where is most of the money, what's chewing up most of it?"

Professor Feigenson: "Perhaps, Peter Stein probably knows something about that."

Professor Stein: "Respond to what?"

Professor Feigenson: "The rapid rise in faculty salaries."

Professor Stein: "I'm not so sure but I would not go along with the statement that the fastest growing component is salaries. I think the fastest growing component is payroll which is not the same thing as salaries. It may turn out that it's all salaries but I doubt it."

"I have a couple of comments. First, I think the word 'wait-list' is a euphemism, I don't think we should use it. You don't save any money if you put people on a wait-list and don't use the wait-list. You only save money if you carry out a policy of admit/deny for a certain number of students so that's what we ought to call it, admit/deny, not wait-list."

"The other comment is that I was not persuaded by the numbers on those admitted and those wait-listed, where you pointed out there was not a whole lot of dissimilarity between those two groups and then your conclusion from that was that it wouldn't change things very much if we used the wait-list. I was not persuaded of that because the real question you have to ask is who are the next group of students that you admit in order to fill the empty places left by those people that you put on the admit/deny list and then don't come. So it's not those people, it's the other people that are going to take their places."

Professor Feigenson: "The most accurate way to look at this is I think to look at who is on the wait-list and actually this spring we know who was on the so-called 'wait-list', the admit/denial list for 10% of accepted applicants. Looking at those numbers, they were rather similar to the numbers for the actual wait list. So the numbers I showed were a wait list, the kind the colleges have always maintained. When we prepared this report, we did not have the data for who was on this so-called 'financial aid wait list' and we went to the true admissions wait list that the colleges had prepared but then we got the data and I didn't prepare a report. We got the data of who was on this so-called 'financial aid wait list' and it's very similar to who's on the admissions wait list and that means those would be the students that would be replacing students who couldn't pay. They are one level down from the students who were accepted with full financial funding."

Professor Stein: "Right, but those students presumably wouldn't come, right? If a student is placed on a wait list and then you deny that student financial aid, those students would not come but then there would be other students who did come to take their place and we don't know anything about what that profile is and that's the real affect."

Professor Feigenson: "The most accurate way to look at who those students would be is to look at the top end of all the people who applied to Cornell. So that's roughly what the wait lists are that are prepared by the colleges. So, that's why we feel that those are the most reasonable way to guess who would fill up those places."

Professor Stein: "Can I make one more comment? Another thing that it seems to me that you have to analyze is what the costs are to the institution for going through these various policies. For instance, if you deny financial aid to say the Study Abroad Program, then you may not save money because you may just decrease the Study Abroad Program. Those people will then stay at Cornell in Ithaca and you will have to give them financial aid and so in the end you haven't saved any money, the institution hasn't saved any money. I mean you sometimes have to look at the ripple effects of the first order changes you make in order to find out the whole picture. It's just not the financial aid budget that matters, it's the budget of the whole institution."

Professor Rishi Raj, Materials Science and Engineering: "I may have misunderstood what you said, it seems to me that the point you were making was that financial aid is needed in order to maintain the diversity of the student body and you try to show at the end that it doesn't correlate."

Professor Feigenson: "There is a cost to Cornell of maintaining diversity of the student body, its actually small and not a big expense."

Professor Raj: "That's right. The main driving force I think for financial aid is not student diversity but it's to attract the best students to Cornell. We're only as good as our student body. If you look at the wait list and the table you showed indicating accepted students and wait listed students, then the minority percentage in the accepted is 30% and the wait listed is 26% so the wait list does not change the minority population at Cornell. One thing that stands out is that the median class rank goes from 2 to 4. I'm saying what is driving financial aid today is not necessarily to maintain a broad based student body of diversity but really to attract the best students. Otherwise, we're not going to be the premium ivy league institution."

Professor Feigenson: "There is no doubt that it's extremely important to maintain academic credentials of the students we accept. It's also important for many people in considering the whole educational experience at Cornell to have a diverse student body. That part of what students get for coming to Cornell is to be in a diverse environment. In a sense, that also counts on the plus side of being at Cornell."

Professor Raj: "Financial aid is not related to that."

Mr. Speaker: "Before proceeding, I just remind you that there will be a resolution on financial aid coming at the next meeting, where you will have an opportunity to debate it again."

Professor Frank Keil, Psychology: "One of the things I want to know about these Universities A, B, and C is how the composition of these various groups is changing. If there is money being saved here, is it quite possible for example, in the Caucasian group of some of the universities that you are seeing a much more affluent group of

students starting to emerge over time? I hear stories from those schools that white kids are not being as well represented as they were before. They detected a distinct shift there. If that is happening, that is something that one wants to worry about. There is a kind of conclusion occurring there as well."

Professor Feigenson: "I think it's fair to conclude that given that, just for an example, the underrepresented minorities that need financial aid have a higher rate."

Professor Keil: "You might want to document that because if the poor kids from Kentucky aren't coming anymore because they are being frozen out, people might want to know about that as well."

Mr. Speaker: "Perhaps we should move on. Thank you very much, Professor Feigenson. Are there any members who have not signed in? Please do so."

3. APPROVAL OF SUMMARY MINUTES

"We now can now back up to the approval of our summary minutes of February 10 and March 10. Are there any corrections to those minutes?"

Professor Arthur Berkey, Education: "I would like to make an addition to the March 10th minutes and that addition is 'concern was expressed that the FCR was not consulted in time for input to the 1993-94 decision on financial aid.' I have that written out. If I made those comments, I am sure it's accurate."

Mr. Speaker: "Are there further corrections? If not, they stand approved as corrected."

4. APPROVAL OF SLATE OF CANDIDATES

"Now we come back to our slate of candidates. I mentioned earlier that if there are any additions that we would accept those. We now have a quorum so we approve the slate. Are there any further additions? The chair will entertain a motion that we adopt this slate. (So moved.) All in favor of the slate of candidates as presented, please say aye. Opposed, no. It is approved (Appendix B, attached)."

"Now we will move to our last item on the agenda, a report from Mr. John Wiesenfeld, Vice President for Planning."

5. STRATEGIC PLANNING: A CORNELL PERSPECTIVE

John Wiesenfeld, Vice President for Planning: "I just want to say that twenty one years ago when I came here to Cornell one of the first things I found out about was that within the first year I was elected as a member of the FCR, actually attended meetings. You can go back and check the attendance log. But a warning for those of my younger colleagues, after twenty years, this is what can happen. So think about it.

"I would like to tell you a bit about some of the strategic planning activities we are carrying out at Cornell. I would like to set two contexts. I would like to first set the national context and then I would like to give you a Cornell perspective. First let me apologize for the formality of using slides. I use them really in this instance if nothing else to remind me of what I have said to other groups.

"What I would like to do is to look at the national agenda because so many kinds of issues that we face are faced by other institutions of higher education. We share issues with colleagues at other colleges and universities, some we share with other research universities, both public and private and some we especially share with our peers at private universities. On the national agenda what I would like to do is to talk about some specific concerns that have been raised and what I think to be a relatively institution neutral format. An association called the Association of Governing Boards essentially links the Trustee Boards of the various colleges and universities in America. Every year they send out a questionnaire to their university presidents and trustee leadership to get a sense of what are some of the concerns of these groups. I would like to report to you some of those results so that you can get a sense of what nationally are some of the major issues. There are two groups and I am going to go through this very quickly because much of this was reported by the previous speaker who I think gave an absolutely exemplary presentation on some of the complex issues facing us in the area of financial aid.

"Probably the one item that concerns national leadership the most is an incredible decay in the level of public opinion and public trust and support required of education. You don't have to look far beyond the Stanford yacht to see for example the CNN program on the absentee professor. I understand there was another program on NBC National News which talked about the same kind of generic problem specifically outlining what they claim was the lack or failure of faculty at research universities to discharge the duties relative to their own students.

"We are dealing with a number of demographic trends that we have to contend with, perhaps one of those that you are familiar with is the fact that over a period of time from early 1980's until probably the mid 1990's, the members of the eighteen to twenty-two

year old group of college-age-going students has really gone down. The good news is that that trend will reverse around 1995 and will sort of be an echo to the baby boom and the number of eighteen to twenty-two year olds will increase tempered by the fact that potential students from among the social or economic group most likely to be coming to Cornell will not be increasing.

"You heard already tuition has increased significantly in excess of median family income over the 1980's; that is true. Let me also suggest that the way many of our student families have dealt with this or the way they did deal with it was conversion through personal loans, using equity in their homes, that is the real estate of their homes, and interest on bonds they were able to use to support tuition. You know what's happened to the real estate market in America. In addition, of course, we are dealing with an ongoing recession, high unemployment, and state and federal revenues have not grown. And finally, I will say relatively little about the issue of National Education Policy, whether George Bush will actually go down in history as the education president. The national leadership that we have now is going to have to face the question of trying to stabilize those on financial aid and also make a decision regarding the cost of full funding of research.

"In terms of institutional issues, I'm not going to say anything about tuition policy and financing that has not already been eloquently stated in much greater detail. This is the number one issue around the country.

"Productivity and cost control within the university, there was an excellent article in *Business Week* which pointed out that all service businesses, if I can use that word about universities, hospitals and so on, face a very similar situation. Certain conditions apply to higher education productivity and quality has to be very carefully balanced and I suggest that most of the delivery of services is going to have to be very carefully examined in the future.

"Capital renewal and replacement is the issue of maintenance of the physical infrastructure of the university. I have seen estimates of deferred maintenance on the nation's campuses that run well in excess of \$70 billion. I don't know where that number supposedly comes from.

"Planning and budgeting - the issue here is convenient short term steps that you take to control budget deficits that can create great longer term problems.

"And finally funding of research and indirect cost recovery, I think much of the rhetoric that has gone on hides the issue of whether or not the Federal Government is going to live up to its original contract to fully fund the cost of research.

"The Cornell perspective focuses on university-wide strategic framework used by your college and department. Feedback I have received from faculty is 'If you think anyone can essentially plan Cornell University, you are crazy.' Let me indicate to you that I am in full agreement with that concept. What we need to do is to examine those really large issues that come before us in the colleges and the units that represent Cornell University and try to get some framework in place so the colleges can ration the plan around teachers. For example, tuition and the financial aid policy has already been spoken about this afternoon. I think virtually every college is either now actively engaged in strategic planning one week planning, or shortly will be. And I think that if nothing else, modeling that sort of activity at the university level is very important. I will also note that we are trying to link our planning activity with the quality improvement process. Strategic planning in a sense gives us an opportunity to reflect on what the right things are for the university.

"What we are going to talk about very briefly is what I think is special about this effort, who's building the plan and also where we are in that process. Where we are right now is, if you will, environmental assessment of what external forces are changing Cornell's higher education; and internally, how well are we organized and ready to respond to those forces. We need to take an assessment of our second point and of course that is one of our significant challenges. We are trying to get as many individuals and groups involved with this as possible. We think that's permanent - those people who build the plan are those who have to carry it. We do want to acknowledge, however, that all of us carry a great stake in the future of this university - Faculty, staff, and students. President Rhodes and Provost Nesheim are intimately and personally involved with this activity, and I hope that you understand in the end we are going to be looking at a link to resource allocations, and that it is an ongoing process. No one seriously should think that we can see five years out into the future. I do want to emphasize the fact that it is the planning process itself which is so vital. I don't want to say much about this other than to point out that we are trying to build as broadly a based process as we possibly can. I am the Vice President for Planning and I'm essentially the one who has to pull this together.

"We have the Strategic Planning Advisory Board which consists of slightly over two dozen individuals, chaired by the President, and co-chaired by the Provost. It consists of faculty, academic deans, administrators, students and even a representative from the Ithaca community. We also have a group of professional planners who essentially have built careers, in non-profit and profit sectors, in building time processes for those kinds of organizations. The Faculty Advisory Committee is a group of individuals whom the Deans have identified as being actively involved in the planning of the colleges. Study groups are engaged in the definition of critical issues and have been interviewing over 100 people. The seven study groups are to identify 5 to 10 key issues each and demand the utmost attention between now and the end of the session. They will then go through the process of reporting to the advisory group and make suggestions which we will then stick to very carefully.

"Consultations, as I indicated, are with college faculties and I'm now one of the few individuals who have spoken to all ten. We have also been to various management support groups, the Assemblies, to the Cornell Council, and the President's Council of Cornell Women.

"We have had three separate surveys on campus and we also have a very interesting off-campus survey of graduates. We have surveyed on campus something like 3,000 individuals and got a truly major rate: seventy-five percent of faculty, almost 80% of staff and over 50% of students, which is the highest response rate we can remember in history. We are indebted to the staff of CISER, the Center for Social and Economic Research, for having given us the tools for achieving such a high response rate. I don't want to get into a long detail on this but we will be releasing a report, a survey will be coming out in May, and we will also be looking for faculty members who are interested in using this kind of information for their own scholarly work. We have been told by the experts in the field this is truly a research quality data base and we would be delighted to share that with faculty colleagues.

"The Consortium on Financing Higher Education (COFHE), thirty-two private colleges and universities, have worked together on for example, examining tuition and financial aid policies. In 1991, we surveyed our class of 1984, that's seven years after they graduated. We got a 42% response rate which is fairly good for this kind of survey. We are going to talk about one item. We had a peer comparison group of 13 colleges and universities and I think that you would agree that there is verily selective and verily high power competition among our peers. One question I want to share with you is how our students responded compared to these 12 peer institutions. One question: overall, how satisfied have you been with your undergraduate education? These are all graduates of seven years ago. They have had some opportunity to reflect back on what happened here at Cornell. The second question: To what extent would you encourage a high school senior to come to Cornell? I do want you to notice that Cornell ranks the highest in terms of whether a student would send someone to Cornell. I think that is a fairly important piece of information. We asked students specific educational outcomes. For example, how did you do in math? Tell us about quantitative analysis, your familiarity with the computers, your familiarity with the arts, and your ability to write. Of those educational outcomes, which do you think are very important?

"Reports from the study groups will be coming out in the beginning of May and they will then undergo a review by our advisory group. I realize the time is late and I apologize."

Mr. Speaker: "Are there questions for Mr. Wiesenfeld? Thank you."

Adjourned: 6:00 p.m.

Mary A. Morrison
Secretary of the Faculty

REPORT OF THE COMMITTEE ON ADMISSIONS AND FINANCIAL AID

April 14, 1993

FACTORS INFLUENCING CORNELL FINANCIAL AID PRACTICES

I. Brief History of Financial Aid at Cornell

Role of State and Federal Governments

New York State's role in directly supporting students in higher education began in 1913 with the Regents College Scholarship Program, a competitive merit-based award for full-time post-secondary education. The Tuition Assistance Program was established in 1974 to provide access to higher education for students with demonstrated need. Since then, the state has developed several other programs addressing financial needs of students. The federal government began providing some aid to students in 1935, through the National Youth Administration. The G.I. Bill of 1944 and the National Defense Education Act of 1958 significantly expanded the federal role. By 1965 aid for college students had wide legislative support in the form of federal scholarships, wage subsidies for students, and federally insured student loans.

Cornell's Contribution

Since 1867, Cornell has contributed to the financial support of its students through a combination of need-based assistance and rewards for merit. Employment opportunities, loans, and grants were at a relatively low level until the mid-1960's. Greater support from federal and state governments enabled the University to "package" student aid, combining federal, state, and university support through loans, work, and grants. Families were expected to contribute to the extent possible. Scholarships and special funds received from individuals (particularly alumni) and institutions (corporations and foundations) helped Cornell to meet the financial needs of its students.

By 1976 the University was able to meet the full demonstrated need of all admitted students. Cornell practiced a policy of making admissions decisions without regard to the financial situation of the applicants. The policy of separating the admissions decision from the

financial aid decision (the "need-blind" policy) was affirmed by the Board of Trustees in 1981.

Change during the 1980's

In 1981 the federal government began to decrease support for student aid. Funding for grants decreased, and access to loans was restricted under the Omnibus Budget Reconciliation Act. A rapid increase in the cost of attending Cornell strained the resources of both families and the University. Provost Barker initiated a review of the financial aid program in 1985 (see below). In response to a shortfall projected at \$4 million for the next year, Cornell stepped back from a commitment to provide sufficient aid for all admitted students. The new policy stated that needy students "... would be assisted in meeting that need... ". This policy of assistance, rather than commitment to meeting full demonstrated need, was reaffirmed by the Board of Trustees in March 1993.

II. Summary of the "Barker Report" (1985)

Background

For the decade preceding the mid-1980's, Cornell had been able to meet student need for financial aid without straining resources. In the Fall of 1984, the Dean of Admissions and Financial Aid projected an increased demand for all grant/scholarship funds from \$24 to \$41.3 million by 1988-89. Provost Robert Barker established the Commission on Undergraduate Financial Aid to explore ways to meet projected demands for financial aid in the coming years. The Commission's findings, referred to as the "Barker Report", are summarized below. **Although the Commission extensively discussed the diverse and sometimes conflicting plans outlined below, at no time did they take a stand supporting any particular option.** The Barker Report became exploratory rather than prescriptive, despite the initial intent of the Provost. Some of the ideas from the report were later implemented by various Cornell agencies.

Recommendations

The Commission was concerned about supporting the Cornell goal to assure quality, access, and diversity in the student body. The

Commission recognized the importance of a partnership between parents and students, the University, state and federal governments, alumni, and other organizations. They called for some safeguards to ensure that the financial aid policy would not compromise any of Cornell's goals.

suggestions for the short-term (projected deficit of \$4 million for 1986-87)

1. factor inflation into all elements of the aid package
2. discontinue the admissions rating system
3. modify the self-help component to reflect family income, size, indebtedness, and number of children in college
4. target aid to students from underrepresented groups
5. revise the computation for parental contribution
 - a. reflect anticipated, rather than current, assets
 - b. require information on non-taxable income and assets
6. establish an ongoing advisory group
7. initiate a survey of financial aid recipients

suggestions for the long-term (until 1988-89)

1. for general purpose funds
 - a. improve budget planning
 - b. establish a clear budget goal of meeting full grant need, instead of the (current) 14.3% of tuition and fees that is allocated to grant expenditures
2. for restricted funds
 - a. separate funds for grant aid from other funding sources
 - b. start more aggressive investment policy for endowment funds for aid
 - c. develop new initiatives
 - i. increase visibility of student aid needs and giving opportunities
 - ii. increase communication between alumni and students
 - iii. continue fund raising efforts for the Cornell Tradition
 - iv. focus fund raising to increase unrestricted grant funds
 - v. support more development activity

3. outside scholarships

- a. make sure scholarship policy is equitable
- b. create incentives for obtaining scholarships

4. financing alternatives

- a. better support for families obtaining loans
- b. extend costs over longer period than 4 years

5. student indebtedness

- a. standard aid package should contain no more than the current two loan maximum
- b. retain university loans, but improve terms and interest rates
- c. improve financial counselling for loan debt loads
- d. monitor ratio of student indebtedness to starting salaries for graduates

6. student employment

- a. alter student Job and Wage Scale with inflation and market forces
- b. increase wages and raise employment expectation in the aid package
- c. find additional sources to fund wage increases (e.g. New York State work program)
- d. create incentives for students to find work (e.g. Cornell Tradition, College Work Study Program, etc)
- e. change academic calendar to allow more time for summer employment
- f. review off-campus and summer earnings

7. give grant aid for academic costs (tuition and fees), but no aid for non-academic costs (room and board)

Alternatives for the most severe circumstances

- 1. increase tuition to support increases in student aid

2. distribute unmet need across the entire financial aid population
3. offer grant aid assistance to a reduced number of students (i.e. return to pre-1976 policy)
4. distribute unmet need to only a portion of the financial aid population; reduce the number of grant recipients
5. distribute financial burden across the entire Cornell community

III. Growth of the Financial Aid Budget

A. Rise in tuition + fees (endowed) from \$5860 in 1980-81 to \$17,300 in 1992-93; approximately a 10.5% annual increase

1. starting 1980-81, faculty salaries began to keep pace with inflation
2. Cornell reduced spending from endowment funds starting in late 1970's
3. spending on new buildings and maintenance of older buildings increased
4. computers were purchased and linked; computerization of library and administrative records became widespread
5. library costs increased
6. recruitment costs increased
7. a more diverse student body required more aid

B. Declining financial status of families (weak economy)

C. Declining federal and state support

D. The combination of the increase in costs to attend Cornell with the decrease in the number of families that could pay

Figure 1.

General Purpose Funds to Undergraduate Financial Aid

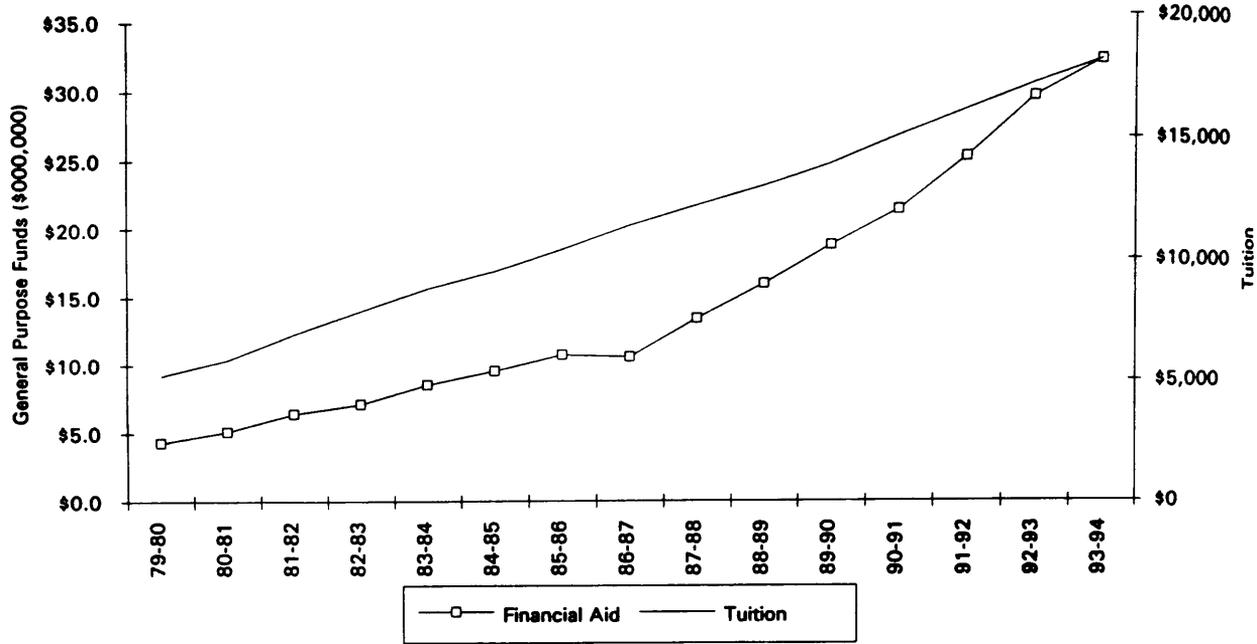
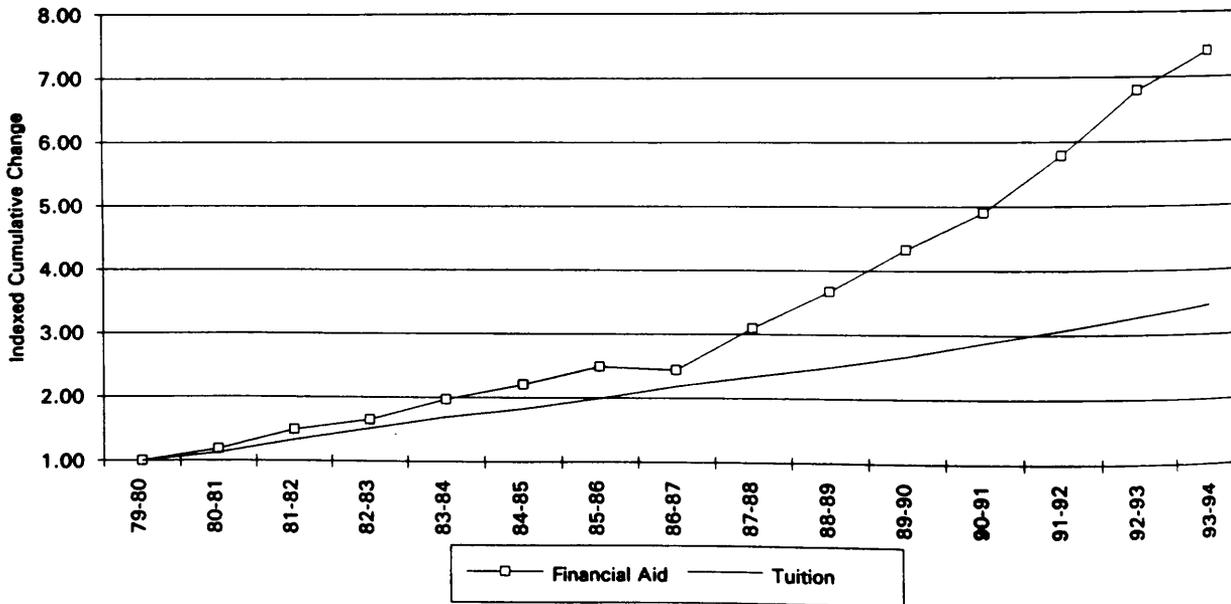


Figure 2

Growth of General Purpose Funds to Undergraduate Financial Aid versus Growth of Tuition



these costs led to the steep increase in expenditures for grant aid (approximately 17% annual increase since 1980-81)

E. Choices for funding financial aid

1. raise revenues
2. squeeze other areas of the budget
3. decrease aid expenditures (see below part IV), including not meeting full need for all accepted applicants
4. combination of (1-3)

IV. Reducing Grant Aid Expenditures

A. "Indexing" grant aid

At the time of the aid offer, Cornell specifies to the family how aid would change in future years, e.g. \$10,000 first year, and 6% increase second year, i.e. \$10,600. This rate of increase would be slower than the rate at which grant aid has been increasing. The amount of aid would be further modified, as is now done, if the family income went significantly up/down. estimated savings \$500,000 per year

B. Multiple Siblings in College

Currently, the family contribution is the same whether one or many students are in college at the same time. This family contribution would increase, as in the following example:

1. For 2 in college- parent contribution would total 120% that for 1, or $120\%/2$, per student. The old way would be $100\%/2$, per student.
2. For 3 in college- $140\%/3$, per student.

All frosh would be treated this way, starting in Fall '93, as would those current students who experience an increase in the number of siblings in college while at Cornell. Current students with multiple siblings in college would not see reduced grant aid, unless the number increased.

estimated savings \$600,000 first year, and \$2,000,000 over next 4 years.

C. Financial Aid "Wait List"

1. Each College submits to the Financial Aid Office a list of the lowest-ranked admitted applicants. For Spring '93, this list was 10% of the total admitted. This 10% was divided by the College into higher and lower priority halves. Depending on the size of the projected shortfall, the following procedure would apply to the entire 10%, or else to the lower 5%.

2. Some of these applicants (as is true for the total applicant pool) will not have filed applications for financial aid. For those who have, the financial aid office will determine need. Loans and work-study aid (as well as any non-Cornell grants) will be available, but Cornell grants will not be offered. This will lead to a "gap" in the resources available to the student, therefore a large fraction of these students will not come.

estimated savings \$800,000 per year.

D. Increase the Loan Component

For years in which we are not at the ceiling of federal loans available, Cornell can increase the loan component and decrease the grant aid component, of the total aid offered. For example, the 4200 grant aid recipients could each see a shift of \$200 from grant to loan.

estimated savings \$840,000 per year

E. Decrease Fraud

It is difficult to estimate the fraction of families who have sent to Cornell fraudulent versions of their tax returns. Currently, a random sampling of 200 aid-recipient families is being required to give Cornell permission to have the IRS send copies of their actual tax return. A significant rate of fraud would result in a future requirement for all aid-recipient families to permit access by Cornell to forms sent to the IRS.

estimated saving for 1% fraud rate:

$0.01 \times (4200 \text{ grants}) \times \$9800 \text{ per grant}/4 \text{ years,}$

or \$100,000 per year
 estimated saving for 5% fraud rate: \$500,000 per year

F. Decrease/Eliminate Grant Aid to Special Groups

1. international students
2. Cornell students studying abroad
3. Summer School students
4. others

estimated saving \$4,000,000

V. Projected Changes in Composition of the Student Body if a Financial Aid "Wait List" is Used

Would a lack of grant aid to students in the lowest-ranked fraction of admitted applicants result in decreased quality/diversity? One way to assess this question is to compare the data for students who are directly admitted with data for students who are placed on an admissions wait list. Each College has used its own admissions criteria to construct that wait list. Data that describe the students on the wait lists have been averaged for all the Colleges in the following table, together with data for admitted applicants:

FRESHMAN ADMISSIONS, FALL 1992

	<u>ACCEPTED</u>	<u>WAIT-LISTED</u>
TOTAL STUDENTS	6232	2056
FEMALE	47%	46%
TOTAL MINORITY	30%	26%
UNDERREPRESENTED MINORITY	13%	3%
FIN. AID APPLICANTS	71%	72%
ATHLETES	9%	5%
INTERNATIONAL	7%	4%
NY RESIDENTS	32%	32%

OUTSIDE NORTHEAST	35%	35%
MEDIAN CLASS RANK	2	4
MEDIAN SAT VERBAL	620	610
MEDIAN SAT MATH	710	690

The gender ratios for the two groups are essentially identical, as are the percentages of financial aid applicants, and the geographic origin within the U.S.. The percentages of underrepresented minorities, athletes, and international students are *lower* in the wait-listed group. The class rank and SAT scores were slightly better for the admitted applicants.

VI. Experiences of Other Institutions

While Cornell typically measures itself against the other Ivy League institutions when dealing with admissions and financial aid, a larger peer group includes schools such as Duke, Northwestern, Georgetown, and Johns Hopkins. Currently, many of these institutions (with the probable exceptions of Harvard and Princeton) are examining the allotment of financial aid and the impact on composition of the student body of changing need-blind admission policy. The following information shows the impact of policy changes on the composition of the student body of several institutions, using data for years before, during and after changes in financial aid policy. Schools shown are members of the Consortium of Higher Education.

University A, a decade ago, quietly changed from need-blind admissions to "need-conscious": students are admitted until a defined financial aid budget is used up. Thereafter, students who need grant aid are not admitted:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	7%	7%	7%
Hispanic-American	3	4	6
Asian-American	6	10	16
race unknown	-	-	-
international	6	8	9

Caucasian	79	71	62
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University B did not formally announce, but did recently start a policy of admitting students, but denying them grant aid:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	9%	8%	10%
Hispanic-American	6	7	9
Asian-American	9	9	20
race unknown	-	-	7
international	3	2	4
Caucasian	75	74	52

University C recently implemented a need-conscious policy specifically for applicants placed on the wait list. These wait-listed students are admitted without grant aid:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	8%	10%	11%
Hispanic-American	2	5	8
Asian-American	4	6	11
race unknown	-	9	4
international	3	-	2
Caucasian	83	76	64

College A recently changed to a need-conscious policy; when the financial aid budget is used up, applicants who need grant aid are not admitted:

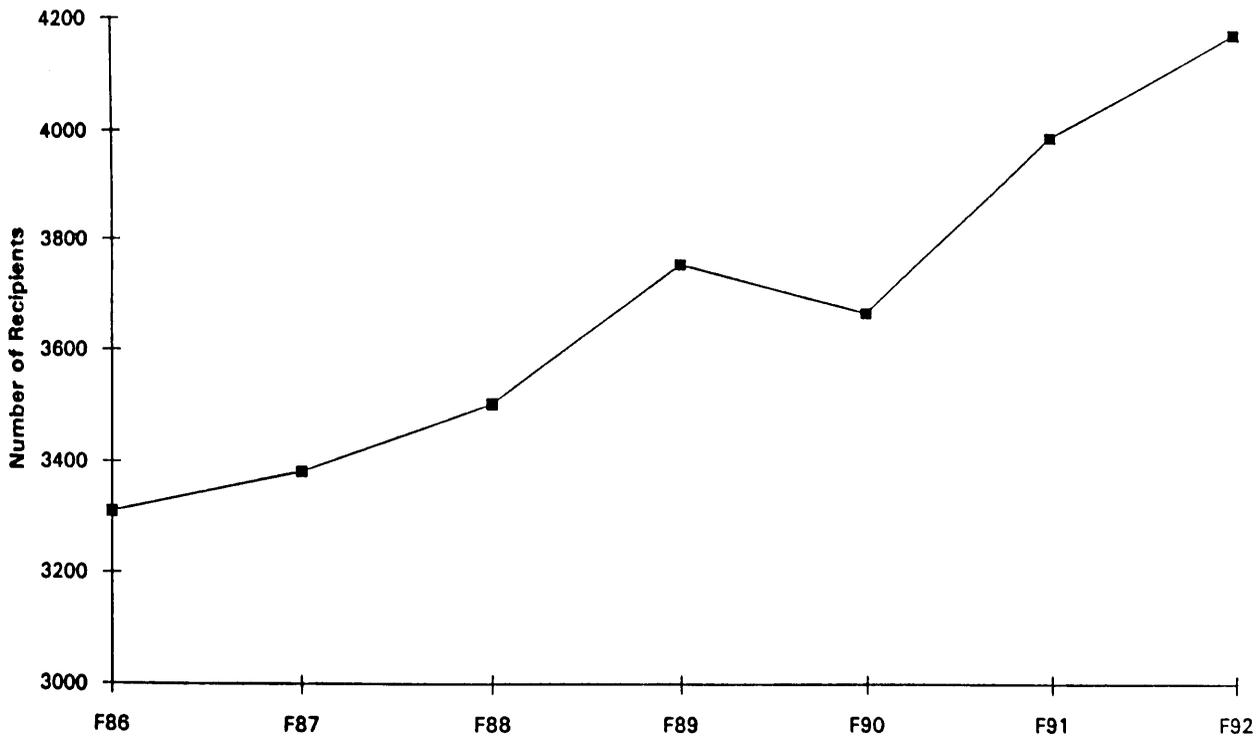
	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	4%	4%	3%
Hispanic-American	2	3	4
Asian-American	5	11	16
race unknown	-	-	-
international	6	5	8
Caucasian	77	71	68

Cornell has not yet changed its practice of need-blind admission, with full funding of all accepted applicants:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	5%	5%	5%
Hispanic-American	4	4	6
Asian-American	9	12	16
race unknown	-	-	13
international	4	3	7
Caucasian	75	75	52

Figure 3

Change in Grant Recipient Population



April 7, 1993

REPORT FROM THE COMMITTEE ON NOMINATIONS AND ELECTIONS

SLATE OF CANDIDATES

(all terms commence July 1, 1993 unless otherwise indicated)

AT-LARGE MEMBER, FCR 4 vacancies, 3-year terms

Harold Bierman, Jr., Nicholas H. Noyes Professor of Business Administration
 Daniel J. Decker, Associate Professor, Natural Resources
 Donald F. Holcomb, Professor, Physics
 Richard E. Ripple, Professor, Education
 Richard E. Schuler, Professor, Economics and Civil and Environmental Engineering
 Steven H. Shiffrin, Professor, Law
 Leslie E. Trotter, Professor, Operations Research and Industrial Engineering

COMMITTEE ON MEMBERSHIP OF THE UNIVERSITY FACULTY

1 vacancy, 3-year term

Carole A. Bisogni, Associate Professor, Nutritional Sciences
 David A. Caughey, Professor, Mechanical and Aerospace Engineering
 Paul R. Eberts, Professor, Rural Sociology

NOMINATIONS AND ELECTIONS COMMITTEE - 3 vacancies, 3-year terms

Roger C. Cramton, Robert S. Stevens Professor of Law
 James J. Eyster, Hospitality Valuation Services Professor of Hotel Finance
 and Real Estate
 Jerome E. Hass, Professor, JGSM
 S. Kay Obendorf, Professor and Chair, Textiles and Apparel
 Wolfgang H. Sachse, Meinig Family Professor of Engineering

REVIEW AND PROCEDURES COMMITTEE - 3 vacancies, 3-year terms

John J. Barcelo, A. Robert Noll Professor of Law
 Lourdes Beneria, Professor, City and Regional Planning
 Daphne A. Jameson, Associate Professor, Hotel Administration
 Michel Y. Louge, Associate Professor, Mechanical and Aerospace Engineering
 Paul R. McIsaac, Professor, Electrical Engineering

(over)

UNIVERSITY-ROTC RELATIONSHIPS COMMITTEE -

2 vacancies, 3-year terms

Paul M. Kintner, Professor, Electrical Engineering
 Peter L. Minotti, Associate Professor, Fruit and Vegetable Science
 Barry S. Strauss, Associate Professor, History
 Frank W. Young, Professor, Rural Sociology

COMMITTEE ON ACADEMIC FREEDOM AND PROFESSIONAL STATUS OF THE FACULTY - 2 vacancies, 3-year terms

Terrence L. Fine, Professor, Electrical Engineering
 James P. Lantolf, Professor, Modern Languages and Linguistics
 Philip D. McMichael, Associate Professor, Rural Sociology
 Peter Schwartz, Associate Professor, Textiles and Apparel
 Richard N. White, James A. Friend Family Distinguished Professor of Engineering

COMMITTEE ON ADMISSIONS AND FINANCIAL AID -

3 vacancies, 3-year terms

Bertha A. Lewis, Associate Professor, Nutritional Sciences
 William L. Olbricht, Associate Professor, Chemical Engineering
 S. Leigh Phoenix, Professor, Theoretical and Applied Mechanics
 Andrew Ramage, Professor and Chair, History of Art
 John L. Shirk, Professor, Military Science

COMMITTEE ON AFFIRMATIVE ACTION 1 vacancy, 3-year term

Carlos Castillo-Chavez, Associate Professor, Plant Breeding and Biometry
 Sally McConnell-Ginet, Professor, Modern Languages and Linguistics, and
 Director, Women's Studies Program
 Syed A. Naqi, Professor, Avian and Aquatic Animal Medicine

FACULTY ADVISORY COMMITTEE ON ATHLETICS AND PHYSICAL EDUCATION - 1 vacancy, 3-year term; 1 vacancy, 1-year term

Robert J. Babcock, Associate Professor, Human Service Studies
 David L. Brown, Professor and Chair, Rural Sociology
 Jonathan P. Tittler, Professor, Romance Studies

COMMITTEE ON FINANCIAL POLICIES 2 endowed vacancies, 3-year terms

Avner Arbel, Professor, Hotel Administration
Alan K. McAdams, Associate Professor, JGSM
Dorothy M. Mermin, Professor, English
Francis C. Moon, Professor, Theoretical and Applied Mechanics
Karl Shell, Robert Julius Thorne Professor of Economics

RESEARCH POLICIES COMMITTEE 1 non-tenured vacancy, 3-year term

Noa Noy, Associate Professor, Nutritional Science
Yosef Y. Shacham, Assistant Professor, Electrical Engineering

UNIVERSITY ASSEMBLY - 3 vacancies, 2-year terms beginning June 1, 1993

Arthur L. Berkey, Professor, Education
John F. Booker, Professor, Mechanical and Aerospace Engineering
Kent L. Goetz, Assistant Professor, Theatre Arts
Kenneth A.R. Kennedy, Professor, Ecology and Systematics
David I. Owen, Professor, Near Eastern Studies

Overview

- National agenda
- Cornell perspective

National agenda

- **Social, political, and economic concerns**
- **Institutional issues**

Social, political, and economic concerns

STANFORD YACHT
YARDS OF BOOKS
CNN "ABSENT PROF"
HOUSE SELECT COMM.

BOOK "LEADERSHIP BURDENED
W/ FUND RAISING & ADMIN DUTIES"

- Public opinion

- Demographic trends

POOL OF TRADITIONAL AGE STEADY AT BEST
REGIONAL TRENDS WORSE THAN NATION

- Families' ability to pay

GROWTH OUTSIDE OF US HISTORICAL ETHNIC BASE
TUITION GROWTH OUTSTRIPPED MFI IN 80s.
MADE UP BY BORROWING ON REAL ESTATE
PERSONAL SAVINGS STILL LOW

- Recession/unemployment

DIFFICULT INVESTMENT CLIMATE
IMPACT ON STATE AND FED GOVT
COMPETING ENTIREMENTS

- National education policy

STABILITY OF AMBIDRO

F/A
ICR

BUSH THE EDUCATION PREZ?

DOES NEW LEADERSHIP RECOGNIZE

STRATEGIC IMPORT OF RESEARCH
UNIVERSITIES

Institutional issues

INEXORABLE LINK TO F/A
WHOM ARE WE ALREADY EXCLUDING?
INSTITUTIONS STRUGGLING TO PROVIDE
ACCESS.

- Tuition policy and financing
- Productivity and cost control
- Capital renewal and replacement
- Planning and budgeting
- Funding of research and indirect cost recovery

CANNOT INSTITUTE SHORT-TERM SAVINGS
THAT KILL US OVER LONG HAUL!
H.E. HIGHLY LABOR INTENSIVE
DELIVERY SYSTEMS MAY HAVE TO CHANGE

HOW TO FUND CORE RENEWAL
NOT A COMPONENT OF NATION
EXTENDS BEYOND BUILDINGS TO
TECHNOLOGY, PEOPLE, ETC

CAN'T BE SO CONSUMED BY BUDGET
ISSUES SO WE DON'T PLAN
GREAT INSTITUTIONS JUST DON'T
HAPPEN

SOCIAL COMPACT. HOW TO RECONCILE
EXPECTATIONS w/ COMMITMENT

Cornell perspective

- **University-wide strategic framework**
- **College and unit planning**
- **Quality Improvement Process**

Building a framework for university planning

- **What's special about this effort?**
- **Who's building the plan?**
- **Where are we in the process?**

What's special about this effort?

- **Comprehensive review of external forces**
- **Careful examination of internal realities**
- **Active participation by stakeholders**
- **Linkage to resource allocation**
- **An ongoing process**

Who's building the plan?

- **Responsibility with VP for Planning**
- **Strategic Planning Advisory Board**
- **Strategic Planning Support Team**
- **Faculty Advisory Committee**

Phase I activities

- Study groups engaged in definition of critical issues
- Stakeholder analysis of key constituencies
- Consultations with campus community and beyond

Study groups

- Oriented to mission and function
- Broadly representative
- Each to identify 5 to 10 key issues
- Reporting to Advisory Board in April
- Publication available in May

Study groups

- **Cornell Workplace (Lipsky)**
- **Undergraduate Teaching and Learning (Randel)**
- **Student Recruitment and Retention (Ford)**
- **Graduate and Professional Education and Research (Jelinski)**
- **Public Service, Outreach, and Extension (Dullea)**
- **Financial and Physical Resources (Rogers)**
- **University Organization and Support Services (Cornell)**

Consultations

- College Faculties
- Assemblies
- Management support groups
- Cornell Council
- President's Council of Cornell Women

Stakeholder analysis

- Surveys
 - Academic staff
 - Non-academic staff
 - Students
 - Graduate follow-up
- Focus groups

Campus survey overview

Group surveyed	Number distributed	Adjusted response rate
Academic staff	800	75%
Non-academic staff	1000	79%
Students	1500	54%

Campus stakeholders

Group	Dissatisfied	Neutral	Satisfied
Academic staff	11%	24%	65%
Non-academic staff	15%	28%	57%
Students	7%	19%	74%

Peer comparison

- Bryn Mawr College
- Carleton College
- Cornell University
- Georgetown University
- Northwestern University
- Pomona College
- Princeton University
- Smith College
- Swarthmore College
- University of Pennsylvania
- University of Rochester
- Washington University
- Wellesley College

COFHE graduate follow-up survey

- **Class of '84 surveyed in 1991**
- **Cornell participants = 979 (42% response)**
- **Topics**
 - **Satisfaction with educational outcomes**
 - **Postgraduate experience**
 - **Indebtedness**
 - **Alumni involvement**

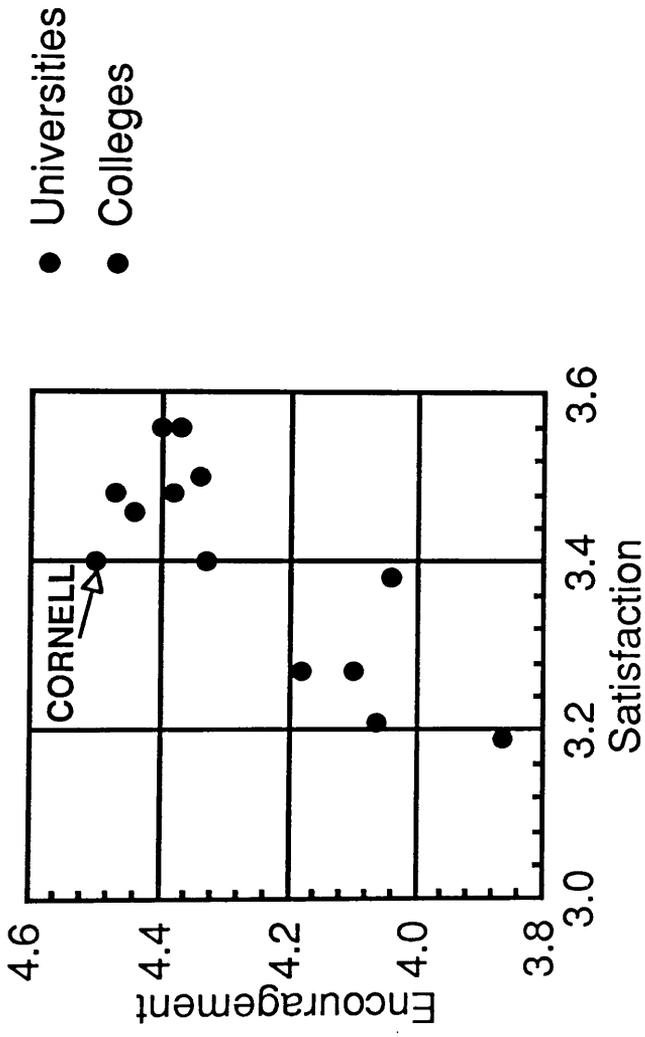
Overall satisfaction

- Overall, how satisfied have you been with your undergraduate education?
 - Responses from "Very dissatisfied" to "Very satisfied"
- Would you encourage a current high school senior who resembles you when you were a high school senior to attend your college?
 - Responses from "Definitely not" to "Definitely"

Educational outcomes

- How important in your current life are the following outcomes that are possible from attending college?
 - Responses from "Not important" to "Essential"
- To what extent do you feel your college helped you to gain or make progress in each of the following areas?
 - Responses from "Very little" to "Very much"

Satisfaction indices



CU in top 3

- Quantitative thinking*
 - Understanding new science and technology*
 - Awareness of consequences of new science and technology*
 - Understanding experimental science*
 - Preparation for further education
- Vocational training*
 - Information relevant to career*
 - Functioning as a team member*
 - Leading and supervising groups*
 - Understanding good health habits and physical fitness

Outcome rated as
"Essential" by more than
40% of Cornell respondents

CU in bottom 3

- Broad general education
- Understanding and appreciating the arts*
- Knowledge of literature
- Knowledge about other parts of the world
- Importance of history

Outcome rated as
"Essential" by more than
40% of Cornell respondents

Coming attractions

- Reports of Study Groups
- Stakeholder analysis
- Reviews of mission and values

MINUTES OF A COMBINED MEETING OF THE
FACULTY COUNCIL OF REPRESENTATIVES
AND THE UNIVERSITY FACULTY

May 12, 1993

Sixth Meeting of 1992-93 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **CALS:** Awa, N.E. (3); Baer, R.A. (5); Berkey, A.L. (5); Ewert, D.M. (5); Feldman, R. (5); Gillett, J.W. (5); Pritts, M.P. (5); Riha, S.J. (4); Shapiro, M.A. (4); Slack, S.A. (4); Smith, M. (2). **AAP:** Drennan, M. (spg. only)(3). **A&S:** Blume, L.E. (4); Castillo, D. (spg. only)(2); Darlington, R.B. (5); Feigenson, G.W. (3); Hayes, D. (4); Keil, F. (3); Kennedy, K.A.R. (5); Shanzer, D. (5); Strang, D. (3); Strauss, B. (4); Usner, D. (4); Volman, T.P. (5). **Engr.:** Farley, D.T. (4); Giannelis, E. (4); Kay, R.W. (6); Moore, F. (2); Philpot, W. (2); Raj, R. (4); Warhaft, Z. (4). **Hotel:** Dunn, D.C. (6). **H.E.:** Garner, C.E. (5); Laquatra, J. (5); Schwartz, P. (6); Wethington, E. (6). **ILR:** Abowd, J. (3). **JGSM:** McAdams, A.K. (6). **Law:** Alexander, G.S. (3). **Libr.:** Atkinson, R.W. (5). **Vet. Med.:** Casey, J.W. (1); Hermanson, J.W. (5); Meyers-Wallen, V. (5). **At-Large:** Allen, J.A.V. (5); Farley, J.T. (6); Kazarinoff, M.N. (5); Lucey, R.F. (6). **Faculty Trustees:** J.M. Calvo (4).

Absent: **Afr. Ctr.:** Edmondson, L.G.E. (1). **CALS:** Baveye, P.C. (4); Hudler, G.W. (2); McCormick, C.C. (3); Parks, J.E. (3); Ranney, C.K. (3); Rockcastle, V.N. (5); Tauer, L.W. (5); White, S. (spg. only)(0). **Geneva:** Koller, W. (3); McLellan, M.R. (3); Shelton, A.M. (2). **AAP:** Jarzombek, M. (1); Perlus, B.A. (1). **A&S:** Barzman, K. (spg. only)(2); Bathrick, D. (0); Berger, A. (2); Coleman, J.E. (1); DeVoogd, T.J. (3); Hamill, O.P. (0); Howland, H.C. (3); Livesay, R. (2); Loring, R.F. (3); MacDonald, J.F. (spg. only)(2); Mitchell, J. (0); Mullen, H. (0); Rusten, J.S. (4); Rutten, A. (5); Siggia, E. (3); Speh, B. (4). **Engr.:** Brown, G. (5); Parks, T.W. (3); Rand, R.H. (4); Seyler, C. (2); Subramanian, D. (2). **Human Ecology:** Hahn, A.J. (spg. only)(0). **ILR:** Kuruvilla, S. (4). **JGSM:** Lind, R.C. (0). **Law:** Taylor, W.F. (0). **ROTC:** Shirk, J.L. (3). **Vet. Med.:** Ball, B. (2); Dubovi, E.J. (1); Farnum, C. (2); Weiland, G.A. (1). **At-Large:** Levitsky, D.A. (2); Lumley, J.L. (0); MacDougall, B.G. (1); Norton, M.B. (3); Walter, M.F. (3); White, R.N. (3). **Faculty Trustees:** I. Kramnick (0).

Walter R. Lynn, Dean of the Faculty: "The meeting will come to order, please. This is the last meeting of the Faculty Council of Representatives and it's a joint meeting with the University Faculty and I welcome you all. We do have a full agenda today and some topics of great interest to you. Although I am up here today, I'll explain why I am at the podium. The Speaker, Russ Martin, was unfortunately unable to be here but we do have a substitute Speaker and I think it will become clear to you why we are following this procedure. I will eventually ask for unanimous consent for you to allow Bob Cooke to serve as Speaker but he first has to make a presentation and we will get that done before he takes the chair to address the issues that have to be debated at this meeting.

1. DEAN'S REMARKS

"I do want to make a few comments about our meeting. There have been a lot of concerns expressed about the governance issues and I should point out to you that we have had six meetings this year and two were joint meetings of the University Faculty

and the FCR and there has been a quorum at each one of those meetings. And those who bemoan the fact that the FCR has not produced a quorum have to take that into consideration. The Review and Procedures Committee has looked at the question of our governance and at least to date has not considered that any reconstructing of the system is appropriate at this time but that may come up again at a different time depending upon the performance of this body in the future. But it's been good, well behaved and has done its job as designated to do.

"I do have a sad event to bring to you at the moment and it is to announce the deaths of faculty members since the publication of the 1991-92 Memorial Statements. These faculty are:

Thomas J. Baird
Thomas H. Canfield
James H. Clancy
Lola Dudgeon
Gordon P. Fisher
John C. Gebhard
George R. Hanselman
James L. Hoard
Clyde E. Ingalls
Matthew Kelly
John E. Kinsella
Guilford L. Mack
Frederick G. Marcham
Donald R.M. Paterson
Roger C. Pearson
Helen J. Recknagel
George F. Scheele
Robert H. Siegfried
Laura L. Smith
Ora Smith
Gladys L. Butt Van Cleve
Kathryn Visnyei
Robert J. Walker
Donald R. Yennie

"Please join me and rise for a moment of silence. Thank you. Articles on all these colleagues will appear in the 1992-93 issue of Memorial Statements of the Faculty. It has been our practice over the past few years, that when that volume is ready, a memo will be sent to every faculty member and you can indicate whether you wish to receive a copy.

"I want to use about two minutes of this meeting to express my personal thanks to some great people who have made the job of the Dean of the Faculty a great pleasure,

in addition to you all of course. Mary Morrison, an Emerita Faculty member, has really been a superb Secretary of the Faculty. She's done a great service to that office, with loyalty and vigor, and it has been a pleasure to work with her and I want to express that directly. I wish Russ were here because Russ has also continued to serve as Speaker and survived all the Deans that I can remember. Except for Bob Cooke who spent a period of time doing this, Russ has been a perpetual Speaker, and I'm sorry that he isn't here. Another thing that you are all aware of, we have two great people in the Dean's office that make the Dean's office a viable entity and that's Judy Bower and Sandie, now Sutfin, used to be Phelps. These two ladies make the Dean of Faculty's job viable. They contain all the resident memory that's essential so that when a novice like myself and when Peter, in spite of his long standing relationship with the faculty, finds out all the things that the Dean of Faculty is supposed to do. Those ladies know what needs to be done, it's an education and frequently frightening. But nobody tells anybody that when they run for this office so I want to express for the record, for the archives of this organization, how great it has been to do that. I want to tell you that it has been a great party and I have enjoyed it and for those of you who will be recruited to serve in this capacity in the future, it's really a great job, it really is. It's the best Dean's job in the house, it's an opportunity to represent the faculty. There are no budget requirements so you don't have all the trials and tribulations that the usual Dean's job has and it's an opportunity to deal with the essence of what the University is about in a variety of interesting ways. When you are asked, I hope many of you will consider that in the future and I hope you can look forward to it with some pleasure. It's really an interesting and delightful job.

"Lastly, my other announcement is to remind you that there is a new Commencement exercise this year which will take place on Saturday the 29th at 5:00 p.m. in recognition of the Ph.D. degrees that will be awarded and that is a substitute for having the Ph.D. candidates rise individually and have their photograph taken. While 25,000 people enjoy that, most have little relationship to that. There's a different ceremony, I hope you will come with cap and gown or without but I hope that you will attend. There is a section for the faculty reserved for those participating.

"Now to the other business before us. I have asked four of the standing committees to provide you with a brief interim report, verbally. There are some written materials that are available up here on their activities to date and I have asked them all to limit their time to approximately five minutes. I would like to now call on Michael Steinberg who is the Chairman of the Committee on Academic Programs and Policies."

2. INTERIM REPORTS OF STANDING COMMITTEES

Committee on Academic Programs and Policies:

Assistant Professor Michael Steinberg, History: "The two documents (Appendix A) that were sent out in conjunction with the agenda for today's meeting both address one

issue that the Committee on Academic Programs and Policies has been spending the vast majority of its time over the past two years, and that is the issue concerning the status of the so-called academic non-faculty at Cornell. We will be preparing a set of more formal recommendations that will probably be released sometime in the Fall. But the Dean and the Committee thought it would be a good idea to send you an interim written report which consists of the report from the Subcommittee on Academic Non-faculty and a brief introduction the Committee prepared at its last meeting. The Subcommittee on the Status of Academic Non-faculty was formed in 1989 and the report you have here was delivered to the committee in the Fall of 1992. This year was spent by the full committee deliberating this issue and meeting with members of different constituencies involved, both on the administrative and chairperson side and on the side of lecturers and senior lecturers, etc. The report is written in very general terms and general principles, not trying to deal with legalistic specifics and obviously that is one of its subconscious weaknesses at this point. The issues are really three-fold. They have to do with the status on a body of people, which consists of 40% of the academic employees at Cornell of which lecturers and senior lecturers make up 13%. The first issue is the general status of these colleagues. The second issue is the salary issue. The third issue is the question of leaves, both paid and unpaid leaves and whether there is any reason that the faculty should take a position on that issue. The status issue we will divide into sub-issues. One is the actual name of the category. The committee feels in general that the name of academic non-faculty has a negative feel to it which may be unnecessary although very difficult to come up with a viable substitute that technically separates those colleagues from technical faculty. One of our committee members came up with the idea 'academic associates' even though that's not in the written version of what you have. I thought we might propose that and see if there's any reaction to it. The obvious problem here is coming up with a set of recommendations that we will present to the faculty and say something constructive on this extremely decentralized issue. In other words the role of academic associates or so called academic non-faculty differs dramatically in different parts of the University not only in the different colleges but within different areas of the colleges. So obviously, one of the real problems of the University committee is to come up with a set of recommendations that will do good in this vastly decentralized context. So let me just conclude by saying that the committee would welcome reactions and hopes to conclude this discussion in the Fall. Thank you very much."

Dean Lynn: "We have a minute and a half for any questions."

Joel Porte, Frederic J. Whiton Professor of American Literature: "How about considering adjunct teaching staff?"

Professor Steinberg: "The report as it stands now, distinguishes between lecturers and senior lecturers on one side who have an expectation of being on the staff for more than one year. It recommends in fact some kind of separation of status in category between teaching staff and teaching colleagues who in fact expect to be here

for a long period of time even though contractually they may not be assured of an arrangement and of visitors who are here on a short term basis. One of the ways that this report thought the status of the lecturer and senior lecturer could be enhanced is to make those distinctions.”

Dean Lynn: “Are there any more questions? Let me just remind you that the committee began on this issue when the Financial Policies Committee, about three years ago, proposed to look at increasing faculty salaries by 10% and they said the only way to accomplish that is to have a reduction in staff of about 4%. That prompted this committee at that point to ask, ‘What would the impact be?’, and so that’s the genesis of this review. It did not start out as a matter of looking at this group of individuals, Lecturers and Senior Lecturers, but it arose in that context of opening up more positions to the Lecturers and Senior Lecturers as replacements for faculty members. Thank you very much. The next interim report is from Professor Robert Lucey, Co-Chair, Financial Policies Committee.”

Reports of Subcommittees of the Financial Policies Committee:

Professor Robert Lucey, E.V. Baker Professor of Agriculture: “As reported in previous meetings, the Financial Policies Committee has been focusing on four areas. These four areas, to remind you are, transfer pricing, statutory financial policy agenda, University scale and diversity, and endowment management policies (Appendix B, attached). Larry Blume will make the comments on transfer pricing and endowment management policies.”

Professor Lawrence Blume, Economics: “I will comment first on transfer pricing. Operating units at Cornell produce services they provide both for themselves and for other units. Examples include the teaching of students in one college, that are done by other colleges, the so-called accessory instruction issue; and the provision of library services, computer services, things like that. Our committee has been looking into how the cost of these services are allocated among the various units. But more importantly how these costs and procedures affect the choice of what services to provide, what services to procure elsewhere and if they are procured elsewhere where to procure them. In other words, what we are looking at is the role of the University's cost allocation process in the decentralized decision making that goes on in a University as large as this. Our first step in studying that issue was trying to understand how the cost allocation process actually works. The report that you have been provided with in fact is a brief description of the cost allocation process and raises some issues that occurred to us as we looked at this process. At this point the committee has no recommendations but my expectations would be that the committee will be working on this for the next year in particular with respect to more substantial issues.

“The second issue that I’m going to report on are some issues on the endowment management policy. A faculty group raised some concerns last Fall about the

accounting procedures that are used with respect to managing investment and the endowment. I'm not going to get into what those issues are here, but I will tell you that since these issues have been raised, discussions have been going on between the faculty group and members of the administration who are engaged in financial policy. These discussions have been going on all year. I have a memo that was produced just yesterday with respect to these discussions, coming to some understanding about how various University accounting procedures work and whether they are appropriate or not. I expect that these discussions will be concluded rather soon. When they are concluded, if the Financial Policies Committee thinks it's appropriate to release recommendations to the FCR concerning debt and policy, things that we might like our administration and Trustees to look at, we will do so. That might be an item on the agenda in the Fall."

Professor Lucey: "Another group of the Financial Policies Committee is University Scale and Diversity. The primary focus of this group has been to analyze patterns of student enrollment in courses. This is because as they study it, it becomes extremely important to recognize that teaching is an essential activity within the University and a better understanding of these patterns is important for intelligent decision making. They recommend an analysis of patterns of student enrollment and routine compilation each semester by the University of course enrollment and teaching data. John Wiesenfeld has indicated to this committee that he is willing to provide support to help with this activity. This material should be organized into a database which would facilitate consideration of issues such as the following: How many courses at various levels of enrollment and instruction are offered by Cornell? What is the average class size experienced by, say, a junior in Arts and Sciences or by a senior in Chemical Engineering? It is important to get this view from the student's standpoint as well. How have the answers to questions such as those in items 1. and 2. changed over time? The trends are going to be very important in looking at this to make rational decisions.

"The members of this committee recognize that it has been beneficial to develop an overall view of the University's finances encompassing both the statutory and the endowed. The previous organization of the committee just focused on the endowed issues and I think the rest of the committee supports that concept very well. They recommend that the current committee structure with two co-chairs, one endowed and one statutory, be continued. They have some suggestions on how that might be arranged. Among the statutory issues considered were:

- Improved dental coverage (While this was a carry over actually from a previous committee, it was implemented just recently. So, this committee is not taking much credit for it; nevertheless, it recognized the issue.)
- Student tuition as a revenue source compared to family income in New York State

- Changing sources of research support

Issues that they feel are important to address in the future are:

- Compression of salaries by rank
- Child care for faculty and staff
- Spouse employment in Tompkins County

These issues are written up in more detail in your handout.”

Committee on Academic Freedom and Professional Status of the Faculty:

Dean Lynn: “On behalf of the Committee on Academic Freedom and Professional Status of the Faculty, I want to report to you that it has been extraordinarily busy addressing two grievances. Members of that committee are here today. Professor Schwartz, who chairs it, asked that I make this report to you. There have been two major complaints by faculty. As you know, one of the committee’s functions is to address complaints that faculty members have about their treatment either by colleagues, the administration, or whomever. The committee has addressed two major complaints by faculty members and has completed one report in its final form, and has issued a draft report as well. So this is just to report to you that this is a very busy and important committee and I want to commend it for the work it has done.

“Now, I would like to call on Professor J. Robert Cooke, who is a member of the Faculty Commission on Higher Education. You will recall earlier in the year you received a report from Peter Stein, Dean elect, who reported on his analysis of the financial status of the University in terms of expenditures and income. Professor Cooke, who is a member of that Commission, has prepared a report for your information on Financial Trends for the Statutory Colleges in the Context of the University.”

Faculty Commission on Higher Education -- "Financial Trends for the Statutory Colleges in the Context of the University" (Appendix C, attached).

Professor J. Robert Cooke, Agricultural and Biological Engineering: “I’m going to move through this rather quickly so feel free to interrupt me if I am moving too quickly. This is a companion report to the one Peter Stein gave earlier. It shows both the statutory trends and also shows the comparisons between endowed and statutory. I just want to call your attention to the fact that the report is a report from a member of that Commission. The Commission is not operating in a manner which approves the reports before the fact but the reports are to be viewed as background material and the Commission will make recommendations which it will then stand behind.

"Next thing I would like to do is to indicate how important it was to get my hands on data and especially how impressed I was with the cooperation and the command of the situation from Nathan Fawcett, John Hartnett, and Kate Curtis.

"This (Chart 1) shows the enrollment trends and you can see that the total undergraduate enrollment has increased slightly from the period of 1980 to 1992. Along about the middle of that period the total endowed undergraduate enrollment was purposely allowed to increase. The statutory stayed relatively constant and the graduate enrollment, the total enrollment also went upward about 20%. If you've been attending Commencement on a regular basis, you will have noticed that the number of Ph.D.'s coming across the platform has increased but the much larger change was the increase in the Master's degree in the endowed part of the University. Perhaps the thing to remember about this chart is that we have had relatively constant enrollment over that entire period. This was a policy decision that was implemented and carried out, but the fact that it is relatively constant, is an important observation, I think.

"Statutory colleges have a history that goes back over the length of the entire history of the University. Agriculture and Mechanical Arts were part of the original founding of the University. Just before the turn of the century in 1896, the Veterinary College was founded as a separate college with funding from the State of New York. In 1904, Agriculture became a distinct College and received State Support. In 1925, Home Economics (now Human Ecology) became a distinct Statutory College. In 1944, the School of Industrial and Labor Relations, with New York State Support, became the first such program in the nation. So Ag, Human Ecology, ILR and Vet are the four statutory colleges. This transparency (Chart 2) makes clear that the quality of the undergraduates, entering freshmen, in the statutes is indistinguishable from the rest of the University. Of the percent of freshmen entering Ag and Life Sciences this past year, 86% were in the top decile of their high school class, Human Ecology, 85%, ILR, 77%. Engineering was highest with 89% and Arts and Sciences second with 88% so you can see that the statutory colleges are clustered along with the rest of the University and that they are basically indistinguishable in quality, if you haven't noticed that already from your classroom contact.

"Graduate degrees awarded (Chart 3) shows the trends that go up and down because when a student finishes is somewhat unpredictable, but one thing is obvious from this, that the number of masters in the endowed has increased dramatically.

"Here is one of the major trends (Chart 4) to etch in your brain, one that was a motivating influence for my putting as much time in on this. I think this spells trouble for the University and certainly it means we are going to be deeply stressed in trying to live up to the vision of Ezra Cornell in making this University open to all people. You can see that the top curve is the endowed undergraduate tuition, and it has been increasing at the rate of about \$1,150 a year for about 15 years. And it does not take

an agricultural engineer to recognize that that spells trouble. The statutory, non-New York State resident tuition is a substantial fraction of that and has tracked the endowed tuition rather closely. The statutory resident started out about \$1000 in 1966-67, and it also tracked upward as the endowed has gone up and I will explain why. The linkage between those two is so substantial. The bottom curve is room and board. So now the statutory tuition has in fact passed room and board, crossed over that line. But this is one of the danger signals; it's a danger to the kind of diversity that we claim to believe in, but it also, as Peter Stein was suggesting at the other presentation, is a danger to the financial stability of the University as well.

"Chart 5 shows tuition, fees, room and board in constant dollars without the inflation index, the same curve, and the thing that is apparent is that tuition and fees are increasing rapidly. The real cost is going upwards at a fairly substantial rate. In fact, if you want to place this in context, medical colleges have been well known and notorious for having high tuition because of the small enrollments and the intense student-faculty contact and the expensive laboratory equipment (the Cornell Medical College has a class of about 100 students). Whereas, the freshmen education in Ithaca is often characterized by students' participation in very large classes. So if you use the Medical College as an index, you see (Chart 6) that the endowed part of tuition is 87% of the Medical College degrees, despite this great disparity and despite the fact that a Medical student has a much greater earning capacity for paying that debt off than would a student in an undergraduate degree in the endowed college here at Cornell, in Ithaca. The statutory non-resident is 67% and statutory resident is 35%.

"If you want to try to bring the statutory tuition down, which was one of the things that prompted this study, what are the key ingredients that make up the statutory tuition. This is the resident tuition (Chart 7). You can see that it's past the \$7,000 level, but you'll see that 60% of the tuition is passed through for central services and financial aid. Only 30% is kept for college income. Now, it is about \$2,000 per resident that the Dean of the College would be able to retain and use for operating the educational program of the college. And 10% goes to SUNY and is passed through. Cornell's tuition is among the highest in the nation, second only to Vermont but dramatically higher than Davis or Michigan or Minnesota or Wisconsin or other places that you might think of as a comparison for the quality of educational programs. So my conclusion is that tuition has gone up about 20% more than inflation, and if you want to do anything about it you are going to have to do something about the part that's passed through going to the endowed.

"This example (Chart 8) shows an example of the linkage between the statutory and the endowed. There are three things that are collected from the statutory. I just showed you the administrative support which was about 60% of the resident tuition. There is another item that is handled as a separate appropriation for the most part for the State of New York which is accessory instruction. This is the net payment for courses taken as students move among colleges and the balance is always in favor of

money flowing to the endowed except in the Vet College. The Ag. College puts in about \$400,000 cash from local sources to supplement the amount from the State. Accessory instruction is climbing steadily and the financial aid also is a non-trivial piece of that, so there are the three items that flow from the statutory to endowed. The percent increase in financial aid is larger than you might think simply because it's a smaller base than the administrative support.

"Here (Chart 9) is the 1992-93 general purpose overall operating plan of revenues and the alarming thing is that 73% comes from tuition and fees so that literally the students are paying your salaries. And you could look under Sponsored Programs and Investment Income and the Trustees are working very diligently on getting Investment Income up. The giant contribution comes from tuition which means that we really are very dependent on having students show up and having them be willing to pay what we charge.

"Here (Chart 10) are the expenditures and there's only one thing on this that I want to call to your attention and that is financial aid, 34.9 million, which is bigger than 29 million that goes to operate the College of Engineering. It has become a very serious component in the revenue and expenditure. The faculty will have further discussion this afternoon on the financial aid policy. I would like to suggest that the financial aid problem is only a small part of the total problem. I think this (Chart 11) is the real problem right here. This is the employment pool excluding fringes in constant dollars, inflation corrected, for the endowed and for the statutory. This is not the number of people but the total number of dollars that flow through the process in checks excluding fringe benefits which represents a substantial additional part to be added to this.

"The statutory colleges as we are all painfully aware have been through a series of cutbacks over quite a number of years and it's been rather severe in recent years. There is some serious belt tightening in the statutes and the total commitment for employees and expenses has leveled off and I think we claim no great foresight in leveling this off. It was something that was forced upon us because of our dependence and linkage to the State and the economy. But the thing that I think is striking and shocking is how the endowed employment pool has gone upward about 70% in that 12 year period; the statutory has a net increase of 22% and here is the professorial pool. The statutory increased by 25% and the endowed, 59%.

"So let's look at why the economy of the endowed seems to be growing so rapidly and we will try to make some sense out of it. Peter had some data on a group called 'managers' and at the request of the Commission, we went back and asked to break it into different categories so that it would be more intelligible (Charts 12-14). The one that I think will be surprising, is the category that is called 'Other Professionals'. The thing that probably will catch your attention first is that the size of that pool is bigger than the professorial pool and it has been tracked and the growth has been pretty

much the same but about 1990, it has moved ahead of the total amount of money for paying professorial faculty. In the statutory it has gone up and has actually started down now. In 'Other Academic', the statutory and endowed are behaving pretty much along the same paths.

"The summary comment, the 'Professorial Faculty' pools have increased by 59 and 25 in the endowed and statutory respectively. The 'Other Professionals' on the other hand have grown up to 114% versus 59% over that period and from 25 to 41%. So the rate of growth in the 'Other Professionals' is dramatically greater than for faculty. The 'Other Professional' category consists of non-academic exempt and includes such groups as university administrators, directors, managers, supervisors, staff assistants, programmers, controller, University Counsel, University Registrar, accountants, student development specialists, etc. to give you some sense of what that means but it's basically exempt who are not academic. Here is part of the problem in my belief that the Provost and Fred Rogers are struggling with the enormous pool of money that has to be generated every year to keep the machinery moving. And if you add these three together, that would equal the total allocation of endowed money to financial aid. In other words, if you immediately and unilaterally wipe out all financial aid out of the general purpose funds, in three years the growth in this employment pool would put you back where you were. I claim that we are making a big mistake in concentrating so exclusively on financial aid but there is a bigger bear in the woods we better pay attention to.

"New York State appropriations to the statutory colleges (Chart 15) are a very substantial chunk of change: about \$135 million total coming from the State of New York in 1992-1993. Of the \$135 million, 117.6 is appropriated through the State University of New York and \$17.7 million is through grants and contracts funded by the State of New York. The \$135 million represents 45% of the budget for the statutory colleges.

"Here (Chart 16) are other employment expenses. One of the questions nagging me was why does the tuition keep going up and the enrollment is so nearly constant and this shows that the teaching money is a very small part of money going into research and extension associates and in fact the statutes have made a point of making most of the cuts in the research and extension budgets and only recently starting dipping into the other, but this makes it clear that the shift over time has been away from teaching into research.

"Here are the grants, contracts and gifts (Chart 17 & 18). You can see the endowed for five or six years now has been constant when you correct it for inflation and likewise for statutory.

"So the conclusion, the take home message, is that faculty have a major stake in the fundamental decisions about the future of our university and I think that the evidence

suggests structural changes of a profound nature to be made soon. I think we shouldn't look exclusively at financial aid. We should decide whether our students should be expected to assume additional responsibility for faculty research, with the pool of federal and state money shrinking. I think we ought to be looking at the institutional policies that are of concern to faculty and also as individuals begin thinking about how we can operate that will cost the University less money. Thank you."

Dean Lynn: "Any questions or comments for Professor Cooke?"

(unidentifiable), too far away to understand.

Professor Cooke: "I think this was the endowed, not the tubs on their own bottoms. I will check with Nathan Fawcett. It's just a draw on the general purpose. The Hotel School, the Johnson Graduate School, and the Law School are operating independently of this for the most part."

Same person as above:

Professor Cooke: "But I'm sure that can be done. It's not difficult but time consuming. Any others?"

Professor James Gillett, Natural Resources: "I can't figure out why there is a small decline in the professorial and a 10% reduction in the ???."

Professor Cooke: "This was not salary. This was the composite of the amount of total payroll checks that go out and we certainly have had a reduction of a number of people but up until the last two years, we've also had increases to those who are still around. And this shows the composite of both of those."

Professor Ron Ehrenberg, ILR: "Starting in 1980, faculty salaries were the lowest they have ever been, but there was an attempt to restore the faculty purchasing power. Numbers are important."

Professor Cooke: "Good point. That does come on the heels of substantial lean periods but on the other hand the money is still being spent."

Dean Lynn: "One last comment."

Professor Peter Stein, Physics: "Just a quick comment to the third last question. It's clear that this 'Other Professional' category has an enormous amount of leverage on the budget and has to be understood and we are working with the Treasurer and Vice President for Finance to try to break that out into some kind of categories that would be intelligible to us so that we can understand what is going on."

Dean Lynn: "The chair would now like to ask for unanimous consent to invite Professor Cooke to accept the role of Speaker for the balance of this meeting." No objections were voiced.

3. ACCOLADES FOR DEAN AND SECRETARY OF THE UNIVERSITY FACULTY

Mr. Speaker: "I have a letter from President Rhodes that he's asked that I read to you in recognition of contributions by Professor Walter Lynn and Professor Mary Morrison to the University and in recognition of their service to this group.

"I regret that I am unable to attend the last Faculty Council of Representatives meeting of the 1992-93 academic year, because of a long-scheduled meeting on Wednesday with Dr. Jack Gibbons, the President's Science Advisor. I should be most grateful if you would convey my appreciation to all who have served this year. I should be especially pleased if you would recognize, on my behalf, Walter R. Lynn and Mary Morrison, who are completing their terms as Dean and Secretary of the Faculty, respectively, and who, for the past five years, have done so much to ensure that the Faculty point of view on a host of important issues received the attention it deserves. In their dedication to their specific tasks within the FCR and to the welfare of the larger University, Walter and Mary are an example and an inspiration to us all.

"Walter Lynn, as most will know, came to the position of Dean of the Faculty with a well-deserved reputation as an outstanding teacher and scholar in both civil and environmental engineering and in the broader field of science and technology policy and with a sterling record of service to the University, including a term as a Faculty-elected Trustee. He played a principal role in developing Cornell's graduate program in environmental and water resource systems engineering, was director of the Program on Science, Technology and Society and of the School of Civil and Environmental Engineering, and was founding director of the Center for Environmental Quality Management, from which our Center for the Environment has evolved.

"During his five years as Dean, Walter has proven to be a fine example of the effectiveness of 'management by walking around.' In his calm and cordial way, he has been involved in a host of major issues -- from the Academic Misconduct Policy to changes in the academic calendar to appeals of individual tenure decisions -- and in all those, and more, he has represented the interests of the Faculty with dedication, diplomacy, and distinction. I am especially grateful to him for his leadership of the senior Faculty committee that last year recommended that teaching be evaluated with the same diligence as research in tenure decisions, a

recommendation which the Provost has now made a matter of University policy. I know new challenges await Walter, particularly in his role as the first chair of the new National Research Council's Board on Natural Disasters and chair of the U.S. National Committee for the Decade for Disaster Reduction, but I hope that those of us in Day Hall and throughout the University will continue to benefit from his knowledge and insights as an engaged citizen of Cornell.

"Mary Morrison has also amassed an impressive record of teaching, research and service, on the campus and beyond, since joining the faculty in 1960. It was Mary, for example, who helped organize an undergraduate honors program in Nutritional Sciences during her first year on campus and who assumed responsibility for its effective functioning for many years. It was Mary, who as director of a multi-disciplinary research and action program in East Harlem, laid the groundwork for the Expanded Food and Nutrition Education Program that is still bringing better nutrition to individuals and families today. And it was Mary, who despite those commitments and the press of her own research, made time to serve on a host of department, college and University committees, including several of the FCR.

"When Mary became professor emerita in 1988, she merely shifted gears slightly to assume yet another leadership role -- that of Secretary of the Faculty, where she has served with dedication and distinction for the past five years. And as she nears the completion of her term as Secretary, she has taken on yet another important position as chair of the Stephen H. Weiss Presidential Fellows Committee. All of us are indebted to her for the commitment to Cornell that represents.

"I should be most grateful if you would present to Walter and Mary these inscribed copies of the book, *This is Cornell*, and convey to them my deep appreciation of and my personal admiration for all they have done to strengthen the FCR and the University as a whole.

"With all good wishes, Frank H. T. Rhodes."

"Now I also wish to call on Professor McAdams, who is chairman of the FCR Executive Committee."

Professor Alan McAdams, JGSM and Chairman of the FCR Executive Committee: "On behalf of the FCR Executive Committee, we join in the Dean's accolades for the Secretary and in the President's accolades to both the Dean and the Secretary, and I offer the following motion of appreciation for a job well done, to Walter Lynn as Dean,

Mary Morrison as Secretary, and to have this motion typically memorialized in the immediate future. Is there a second?"

Speaker Cooke: "The motion being seconded, if in favor, please indicate by your applause. So approved."

4. APPROVAL OF SUMMARY MINUTES OF APRIL 14, 1993 FCR MEETING

"Thank you, both of you. Next, is the approval of the summary minutes of the April 14, 1993 FCR meeting. Are there any corrections? Hearing none, they stand approved as distributed."

5. APPROVAL OF SLATE OF CANDIDATES FOR FCR COMMITTEES

"Now we go to the slate of candidates (Appendix D, attached) for FCR seats on committees and the chair has been handed one name that should be added before we open the floor for additional nominations. Under the Financial Policies Committee, representing the endowed is David Bathrick, Professor of Theatre Arts and German Studies. So there are two nominees for that category. The floor is now open and nominations can be made by FCR members and the stipulation is if you nominate someone, it is your obligation to know ahead of time that the person being nominated has agreed to be on the slate. Are there any other nominations at this time? If not, we have announced the standard closing of nominations. Hearing no objection, the Chair has approved these nominations.

"Now we move to one of two major remaining discussions. I call upon Co-Chairs Professors Gerald Feigenson and Gail Scott White, for a resolution from the Committee on Admissions and Financial Aid."

6. RESOLUTION FROM THE COMMITTEE ON ADMISSIONS AND FINANCIAL AID

Professor Gerald W. Feigenson, Biochemistry, Molecular and Cell Biology: "The Committee on Admissions and Financial Aid is seeking to have the Faculty consider and make an opinion known about financial aid policies at Cornell. We got into some of the problems briefly at the March meeting and then we spent half of the last FCR meeting in April discussing financial aid policies (Appendix E, attached). So today, I will present to you a resolution and first I just want to very briefly summarize the problems.

"The financial problem is, in the most simplistic terms, stated as the cost of running the University rising much faster than inflation, with Federal and State support declining. And for financial aid we consider the status of families, and many of the families of students who apply see their financial status declining. So grant aid expenditures have been increasing extremely rapidly, 17% a year since 1980. We considered at

the April meeting, some of the ways to reduce grant aid expenditures and I just want to very briefly go over these again.

“The first category is to decrease grant size and there are several ways of doing this. One is to index the financial aid award to inflation so perhaps inflation is 6 1/2% a year as opposed to the grant increase which is 17% a year. We can require families who have multiple siblings in college to pay more than we’ve been requiring and we can increase the loan size. Now, these decreases in the size of the grant awarded to each student, certainly has some limit, and beyond this limit Cornell becomes much less effective in recruiting students. We can try to decrease fraud and this is under study right now. We should consider the category of what we call ‘special group’ who get financial aid. By ‘special group’ we simply mean students who are either not U.S. citizens or permanent residents or who are coming to Cornell for other than the nine month academic year. For example, we are talking about international students, students in summer school who get financial aid and students studying abroad.

“But the issue that our committee feels is the most contentious and on which we would like the Faculty to make an opinion known, is number four, which is a way of dealing with the financial aid problem to accept lower rank students without the offer of grant aid. This is the issue which is contained in the resolution that I will present. The committee considered how the student body at Cornell might change, if number four is adopted, and we project that there will be no change in gender, no change in under-represented minority groups, and a slight decline in class rank and SAT scores.

“So our committee met again after the April meeting to consider the issues and draft a resolution and I will just briefly tell you what the committee decided. We certainly liked the egalitarian policy which really started in 1976, of full aid to all accepted students. We, after studying the issue, were not worried anymore about changing the diversity of the student body. We are somewhat worried about the possibility of the decline in academic standards. And we are very much concerned about the financial burden on the University of continuing the policy of full aid. So, having said that, I offer this resolution:”

WHEREAS, Cornell is committed to high academic standards, diversity in its student body, and a policy of need-blind admission, and

WHEREAS, Cornell has demonstrated its long-standing commitment to assist its students with financial needs in the face of rising costs and severely strained University financial resources, and

WHEREAS, the Committee, after considering the challenge of and prospect for providing financial aid support, has identified two distinctly different options that would enable Cornell to cope with its financial aid problems, viz.,

Full financial aid to all accepted applicants, with the acknowledgement that the financial burden will be shared across the entire University.

Full financial aid to as many accepted applicants as the budget permits then accepting some students without full aid, together with a commitment by the Colleges and by the Financial Aid Office to maintain quality and diversity in the student body.

THEREFORE BE IT RESOLVED, that the FCR endorses a policy in which full financial aid be granted to as many accepted applicants as the budget permits after which some students will be accepted without full aid, and

BE IT FURTHER RESOLVED, that the Dean of Admissions and Financial Aid inform the FCR at its May meeting following implementation of this policy in regard to the characteristics and composition of the entering class and

BE IT FURTHER RESOLVED, that the Dean of the Faculty transmit this recommendation to the President for appropriate action.

Speaker Cooke: "The resolution was distributed with the call to the meeting and is now before you."

Associate Professor Susan J. Riha, Soil, Crop and Atmospheric Sciences: "First, I would like to express my appreciation to the Committee on Admissions and Financial Aid for the attention that they gave this issue and to Professor Cooke for his effort to put the financial aid issue within a context of the overall financial situation of the University. Given the importance of the financial aid policy to the University and the fact that I and others think it deserves widespread discussion on the part of the University and within the Faculty community, I plan to introduce a motion, not right now, because I don't want to inhibit debate on this discussion, but I want you to think about it as an alternative to voting up or down on this resolution right now. I plan at the end of the debate to introduce a motion to refer this resolution to the Executive Committee of the FCR and that they be instructed to work together with the Dean of Faculty and the Admissions and Financial Aid Committee to organize widespread discussion with the Faculty at the department level about the financial aid options available at Cornell and the consequences of adopting various ones and that following those discussions, the Executive Committee bring this motion back to the FCR for action no later than the Fall of 1993. I just wanted to give you that as an option to think about as we debate this resolution."

Speaker Cooke: "So, you're not now moving it but declaring your intention." (Right). "The Chair's obligation is to remind you that we only have twenty minutes left of this meeting and of the sacred traditions at Cornell, one is freedom with responsibility and the other is ending meetings at six o'clock."

Professor Ehrenberg: "I will preface my remarks by saying that I would have been Cornell class of 1966 if there had been a full financial aid policy in place at that time. My feeling is that the world did not fall in because I did not come here. So I think in terms of thinking about financial aid policy, we need to step back a little bit and realize that denying the students an opportunity to attend Cornell is not the worst thing in the world that can happen because there are many attractive alternatives elsewhere. I plan to support the resolution. But there is some vagueness which disturbs me and that is the phrase 'full financial need' because as you know we meet the full financial aid of students through grants, loans, etc. If a student applies to each of the following universities and Cornell, has the same need, the scholarship granted would be \$900 larger at Brown, \$1,060 larger at Columbia, \$1,460 larger at Harvard, \$970 larger at Princeton, and \$1,260 larger at Yale. In fact if you look beyond our competitors, it would turn out on average students would receive \$1,450 less at Cornell than at other universities. So the problem that we face is that even if we accept this resolution and we sort of cut off our financial aid to the bottom till of accepted applicants, in fact our competitive position is not very good relative to competitors."

Speaker Cooke: "In addition to the two traditions mentioned before, there are two lesser ones. One is that, at FCR meetings, any member of the University Faculty may speak but only members of the FCR may introduce resolutions and the other one is that when you speak, please give your name for the benefit of the tape recorder and for the person transcribing the minutes."

Professor Frank Keil, Psychology: "I'm strongly opposed to this resolution, and I think there are real consequences to it. For example, students who don't fit in the under-represented minority groups who happen to be very poor will not be able to come. You will have a change in distribution of the undergraduate population which I think will be unfortunate. In addition, we only know that no reduction in minority groups seems to be a consequence of good will of the Admissions Committee. It's not at all a part of this process. It could be in the future if you increase restrictions, those numbers could drop as well. I think we should be focusing on cutting those costs rather than trying to cut financial aid."

Professor Gillett: "It seems impossible to sort out the quality of students and the ability to pay without at least some research."

Associate Professor Peter Schwartz, Textiles and Apparel: "I have to admit that I am somewhat on the fence on this issue. I do agree with Professor Ehrenberg that people can go other places than Cornell and be successful. There is life outside of Cornell. I

do have a concern and you brought it up well and that is although the data presented show that there is no difference in distribution of under-represented minorities, I would feel a lot more comfortable if I knew that that also extended to social economic status of these under-represented minorities. There is a difference in a student of under-represented minority status whose parents are professionals and have a million dollar a year salary versus the same minority student whose parents earn substantially less."

Professor Stein: "I don't know whether I would support the resolution or not support the resolution because I think it's very complicated. It's a very important watershed decision. There are things that I disagree with and one thing is what Professor Ehrenberg said, it's not obviously a disaster for a student to come to Cornell or who can't come to Cornell. I'm older than he and I remember too when I couldn't get full financial aid when I applied to MIT. But when I applied to MIT I could go in the summer time and carry a bag of nails for a carpenter and earn my \$500 which was a year's tuition. Things have changed very greatly as Professor Cooke has shown and I doubt that very many students could go and carry a bag of nails or type things into the computer today and end up with \$18,000 clear. The access of people without financial aid to high quality universities has diminished over time. To my mind, as an American in believing the notion of access to high quality education for all segments of the society, I'm not only concerned with minorities, I am concerned with poor majorities. They are of the background that I came from which is not called minority in today's language but it's a background that could not have gone to Cornell or other high quality institutions. But on the other hand, I'm not willing to say that I support it no matter what. I'm not willing to say that this is the highest priority and the cost of this is decreasing the quality of the students that come here markedly, then we have to think about it. That's comment number one. Comment number two is that when Professor Feigenson said a slight decrease in academic quality, I read the numbers somewhat differently. If I recall in his presentation, he said the wait list or what was currently used as a wait list for admission which isn't exactly the same thing as what one would be using but is a representative of it, that the class rank dropped from the second decile to the fourth decile, do I remember right? Ok, that's a big deal. That is a very significant drop."

Professor Feigenson: "Of the total accepted students who come to Cornell, the median class rank is top two percent. On the wait list of students that we guess might be coming, the median is four percent."

Professor Stein: "Then I'm mistaken. But the other comment is that I think one should not be deluded by a statement emanating from the Admissions Department saying, 'if it's only a small amount of students probably we have to do it, maybe we won't.' That kind of argument is a very dangerous one. I think the great boundaries we come across in life have a very definite boundary between 0 and 1. And once one departs from this policy, then it is very difficult to hold a line. It changes in small steps until we

can get to someplace where it becomes a very different kind of university. So for all of those reasons, I believe that this is a really important decision and one that ought to be very carefully thought through what the various alternatives are before one makes a decision on it."

Speaker Cooke: "You have ten minutes before adjournment."

Professor Frank Moore, Joseph C. Ford Professor of Mechanical Engineering: "I wonder what the term 'budget permits' means? It seems as though in just off hand reading, it would say that the judgment would be against a budget that would be established how? What do they mean by 'budget permits'?"

Susan Murphy, Dean of Admissions and Financial Aid: "One might assume that one way you establish a budget is that if you wish financial aid to be any more a part of the University budget than it currently is, you would let financial aid grow at the rate of tuition. It is now a roughly \$34 million budget and will grow at about 6% with the tuition rate increase, as opposed to have it grow at 17% which is what the projected need will be."

Professor Matthew Drennan, City and Regional Planning: "It seems to me that if the financial aid size is as big as it is now, no matter how long you decide to continue this discussion, we can't afford that."

Professor Riha: "I think the point is that the FCR and Faculty at-large need information in order to think through these issues. I think the points raised are worthy of discussing at greater length. Therefore, I would like to introduce the motion earlier."

That this particular resolution be referred to the Executive Committee of the FCR and they be instructed to work together with the Dean of Faculty and the Admissions and Financial Aid Committee to organize widespread discussion with the faculty at the department level about the financial aid options available at Cornell and the consequences of adopting various ones and that following those discussions, the Executive Committee bring this motion back to the FCR for action no later than the Fall of 1993.

Speaker Cooke: "It has been moved and seconded."

Professor Joseph M. Calvo, William T. Keeton Professor of Biology and Faculty Trustee: "I would like to make three points in respect to this motion. This issue is not something that is a particular crisis of today, it's going to be with us for awhile and therefore you really need to think of it as something that needs to be discussed and debated over the coming months and perhaps years. So for that reason, I think it's a good idea to defer this to the Fall. And secondly, in terms of trying to get debate

among the largest number of people, we are all aware that meetings such as these are not attended by a very large group of people. On the other hand, departments are a natural grouping of individuals, we meet together with our colleagues periodically. As far as I am aware, this kind of thing has not been tried and I really think it would be kind of an experiment that we could all try and see if it would be successful. And the third point on which I think that we all agree is that this is an extraordinarily important issue, an issue that should really go to a wider group of people. And finally, I would like to mention that the other Faculty Trustee, Isaac Kramnick, is fully behind this idea. He regrets that he could not be at this meeting or at some previous meetings of the FCR because of some medically related problems with his family.”

Speaker Cooke: “We now have four minutes left and the motion before us is to refer. Further discussion? If not, we are ready to vote. All in favor of referring, raise your right hand, all opposed? It clearly carries.

“We now have three minutes, and we will continue with the next item, a Resolution from the Library Board.”

7. RESOLUTION FROM THE UNIVERSITY FACULTY LIBRARY BOARD

Andrew Walkling, Chair, University Faculty Library Board: “Thank you very much, Mr. Speaker. I don’t want to be caught after the witching hour of 6:00 so I am going to dispense with some of the details and speak a little to the spirit of this resolution which has been proposed by the University Faculty Library Board of which I am chair. Our concern as the Board and we hope it’s a concern of the faculty is the library, all of the constituents who represent the indispensable resource to all of us, those who do research, those who are teaching, undergraduates and graduate students. And given that fact, we are concerned that the library is being treated by the administration as just another unit. What I think we want to address if we overlook all the specific details and I would be happy to talk to any of you about the details afterwards, is that the administration give particular care to the library as a central resource to Cornell, to each of us as Faculty, to our students and to the position of Cornell as a leading research institution. If cuts are made from the library, they are made to us as faculty twice, because we are cut in our departments, salaries or what have you and in the library which we use in our daily work. So rather than go on in great length about this, I think I would like to open the floor for questions. The resolution:”

WHEREAS the library system is central to the teaching and research missions of Cornell, and thus represents a unique asset to the University,
and

the general trend of University support for the library system has been adequate in the 1980’s and reduced in the 1990’s, and

the cost of acquisitions has increased well above the rate of inflation,
and

the potential damage caused to the library's collections as a result of
budget cuts would be largely irreparable, and

the loss of services as a result of staff cuts adversely affects the library's
role as an instructional and scholarly resource for the entire University,
and

a strong library is essential to Cornell's position as a leading educational
and research institution, and

the library does not have a specific constituency among alumni and
others who provide financial support to Cornell, as do some other units
of the University,

BE IT RESOLVED by the Faculty Council of Representatives that the
University administration recognize the special status of Cornell's
libraries among the University's various component units, and commit
itself to increase the real level of funding to both the collections and
services of the library system.

Speaker Cooke: "It is now 6:00 p.m. and the Dean of the Faculty has advised me that we just lost our quorum so a vote cannot come forward at this point. Do you want to discuss further or do you prefer to terminate at this point? Do you have any comment that needs to be made before we adjourn? Then if there is no objection, we stand adjourned."

Adjourned 6:00 p.m.

Mary A. Morrison
Secretary of the Faculty

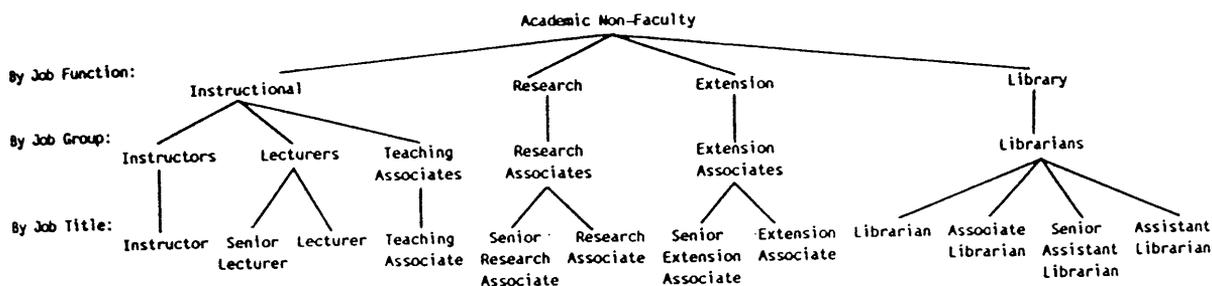
COMMITTEE ON ACADEMIC PROGRAMS AND POLICIES

Interim Report on the Status of Academic Non-Faculty at Cornell University

May 1993

1. Introduction

Academic employees of Cornell University fall into two categories: the professorial faculty and the so-called "academic non-faculty". Teachers and scholars who hold "academic non-faculty" positions divide into four job functions, according to the following chart provided by the Office of Human Resources.



Between 1982 and 1991, academic non-faculty constituted between 35 and 39% of the total Cornell academic work force. In 1990-91, out of a total academic work force of 2640, 1617 were faculty members, and 1023 were academic non-faculty. This report addresses the approximately 300 persons whom the University employs as senior lecturers, lecturers, instructors or teaching associates. This number comprises about 13% of the total number of academic personnel of the University in Ithaca.

2. History of this Report

On November 29, 1989, the Executive Committee of the FCR approved a resolution directing the Committee on Academic Programs and Policies to examine and to make recommendations concerning issues pertaining to the careers of the academic non-faculty. The Committee on Academic Programs and Policies (CAPP) subsequently established a Subcommittee on Academic Non-faculty, chaired by Professor Paul McIsaac. On May 15, 1992, the Subcommittee submitted its report to the full Committee. CAPP discussed the report in its meetings of Spring and Fall 1992. In the fall of 1992, the Committee held informal hearings with the Provost, the Dean of the College of Arts and Sciences, with the chairs of three departments and divisions that depend heavily on academic non-faculty (Biological Sciences, English, and Modern Languages and Linguistics), as well as with representative academic non-faculty from each of these departments/divisions.

The following subcommittee report was submitted to the Committee on Academic Programs and Policies in May, 1992. It is being transmitted to the University faculty for discussion in anticipation of a more formal set of recommendations which the Committee on Academic Programs and Policies plans to release in the fall of 1993.

Committee on Academic Programs and Policies

1992-93

Barry B. Adams
Michael A. Shapiro
Michael P. Steinberg, Chair
Michael J. Todd
Jon M. Conrad
George W. Hudler
Paul R. McIsaac
Carrie L. Kurtz, Student Member
Todd Osinski, Student Member

[In this current report, Appendix A is included for your information. Other supporting documents, including the survey instrument used by the subcommittee and the summary of its results, are available from the Office of the Dean of Faculty.]

REPORT ON THE STATUS OF ACADEMIC NON-FACULTY

The Committee on Academic Programs and Procedures (CAPP) charged the Subcommittee on Academic Non-Faculty to examine and make recommendations concerning the uses of academic non-faculty among the various units of the University and the consequent impact on the academic character of the University. The Subcommittee has restricted its attention to the positions of senior lecturer, lecturer, instructor and teaching associate; teaching assistants have not been considered. For reference, Appendix A gives descriptions of the duties associated with these titles drawn from the *Faculty Handbook* (fifth edition, 1990).

The University employs more than three hundred persons as senior lecturers, lecturers, instructors or teaching associates. This number comprises about thirteen percent of the total number of academic personnel of the University in Ithaca. The group forms a valuable resource for the teaching mission of the University. Indeed, in some units these persons are responsible for a significant proportion of the total undergraduate teaching load. There is a wide range in the way members of this group are utilized in the teaching functions of the University among the various departments. This may make uniform treatment across the University difficult to achieve. In some cases, members of this group feel neglected, or feel their contributions go unrecognized. The Subcommittee strongly affirms that the University has the responsibility to ensure that the members of this group are treated fairly with regard to all their interactions with the University, their College and their Department.

Despite the name given to this subcommittee, the members feel there must be a more felicitous phrase than *academic non-faculty* to refer to this group of persons. Surely some descriptive phrase with a more positive flavor can be devised to denote members of this group.

To obtain information concerning their status, a *Questionnaire on the Status of Senior Lecturers, Lecturers, Instructors and Teaching Associates* was distributed to the various teaching units of the University early in the spring semester of 1992. Fifty-six

departments, schools or other units responded to this survey; these respondents account for most of the persons employed in these categories. A copy of the questionnaire is attached to this report (Appendix B), and the responses are available for perusal. A summary of some of the data, based primarily on the first four questions, is also attached to this report (Appendix C).

Some general comments on the data are in order. First, comparing the relative numbers in the four categories, one observes that instructors constitute less than 4% of the total. The categories of senior lecturer and lecturer compose about 82% of the total, while teaching associates compose the remaining 14%. Although this report is intended to apply to all four categories, the dominance of the senior lecturer and lecturer categories among these teaching positions has caused more attention to be devoted to them.

Second, the data show that a majority of the teaching units of the University use few, if any, lecturers (using lecturers here as a generic term to refer to the four ranks as a group). Although more than 85% of the responding units use lecturers to some degree, 15% of the units account for a majority of the lecturers employed.

Third, the responses to the questionnaire demonstrate that there is a wide diversity in the ways lecturers are selected and employed in the academic life of the various units of the University. Although most departments in the University use only a few teachers in these categories, several units rely heavily on them to meet their teaching obligations. These latter departments, ranging from Modern Languages and Linguistics to Theatre Arts, have different requirements for the types of professional qualifications that are appropriate, and different techniques for the successful employment of these persons in their teaching programs. Another aspect of the wide diversity is the range in the expected period of employment for these positions. In many departments these positions are considered to be essentially permanent. On the other hand, in some departments the term of employment is limited to no more than two years, at least for the junior ranks.

The responses to the questionnaire indicate that, in most cases, appointments to these positions are made after a local, regional, or national search. In a few cases, the responses state that no search was made; these cases usually appear to involve persons who were appointed some time ago. Of course, current hiring procedures must

take into account affirmative action goals and attempts to accommodate spouses when hiring faculty members. An organized search by the department is desirable for several reasons. For example, a search validates the professional credentials of the person selected, ensuring that their qualifications will be recognized by their colleagues.

The University should not attempt to fit all senior lecturers, lecturers, etc., into rigid categories with regard to selection procedures, workloads, length of employment, etc. One of the attractions for using lecturers is that each department can tailor their use to the special teaching obligations of the field. It is vital to the mission of the University that this freedom be maintained. On the other hand, it is also vital that these persons be treated by the faculty and the administrative staff with the respect their professional status entitles them to. This should involve all their interactions with the University or its colleges and departments, including their terms of employment, salary, and participation in the collegial life of the department relating to the teaching mission.

The Subcommittee did not attempt to investigate the question of salary equity for persons with these titles. This is a matter, however, which must be of concern to the University. Since the professional qualifications of senior lecturer, and lecturer, should be comparable to those for associate or full professor, and assistant professor, respectively, a great disparity between the salaries for these titles would appear to be unfair. Mechanisms to address salary equity may be in place in some schools and colleges; they should be instituted in those which lack them.

The responses to the questionnaire indicate that, in most cases, the course loads for lecturers are equitable. In a few instances the course loads appear high, but the special circumstances for the courses involved may make these course loads reasonable. Deans and department heads should, however, ensure that the teaching loads of lecturers are consistent with the accepted norms for their respective college or school.

In those few cases where departments rely heavily on lecturers to meet teaching obligations, the lecturers bring unique qualifications to their positions. This is an appropriate use of these titles. The University should discourage the regular replacement,

for whatever reason, of professorial appointments by lecturers for normal teaching duties.

The Subcommittee did not address the use of personnel with visiting titles. However, some evidence surfaced that in a few cases teaching obligations are met by repeated appointments of a person as a visiting professor. This is a misuse of the title, and it is recommended that a two-year limit be placed on visiting professorial appointments.

The Subcommittee recommends to CAPP that it seek the implementation of policies and guidelines which would ensure that the principles listed below pertaining to senior lecturers, lecturers, instructors and teaching associates are followed throughout the University.

1) Each department employing academic non-faculty should have in place well-defined, and well-disseminated, policies concerning all aspects of their professional obligations and rights. Within each department the rights of these persons should be commensurate with their professional responsibilities.

2) Each department should treat all persons in the same rank uniformly. Although it is recognized that the special qualifications and duties for academic non-faculty may vary widely from department to department within a college, in so far as is practicable, each college should also treat all persons in the same rank uniformly. This should include ensuring that salaries within a given rank are equitable across the college.

3) As part of the professional recognition of these teachers, it is recommended that as a general practice, the term of appointment in each rank be for the maximum specified in the *Faculty Handbook*; e.g., five years for senior lecturer and three years for lecturer. Further, it is recommended that in the absence of special circumstances, the general practice be to provide at least a one-year, and perhaps a two-year, notification of termination.

4) The *Faculty Handbook* (1990, p. 23) states that: "The title *senior lecturer* implies professional qualifications comparable to those for the positions of associate professor or professor. . . . The title *lecturer* implies professional qualifications comparable to those for positions of instructor or assistant professor." It is

recommended that department heads and deans review the status of persons who have held the position of lecturer for a substantial period of time to determine whether they qualify for promotion to the rank of senior lecturer. In particular, persons who consistently and successfully undertake teaching responsibilities comparable to those of associate and full professors in the same department should be given appropriate recognition in terms of their rank. Of some relevance to this recommendation are the responses to question 5 on the questionnaire; most respondents reported that senior lecturers and lecturers teach courses independent of faculty supervision, choose the texts assigned to their courses, etc.

5) Another implication of the professional qualifications required of lecturers and senior lecturers deserves attention. These titles should be reserved for positions which are intended to be long term in character. That is, the titles lecturer and senior lecturer should imply that holders are sustaining members of the academic community who contribute to the teaching function on a long term basis. Other titles, e.g., instructor and teaching associate, should be used for persons who are temporary and for positions where it is intended that the personnel turn over frequently. A clarification of the intent that lecturers and senior lecturers should be regarded as fairly permanent members of the academic community will help provide the recognition which their contributions warrant.

6) The *Faculty Handbook* (1990, p. 23) states that: "Each college, at its discretion, may grant voting rights to senior lecturers and either voting or nonvoting membership to lecturers other than those who are candidates for Cornell degrees." This seems to imply that senior lecturers are members of their college faculty, although this membership may be nonvoting. In any case, the Subcommittee recommends that senior lecturers and lecturers have membership in both their college faculty and their department faculty. Further, that they have voting rights in these faculties, at least in matters pertaining to the curricula and to hiring of personnel in their rank or below.

7) The *Faculty Handbook* does not address any procedure for appealing a decision not to reappoint a senior lecturer or lecturer (Appendix 3 is titled Procedures for Appealing a Decision Not to Renew a Non-Tenure Appointment, but it refers specifically to faculty members in a probationary tenure status). This seems to be an omission in University procedures for protecting these employees

of the University against arbitrary or prejudicial decisions. It is recommended that this matter be pursued and an appropriate appeals procedure instituted.

8) The *Faculty Handbook* (1990, p. 23) explicitly rules out sabbatic leaves for senior lecturers and lecturers. However, in some cases there may be great benefit to the University in having leaves for professional improvement available to senior lecturers and lecturers. It is recommended that this question be addressed by the deans of the respective colleges.

Subcommittee on Academic Non-Faculty

May 1992

Jennie T. Farley, Industrial and Labor Relations
Debra Fried, English
John M. Guckenheimer, Mathematics
Paul R. McIsaac, Electrical Engineering, Chair
Elizabeth A. Oltenacu, Animal Science
Mary H. Tabacchi, Hotel Administration

Appendix A. Academic Titles and Descriptions

The following academic titles and descriptions are taken from the *Faculty Handbook* (fifth edition, 1990), pages 22-26.

Instructor. An instructor is responsible for teaching and research, and is expected to be able to plan and conduct courses with little or no supervision. The specific duties and expectations of the position vary considerably from one college or department to another. Instructors are not members of the University Faculty and normally are nonvoting members of college faculties. They are not normally members of the graduate Faculty. Instructors may be appointed for a term of not to exceed two years for a maximum period of service of five academic years.

Senior Lecturer and Lecturer. These titles may be used in cases where professorial titles are not appropriate. The responsibilities of the positions are primarily, if not entirely, in teaching; research responsibilities are not expected to be included. Persons holding the titles will not be granted tenure or be eligible for sabbatic leave.

The title *senior lecturer* implies professional qualifications comparable to those for the positions of associate professor or professor. Appointments are for periods of no more than five years and are renewable. The title *lecturer* implies professional qualifications comparable to those for positions of instructor or assistant professor. Appointments are for periods of not more than three years and are renewable.

Lecturers and senior lecturers are not members of the University Faculty or of the Graduate Faculty. Each college, at its discretion, may grant voting rights to senior lecturers and either voting or nonvoting membership to lecturers other than those who are candidates for Cornell degrees.

Teaching Associate. A teaching associate has the duties and responsibilities of a teaching assistant but is not a registered student. Separate titles were created in view of the differences in work eligibility and benefits between students and nonstudents in

the two positions. Unlike teaching assistants, teaching associates are not limited to part-time employment. Their salary schedules may differ from those of teaching assistants, and their appointments, which are renewable, can be for up to a year. Only the endowed divisions have teaching associates.

Report of the Committee on Financial Policies

May 12, 1993

The resolution reorganizing the Financial Policies Committee was approved by the Executive Committee of the FCR on May 13, 1992 under its "emergency power" and the FCR approved the resolution at its October 14, 1992 meeting.

Composition of the reorganized committee includes: eleven members of the faculty, four elected from the FCR and seven elected by and from the University Faculty for three-year terms. At least one committee member shall be non-tenured and the Nominating Committee is directed to ensure that committee membership consists of five statutory and five endowed members of the faculty. The eleventh member can be from either the statutory or endowed units.

The Vice President for Planning and Budgeting, the Vice-President for Finance and Treasurer, and the Director of Statutory College Affairs are additional ex officio non-voting members. The Dean of the Faculty is an ex officio member and the Secretary of the Faculty is a non-voting ex officio member. Two members served as Co-Chairs of the Committee: David Lewis from the Department of City and Regional Planning and Robert Lucey from the Department of Soil, Crop and Atmospheric Sciences.

As David Lewis reported at the March 10 meeting of the FCR, subcommittees of the Financial Policies Committee gave special attention to four areas: Transfer Pricing, Statutory Financial Policy Agenda, University Scale and Diversity and Endowment Management Policies. Following are reports from the subcommittees:

I. Transfer Pricing [Committee: John Abowd, Lawrence Blume (Chair), Donald Farley]

Operating units at Cornell generate services which they provide both for themselves and for other

units. We have been looking into how the cost of those services is allocated among the consuming units, how the costing procedure affects the decisions of what services to provide, what services to procure and where to procure them.

At the most macro level, costs are allocated among "Endowed Ithaca", the Statutory Colleges and the Medical Campus. "Endowed Ithaca" consists of the general purpose colleges (Architecture, Art and Planning, Arts and Sciences, and Engineering), the designated colleges (Hotel, Law, Business), centers, and enterprise units such as residence life. In the 1992-3 Operating Plan, "Endowed Ithaca" received \$41.6 million from the other units: \$41.1 million from the Statutory Colleges and \$504 thousand from the Medical Campus.

Transfers are lumped into three broad categories: Accessory Instruction, Administrative and Support, and Financial Aid. These categories are seen as being tied to service flows. In addition, there are income transfers (not included in the totals above) that are not tied to service flows but are due to "special arrangements". In the 92-93 plan there is a \$1.1 million transfer from the Statutory Colleges to "Endowed Ithaca". As a percentage of the total transfer flow, this category has been shrinking over time.

The mechanism for determining these inter-unit transfers is a complicated costing exercise called the Responsibility Center Analysis (RCA). The phrase "responsibility center" is a term of art that, loosely speaking, refers to units that generate their own revenue. In the RCA, total operating revenues and costs are assigned to the various responsibility centers. This is a planning exercise. It is undertaken with forecasts of expenses, forecasts of student enrollments, etc., based on historical data. (The accessory instruction fees billed to New York State are based on after-the-fact enrollment data, but the cross-college transfers are based only on enrollment estimates.)

The RCA is very clearly a cost-allocation exercise. It is not an opportunity for deans, center directors and enterprise unit heads to discuss the nature of services being provided or to allocate tasks.

In a university as large as Cornell, where a great deal of decentralized decision making is necessary for efficient management, one might hope that the cost allocation rules would provide some guides for managerial policy. For instance, college A may need to decide whether to send its students to college B for a course or to offer the course itself. In the ideal decentralized university, the cost to college A of sending its students to college B would reflect the cost of college B's teaching these additional students. Thus when college A makes a decision, it takes the cost to the university of both options into account.

The current system is far from the ideal. First, the "prices" need not be "right". In the above example, each college will make its decision on the basis of the cost to the college, not to the University. This result may not be optimum for the University. This problem is not particular to Cornell's administrative and accounting structure. It arises every time a large organization has to allocate overhead costs for shared facilities. For instance, the economic cost of adding another telephone to the campus telephone network is very small. The monthly bill for adding a new telephone is typically not small. The bill reflects both the incremental cost of the new telephone and the cost of the existing network, which is a shared facility. Various accounting schemes have been devised to deal with this issue, but there is no accounting system which breaks even on paying for shared facilities and at the same time has the right incentive effects for managers in a decentralized organization choosing whether or not to use the facilities. The shared facility problem is pervasive at Cornell, where costs for libraries, telecommunications and computing networks, physical plant, etc., must be allocated across the revenue-producing units.

A more important problem, peculiar to Cornell, has to do with how costs are perceived by decision-makers. This is best illustrated by looking at the payment of accessory instruction fees. The manner in which these fees are assessed differs by college. The deans of the designated colleges see a budget which has accessory instruction fees, for instance, as a line item. At the opposite extreme, the deans of the general purpose colleges (Architecture, Art and Planning, Arts and Sciences, and

Engineering) see a budget which is net of the transfers mandated by the RCA. (The situation of the statutory colleges has been described to us as “in between”.) The effect of this situation is that designated colleges see the accessory instruction flows as part of their budget while general purpose deans do not (at least not directly), with obvious consequences for decision-making. This is not to say that general purpose colleges are completely insensitive to accessory instruction issues. But the effects of enrollment changes are felt differently by the different types of colleges, and consequently their impact on decision-making is different.

Efficient decentralized decision-making is hard to achieve. Deans and directors respond to the financial incentives created for their units by the budgetary process. If that process presents costs to decision-makers that do not reflect the true costs to the university, the choices that are in the best interests of the decision-makers need not be in the university’s best interest. Reviewing, preventing, and perhaps undoing these choices is then left to the Provost. If decentralization of decision-making is a goal of the university administration, means must be found to make units bear the true costs of their choice. It is not clear to us how this can be accomplished within the framework of the RCA. Our continuing task is to find out more about the details of this process, and how this process feeds into University planning.

II. Statutory Financial Policy Agenda [*Committee: Gordon Campbell and Steven Kyle (Chair)*]

1. It is clear that it is beneficial to develop an overall view of the University’s finances encompassing both statutory and endowed units.
2. Nevertheless, there are substantive differences between endowed and statutory units from a financial perspective, with a consequent difference regarding the issues most important to faculty. Accordingly, we recommend that the current committee structure with two co-chairs, one endowed and

one statutory, be continued but that each of these co-chairs be in charge of a subcommittee dedicated to endowed and statutory affairs, respectively.

The subcommittees could convene together whenever necessary to discuss matters of general interest. This arrangement would obviate the need for statutory faculty to get deeply involved in such things as the arcana of payout ratios from the endowment which are not at the top of the agenda for most faculty in the state units. Similarly, endowed faculty may have little interest in things like the details of statutory benefits packages or salary structure.

On the other hand, there are issues which clearly require a more global approach, such as accessory instruction. In general, there seems to be far less difficulty getting information regarding statutory finances or administrative details than appears to be the case for the endowed units. It therefore makes sense for the two subcommittees to work in parallel on the numerous issues requiring data from administration. We were pleased with the cooperation and information provided to us by Nathan Fawcett on budgets for the Statutory Colleges.

Among the statutory issues considered in 1992-93 were:

- a. Improved dental coverage - Statutory faculty now have a substantially improved dental plan.
- b. Student tuition as a revenue source and as compared to family income in NY State.
- c. Changing sources of research support.
- d. Faculty salary competitiveness vis-a-vis peer institutions and vis-a-vis the endowed colleges.
- e. Accessory instruction.

Issues which the committee wishes to address in the future are:

- a. "Compression" of salaries by rank.

- b. Child care for faculty and staff.
- c. Spouse employment in Tompkins County.

III. University Scale and Diversity [*Committee: Mayone Stycos, Maurice Tauber and Leslie Trotter, (Chair)*]

The primary focus of our group has been to analyze patterns of student enrollment in courses. We began with data for the Fall Semester of 1991. Sample data giving a break-down of course sizes at various instructional levels were generated for us by M. Whalen (Financial Planning and Budget Management) from a subset of the actual registration data used for transfer pricing considerations. Our preliminary analysis of this information has convinced us of the need for a more detailed study.

Due to the central position in University activity occupied by the teaching function, data on course enrollment levels represent the very pulse of the University. Thus data of this form would seem to be of primary relevance in any major administrative decisions concerning resource allocation, particularly for issues related to the appropriate "size" of the faculty. Furthermore, enrollment data reflect, in part, the quality of the academic experience provided by Cornell for its students, viz., average class sizes encountered by students at various academic levels in the different academic units. It has become apparent, though, that such data are not routinely gathered, much less used for analyzing issues such as those indicated above.

We have therefore recommended that the Financial Policies Committee undertake a thorough analysis of these data and, further, that the Committee advocate routine compilation each semester by the University of course enrollment and teaching data. This material should be organized into a database which would facilitate consideration of issues such as the following:

1. How many courses at various levels of enrollment and instruction are offered by Cornell?
Additionally, one should be able to refine these data to the individual Colleges or to

specific disciplines across Colleges, such as economics or mathematical sciences.

2. What is the average class size experienced by, say, a junior in Arts and Sciences? ... by a senior in Chemical Engineering? etc.
3. How have the answers to questions such as those in items 1. and 2. changed over time? I.e., one should be able to track the enrollment and teaching data over time.
4. What percentage of the 200-level courses in Agriculture and Life Sciences are taught by Professors? ... by Assistant Professors? ... by Instructors?
5. What is the male/female ratio for 400-level Arts and Sciences courses?

We should point out that several individuals in University administration have participated in our discussions: F. Rogers, M. Whalen, J. Wiesenfeld. Their assistance has been particularly valuable in our effort to formulate the above questions, providing us with a clear picture of the form of existing relevant data, as well as an indication of the effort to be anticipated in gathering further information needed to address issues such as those raised above. The over-all reaction to the recommendation put forth here has been positive. Indeed, a willingness has been expressed to commit a modest amount of University resources to the effort of creating an initial "exploratory" database from University course registration data.

Finally, we note that the Financial Policies Committee, in a meeting on 10 May 1993, has given its strong endorsement to the above recommendation.

UNIVERSITY SCALE AND DIVERSITY

M. Stycos, M. Tauber and L. Trotter

- **Primary focus of this group has been to analyze patterns of student enrollment in courses.**
- **Recommend analysis of patterns of student enrollment and routine compilation each semester by the University of course enrollment and teaching data.**
- **Organize information into a database which would facilitate consideration of issues such as the following:**
 - **How many courses at various levels of enrollment and instruction are offered by Cornell.**
 - **What is the average class size experienced by, say a junior in Arts and Sciences...by a senior in Chemical Engineering? etc.**
 - **How have the answers to questions such as those in items 1 and 2 changed over time.**

STATUTORY FINANCIAL POLICY AGENDA

Gordon Campbell and Steven Kyle

- **It is beneficial to develop an overall view of the University's finances encompassing both statutory and endowed units.**
- **Recommend that the current committee structure with two co-chairs, one endowed and one statutory, be continued**

Among the statutory issues considered in 1992-1993 were:

- **Improved dental coverage.**
- **Student tuition as a revenue source and as compared to family income in NY State.**
- **Changing sources of research support.**

Issues which the committee wishes to address in the future are:

- **Compression of salaries by rank.**
- **Child care for faculty and staff.**
- **Spouse employment in Tompkins County.**

Financial Trends for the Statutory Colleges in Relation to the Endowed Colleges

A presentation to the
Faculty Council of Representatives
and
University Faculty

May 12, 1993

J. Robert Cooke

A report prepared for the
Cornell Faculty Commission on Higher Education

The data was provided by
Nathan Fawcett, John Hartnett, Kate Curtis, and others.
Their cooperation and assistance are gratefully acknowledged.

Introduction

This is a background paper prepared for the Cornell Faculty Commission on Higher Education and is intended to serve as a resource for University Faculty debate on the future of our University. (The views presented here may or may not coincide with those of the Commission.) This presentation is a companion to Peter Stein's FCR oral presentation earlier this semester. This report focuses on the statutory colleges, but includes a comparison of the financial trends for both the statutory and endowed colleges. The overlap is intentional; the differences between statutory and endowed financial trends are profound. However, lessons learned in one sector may prove useful in the other.

Very little of this report is likely to be new to the administration, but may be unfamiliar to my faculty colleagues. I hope my contribution will be to stimulate faculty discussion and a faculty sense of responsibility for the University's future and its own. If we are to capture the insights and creative energies of the faculty in the fundamental restructuring of the University that I believe to be essential, the Faculty must become better informed.

The issues described here were stimulated by my experiences as a faculty-elected Trustee, I hope that I can stimulate you to come to your own conclusions and to participate in framing and answering the strategic issues facing this University. As with driving an automobile at high speed, we can do a better job of steering if we look through the windshield, rather than through a hole in the floor.

The Statutory Colleges in Relation to New York State

History: Cornell is the Land Grant Institution for NYS (not just the Statutory Colleges) and from the outset agriculture and the mechanical arts were included as a primary responsibility (not added as an afterthought) and as part of its reason for existence. Agriculture was initially taught in Goldwin-Smith Hall. In 1896 the Veterinary College became a distinct college and received State support. In 1904 Agriculture became a distinct college and received State support. In 1925 Home Economics (now Human Ecology) became a distinct Statutory College. In 1944 the School of Industrial and Labor Relations, with NYS support, became the first such program in the nation.

SUNY: Since 1948 funding for the Statutory Colleges has been routed through the State University of New York, SUNY. However, the Statutory Colleges have a very different character than the other SUNY colleges. Like the four University Centers and the Health Sciences Centers, the Statutory Colleges have a research mandate. Most of the public service outreach is provided by the Statutory Colleges. Unlike the other campuses, the Statutory Colleges retain most of their tuition (about 10%, rather than 100%, goes to Albany for allocation).

NYS Financial Support Trends: State support for the Statutory Colleges (allocations and grants and contracts) has increased over the years and is now

\$135 million per year, i.e., about 45% of the total statutory budget. Mandated reductions in appropriations and caps on employment have been imposed repeatedly in recent years, including many reductions imposed even after substantial expenditure of approved appropriations, so called mid-year corrections. For the past two years, salaries have been frozen (no annual adjustment, not even for inflation) and during one of these years there was a withholding of 10% salary during a quarter year for payment at a later date. *There has been a substantial reduction in the number of employees to match income and expenditures.* Using Keith Kennedy's colorful metaphor, we have balanced the number of horses and the amount of hay.

Notwithstanding the above, the Statutory Colleges have received substantial support from the people of New York State and the Statutory Colleges have consistently magnified that support on behalf of the people of NYS.

The Statutory Colleges in Relation to Cornell University

Enrollment: Enrollment has been remarkably constant in recent years (by policy). The endowed undergraduate enrollment increased somewhat in the mid-eighties and graduate enrollment increased approximately 20% during the past ten years. Statutory undergraduate students constitute approximately 39% of the total undergraduate population.

Admission Statistics: The admission statistics show that the Statutory College students are indistinguishable in quality from those of the rest of the University. Most entering freshmen rank in the top 10% (decile) of their high school classes (ALS 86%, HE 85%, ILR 77%).

Tuition: *In the face of nearly constant enrollments, there are many thoughtful people who wonder why tuition is being increased so rapidly.* For the past 14 years, the annual increments in tuition (endowed, statutory non-resident, and statutory resident) have been virtually constant. Using inflation corrected dollars, tuition has increased by a factor of two in the endowed and statutory non-resident categories and has increased by a factor of about 1.5 for NYS residents in the Statutory Colleges. *We are surely undermining Ezra Cornell's vision for this University with these unabated increases. There is NO PLAN and NO POLICY in place for arresting this barrier to access.*

To place these increases in perspective, note that the tuition for an endowed college freshman is 87% of that paid by Cornell Medical College students! The undergraduate receives far less individualized attention from the faculty and has a lower demand for expensive equipment. Furthermore, the earning capacity for the undergraduate degree holder is far, far less than that of a medical school graduate! I think we have gotten this out of balance.

The old joke about Cornell being connected only by a common heating system and a physical education requirement is only partially true. The ever-increasing statutory tuition is largely due to the linkage to the endowed campus. For example, 60% of the statutory college tuition for NYS residents is passed through to the endowed general purpose budget and only 30% is

retained by the statutory colleges. In addition, the annual accessory instruction charges for courses taken by statutory students in the endowed colleges already has reached nearly \$12 million (and is determined by the endowed budget). The annual statutory payment to the endowed budget exceeds \$41 million. Most of the accessory instruction is covered by a state appropriation, but together with the administrative and support these charges approach in magnitude the total NYS resident tuition. *It is unlikely that the Statutory Colleges will be able to arrest tuition growth significantly unless the payments to the endowed budget can be contained because that transfer dominates the statutory tuition income pool.*

These payments are applied to the Endowed College's General Purpose Operating Revenues. Alarming, the endowed tuition and fees generate 73% of the general purpose funds, completely dwarfing the contributions from sponsored programs and investment income. The financial aid draw on these funds in 92-93 was \$34 million, exceeding the \$29 million support for the endowed College of Engineering. This is out of control!

Faculty: The number of Statutory Faculty 'full-time-equivalents' has dropped monotonically for several years. The statutory faculty comprise more than half of the Division of Biological Science faculty.

- Unlike the endowed campus, Statutory Faculty self-report work efforts each year—% effort in teaching, research, extension, advising, etc.

- Unlike endowed colleges, the faculty salaries are paid by Cornell using direct appropriations from NYS. Endowed faculty salaries are paid largely from tuition income.

- In contrast with the endowed college faculty, most statutory faculty are on eleven month appointments, rather than nine month appointments.

Budget & Employment Expenses: The employment *pools* for statutory and endowed colleges differ in a fundamental manner. In 1980 these pools were approximately equal, but in 1992 in inflation corrected dollars, the statutory pool peaked in 1990 and now has dropped back to its 1987 level. In contrast, the endowed pool has increased in a straight line manner from 1980 through 1992. During this twelve year period, the statutory and endowed pools grew 22% and 71%, respectively. During the past seven years, despite valiant administrative efforts and many down-sizing exercises, the *annual increases* in the endowed employment expenses pool are in excess of \$10 million (in addition to fringe benefit increases)!

The professorial (tenure track faculty) pools have increased for the endowed and statutory colleges in those twelve years by 59% and 25%, respectively, in constant dollars. The 'Other Professional' category has grown even faster in both categories (114% endowed and 41% statutory). In fact, in the endowed colleges the absolute size of the salary pool for 'Other Professional' now exceeds that for the professorial faculty! The 'Other Professional' group consists of non-academic, exempt and includes such groups as University Ad-

ministrators, Directors, Managers, Supervisors, Staff Assistants, Programmers, Controller, University Counsel, Bursar, Registrar, Accountants, student development specialists, Extension Supervisor Specialists, Research Support Specialists, Teaching Support Specialists, Project Leaders, Engineers and Architects, and Coaches and Trainers.

The restraint in the statutory budget (and the associated pain) stems more from financial reality, rather than a concern for tuition growth. The statutory administrative leadership, however, has competently guided us through some very difficult changes.

The endowed employment expense pool has grown unabated since 1980 (or before); I believe this growth pattern cannot be sustained. The primary source of general purpose funding is tuition. Given our fixed enrollments and leveling of grants and contracts (in constant dollars), the primary source for this growth is now our students (i.e., tuition). How much financial burden for instruction *and* research can (and should) we pass to our students? As much as the 'traffic will bear'? Or should there be a policy to guide this? The present endowed budgetary strategy is to maintain two separate funds—Capital and Operating. The operating budget does not disaggregate teaching and research funds and this leaves open the possibility that shortfalls in research are transferred to undergraduates. Do we have a policy governing how rapidly tuition can increase? Instead, tuition is the dominant source of revenue and salaries are the dominate expense in the operating budget so there is a temptation to use tuition as the default reservoir for balancing the overall budget. Isn't tuition treated as an arbitrarily established price, rather than being calculated as a university cost?

Even if we disregard our traditional concern for diversity and access to students beyond the audience served by colleges and universities 125 years ago (before Cornell was founded) we must still face the possibility that using tuition income as the driving engine for a modern research university has limits. We must quickly determine whether we have reached the carrying capacity of this model.

Closure

My 'Take Home Message' is that the faculty has a major stake in the fundamental decisions about the future of our University. I believe that some structural changes must be made very soon.

We need a better definition of the problem. For example, campus discussion has centered on the difficulty we are having in sustaining our financial aid policy—a \$34.9 million and rapidly rising tuition discount in 1992. On the other hand, we have not been as concerned about the much larger endowed employment pool (\$202 million). *The sum of the last three annual increments in the employment pool exceeds the entire financial pool.* Said differently, if we were to eliminate all financial aid from the General Purpose

Budget, we would still have to face an equivalent financial burden within three years! We need a more comprehensive and balanced view.

Furthermore, we must decide whether our students should be expected to assume additional financial responsibility for faculty research to offset the shrinking (in constant dollars) state and federal support for research. We need to do some serious soul-searching on this issue.

If we agree that the current situation is a crisis, I hope we will begin looking not only at institutional policy decisions, but ways we can individually contribute to the process. So far the Cornell Faculty Commission on Higher Education has not moved beyond analysis. What can we do as the Faculty? For example, should we play a role not only in policy, but also in developing technologies to reduce the costs of operating a great university? At present very few of us display any constructive interest in the issue of cost-effectiveness.

Chart 1

Cornell Enrollments

Graphs

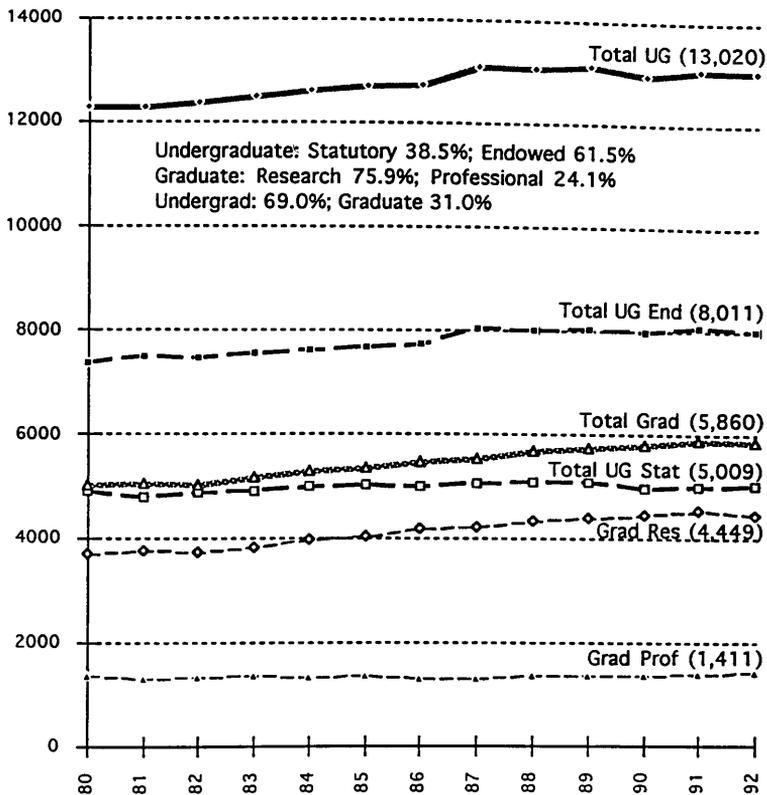
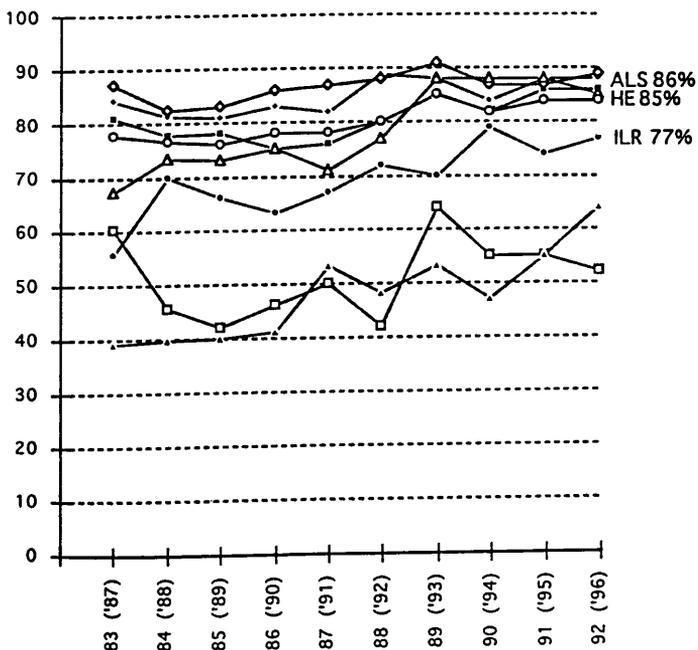


Chart 2

% Freshman in Top Decile of High School Class



Graduate Degrees Awarded 1970-71 Thu 91-92

Chart 3

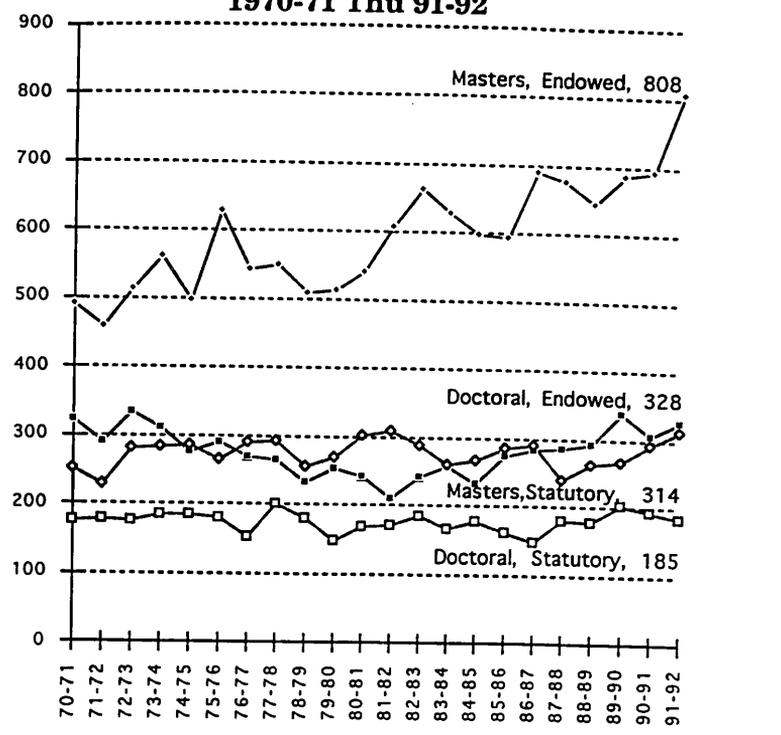


Chart 4

Undergraduate Tuition & Fees, Nominal \$

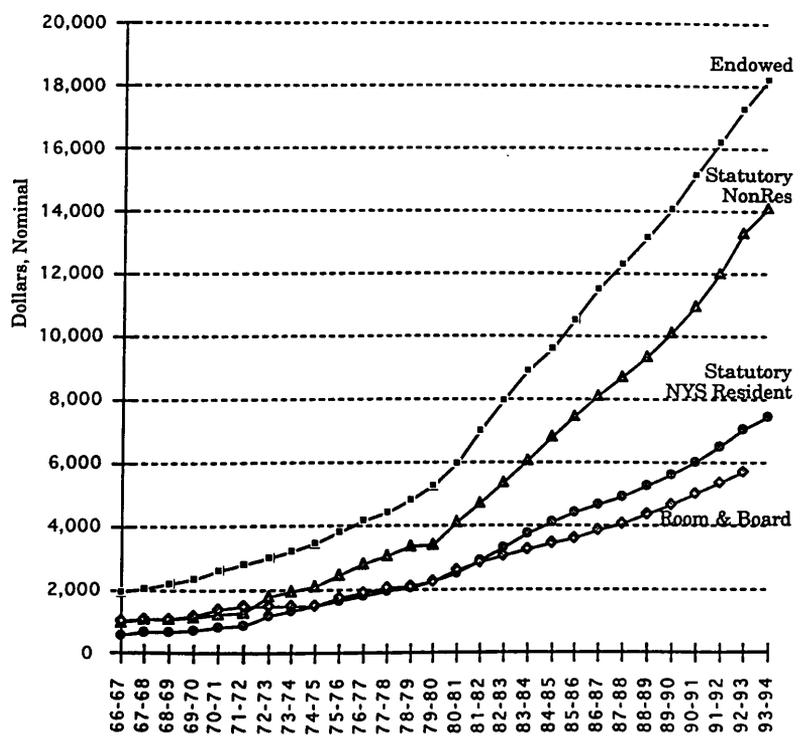


Chart 5

Tuition & Fees, Room & Board Constant 1966-67 Dollars

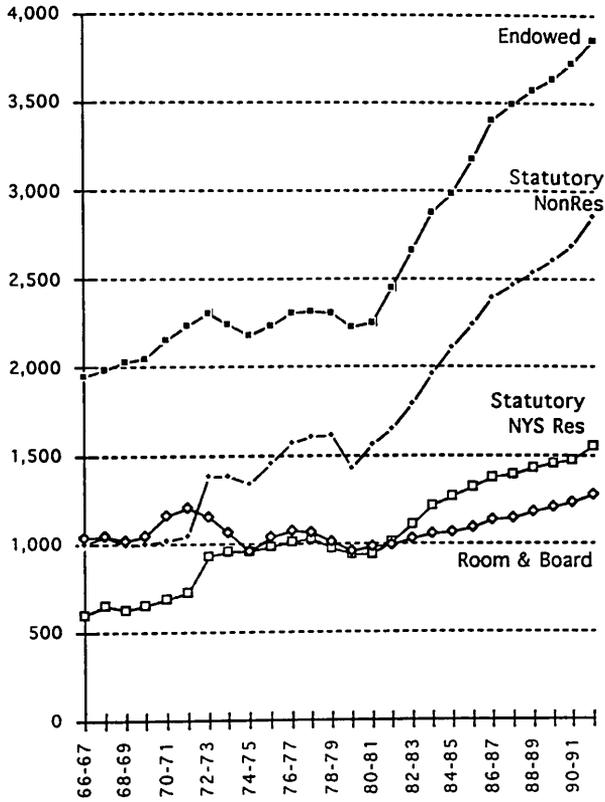
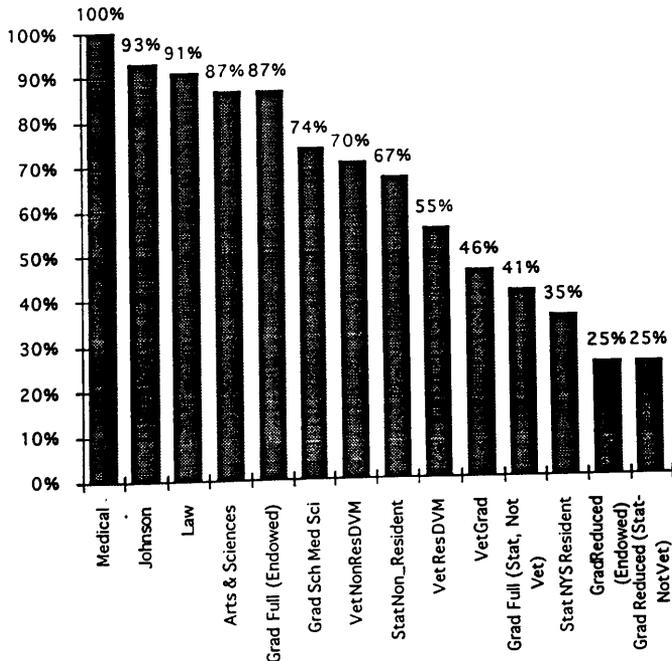


Chart 6

Tuition as Percent of Largest Category (1992-93)



Disposition of NYS Resident Tuition

Chart 7

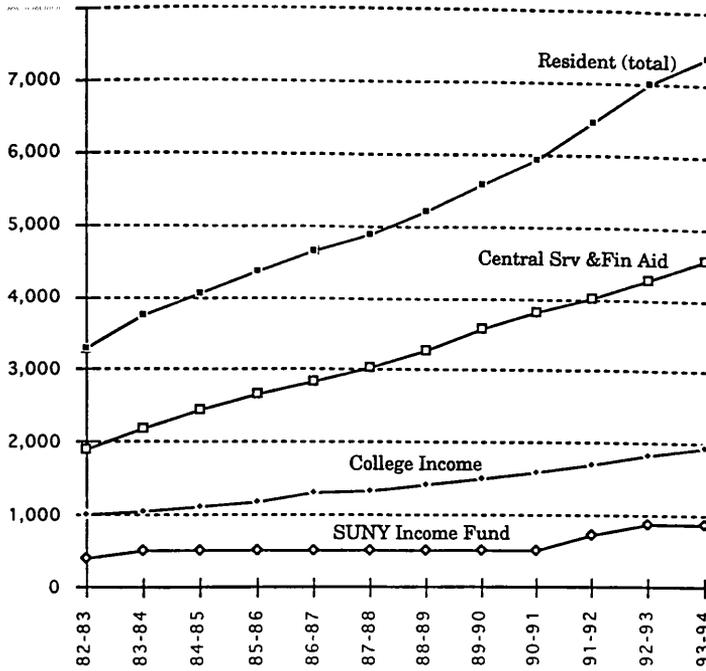


Chart 8

Statutory Payments to Endowed

(nominal dollars)

1992-1993 Total is \$41,116,000

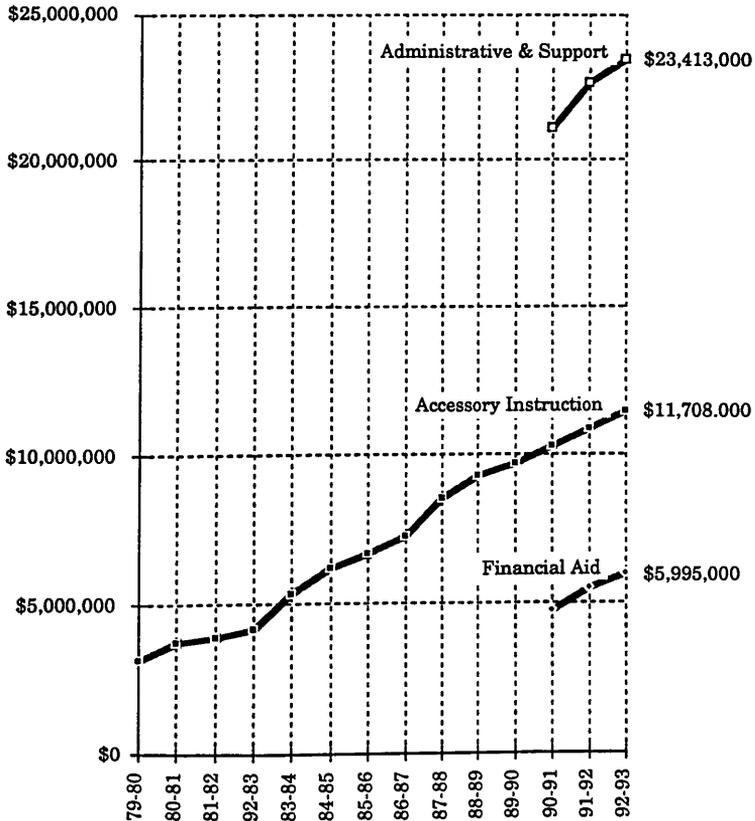


Chart 9

92-93 General Purpose Oper Plan Revenues (73% Tuition & Fees)

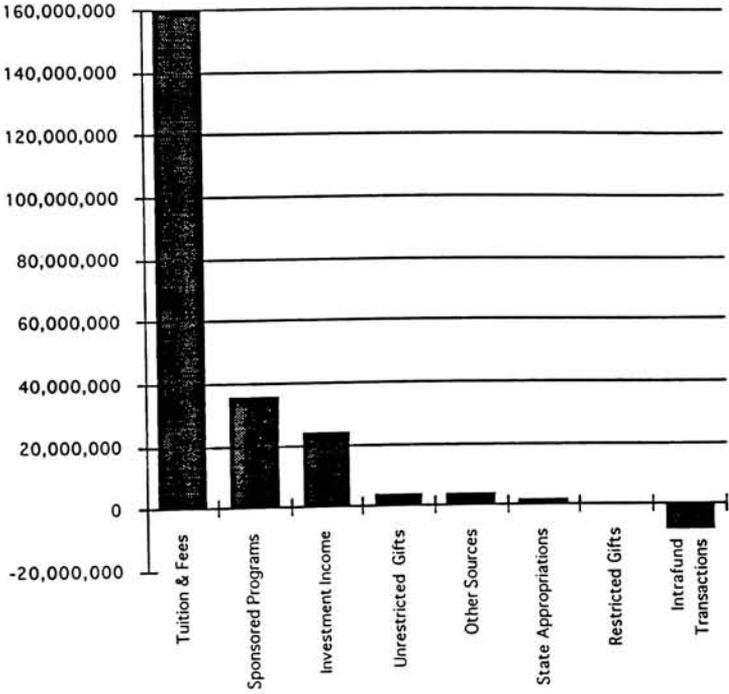
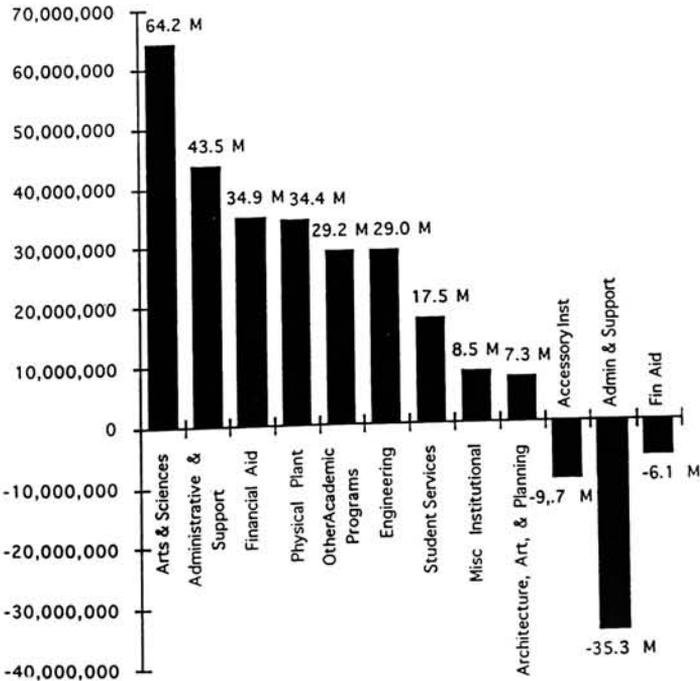


Chart 10

General Purpose Expenditures 92-93 Plan



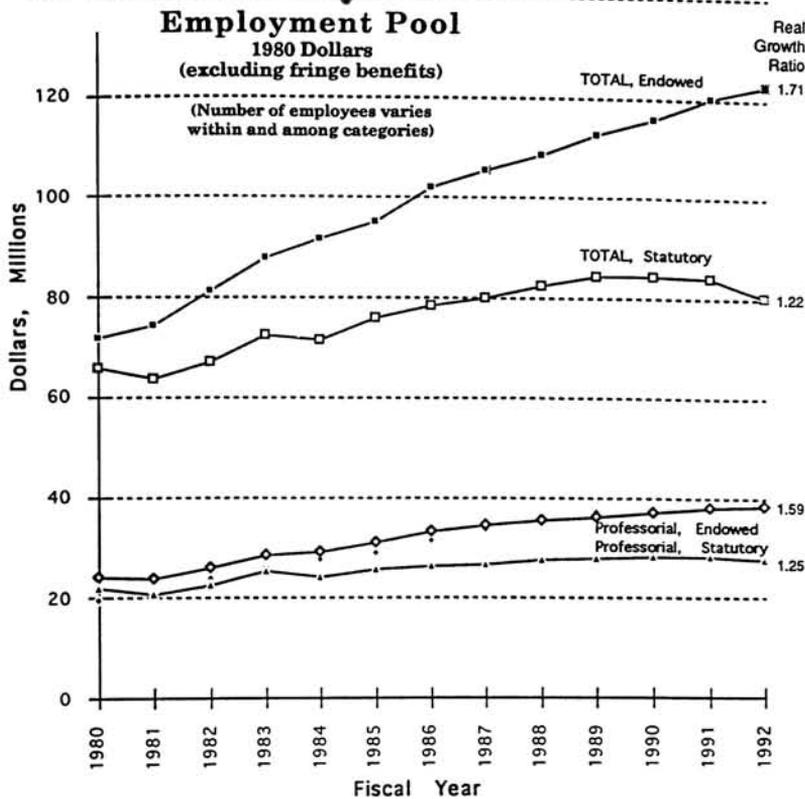
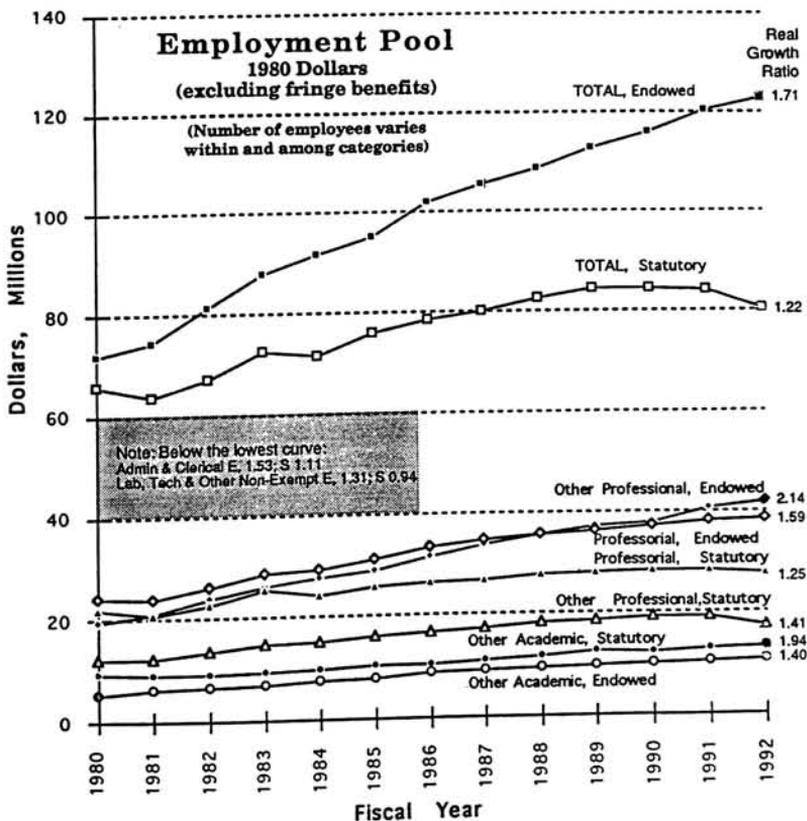


Chart 12



Employment Pools, Statutory & Endowed

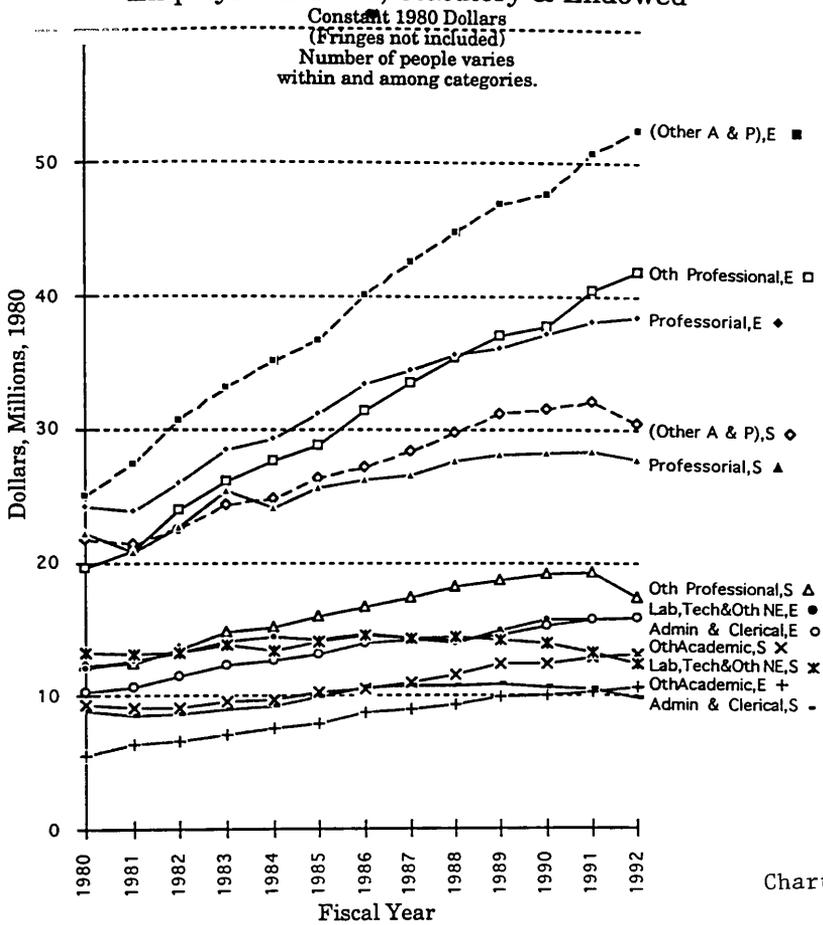
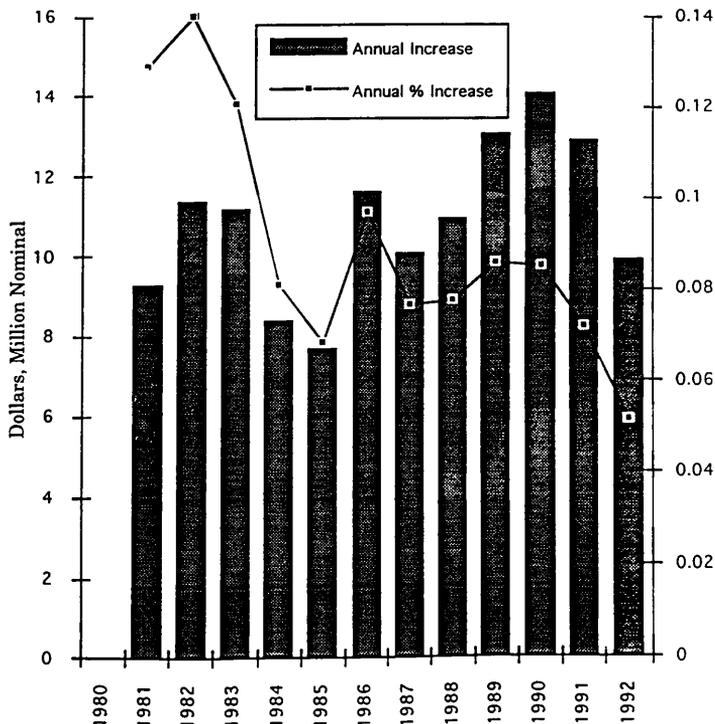


Chart 14

Endowed Employment Pool Annual Increases (Nominal Dollars & Percent)



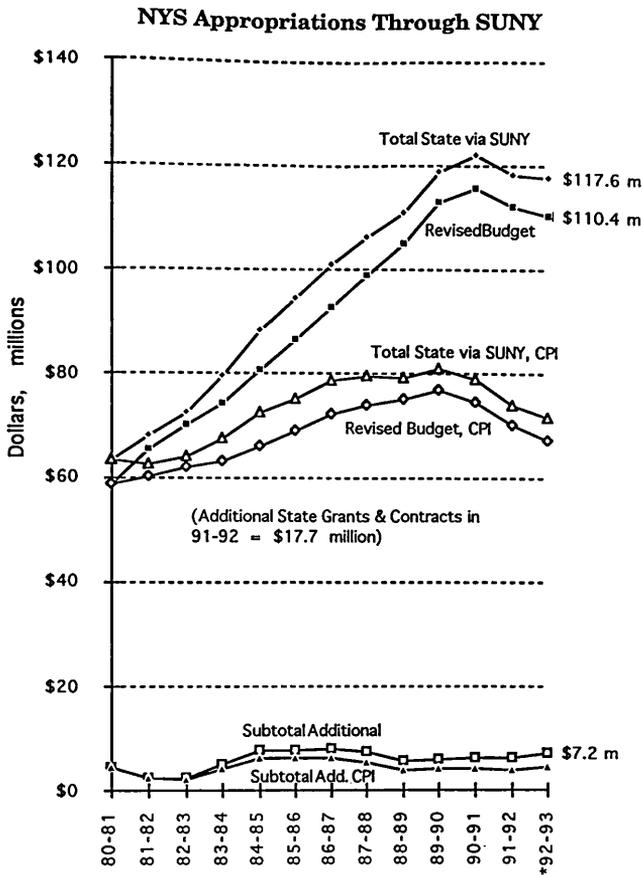
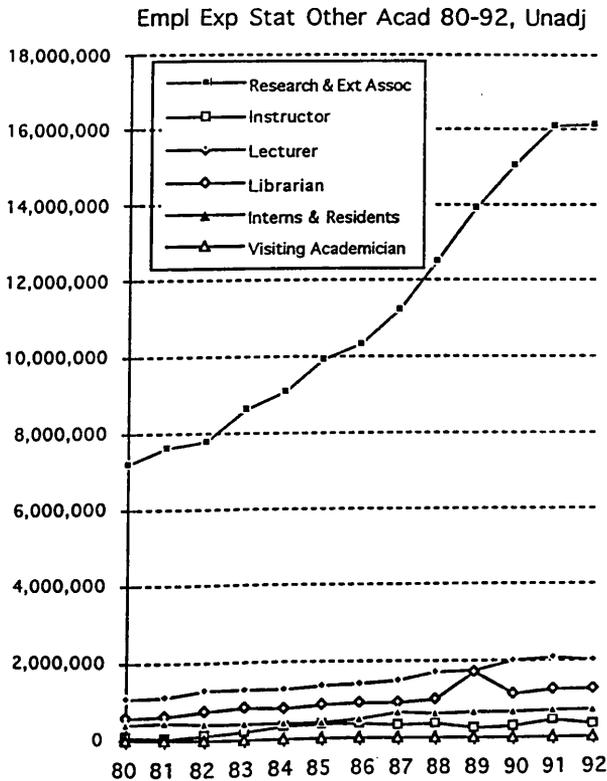


Chart 16



NYS Appropriations Through SUNY

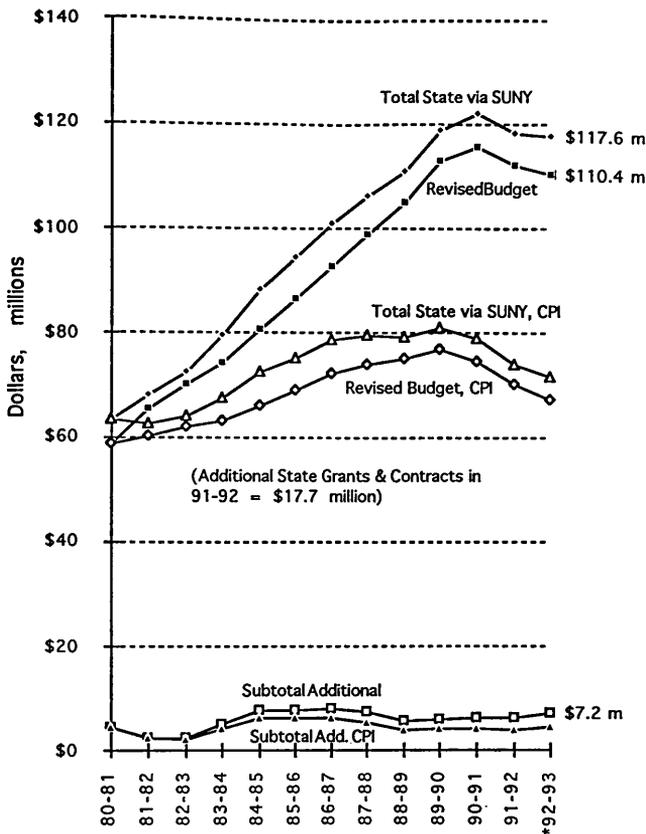
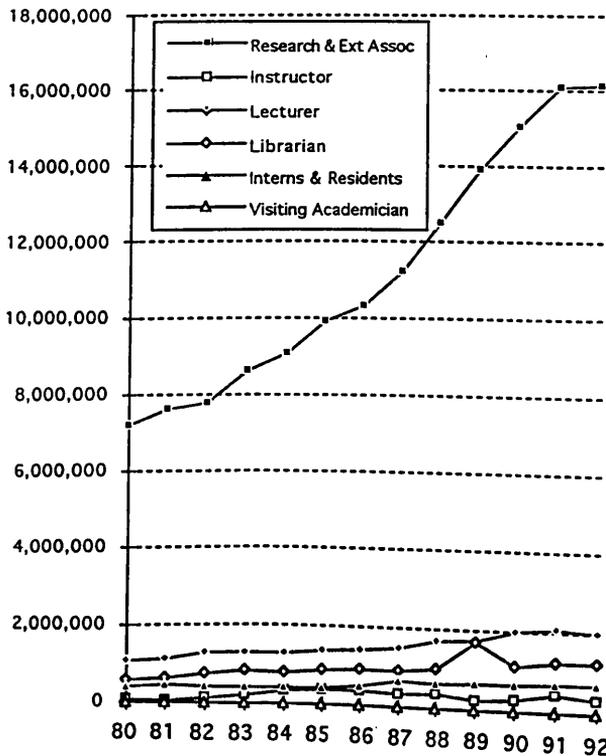


Chart 16

Empl Exp Stat Other Acad 80-92, Unadj



**Grants, Contracts, & Gifts
Statutory & Endowed Totals
(nominal and constant)**

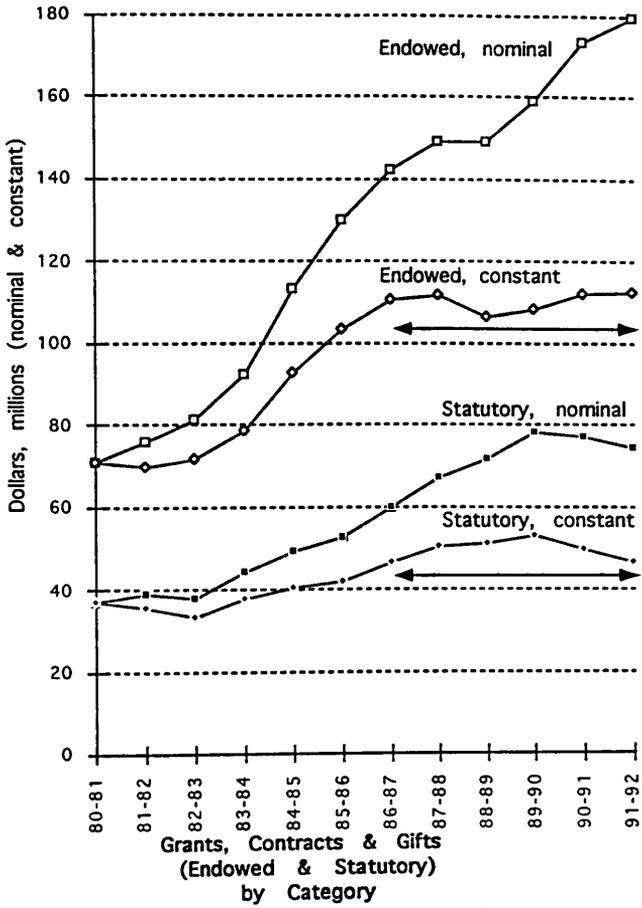
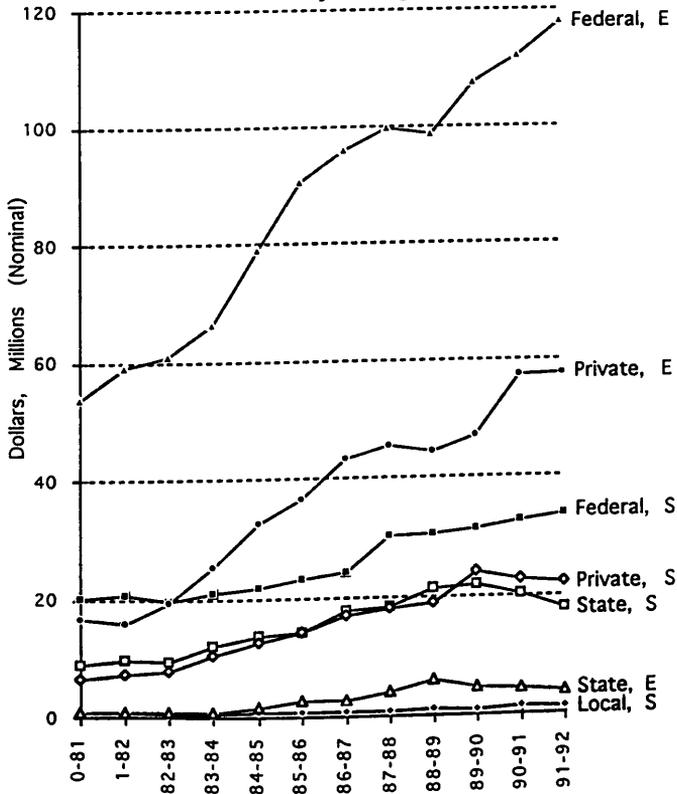


Chart 18



May 12, 1993

REPORT FROM THE COMMITTEE ON NOMINATIONS AND ELECTIONS

SLATE OF CANDIDATES FOR FCR SEATS ON COMMITTEES

(all terms commence July 1, 1993)

ACADEMIC FREEDOM AND PROFESSIONAL STATUS OF THE FACULTY -

1 vacancy, 3-year term

James W. Gillett, Professor, Natural Resources
 Frank C. Keil, William R. Kenan Jr. Professor of Psychology
 Richard L. Liboff, Professor, Electrical Engineering

ACADEMIC PROGRAMS AND POLICIES COMMITTEE -

1 vacancy, 3-year term

Roger F. Loring, Assistant Professor, Chemistry
 Donald P. Hayes, Professor, Sociology

ACADEMIC PROGRAMS AND POLICIES COMMITTEE -

1 non-tenured vacancy, 3-year term

D. Merrill Ewert, Assistant Professor, Education
 John E. Parks, Assistant Professor, Animal Sciences

AFFIRMATIVE ACTION COMMITTEE - 1 vacancy, 3-year term

Richard A. Baer, Jr., Professor, Natural Resources
 Carroll Glynn, Associate Professor, Communication

EXECUTIVE COMMITTEE OF THE FCR - 3 vacancies, 2-year terms

James W. Casey, Associate Professor, Microbiology, Immunology and Parasitology
 Kenneth A.R. Kennedy, Professor, Ecology and Systematics
 Philip L-F Liu, Professor, Civil and Environmental Engineering
 S. Kay Obendorf, Professor, Textiles and Apparel
 Marvin P. Pritts, Associate Professor, Fruit and Vegetable Sciences
 Richard E. Schuler, Professor, Economics and Civil and Environmental Engineering

(over)

EXECUTIVE COMMITTEE OF THE FCR - 1 non-tenured vacancy, 2-year term

Elizabeth A. Fisher, Clare B. Luce Professor of Mechanical & Aerospace Engineering
David Strang, Assistant Professor, Sociology

FACULTY ADVISORY COMMITTEE ON ATHLETICS AND PHYSICAL EDUCATION - 2 seats, 3-year terms

Jennie T. Farley, Professor, Industrial and Labor Relations
Francis A. Kallfelz, Professor, Clinical Sciences
Charles E. Seyler, Associate Professor, Electrical Engineering
Birget Speh, Professor, Mathematics

FINANCIAL POLICIES COMMITTEE - 1 statutory vacancy, 3-year term

Loren W. Tauer, Professor, Agricultural Economics
Elaine Wethington, Assistant Professor, Human Development & Family Studies

FINANCIAL POLICIES COMMITTEE - 1 endowed vacancy, 3-year term

Harold Bierman, Jr., Nicholas H. Noyes Professor of Business Administration

MINORITY EDUCATION COMMITTEE - 2 vacancies, 3-year terms

Ross W. Atkinson, Assistant University Librarian, University Library
Njoku E. Awa, Associate Professor, Communication
Anne Berger, Associate Professor, Romance Studies
M. Anandha Rao, Professor, Food Science and Technology, Geneva

RESEARCH POLICIES COMMITTEE - 1 vacancy, 3-year term

Edward J. Dubovi, Associate Professor, Diagnostic Lab
Michael F. Walter, Professor, Agricultural and Biological Engineering

REPORT OF THE COMMITTEE ON ADMISSIONS AND FINANCIAL AID

(Co-Chairs Gerald Feigenson and Gail Scott White, Timothy DeVoogd, David Dunn, Mark Fulford, Stephanie Garon, Robert Gilmour, and Daniel Usner)

This report was initially presented and discussed at the April 14, 1993 FCR meeting

FACTORS INFLUENCING CORNELL FINANCIAL AID PRACTICES

I. Brief History of Financial Aid at Cornell

Role of State and Federal Governments

New York State's role in directly supporting students in higher education began in 1913 with the Regents College Scholarship Program, a competitive merit-based award for full-time post-secondary education. The Tuition Assistance Program was established in 1974 to provide access to higher education for students with demonstrated need. Since then, the state has developed several other programs addressing financial needs of students. The federal government began providing some aid to students in 1935, through the National Youth Administration. The G.I. Bill of 1944 and the National Defense Education Act of 1958 significantly expanded the federal role. By 1965 aid for college students had wide legislative support in the form of federal scholarships, wage subsidies for students, and federally insured student loans.

Cornell's Contribution

Since 1867, Cornell has contributed to the financial support of its students through a combination of need-based assistance and rewards for merit. Employment opportunities, loans, and grants were at a relatively low level until the mid-1960's. Greater support from federal and state governments enabled the University to "package" student aid, combining federal, state, and university support through loans, work, and grants. Families were expected to contribute to the extent possible. Scholarships and special funds received from individuals (particularly alumni) and institutions

(corporations and foundations) helped Cornell to meet the financial needs of its students.

By 1976 the University was able to meet the full demonstrated need of all admitted students. Cornell practiced a policy of making admissions decisions without regard to the financial situation of the applicants. The policy of separating the admissions decision from the financial aid decision (the "need-blind" policy) was affirmed by the Board of Trustees in 1981.

Change during the 1980's

In 1981 the federal government began to decrease support for student aid. Funding for grants decreased, and access to loans was restricted under the Omnibus Budget Reconciliation Act. A rapid increase in the cost of attending Cornell strained the resources of both families and the University. Provost Barker initiated a review of the financial aid program in 1985 (see below). In response to a shortfall projected at \$4 million for the next year, Cornell stepped back from a commitment to provide sufficient aid for all admitted students. The new policy stated that needy students "... would be assisted in meeting that need... ". This policy of assistance, rather than commitment to meeting full demonstrated need, was reaffirmed by the Board of Trustees in March 1993.

II. Summary of the "Barker Report" (1985)

Background

For the decade preceding the mid-1980's, Cornell had been able to meet student need for financial aid without straining resources. In the Fall of 1984, the Dean of Admissions and Financial Aid projected an increased demand for all grant/scholarship funds from \$24 to \$41.3 million by 1988-89. Provost Robert Barker established the Commission on Undergraduate Financial Aid to explore ways to meet projected demands for financial aid in the coming years. The Commission's findings, referred to as the "Barker Report", are summarized below. Although the Commission extensively discussed the diverse and sometimes conflicting plans outlined below, at no time did they take a stand supporting any particular option. The Barker Report became exploratory rather than prescriptive, despite the initial intent of the

Provost. Some of the ideas from the report were later implemented by various Cornell agencies.

Recommendations

The Commission was concerned about supporting the Cornell goal to assure quality, access, and diversity in the student body. The Commission recognized the importance of a partnership between parents and students, the University, state and federal governments, alumni, and other organizations. They called for some safeguards to ensure that the financial aid policy would not compromise any of Cornell's goals.

suggestions for the short-term (projected deficit of \$4 million for 1986-87)

1. factor inflation into all elements of the aid package
2. discontinue the admissions rating system
3. modify the self-help component to reflect family income, size, indebtedness, and number of children in college
4. target aid to students from underrepresented groups
5. revise the computation for parental contribution
 - a. reflect anticipated, rather than current, assets
 - b. require information on non-taxable income and assets
6. establish an ongoing advisory group
7. initiate a survey of financial aid recipients

suggestions for the long-term (until 1988-89)

1. for general purpose funds
 - a. improve budget planning
 - b. establish a clear budget goal of meeting full grant need, instead of the (current) 14.3% of tuition and fees that is allocated to grant expenditures
2. for restricted funds
 - a. separate funds for grant aid from other funding sources
 - b. start more aggressive investment policy for endowment funds for aid
 - c. develop new initiatives
 - i. increase visibility of student aid needs and giving opportunities

- ii. increase communication between alumni and students
- iii. continue fund raising efforts for the Cornell Tradition
- iv. focus fund raising to increase unrestricted grant funds
- v. support more development activity

3. outside scholarships

- a. make sure scholarship policy is equitable
- b. create incentives for obtaining scholarships

4. financing alternatives

- a. better support for families obtaining loans
- b. extend costs over longer period than 4 years

5. student indebtedness

- a. standard aid package should contain no more than the current two loan maximum
- b. retain university loans, but improve terms and interest rates
- c. improve financial counseling for loan debt loads
- d. monitor ratio of student indebtedness to starting salaries for graduates

6. student employment

- a. alter student Job and Wage Scale with inflation and market forces
- b. increase wages and raise employment expectation in the aid package
- c. find additional sources to fund wage increases (e.g. New York State work program)
- d. create incentives for students to find work (e.g. Cornell Tradition, College Work Study Program, etc)
- e. change academic calendar to allow more time for summer employment
- f. review off-campus and summer earnings

7. give grant aid for academic costs (tuition and fees), but no aid for non-academic costs (room and board)

Alternatives for the most severe circumstances

1. increase tuition to support increases in student aid
2. distribute unmet need across the entire financial aid population
3. offer grant aid assistance to a reduced number of students (i.e. return to pre-1976 policy)
4. distribute unmet need to only a portion of the financial aid population; reduce the number of grant recipients
5. distribute financial burden across the entire Cornell community

III. Growth of the Financial Aid Budget

A. Rise in tuition + fees (endowed) from \$5860 in 1980-81 to \$17,300 in 1992-93; approximately a 10.5% annual increase

1. starting 1980-81, faculty salaries began to keep pace with inflation
2. Cornell reduced spending from endowment funds starting in late 1970's
3. spending on new buildings and maintenance of older buildings increased
4. computers were purchased and linked; computerization of library and administrative records became widespread
5. library costs increased
6. recruitment costs increased
7. a more diverse student body required more aid

B. Declining financial status of families (weak economy)

C. Declining federal and state support

D. The combination of the increase in costs to attend Cornell with the decrease in the number of families that could pay these costs led to the steep increase in expenditures for grant aid (approximately 17% annual increase since 1980-81)

E. Choices for funding financial aid

1. raise revenues
2. squeeze other areas of the budget
3. decrease aid expenditures (see below part IV), including not meeting full need for all accepted applicants
4. combination of (1-3)

IV. Reducing Grant Aid Expenditures

A. "Indexing" grant aid

At the time of the aid offer, Cornell specifies to the family how aid would change in future years, e.g. \$10,000 first year, and 6% increase second year, i.e. \$10,600. This rate of increase would be slower than the rate at which grant aid has been increasing. The amount of aid would be further modified, as is now done, if the family income went significantly up/down. **estimated savings \$500,000 per year**

B. Multiple Siblings in College

Currently, the family contribution is the same whether one or many students are in college at the same time. This family contribution would increase, as in the following example:

1. For 2 in college- parent contribution would total 120% that for 1, or 120%/2, per student. The old way would be 100%/2, per student.
2. For 3 in college- 140%/3, per student.

All frosh would be treated this way, starting in Fall '93, as would those current students who experience an increase in the number of siblings in college while at Cornell. Current students with multiple siblings in college would not see reduced grant aid, unless the number increased.
estimated savings \$600,000 first year, and \$2,000,000 over next 4 years.

C. Financial Aid "Wait List"

1. Each College submits to the Financial Aid Office a list of the lowest-ranked admitted applicants. For Spring '93, this list was 10% of the total admitted. This 10% was divided by the College into higher and lower priority halves. Depending on the size of the projected shortfall, the following procedure would apply to the entire 10%, or else to the lower 5%.

2. Some of these applicants (as is true for the total applicant pool) will not have filed applications for financial aid. For those who have, the financial aid office will determine need. Loans and work-study aid (as well as any non-Cornell grants) will be available, but Cornell grants will not be offered. This will lead to a "gap" in the resources available to the student, therefore a large fraction of these students will not come.

estimated savings \$800,000 per year.

D. Increase the Loan Component

For years in which we are not at the ceiling of federal loans available, Cornell can increase the loan component and decrease the grant aid component, of the total aid offered. For example, the 4200 grant aid recipients could each see a shift of \$200 from grant to loan.

estimated savings \$840,000 per year

E. Decrease Fraud

It is difficult to estimate the fraction of families who have sent to Cornell fraudulent versions of their tax returns. Currently, a random sampling of 200 aid-recipient families is being required to give Cornell permission to have the IRS send copies

of their actual tax return. A significant rate of fraud would result in a future requirement for all aid-recipient families to permit access by Cornell to forms sent to the IRS.

estimated saving for 1% fraud rate:
0.01 x (4200 grants) x \$9800 per grant/4 years,
or \$100,000 per year
estimated saving for 5% fraud rate: \$500,000 per year

F. Decrease/Eliminate Grant Aid to Special Groups

1. international students
2. Cornell students studying abroad
3. Summer School students
4. others

estimated saving \$4,000,000 per year

V. Projected Changes in Composition of the Student Body if a Financial Aid "Wait List" is Used

Would a lack of grant aid to students in the lowest-ranked fraction of admitted applicants result in decreased quality/diversity? One way to assess this question is to compare the data for students who are directly admitted with data for students who are placed on an admissions wait list. Each College has used its own admissions criteria to construct that wait list. Data that describe the students on the wait lists have been averaged for all the Colleges in the following table, together with data for admitted applicants:

FRESHMAN ADMISSIONS, FALL 1992

	<u>ACCEPTED</u>	<u>WAIT-LISTED</u>
TOTAL STUDENTS	6232	2056
FEMALE	47%	46%
TOTAL MINORITY	30%	26%
UNDERREPRESENTED MINORITY	13%	3%
FIN. AID APPLICANTS	71%	72%

ATHLETES	9%	5%
INTERNATIONAL	7%	4%
NY RESIDENTS	32%	32%
OUTSIDE NORTHEAST	35%	35%
MEDIAN CLASS RANK	2	4
MEDIAN SAT VERBAL	620	610
MEDIAN SAT MATH	710	690

The gender ratios for the two groups are essentially identical, as are the percentages of financial aid applicants, and the geographic origin within the U.S.. The percentages of underrepresented minorities, athletes, and international students are *lower* in the wait-listed group. The class rank and SAT scores were slightly better for the admitted applicants.

VI. Experiences of Other Institutions

While Cornell typically measures itself against the other Ivy League institutions when dealing with admissions and financial aid, a larger peer group includes schools such as Duke, Northwestern, Georgetown, and Johns Hopkins. Currently, many of these institutions (with the probable exceptions of Harvard and Princeton) are examining the allotment of financial aid and the impact on composition of the student body of changing need-blind admission policy. The following information shows the impact of policy changes on the composition of the student body of several institutions, using data for years before, during and after changes in financial aid policy. Schools shown are members of the Consortium of Higher Education.

University A, a decade ago, quietly changed from need-blind admissions to "need-conscious": students are admitted until a defined financial aid budget is used up. Thereafter, students who need grant aid are not admitted:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	7%	7%	7%
Hispanic-American	3	4	6
Asian-American	6	10	16
race unknown	-	-	-
international	6	8	9
Caucasian	79	71	62

University B did not formally announce, but did recently start a policy of admitting students, but denying them grant aid:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	9%	8%	10%
Hispanic-American	6	7	9
Asian-American	9	9	20
race unknown	-	-	7
international	3	2	4
Caucasian	75	74	52

University C recently implemented a need-conscious policy specifically for applicants placed on the wait list. These wait-listed students are admitted without grant aid:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	8%	10%	11%
Hispanic-American	2	5	8
Asian-American	4	6	11
race unknown	-	9	4
international	3	-	2
Caucasian	83	76	64

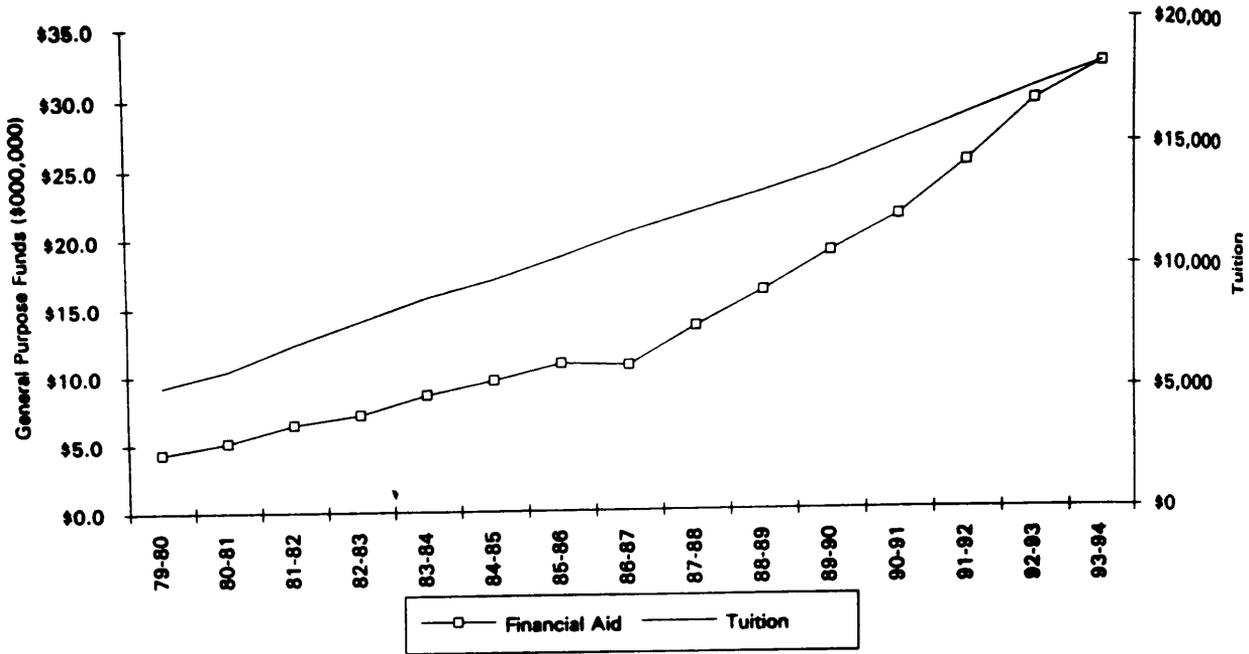
College A recently changed to a need-conscious policy; when the financial aid budget is used up, applicants who need grant aid are not admitted:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	4%	4%	3%
Hispanic-American	2	3	4
Asian-American	5	11	16
race unknown	-	-	-
international	6	5	8
Caucasian	77	71	68

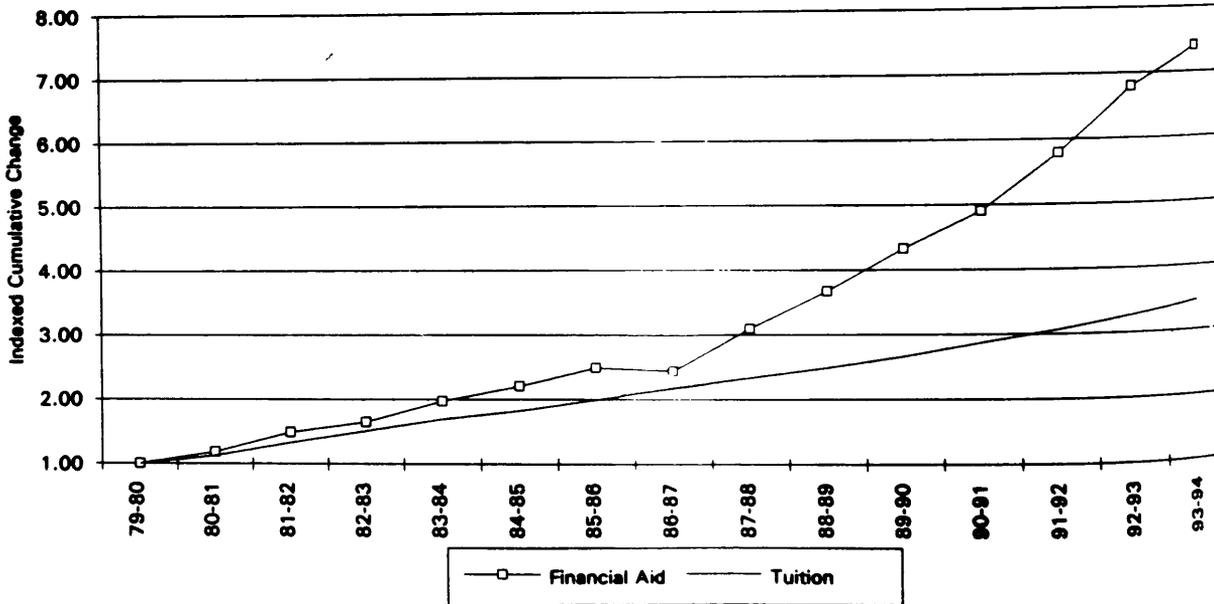
Cornell has not yet changed its practice of need-blind admission, with full funding of all accepted applicants:

	<u>1983</u>	<u>1988</u>	<u>1992</u>
African-American	5%	5%	5%
Hispanic-American	4	4	6
Asian-American	9	12	16
race unknown	-	-	13
international	4	3	7
Caucasian	75	75	52

General Purpose Funds to Undergraduate Financial Aid



Growth of General Purpose Funds to Undergraduate Financial Aid versus Growth of Tuition



MINUTES OF A MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES

September 8, 1993

First Meeting of 1993-94 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Greene, S.E. (1). **CALS:** Baer, R.A. (1); Berkey, A.L. (1); Ewert, D.M. (1); Feldman, R. (1); Parks, J.E. (1); Rockcastle, V.N. (1); Slack, S.A. (1); Tauer, L.W. (1). **Geneva:** Koller, W. (1); Rao, M.A. (1); Shelton, A.M. (1). **AAP:** Cruvellier, M. (1); Perlus, B.A. (1); Saltzman, S. (1). **A&S:** Cotts, R.M. (1); DeVoogd, T.J. (1); Feigenson, G.W. (1); Geber, M.A. (1); Hayes, D. (1); Hirschmann, N.J. (1); Howland, H.C. (1); Hull, I. (1); Kennedy, K.A.R. (1); Loring, R.F. (1); MacDonald, J.F. (1); Peirce, L. (1); Roldan, M.J. (1); Shanzer, D. (1); Speh, B. (1); Strauss, B. (1). **Engr.:** Farley, D.T. (1); Fisher, E. (1); Giannelis, E. (1); Kay, R.W. (1); Liboff, R. (1); Liu, P. (1); Lo, Y. (1); Rand, R. (1); Seyler, C. (1). **Hotel:** Dunn, D.C. (1). **H.E.:** Garner, C.E. (1); Laquatra, J. (1); Obendorf, K. (1); Wethington, E. (1). **ILR:** Kuruvilla, S. (1); Lieberwitz, R. (1). **JGSM:** Lind, R. (1); McAdams, A.K. (1). **Law:** Green, R.A. (1). **Libr.:** Atkinson, R.W. (1). **ROTC:** Corcoran, G.J. (1). **Vet. Med.:** Ball, B. (1); Hermanson, J.W. (1); Kallfelz, F.A. (1); Meyers-Wallen, V. (1); Randolph, J.F. (1). **At-Large:** Allen, J.A.V. (1); Bierman, H. (1); Farley, J.T. (1); Holcomb, D.F. (1); Levitsky, D.A. (1); Schuler, R.E. (1). **Faculty Trustees:** Kramnick, I. (1). **Guests:** D. Rob MacKenzie, Jean Samuelson, Beth Warren.

Absent: **CALS:** Awa, N.E. (0); Gillett, J.W. (0); Glynn, C. (0); Pritts, M.P. (0); Smith, M. (0). **A&S:** Ahl, F. (0); Bathrick, D. (0); Berger, A. (0); Darlington, R. (0); Keil, F. (0); Lambert, B. (0); Mullen, H. (0); Strang, D. (0). **Engr.:** Jirka, G. (0); Philpot, W. (0); Warhaft, Z. (0). **Hotel:** Sherry, J. (0). **Human Ecology:** Street, L. (0). **ILR:** Abowd, J. (0). **Law:** Simson, G.J. (0). **Vet. Med.:** Casey, J.W. (0); Dubovi, E.J. (0). **At-Large:** Decker, D. (0); Lumley, J.L. (0); Walter, M.F. (0). **Faculty Trustees:** Calvo, J.M. (0).

Dean of the Faculty, Peter Stein, called the meeting to order. He called on the chairman of the FCR Executive Committee, Professor Richard E. Schuler, Civil and Environmental Engineering and Economics.

1. ELECTION OF SPEAKER

Professor Schuler nominated Professor Emeritus Russell Martin, Communication, for Speaker. Hearing no further nominations from the floor, Professor Martin was re-elected by acclamation.

2. RESOLUTION FROM UNIVERSITY FACULTY LIBRARY BOARD

Speaker Russell Martin announced that the resolution from the University Faculty Library Board had been pulled from the agenda and a new resolution will be submitted at a later time.

3. APPROVAL OF MINUTES

Speaker Martin: "The next item is approval of the May 12 FCR/University Faculty Summary Minutes. We have two corrections. On page 2, paragraphs two and three, 'spatial' to 'special' and 'has increased' to 'have occurred'. Are there further corrections to these minutes? There being none, they stand approved as corrected.

"Under committee reports, the Speaker calls upon Professor Gerald Feigenson, Co-Chair of Admissions and Financial Aid, for a report on the Financial Aid Discussion Planning and Organizing Group, better known as FADPOG."

4. REPORT ON FADPOG

Professor Gerald W. Feigenson, Biochemistry, Molecular and Cell Biology: "Last spring there was a series of meetings of the FCR where we discussed financial aid and in particular one change the University was planning to make and that was to adopt a so-called 'admit/deny policy'. At the May meeting, the Committee on Admissions and Financial Aid introduced a resolution regarding admit/deny policy and as a result of discussion, it was referred to the Executive Committee which was directed to work together with the Dean of Faculty and the Committee on Admissions and Financial Aid to organize wider faculty discussions and then report back to the FCR no later than this fall. This summer a group of us met a great many times and we decided to take the financial aid issues directly to each of the 75 departments on campus who deal with undergraduates and ask every faculty member what they want the University to do. So we found about 25 faculty willing to share this task of presenting the issues to each department. We designed a presentation which eventually everyone will have a chance to hear. And you may find this presentation to be absurdly concise because everything needs to take place within the confines of about a one hour meeting. But we feel that this kind of presentation will allow vastly more faculty involvement than is possible at an FCR meeting. Two of the presentations have already taken place, one in Chemistry and one in English, and many more are scheduled. All are to be scheduled this fall and we plan to report back to the FCR by the December 8 meeting."

Speaker Martin: "Are there any questions for Professor Feigenson? Thank you.

"The chair next calls on Professor Nerode for a report on Managed Health Care."

5. REPORT ON MANAGED HEALTH CARE

Professor Anil Nerode, Mathematics: "Last year I was on a number of FCR committees. I resigned from all of them other than the ones connected with health care when it became clear that the University was contemplating or considering having either Health Maintenance Organization (HMO) or Preferred Provider Options (PPO),

in other words, managed health care. I felt that after our experience with the options previously available several years ago where one of the options had to be dropped, it would be very worthwhile to keep very careful contact with this process. As Co-Chair of the Employee Benefits Committee, I've sat in on and contributed to every meeting over a period of about 13 months. And now we are in a situation where there is something to report on. It seems extremely likely that on July 1, 1994 we will have the option of either staying with the current 80/20 plan or moving over to the new plan, which is the PPO plan, which I will explain after a bit. And that if the actuaries this time do a decent job so that the costs and the benefits are designed correctly, which they were not in the previous plan, that we should have two competitive plans in every year and have the opportunity to move from one to another. I'm sort of talking in very general terms because questions come up almost immediately from people attached to the 80/20 plan for endowed faculty/staff for various reasons, and they are worried that the plan will disappear. So the first requirement I had being on this committee was to try to assure myself we would not end up in the same situation again, mainly that we have an alternative that would remain an alternative. As the year developed what I realized from a general perspective is that some of our competitors, for example Harvard, actually have open to their faculty a great number of alternative health plans. Some of these alternative health plans are very large, some are not. I think at Harvard at the moment it's six, and you have a choice and if you're in one you elect it for a year. Federal employees currently have a choice of 30 plans. And it's not to be regarded that any of these are going to disappear. There will be many choices available. From everything that one could learn about managed health care nationally, both republicans and democrats are behind the managed competition, basically taking that kind of model and making broader choices available. So what I'm trying to say before starting out is that there is no intention here of destroying the 80/20 plan. There may not even be an intention of having only those two plans. It took 13 months to get the second plan in order, which can be regarded as something we can actually present as an alternative to the faculty.

"The next thing was that we set up the ground rules for this committee which were agreed to by both the appointed members and the people from Personnel. An important aspect of the ground rules was that we were not in any sense trying to reduce the current University contribution for each of the faculty members. We took the number of people covered, the total amount we spent on them over a year, and what was needed to increase that to actually make an alternative available which had cost control, quality control, and access to the best hospitals and so on, but to make something up that had better benefits through the cost control and quality control but without reducing the cost. So the long term objective was to reduce the rate of increase of the health costs at Cornell over the years, not to decrease the coverage. And I don't have the percentages in mind. What I remember is there is at least a 3 or 4 percent difference and there may be more between what you may project for the managed system. I'm talking about the increase in cost and what you could expect from the 80/20 plan. In other words, you could expect the 80/20 plan to increase in

cost at a very substantially faster rate than this managed care plan, again trying to get decent benefits in place. We also have as part of this program, actually at my request, the question of care for the elderly, care for the disabled, in other words, extended care. That has to wait in the sense that we have to know exactly what we are doing for everybody in general before we can start thinking about what to add on. And that seems like something that is very easy to do but we have to get this second plan in place.

“So we have major companies who are willing to come in and actually administer a self-insured program. I have to remind you that these programs that Cornell offers are self-insured. All Aetna does for us is match the papers and call in the code and so on for your current plan. At the beginning of the year, this is 14 months ago, it seemed to me and I said so very openly, that under what they would have come in with as their first offer of either a PPO or HMO, the requirements of the Cornell faculty would not be met and I would put it in the following order. A great percentage of the Cornell faculty believe that they can choose absolutely first class physicians somewhere and will flee in order to do so when something serious happens and they feel that they haven't had a wide enough local choice. The list of University executives who have fled in the last year to centrally located hospitals starts with the President and works on down to the Librarian. It's the same thing every year, the faculty really wants to have a choice of first class centers. When the year started out, Aetna had tried to begin to put together a collection of specialized centers and also research hospitals. It was very short and extremely unsatisfactory. I think the Aetna people or the people here would be the first to say that Aetna people were very unhappy with the remarks that came out of the faculty, not just me. So I was worried about that. But I was also worried personally about the fact many of us have problems with large numbers of papers going back and forth. When we ask for medical reimbursements, something goes in, somebody just reads the thing and sends it back. Sometimes things go back five or six times, it's rare that they get it right. Hospitals have that problem. Under the present scheme we are trying to improve what it does. I think many of us have suffered from these things. One of the main advantages of going under one of these systems is that almost all of that paperwork is absorbed. In other words, you don't see it. It gets done but you don't see it.

“Another thing that was very bothersome a year and a half ago is that the number of local physicians who had been willing to sign up was relatively limited. What I have to point out is that a similar plan was put in force at Ithaca College a couple of years ago. It was put in force, as far as I can see, based on fairly limited participation of local Ithaca physicians. With Cornell moving into it, and Cornell has most of the employees in Ithaca, this means that a good portion of those who are actually going to pay for the medical care will be under this new scheme. And it seems to me that one of the main things is to get the cooperation of the local physicians. And to do that you have to offer them something as well as taking something away from them. Now over the year, I'm not going to say that 100 percent of the Tompkins County physicians have signed up,

that would be quite untrue, but let's say that the list of those who have not signed up got shorter and shorter. If a pretty good deal is offered, they worry about losing their patients if the physician does not sign up for managed care. So it's a difficult transition for the physicians, while they become accustomed to medical oversight of their practices by an insurance company or peer physicians.

"We were interested in the Total Quality Management aspect as well, namely quality control, that's another thing as you know physicians resist but it's inevitable with the way the national scene is going anyway. They would rather control everything within their local peer group. So in any case there were these various problems with the physicians. I told you my worries at the beginning of the year. What happened over the year was that in response to this, Aetna actually managed to make up a claim and also get a lot of other hospitals and specialty centers to cooperate and roughly speaking if you get into this new plan you really have a very wide choice not only in personal physicians who are the original source of contact, but also to keep you local. The original point of contact (your primary case physician) actually coordinates your total medical record through all doctors at all times so it's all in one place and that's your reference to the outer world. But our worry of course as faculty members would be that it was originally a reference to second class hospitals. To give a typical example, under the plan that we have in mind, you can be referred to Mass. General which participates in the same sort of Aetna plan up there as here. One of the things I was curious about was supposing you have a favorite physician, your favorite one in the world, and he isn't in Ithaca. You can't use an arbitrary one to stay within the present system without a penalty. But on the other hand if you have your favorite Boston physician and he works at Mass. General there is a good chance he's in the Aetna plan. For the specialty hospitals, I'm not supposed to emphasize this, but I really would like to, what they've done is to go around over the last year to as many of the teaching and research hospitals as possible and asked them to join the plan. And a great number of them have. And of course my worry was about our immediate neighbors as to whether they would have access to a helicopter flight here, which for me I think it's Syracuse and Strong and so on. Well Rochester has a problem with it. In Syracuse, originally they said they didn't want to accept payment. But I have to tell you that the reason people in the hospitals are hesitant to sign up is that the reimbursement that they get is at the 70 percentile level. In other words they are not able to charge extremely large fees, they have standardized fees which are reasonable but not outstanding. Of course, if you can charge a lot for your services, you prefer to do so. And it's only buying power with large groups that makes any headway with this. The general consensus with the New York Times and Wall Street Journal is that within the next two or three years there is going to be incredible fall out among the general offering companies. They expect two or three to actually last because from what I'm describing it takes an enormous effort to get a national network together. In this particular area, in Ithaca NY, after we interviewed with the companies, Aetna actually stood out primarily because its anchor rests in the local area. There are two or three other companies that do not have any representation in the

Syracuse/Ithaca area. They're not going to come in for Cornell. In other words, we've got these other companies they were competing with, again I don't want to mention them by name, who really do not have networks or data processing facilities or quality control, but to me looked as if they were comparable to what we expect to be able to do by contract. So what I'm saying is that choosing Aetna was kind of a necessity because their market concentration in this area is such that first class competitors were unwilling to make offers at all. If it's Rochester NY and Kodak that wants somebody to come in, they're big enough to get something set up but Cornell University with 7,000 people doesn't bring very much interest to the area.

"Now one of the things I think the faculty will be interested in is what happens if you leave this network. That is if the network is set up as it is, then your reimbursement is substantially less if you leave the network for some wonderful specialist or hospital who isn't involved in it at all. Well, if I understand it correctly, and I think I asked them about ten times, the maximum amount it could cost you to do that a year would be \$5,000. If you're going off for a several hundred thousand dollar operation, that's an actually negligible amount, but for the daily things this network seems to me to be large enough that you could obtain enough expertise and enough of the well known hospitals. These are the things that struck me as a faculty member as being of some importance.

"Now what I've discovered in going to some of the focus groups is that everybody has their own concerns and these concerns are often about things that are not covered at all by the 80/20 plan. Those I am not prepared to speak to, though if Jean Samuelson and Beth Warren are here, they could. I think that what we have is a kind of a very good year, with both the national situation and the local one, they went through some ups and downs, but it's improving where we actually have something decent to offer you. There will be focus groups for the faculty in the fall. You may wonder why with a thing of this length that there weren't focus groups, but there were. Jean Samuelson set up some throughout the University. But not sort of open ones. They were set up by asking administrators or department chairs or whatever to send in a few people. This was mainly for the purpose of fine tuning the program. It has to be fine tuned further, and those focus groups will take place in the fall. What I'd like to know is, Beth or Jean, what have I left out?"

Beth Warren, Associate Vice President for University Human Resource Services:
"You've done an excellent job."

Professor Nerode: "The focus groups are very important, I think Jean would be the first to agree, and this is important for the physicians in the community and the hospitals here to understand that figuring out exactly what is required to keep a first class faculty at the University as well as keeping the staff, who may be stuck here because they're local people, exactly what you require to make it attractive. To you and me that's easy, we can do that at the Statler at lunch. It's not so easy for people who have never been

faculty members who have never been put in the situation where you have to keep people here in an attractive way. So I think that we have really gained a lot. I do have to say that I have never been on a committee with a better group of contributors who ranged over the whole University from the custodial staff to a man who previously served on the Board of Trustees representing the employees. And I hope this all comes to fruition next July 1st."

Speaker Martin asked if there were any questions for Professor Nerode.

Dean Stein: "I'd like to announce that Anil introduced Jean Samuelson and Beth Warren from Personnel. We have another visitor, Dr. MacKenzie, who represents the local physicians, who's prepared to answer questions we might have."

Dr. D. Rob MacKenzie: "I'd like to offer a few things from the physician perspective. We've been asked by Jean and by the faculty to be a part of this process in being sure that the local physician community is included and their input is solicited. We have also been involved with Aetna at the Ithaca College plan. There are about 1200 employees who are in the managed care program there. As with any initial offering of something that is new to a town or new to a physician community, there have been some glitches, some shake out problems. By and large it has run fairly well. We have some concerns that balance the faculty's desire and request for maximum choice. The object of managed care in one way or another is to offer a product that is somewhere on the continuum of less choice/less cost in a sense. Either it's the physicians less choice in terms of who's in the plan or it's the patient or employees less choice. And I wanted to do a couple of things. One was to just reassure you that we are in the plan, we are a part of the local network. But to also say that we do have some concerns about the way this particular plan is structured and would hope to have some continued influence in some minor changes that might reflect that. I don't know if you would like me to go into any further detail."

Speaker Martin: "Whatever you wish."

Dr. MacKenzie: "What is our timing? Can I show a few transparencies? The indemnity program that you currently have, the 80/20 plan, is sort of the maximum of both. If you're willing to pay your 20 percent you have the maximum amount of choice in terms of providers and terms of care. At the opposite end of the spectrum is an HMO type plan where there is a closed panel of physicians, either you pick them or you don't get care, and no one's talking about anything like that. The Aetna plan is somewhere in that in-between zone and the ways in which it tries to reduce the cost of the care is to limit in some sense the provision of care to cost effective providers and to limit in some sense how you get care. That means having to go through a gate keeper or a primary care physician when you wish to access the system. Basically, if you want to receive the higher level of benefits, you get permission from your primary doctor to receive that care."

(At this time, the tape recorder was shut off to show transparencies, Appendix A 1-4, attached.)

Professor Nerode: "Let me make a concluding remark. There are a great number of things that have to be ironed out. We have to preserve our local facilities, we have to preserve the choice for the Cornell faculty. Those are exactly the adjustments that are going to take part in the fall and worked out. I don't see at this point any problem in doing it. At times both the doctors and us got quite nervous over it, but it seems to me as if it's a solvable problem. Thank you for your attention."

Speaker Martin: "Before we open the floor for questions I would remind you, please give your name and area for the benefit of our Secretary."

Associate Professor Michael Shapiro, Communication: "I don't know if this is the appropriate place to bring this up or not, but I am incredibly frustrated by the fact that there are virtually no specialists in Tompkins County under the Empire Plan."

Professor Nerode: "This thing is only for the Endowed schools."

Professor Shapiro: "I understand that."

Professor Nerode: "I don't think we should discuss this. It's a whole completely separate and horrible collection of problems dealing with the State side. I think it would just basically confuse the audience."

Professor Shapiro: "It would be nice if somebody took that up at some point."

Speaker Martin: "Are there other questions for either Dr. MacKenzie or Professor Nerode? Thank you both very much. The chair next calls on the Dean of Faculty, Peter Stein, for remarks."

6. REMARKS BY THE DEAN

Dean Stein: "Well, let's see, this is my first meeting, I'm new to you, you're new to me. I have a couple of remarks. One is to announce the election of Professor Lucey as the new Secretary of the Faculty. Bob, do you all know Bob Lucey? (applause) Bob is the bartender and keeper of the cake at the rear."

"The results of the University Faculty and FCR elections (Appendices B and C) were distributed on the table at the back of the room, since we decided there wasn't any reason to read them."

"I really don't have very much to say but I'd like to make a couple of remarks about the FCR and myself and what I feel we ought to be doing during the next year. You know it comes easiest to me to speak openly and speak frankly so let me just start by doing that. It's clear to me that the FCR and the whole notion of faculty governance is in disrepute throughout the University. It's difficult for colleges to fill the slots, people don't come, there have been persistent problems over the last several years with quorums and we can attack that problem in various ways with a carrot and a stick. The stick is to embarrass people by writing down people who don't come. The carrot is a modest attempt at wine and cookies, but that clearly doesn't solve the problem. The reason people don't come is because they don't think it's important, that somehow we have not been able to make the FCR a meaningful instrument for injecting faculty participation into the wide scale decision making that goes on. And I think it's important to do that. I think there is a role. There is a lot of decision making that goes on, probably the critical decisions that are made in the University are made at the department level. To my mind the real critical decisions are the appointments of faculty that departments make. Those are the critical decisions that determine what Cornell will be like, but there are other issues. There are issues that are curricular issues that go on at the college level and a series of what I think are significant and important issues that are carried out at the University level. It's clear and everyone knows this that faculty members feel that the department is where they belong and generally faculty go to department meetings. They participate in those. They become involved in them. I've spent 30 years being involved in just those kinds of meetings and enjoyed it. And felt that my participation was worthwhile. I think the majority of my colleagues throughout the University feel that way. And then as one goes to wider and wider audiences, to the college meetings and then to the University meetings, the feeling of desire to participate, the feeling of the importance of the group, the feeling of the connection to one's self, dissipates until at the University level one has a feeling that there really isn't much point in doing it and I'll serve on the FCR if my dean or department chairman really drags me into doing it, which is not a good thing. And I feel that it's my responsibility to try to change that and I honestly don't have a prescription, but to me the way you change it is by making the FCR more active and finding ways where the faculty can have a vital effect on important decisions that go on and my belief is that there are important decisions going on. I think that what Jerry talked about, FADPOG, is a critical decision and people differ on what they feel about it. The whole notion of financial aid really encapsulates a lot of very strong feelings that people have about the values of the institutions. Are we an institution that feels a social responsibility to educate a broad mass of American youth, a broad cross section of American youth or are we an institution which is so committed to intellectual excellence that that first goal must fall to the second? And how do we balance that? A critical issue for the future of the University. And one that we as faculty members of the University should be involved in. I mean there are others. There's the issue you just heard about, managed care, which affects the health care that we will have for the future.

"Another critical issue that is coming is the strategic planning exercise. The central administration of the University is developing what is called the strategic plan. And whether it really will be a plan that lives up to that name - I mean a strategic plan is supposed to be something really big that it really defines what you're going to be in the future. If indeed the strategic plan is a strategic plan worthy of the name, then we as faculty have to be intimately involved as a group in determining that and determining its direction and in determining its outcomes because we all know that we are the University. In a real sense we are the University and the notion of a strategic plan being devised that the faculty does not as an organization, not only as individuals but as an organization, have a critical input, is to me unthinkable. It's clear to me that we have not found a mechanism for doing that. It seems to me that I would like to work together with you to find such a mechanism. One way is this thing that we're doing called FADPOG. Joe Calvo's responsible for the idea, I'm responsible for the acronym. But it was Joe who made the critical observation that if the faculty won't come to a meeting, we have to go to where the faculty are if we want to talk about that. That seemed to me an important insight and FADPOG is trying to make that concept work. Namely, to go with a critical issue to the faculty and engage them in this. That may be a model for attacking other issues, it may not. We don't know, there are 75 faculty meetings. We've had two of these financial aid discussions. Both of them, by the way, I felt very good at. I gave the one in Chemistry and I attended the one in English and they really were nice. People became involved in the discussion. They had strong feelings about it. They argued back and forth. It was a good feeling to hear faculty involved in what I think is this critical issue. Perhaps we can find other ways of being involved in others. Another one pops into my head at the moment. The whole question of research funding. I mean, what are we going to do with the drying up of Federal aid, with the fact that indirect costs are not recovered. The University can't cope with this multi-million dollar deficit that's implied in the actions of the US government and it's not at all clear what the right way to cope with that is. What are we going to do about the fact that tuition has, for the past decade, been rising at a rate which exceeds the rate of inflation by several percent per year, a kind of growth that anyone who has seen exponentials knows can not go on. Maybe it can go on next year, maybe it can go on for the next two years, but it can't go on indefinitely because otherwise if that happens the Cornell tuition exceeds the gross national product at some point. You can not sustain an exponential growth. We have not figured out how to deal with that. Nobody knows a clever answer for how to solve that problem, but that clearly is a problem that the faculty ought to be involved in. To me those are all University-wide issues that deeply affect all of us, and it is important that our input be heard loudly and clearly and we haven't figured out how to talk into the microphone. Together I hope that this year somehow together we can work out some way of doing it. It requires your cooperation. It requires you thinking about things that can be brought to the FCR, thinking about new ways of doing it, attending meetings, bringing up things that bother you. And Mike Shapiro, thank you for bringing the fact that there

are problems in the health care statutory units, which perhaps we have not paid enough attention to but I heard you, OK? That kind of input is critical to making this a working organization. With that, I hope we have a good year together. Thank you.”

Speaker Martin: “Are there questions for the Dean? Is there further business to come before the body? There being none, we are adjourned. Thank you for coming.”

Adjourned: 5:30 p.m.

Robert F. Lucey
Secretary of the Faculty

QUALITY ASSURANCE DATA

	<u>TCH</u>	<u>NYS hosps</u>	
inpatient mortality	3.1	4.0	%
neonatal mortality	0.0	0.2	%
perioperative mort.	.05	.20	%
hospital acquired infections	2.5	3.1	per 1000 pt/days
Cesarian sections	18.	24.	%
unplanned readmits	3.7	3.7	%
ambulatory surg admits	0.4	1.6	%

CORNELL UNIVERSITY MEDICAL COLLEGE/ NY HOSP

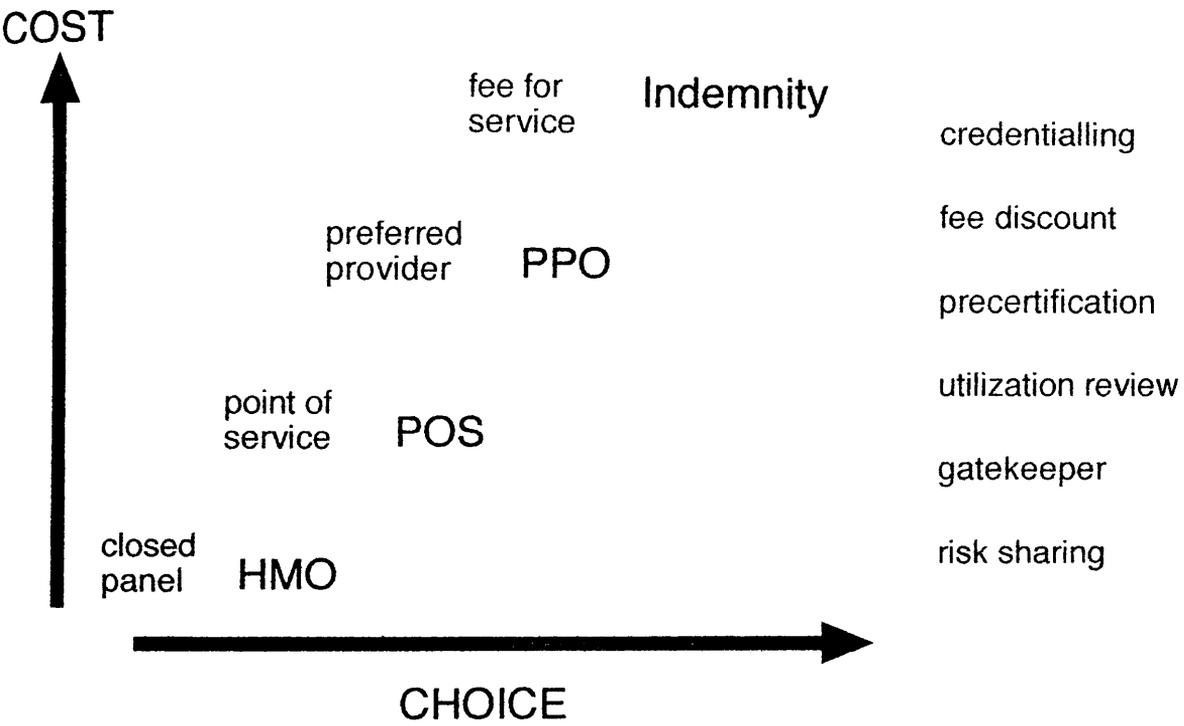
- affiliation agreement signed**
- TCH medical director: joint appointment**
- medical students late '93**
- medical residents early '94**
- CUMC faculty links**

"COMPREHENSIVE CANCER CENTER" ACCREDITATION/ ACS**ADVANCED LAPAROSCOPY CENTER OF FINGER LAKES****BENCHMARK HOSPITAL for UPSTATE VHA GROUP****BOARD CERTIFICATION 92%**

Comparing hospital bills

1991 figures Procedure	All New York hospitals			Tompkins Comm. Hospital		
	Admissions	Avg. days' stay	Avg. bill	Admissions	Avg. days' stay	Avg. bill
Vaginal delivery	213,569	2.7	\$2,400	950	2.4	\$1,400
C-section	66,828	5.3	4,700	237	4.5	3,100
Normal newborn	243,221	3.1	1,200	1,031	2.5	600
Hysterectomy	25,002	6.1	6,400	105	4.8	3,900
Prostate	19,903	7.1	6,300	52	4.5	4,100
Appendectomy	13,392	5.4	5,500	86	4.0	3,400
Gall bladder	30,994	5.9	6,700	124	4.9	5,000
Hernia	18,049	3.7	4,200	66	3.6	3,300
Bronchitis/asthma	34,709	6.4	5,100	116	5.0	3,400
Respiratory neoplasm	10,194	14.1	11,100	42	14.5	8,500
Mastectomy	11,395	5.5	6,100	51	3.0	3,600

Source: The Codman Research Group, Inc.



REPORT ON UNIVERSITY FACULTY ELECTION* Spring 1993

AT-LARGE MEMBER, FCR - 4 seats, 501 ballots cast

Harold Bierman, Jr., Nicholas H. Noyes Professor of Business Administration
Daniel J. Decker, Associate Professor, Natural Resources
Donald F. Holcomb, Professor, Physics
Richard E. Schuler, Professor, Economics & Civil/Environmental Engineering

COMMITTEE ON MEMBERSHIP OF THE UNIVERSITY FACULTY - 1 seat, 455 ballots cast

Carole A. Bisogni, Associate Professor, Nutritional Sciences

NOMINATIONS AND ELECTIONS COMMITTEE - 3 seats, 470 ballots cast

Roger C. Cramton, Robert S. Stevens Professor of Law
S. Kay Obendorf, Professor and Chair, Textiles and Apparel
Wolfgang H. Sachse, Meinig Family Professor of Engineering

REVIEW AND PROCEDURES COMMITTEE - 3 seats, 462 ballots cast

John J. Barcelo, A. Robert Noll Professor of Law
Lourdes Beneria, Professor, City and Regional Planning
Paul R. McIsaac, Professor, Electrical Engineering

UNIVERSITY-ROTC RELATIONSHIPS COMMITTEE - 2 seats, 473 ballots cast

Paul M. Kintner, Professor, Electrical Engineering
Frank W. Young, Professor, Rural Sociology

COMMITTEE ON ACADEMIC FREEDOM AND PROFESSIONAL STATUS OF THE FACULTY - 2 seats, 440 ballots cast

Terrence L. Fine, Professor, Electrical Engineering
Richard N. White, J.A. Friend Family Distinguished Professor of Engineering

COMMITTEE ON ADMISSIONS AND FINANCIAL AID - 3 seats, 438 ballots cast

Bertha A. Lewis, Associate Professor, Nutritional Sciences
S. Leigh Phoenix, Professor, Theoretical and Applied Mechanics
Andrew Ramage, Professor and Chair, History of Art

COMMITTEE ON AFFIRMATIVE ACTION - 1 seat, 468 ballots cast

Carlos Castillo-Chavez, Associate Professor, Plant Breeding and Biometry

FACULTY ADVISORY COMMITTEE ON ATHLETICS AND PHYSICAL EDUCATION - 2 seats; 1 three year term; 1 one-year term, 387 ballots cast

Robert J. Babcock, Associate Professor, Human Service Studies, 3-year term
David L. Brown, Professor and Chair, Rural Sociology, 1-year term

*Terms commence July 1, 1993 and are for three years unless otherwise stated.

COMMITTEE ON FINANCIAL POLICIES - 2 endowed seats, 464 ballots cast

Alan K. McAdams, Associate Professor, JGSM

Dorothy M. Mermin, Professor, English

RESEARCH POLICIES COMMITTEE - 1 non-tenured seat, 397 ballots cast

Noa Noy, Associate Professor, Nutritional Sciences

UNIVERSITY ASSEMBLY - 3 seats, two-year terms, 439 ballots cast

John F. Booker, Professor, Mechanical and Aerospace Engineering

Kenneth A.R. Kennedy, Professor, Ecology and Systematics

David I. Owen, Professor, Near Eastern Studies

REPORT ON FCR ELECTION* Spring 1993

COMMITTEE ON ACADEMIC FREEDOM AND PROFESSIONAL STATUS OF THE FACULTY - 1 seat, 52 ballots cast
James W. Gillett, Professor, Natural Resource

COMMITTEE ON ACADEMIC PROGRAMS AND POLICIES - 1 seat, 52 ballots cast
Roger F. Loring, Assistant Professor, Chemistry

COMMITTEE ON ACADEMIC PROGRAMS AND POLICIES - 1 non-tenured seat, 49 ballots cast
John E. Parks, Assistant Professor, Animal Science

COMMITTEE ON AFFIRMATIVE ACTION - 1 seat, 53 ballots cast
Carroll Glynn, Associate Professor, Communication

EXECUTIVE COMMITTEE OF THE FCR - 3 seats, 2-year terms, 54 ballots cast
Kenneth A.R. Kennedy, Professor, Ecology and Systematics
S. Kay Obendorf, Professor, Textiles and Apparel
Richard E. Schuler, Professor, Economics & Civil & Environmental Engineering

EXECUTIVE COMMITTEE OF THE FCR - 1 non-tenured seat, 2-year term, 51 ballots cast
Elizabeth M. Fisher, Clare B. Luce Professor of Mech. & Aerospace Engineering

FACULTY ADVISORY COMMITTEE ON ATHLETICS AND PHYSICAL EDUCATION - 2 seats, 51 ballots cast
Jennie T. Farley, Professor, Industrial and Labor Relations
Francis A. Kalfelz, Professor, Clinical Sciences

FINANCIAL POLICES COMMITTEE - 1 statutory seat, 50 ballots cast
Loren W. Tauer, Professor, Agricultural Economics

FINANCIAL POLICIES COMMITTEE - 1 endowed seat, 50 ballots cast
Harold Bierman, Jr., Nicholas H. Noyes Professor of Business Administration

MINORITY EDUCATION COMMITTEE - 2 seats, 52 ballots cast
Njoku E. Awa, Associate Professor, Communication
Anne Berger, Associate Professor, Romance Studies

RESEARCH POLICIES COMMITTEE - 1 seat, 52 ballots cast
Michael F. Walter, Professor, Agricultural and Biological Engineering

*Terms commence July 1, 1993 and are for three years unless otherwise stated.

**Minutes of a Combined Meeting of the
Faculty Council of Representatives and the University Faculty
October 6, 1993**

Second Meeting of 1993-94 Academic Year

(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Greene, S.E. (2). **CALS:** Baer, R.A. (2); Ewert, D.M. (2); Gillett, J.W. (1); Rockcastle, V.N. (2); Smith, M. (1); Tauer, L.W. (2). **Geneva:** Shelton, A.M. (2). **AAP:** Saltzman, S. (2). **A&S:** Ahl, F. (1); Cotts, R.M. (2); Darlington, R. (1); Hayes, D. (2); Howland, H.C. (2); Hull, I. (2); Keil, F. (1); Kennedy, K.A.R. (2); Loring, R.F. (2); MacDonald, J.F. (2); Roldan, M.J. (2); Shanzer, D. (2); Speh, B. (2). **Engr.:** Farley, D.T. (2); Giannelis, E. (2); Kay, R.W. (2); Rand, R. (2); Seyler, C. (2). **Hotel:** Dunn, D.C. (2); Sherry, J. (1). **H.E.:** Obendorf, K. (2); Wethington, E. (2). **ILR:** Abowd, J. (1); Kuruvilla, S. (2); Lieberwitz, R. (2). **JGSM:** McAdams, A.K. (2). **Law:** Green, R.A. (2); Simson, G.J. (1). **Libr.:** Atkinson, R.W. (2). **ROTC:** Corcoran, G.J. (2). **Vet. Med.:** Casey, J.W. (1); Kallfelz, F.A. (2). **At-Large:** Allen, J.A.V. (2); Bierman, H. (2); Decker, D. (1); Farley, J.T. (2); Holcomb, D.F. (2); Levitsky, D.A. (2); Lumley, J.L. (1); Schuler, R.E. (2); Walter, M.F. (1). **Faculty Trustees:** Calvo, J.M. (1).

Absent: **CALS:** Awa, N.E. (0); Berkey, A.L. (1); Feldman, R. (1); Glynn, C. (0); Parks, J.E. (1); Pritts, M.P. (0); Slack, S.A. (1). **Geneva:** Koller, W. (1); Rao, M.A. (1). **AAP:** Cruvellier, M. (1); Perlus, B.A. (1). **A&S:** Bathrick, D. (0); Berger, A. (0); DeVoogd, T.J. (1); Feigenson, G.W. (1); Geber, M.A. (1); Hirschmann, N.J. (1); Lambert, B. (0); Mullen, H. (0); Peirce, L. (1); Strang, D. (0); Strauss, B. (1). **Engr.:** Fisher, E. (1); Jirka, G. (0); Liboff, R. (1); Liu, P. (1); Lo, Y. (1); Philpot, W. (0); Warhaft, Z. (0). **Human Ecology:** Garner, C.E. (1); Laquatra, J. (1); Street, L. (0). **JGSM:** Lind, R. (1). **Vet. Med.:** Ball, B. (1); Dubovi, E.J. (0); Hermanson, J.W. (1); Meyers-Wallen, V. (1); Randolph, J.F. (1). **Faculty Trustees:** Kramnick, I. (1).

The Speaker, Professor Emeritus Russell D. Martin, Communication, called the meeting to order. He called upon Dean Stein for remarks.

1. REMARKS BY THE DEAN

Dean of Faculty, Peter Stein, announced the deaths of the following faculty members since the May meeting:

Frederick B. Agard, Professor of Linguistics, Emeritus, May 11, 1993

Ruth N. Klippstein, Professor Emeritus, Nutritional Sciences, May 14, 1993

Charles C. Fischer, Professor (retired), Floriculture and Ornamental Horticulture, May 21, 1993

Harry Levin, William R. Kenan Jr. Professor of Psychology, Emeritus, May 30, 1993

John D. Hartman, Professor Emeritus, Vegetable Crops, June 1, 1993

John C. Condry, Professor, Human Development and Family Studies,
June 27, 1993

Frederick K.T. Tom, Professor Emeritus, Agricultural Economics, June 17, 1993

Felician F. Foltman, Professor Emeritus, ILR, September 7, 1993

Frederick C. Steward, Charles A. Alexander Professor Emeritus of Biological
Sciences, September 13, 1993

Daphne Roe, Professor (retired), Nutritional Sciences, September 22, 1993

Dean Stein requested those present to stand for a moment of silence in memory of the departed colleagues.

The Dean reported that about one-third of the financial aid discussions with departments had been completed. The remaining departments had been scheduled or were in the process of being scheduled. The discussions appeared to be going quite well. Results will not be disclosed until all discussions have been completed.

The Speaker next called upon Professor Carlos Castillo-Chavez for a report of the Affirmative Action Committee.

2. REPORT OF AFFIRMATIVE ACTION COMMITTEE (Appendix A, attached)

Associate Professor Carlos Castillo-Chavez, Plant Breeding and Biometry and Chairman of the Affirmative Action Committee: "First of all, I'd like to thank the office of Joycelyn Hart, Associate Vice-President for Human Relations, as well as the office of Institutional Planning and Research for the very valuable data they have provided over the last three years.

"The FCR Committee on Affirmative Action held a few meetings during the 1992-93 academic year. After being drafted as a candidate, I was elected to a second three year term on the Committee, and my committee members have re-elected me chair. Our main goals for the year were the development of further opportunities for the hiring of underrepresented groups (minorities and women) and the instigation of discussions around the issue of the nature of academic appointments which has to do with the processes and cultures involved in decision making. We began interactions with Risa Lieberwitz, Associate Chair of the Advisory Committee on the Status of Women, to determine ways in which we can use other human resources to make our efforts more effective.

"Unfortunately, once again we have to report our general frustration. Faculty involvement remains minimal at best. Faculty members in general do not know who are the members of their college's affirmative action committee. Underrepresented minority candidates are seldom identified or recruited. The 1993 report, *Progress Toward Diversity*, shows that the situation has not changed for underrepresented minorities (African, Native, and Hispanic-Americans). The percentage of underrepresented faculty at Cornell has varied from 3 percent to 3.8 percent over the last five years and the rate of change has been much more liberal over the last three years. The fact that underrepresented faculty tend to be concentrated in ethnic studies or literature programs makes it clear that most departments have no members of these underrepresented groups. Several people have suggested the possibility of use of rates of increase as a measure of change. Since there are a lot of groups that have no underrepresented faculty, use of average rates of increase for the university would be quite deceiving. Women have seen no progress except for some minor increase last year. Fortunately, the number of tenured women has risen from 131 to 178. Minority women (including Asian women) have seen no progress.

"The main obstacles for hiring minority faculty are posed by internal departmental or group politics combined with a system that blocks the access of underrepresented minorities to regular positions. And again we have a lot of data about this increase in the reports. Too often procedures for appointing faculty, heads of programs and deans and other administrators are inconsistent across campus, and frequently mysterious. We must face and document the hiring cultures at Cornell if progress is to be made. We expect leadership from the FCR, the administration, and the faculty in formulating uniform and open hiring policies that cut across departments and colleges.

"This year we tried to explore the continuing problem from a different angle. We just don't want to come here and sit and give you tables and tables with the same numbers because they don't change very much. We think that information has already been distributed. We looked at a listing of Cornell faculty holding any type of administrative position, and aggregated the count by race. There are two hundred thirty administrative positions held by faculty; that is, 14.43 percent of the faculty currently holds some type of administrative position. There are only eleven minority administrators, that is, 4.8 percent. Furthermore underrepresented minorities held only 8 of these positions, or 3.5 percent. Obviously our voices are not represented when administrative decisions are being made. This situation must be rectified. However, even if 14.43 percent of the underrepresented minorities were given administrative positions (head of programs, directors, deans, vice-presidents, chairs, etc.) most programs (which have no underrepresented minorities) would not have anybody to empower. Given the academic segregation that we experience at Cornell, we must find an effective process or structure that gives a place at the table to these underrepresented groups.

"A fashionable but misguided approach is to include a woman or a minority on every committee. We become the token representative of the concerns of women, and of men and women of color. Being the only committee member of color gives us a voice but no real influence, and we are burdened by membership on a large number of committees. We need to be involved in fewer committees, and underrepresented groups need to have more involvement in the influential committees. We can't promote change as token representatives, but can foster change if we have a critical mass in a committee. A hiring committee that is composed of seven white men and one woman looks very different with regard to the job interpretations, publicity, encouragement of certain type of applicants, etc., than a committee composed of seven women and one white man. I just read that the Provost appointed a committee to look for a successor to the Dean of the College of Engineering, Dean Streett. And I hope that this committee has a substantial number of women and minorities and not just token representation.

"We need to create the internal structure that makes it possible to bring true diversity (as opposed to token diversity) which is what we have now to those committees that have a real influence on the future of Cornell. We propose that a significant representation of minorities and women becomes the norm in the appointment of hiring committees for faculty positions, as well as in committees that recommend the appointments of deans, the provost, and the president.

"Cornell's graduate field structure gives us a unique opportunity to utilize our resources to the advantage of the whole university, and to provide a true voice to underrepresented groups. While some departments, units, or programs may not have 'enough' women and minorities to form a balanced committee, many fields do, and field members have a proven commitment and a demonstrated professional expertise in the area. Giving back to the members of the field the power of hiring individuals could have some important positive effects: job descriptions may become less narrow as the interest of a particular group of individuals or a single individual may not overpower the process; the interest of the university may be better served as this process will help reduce duplication or overlap of faculty expertise; a situation which the president has addressed in private issues indicated how many different economic groups; statistic groups and sociology groups are at Cornell. The chances of getting a truly diverse faculty should dramatically increase if we follow this process.

"We strongly recommend that President Rhodes take the initiative and leadership in this matter, including the creation of a search committee for a new president when the time comes. The Clinton administration has shown convincingly that there are women (including Cornell alumnae) and minorities who can lead this country. These individuals not only bring diverse viewpoints, but also diverse staffs. We can follow President Clinton's example. I am certain that with President Rhodes' leadership we

can look forward to a future in which a woman or a minority president may lead Cornell University into the 21st century as magnificently as President Rhodes has done over so many years. Thank you."

Speaker Martin: "Are there any questions? Thank you very much.

"The next item on the agenda concerns the resolution amending the Committee on Research Policies which I assume all of you have picked up. This is an addition to the agenda, therefore, we need a suspension of the rules in order to add it. Are there objections to adding this item to our agenda? There being none, it is so ordered.

"The chair next calls on Professor Howard Howland to introduce the resolution."

3. RESOLUTION AMENDING RESEARCH POLICIES

Professor Howard C. Howland, Neurobiology and Behavior and Co-Chair, Research Policies Committee: "Thank you. This is basically a housekeeping motion but it is an important one. I'll just read the proposal:

WHEREAS, many items addressed by the Research Policies Committee are of vital concern and interest to the faculty at the Medical College (i.e. Conflict of Interest, Patent Policy, etc.), and

WHEREAS, the current membership on the Committee does not allow for valued input from this area,

THEREFORE, be it resolved, that the Research Policies Committee recommends that its composition be increased to include a representative from the Medical College, and

*BE IT FURTHER RESOLVED, that the FCR hereby approves the recommendation of the Research Policies Committee to amend the Composition of the Committee, paragraph two, as follows:
(additions underlined, deletions bracketed)*

The Vice President for Research and Advanced Studies and an appointed member of the Cornell University Medical College faculty shall be [an] additional ex officio members of the Committee.

"The rationale is self explanatory. It should be noted that this person will be a voting member of the Committee."

Speaker Martin: "Thank you, Howard. The floor is now open to discussion. Professor Holcomb."

Professor Donald Holcomb, Physics: "Is it clear who will make the appointment? Is that important?"

Professor Howland: "A provisional appointment has been made."

Professor Holcomb: "By whom?"

Professor Howland: "By the Dean of the Medical College."

Speaker Martin: "Further discussion? All in favor of the resolution say aye. All opposed, say no. It is carried."

"I now declare the meeting of the FCR adjourned and call to order the meeting of the University Faculty and call again on Dean Stein."

Dean Peter Stein: "We have one item of business. Since becoming the Dean I've had the opportunity to hear President Rhodes on several occasions saying different things to different audiences and I must say I am constantly impressed with the grace and the wit and the charm with which he speaks. I have never failed to admire his unique ability to articulate our deepest concerns, our concepts of what we are, of what we want to be, and what we aspire to be and I feel that we are really very lucky to have had him as a spokesman for us over all these years. It is my great honor and pleasure to introduce him to you for his annual address on the State of the University."

4. STATE OF THE UNIVERSITY - PRESIDENT FRANK H. T. RHODES

President Frank H.T. Rhodes: "Mr. Chairman, Mr. Speaker, Colleagues, I want to thank you, Peter, for that very generous introduction. I also want to say I feel a little lost being here and not in Ives, especially as I look at the distance that separates me from the audience. I have to tell you I just left the Johnson Graduate School of Management and we had a very happy kind of ceremony there. It was a ceremony to honor a group of benefactors who had taken part in the campaign that ended in 1989 and members of the Advisory Council, Jack Neafsey and Ron Lynch. And I was given very detailed written instructions for the meeting because it involved uncovering a series of plaques to commemorate these three people. And I couldn't help being struck that there were three places on one sheet of paper where it talked about the unveiling of these plaques. It spelled plaques 'plagues.' And I'm only reassured that you didn't see the paper because I might suppose that the distance that separates us might represent that same plague. I have a friend, Roman Schmidt, who is the former president of RPI, who once remarked that a university president has a great deal in common with a cemetery director. There are a lot of people underneath you but nobody is really listening very much above or laterally either."

"I enjoy these FCR meetings because they do involve an opportunity to listen and to learn. And I want to begin very simply by thanking you for your continuing leadership. The faculty *are* the University. And I speak as a member of the faculty. And I believe the responsible, continuing role you play is vital to the health of Cornell. I will deliver two speeches this week talking about the state of the university. The first is today and the second is Friday when I have to give the same talk to the Trustees and the University Council. I was chuckling quietly to myself when Peter in his wonderfully generous comments said he had listened to me saying different things to different groups. I came to say the same things to two different groups because I want to talk simply about where I see the University being. I'm going to have different emphasis in each of the talks but essentially the message is the same.

"Let me talk first of all about the day to day things. The indicators by which we can measure the health of our University. The first of these is the freshman class. And Susan Murphy who is with us today and the Deans of Admissions in the schools and colleges have produced another bumper freshman class. Rather more than we expected and we're grateful for the care that went into that selection. Four weeks into the term we think we have about thirty-two hundred freshmen. The number varies a little with a certain degree of attrition. But that's over two hundred more than we had a year ago and that's created its own range of problems. It's a nice problem to have, it's much better than being two hundred on the light side. But it does represent challenges to you who are responsible for freshman sections and freshman labs. And I'm grateful for the way you've helped us accommodate. Twenty-seven percent of that freshman class is made up of minority students, and of those, seventeen percent are Asian Americans. That's an all time high. Less happily we are slightly down in both Hispanic and African Americans. Not by much and in fact the decline is balanced to some extent by the fact that we have a new bi-racial and multi-racial category in our reporting numbers which represents one percent in total. So not much change except for that slight dip in those numbers which we hope will not be permanent. Equally interesting is the fact that in spite of the increase in numbers in a very competitive year, SAT scores and those in the top ten percent of their high school class remain essentially constant. We have freshmen from forty-eight different states and forty-six different nations. Only North and South Dakota are unrepresented. And we hope to be active in those two states in the course of the coming year. So a good freshman class. Across the Graduate School and the Professional Schools there are also good reports on the quality of numbers of the admissions. The one softening is in the Johnson Graduate School of Management where there is some reduction in numbers which is part of a nationwide attitude of questioning of the future roll of the MBA degree. All in all it's been a very good year.

"It's also been a year of turnovers in both faculty and administrative positions. And I want to pay particular tribute to Walter Lynn who is sitting in our audience today with a very relaxed look on his face. He retired from the office of the Dean of Faculty. Walter's leadership there was superb and we will continue with that leadership in the

years ahead. I also want to thank Peter and to congratulate Peter on succeeding to that position. He's going to be a fine leader. And I'm delighted to have him as a colleague in Day Hall and to share the ongoing concerns of the University with someone so knowledgeable about our institution and so able. I want also to mention a couple of other appointments that are important to us. Alison Casarett retired from the Deanship of the Graduate School as you know at the end of the year. She too has given us fine leadership over many years. And she was succeeded by Walter Cohen from Comparative Literature. I want also to mention something that you will have read in the *Sun* today which is that Bill Streett, Dean of Engineering, is also retiring. That's a matter of great regret. He's retiring from the Deanship but not from the faculty. And I want to pay tribute also to him. He's been a fine leader in every sense of the word and we owe him a continuing debt of gratitude. We lost during the course of the year two members of the Executive Staff. We lost the University Counsel, Matt McHugh, who was recalled to Washington to our great regret. He has been replaced by Mark Belnick who was a member of the class of '68, and who will be joining us on the first of November. Mark is a senior partner in Paul, Weiss, Rifkind, Wharton and Garrison in New York City and was deputy council in the Iran Contra hearings before the Senate. The other resignation from the University was Paul Griffin who was in charge of new construction. We have not replaced Paul but he has left us and his duties have been taken over by Hal Craft adding to his own portfolio.

"The second major topic under the changes that I want to refer to briefly is new members of the faculty. New appointments to the faculty this year total thirty-seven. And that number, if you have a recollection of numbers of earlier years, is low. In a typical year we would have eighty or ninety, and it's a reflection on budget constraints especially in the statutory units that that number is as low as it is. In spite of that, 35 percent of those new appointees are women and 27 percent are minorities. And I want to pay tribute to Professor Castillo-Chavez's work and to assure other members of the Faculty Council and the faculty at large that we take very seriously the need to have female and minority representation on search committees. That's a given. And it's something to which we do pay attention.

"The one big issue it seems to me that confronts us as faculty in terms of our own faculty ranks this year, is the uncertainty over the uncapping of mandatory retirement, now at age seventy. You will know that on January 1 next year that mandatory retirement will cease for those in faculty positions. And we have no clear understanding of what the impact of that is going to be. Various bodies and committees have looked at the situation and have made predictions. And the most reliable prediction seems to be that it will have no effect on institutions except for research universities. Faculty positions are so attractive people will continue to stay on to study and teach. We don't know if that will be the case at Cornell but we shall need your help and understanding as we monitor that situation. I remind you of what Scott Elledge said when he retired some years ago from the Department of English. 'I think

now it's time for me to retire and hand over to another person less experienced and less able than I am.' There's a sense in retirement that that's inevitable, less experience than what you have.

"Let me say a word about the budget because that's never too far from the concern of faculty recruitment or indeed with programs in general. Last year we finished again in balance. That's very important to us when we go to donors and as we go to foundations and corporations to be able to say we have a budget that's in balance and we have the internal discipline to come to grips with our fiscal constraints. I have to thank you and the Deans and Directors and Vice Presidents and for the role you play in making that possible. We also have a balanced budget for this year. I want to thank you in '93-'94 for your help in making that possible. That also involved a measure of belt tightening but it's a budget that is less severely restrictive than we had feared at one stage it would be. There are three concerns as we go into this year's budget that affect not only this year but effect the years beyond as well. I want to identify them and I want to describe them very briefly but not to talk about them in detail.

"The first is the level of support we continue to receive from the state, not just for the statutory colleges though that's crucial, but for other aspects of the University's operations. That level has been declining steadily in percentage for the last five or six years. And we are concerned about the overall effect of that upon the quality of the programs of the statutory colleges and elsewhere. There are also concerns this year about revenue flow in the state's budget. And we are watching carefully the cost of budget developments in Albany. So concern one is the state budget.

"The second concern is equally significant and that's the question of indirect costs. Indirect costs were big news two or three years ago across the country in Stanford and other places. And they are no longer big news in the sense that they were. But they are important items as far as the University is concerned. Let me very briefly give an explanation. A year ago we were told that our indirect cost rate was going to be reduced from seventy-five percent to sixty-eight percent and that represented a very difficult act of digestion within the University's budget. As a result of that, Deans and Directors were asked by the Provost to make budget reductions. And with your help they did it. That's a two - three million dollar budget item. This year at the beginning of the year we were told that our indirect cost rate was going to be reduced from sixty-eight to sixty-four percent. That's another cut in the budget of two - three million dollars. Thanks to the good work of Fred Rogers and Yoke San Reynolds, the University Controller, that was renegotiated to a level of sixty-seven percent which is more favorable. But every year the base on which indirect costs are established is being eroded and that pressure is likely to continue. The number of federal auditors involved, the degree of scrutiny, the extent of negotiation (we are negotiating nine different indirect cost rates with various campuses)--all these represent a very formidable financial challenge. And on top of that, we're not finished, because we have incomplete federal audits of indirect costs that go back as far as 1986. And we

are fumbling for lack of agreement from the federal government on the extent to which they will support two major items in our budget. One is the libraries and the other is utilities. Those audits are long-term, and potentially that's an uncomfortable situation to be in. We hope we can get improvement but the situation is not certain.

"There is a third budget concern I have to put before you. And that is the burgeoning increases in health care benefits. They have continued at Cornell as everywhere else in the nation to increase mounting year by year. And during the course of the year we have to come to grips with health care costs and develop together new ways in which we can provide health coverage in a way that doesn't simply explode the budget in successive years. I have not mentioned financial aid amongst those various categories because at least for the time being we have a stable financial aid budget but I have to note that from budget to budget the financial aid budget increased from last year to this year by 19% and in the long term that's a very tough amount of increase. We hope now that we have a solution that at least will cover us for this year and the future.

"All that makes the next topic I want to mention briefly particularly important and that's the Cornell Campaign. We are, as you know, in the middle, three-fifths of the way into a five-year campaign for one and one-quarter billion dollars. That's going extremely well. And it's the result of the fine work of volunteers across the country not just in providing financial support but in providing leadership for that campaign. We are now opening regional campaigns in cities across the country. We've had them during the last ten days in Boston, Rochester, New York City, and Buffalo, and we are moving onto cities like Cleveland, Chicago, Houston, Dallas, Los Angeles, San Francisco Washington, and Baltimore. So there is a nationwide spread of the campaign. We have five categories within that campaign for which we are inviting support: endowment of faculty positions; endowment support of programs for everything from the Johnson Art Museum to choral music, the Plantations, and athletics; student financial aid; building renovation; and the library. All those are going well but some are going better than others. Lagging at the moment are the endowment of faculty positions; even though fifty-three positions were endowed last year, we're not quite at the level of support that we hoped to be. And the one that's really lagging is building renovation. That's proving less attractive to donors than we had hoped and we have work to do as you know on our buildings across the campus. That campaign is vital to the future of the University and though it won't help us very much this year or next year or even this decade it's going to be vitally important to the next century.

"Let me say a word about buildings because buildings are important in terms of the program support and coverage they provide. We have finished a big wave of building that characterized the 80's and there are no major new buildings in view. You know, however, that there are two statutory college buildings: one of them now under construction in the veterinary college, the most costly building ever built on campus; and the other one which we wish were under construction for ILR. That one, an

extension for Ives, is held up because the architects' designs and plans produced by the State University Construction Fund proved to be far more expensive than the budget appropriation they made to pay for it. And so they are back in discussions about the role and scope of that building. Apart from those two, however, the major building activity for the foreseeable future is going to be building renovation. And there are three particular priorities that we have in building renovation. These are not the only ones, but they're the most pressing ones. First of all the buildings on the north end of the Arts quad are in urgent need of renovation and restoration - Art, Architecture and Planning - all those buildings occupied by them. Second, we have to take steps to renovate some of the newer Engineering buildings. These are buildings constructed during the 50's and early 60's where the heating and ventilating systems as well as some other aspects are not adequate for the work done in these buildings. Now the third one is Sage. Sage, as you know, is a building that has played an historic role in the life of the University and is now in much need of restoration. We hope to renovate that building and move the Johnson Graduate School of Management into it. The location is excellent. That will free up space in Malott Hall that can be used for other units so we can then begin to renovate some other buildings. Those are the most pressing needs. Those are the ones that we should be continuing to receive financial support as part of this Cornell Campaign.

"I want also to note simply for the record and with great satisfaction that your leadership in your own professional fields continues to be recognized publicly. I was very gratified that we led the nation this year in Guggenheim Awards, for example. We had eight Guggenheims. We were fifth in the nation in the very interesting way Fulbright Grants are calculated. We had from Cornell nine Fulbright recipients leaving the University and we had twenty-two Fulbright recipients coming from other countries into the University, and adding the two numbers together made us the institution of choice fifth rated in the country. I'm very happy as was reported just recently in the press that Dan Huttenlocher has followed Mary Sansalone who is in the audience today in receiving the Case Award from the State of New York as the most outstanding professor in the state. That's a proud tradition that has been established in Engineering. And I'm also delighted that we have moved from eleventh place to tenth place in the *U.S. News and World Report* survey. I don't take that with great seriousness but it's gratifying to see. Let me thank you for what all those rankings represent. That's the very American Way to measure the continuing success of the University.

"I want to say a word now about programs, and I will be brief, because you are the ones who know far more than I about the programs themselves. But I want to commend the faculty and to thank the Deans in particular for the way in which this posture has seen remarkable efforts to rejuvenate undergraduate, graduate and professional programs in a number of areas. Let me mention just a few.

"In Engineering 150, for example, there are now three hundred students enrolled, with twenty plus members of the faculty meeting weekly to discuss big ticket aspects of engineering. This course is designed to be an interpersonal freshman experience for undergraduates in engineering.

"In Veterinary Medicine, under Bob Phemister's leadership, the whole of the program has been redesigned as a result of the six-year study and now promises, through its articulation of basic science and clinical practice as well as flexibility of choice within it, to become a model for the whole nation.

"In ILR, there is a new undergraduate curriculum which will be instituted in a year's time with heavy emphasis upon a freshman colloquium.

"In Ag & Life Sciences, there has been emphasis this year on undergraduate research experience. And almost five hundred students in that college are involved in 499 number courses working actively with faculty mentors.

"And in Arts & Sciences, the freshman colloquium continues under a slightly different model, and particular attention has been made to introductory courses in mathematics and physics. Physics 102 is the subject of a great deal of redesign and rethinking and more emphasis on team teaching--teaming up senior faculty colleagues with less experienced faculty colleagues.

"All that represents effort that I applaud and salute in terms of undergraduate teaching. And it's not clearly at the expense of research. To value the one is not to devalue the other. And it's particularly noteworthy that this year in an intensely competitive research climate, total funding for research was almost three hundred million dollars. That's an increase of 4.5 percent over a year ago, and sponsored research chiefly from the federal government is up by 8.6 percent. All that represents a wonderfully high level of achievement by the members of faculty. Now all that might suggest that we have a fairly rosy prospect if we look internally; those signs are good, the vital signs are healthy. But I want to suggest to you there are five issues beyond the campus that we have to take into account if we are to continue to be a strong institution. Let me mention them briefly.

"The first issue is public trust. There is a great deal of public skepticism about the well being of the University. It comes across in newspaper articles; it comes across in book titles such as *ProfScam*, *Illiberal Education*, *Impostors in the Temple*, *Killing the Spirit*, and so on. There is public skepticism about the integrity of the university. It involves such things as indirect costs; it involves things like fraud in scientific research. It involves things like political correctness on campus and alleged intimidation of those with views that don't represent the prevailing opinion, and it represents also concern about faculty conflicts of interest. You'll note that some scientific journals are now requiring full disclosure of faculty affiliations in relation to particular articles that are

published. For these reasons, it seemed prudent to the Dean of the Faculty and to those of us in the administration to begin to look at this question of conflict of interest. And to see if with your help we could design some kind of reporting mechanism that on the one hand would not be onerous but that on the other hand would assure all of us that we're meeting public concerns about this particular issue. And I hope that you can help us during the course of the year with that design.

"The second public concern is whether the undergraduate experience is really what students are paying for. I was sent a newspaper article just today and I want to read you the headline. It's by a man called Martin Anderson, who wrote the book *Imposters in the Temple*. The headline is 'Top Dollar Universities Cheat Students and Parents.' And he begins, "The fattest sacred cows in America today are the elite universities and colleges. In spite of scandal and corruption, in spite of mounting evidence, they are failing miserably in teaching our best and brightest young minds. They go merrily on raising their tuition and so on and so on.' Things simply are not the case in the universities that I know and especially this one. And I believe both students and faculty have to speak up as well as parents on this particular issue and tell it like it is. We're not perfect. Certainly we're not perfect, but there is an enormously encouraging and exciting story to tell about the undergraduate experience at Cornell. And I believe as such that has not been fully apparent.

"The third public concern is over costs. The cost of an education at a university such as ours in the endowed colleges is now around a hundred thousand dollars if you take the four years in. And we are facing intense public scrutiny and intense competition as a result of those costs. I was given a second article this week from the Rochester newspaper which reveals that the University of Rochester is paying five thousand dollars to any student accepted to Cornell from the Rochester area, and their aim is to compete more effectively with Cornell. They're quite open about saying that. I think we will receive more of this kind of competition. And it's related to costs. And this poses a very difficult dilemma for us as an institution. We have a fine pool of students from which we can recruit the freshman class. We shall continue so far as I can tell to have that fine pool. We could charge almost anything we wanted and continue to have a fine pool. But as a public institution we must hold down costs. Not only because of the burden it's placing on middle income families but because we have a public obligation to be prudent stewards of our resources. That's the third public concern, costs.

"The fourth one is the whole question of the world of science and technology. And I'm not going to talk at length about that. But I want just to say that it seems to me that there are four unhealthy tendencies that are going to impinge upon our work in science and technology. The first is a growing sense of direction from the federal government, and you've seen this in the set of appropriations from the National Science Foundation. That's a troublesome and an unhealthy direction. The second concern is declining financial support for research from the federal government, and

those of you who are applying for grants for NSF or NIH funds will know exactly what that means in terms of percentage and cents. We have held our own at Cornell, and that's a great tribute to the faculty. But nationwide, the percentage of success is going down. The third unhappy aspect of research support is growing politicization. Our boards are becoming more and more political. I believe we have an outstanding example of that during the last few days in the awarding of the B factory to California. You'll have seen some of the comments that various people have made about that. I am dismayed that a project that we could have carried out with great success and distinction at Cornell for one hundred million dollars less than that offered by Stanford went in fact to Stanford. One wonders about priorities in such a situation as that. I want to pay tribute to the people at the Cornell facility at Wilson Synchrotron for the work they did in preparing that proposal against great difficulties and almost impossible deadlines. I think we have everything to be proud of even though we came out on the losing end.

"And the fourth trend is rising public expectations. If you're this good, why can you not cure AIDS? If you're this smart, why can you not take care of the problems in the inner city schools? If you're getting this much federal research support, why can't you deal with problems of drug abuse? Increasingly we're going to find those four pressures impinging upon the world of Cornell. And behind them all is the question, if the contract between universities and the federal government is going to continue, can it continue under this threat of diminishing financial support from the federal government and intense politicization of the process itself? I believe all of us working scientists, engineers, technologists, all those in academics, have work to do on this particular issue.

"The other external trend I see as threatening is one that I've simply called 'growing consumerism.' I see amongst the students, parents, the federal government, the state government, industry, foundations and everywhere else we look, donors and benefactors, growing consumerism. And increasing determination to tell us how we should conduct our affairs and to shop around until an institution is found that will conduct it's affairs in some particular category. I believe at some stage we have to resist that growing consumerism, sometimes being willing to turn down funds attractive as they may be for things that don't fit the traditional values and directions at Cornell.

"In a few brief minutes, how do we respond? And I'm not going to talk at length about that, but I want to talk a little bit about it. I believe basically we have to respond by reaffirming the values that have made Cornell what it is. I believe we have to be clear about our mission, and we're doing that now with help from many of you, forty or fifty of you on the faculty. We are now redefining the mission and putting together a series of

task forces to address fundamental questions of education, faculty recruitment and support, resource management, and research and extension of research. Those four major areas, the mission of the university, has to be crystal clear if we're to survive in these difficult waters, and our values as we undertake that mission have to be equally clear.

"First, I need hardly remind you that we can only succeed if we reaffirm what seem to be the basic values of the institution--not just the mission of the institution. I believe those values depend on the fact that we regard teaching as a vocation. It's a calling; it's not simply a job. It's something to which we have committed ourselves, not just as a means of supporting our research, but because we believe in the importance of the teaching process and that it has a moral dimension. I mean by that not that it has a religious foundation but that it deals with more than the mind. It influences the character and the will, and we are partners together.

"Second I believe we have to reaffirm the old Cornell tradition that scholarship is a public trust, that we are supported by the public at large and given the freedom and support to carry on our scholarly endeavors, answering some of the most basic human questions for the well being of human society. And that's something in the push and shove of this and that. I believe we have to be firm.

"And the third thing is equally simple. Cornell was founded as part of a vision by its founder who viewed service as a societal obligation. There has never been an ivory tower, not on this campus. Other places perhaps, but not here. This has been an institution reaching out, gathering in the problems of the state and the nation at will. Service really is a societal obligation and the University has a proud record of making that a reality.

"One more thing. I believe we have to challenge each other, all of us, you and I together, to be more than the sum of our parts. Why do we do all these things in the University instead of a different setting? One reason only links them all together, and that is that we are an interacting community. We're a community that cuts across the generations, cuts across the discipline, cuts across racial and ethnic and sexual backgrounds. We're an interacting, arguing, debating, feisty community working together in the most fruitful kind of interaction. We have to challenge each other to get rid of the limits, the boundaries, the fences that reduce the effectiveness of our community. We haven't begun to tap the resources that are Cornell. If we could do that--if we can get rid of boundaries, if we can challenge each other in a continuing way to constantly improve the value of the community, not just our individual studies, or our particular departments, or even our own colleges, but blend them together and capitalize on the strength that's Cornell, then no waters however choppy and no clouds however dark are going to get in our way. We can continue to be as great an institution well into the next century as we were in the nineteenth and are in the twentieth. In all that, faculty play a vital role, and I salute you and thank you for it."

Speaker Martin: "Are there questions for the President. There being none, is there any further business to come before the body? There being none, we are adjourned. Thank you for coming."

The meeting adjourned at 5:30 p.m.

Robert F. Lucey
Secretary of the Faculty



October 6, 1993

To: Peter Stein, Dean of Faculty
From: Carlos Castillo-Chavez, Chair, FCR Committee on Affirmative Action
RE: Annual report, 1992-93

The FCR Committee on Affirmative Action held a few meetings during the 1992-1993 academic year. After being drafted as a candidate by the members of the FCR Committee on Affirmative Action, I was elected to a second three-year term, and my committee members have re-elected me as chair of this committee. Our main goals for the year consisted in the development of further opportunities for the hiring of under-represented groups (minorities and women) and the instigation of discussions around the issue of the nature of academic appointments (the processes and cultures involved in decision-making processes¹). We began interactions with Risa Lieberwitz, associate chair of the Advisory Committee on the Status of Women, to determine ways in which we can use other human resources to make our efforts more effective.

Unfortunately, once again we have to report our general frustration. Faculty involvement remains minimal at best. Faculty members in general do not know who are the members of their college's affirmative action committee. Underrepresented minority candidates are seldom identified or recruited. The 1993 report, Progress Toward Diversity,² shows that the situation has not changed for underrepresented minorities (African-, Native, and Hispanic-Americans). The percentage of underrepresented faculty at Cornell has varied from 3% to 3.8% over the last 5 years. The fact that underrepresented faculty tend to be concentrated in ethnic studies or literature programs makes it clear that most departments have no members of these underrepresented groups. Women have seen no progress except for some minor increase last year. Fortunately, the number of tenured women has risen from 131 to 178. Minority women (including Asian women) have seen no progress.

The main obstacles for hiring minority faculty are posed by internal departmental or group politics combined with a system that blocks the access of underrepresented minorities to regular positions. Too often procedures for appointing faculty, heads of programs, and deans and other administrators are inconsistent across campus, and frequently mysterious. We must face and document the hiring cultures at Cornell if progress is to be made. We expect leadership from the FCR, the administration, and the faculty in formulating uniform and open hiring policies that cut across departments and colleges.

Recommendations

This year we tried to explore the continuing problem from a different angle³. We looked at a listing of Cornell faculty holding any type of administrative position, and aggregated the count by

¹We held a forum last Fall in conjunction with the Advisory Committee on the Status of Women to begin a dialogue on these issues.

²The 1993 report, Progress Toward Diversity, was prepared by The Office of the Associate Vice-president for Human Relations and The Office of Institutional Planning and Research and it is available from their offices.

³Provided by The Office of the Associate Vice-president for Human Relations and The Office of Institutional Planning and Research.

race⁴. There are 230 administrative positions held by faculty; that is, 14.43% of the faculty currently holds some type of administrative position. There are only 11 minority administrators, that is, 4.8%. Furthermore, underrepresented minorities held only 8 of these positions, or 3.5%. Obviously our voices are not represented when administrative decisions are being made. This situation must be rectified. However, even if 14.43% of the underrepresented minorities were given administrative positions (head of programs, directors, deans, vice-presidents, chairs, etc.) most programs (which have no underrepresented minorities) would not have anybody to empower. Given the academic segregation that we experience at Cornell, we must find an effective process or structure that gives a place at the table to these underrepresented groups.

A fashionable but misguided approach is to include a woman or a minority in every committee. We become the token representative of the concerns of women, and of men and women of color. Being the only committee member of color gives us a voice but no real influence, and we are burdened by membership in a large number of committees. We need to be involved in less committees, and in more influential committees. We can't promote change as token representatives, but can foster change if we have a critical mass in a committee. A hiring committee that is composed of 7 white men and 1 woman looks very different (interpretation of job description, publicity, encouragement of certain type of applicants) from a committee that is composed of 7 women and one white man.

We need to create the internal structure that makes it possible to bring true diversity (as opposed to token diversity) to those committees that have a real influence on the future of Cornell. We propose that a significant representation of minorities and women becomes the norm in the appointment of hiring committees for faculty positions, as well as in committees that recommend the appointments of deans, the provost, and the president.

Cornell's graduate field structure gives us a unique opportunity to utilize our resources to the advantage of the whole university, and to provide a true voice to underrepresented groups. While some departments, units, or programs may not have "enough" women and minorities to form a balanced committee, many fields do, and field members have a proven commitment and demonstrated professional expertise in the area. Giving back to the members of the field the power of hiring individuals could have some important positive effects: job descriptions may become less narrow as the interest of a particular group of individuals or a single individual may not overpower the process; the interest of the university may be better served as this process will help reduce duplication or overlap of faculty expertise; the chances of getting a truly diverse faculty should dramatically increase.

We strongly recommend that President Rhodes take the initiative and leadership in this matter, including in the creation of a search committee for a new president when the time comes. The Clinton administration has shown convincingly that there are women (including Cornell alumna) and minorities who can lead this country. These individuals not only bring diverse viewpoints, but also diverse staffs. We can follow Clinton's example. I am certain that with President Rhodes' leadership we can look forward to a future in which a woman or a minority president may lead Cornell University into the 21st century as magnificently as President Rhodes has done over so many years.

cc: FCR Committee on Affirmative Action, 1992-93
FCR Committee on Affirmative Action, 1993-94
Office of the Provost
Office of the President
Human Resource Development Council
Joycelyn Hart, Associate Vice President for Human Relations
Walter Cohen, Dean, Graduate School

⁴These data are available from office of the Dean of the Faculty, 315 Day Hall if you ask for this report.

ACADEMIC PERSONNEL DATA BASE
CURRENT ADMINISTRATIVE APPOINTMENTS HELD BY FACULTY
MARCH 15, 1993

ADMIN UNIT	WHITE	BLACK	HISPANIC	ASIAN	AMERICAN INDIAN	TOTAL MINORITY	TOTAL
CIS / INT'L DEVELOP & WOMEN	2	0	0	0	0	0	2
CIS / INT'L INST FOOD & AG DEV	1	0	0	0	0	0	1
CIS / INT'L LEGAL STUDIES	1	0	0	0	0	0	1
CIS / INT'L POLITICAL ECONOMY	1	0	0	0	0	0	1
CIS / INT'L STUDIES PLANNING	1	0	0	0	0	0	1
CIS / LATIN AMERICAN STUDIES	1	0	0	0	0	0	1
CIS / MODERN INDONESIA PROJECT	1	0	0	0	0	0	1
CIS / PEACE STUDIES	2	0	0	0	0	0	2
CIS / POPULATION & DEVELOPMENT	1	0	0	0	0	0	1
CIS / RURAL DEVELOP COMMITTEE	1	0	0	0	0	0	1
CIS / SLAVIC & EAST EUROPEAN	1	0	0	0	0	0	1
CIS / SOUTH ASIA PROGRAM	3	0	0	0	0	0	3
CIS / SOUTHEAST ASIA PROGRAM	1	0	0	0	0	0	1
CIS / WESTERN SOCIETIES	1	0	0	0	0	0	1
CISER	1	0	0	0	0	0	1
CITY & REGIONAL PLANNING	1	0	0	0	0	0	1
CIVIL & ENVIRON ENG	1	0	0	0	0	0	1
CLASSICS	1	0	0	0	0	0	1
COGNITIVE STUDIES PROGRAM	1	0	0	0	0	0	1
COLLEGE OF AGR & LIFE SCIENCES	4	0	0	0	0	0	4
COLLEGE OF ARCH ART & PLANNING	2	0	0	0	0	0	2
COLLEGE OF ARTS AND SCIENCES	3	0	0	0	0	0	3
COLLEGE OF ENGINEERING	4	0	0	0	0	0	4
COLLEGE OF HUMAN ECOLOGY	5	0	0	0	0	0	5
COLLEGE OF IND & LABOR REL	3	0	0	0	0	0	3
COLLEGE OF VETERINARY MEDICINE	2	0	0	0	0	0	2

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 CURRENT ADMINISTRATIVE APPOINTMENTS HELD BY FACULTY
 MARCH 15, 1993

ADMIN UNIT	WHITE	BLACK	HISPANIC	ASIAN	AMERICAN INDIAN	TOTAL MINORITY	TOTAL
ENTOMOLOGY (GENEVA)	1	0	0	0	0	0	1
ENTOMOLOGY (ITHACA)	1	0	0	0	0	0	1
ETHICS & PUBLIC LIFE PROGRAM	1	0	0	0	0	0	1
EXECUTIVE DEVELOPMENT PGM	1	0	0	0	0	0	1
FLOR & ORN HORTICULTURE	2	0	0	0	0	0	2
FOOD SCIENCE (GENEVA)	1	0	0	0	0	0	1
FOOD SCIENCE (ITHACA)	1	0	0	0	0	0	1
FOOD SCIENCE ANALYTIC LAB	1	0	0	0	0	0	1
FRUIT & VEGETABLE SCI	1	0	0	0	0	0	1
GENETICS & DEVELOPMENT	1	0	0	0	0	0	1
GEOLOGICAL SCIENCES	2	0	0	0	0	0	2
GERMAN STUDIES	1	0	0	0	0	0	1
GOVERNMENT	1	0	0	0	0	0	1
GRADUATE SCHOOL	1	0	0	0	0	0	1
HISPANIC-AMERICAN STUDIES PGM	0	0	1	0	0	1	1
HISTORY	1	0	0	0	0	0	1
HISTORY OF ART	2	0	0	0	0	0	2
HORT RESEARCH LAB (L.I.)	1	0	0	0	0	0	1
HORTICULTURAL SCI (GENEVA)	1	0	0	0	0	0	1
HOSPITALITY RESEARCH CTR	1	0	0	0	0	0	1
HOTEL ADMINISTRATION	2	0	0	0	0	0	2
HUDSON VALLEY LAB	1	0	0	0	0	0	1
HUMAN DEVEL FAMILY STUDIES	2	0	0	0	0	0	2
HUMAN SERVICE STUDIES	1	0	0	0	0	0	1
INST OCCUP EDUCATION	1	0	0	0	0	0	1
INST STUDY CONTINENTS (INSTOC)	1	0	0	0	0	0	1

ACADEMIC PERSONNEL DATA BASE
CURRENT ADMINISTRATIVE APPOINTMENTS HELD BY FACULTY
MARCH 15, 1993

ADMIN UNIT	WHITE	BLACK	HISPANIC	ASIAN	AMERICAN INDIAN	TOTAL MINORITY	TOTAL
NNF SUBMICRON LABORATORY	1	0	0	0	0	0	1
NUTRITION (HUMAN ECOLOGY)	1	0	0	0	0	0	1
NUTRITIONAL SCIENCES	1	0	1	0	0	1	2
NYS AGR EXP STATION (GENEVA)	3	0	0	0	0	0	3
NYS SOLID WASTE COMBUST INST	1	0	0	0	0	0	1
OFFICE OF RESEARCH (CAL)	1	0	0	0	0	0	1
OPER RES & INDUSTRIAL ENG	2	0	0	0	0	0	2
ORNITHOLOGY LAB (S)	1	0	0	0	0	0	1
PHARMACOLOGY	1	0	0	0	0	0	1
PHILOSOPHY	1	0	0	0	0	0	1
PHYSICS	1	0	0	0	0	0	1
PLANT BIOLOGY	1	0	0	0	0	0	1
PLANT BREEDING & BIOMETRY	2	0	0	0	0	0	2
PLANT PATHOLOGY (GENEVA)	1	0	0	0	0	0	1
PLANT PATHOLOGY (ITHACA)	1	0	0	0	0	0	1
PLASMA STUDIES	1	0	0	0	0	0	1
PRESIDENT'S OFFICE	1	0	0	0	0	0	1
PSYCHOLOGY	1	0	0	0	0	0	1
RADIOPHYSICS & SPACE RESEARCH	2	0	0	0	0	0	2
ROMANCE STUDIES	1	0	0	0	0	0	1
RURAL SOCIOLOGY	1	0	0	0	0	0	1
RUSSIAN LITERATURE	1	0	0	0	0	0	1
SCIENCE & TECHNOLOGY STUDIES	0	0	0	1	0	1	1
SMALL ANIMAL MED & SURGERY	1	0	0	0	0	0	1
SOC FOR HUMANITIES	1	0	0	0	0	0	1
SOCIOLOGY	1	0	0	0	0	0	1

Summary Minutes of the Meeting of the Faculty Council of Representatives

November 10, 1993

Third Meeting of 1993-94 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Greene, S.E. (3). **CALS:** Baer, R.A. (3); Berkey, A. (2); Gillett, J.W. (2); Parks, J.E. (2); Pritts, M.P. (1); Rockcastle, V.N. (3); Smith, M. (2). **Geneva:** Koller, W. (2); Rao, M.A. (2). **AAP:** Cruvellier, M. (2); Saltzman, S. (3). **A&S:** Ahl, F. (2); DeVoogd, T.J. (2); Hirschmann, N.J. (2); Hull, I. (3); Keil, F. (2); Kennedy, K.A.R. (3); Lambert, B. (1); Loring, R.F. (3); MacDonald, J.F. (3); Shanzer, D. (3); Speh, B. (3). **Engr.:** Farley, D.T. (3); Fisher, E. (2); Giannelis, E. (3); Jirka, G. (1); Kay, R.W. (3); Philpot, W. (1); Seyler, C. (3); Warhaft, Z. (1). **Hotel:** Dunn, D.C. (3). **H.E.:** Garner, C.E. (2); Laquatra, J. (2); Street, L. (1). **ILR:** Abowd, J. (2); Kuruvilla, S. (3); Lieberwitz, R. (3). **JGSM:** McAdams, A.K. (3). **Libr.:** Atkinson, R.W. (3). **ROTC:** Corcoran, G.J. (3). **Vet. Med.:** Hermanson, J.W. (2); Meyers-Wallen, V. (2); Randolph, J.F. (2). **At-Large:** Allen, J.A.V. (3); Decker, D. (2); Farley, J.T. (3); Holcomb, D.F. (3); Schuler, R.E. (3); Walter, M.F. (2). **Faculty Trustees:** Calvo, J.M. (2).

Absent: **CALS:** Awa, N.E. (0); Ewert, D.M. (2); Feldman, R. (1); Glynn, C. (0); Slack, S.A. (1); Tauer, L.W. (2). **Geneva:** Shelton, A.M. (2). **AAP:** Perlus, B.A. (1). **A&S:** Bathrick, D. (0); Berger, A. (0); Cotts, R.M. (2); Darlington, R. (1); Feigenson, G.W. (1); Geber, M.A. (1); Hayes, D. (2); Howland, H.C. (2); Mullen, H. (0); Peirce, L. (1); Roldan, M.J. (2); Strang, D. (0); Strauss, B. (1). **Engr.:** Liboff, R. (1); Liu, P. (1); Lo, Y. (1); Rand, R. (2). **Hotel:** Sherry, J. (1). **Human Ecology:** Obendorf, K. (2); Wethington, E. (2). **JGSM:** Lind, R. (1). **Law:** Green, R.A. (2); Simson, G.J. (1). **Vet. Med.:** Ball, B. (1); Casey, J.W. (1); Dubovi, E.J. (0); Kallfelz, F.A. (2). **At-Large:** Bierman, H. (2); Levitsky, D.A. (2); Lumley, J.L. (1). **Faculty Trustees:** Kramnick, I. (1).

The Speaker, Professor Emeritus Russell D. Martin, Communication, called the meeting to order at 4:40 p.m.

Minutes: The summary minutes of the Faculty Council of Representatives Meeting of September 8, 1993 were approved.

1. Report from the Faculty Commission on Higher Education (CHE) by the Co-Chairs: Robert Cooke, Agricultural and Biological Engineering, and Susan Christopherson, City and Regional Planning. This was the fourth time members of the CHE reported to the faculty: on February 10, 1993, Peter Stein, then Chair of the CHE, presented an interim report on some of the issues involving the finances of the University; on March 10, 1993, Alan McAdams reported on the issues of educational policy related to cost recoveries for sponsored research, and on May 12, 1993, Robert Cooke reported on financial trends in the statutory colleges in the context of the University.

A. Affordability of a Cornell Education. Susan Christopherson. During the past year, the CHE has engaged in a series of efforts to understand why tuition costs rose so rapidly in the 80's. One objective of the CHE is to develop guidelines for both income and expenditures that will keep a Cornell education within reach of a wide variety of potential students. Future tuition rates should not continue to rise at the 1980's pace.

Cornell is not unique in facing financial difficulties and rising tuition costs. Relative to other major universities facing a financial crisis, Cornell appears to be better positioned to anticipate and respond to long term changes in University finances and therefore to strengthen the institution.

An approach to the budget which is commensurate with restricted tuition increases will require careful and creative approaches to current expenditures. These must go beyond across-the-board cuts which are often the short-term response to budget pressures. The CHE believes, however, that it is possible to set general priorities and to create a context in which potential reductions in expenditures will not damage and perhaps even strengthen the central functions of the university that is, instruction, library, and facilities to support undergraduate student learning and graduate student study and research.

As part of our work, we have examined the sources of financial pressure on the university and found a complex set of forces affecting the university budget. State funding for higher education diminished in the 80's, directly affecting the statutory colleges and, indirectly, Cornell as a whole. Federal support for research has declined and, in constant dollars, real growth in Cornell research revenue has stagnated.

Cornell, like most major U.S. universities, has under-recovered the actual costs of research. The causes of under-recovery are complex, based both in choices made within the university and in the reluctance of federal agencies to fully fund research costs.

B. Headcount Study. Robert Cooke. A set of detailed and informative figures and tables was used by Bob in reporting the results of this study.

Freshmen (both Endowed and Statutory) who began at Cornell in 1990-1991 will experience a cost increase for tuition, fee, room and board of more than 20% before they graduate. The cost for an undergraduate degree in the endowed Colleges is approximately \$100,000. Cornell's needs-based financial aid policy provides for a Cornell funded discount of various amounts of this cost for approximately half of our students.

Since 1980-81, endowed undergraduate tuition has increased annually by more than \$1000 per year - now with an annual increase of \$1,400 per year. In inflation-corrected dollars, the price for an endowed undergraduate education has increased 49% in real terms in the past 10 years. Since 1988-89, statutory tuition has been increasing rapidly - now with annual increases of \$900 (statutory NYS Resident) and \$1,600 (Statutory Non NYS Resident) per year.

Some of the pressure for these increases are: keeping enrollments relatively constant (6% and 17% increases for undergraduate and graduate students since 1980); providing a high quality educational experience has been an institutional policy for competition for students in a decreasing pool in the 1980's; providing a high quality environment for research and teaching; recovering from underfunding of salaries, construction in the preceding years, and decreases in state and federal support.

State support for the Statutory Colleges is now approximately \$140 million per year (122.9 million State allocations via SUNY and 17.7 million via State Grants and Contracts). In current dollars, the total direct appropriations increased from \$63.3 million in 1980-81 to \$121.9 million in 1990-91 and then decreased to \$117.6 million in 1992-93.

The major expense of the statutory tuition is the administrative and support payments to the university for services provided to statutory students (\$23.4 million) and these payments are increasing at the rate of more than \$1 million each year. Accessory instruction [compensation for courses taken by statutory students in the endowed colleges (\$11.7 million)] and financial aid (\$5.99 million) are both smaller and both are increasing by more than half a million dollars each year.

The endowed employment expense pool (excluding benefits) has grown 18% in real dollars during the past five years, despite the near constancy in teaching loads and research income during that period. In inflation adjusted dollars (that is, in real terms), the employment expense pool has grown 71% (not including fringe benefits) in the endowed units between 1980 and 1992 and 22% in the statutory units.

Endowed salaries, wages and employee benefits constitute about 64% of the general purpose budget. We have approximately twelve students (undergraduate plus graduate) per faculty member and over-all approximately two students per employee.

For the period 1982-83 to 1992-93, the number of employees in university-managed units increased by 27.6% as compared with a 16.8% increase in endowed-managed colleges and 0.5% in statutory-managed colleges. The largest increases during the decade have been in the non-academic professional group (an increase of 486 campus-wide or a 46% increase). The non-academic group is now 97% as large as the tenured or tenure track faculty.

The net university-wide faculty size changes were relatively modest, but there were differences among the colleges. For the five largest faculties: Arts and Sciences, Engineering and Veterinary Medicine experienced increases in faculty. Agriculture and Life Sciences and Human Ecology experienced decreases in faculty. The College of Arts and Sciences also had a large increase in the number of non-tenure track teachers. 214 Arts and Sciences Lecturers and Senior Lecturers constitute a group of approximately 43% of the size of the tenured track group. The largest increase in number of employees during the decade was for nonacademic professionals. The next largest increase was in the executive, administrative and managerial group.

The endowed employment pool is approximately 10 times larger than the financial aid budget and is increasing at a larger rate (approximately 4.5 as large). We cannot rely on financial aid containment as the principal method for tuition growth containment. Any serious effort to restrain tuition growth must address the salary pool growth. A multi-year budget plan is required if restraint in growth of personnel costs is to be done graciously.

2. Resolution From The Committee On Academic Programs And Policies Regarding Academic Associates. Professor Paul McIsaac, Chair of the Committee, presented the resolution and moved it be approved by the FCR.

WHEREAS, the Committee on Academic Programs and Policies approved the Report of its Subcommittee on Academic Non-Faculty, and

WHEREAS, the report recommends adoption of policies to be followed throughout the University, and

WHEREAS, those policies require implementation by the Provost or approval by the Board of Trustees, namely that

a. The Provost institute University-wide use of the designation "academic associates" when referring to all academic titles currently designated "academic non-faculty".

b. The Board of Trustees amend Article XVII, paragraph 2.d. of the University Bylaws to read: (additions underlined)

2.d. Senior scholar, senior scientist, senior research associate, senior extension associate and senior lecturer - shall be appointed by the President for a term of not to exceed five years, renewable indefinitely. Research associate, extension associate and lecturer - shall be appointed by the President for a term of not to exceed three years, renewable indefinitely. For those cases

where senior lecturers or lecturers are employed to address long-term teaching needs, the terms of appointment should be five and three years respectively. One year appointments should be reserved for one-year replacements and other short term needs.

c. The Provost institute a policy that a one year notice of termination be provided to lecturers and senior lecturers who have had two or more years of continuous service.

d. The Board of Trustees amend Article XIV, paragraph 1. of the University Bylaws to read: (deletions in brackets: additions underlined)

1. Each college or school faculty, except the Graduate Faculty, shall be composed of the President, who shall be the presiding officer; the dean or director of the college or school; and all professors, associate professors, assistant professors and instructors in the department or departments under the charge of that faculty. Instructors, senior research associates, senior extension associates [, senior lecturers] and those bearing the adjunct title shall be nonvoting members, unless given the right to vote by the particular faculty. Each college or school faculty may, in its discretion, grant voting or nonvoting membership to senior scholars, senior scientists, [lecturers] and other professional personnel for whom such membership is deemed appropriate by such faculty. Lecturers and senior lecturers are members in both college and department faculties and shall participate fully in all votes that pertain to the undergraduate curriculum and to the hiring of personnel in their rank or below. In departments where the number of lecturers and senior lecturers is comparable to the number of professorial faculty, the Provost may modify this policy in regard to curricular decisions. Granting of such college faculty status will in no way affect other conditions of employment.

THEREFORE, BE IT RESOLVED, that the Faculty Council of Representatives approves the recommendations contained in the Report of the Subcommittee on Academic Non-Faculty, and

BE IT FURTHER RESOLVED, that the FCR hereby forwards the recommendations to the Provost for his implementation and to the Board of Trustees for amendment to the University Bylaws.

In response to the November 10, 1993 memorandum to the FCR from eight senior lecturers and three lecturers, Dean Stein introduced two amendments (substitutes) to the resolution that were in the memorandum. One referred to language in section d and the other referred to language in section a. He remarked on the importance of submitting such information. He also remarked that he would vote against the amendment related to section d of the resolution because major responsibility for educational policy is with faculty in tenure track positions and because the level of participation of academic nonfaculty at the Departmental and College levels is for those academic units to decide.

The persons that signed the memorandum approved and supported recommendation d in spirit. They took issue with the following language:

...and shall participate fully in all votes that pertain to the undergraduate curriculum and to the hiring of personnel in their rank or below.

The following amendment was suggested:

...and shall participate fully in all votes excepting those that pertain to the graduate curriculum and to decisions on hiring, promotion, and tenure in ranks above their own.

Discussion on the motion included the following comments: the report by CAPP on the Status of Academic Associates at Cornell University was not widely distributed. Why not? Instructors, senior lecturers, lecturers and teaching associates are a sizable group and important to the teaching program (the university employs more than three hundred persons in this group).

The motion to accept the amendment was not approved.

The persons that signed the memorandum were opposed to recommendation a:

The Provost institute University-wide use of the designation "academic associates" when referring to all academic titles currently designated "academic non-faculty".

The following amendment was suggested:

(that) The Provost institute University-wide use of the designation 'non-tenure-track faculty' when referring to instructors, senior lecturers and lecturers.

Individuals that spoke during the discussion were very much opposed to the designation "academic associates" for all titles designated "academic non-faculty". The following views were expressed: The designation "academic associates" sounds

more like a Company term and not a University term. The suggested designation "non-tenure-track faculty" is not a simple substitute for "academic associates". Assistant Professors are non-tenured and some recently appointed Associate Professors may not be tenured, etc. What about the designation for "academic non-faculty" in research, extension and the library?

The amendment in reference to recommendation a was withdrawn and the motion to resubmit the resolution back to committee, to consult with non-tenured faculty and academic non-faculty and to report back to the FCR this academic year was approved.

It is important to note, instructors, senior lecturers and lecturers were not only present at the meeting, but they also participated in the discussions.

Adjourned 6:00 p.m.

Robert F. Lucey, Secretary

NOTE: Due to the malfunctioning of the tape recorder, the complete transcript of minutes is not available for this meeting.

MINUTES OF A MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES

DECEMBER 7, 1993

Fourth Meeting of 1993-94 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Greene, S.E. (4). **CALS:** Baer, R.A. (4); Ewert, D.M. (3); Gillett, J.W. (3); Parks, J.E. (3); Pritts, M.P. (2); Rockcastle, V.N. (4); Smith, M. (3); Tauer, L.W. (3). **AAP:** Cruvellier, M. (3); Perlus, B.A. (2); Saltzman, S. (4). **A&S:** Ahl, F. (3); Bathrick, D. (1); Cotts, R.M. (3); DeVoogd, T.J. (3); Hayes, D. (3); Hirschmann, N.J. (3); Howland, H.C. (3); Hull, I. (4); Kennedy, K.A.R. (4); Lambert, B. (2); MacDonald, J.F. (4); Shanzer, D. (4); Speh, B. (4); Strauss, B. (2). **Engr.:** Farley, D.T. (4); Fisher, E. (3); Warhaft, Z. (2). **H.E.:** Garner, C.E. (3); Laquatra, J. (3); Obendorf, K. (3). **JGSM:** McAdams, A.K. (4). **Law:** Simson, G.J. (2). **Libr.:** Atkinson, R.W. (4). **ROTC:** Corcoran, G.J. (4). **Vet. Med.:** Hermanson, J.W. (3); Meyers-Wallen, V. (3); Randolph, J.F. (3). **At-Large:** Allen, J.A.V. (4); Bierman, H. (3); Farley, J.T. (4); Holcomb, D.F. (4); Schuler, R.E. (4); Walter, M.F. (3). **Faculty Trustees:** Calvo, J.M. (3).
Guests: Nesheim, M.; Walking, A.

Absent: **CALS:** Awa, N.E. (0); Berkey, A. (2); Feldman, R. (1); Glynn, C. (0); Slack, S.A. (1). **Geneva:** Koller, W. (2); Rao, M.A. (2); Shelton, A.M. (2). **A&S:** Berger, A. (0); Darlington, R. (1); Feigenson, G.W. (1); Geber, M.A. (1); Keil, F. (2); Loring, R.F. (3); Mullen, H. (0); Peirce, L. (1); Roldan, M.J. (2); Strang, D. (0). **Engr.:** Giannelis, E. (3); Jirka, G. (1); Kay, R.W. (3); Liboff, R. (1); Liu, P. (1); Lo, Y. (1); Philpot, W. (1); Rand, R. (2); Seyler, C. (3). **Hotel:** Dunn, D. (3); Sherry, J. (1). **Human Ecology:** Street, L. (1); Wethington, E. (2). **ILR:** Abowd, J. (2); Kuruvilla, S. (3); Lieberwitz, R. (3). **JGSM:** Lind, R. (1). **Law:** Green, R.A. (2). **Vet. Med.:** Ball, B. (1); Casey, J.W. (1); Dubovi, E.J. (0); Kallfelz, F.A. (2). **At-Large:** Decker, D. (2); Levitsky, D.A. (2); Lumley, J.L. (1). **Faculty Trustees:** Kramnick, I. (1).

The Speaker, Professor Emeritus Russell D. Martin, Communication, called the meeting to order. He reminded those present that regulations do not permit tape recorders or photographs during the progress of the meeting. He then called on Dean Stein for remarks.

1. REMARKS BY THE DEAN

Peter Stein, Dean of Faculty: "I won't take up much of your time. I want to make a few remarks about the Faculty Commission on Higher Education that's co-chaired by Bob Cooke and Susan Christopherson. They have been working hard on a resolution with regard to long range financial policy that they intend to bring to you sometime in the beginning of next term.

"The other item that I wanted to bring to your attention is that the Executive Committee of the FCR met with the President on the Tuesday that followed the Day Hall takeover, two weekends ago. The Executive Committee acts for the FCR when the FCR cannot act because of the pressure of time and the Executive Committee passed the following resolution:

The FCR Executive Committee supports the President's actions in rescinding the suspensions of students occupying Day Hall and thanks the administration, the faculty and the students for negotiating the end of the occupation.

"I think that resolution speaks for itself and I just bring that to your attention.

"I will make the only other remark I have later on when the Library Board presents its resolution. The Financial Policies Committee has a statement speaking to the Library Board resolution and I will ask to be recognized at that time to read it. Thank you."

Speaker Martin: "Are there questions for the Dean?"

Professor Richard A. Baer, Natural Resources: "I just wanted to state that I am not fully aware of all the events regarding the occupation but I for one was not particularly happy with the way the administration handled it. I think one of the worst forms of racism and discrimination is that we patronize minority groups and don't treat them as adults, but as children. And I think one of the things that has long term implications for the University is to have regulations and procedures for dealing with very serious disruptions of the University of this kind for what may not have been all that serious causes and then to treat the disrupters with such excessive patience. I am not particularly happy with the way it was handled. I think that if we're going to take the time to think through and work out regulations such as we have, we have to take them seriously. You treat people as equals by holding them accountable, you don't patronize them and treat them as children. And I'm not sure that the administration has at least represented the thinking of all the faculty and so on in this area. I'm sure they were supposed to, but I have some very serious questions about the way this particular issue was dealt with."

Speaker Martin: "Are there other comments? Thank you. Do we have a quorum, Mr. Secretary?"

Secretary of the Faculty, Robert F. Lucey, E.V. Baker Professor of Agriculture: "No. We are two short."

Speaker Martin: "All right we will have to delay on the approval of the minutes and move on to Provost Nesheim for discussion of budgetary issues."

2. DISCUSSION OF BUDGETARY ISSUES

Provost Malden Nesheim: "Thank you very much, Mr. Speaker, Dean Stein. I'm pleased to have a chance to come and discuss some of the issues we've been wrestling with as we've been looking at budgets this fall. I must say, this looks like a classroom to me with everybody in the back and we're down here. I'm going to be putting some figures on the overhead and I hope you'll be able

to see them from back there. I must say I think I like this room, but I remember lives for these kinds of meetings a little fondly now as I used to see you a little bit closer than I do from back here.

"This year, as we normally do, we've been trying to do a better job of taking a long range look at the budget prospects for Cornell over the next several years. We clearly have entered a period in higher education and financing higher education where there is a major change going on that began to take place in the late 80's and extended into the 90's. As we look ahead, I think there are some longer range changes that are going to affect us that we are going to have to recognize and deal with. We've been in the process of developing a strategic plan and there are some groups associated with the strategic planning process that are looking at a number of issues affecting the University: financial stewardship, Faculty academic programs, research programs. But it's clear that these deliberations, if we're going to make some long range plans that are going to be very meaningful, have got to be informed by the financial realities of where we expect ourselves to be as we look ahead. So I have been working with a group over the last several months now, that attempts to look at this long range view. So in addition to the usual financial support staff that I have tried to work with to help with budget development, I've enlarged this group to a significant extent. I've asked for example, Deans Streett, Randel and McMinn, the Deans of the general purpose endowed colleges whose budget we've been working on, and I'll talk about primarily, to be part of this budget planning group. I've asked Dean Call, a statutory college Dean, who is affected by the decisions that are made relative to the endowed budget. And Dean Merten who is a dean of a so-called designated college who also pays an administrative charge to the University and who's budget is also affected by the overall University budget to work with me. We've also worked with Hal Craft, who is responsible for most of the administrative and maintenance components of the University. And I've also asked Ron Ehrenberg, a faculty member from ILR, who basically does educational finance as his academic business. And then I've also asked Don Holcomb, who was chair of the FCR Financial Policies Committee, to be part of this group that has attempted to take this longer range view, not only looking at next year's budget but also looking at the next five years!

"What I want to discuss with you is the material that we've been working with. We've not yet come to closure on next year's budget nor have we come to closure on exactly what our strategies are going to have to be for the next five years. But I think even though the details are not yet completely set, the picture is relatively clear and the implications of it are things we are going to have to deal with.

"We know that the President in his address to us earlier this fall has discussed with us the climate higher education is currently operating in. It's far from good, particularly for the so-called elite private research university. We are told that our tuition is too high and it's been growing too rapidly, that we consider the research that we do the most important thing that we do and we don't pay

attention to our undergraduates, and we don't do a good job in our teaching. This translates into a picture where there are great pressures on us for reducing tuition growth. The federal government has been reluctant to continue its pact with universities to continue to pay the full cost of research and so there have been constraints on indirect cost income and support for student aid programs from both state and federal sources has not been keeping up with the rates at which the demands for student aid and needs for student aid are considered. So I'd like to just discuss with you some information both in a historical context and then concentrate on some of the issues that we are dealing with in the budget today.

"I'm going to concentrate on the endowed general purpose budget. Another whole part, and I know there are several of you here from the statutory colleges here today, is the statutory budgets and what the picture is from the state of New York as to what's going to happen with the statutory budgets for the next year. As you know, the statutory colleges have gone through some very difficult budget times. We've had reductions in the base budget from the State of New York to the statutory colleges of the order of 13 to 15 million dollars over about a three or four year period. The faculty and staff of those colleges over a two-year period went without any salary programs at all. And it's only been last year and this year that the statutory colleges have in fact been able to deal with salary programs. So the statutory colleges budget has also been a major concern of the University. Our information from the state this year is that the state currently is having revenues that seem to be keeping up with expenditures and I guess the last information was that they were close to 300 million out of some 40 billion dollar budget, over the expenditure rate. So that at least we will not be entering next year with a major deficit from this year's operation of the state. And secondly the Governor is positioning many of the state agencies to take some major budgetary reductions in the course of the next year. He's asked many of the state agencies to plan a budget that is 10 percent less than this year's budget and the happy news is that SUNY is exempt from that requirement but exactly where SUNY is going to come out will depend upon what happens when the Governor releases the state budget in mid January and we'll have a better picture by then as to what's going to be necessary as far as statutory college budgets are concerned. Most of my discussion today will be relative to the endowed budgets and primarily the general purpose budget.

"Let me just give you a little historical data. This data looks at current fund revenues for the University for a ten-year period from 1983-84 to 1992-93 and this shows we had an average annual growth of tuition and fees income of 9.1%. That represents both the tuition rate plus the number of students. And there was some increase in the number of students over that period of time so that we had both an increase in tuition and fees as well as that. Government grants increased at an average annual growth rate of 8%. The enterprise and service income and that's from things like housing and dining enterprises that we run in terms of our maintenance and facilities, the campus store, and all of those things, had an income rise in the order of about 7.8% at an annual growth

rate. Our investment income went up 6.1%. Other income, which is a variety of other sources, private gifts into the general purpose budget over that period of time that fueled the general current fund revenues for the colleges and the units, grew at an average rate of about 4.8%. And the state appropriation, which was primarily in terms of Bundy Aid dropped from 4.2 million to 1.8 million. In that ten-year period for the endowed, which represents both the endowed general purpose colleges as well as Law, JGSM, the Hotel School, and all of our endowed operations here in Ithaca, grew from 279 million up to 538 million or an average annual growth rate of all of those sources of about 7.5%.

"The composition of our income changed in that time. In 1983-84, tuition and fees were 33% of our income, and has gone up to 37.7; government grants stayed roughly the same, enterprise and service income about the same, investments went down slightly, and our other sources of income had minor variations but they're not the major sources of income that we have.

"The expenditures over that period of time look something like this. The largest annual growth rate went to debt service which went from 6.6 million to 37.1 million in 1992-93. Seventy-two percent of that debt service is residence life, and some of our designated colleges, the Hotel School, for example. And only about 28% is in the general purpose colleges, where those debt services were incurred. That was also a period of time when we had our last chance to borrow tax exempt bonds that were allocated to us when the 1986 tax law was passed. Academic support services went up 10.5%; library is the big piece in academic support services. Financial aid went up. This is for both graduate and undergraduate students. It went up 9.9%. Various kinds of institutional support, including things like the staff for the Cornell Campaign. And other areas went up at an average growth rate of 9.8%. Construction costs went up 8.4%, student services enterprise, research, and so forth. So our total expenditures rose by about 8.1% over that period of time. And just to compare the first slide, you'll notice our total expenditures at that time were 263 million, and our total revenue was 279 million. So we invested a number of those revenues into things like our physical plant and other issues and the reason that our expenditures were able to go up 8.1% and our revenues only 7.5% is that gap between total expenditures and total income was narrow so we reduced much of our flexibility in terms of income and expenditures looking at all of endowed Ithaca as a piece.

"In 1992-93, we had a general purpose budget of 273.9 million dollars. This is the budget year that ended last July 1. You'll recall we had a number of things happen that year. We had a slight under enrollment at the graduate level primarily, but some at the undergraduate level. So our tuition income was slightly lower than we expected. Bundy Aid was reduced. We were in the process of getting further reductions in Bundy Aid from the state that year. But the big difference was in the sponsored programs where we lost about 3.2 million dollars in indirect costs and that was because we had an imposed rate of indirect costs that dropped from about 73% down to an imposed rate of 68% of

indirect costs by the federal government, so we had a major reduction in our sponsored program income. We took care of that by reducing in-year operating budget allocations. We took back about 1.8 million dollars that we originally allocated to the units when this reduction came about and this meant that we deferred some expenditures. We didn't make some expenditures that we were going to make and we made some expenditures from reserves, operating reserves that had been accumulated from other years so that we had to make some major changes in our 1992-93 budget because of some of those events that occurred.

"Let me just say a word about the indirect cost picture before we go on. The rate components of our indirect costs look something like this, for endowed and statutory. You'll notice that departmental administration, the general administration, and sponsored programs administration represents about 27.31 percentage points of the rate. That has been capped now by the new regulations by the federal government at 26%, so we can only recover 26% of that particular rate. Statutory has a slightly higher rate in that area, but still that rate is capped. The other components of it, building use, equipment use, computing, plant operations and maintenance, student services and library, they total 45 points of the rate. Our rate that we feel we are entitled to from the federal government is a 73% rate. This has been given to us as a provisional rate of 67% in our negotiations with the federal government and that's a rate that will probably turn into our real rate as the year goes along. The statutory colleges have a calculated rate of 61%, with a provisional rate of 55%. The big dispute in here is how do we account for library costs and how do we account for costs of utilities in our research buildings. And the other issue there is how much of those costs that were in our previous year's costs will eventually be disallowed so that those expenditures have to be rolled forward and we have to recover that back from us by lowering our prospective rate. We're just in the process of settling our rates for 1986, 1987 and 1988. Fred Rogers told us that today. But we are still negotiating for our rates for the last few years and until that is done we have this unknown in some of our carry forwards that we are working with the federal government. So our rate now in the current year is a 67% rate which we had a 68% rate last year.

"One of the other major costs I just want to mention before we get into the budget projections, is the costs of benefits as a percent of salary. And this shows the components of the benefit rate as a percent of salary and you'll notice that most of these have a tendency upward but on the other hand they have not changed an enormous amount. For example, the retirement program which is this line right here. The line covers the last 10 years, and the line projects the retirement program forward to 1988. The retirement program is expected to be around 10% of salary. The social security which is this next black line here has been rising as the rate has been raised by the federal government and we project that to be relatively constant now through 1998. Things like education programs which is basically the children's tuition scholarship program as well as the employee degree program are running

along at a fairly constant rate. You'll see things like the salary continuation program, which represents workmen's compensation and those kind of programs, have been rising. And others have been rising and one of the major components of that has been the parking that has been put into the indirect cost pool. But you'll notice there's a line that stands out in this graph that is going up at an enormous rate over this period is health care costs. And you'll see that the actual costs are shown on this slide up until 1992 and our projected costs are projected ahead at a very steeply rising rate. There are two lines there. one includes FAS 106 and one line does not include FAS 106. FAS 106 is an accounting rule that requires us to account for the liability for retiree health care. And all of you sitting here who are not retired are sitting here generating a liability for the University for your health care as we look ahead. As we have carried this out in the past, we have just funded with the current budget, what the cost of our current employee health care and our retiree health care is. As we have more retirees of course that rises over time. In fact a number of corporations in the last few years have gone bankrupt and gone out of business and have left their retired employees high and dry without their medical plans that they thought they were vested in for their retirement. That has led to the necessity of us recognizing this as a real cost and funding that cost. So we have two situations with that. One is we have an unfunded liability for all of us who are sitting here because we haven't put away money for a few years for that. That is of the order of about sixty million dollars and then we have an ongoing liability that increases each year as the age of each of us increases. We are going to have to recognize those costs. The other situation is you could say well we could just sequester part of the endowment to take part of that and we won't have to deal with that. One of the problems with that is a number of the employees that are creating this liability as we look ahead are funded on grants and contracts. What we are saying is we are not going to have the grants and contracts pay that cost. We are going to pay it out of our general revenues as we look ahead. Unless we put that in our fringe benefit rate currently we cannot get the people who are paying for the cost of research and so forth to pay for that liability that we're generating. It's a complicated issue but it does contribute to the way in which that health care costs line is rising. Our fringe benefits rates are becoming a major issue as we look ahead.

"We've had a lot of discussion about undergraduate financial aid. This slide shows that the average annual average growth rate from 1988-89 to 1992-93 has seen a 9.5% growth in family contributions, federal resources have gone up about 10.6%, state resources much lower, our unrestricted resources from the GP budget have gone up 16.1%, and then other which represent our endowments for financial aid as well as college resources and so forth for financial aid have gone up at about 12.2%. Our student population in the 1989 to 1992-93 period has stayed almost constant. Since about 1987, we have been relatively successful in maintaining the undergraduate population quite constant up until this year which we will talk about. The number with financial need within that has grown at a rate of about 3.5% a year and the grant aid population, those that actually get real money, real grants from the University,

has gone up 3.6% a year. Our minority student population has gone up 6.8%, our minorities with need have gone up 8%. But those represent only a small portion of the overall increase in the grant recipients and so forth so it's not just because as some would like to have us believe that it's our minority population that is driving that. That's just not true.

"The budget year that we are in right now, the 1993-94 general purpose budget, started the year out on July 1 with an expected tuition and fees income of about 168 million. You'll notice that we are up about 3.3 million in our anticipated tuition and fees income. This is because we got about another 193 students enrolled in the endowed general purpose colleges than we had anticipated. This is primarily in Engineering, there is a little bit scattered around, but there is an increased yield in Engineering of our intake of students. Engineering had had a decrease yield last year, they admitted very cautiously, anticipating that that decreased yield would continue. Their yield went back up and so Engineering has got extra students. Our investment income is down a bit. We have fewer shares in our long term pool than we had anticipated. Our sponsored programs income is down slightly and that's because of the decrease in our rate. We started the year expecting to have a 68% rate, now we have a 67% rate. Our operating allocations are up. We have spent an additional 874 thousand to take care of those added freshmen. We've added TA's, we've added sections of classes, we've had problems with introductory chemistry. We've taken care of those students but we've had to invest to do that. We have about 1.8 million dollars which basically is unallocated and money in the pocket at this point in this year. We will have to think very seriously as to how we deal with that. One of the things we need to have is some kind of an enrollment cushion so we don't put a great deal of stress on some colleges to say if you come in a few students under your enrollment, we're going to cut your throat. But if you come in on target you're fine, but if you come in over then we get worrying about how we're going to deal with all the students. We are really going to have to look at keeping some cushion in terms of how we're going to control enrollment.

"Now let's look at some of our planning parameters for 1994-95. These are some of the things we've been talking about. As I say, these are not set in stone. We are still having discussions about them. We will not be able to finalize these until some time in January when we will have to go to the Board of Trustees.

"We've done our planning for 1994-95 right now with a tuition increase of 4.6%. That would bring our endowed full tuition up to \$19,000. Last year our tuition went up 5.5%, year before, 6.5%. So we have been bringing down the rate of increase of endowed tuition to this number, which is 4.6%. I announced in the Sun before it went out of publication that we were looking at between 4.5 and 5.5% increase in tuition just to give us a little running room because we haven't made a firm decision as to exactly where we're going. As you know we've been discussing reduced tuition with the Graduate School. I've got Dean Cohen

looking at that issue. It's been discussed a lot within the research community and I hope we can resolve where we are headed on the reduced tuition for graduate students some time in the course of this academic year. Our long term pool, we expect a 5.6% increase in our pay out from the endowment from the long term pool. Short term pool interest rates are now down to 6.25%. There was a time when we could count on 9, 10, 11% on our short term pool interest rates and those days are gone. We are looking at an increase in research volume to push our indirect cost income to 3% in 1994-95. That's with no change in our rate. That's hoping that we will continue to have a 67% rate. We've projected modest growth in salaries, at about the rate of inflation. Our benefits will have to go up about 6.5% and so our total compensation, salaries and benefits is projected to go up 4.8% when we look at that. Graduate stipends we projected at this point the same as we have for salaries for faculty and staff. We're looking at a 9% increase in financial aid at this point. We do not intend to change the student wage basic rate although there will be opportunity for students to move in the scale. We've refinanced at lower interest rates some of the debt we have on our housing so that enables us to reduce our rate of growth in housing costs for students down to 5% this year. A lot of the initial projections on some of the housing had been that we would expect to see a 7% increase over time. That refinancing and some economies in the housing has enabled us to reduce that to 5. Dining rates we expect to go up about 3.8% for this 7/3 plan. These are our planning parameters, and as I've said, they are not at this point set in stone. This gives us some of the ideas of what we are going to look at as we look ahead.

"As we looked over a five-year period, we made some assumptions that look something like this. We have a 4.6% tuition rate for 1994-95, but we've dropped that to 4% for the next four years out, to look at what happens when we really come down much closer to the rate of inflation. And this is an issue I know that the Commission that has been working with the faculty has been looking at. There has been concern about the rate of growth of tuition and keeping the University affordable and can we get the tuition rates much closer to the inflation rates after 50 years of not having them at inflation rates. This is a plan to put them at about 4%. We expect inflation over that period of time probably to grow at about 3, 3.5% over that period of time. Reduced tuition is a relatively small income item compared to full tuition and we've made those projections in it. We are expecting no change in undergraduate FTE's. In the endowed colleges this year, we have 190 more freshmen than we anticipated, and we can't just drop next year's class by 190 to get that down otherwise you start jumping up and down in enrollments. So that bubble of enrollment is going to go through the University, but we expect to maintain about the same target of enrollment for freshmen next fall as we had in place for this fall. What happens then in about 1997-98 those students drop off the rolls and so we'll have a slight decrease in enrollment and then try to maintain enrollment. So this is all projected on the basis of a constant enrollment over this period of time. We look at graduate FTE's as no change over that period of time. We see our long range plan for our long term pool for our endowment to continue to increase at a 5.6% rate

each year. For the first time in a long time our investment income will increase faster than the rate of growth of tuition under those projections. The number of long term pool shares, which means how much we are adding to the endowment, are showing that going up at 2% and then in 1997-98 and 1998-99 that will jump up to a higher proportion. This is due to a large extent to the Campaign and to the fact that we had a challenge that basically said to a donor, 'if you put in a million and a quarter for a professorship, we will invest it and for five years return the payout to the principal. After five years, the endowment will have grown to the full \$2 million needed for an endowed professorship and we will begin to draw income from it. In addition, we will receive about \$545,000 in challenge funds -- spread out over five years -- that we can spend for programs and other priorities such as equipment or facilities.' I must say there have been 53 endowed positions which include professorships, directorships, some graduate assistantships as part of that challenge from the campaign. That has increased the number of endowed professorships that we have at Cornell by about 25%. It took us 100 years to raise the ones we had before. There has been a major increase from that portion of the campaign to actually increase our endowed professorships. Those are scattered across the University. There are a lot of them in the statutory colleges for example so those are not all going to benefit the general purpose budget of the University. If we could forecast interest rates, we would probably be in another business so we kept our interest rates at 6.25 across the short-term pool. Bundy Aid, we're assuming the State of New York is not going to cut the private colleges any further. There is some talk about trying to restore some Bundy Aid, but until that happens I'm not going to spend it. Again our indirect cost account is growing at 3% except in 1995-96 which will drop down to 2% because at that point we are anticipating a further reduction in our rate because of a capping in other categories of the rate by the feds as their plans have been announced. Our income over that period of time with that kind of tuition growth is expected to go up in our general purpose budget only a little over 4%. It could go up about 4.2%.

"If we look at our expenditures over that same period of time, keep in mind our 4.2% growth rate on income, you'll notice our salary pools if we keep them right at around the rate of inflation that our benefits are going up at this rate. You'll notice the non-academic benefit rate going up at about 2% each year so that in 1998-99 without any melioration of that growth our benefit rate will now be at about 40% of salaries and wages, as opposed to 30.5% this particular year. Again we can straight line some of these things across. The reason financial aid jumps up in 1996-97 is that we currently have a spendable gift that we are using for part of our financial aid and we're trying to raise endowment to replace the income from that gift and if we don't raise the endowment, we'll have to kick in some additional amount. I'm pretty confident that we're going to raise that endowment, but that's been put in there as a cautious thing. We raised library acquisitions at 5%. That's greater than the growth of tuition and the growth of expenses. Debt service will go up for two years because of one of the big things that we have to do after we finish dealing with ILR and the Mann Library project eventually is to do something about Tower Road. It is going to cost us a

lot of money to finally fix Tower Road so that it doesn't do quite so much to the springs on your cars and that's part of the debt service that's going to be there as well as some of the transportation issues. Utilities we're expecting restrained growth in deferred maintenance and so forth. You'll notice the expense growth under that situation is 4.7%, in some cases 5%, and you'll notice there's a dissonance there between our income growth which is a little over 4% as we do these projections.

“What does that translate into in dollars? That translates into something like this. Those of you who have heard me give budget projections over the last few years to this group say, well, what else is new? You're projecting 5 years off, a fairly substantial deficit. I have to tell you a couple things about this. One is in 1994-95 you'll notice, which is next year's budget, our shortfall out of 305 million dollar budget is relatively modest and that includes the income from those extra students we are carrying around from this year's admissions. As it goes on it jumps up in 1997-98 because we lose those students and the difference in revenue and expenditure and it goes up another 2 million each year in 1998-99. The problem with this picture is that this is not a scenario that is going to keep Cornell University the kind of University that all of us want to have Cornell University be, because this kind of freezes us in time. We've had a Trustees Committee that's been very concerned about our deferred maintenance of our buildings for example, they have done an examination of the issue and we have a backlog of deferred maintenance in our general purpose colleges on the order of about 80 million dollars and it's been growing. It's not going down. That's different from the 500 million that Yale claims to have in deferred maintenance. The Trustees are concerned that we are essentially borrowing from our future as a University by not fully funding what it takes to keep our physical plant in good shape. They've been saying we need to do something with deferred maintenance. And in fact, I can lay out for you and all of you can probably come up with another list, but let me just say there are some investments that we really have to make. One of the things we have to do is invest in some of our systems for managing this place. You're all getting your check every two weeks but I have to tell you the payroll system is in pretty bad shape and it could give up the ghost one of these days and it prevents us from doing a lot of things. It's going to cost us a lot of money to replace a payroll system. Our student systems are not up to the modern standards that they ought to be. We still have the grand course exchange every semester. Students shouldn't have to do that. They should be able to get their courses registered now as they have their own PC in their dorm or at home. They can dial up and get into their courses and do their registration. Many schools are developing those systems and we are not there yet. We've got an accounting system that was developed to make the University's balance sheet relatively easy to accumulate but if you are trying to run a department, it doesn't serve you very well. There are investments that we are going to have to make in those kinds of things that we are going to have to make room for. It is recommended in the report of the Trustee committee for deferred maintenance that we put in an additional 3 million dollars a year. We put one and a half up there because

Hal Craft said, 'Well, I don't think I can spend more logically than 1 and a half million next year.' But nevertheless that's an item that we're going to have to get to. Provost's initiatives, I don't know what those are, but that's kind of the flexibility we're looking for if we need the flexibility to move into new programs and to do some additional things we have to do. And then there are other kinds of capital investments just to keep our computing labs up to date with modern hardware. I've been investing a modest amount in Engineering, Arts and Sciences, and Architecture, Art and Planning, in trying to get our teaching facilities looking good, trying to get our classrooms painted trying to get some better equipment, and so forth. We're making some progress on that but we need to continue to invest in that. There are some things we are going to have to do with employees that we are going to have to invest some money in our people. We do not do that very well right now. So that we're going to have to find ways of finding flexibility for the institution. By giving up some things that we are doing now and redirecting that income somewhere else. This is not a new concept but we've reached the point as we look ahead where those investments in the 80's used to be done by this increased income that we were getting over that period of time. We could make some of those investments and now we are going to have to make those investments to keep this place viable and energetic by stopping to do some things and redirecting those dollars to something else. Now that's an easy thing to say but a very difficult thing to do. We're not alone in this. I'm not sure if any of you have read the papers. I recently got information that MIT has said over the next 4 years they are going to have to take 25 million dollars out of their basic budget which is not a great deal different in size than this one. They said they are going to reduce employment by some 400 individuals over that period of time. We have not developed those targets as yet. We are in the process of trying to look at what we think we can do and yet develop the flexibility to make some of those investments that are going to continue to make this a viable and living place. That's one of the things I'm working with this budget planning group right now to come forth with some recommendations as to what our targets ought to be as we look ahead. What is the balance between preserving the way we are and yet recovering to make the investment we have for the future. The strategic planning exercise will put some flesh on the bones and I hope it will help you focus some of the energies to say what is important for this institution, what do we need to continue to do, what can we not do, what should we do better and what should we do perhaps at a diminished rate. We are going to be joining what has happened with not only higher education but with industry in this country as we confront those issues relative to employment and the future. It doesn't sound like a rosy future when I put it that way. The only thing I can say is that Cornell is leading from a great position of strength. We will continue to be strong if we have the will and find the way to work and make the adjustments that we have to make given the realities of the 90's. I'll stop there and I'll be glad to take some questions if there are some."

Speaker Martin: "Before getting into questions we would just remind you there is one other item of business to take up before our adjournment. Are there questions for the Provost?"

Professor Richard E. Schuler, Civil and Environmental Engineering and Economics: "I'm wondering how our competitive position has held up over the past couple years in terms of salary and fringe benefit levels for both faculty and staff in comparison with our peer institutions?"

Provost Nesheim: "Those of you who have been on the Financial Policies Committee know that we have a group of 25 universities that we compare ourselves with in terms of salary programs. We were 16th on that list for quite some time. We've actually gone up to about 14th in the last couple of years. Partly it's because institutions like Berkeley, Michigan, many of the state universities, have really slipped because of the problems on those state campuses. Their salary programs have actually dipped. We look very badly compared to some of our private peers in terms of our full professor salaries. We are very competitive at the associate and assistant professor levels, but we do not provide the salaries at the full professor level to many of the faculty that those do. That's a concern. And if you want to say that's an investment we have to make, we can put that on the table as well as we look at some of the issues that are out there."

Professor James W. Gillett, Natural Resources: "I don't see that you can do this planning without a clear policy relative to tenure and it's extension into the future. Berkeley, for example, already has a policy in place that may or may not have contributed to the dip and maybe the state budget, it could be lots of things. But I find it very difficult to compare apples and oranges."

Provost Nesheim: "One of the things our Strategic Planning group is looking at by a Committee that John Hopcroft is chairing, is the faculty of the future. That's one of the issues that's on the table in those discussions. What is the situation with tenure? I must say I don't look with any great joy at being the first of our major private peers of jumping off the bridge in saying we're not going to give tenure. That's going to be a very difficult one to try and come to grips with. Some of our private institutions have done things to make long term employment beyond retirement age look very attractive. Chicago and Yale are in the process of doing some capping of their retirement benefits at certain ages or after they reach a certain replacement part of salary, to try to make continued employment less important. At the moment, our view of what our behavior is going to be as faculty is that we're probably not too many of us are going to want to hang on until we're old and tottering beyond age 70. That'll have to be born out after January 1 this year when we loose mandatory retirement whether our behavior follows that or not."

Speaker Martin: "Dean Stein has a comment on this issue and then we will continue."

Dean Stein: "I have a quick comment as I happen to be serving on one of the Strategic Planning groups, the one that John Hopcroft chairs. We got a report from Institutional Planning which is sort of counter intuitive. Their conclusion in trying to assemble all the data that there is, is that this is not going to be as big a problem as you might think, given our age distribution and likely behaviors."

Professor Howard Howland, Neurobiology and Behavior: "As I understand your talk what we've seen is a mild incremental process in the first part of the talk where nothing big has changed. Then we saw, 'but we've got enormous problems on the horizon,' and suddenly these very large deficits appear. Then you said, 'and strategic planning is going to be where these changes come in' and you alluded to when the ideals meet the reality of the budget, there is going to be some action. And that's where I think we're all a bit nervous. Some of the anxieties we have had is in following this Strategic Planning process where we are being quite idealistic, but there is a rather tight time frame there and I think we've got it down to one more year to reconcile this. Do you really think that's realistic if we're really going to make a change?"

Provost Nesheim: "One of the things I've been anxious to do is to get this five-year picture in place. As we went through this year, we really put in place some fairly substantial reductions in various budgets around the University. We took about 4 1/2 million dollars out of general purpose budgets. That was done in consultation with Deans and so forth saying what do you think is a reasonable figure for you to deal with at this particular time. And that was a fairly significant number, it wasn't a huge number but it was 4 1/2 million dollars out of a 300 million dollar budget. Since you can't just cut utilities the same way as you can cut certain other things, all of that isn't able to be cut. It was clear that we could not continue to do that in that way as we look ahead. We've got to have the campus engaged through these processes of helping us make some decisions as to how we're going to deal with that. Now next year we're going to have to make some decisions to start us down that road. We're going to have to take more than 2 million out of the budget for that bottom line. And we'll have to talk with some of our Strategic Planning committees as to where they are. Clearly, we've got to get a report from them, we'll go through next year's budget and we've got to have some very significant output from those committees, as well as other things. This budget planning group I have is going to continue to work through the spring term to try to identify what our opportunities are in terms of various kinds of ways of becoming more efficient as to what we are going to have to do without, and so forth. And some of that will be put out for reality testing to the various parts of the campus and to the Strategic Planning committees. So it's going to be that kind of a process that we're going to have to go through. I agree with you, we cannot be too complacent and say the sky's going to fall one of these days, maybe we'll have to start thinking about it."

Speaker Martin: "I don't want to cut off questions or comments, but we do have one other item of business. The Provost has to leave for another appointment".

Professor Schuler: "One other short question. I notice in your ten-year comparison that although we call ourselves a private university, the actual fraction of the general purpose budget that is supported by private funds by endowment income and gifts has slid from roughly 13% to something under 10. When the capital campaign is over, what are the prospects? Will that just eliminate further slide or do you see that reversing that percentage contribution to the enterprise?"

Provost Nesheim: "That percentage depends on two things. It depends on how big that endowment income is and how big everything else is. If everything else were to come down, endowment would go up as a higher percentage. The capital campaign is adding to our endowment. Unfortunately we are not meeting the goals of endowment at the rate we're meeting some of the other goals of the campaign. So that's a push we have to put on the last two years to try to get that endowment income up. We are a private University and if you say private endowed university, we're only endowed if we only had to do what we could do with our endowment we are also a business selling education to students who really want to come here. Our tuition income is going to continue to be a major force in this institution. Let me just say the good news is that our applications for next year look like they're going back up. Last year we we're down 5% in our applications, this year it looks like we're back up about 5% in our applications. Our minority applications are up. The admissions picture from the application side looks relatively good. One of the worries we had last year was maybe this was some sort of precipice we were starting down in terms of applicants and so forth because of the price spiral but that picture looks relatively good."

Speaker Martin: "Thank you Mr. Provost."

David Call, Dean, College of Agriculture and Life Sciences: "A quick comment. As a member of the budget planning group, I'd say that the quality of the data we're dealing with is much improved over what it's been in the past. To make sure you understand the seriousness of the problem, we saw for the first time the other day, there are about 3,000 employees paid from the general purpose budget. If you reduce the number of employees by 50 to 60 per year over the next five years, that budget gap shrinks very significantly. That is the only way I feel that it's going to happen, to have to look at the cost of people. It just drives that whole general purpose budget."

Speaker Martin: "Professor Lucey, do we have a quorum?"

Secretary Lucey: "No, we lost it."

Dean Stein: "No we have a quorum, it's the number of people that signed in. That's Robert's Rules unless someone calls for a quorum."

Speaker Martin: "I'm calling for a quorum."

Dean Stein: "OK, then we don't."

Speaker Martin: "Do we have a quorum, Mr. Secretary?"

Secretary Lucey: "We have a quorum according to Peter's definition."

Speaker Martin: "If we have lost members beneath the 44, we do not have a quorum, correct?"

Secretary Lucey: "Correct."

Speaker Martin: "Thank you. We'll have to postpone the approval of the minutes. We cannot vote on the next issue but it can be presented and it can be discussed. The chair calls on Andrew Walkling, Chairman of the University Faculty Library Board, for a resolution."

3. RESOLUTION FROM THE UNIVERSITY FACULTY LIBRARY BOARD

Andrew Walkling, Chairman, University Faculty Library Board: "I'll be as brief as possible because I think it's important that we have some discussion of this. What I'd like to do to start with is to talk a little bit about the financial aspects as they affect the library and then get on to the issue of philosophy. Without repeating a lot of statistics that are available to you in the resolution, these charts which I'm going to show you which were developed by Peter McClelland in the Department of Economics, deal with the question of the library funding generally over the last 15 or so years. In this figure you see expenditure on books and periodicals. The amount of money spent on these items went up in the 1980's and then has been shrinking since then. This graph deals with expenditures on other than books and periodicals. Statutory is the thick black line; endowed is the thin line. As you can see again these figures went up in the 80's and now are shrinking. Something I think we should all be concerned about. At the same time, library use has gone up 28% since 1982. The mean salary in constant dollars, for librarians and staff of various kinds, is the same as it was in 1972, while at the same time we demand more of the staff. This figure demonstrates the extent of the cuts of the base budget that have been made over the past 10 or 12 years. Bear in mind, this is the amount the library has to work with before adjustment for inflation. In each of these items the base budget has shrunk. The most seriously in the 1991-92 and 1993-94 budget year. As you'll see as you look at the rationale at the bottom of the resolution, this is what we are requesting the administration consider restoring - the 200,000 and the 260,000 dollars. Essentially, no doubt many of you are aware of the way these cuts have manifested themselves - the cuts in the library hours being the most obvious. In fact the cuts to the library hours were essentially a last ditch effort. Other things that were cut before library hours were things like reference and instructional services, cataloguing and so on. There is now a huge backlog of materials we have purchased but remain uncatalogued because of the need to cut staff. These changes are permanent unless it's

possible to get the administration to give money back to the library. These figures are important but I think it's more important to bear in mind what it is that the library is to Cornell as an institution. If we keep the library going on an ad hoc basis year by year, giving back money whenever the faculty or undergraduates get upset, that is only a partial help to this problem. In the long term, the future of the library as an essential element at Cornell is in jeopardy unless it's possible to maintain the levels of funding we've had in the past. The resolution (Appendix A, attached) addresses this to some extent and talks about how the library is crucial to the work of all of us. To our students, to ourselves as faculty as we do our research, and so on. It's important that we recognize the importance of the library. What we are trying to do with this resolution especially in the first section, is to get the administration to address the problem of the library as not just another one of a number of component units. The Library Board believes that the library should be regarded as a special case. It is something that is important to everyone of us. When the library is cut, we are all cut. If the library is cut and our departments are cut then we are cut twice, because the library is something we all need to use. Because we are short on time, I'd like to open the floor to discussion."

Speaker Martin: "The resolution is on the floor for discussion. While we will be unable to take a binding vote, we would like to get a sense of the body before adjournment. If you'd like to speak to it, please give us your name and area."

Assistant Professor Elizabeth Fisher, Mechanical and Aerospace Engineering: "I'd like to offer what I hope will be taken as a friendly amendment. I'd like to propose two changes to the last paragraph. The first one being changing 'Be it Further Resolved' to 'And Further Urges' and the second and more important is to add at the end of the second paragraph 'and report to the FCR' so that we can hear from the administration their response to this."

Speaker Martin: "Although we don't legally accept friendly amendments in this body, under the circumstances would you accept this?"

Mr. Walkling: "The Library Board has no objection to that."

Speaker Martin: "Thank you. Any further comments or questions?"

Professor Baer: "What is being done in the library to work with other universities? I have a sense that the explosion of books and so on is just so fantastic that even first rate universities like this are going to have to begin to specialize some in their collections so we can't expect to have everything right across the board, particularly with the ease of access through electronic communication. Is a lot going on right now in terms of dialogue with sister institutions in terms of Cornell not trying to keep right up to the limit in every area?"

Mr. Walkling: "Can I refer that to Ross Atkinson?"

Ross Atkinson, Associate University Librarian: "Certainly there has been a whole tradition of discussion with other institutions as to how we can share access to our collections and divide up responsibilities for doing collections. There are enormous political problems in doing that in deciding which collections to reduce, so that the French department will rely on Binghamton and the German department will rely on us. That's difficult to do, but we can do some of that. The problem is if you start to reduce the material we collect in certain subject areas as in scientific journals, that would reduce the overall subscription across the board. When that happens that is not necessarily going to reduce the cost of those journals. The publishers are just going to increase the costs because there are fewer subscriptions. That isn't always an answer to our cost problems. But yes there is a lot of dialogue with other universities."

David Mermin, Horace White Professor of Physics: "Addressing that I've been on the Physical Sciences Library Committee for probably 25 years. For the last 15, our primary activity has been getting rid of journals, dropping them. The question is simply what percentage of our acquisitions do we abandon each year. I see no way around this. What I find more discouraging is that quite recently we've started to see an addition of restrictions in access to the library. That is you simply can't get in. Hours are getting shorter. This is a very dangerous development. We have an immensely valuable collection here. One hopes acquisitions will continue to maintain value. But to make that collection increasingly inaccessible, the savings are small compared to the cost of the whole enterprise. From the point of view of the scientists, the library really is as important as laboratory equipment. It can seriously slow down a program if you cannot have access to the library. I'm reminded of a museum situation in Italy. There is this immensely remarkable collection of paintings only available three hours a day. We haven't reached that point, but we are certainly moving in that direction."

Professor Walter Lynn, Civil and Environmental Engineering: "I was going to ask in the last 'therefore, be it resolved' why you used ambiguous wording like 'real level of funding'? Why don't you use a number? Why don't you put a number in there and then the faculty would know what they're voting for rather than the 'real level of funding' which has two problems with it. What do you mean by 'real level' as opposed to 'unreal level'?"

Mr. Walking: "The number is addressed to some extent in the rationale, which explains what the two cuts were, 200,000 and 260,000 dollars. And obviously those would need to be adjusted for inflation given the fact that one of them was three years ago and one of them was last year. Figures can be made available to anyone."

Professor Charles Levy, English: "We have a converse problem to that of Professor Mermin's - unrestricted access to the research library collection. We no longer, for want of 12,000 dollars a year, can afford to maintain restrictions at the entrance to the stacks to graduate students, faculty members and anybody

else who has shown a need for access to the stacks. I have it on first hand authority that the amount of food brought into the research stacks against regulations has increased considerably. We no longer have the budgetary means and therefore have eliminated the authority of those who exercise surveillance over the stacks to insist that these gentlemen who bring that material in will take it and leave. We may be able to exclude the human eaters from the stacks, but not the vermin attracted by the food. And that's the reason the University has had that restriction over the years. We are stewards of the library collection, whether good stewards or bad stewards, we have to recognize our responsibility. The danger of random or planned vandalism to the irreplaceable research collections is immeasurably greater when we have no control, not simply the undergraduate access to the stacks, but the access of anybody who comes in from here or from any place else. All this for the paltry sum of 12 thousand dollars a year. And yet it is the fundamental professional judgment of the library staff that there is no other place to go for the money."

Speaker Martin: "We are approaching rapidly our adjournment time. We do have some comments from the Dean before we adjourn. Could we get a sense of the body on this resolution?"

Dean Stein: "I just want to bring to your attention that the Financial Policies Committee issued a statement essentially supporting this amendment (Appendix B, attached). It ends up 'we urge all faculty members to support this position as the 1994-95 budget process gets underway.'"

Speaker Martin: "All in favor of this resolution say, aye. All opposed say no (none). I guess this gives us a sense of the body."

4. FINANCIAL AID PRESENTATIONS

Dean Stein: "I have one comment to make on the financial aid presentations. The process that you called for last spring will have been carried out by the end of this week. All academic departments that have undergraduate students will have had a financial aid presentation, will have registered their opinion, and at the beginning of next term, I intend to report to you the summary of that faculty opinion."

Speaker Martin: "Any further business? We are adjourned."

Adjourned: 6:00 p.m.

Robert F. Lucey
Secretary of the Faculty

RESOLUTION FROM UNIVERSITY FACULTY LIBRARY BOARD

WHEREAS, the library system is central to the teaching and research missions of Cornell, and thus represents a unique asset to the University, and

WHEREAS, the general trend of University support for the library system has been adequate in the 1980s and reduced in the 1990s, and

WHEREAS, the cost of acquisitions has increased well above the rate of inflation, and

WHEREAS, the potential damage caused to the library's collections as a result of budget cuts would be largely irreparable, and

WHEREAS, the reduction of services in areas such as reference and instruction, cataloging, and library opening hours due to staff cuts adversely affects the library's role as an instructional and scholarly resource for the entire University, and

WHEREAS, a strong library is essential to Cornell's position as a leading research and educational institution, and

WHEREAS, the library does not have a specific constituency among alumni and others who provide financial support to Cornell, as do some other units of the University,

THEREFORE, BE IT RESOLVED, that the Faculty Council of Representatives hereby urges the University administration to recognize the special status of Cornell's libraries among the University's various component units, and

BE IT FURTHER RESOLVED, that the University administration study the feasibility of restoring the real level of funding to both the collections and services of the library system that existed prior to the last two major cuts.

Rationale

The non-materials portion of the endowed library budget has been decreasing steadily in real terms since the early 1980s. Most recently, this base budget (the amount received annually by the library before adjustment for inflation) has been cut more drastically: by \$200,000 (approximately 1.8%) for 1991-92 and by an additional \$260,000 (approximately 2.1%) for 1993-94. Taking into account annual increments for inflation on these amounts, the library system now has approximately \$500,000 less at its disposal than it would have had had these reductions not been put into effect.

11/23/93

TO: Members of the University Faculty

FROM: Financial Policies Committee

DATE: November 30, 1993

RE: Funding for Cornell Libraries

The Financial Policies Committee strongly supports the resolution being presented to the FCR by the University Faculty Library Board. The library is central to the purpose and functioning of Cornell as a world-class university and to the intellectual life of both scholars and students within the Cornell community. That status is now in jeopardy as a consequence of the budget reductions imposed over the last few years. While the Committee recognizes that restoring the library's previous base budget as the resolution requests would be difficult, particularly given the University's current financial situation, we believe that the library should receive high priority for funding support. We urge all faculty members to support this position as the 1994-95 budget process gets underway.

**MINUTES OF A MEETING OF THE
FACULTY COUNCIL OF REPRESENTATIVES**

February 9, 1994

Fifth Meeting of 1993-94 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Greene, S.E. (5). **CALS:** Baer, R.A. (5); Berkey, A. (3); Feldman, R. (2); Parks, J.E. (4); Pritts, M.P. (3); Rockcastle, V.N. (5); Smith, M. (4). **Geneva:** Koller, W. (3); Rao, M.A. (3). **AAP:** Perius, B.A. (3); Saltzman, S. (5). **A&S:** Ahl, F. (4); Cotts, R.M. (4); Darlington, R. (2); DeVoogd, T.J. (4); Feigenson, G.W. (2); Geber, M.A. (2); Hayes, D. (4); Hirschmann, N.J. (4); Hull, I. (5); MacDonald, J.F. (5); Pierce, L. (2); Shanzer, D. (5); Siggia, E. (spg. only)(1); Strang, D. (1); Strauss, B. (3). **Engr.:** Farley, D.T. (5); Fisher, E. (4); Giannelis, E. (4); Jirka, G. (2); Kay, R.W. (4); Liboff, R. (2); Liu, P. (2); Turnbull, B.W. (spg. only)(1). **Hotel:** Dunn, D. (4); Sherry, J. (2). **H.E.:** Obendorf, K. (4); Street, L. (2); Wethington, E. (3). **ILR:** Abowd, J. (3); Kuruvilla, S. (4). **JGSM:** McAdams, A.K. (5). **Law:** Green, R.A. (3). **Vet. Med.:** Ball, B. (2); Hermanson, J.W. (4); Kallfelz, F.A. (3); Randolph, J.F. (4). **At-Large:** Bierman, H. (4); Decker, D. (3); Farley, J.T. (5); Holcomb, D.F. (5); Levitsky, D.A. (3); Lumley, J.L. (2); Schuler, R.E. (5); Shiffrin, S. (spg. only)(1); Todd, M. (spg. only)(1). **Faculty Trustees:** Calvo, J.M. (4).

Absent: **CALS:** Awa, N.E. (0); Ewert, D.M. (3); Gillett, J.W. (3); Glynn, C. (0); Slack, S.A. (1); Tauer, L.W. (3). **Geneva:** Shelton, A.M. (2). **AAP:** Cruvellier, M. (3). **A&S:** Bathrick, D. (1); Berger, A. (0); Howland, H.C. (3); Keil, F. (2); Kennedy, K.A.R. (4); Lambert, B. (2); Loring, R.F. (3); Mullen, H. (0); Speh, B. (4). **Engr.:** Brown, G. (spg. only)(0); Philpot, W. (1); Rand, R. (2); Warhaft, Z. (2). **H.E.:** Garner, C.E. (3); Key, R. (spg. only)(0). **ILR:** Lieberwitz, R. (3). **JGSM:** Lind, R. (1). **Law:** Taylor, W.F. (spg. only)(0). **Libr.:** Atkinson, R.W. (4). **ROTC:** Corcoran, G.J. (4). **Vet. Med.:** Casey, J.W. (1); Dubovi, E.J. (0); Meyers-Wallen, V. (3). **At-Large:** Walter, M.F. (3). **Faculty Trustees:** Kramnick, I. (1).

The Speaker, Professor Emeritus Russell D. Martin, Communication, called the meeting to order at 4:35 p.m. He called on the Dean of Faculty, Peter Stein, for remarks.

1. REMARKS BY THE DEAN

Dean Stein: "Welcome on this nice snowy day. I received many calls today asking if we were going to cancel. The FCR has no snow days so if it's a University day, it's an FCR day. I have a few comments to make. One is, we've made a couple of changes in the agenda which I think we will do from now on. We've instituted a 'new business' item that takes place at 5 minutes of six, whereby a faculty member can bring up either a new concern that the faculty ought to consider or just make a general statement or place a new item on the agenda. We're trying to put together a list server so that we can remind everybody of the meeting the day of the FCR meeting because I know last time there were a group of people who had forgotten the meeting and came when I called them up. So the hope is that we can do this automatically every time.

"Second is, I wrote you a letter about quorums and I hate to be in the position of lecturing. I don't want to do that. It is a fact that all of us want to make the FCR an integral player in the governance of the campus and that we would like to become an institutional part of the way decisions are made on the campus. I must say it is difficult to do that if we cannot transact business as a body. We have to develop the internal assurance that come 4:30 p.m. on the second Wednesday of every month there will be a meeting with a quorum of people who can make decisions about things and if that becomes dicey, I think the whole notion about faculty governance becomes dicey. There's no way I can say that except to state that fact. I know people call me and they say they have this to do and they have that to do, and I understand that, but the fact is that with four meetings a term if a person attends half the meetings then in fact we're going to have quorum problems at every single meeting. If we are to be effective, that means that every faculty member who is a member of the FCR has to attend three meetings out of four or else there'll be problems. Last time we did have the problem of losing a quorum at the end and again that was frustrating to the people who had brought this proposal to us and I hope that people will commit themselves to coming at 4:30 p.m. and staying until six.

"We finished the FADPOG discussion on financial aid in the departments. I sent everyone a copy of the results and we will have a presentation on that today that flows from that. One thing that did flow from that was a strong belief that was indicated persistently throughout the campus, on the endowed and on the statutory side by a rather large margin, that the faculty felt that a faculty group must be involved with a program of financial stringency and the faculty are willing to accept that burden of looking at such a program. We, myself and the Executive Committee, are committed to trying to make that happen. We don't know exactly how to make that happen but we are committed to it.

"At the next meeting of the FCR, we will have a full agenda. We expect to be able to place before you a resolution on the Latino Living Unit. The Committee on Academic Programs and Policies will come back with its resolution about lecturers and senior lecturers and one of the items that's to be introduced today will also be discussed.

"Lastly, I'd like to read a letter I received from the Provost. If you recall, the Library Board presented a resolution to you, but we lost a quorum before we could vote on it. I'll ask you to vote on that formally after this. But the overwhelming sentiment of those people in the room and it was only a few people less than a quorum was that they approved it and so I sent it off to the Provost and asked him for a response. I got the following response dated December 20, which I'd like to read to you:

'Dear Peter,

Thank you for your letter of December 12. I would be glad to speak to the FCR about the budget on an annual basis. (I asked if we could make this an annual event when he spoke to us about the budget during the month

of December which is the right time to talk about it.) I generally have done so in the past. One of the problems is that the December FCR meeting often conflicts with the December Board of Trustees' Executive Committee meeting in New York City, and this has caused scheduling difficulties in the past. Nevertheless, on principle, I agree with your ideas and certainly will be willing to make myself available to the FCR for this purpose.'

'Thank you for transmitting the Library Board's resolution. I recognize that this resolution indicates strong support for the Library by the faculty. I hope, however, that before one makes a judgment about resource allocation to the Library, one might consider total resources available to the Library including those that have come to the Library through gifts and through the campaign. I'm not certain that this was done and that the FCR acted with complete information prior to passing this resolution. Sincerely,

Mal Nesheim.'"

Speaker Martin: "Are there any questions for the Dean? All right. Thank you. Do we have a quorum, Mr. Secretary?"

Secretary of the Faculty, Robert Lucey, E. V. Baker Professor of Agriculture: "Yes, we have a quorum."

2. APPROVAL OF SUMMARY MINUTES

Speaker Martin: "Thank you. The next item is the approval of the summary minutes of the meetings of October 6, November 10, and December 7. Are there any corrections to those minutes? There being none, they are approved as distributed."

"The chair next calls on Dean Stein for a resolution from the University Faculty Library Board."

3. RESOLUTION FROM UNIVERSITY FACULTY LIBRARY BOARD

Dean Stein: "This is the same resolution that was presented to you at the last meeting. I properly should call on Andrew Walkling as Chair of that Board to present it to you but I am asking his indulgence in the interest of time. I don't believe this will be controversial. I don't wish to cut off debate but I will assume that you have read the resolution and are ready to come to a vote on the matter."

Speaker Martin: "The resolution is now on the floor for discussion. Any comments?"

Professor Howard Howland, Neurobiology and Behavior, and member of the Library Board: "Peter Stein very kindly made Provost Nesheim's letter available to us so we'd have a chance to look at that letter and I'd have to say that the sentiment of the Library Board was that we did take into consideration a number of factors including those that were mentioned in the Provost's letter. We do think the library is a priceless resource, and we do think that the administration should seriously consider what is urgent in the motion, namely that they study the feasibility of real funding to the collections and services of the library and that they report back to the FCR."

Speaker Martin: "Thank you. Are there other comments or discussion? If not, we will proceed to vote. All those in favor of the resolution, say Aye. (Many voices). Opposed: (One voice). The resolution (Appendix A) is carried."

"The Chair calls on Professor Emeritus Urie Bronfenbrenner for a resolution amending the Professor-at-Large Selection Committee.

4. RESOLUTION AMENDING THE PROFESSOR-AT-LARGE SELECTION COMMITTEE

Professor Emeritus Urie Bronfenbrenner, Director, Professors-at-Large Program: "I take this opportunity in the unlikely event that there are some that do not know about the Professors-at-Large Program. The idea first appeared in the communications of Andrew Dickson White and in several letters and also in communications with Albany in which he expressed concern that both the idea and his concern that in view of our location and, as he put it, the rather firm opinions held by members of the Cornell faculty, that there was the danger that they would grow in and in and in and needed to have correction and stimulation from the outside. He proposed this notion of having outstanding intellectual scientists, artists, and others to come periodically to be guest professors. That is the present program. It involves at any one time twenty outstanding persons across the world - the majority are actually not from the United States but there are plenty of Americans here too - with the assignment over a period of six years of contributing to the intellectual and cultural life of the university as a whole. I mention that so that you will understand the main reason for these particular changes. The second whereas in the resolution talks about the need to increase from six to nine the members of the Selection Committee in order that they be a broadly representative group to complement the selection process. I just want to report, as the person responsible for the program, that there is no more careful deliberation by members of the University Faculty than the debates that go on in that Selection Committee. It is a very fair, very deliberate, careful consideration, with particular reverence to the special charge that these persons are to contribute to the intellectual and cultural life of the university as a whole. As some of you note, perhaps to your dismay, the result of that particular charge is that in some instances Nobel Prize winners have not been thought appropriate. It involves a lot of diplomatic problems and they fall on me so I can assure you it's not a situation that I welcome, but I think it's

right. There are several reasons for this proposed resolution. The first, as clearly indicated, is that the depth and breadth of the university be reflected in the membership of the Selection Committee. There are, as you know, several ex officio appointments but the core is the representation of the diverse intellectual cultural life of this university. Since there are only six such elected persons under present legislation, I'm asking as the responsible chair of that program that you permit us to expand it so that we have an even wider representation across the campus as a whole.

"The second consideration is that the kinds of persons who tend to be selected for that are often somewhere else. That is that they are out in the world and so that whatever date you may set for a meeting if you have only six members of the faculty to choose from, the likelihood is that as many as half of them are likely to be somewhere else and so there is a very practical matter that our interest as a faculty and as an institution be represented. We need to have more of a pool who can be present at the actual decision making. Everyone participates in the process but the actual voting takes place at the meetings after discussion. So that's the second consideration.

"The third consideration is that one of the ways in which we as a great university consider the interests of the university as a whole and have persons involved who can bring back to their respective areas and constituencies some sense of what is concerning the university as a whole in terms of the intellectual life of Cornell. The Professors-at-Large Program was set up under a special endowment by the Board of Trustees at its founding back in 1965. At the beginning it was a very generous endowment. There are certain things that have happened in the economy of our country since that time and so what used to be a very generous program now places us in a very embarrassing situation. We are working very hard on that. Because for many of the distinguished members, and by the way they are members of the faculty while on the campus, the honorarium for this distinguished position for a period of a week is equal to about what they would get normally anywhere else for a single day. We are trying to remedy that. What is remarkable is that we continue to get outstanding nominees who accept. If there are questions, I would be glad to respond."

Speaker Martin: "Coming from a committee this resolution has been duly seconded and is on the floor for discussion and questions. (None) All in favor of the resolution as presented, please say Aye. (Many voices). Opposed. (None). The resolution (Appendix B) is carried. Thank you, Urie.

"The Chair next calls on Professor Gail Scott White, Co-Chair of the Admissions and Financial Aid Committee, for a report and a resolution."

5. REPORT AND RESOLUTION FROM COMMITTEE ON ADMISSIONS
AND FINANCIAL AID

Assistant Professor Gail Scott White, Art: "Thank you. I will be brief and I also want to thank everyone who participated as a faculty presenter in the polling of all of our colleagues and I would like to say we feel that as a Committee this was a very successful endeavor and that we got to a majority of departments and brought a very important issue in front of the faculty for discussion. You've seen these results, but I want to just show you very quickly what we uncovered here. I want to start by showing you the strong sentiments - people who were either strongly supportive of a particular issue or strongly in opposition of a particular issue - because I think that gives you some idea about how your colleagues feel. You can see that there are two areas that stand out in the strong context. When you break this down, it's not as clear that we should look at this problem not just as a financial aid problem but look at the entire university budget and not just say that here is the issue and see what can be adjusted to help resolve the problem. There is a very strong sentiment that many faculty favored and many faculty opposed a need-conscious admission. They did not feel that a student's financial status should in any way have any implication on whether or not they are admitted to Cornell. And many people felt that admit/deny fell under the same category. You can also see that many people felt that their grant should not be reduced. It seems that the faculty strongly supports keeping the financial aid situation as it is in terms of trying to help each student with full funding through a composite package of grant money and aid money and work study money and they also strongly support looking into the larger picture as has been discussed by many other committees and continues to be discussed.

"When we look at all the totals for the polling including those people who just oppose and just support and bring in the pro and con totals, you see it's not as truly mixed. The special categories areas such as looking at international students and Canadian students and other areas, get mixed reviews, as with the grants. But you can still see that need conscious jumps way up.

"Those are two areas that the majority of the faculty clearly voiced an opinion on which we think is exciting and pertinent to what we are doing. After a lot of discussion we came up with a resolution. Our resolution originally had three points to it, it now has two. The third point is really being picked up by the Financial Policies Committee so we certainly bow to their efforts on that behalf and support their efforts on that behalf too. We also felt that tuition should not continue to rise well and above either the cost of inflation or in this case they are using the consumer price index. We felt that issue had to be looked at as well. Clearly that fits in the Financial Policies Committee so we've pushed that off of our plate, it's on theirs and we'll leave that as it is. I did want you to know we considered that in our Committee. I would like to go on record now as reading the resolution because I think it's important enough that everyone hear it.

WHEREAS, Cornell University has been meeting the financial needs of all admitted students, believing that this practice promotes diversity and equity, and

WHEREAS, a majority of polled Cornell faculty oppose administering financial aid on the basis of admit-deny or need-conscious admissions,

BE IT RESOLVED, that Cornell continue the practice of admitting students without regard to financial need and meeting the full financial need of all admitted students and

BE IT FURTHER RESOLVED, that no substantive changes in financial aid policy or practice (such as admit-deny) be implemented without prior consideration by the FCR and relevant committees.

"I'd like to point out that the second point is on there because of the situation that actually led us into the arena to poll all the faculty, which was we discovered rather late in the year and rather accidentally, that a change was already in place in Day Hall that would change the practice of financial aid. Fortunately that was not put into place but they were literally days away from having to put that into place because of what was perceived at that point to be a financial crisis or a shortfall in matching funds. We don't want anything like that to occur again. We want to have something in writing that says that should be the way we are proceeding right now with admissions and financial aid change, that it should be brought to the attention of the faculty. That's where we stand as a Committee and we would like to open this up for a discussion."

Speaker Martin: "The resolution is now on the floor for discussion. Please identify yourself for the records."

Professor Richard Liboff, Electrical Engineering: "Could we be told in a little more detail what full financial need is?"

Professor White: "Are your concerns about the wording of 'meeting the full financial need'? Cornell University does not as a single entity meet the full financial need of the students but they assist the students in meeting full financial need by putting together a package that is appropriate with the financial history of their family so that a student will apply for Pell grants and receive government grants, they may also have a work study component. And then the remainder of their needs would be coming from Cornell University. Each student has a composite picture depending upon what they are eligible for in terms of grants, work study, and then the third piece of that is what Cornell can put into that place. Also loans. What we do is assist the student in

money, all your work study money, and your family has taken out as many loans as they can afford, and they've put in everything that they can give, and \$5,000 is still needed for the student to come to Cornell. That's where financial aid comes in and says that's the part that we help them meet. So we help them meet their full aid package. They have to get all of those other pieces in place first."

Professor Francis A. Kallfelz, Clinical Sciences: "I'd like to follow up on that question. What are the expenses that you are including in this full financial need? Are you talking about tuition, are you talking about room and board, are you talking about books, are you talking about clothing, every expense that the student has?"

Professor White: "No. There's a representative here that Susan Murphy sent that I think could answer that question."

Robert Rowe, Associate Director, Financial Aid: "Basically, we start off by building a budget which is composed of tuition, room and board, books, personal expenses and transportation. Then we look at the information we get from the family and we make decisions about what we think is reasonable for the parents and the student to contribute. Where there's a difference between the cost of attendance on one hand, and the family contribution on the other, that's the student's financial need and then we go about trying to meet that need through a wide variety of resources. Some of them are federal dollars, some are state monies, some may be private sources that the student brings with him or her and then finally the end component is what the university puts in to 'finish off the aid package' and meet the need. Again the definition of meeting the full need is looking at the difference between the cost and the family contribution and meeting whatever that need would be."

Professor Kallfelz: "So when you said 'no' when I asked if that included all things, you really meant yes because personal expenses include those sorts of things."

Mr. Rowe: "The personal expense category is about a thousand dollars for what we would regard as day to day expenses and again that's above and beyond books, for just maintaining one's self for being a student in Ithaca, New York. Some students are able to live very easily within that, other students have a more difficult time and we look at situations like that on an individual basis. Basically, we are trying to take into consideration not just the hard cost, that is tuition room and board, but the other expenses that are a part of every day living."

Professor Fred Ahl, Classics: "The wording of the resolution as it stands addresses the idea of financial needs of all admitted students. It does not specify where they're from. In other words, it doesn't specify U.S. residents, U.S. citizens. I was one of the presenters for the group that was around talking to departments about the various aid options that were open to us and a great deal of strong feelings came out on the subject of supporting students from Canada and first world European Countries, and

whether there were reciprocal arrangements. The thing that bothers me in the wording of the resolution as it stands currently is that it doesn't specify financial needs of all admitted students who are U.S. citizens or residents of the U.S."

Professor White: "The situation with international students that receive financial aid is that they are a very small fraction. It is not our policy or practice to give financial aid to international students except a tiny amount and that's in place so that there is a diversity in students from areas that we might not normally have represented here. That was under this special categories column. I understand what you're saying. That wasn't our intention when we wrote up this resolution that we were trying to open the doors to any student including more international students to receive financial aid. That's not our intention so I think that what you are saying is that we need to make a slight amendment or change in the wording of the resolution."

Professor Gerald W. Feigenson, Biochemistry, Molecular and Cell Biology, and Co-Chair of the Admissions and Financial Aid Committee: "Fred has a good point there. I would say I'm not sure what wording to put in here. Everything I've ever read, for example, in the Board of Trustees policies, never qualifies that. Maybe someone from the Financial Aid Office could say something about this. They don't say we will assist the need of all American students. They don't say that. So we were following the wording that we've seen before about Cornell policy. But you're quite right. Cornell does have a particular practice with regard to American citizens, permanent residents, and Canadians, which is different from the rest of the international students. Maybe there is a simple fix for that wording."

Mr. Rowe: "I would be hard pressed to describe it any differently than you do. Clearly the emphasis is on U.S. citizens, permanent residents, and Canadians. There is an allocation that comes out of our budget for international students. The feeling has been for some time that we could spend a considerable amount more than that for international students. Historically, there has been the feeling that there needs to be a limit on how much of the total amount goes to international students. How that figure is arrived at, I've never been privy to that discussion. Clearly the emphasis is on U.S. citizens, permanent residents, and Canadians."

Dean Stein: "I think Professor Ahl makes a good point but I think it's misleading as written and I wonder if the following amendment might not clarify it. The first, every place it says students in the 'be it resolved', it should be preceded by undergraduate students because we certainly don't meet the full financial need of all graduate students. Secondly, I would take out the word 'all' and put in 'the current practice of' so that it would say that we don't change what we do at the moment. That's probably what you were trying to get at. It certainly is true that we do not meet the full need of foreign students. I would like to propose the following amendment."

BE IT RESOLVED, that Cornell continue the practice of admitting undergraduate students without regard to financial need and the current practice of meeting the full financial need of admitted undergraduate students.

Speaker Martin: "Is there a second to Dean Stein's amendment?"

Associate Professor Timothy J. DeVoogd, Psychology: "I'll second it."

Speaker Martin: "Thank you. The amendment is now on the floor for discussion."

Unidentified: "By current practice do you mean the current practice of applying this policy to U.S. citizens, permanent residents, and Canadians?"

Dean Stein: "And some foreign students."

Unidentified: "Why do we not give the same sort of status to Mexicans? What is the reason for giving special consideration to Canadians but not for example to Mexican students who are also on the border?"

Professor White: "That was an issue that was discussed at length within the meetings and certainly one that we felt strongly about as well. If we are going to be friendly toward our neighbors to the North then we should continue that practice with our neighbors to the South. That issue was also one that came under special considerations. And the faculty, when they voted on that, really had a 50/50 response. We talked about that in the individual groups. We were told Cornell has a long standing relationship with Canada because of our proximity to Canada and because of Alumni, etc. It's an issue that we will continue to look at, all those special categories, but by putting this into place today is not going to change that - all of these special categories, in other words people that are receiving financial aid that are in one of these special categories are going to be continued to be looked at, not just by our committee but as we move into looking at the larger picture they may be looked at there as well. There are many people that feel that way about that."

Professor Feigenson: "I would like to clarify the intent of resolution one. It simply brings, as a resolution, the results of the discussion with the faculty that took place in the fall. It is simply presenting to you what we found. There were mixed feelings about international students, special programs, changing Cornell policies and it was only clear on this point of meeting full need of admitted students. That's what it is. That's why we are not discussing in resolution one these other issues which certainly merit discussion."

Professor DeVoogd: "I have a response to give to this as well. I am also a member of the Committee. While there was disagreement in the committee about the value of these particular allocations of funds, the marginal savings would be very small and so to the extent there is a crisis in the financial aid budget, it's not caused by growth in the amount of aid given to students. Were that money not given to Canadian students and were instead given to other American students, it would be only a very small savings. This practice has not cost the financial aid budget significantly more last year than ten years ago."

Assistant Professor Sandra E. Greene, Africana Studies and Research Center: "It's just a small comment and that is I don't think it's a question of the issue that we have this as a stated policy. It may not cost a lot in principle, but somehow you are giving preferences to one group as opposed to another. The other comment I have has to do with the fact that it's difficult to extract this issue from the issue of how you allocate financial aid based on whether you are Canadian or not. In other words the two are intimately related. So I think it raises some points of concern. You can say yes, we would like to do this, we would like to continue with our existing policy; on the other hand, it's difficult to ignore the fact that people have questions about the existing policy."

Professor White: "The piece of this that we are looking at in this first part of the resolution is not specifically tagged to that part that we are ending up discussing here. Let me see if I can clarify that. The first part of the resolution says that we want to admit students without regard to financial need and by putting in the current practice, the part that Peter added of continuing to meet the full financial need of all admitted students, and knowing that some of those students will be Canadian, I understand that is where the philosophical conflict arises. That's where we are right now and the reason we are trying to get this resolution across is we are this close to not continuing the practice of meeting the full need of all of our students and going to some other alternative. This issue of special interest groups is a critical and very important one that needs to be taken up by our Committee and is a majority of our work for this coming year. Our Committee felt very strongly that we either give totally reciprocal scholarships or aid to our neighbors to the North and South or we don't do either but the situation right now doesn't make sense. But the full faculty when we polled them were kind of mixed on that question although it wasn't totally presented to them. There was so much information presented to them they may not have had time to discuss that single special interest issue at large. If we don't put it through today what will happen is that we're still going to be in the same place that we are that the Canadian students are receiving financial aid. Putting it through today is going to insure that we are not moving to a place where all of our students that are coming in right now could potentially find themselves in the next year facing changes in that funding scenario. What we are trying to do is get a safety net in place now; we have more work to do. That's sort of the feeling of the committee right now. Today what we are saying with

this resolution is that Day Hall is not going to move forward with a plan or implement a plan that would change the practice and send out letters to students that are based on a sort of an admit/deny situation saying yes, you can come to Cornell, but you've got to find the funding on your own because we can't fully fund everyone anymore. We were a heart beat away from that this past year and we don't want, as a Committee, to see that happen and as a faculty, we clearly don't want to see that happen. That's the spirit of the resolution and I hope that clarifies the intent."

Dean Stein: "I move the question on the amendment."

Speaker Martin: "The question has been moved. Any objection to proceeding with a vote on the amendment? Then we shall proceed. All in favor of the amendment as presented by Dean Stein, say Aye. Opposed, No. The amendment is carried."

Unidentified: "I want to ask a question. I think I know the answer, but I think I can put it in context by looking at the agenda that we have today which somebody must have smiled about when they gave it to us. We start out by saying, 'hey, giving money to the Library sounds like a great idea, let's give money to the Library', then we come to financial aid and we say 'oh, giving financial aid sounds like a good idea, let's give money for financial aid'. Then we come later to tuition and we say, 'let's not collect too much money, let's limit the tuition but what we'll do is cut salaries for faculty, staff, and so forth'. After we hear about cutting faculty salaries, staff and so forth, we could decide that could undermine the competitiveness of the University and maybe we shouldn't want to give so much money to the library and so much money to financial aid, and there are tradeoffs involved. And so my question is when the majority of the faculty were polled and you were giving all kinds of information and so forth, how much of the discussion of the tradeoffs was there and how much knowledge did the faculty have of what the impact would be?"

Speaker Martin: "Is there further discussion before we proceed to vote on the resolution as amended?"

Professor Bruce W. Turnbull, Operations Research and Industrial Engineering: "I'm sort of at that same point. When we had our discussions, why would anyone be opposed to this. But when it's put in terms of alternatives, it was not as the person presented it. In fact, if anything, it was weighted in the opposite direction and it was put in a different context and different scenarios when presented."

Speaker Martin: "In order to stay on schedule we have three minutes before we should take a vote."

Unidentified: "Could you just explain to me what admit-deny means?"

Professor White: "That is the practice that was about to be changed. The definition of a policy or practice of admit-deny is that you admit students but you deny them full financial aid. In other words, it's the bottom percent but you say that you admit and fund as many students as you can possibly give financial aid to; the last piece of it you say if you can figure out a way to get here and come fine, which means the students with money can come, the students without can't."

Unidentified: "How do you determine the financial history of the family?"

Professor White: "The same way every other major university in the country does. Day Hall can answer that question."

Unidentified: "Where does the funding come from? Is the tuition paid by students paying full tuition used to help support tuition assistance?"

Professor White: "I know the answer to that but I'll defer that to Day Hall."

Mr. Rowe: "It happens broadly in two ways. There is tuition income that goes into the financial aid budget. There is also a tremendous amount of endowment income that is specifically geared to financial aid."

Unidentified: "Is part of the tuition paid by students paying full tuition used to support financial aid for students or not?"

Mr. Rowe: "Yes."

Professor Richard Baer, Natural Resources: "Two questions. One, how much do we typically expect a student to take out in loans? And secondly, I was interested in the recent decision not to send grades to parents. If parents don't like that, can parents refuse to support their child or are they under some legal restraint to do so, and how would that effect this whole business?"

Professor White: "The amount of debt ratio that we look at that a student should incur takes into account many factors. And it's not easily explained. We could get Day Hall to elaborate on that."

Professor Baer: "Just roughly, what kind of figures?"

Mr. Rowe: "I think the best way to explain it is to say that for students that came in this year, the average amount of loan in this package was between 3500 and 4000 dollars for one year per student. So we are talking about that amount of indebtedness, but there is a great deal of variation. Some will have less, some will feel a need to borrow more for a whole lot of reasons."

Professor White: "I think \$5000 is more accurate as to what they actually end up with."

Professor Baer: "I just wondered about this other thing. Can parents refuse to support their child if they don't get grades?"

Professor White: "My understanding is that if the parents don't make their financial contribution that the University feels they are capable and able to make, the University will not be giving financial aid to that student. So they can say, 'no, we're not going to give you money' and we'll say, 'we aren't going to either'."

Speaker Martin: "We shall proceed to vote on the resolution as amended."

Unidentified: "Call for division."

Speaker Martin: "On the two be it resolved? Is this what you want?"

Unidentified: "No, I want a counted vote."

Speaker Martin: "You want a counted vote. If no objection, we will take a counted vote. Dean Stein and our Secretary, will you act as tellers? Remember, this is only for FCR members who are eligible to vote. All in favor of the resolution as amended, please stand. Please be seated. All opposed, please stand. The resolution as amended passes by a vote of 39 affirmative, 16 negative."

WHEREAS, Cornell University has been meeting the financial needs of all admitted students, believing that this practice promotes diversity and equity, and

WHEREAS, a majority of polled Cornell faculty oppose administering financial aid on the basis of admit-deny or need-conscious admissions,

1. BE IT RESOLVED, that Cornell continue the practice of admitting undergraduate students without regard to financial need and the current practice of meeting the full financial need of admitted undergraduate students and,

2. BE IT FURTHER RESOLVED, that no substantive changes in financial aid policy or practice (such as admit-deny) be implemented without prior consideration by the FCR and relevant committees.

"The chair calls on Professor Donald Holcomb, member of the Commission on Higher Education, for a resolution. Before doing this, I would mention that the resolution and you've all received a copy as you came in, is slightly different from the original one that came from the Commission. The one that we will be concerned with this evening is a resolution put together by the Commission and the Financial Policies Committee."

6. RESOLUTION FROM THE FACULTY COMMISSION ON HIGHER EDUCATION

Professor Donald F. Holcomb, Physics: "At the November 10 meeting of the FCR, Susan Christopherson and Bob Cooke, who are the co-chairs of the Faculty Commission on Higher Education, reported a study of Cornell's financial situation which in fact has been going on under the umbrella of this Commission. And the resolution that is being presented to you today is the next step of that process. The intent of this resolution is to ask the FCR to go on record in two important elements of financial policy. First, urging that there be a well thought through and stated university policy concerning undergraduate tuition levels. Secondly, forcefully staking out faculty responsibility for giving input vis-a-vis control of the university expenses and expressing a willingness to work persistently and patiently with the central administration to form wise decisions concerning expense control. The original version of this resolution (Appendix C, attached) which came from the Faculty Commission had my name at the bottom simply because I had put together the final version, which was then also distributed to the Financial Policies Committee. We had a joint meeting a week ago and the form of the resolution which you received today on the white piece of paper (Appendix D, attached) is the result of consultations between the Commission and the Financial Policies Committee. We are talking here about a huge subject. We've already talked about part of it and in the ten minutes I shall take it's only possible to give a few flags concerning the basis on which the Commission arrived at this point. Let me remind you of a number of previous presentations and studies which flow into this resolution: the presentation by Cooke and Christopherson last November, as a result of the studies that had gone on at that time; continuing discussions about undergraduate financial aid expenses which were clearly behind the unrest about the last resolution; and the progress report to the FCR in December concerning forecasts for the Endowed Colleges' General Purpose Budget for next year and over the next several years.

"An important new element in today's resolution is the focus on tuition. Whatever decisions are made about tuition we feel that there is a strong need for a rationale to govern those decisions. Motivation for the particular policy presented which as stated has to bring the tuition rise down to the rise in the CPI, let me say that there is no magic about that CPI as an index. Mean family income is another popular one. Over the last ten years that turns out to differ very little from the CPI. There are other indices and one could argue about that.

“What are the motivations for this policy? Well, it actually comes from two directions and this became clear in the joint discussions last week. One, is a desire to be faithful to what many of us feel is the Cornell ethos, that this is in fact not a rich man’s university and should not become so. Second, a rather different angle. External pressures of various sorts seem almost certain to set limits on future tuition increases and if those are going to happen, we’d rather it be done by us in a way that suits us rather than be done by outside forces. One has only to look at the turmoil in the health care industry to understand what happens when outside forces come in.

“Here is the problem. Let me display an overhead which I think most graphically shows it. This is one I’ve borrowed from the Dean. This is endowed tuition and percentage of the U.S. median family income. Interestingly, from 1970 until 1980 nearly flat, from 1980 to 1982, we’re now up to 25% of mean family income and in 1992 we’re at 45% and rising. This is clearly a divergent situation. And in the process of diverging, a couple of things will happen. The 3% growth in tuition over the CPI or the family income doubles every 23 years. Now it’s interesting that we are not very far from that doubling, it looks like it’ll happen in about 20 years or so. Perfectly clear this can’t go on forever. This is also obviously responsible for a substantial chunk, not all, but a substantial chunk of the financial aid rise problem. We’ve been trying to maintain diversity in economic circumstances with our current policy. As was indicated, this is what some people call the Robin Hood policy. It ultimately diverges. We are seeing the first signs of that I think now as the tuition-family income ratio rises, more and more students are pushed into the financial aid population and the ultimate result is fewer and fewer students paying more and more. Here to me is a rather arresting piece of data that Peter Stein dug up talking with financial aid people. The change in the family income of financial aid recipients - the dark bars are 1987 the light bars which you can perhaps barely see are 1993. Fairly dramatic shift towards higher income. This is not corrected through rises in the CPI so that mutes this a bit but nevertheless there is a substantial shift towards higher income levels and that I think is the indication of the beginnings of this divergence to which I refer. Obviously, we could abandon the needs blind, meet full need policy at which point we are back to the argument as to whether we wish in fact to change the demography of the population.”

Dean Stein: “Don, before you take that off, for the people that can’t read that last bar on the right, the family incomes are more than \$100,000 a year.”

Professor Holcomb: “There are in fact people receiving financial aid with family incomes of more than \$100,000 a year. Obviously, that is perfectly possible. They have seven kids and five of them are in the university somewhere or other. Now back to the point as it connects to the comment by Professor Shiffrin. Can we live with this control of tuition rise without damaging this wonderful university? That I think is the big question. Here is to remind you of a graph which Bob Cooke showed earlier, the rise in Cornell employees over a 10 year period. The full number of employees has risen

about 15% over that 10 year period, while the number of students has changed only 2 or 3 percent. I think many people believe that in that slide there lies an opportunity which needs to be looked at pretty carefully with respect to dealing with this problem. It is important to realize when considering personnel numbers, that not only salaries must be considered but also benefits must be considered. Salaries plus benefits represent about 55 percent of the total endowed general purpose budget. That's of course a big number and hence controlling that is a lever which matters. But one must also recognize that this is coupled in other ways that are not so visible. Building space, traffic and parking, general expense budgets, office hardware, all kinds of expenses are coupled in the numbers of people that you have. Some of those expenses are buried in the capital budget which is separate from the yearly operating budget which we tend to focus upon. The people on the Commission feel that here is the place that one needs to concentrate.

"Well, I've just about run out of time. This is a huge subject. We could go back and look at some of the numbers the Provost presented in December, and I have some of those numbers if there are questions. I won't show them now. I think it can be done. I also believe the train of realistic and stringent financial planning is about to leave the station, driven by the Provost as the engineer. The Faculty needs to be on board that train, not hanging back worrying. I'm a bit optimistic here in the following sense. I think that we here at Cornell are in a much more favorable situation than many educational institutions around this country. One kind of unusual advantage is that we have seen our statutory colleges go through a wrenching and draconian readjustment over the several years that the State of New York was closing off the spigot. We have much to learn from them as we attempt to attack this problem. The University as a whole can surely profit from this experience. Many of you have read of the travails of Stanford, Yale, MIT, Syracuse, various State Universities and their need for rapid and wrenching readjustment. We at Cornell have been given the gift of time here. If we start now, there can be an orderly process and I think the numbers show that it will be possible and the skeptics will need to be shown that one can control tuition, keep a financial aid policy, and keep this ship afloat without cutting faculty salaries. Let me say that verges on being a sacred item because I've heard nobody in this discussion allude to the faculty and staff salary levels as the place to save money. Thank you."

Speaker Martin: "The floor is open for discussion and as the Dean mentioned, our agenda calls for switching to any new business at five minutes of the hour."

Professor Bronfenbrenner: "This is a question. And I don't know exactly where it fits but it pertains to practically every item we have discussed. Simply put, it is clear that we are all for goodness. It is also clear that there will have to be some compromises. It is also clear to me that the Faculty wants to be involved in that process of where the compromises will be, in some fashion. My question is, where is the structure, where is the opportunity for that involvement? Because that is the issue that is central here and it pertains to each of these matters.

"Finally, I have had the privilege of serving on this Commission - I no longer am - and I want to call attention that it is a Faculty Commission on Higher Education, not a Faculty Commission on the Economics of Higher Education at Cornell. And it seems to me that it is precisely in some such context that these issues need to be resolved. On the other hand, it seems to me also that it's very important that they do involve discussion with members of the administration and so on."

Dean Stein: "I'd like to try to answer both the question that Urie raised and the question that Steve Shiffrin raised. There really is no mechanism, that's clear. To me, it's critical that there be such a mechanism that the faculty should lie in the center of this decision making and my belief is that this resolution and perhaps some of the results of the financial aid discussions is a message that we must build such a mechanism. I don't think this resolution is the end all and be all. If the faculty feels that way then we must find it. And to Steve I want to say obviously it's not easy but those of us who've been looking at this really find it difficult to turn away from what seem to be fundamental truths. One is that we can't just keep raising the price all the time. That's fundamental truth number one. At some point, there will be a reaction where either suddenly the students don't come any more which would be a total disaster or what's even worse, is that the Federal Government says you people have been acting irresponsibly and some dumb act from Congress comes up that says unless these universities reduce their tuition there will be no more federal aid or no research funding. As a matter of fact, that is not a belief that comes in a bad dream. It was considered by the Clinton administration last year. That excessive rises in tuition would be met by no more government loans to students at that institution, which would kill us. There is the sense that we have to do something about it. And the other sense is that somehow the problem is in the increase of numbers of people on the campus for an essentially constant student body. That somehow we have to solve that problem and that we as faculty want to be one of the fundamental players in finding a solution to that problem which doesn't affect the quality of the institution. And there is the hope that that can be done. Of course if it can't be done, it can't be done. We don't want to starve the institution and make it turn into something that it isn't - not a first class teaching and research institution. We believe it's worth the effort to try to find the solution to that problem."

Professor Harold Bierman, Nicholas H. Noyes Professor of Business Administration: "I object strongly to the implication that you can do paragraph number one without doing paragraph number two in a systematic fashion. Paragraph two is excessively restrictive. It should be much more broad and general in terms of what has to be done in order to implement a constraint on the tuition increases. The Dean of the Faculty is absolutely correct. There are a lot of factors that are going to control the rate of increase in tuition. In like manner, the rate of increase in the costs have to be controlled and there should not be any single item that's isolated out and say that we can't look at that. I happen to agree because of vested interest in the fact that faculty

and staff salaries should be exempt from this review but as an academic who has an interest in economics and related subjects I must admit that even that item should be looked at. Unless you make a stronger paragraph two, paragraph one is nonsense. You cannot control your revenues without also controlling the cost in some sense. The point has been made and John Abowd has made it, that even if you tried to increase tuition without thought the environment is going to control the amount at which you can increase the net tuition. That is the net tuition scholarship. So admittedly we are going to be constrained by competition and realities of the world in terms of what we can do with tuition. It seems to me we need a much stronger paragraph in number two than the one that is written here in order to make a constraint on the tuition feasible.”

Professor Richard Schuler, Economics and Civil and Environmental Engineering: “I also share Professor Bierman's concern about controlling costs. However, it's precisely because I share that concern and because I've seen a whole sequence of faculty efforts over the past twenty years that struggled with how to control those costs meet with some degree of failure that I am a strong advocate of the resolution as it appeared and was presented to you today. There is an old saw and utility regulation with which I am familiar that suggests that if you have a cost plus pricing industry, and that's exactly what universities are, we total our costs and then we set our tuition to cover those costs. What makes them different from most other players in our market economy is that the prices are given to the other players and that is what gives them the incentive to find ways to cut costs and to beat out their competitors. It seems to me what the current resolution proposes is an attempt as a university to try that other tact. To put in place a tuition policy and see whether that will give us the will to find a way to make the cost match up with that price puzzle.”

Professor John Abowd, Industrial and Labor Relations: “Since I'm already in the debate I thought I would stand up and say a few things. There were versions of this resolution that called for other cost control measures. It was felt in the final negotiations that produced the version that you see, that in particular a discussion of construction costs and new programs at this meeting would take us farther afield from the things that we have studied already and know that significant faculty input could control. I actually believe along with Hal that there is significant faculty sentiment in favor of controlling costs of construction projects and of new programs. Indeed, those items were added to a new paragraph, part three of the existing resolution. I also share many other people's concerns that the personnel items are the biggest stumbling block to controlling costs in a way that meets the tuition increase restrictions that this resolution proposes. I think we can continue the discussion, indeed I think we will continue the discussion, but I think we ought to start with the biggest item and the biggest item in this business as in most businesses, is personnel costs.”

Assistant Professor Monica A. Geber, Ecology and Systematics: “Can someone explain the causes of this large increase in personnel? There is a description in the notes from November 10 saying that there are twelve students per faculty member and

approximately two students per employee at this university, at least in sections of this University. That's somewhat outrageous given that many of us, I included, teach a class of 500 students so somewhere there must be a lot of people around that are not doing very much."

Professor Holcomb: "That's a difficult issue. Fortunately, over the last several years, I've typically been teaching a class of 500 students. No one actually knows what all the ingredients in the rise in numbers are. It's pretty complicated and in fact even extracting full meaning out of that data is very tough and we're continuing to go about it. For example, the sources of income which pay those people are tremendously important. Although people are working on it, the employment roster is not separated by source of funds to indicate whether these positions are funded by grants and contracts, by extension, what have you. You can find some sources of growth which are simply unbridled bureaucratic bloat if you will. On the other hand, it takes a really good knife to go at that in such a fashion that you don't suddenly find you've done something and the next day some faculty member finds that some offices no longer exist and pounds the table and says, 'why the heck aren't you doing what you promised me you would do.' So that is not easy to cut. On the other hand, I think it can be done and it's going to take a lot of hard work to do it. Some of it obviously in the early part particularly was growth in grants and contract-funded people. Let me stop talking. Maybe Bob might have a couple more sentences if he wants to. Bob Cooke was responsible for collecting most of that data."

Professor J. Robert Cooke, Agricultural and Biological Engineering: "I'm not sure I can add enough to make further discussion from my previous presentation. We have done some things intentionally to improve the situation on campus. We have our own telephone system, we have hired people to raise money for increasing long term endowment, so there are many things we have done deliberately. We went through a period of enormous construction on this campus and we had a large contingent of people in charge of that construction. Some of it has been traced back to the faculty saying we would like you to do some advising for us so we have our time free to do other things. We haven't finished sorting that out. The one issue that I think is the most critical at this point is for us to get our hands on the thing Don suggests, how much of that money comes out of general purpose and therefore out of tuition and how much of it is self sustaining out of grants and special moneys so that if you remove them it would just go away and not benefit the tuition. We've been told that data has been gathered but it is enormously complex and we haven't been given the data but we will shortly as soon as they are sure that it's right. This is a wonderfully complex university. I am humbled by trying to get our hands on it."

Dean Stein: "Just a quick additional response to your question. If you're trying to analyze this, what you look for, what you hope for, is you make a grab at where you think the increases have come from and that you're going to find one place which accounts for 75% of it. Then even better is if that one thing is something you can do

without. Then it's all easy. I've tried to work some with Bob Cooke's data and tried to put it together in various categories that make sense and it doesn't come out that way. It comes out the unhappy way. It isn't one place, it's a lot of different places and if you look at all of those different places you might see that some are higher than others but you can't find a whole category that takes care of half the problems. It's not going to be easy, the growth is everywhere. It will require a lot of very careful analysis."

Professor Cooke: "I just wanted to add that I didn't say we have three reports so far of about 200 pages length in Peter's office that if you really are serious about it you can get access to."

Associate Professor Alan K. McAdams, Johnson Graduate School of Management: "I'd like to comment on two topics in response to several of my colleagues, Steve Shiffrin, Hal Bierman, and Peter Stein. The first is that my reading of this resolution is the strongest version that I have seen. Second, it is the broadest version that I have seen. Third, it specifically recognizes tradeoffs. This is the document in what we've dealt with this afternoon that recognizes tradeoffs in two ways. One, by attempting to foreclose certain opportunities as tradeoffs. We do not want to trade off the quality of the University. We do not want to trade off the diversity of the University. So my perception is that this does recognize that if you're going to reduce your income you also have to reduce you're outgo. It does that explicitly. Now, the second item is on whether the faculty can interact on this matter. I think Peter Stein used some key words. Whether it is worth the effort, and it takes effort. I'm surprised that the same committee structures that in the past have been effective within the FCR to do precisely the kinds of interaction with the administration, are now deemed inadequate to do it. My perception is that if the committees recognize, especially as a result of the kinds of discussion that we are having here today that it is worth their effort to do it, that we can do it through the current structure. It doesn't say that we couldn't improve the structure."

Speaker Martin: "Our adopted agenda calls for a vote to be taken at this moment, if you are prepared to vote today."

Professor Steven Shiffrin, Law: "I just wanted to make a comment. Hal says that this is making tradeoffs and it's object is not to harm the quality of the university . At the same time we are told that information is being gathered about where these increases of employees have come from. We don't really know where they all are. Well, if we did know, we might determine that cutting a lot of that would harm the quality of the university and therefore maybe we would have to make some other tradeoffs such as not increasing faculty salaries as much as we'd like, or not giving as much money to the library as we'd like, or something in respect to financial aid. What I'm getting at is, yes you are quite right. This is broad, it does make the tradeoffs, is sweeping, but may be premature."

Speaker Martin: "Unless you are prepared to not vote, we are at the moment ready to take a vote. Alan, did you wish to make a motion?"

Professor McAdams: "I didn't say it makes the tradeoffs. I said it recognizes the need for tradeoffs and tends to foreclose some."

Speaker Martin: "Professor Holcomb and then Professor Bierman and then we are going to vote unless there is a motion to postpone."

Professor Holcomb: "Let me just say I'm a little uneasy in the following sense. This issue is important and the FCR and the faculty must be in some reasonable way on board if this is going to go forward in an effective fashion. It can't be some little rump group off by itself doing its own thing while the faculty isn't paying attention. If there is a substantial feeling here that it is premature to vote I think someone should move to postpone. If there is not that substantial feeling, then we'll vote."

Professor Bierman: "Alan has said twice that paragraph two is a tradeoff to paragraph one. It isn't written that way. Paragraph one says you control tuition, paragraph two says you try to control personnel costs but you aren't going to be able to. You're going to look at them and you're going to see these people were not hired as a whim. They were hired to do a job. And that job is there. These are the kinds of tradeoffs that are being spoken about. We don't know enough about what paragraph two actually means. Before we vote on number one we should know what paragraph two means. How can you control your revenues without controlling your costs? Dick says that will occur because you are controlling the revenues. I don't see that. I think you're putting the cart before the horse."

Speaker Martin: "It would appear that somebody wants to make a motion to postpone this till the next meeting but we haven't heard it. Because we have two other people who want to speak, our time is running out. Dean Stein."

Dean Stein: "I came here prepared to make such a motion and I thought there would be more spirited debate and more division. So I've been sitting here wondering whether to make that motion. I agree with Don Holcomb that really we shouldn't vote on this unless we've had time to think it through. So I'm going to make that motion. I move to postpone till the next meeting and I think that if you feel that you know enough to vote now and come to a decision, you should vote against that and come to a vote. And if you think that it would generally be helpful to have more time to think about this, then you should vote with me. So I move to postpone."

Speaker Martin: "Is there a second?"

Unidentified: "I second."

Speaker Martin: "Is there further discussion? All in favor of postponing this until our next regular meeting, say 'Aye'. All opposed, say 'No'. The Chair is in doubt, let's have a standing vote. All in favor, please stand. Just FCR members. Please be seated. All opposed to postponing, please stand. The motion passes by a vote of 33 affirmative, 20 negative.

"Is there any new business to bring before the body? There being none, we are adjourned. Thank you for sticking around."

Adjourned: 6 p.m.

Robert Lucey
Secretary of the Faculty

RESOLUTION FROM UNIVERSITY FACULTY LIBRARY BOARD

WHEREAS, the library system is central to the teaching and research missions of Cornell, and thus represents a unique asset to the University, and

WHEREAS, the general trend of University support for the library system has been adequate in the 1980s and reduced in the 1990s, and

WHEREAS, the cost of acquisitions has increased well above the rate of inflation, and

WHEREAS, the potential damage caused to the library's collections as a result of budget cuts would be largely irreparable, and

WHEREAS, the reduction of services in areas such as reference and instruction, cataloging, and library opening hours due to staff cuts adversely affects the library's role as an instructional and scholarly resource for the entire University, and

WHEREAS, a strong library is essential to Cornell's position as a leading research and educational institution, and

WHEREAS, the library does not have a specific constituency among alumni and others who provide financial support to Cornell, as do some other units of the University,

THEREFORE, BE IT RESOLVED, that the Faculty Council of Representatives hereby urges the University administration to recognize the special status of Cornell's libraries among the University's various component units, and

FURTHER URGES that the University administration study the feasibility of restoring the real level of funding to both the collections and services of the library system that existed prior to the last two major cuts and report to the FCR.

Rationale

The non-materials portion of the endowed library budget has been decreasing steadily in real terms since the early 1980s. Most recently, this base budget (the amount received annually by the library before adjustment for inflation) has been cut more drastically: by \$200,000 (approximately 1.8%) for 1991-92 and by an additional \$260,000 (approximately 2.1%) for 1993-94. Taking into account annual increments for inflation on these amounts, the library system now has approximately \$500,000 less at its disposal than it would have had had these reductions not been put into effect.

1/27/94

RESOLUTION AMENDING PROFESSOR-AT-LARGE SELECTION COMMITTEE

WHEREAS, those nominated for Professor-at-Large appointments are men and women of outstanding international distinction and those with broad intellectual interests, and

WHEREAS, the Selection Committee membership should be increased from six to nine members in order to be a broadly representative group and to complement the selection process, and

WHEREAS, the Dean of the Graduate School has replaced the Vice Provost on the Selection Committee,

THEREFORE, BE IT RESOLVED, that the second paragraph of number (8) of the legislation of the Selection Committee, as adopted by the University Faculty in 1965 and amended by the FCR in 1979, be revised as follows:

(additions underlined, deletions in brackets)

(8) Method of nomination and appointment:

The nominations should be reviewed by a selection committee consisting of the Dean of the Faculty, [a Vice Provost] the Dean of the Graduate School or other representative of the President, the Chairman of the Program, and [six] nine other faculty members appointed by the President for staggered three-year terms upon the recommendation of the Nominations and Elections Committee of the Faculty after consultation with the past selection committee.

Resolution from Faculty Commission on Higher Education, proposed for presentation to FCR (first to FCR Executive Committee on Wednesday, January 26)

WHEREAS

The Cornell University Faculty is deeply concerned about the affordability of a Cornell education, is cognizant of the fact that control of increases in costs to students will require significant efforts to control the University's expenses, and recognizes its obligation to advise University administration and Trustees in these matters

THEREFORE, Be it resolved that

1) The Faculty recommends that the central administration submit to the Trustees for their approval annual budgets which include increases in undergraduate tuition (statutory and endowed) at a rate no greater than the percentage increase in the Consumer Price Index¹ for the immediately preceding year. We recommend a three step/three year transition from the 1993-94 rate of annual increase of 5.6 percent to this lower rate of increase.

2) Because salaries, wages, employee benefits, and other costs associated with the number of university employees are the dominant and a rapidly growing item in the general purpose budget, these expenditures must be adjusted downwards in order to bring about the tuition policy stated in paragraph 1). The Faculty invites University and College administrations to join it in a mutual effort to carry out this adjustment in such a way as to minimize damage to the short- and long-term quality of the Cornell educational enterprise.

cc: Financial Policies Committee

D. F. Holcomb
January 19, 1994

¹ The selection of a particular index of rising costs in the United States is, of course, a matter of judgment. We select the CPI because of its straightforward character, and because of the wide public awareness of that index.

Whereas the Cornell University Faculty

- o Is deeply concerned about the affordability of a Cornell education,
- o Is cognizant of the fact that control of increases in costs to students will require significant efforts to control the University's expenses,
- o Believes that the unique character and diversity of the Cornell student body represent a great asset to the University,
- o Recognizes that external pressures will continue to limit Cornell's ability to increase real net tuition revenues (tuition income after adjustment for inflation and increases in financial aid) while maintaining the quality of this student body, and further
- o Recognizes its obligation to advise the University administration and Trustees in these matters:

Therefore, be it resolved that

- 1) The Faculty recommends that the central administration submit to the Trustees for their approval annual budgets which include increases in undergraduate tuition (statutory and endowed) at a rate no greater than the percentage increase in the Consumer Price Index for the immediately preceding year. We recommend a three step/three year transition from the 1993-94 rate of annual increase of 5.6 percent to this lower rate of increase.
- 2) Because salaries, wages, employee benefits, and other costs associated with the number of university employees are the dominant and a rapidly growing item in the General Purpose Budget, these expenditures must be adjusted downwards in order to bring about the tuition policy stated in paragraph 1).
- 3) The FCR recommends that the administration undertake with the University Faculty a broad-based discussion of ways to control costs, including the costs of new programs and construction, that are consistent with the revenue limitations inherent in paragraph 1) and with the maintenance of the character and quality of Cornell.

Minutes of a Meeting of the Faculty Council of Representatives

March 9, 1994

Sixth Meeting of 1993-94 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **CALS:** Awa, N.E. (1); Baer, R.A. (6); Berkey, A. (4); Ewert, D.M. (4); Feldman, R. (3); Gillett, J.W. (4); Pritts, M.P. (4); Rockcastle, V.N. (6); Slack, S.A. (2); Smith, M. (5). **Geneva:** Koller, W. (4). **AAP:** Cruvellier, M. (4); Saltzman, S. (6). **A&S:** Ahl, F. (5); Bathrick, D. (2); Cotts, R.M. (5); Darlington, R. (3); DeVoogd, T.J. (5); Geber, M.A. (3); Hayes, D. (5); Hull, I. (6); Keil, F. (3); Pierce, L. (3); Siggia, E. (spg. only)(2); Speh, B. (5); Strang, D. (2); Strauss, B. (4). **Engr.:** Farley, D.T. (6); Fisher, E. (5); Kay, R.W. (5); Liu, P. (3); Philpot, W. (2); Turnbull, B.W. (spg. only)(2); Warhaft, Z. (3). **Hotel:** Sherry, J. (3). **H.E.:** Garner, C.E. (4); Obendorf, K. (5); Street, L. (3). **ILR:** Abowd, J. (4); Kuruvilla, S. (5); Lieberwitz, R. (4). **JGSM:** McAdams, A.K. (6). **Law:** Green, R.A. (4). **ROTC:** Corcoran, G.J. (5). **Vet. Med.:** Dubovi, E.J. (1); Hermanson, J.W. (5); Kallfelz, F.A. (4); Meyers-Wallen, V. (4); Randolph, J.F. (5). **At-Large:** Farley, J.T. (6); Holcomb, D.F. (6); Levitsky, D.A. (4); Schuler, R.E. (6); Shiffrin, S. (spg. only)(2); Todd, M. (spg. only)(2); Walter, M.F. (4). **Faculty Trustees:** Calvo, J.M. (5).

Absent: **Afr. Ctr.:** Greene, S.E. (5). **CALS:** Glynn, C. (0); Parks, J.E. (4); Tauer, L.W. (3). **Geneva:** Rao, M.A. (3); Shelton, A.M. (2). **AAP:** Perlus, B.A. (3). **A&S:** Feigenson, G.W. (2); Hirschmann, N.J. (4); Howland, H.C. (3); Kennedy, K.A.R. (4); Lambert, B. (2); Loring, R.F. (3); MacDonald, J.F. (5); Mullen, H. (0); Shanzer, D. (5). **Engr.:** Brown, G. (spg. only)(0); Giannelis, E. (4); Jirka, G. (2); Liboff, R. (2); Rand, R. (2). **Hotel:** Dunn, D. (4). **H.E.:** Key, R. (spg. only)(0); Wethington, E. (3). **JGSM:** Lind, R. (1). **Law:** Taylor, W.F. (spg. only)(0). **Libr.:** Atkinson, R.W. (4). **Vet. Med.:** Ball, B. (2); Casey, J.W. (1). **At-Large:** Bierman, H. (4); Decker, D. (3); Lumley, J.L. (2). **Faculty Trustees:** Kramnick, I. (1).

The Speaker, Professor Emeritus Russell D. Martin, Communication, called the meeting to order. He then called on the Dean of Faculty, Peter Stein, for remarks.

1. REMARKS BY THE DEAN

"We have such a full agenda today that I don't really have any remarks. Let me just tell you that I received a note from one of you saying that the list server I'm using to remind those of you who have e-mail accounts of the meeting was contrary to CIT policy, that I'm in violation of the Cornell computing policy. You can only subscribe people to list servers when those people have requested it. So what can I say? I apologize. It was done in good faith, but you've heard that before. By the way, if any of you would like to be on this list server and don't have e-mail accounts, please let me know and we'll put you on it. I'll send you an automatic reminder of the meetings a day or so before they happen. That concludes my remarks. You may proceed."

Speaker Martin: "Are there any questions for the Dean? Are there any FCR members who have not signed in? We are short of a quorum."

The Speaker then called on Professor Donald Holcomb, member of the Faculty Commission on Higher Education, for a resolution.

2. RESOLUTION FROM COMMISSION ON HIGHER EDUCATION

Professor Donald Holcomb, Physics: "My apologies for the dramatic entrance. I think, if I understand parliamentary procedure, I've been given the floor to make an amendment to the motion which was on the floor for discussion at the last meeting of the FCR (February 9, 1994). What I wish to do is to amend that to contain the changes which were distributed in the blue copy of this resolution which went with the call to the meeting. In other words, in paragraph number two, towards the bottom of that blue sheet, there is the usual FCR notation. The amendment would remove the words 'adjusted downwards in order to bring about' from the previous motion and substitute the phrase 'contained as a major contribution to balancing the budget within the revenue generated by'."

Speaker Martin: "Thank you, Professor Holcomb. The resolution as amended with the Financial Policies Committee is now on the floor for discussion. Are there questions or comments? If not, we shall proceed to vote."

Unidentified: "Is the end of the parenthesis at the end of that second paragraph? I don't see where the beginning is."

Unidentified: "There is just the one parenthesis, period."

Speaker Martin: "Any other questions or comments? All in favor of the resolution, say Aye. We have a quorum, do we not?"

Professor John Abowd, ILR: "Excuse me, are we voting on the amendment?"

Speaker Martin: "This was postponed from the last meeting to get together with the Financial Policies Committee. They have agreed on basically a new resolution with the appropriate amendments already incorporated.

"We are now open for discussion on the resolution as given to you on the blue sheet which was carried over from last month's meeting.

"Do we have our quorum Mr. Secretary? (We have) Thank you. Lock the door.

"All in favor of the resolution as presented, say Aye. Opposed, No. The resolution is carried." (Appendix A, attached).

"The Chair next calls on Professor Paul McIsaac, Chairman of the Committee on Academic Programs and Policies, for a report and resolution on the status of lecturers."

3. REPORT AND RESOLUTION ON THE STATUS OF LECTURERS

Professor Paul R. McIsaac, Electrical Engineering: "On behalf of the Committee on Academic Programs and Policies, I submit to the Faculty Council of Representatives this Report on the Status of Lecturers at Cornell University and move the attached resolution. (Appendices B and C, attached).

"The previous drafts of this report and resolution were presented to the FCR at its meeting of November 10, 1993. The present documents are based on discussion at that meeting as well as two subsequent meetings of CAPP with a delegation of representative lecturers and also with some input from academic deans. A major change from the previous document is that the term 'Academic Associates' no longer appears anywhere in the report or in the resolution and the first item in the previous resolution has been eliminated. Now there are only three items rather than four.

"There were some changes to two other portions of the resolution, those addressing the notice of termination and also participation of lecturers in faculty meetings.

"Finally, I wish to call your attention to a sentence which was added to the report in the final paragraph of section three, General Recommendations. The sentence says, 'Recommendations in this report do not exhaust lecturers' concerns or the University Faculty's interest in their status.' This report should not be considered as the final event in a process which was initiated several years ago, but rather it should be regarded as perhaps an initial event in an ongoing process".

Speaker Martin: "Thank you, Professor McIsaac. Before we open the floor to discussion, please remember if you wish to speak, give us your name and field. In addition to that, we have some lecturers with us this afternoon who have requested permission to speak on this issue, and if there are no objections, the Chair suggests and recommends that they be allowed to enter in the discussion. Are there any objections? Thank you very much.

"All right, the floor is open for discussion."

Professor Steven H. Shiffrin, Law: "I want to offer an amendment to the resolution. The current wording of c. says that the lecturer shall participate fully in decisions that pertain to their roles within the curriculum and to the hiring. And I want to change that to 'shall participate fully in decisions that are relevant to their roles within the college or department.'"

Speaker Martin: "Do you all understand the amendment? Did you all hear it? All right, I'll read it once more. To change the wording, 'participate fully in decisions that pertain to their roles within the curriculum and to hiring' to this

wording, 'participate fully in decisions that are relevant to their roles within the college or department and to the hiring'. Is there a second to the amendment? It has been seconded. The floor is open to discussion on the amendment."

Professor Shiffrin: "The reason I proposed the amendment is that it is inspired by a couple of examples in the Law School which I think will illustrate the need for it. The current proposal would say that if something was pertinent to their roles within the curriculum they can participate fully. In the Law School we had a debate about whether students should have keys to the library. We have clinical law faculty who are lecturers. It seems to me they are just as equipped to participate on that question as are other members of the faculty and indeed have special needs with respect to the issue because of having students who needed to get into the library to represent live clients. And in the absence of their ability to participate fully on that issue, there is a lack of contribution. There is no reason to exclude them, as I see it.

"Secondly, there is always within the Law School a debate about the calendar for the year. Well, the clinical faculty are impacted in particular ways and thus their students in ways that others are not because of their representing live clients, and again there is no reason why people who are full professors have any special expertise on the calendar vis-a-vis senior lecturers or lecturers. I therefore think that the motion should be broadened so there would be fuller participation. I recognize that there certainly would be some vagueness in the application of this amendment, just as there is some vagueness in the proposal that is on the floor, but there is always vagueness in terms of the bylaws of the University. The question is whether the harm associated with that vagueness would outweigh the problems that are created by the current system in which lecturers and senior lecturers rightly feel excluded."

Professor Isabel V. Hull, History: "I don't understand why those considerations wouldn't be covered by the phrase 'and to any other matters that the particular college or department might deem appropriate.'"

Professor Shiffrin: "Because the department would have to make the decision that it was appropriate. This would say that whether or not you want to do it, you are going to have to treat lecturers in a way that is different from the way you would treat a full professor. The reason why this proposal is presented in the first place is that departments have not deemed it appropriate."

Speaker Martin: "Does this answer your question?"

Professor Hull: "It's one answer. Whether it's acceptable is another question."

Speaker Martin: "Further discussion on the amendment?"

Professor Douglas B. Fitchen, Physics: "Who would determine whether it's appropriate if the department or college does not?"

Professor Shiffrin: "The same person who would interpret any bylaw. I do not propose to change the processes by which the University interprets its own bylaws."

Professor Fitchen: "Can you remind me then who that would be"?

Professor Shiffrin: "I have no clue, but I don't see that it is unique to this particular proposal."

Professor Fitchen: "No, but if you are setting it up for such a confrontation by your explanation of the previous question."

Professor Shiffrin: "I don't think so. The previous question asked why it wasn't covered by the fact that a faculty could decide on its own to grant voting rights to lecturers with respect to, for example, keys. And my response was that's right, they could or they could not. I don't want them to have discretion. The amendment I'm proposing talks about voting in that it ought to pertain to their goals within the curriculum. That has the same difficulty in terms of deciding what it means. My guess is not knowing - someone in this room who knows better than me - that I would assume that the Dean of the Law School would have first call, or a chair of the department would have first call on what the bylaw means."

Dean Stein: "I think that as you point out the original wording is purposely vague. Your amendment is purposely vague, and you add to it a set of issues that aren't covered by it. I'm not really sure in the end that operations would matter because, as you suggested, it would be the department chair who'd be responsible for deciding what matters do pertain to their roles under the curriculum or are part of their function - I don't have your wording. Of course, a lecturer might argue with the department chair about how those words are to be construed, but in fact the department chair or the college dean would be the person who would make that decision. So, I'm not sure that operationally the amendment makes a lot of difference, but it does seem to me a useful underscoring of the fact that there are other things besides curriculum matters which they might want to be allowed to have participation in, but not all things."

Associate Professor Risa Lieberwitz, Industrial and Labor Relations: "I think the amendment would be good in terms of especially hearing this discussion going to the intent of the language. If the intent of the language in the use of the term, curriculum, is an intent to be vague to indicate a generality of broadness of scope, then it seems to me that intention is more clearly stated if the language is changed in the amendment so that people are not confused about whether it is intended to be broad or narrow. It seems that if the intent is to be broad, then you might as well make that clearer by saying the language of the amendment which is not narrowly construing curriculums."

Speaker Martin: "Any other discussion before we vote? If not, all those in favor of the amendment, say Aye. Opposed, No. The amendment is carried.

"The floor is now open for discussion on the resolution as amended. Lecturers, we invite you to take part in this discussion. Just give us your name and area."

Katherine K. Gottschalk, Director of Freshman Writing Seminars and Senior Lecturer in the Department of English: "I'd like to say that we really all appreciate the attention that CAPP and the FCR are giving to lecturers. We are very happy to be invited here today and to be able to speak. We've also appreciated CAPP's meeting with several of us in order to address a delegation of lecturers' concerns. I want to take this opportunity to thank Dean Stein for making those meetings possible. I must say that CAPP listened to our recommendations concerning the proposal, the recommendations and the resolutions and that those are incorporated in the documents that you have before you. Speaking about the resolutions, I think that they are very sensible steps. We're pleased with them. I think that they will help insure equitable and effective working conditions for lecturers across the campus. The resolutions concerning appointments and termination notices, I think will be a benefit for reasons that are too obvious to go over. I'm particularly pleased myself with the recommendations concerning integrating lecturers and senior lecturers into the decision-making processes of the department and college faculties. This recommendation really gives recognition to the work that lecturers do. And frankly, I am very pleased about it. It feels good. The recommendation I think will help us all work together effectively. It encourages the collegiality which I think is really the spirit of this University and it will work toward an end which is important to all of us, and that is a good education for our undergraduates. This recommendation is an important step. The general recommendations as proposed in the resolution are very important to us also. We know that they don't have the same binding effect as the resolutions. We also know that some of these matters really lie outside your purview. Nevertheless, you have chosen to take them up and they are issues that are important to us, whether they are promotions, establishment of policies, review of salary equities, course load, or an ongoing contact with lecturers. About that last addition: I'd like to say that it's a reassuring indication of continuing interest of the work of lecturers at the University. We realize that the resolutions yet have to be approved by the Provost and by the Board of Trustees, and if there is anything that we can do to help assure that safe passage we'll certainly be here to do that. In the meantime, we very much thank you for your work and we do support the recommendations and the resolution from the delegation of lecturers."

Professor Shiffrin: "It says that lecturers and senior lecturers are members in both college and department faculties. Does the term college mean to include school?"

Professor McIsaac: "Yes."

Speaker Martin: "Further discussion? Professor Baer."

Professor Richard A. Baer, Jr., Natural Resources: "On the back of the blue sheet, it states about 10 lines down, that each college or school faculty may in its discretion grant voting or non-voting membership. Then the underlined part says, 'and shall participate fully in decisions'. That sounds like voting. What is the distinction there?"

Professor McIsaac: "If decisions are made by means of voting, then they would participate in the voting. Not all decisions are made by voting, official voting, formal voting, but they should participate in other decisions involving the curriculum as well."

Professor Baer: "It says above that the college or school faculty may grant non-voting membership."

Professor McIsaac: "That's to a list of categories which formerly included lecturers. Now lecturers are removed from that set of categories and dealt with specially below."

Speaker Martin: "Any other discussion or questions? All right, we shall proceed to vote on the resolution as amended. All in favor, say Aye. Opposed, No. It is carried."

WHEREAS, the Committee on Academic Programs and Policies approved the Report of its Subcommittee on Academic Non-Faculty, and

WHEREAS, the report recommends adoption of policies to be followed throughout the University, and

WHEREAS, those policies require implementation by the Provost or approval by the Board of Trustees, namely that

- a. The Board of Trustees amend Article XVII, paragraph 2.d. of the University Bylaws to read:*

2.d. Senior scholar, senior scientist, senior research associate, senior extension associate and senior lecturer - shall be appointed by the President for a term not to exceed five years, renewable indefinitely. Research associate, extension associate and lecturer - shall be appointed by the President for a term of not to exceed three years, renewable indefinitely. For those cases where senior lecturers or lecturers are employed to address long-term teaching needs, the terms of appointment should be five and three years respectively; one-year appointments should be reserved for one-year replacements and other short term needs.

- b. *The Provost institute a policy that a one semester notice of termination be provided to lecturers and senior lecturers who have had at least two but not more than three years of continuous service, and a two semester notice be provided to those with more than three years of continuous service.*
- c. *The Board of Trustees amend Article XIV, paragraph 1. of the University Bylaws to read:*
1. *Each college/school faculty, except the Graduate Faculty, shall be composed of the President, who shall be the presiding officer; the dean or director of the college/school; and all professors, associate professors, assistant professors and instructors in the department or departments under the charge of that faculty. Instructors, senior research associates, senior extension associates and those bearing the adjunct title shall be nonvoting members, unless given the right to vote by the particular faculty. Each college/school faculty may, in its discretion, grant voting or nonvoting membership to senior scholars, senior scientists, and other professional personnel for whom such membership is deemed appropriate by such faculty. Lecturers and senior lecturers are members in both college/school and department faculties and shall participate fully in decisions that are relevant to their roles within the college/school or department and in decisions that pertain to the hiring in their rank or below, and in any other matters the particular college/school or department may deem appropriate. In departments where the number of lecturers and senior lecturers is comparable to the number of professorial faculty, the Provost may modify this policy in regard to curricular decisions. Granting of such college/school faculty status will in no way affect other conditions of employment.*

THEREFORE, BE IT RESOLVED, that the Faculty Council of Representatives approves the recommendations contained in the Report of the Committee on Academic Programs and Policies on the Status of Lecturers, and

BE IT FURTHER RESOLVED, that the FCR hereby forwards the recommendations to the Provost for his implementation and to the Board of Trustees for amendment to the University Bylaws.

“The Chair next calls on Dean Stein for a resolution on the Latino Living Center.”

4. RESOLUTION ON THE LATINO LIVING CENTER

Dean Stein: “Mr. Chairman, I'd like to make a motion and if it's seconded, proceed to it. The motion as follows was distributed in the call to meeting.”

The FCR recommends that Cornell establish a Latino Living Center that is consistent with the description given in the 2/11/94 Latino Living Center Proposal (Appendix D, attached).

Speaker Martin: "Is there a second to the resolution? There is a second. The floor is now open for debate. Dean Stein."

Dean Stein: "You will notice that this is sort of an unusual resolution because it isn't preceded with a lot of whereases, it doesn't fill the side of a page. When I started to put it in FCRese and put in a lot of whereases it got a little bit too complicated. I thought I'd just make the motion the direct action. Then I'd like to tell you a little bit about thoughts that I had and why I've come to believe that this is the right thing for us to do at this time. It's not without negative aspects and it's not an easy decision for me. As I was thinking about what I was going to say, I remembered the very first time I ever came into contact with a living center that was based around an ethnic or racial identity. That was a long time ago when I came as a freshman to MIT, full of excitement about making this wonderful transition from boyhood to manhood and looking at the things that were awaiting me. There were two biggies, one was calculus and the other was fraternities. Both of those had the sound of something important, an important change. I went to MIT and calculus was open to me. I could have as much calculus as I wanted and it was exciting. It lived up to its billing. But fraternities were a great shock because I discovered that MIT had 13 fraternities and at 10 of those fraternities I was not welcome. They were not interested in meeting me. They were not interested in rushing me, they would have nothing to do with me because I was Jewish. There were three fraternities for Jews and 10 for Gentiles. I found that an experience I will never forget. I found that experience moving and upsetting. It was really the first time in my life that I had been so sharply labeled as belonging to an ethnic identity and not welcome to this group. That experience caused my initial reaction to ethnic living centers. My first reaction is skepticism, and that it is not right for a university to have living centers that are associated with ethnic identities. I remember a whole lifetime of fighting in the civil rights movement. Our idea was that these labels that we have in the American society should not determine where we eat and where we sleep and where we work and where we live and where we go to school and that's an ideal that many of you my age lived through. Somehow to people who have lived through this experience it seems wrong at first glance. We live in another age with different perspectives and different problems. Another thing I feel that should be said in honesty is that it's clear to me that in fact we have a problem on this campus. Anyone who has gone to eat in any of the student dining facilities knows that to a large extent this campus is socially segregated. That's sad to people who have lived through that experience to see that.

"With all of that you ask why in the world would I want to propose to you that we establish a Latino Living Center. Because I think it's more complicated than that. I have three observations that I would like to make with regard to this particular Latino Living Center that convinced me that this is the right thing to do at this particular time.

"The first and perhaps the most important is that when this Latino Living Center becomes established we are guaranteed that no student will go through that humiliating experience that I went through as a freshman at MIT. The proponents of this have given us their word that they will not provide a litmus test, a racial ethnic litmus test, to people that live there. The organizing principle of this is the Latino culture. It's a living group which is supposed to bring more richness to this campus in terms of promoting the Latino culture. That's a good thing. Promoting different cultures is thought to be positive, and they have promised us that they will not exclude people who have a sincere interest in learning more about the Latino culture and living in this group, that they will be welcome with open arms into this living group. I think that's an extremely important fact. If in fact that does not take place, it would be very appropriate for this faculty to ask the administration after some point to see that in fact that pledge is being upheld. I have no reason to believe that it's not. I've worked with the students that designed this proposal and they seem to me to be quite sincere in their desire to have this a living center which is open to all. So that is the first comment I want to make.

"The second comment is that my own reaction is that it's a good thing to have an ethnic culture center on the campus. That's a positive and it's a bad thing to have an ethnic living center. There is that dichotomy that I feel. It occurred to me as I was thinking about it that it's not so simple as that. In fact, if you look in America where ethnic cultures have flourished, if you look at the very rich Yiddish culture that grew out of New York, with the Yiddish theater and the Yiddish literature and newspapers and so forth, it didn't grow up in Omaha, Nebraska. It grew up in the lower east side of New York. It grew up in a very segregated community that was very concentrated with the people out of whom that culture came. The same thing is true in Boston. The Italian population in the north end of Boston provided a very rich ethnic culture which added a great deal of color to the city of Boston. The reason for that was that there was this very large almost completely ethnic Italian group in the north end out of which that culture was born. It does seem to me that it may be difficult to divorce living and culture. They may be mixed up.

"The third point that I want to make which is the reason that I really feel this is the right thing to do is that in the last analysis, no matter how we feel about the politics of multi-culturalism, about the politics of segregation or whatever you have, we have a group of students that we want to attract to this University. We have a commitment to serve a diverse group of young Americans, to educate a diverse group of Americans. Here are young people who come to this campus, and as we know, those of us who have children and have sent them to

campuses, we know just how difficult that transition from the environment of the home to the environment of the campus can be. We have a group of students that represent a community that we wish to attract and they tell us that for many of them it is very difficult to come into this environment without some place that they feel a connection to and that this center can do that for them. If it can do that for them, and if it really will uphold the general principles that are written down in the Living Center proposal, I think it is a positive thing and I think it will enrich rather than detract from that which we want to have on our campus. Those are my reasons for supporting the Living Center.”

Speaker Martin: “Further questions or discussion?”

Professor Frederick Ahl, Classics: “I was just curious. Looking through the proposal, which in many ways I find very attractive, I am wondering what the estimate is in terms of budgetary impact of organizing such a center before it's planned. I wondered if the proposers of this have any sense of how this would affect budgeting at large. To what extent has the financial aspect been taken into consideration?”

Speaker Martin: “Mr. Provost, Dean Stein, do you wish to respond?”

Malden Nesheim, Provost: “Mr. Chairman, I will respond to that and if I might, also respond a little bit more in terms of the generation of this proposal.

“Those of you have been on the campus over the last several months recognize that this proposal was put together by a committee that I appointed in December after we had discussions with the Latino student community on the campus. The committee that generated this proposal was made up of the faculty of the Hispanic American Studies Program. It was made up of a group of students. Dean Stein was on the committee. There was a member from the Student Assembly on the committee, and Peg Lacey from Residence Life was on the committee.

“ In putting this proposal together, the President had indicated to the students at the time that if the program has strong links to an existing undergraduate program, if it takes pains to ensure racial and ethnic diversity and openness, and if it comes as a proposal from the faculty of the Hispanic American Studies Program and gains the support of this faculty, is fiscally responsible in terms of the existing budgetary constraints, the President indicated that the Provost and he would be willing to consider it, not only consider it, but also endorse it before the Board of Trustees.

“The President and I have both reviewed the proposal, and we have indicated to the committee that has drafted the proposal that we find that the proposal does fit the conditions that we put forth relative to its openness. I think the principles that are stated in the first paragraph of the report state that very clearly. We indicate that it does come with the endorsement of the faculty of the

Hispanic American Studies Program. The governance system of the proposal seems workable, but we have indicated that we recognize that the program house must operate under the overall supervision of Residence Life, as with other university residences including other program houses.

“There are also specific issues of implementation that have to be worked out that deal with things like faculty-in-residence, faculty fellows, and program directors, all of which are indicated here. Many of these are existing programs of Residence Life. They are existing programs that are part of the fabric of the cost structure of Residence Life, and so it's anticipated that many of these aspects would be included into it as they would if other students occupied those beds that were being served by that particular dormitory that might be turned over to this Center.

“I've also said to the committee that acceptance of the proposal does not automatically agree to all the issues of facilities modifications and so forth that are discussed. Clearly those need to be discussed further. We have to look into what are the feasibility of these issues. There are fund raising opportunities and so forth that must be investigated if that is to be fully implemented.

“I wish to give this proposal my own strong endorsement and the President has also asked me to indicate that he also would like to give the proposal his endorsement under the conditions that I have indicated with my letter back to the committee. I might say I think that the committee has been particularly sensitive to the discussion that has gone on on this campus over the last several years relative to housing. We've had, as you recall, a substantial debate over the last few years on how do we link our academic programs at the institution to the residence life of our students. We have been trying to find ways of saying that a Cornell experience doesn't have to end in the classroom, but it's also part of the academic experience and should also try to be linked to where the students are living. There has been discussion about things like random housing, for example. We had a great debate last year on the issue of random housing. There has been debate about the potential segregation that exists on the campus, looking at West Campus and looking at North Campus, where one sees the racial diversity on the campus. There has been this issue of the academic programs, and I think the drafters of this proposal have been sensitive to many of these issues. Certainly the issue of inclusiveness instead of setting up an exclusively racial-oriented living unit is part of the response to that. They've also, by the West Campus location, been sensitive to the issues that have been raised with us about trying to find means of attracting diverse students to the West Campus location. I found the proposal sensitive to the debate on housing that has been going on over the campus over the last few years as well as fulfilling the conditions we put on the committee when we asked them to draft it. I felt I ought to deal with that.

"As far as the budget is concerned, there are issues that we still have to work out in the implementation of the budget. Much of this is superimposed in the residence life structure at the present time. Thank you."

Speaker Martin: "Further discussion? Professor Berkey."

Professor Arthur L. Berkey, Education: "I have two questions. The first to the Dean. Based on some information I read in the Cornell Sun, there was something said about the Assembly supporting this, and I wondered if there were some issues that were addressed there that haven't been brought out."

Dean Stein: "I think we have someone here who can deal better with that question than I can."

Brian Schwartz, President of the Student Assembly: "Thank you for your question. Right now the result of the Assembly discussion is somewhat inconclusive. As it now stands, the Assembly opposes the proposal by a vote of 6 to 7, but it's on our agenda again this week to rescind the vote of last week, so it's really unknown as to how it's going to come out right now. The discussion from those opposed has really focused along the lines of how this is going to affect segregation on campus and those sorts of general questions about whether we should be moving in this direction in living units. On the side of those who favored the proposal, there is a strong feeling that this is something the Latino students on this campus want and need, and we need to respect their wants and needs and serve them completely the best we can. This is something they feel very strongly about so we should not say you don't need this when they are saying we do. I think that is the shortest explanation."

Speaker Martin: "Thank you, Brian. Professor DeVogd and then Professor Berkey."

Associate Professor Timothy DeVogd, Psychology: "I also feel very strongly about the issue of segregation. It so happens that the question is related to clarification. In the first line of the proposal, it says that the Center is to be shared equally by Latino and non-Latino students. Is it the intent there that the residents will be divided roughly 50/50 between the community?"

Provost Nesheim: "It's my understanding that that is correct."

Professor DeVogd: "Secondly, since segregation could happen in a sense in both intellectual as well as social domains, I guess I would feel best about the proposal if the faculty that were relating to this Center were people who were not just members of HASP but also other communities on the campus."

Provost Nesheim: "I can answer that. The committee consisted of the members of the Hispanic American Studies Program but I might add that the faculty consists of essentially all of the Latino faculty on the campus who are divided around various parts of the campus, various departments, various colleges. It

also included a representative from the Latin American Studies Program, Tom Holloway, who was on the committee that also helped draft the proposal. I might indicate that you have to recognize that what is proposed is that the maximum number of students in this Center would be something on the order of 150 students. Half of those would be Latino students, the other half would be of other ethnic and racial groups on the campus. We have on the campus right now about 800 Hispanic students, so we are not taking all of our Hispanic students and putting them in a center on West Campus and having a segregated segment of students on the campus. There will still be a broad distribution of these students around the various living arrangements that our students make. So we are not just having a place that we're going to put all of our Hispanic students inside."

Speaker Martin: "Professor Berkey, you had a question?"

Professor Berkey: "I have a question for Provost Nesheim. The Committee on Academic Programs and Policies recommends that a general evaluation of the academic components of existing units be undertaken. I wondered what the status of the administration's decision regarding that recommendation is because it directly relates to this issue."

Provost Nesheim: "This is, of course, a recommendation that has just come before us from this Committee so the status of that is that it is a recommendation of that. However, one of the things I also indicated in my letter to the committee is that I think that we should be prepared to examine whether the Center lives up to its vision and promise from time to time. I think there has been discussion that there are many different living centers on the campus. We have not only those that have an ethnic or racial basis but we have those, for example, Risley College that deals with programs in the Arts, we have Ecology House, we have a residence hall now dealing with some aspects of music. I think there are a number of these programs that try to have a connection with either a theme or an academic program, and I do think that we should examine those from time to time to see that they are in fact living up to their original promise."

Professor Baer: "I was originally opposed to this idea but I've really changed my mind over the last month or so hearing various arguments. Part of the reason for that is that I'm very much aware that particularly insofar as Cornell is a mixture of both state colleges and endowed colleges, that part of the history of government-sponsored education in America, going all the way back to Horace Mann and so on is meant to stamp out ethnic diversity, to homogenize people into one sort of all-American type. As we all know, the nineteenth century and early twentieth century was a very bad time if you were a Jew, a Catholic, an atheist, a humanist. There was a kind of pan Protestant flavor to education. I think one of the things that has helped me gradually change my mind is the realization that diversity does not perpetuate itself if students are treated as autonomous isolated selves. It needs community. It needs the kind of community that I think this Living Center can provide. I think the decisive factor

is that this is a voluntary association. Otherwise, we are forcing these students into a kind of homogenization process that they may simply not want and which I find myself increasingly not wanting to be a part of. I've really changed my mind on this issue and now support it rather strongly."

Assistant Professor Mark Cruvellier, Architecture: "If my memory serves me correctly, we have these separate ethnic or living centers of this sort. So I'm wondering what the distinction is being made here for the Latino Living Center."

Assistant Professor Paul Thurston, Mathematics: "I can answer that. The difference is that the educational experience is not supposed to stop in the classroom. Presumably, we are teaching students about Hispanic-American culture. I don't think you can argue that the gay and lesbian movement has been around long enough to establish a culture."

Frank Keil, William R. Kenan, Jr. Professor of Psychology: "I'm a little concerned about leaving the phrase 'equally' in here without being more precise. I wonder if an amendment might be in line saying that no less than 40% of the students would be Latino? Otherwise, I worry that it might not be adequate monitoring and the ratio might get way out of line with the intention of the proposal."

Speaker Martin: "Are you offering this as an amendment?"

Professor Keil: "Sure."

Speaker Martin: "Are you a member of the FCR?"

Professor Keil: "Yes."

Speaker Martin: "Could you restate that, please?"

Professor Keil: "That the first paragraph be rephrased and instead of 'equally', I haven't written it out yet, we say that no less than 40% of the students should be non-Latino."

Speaker Martin: "Is there a second to the amendment?"

There was a second to the amendment, and Speaker Martin opened the floor to debate.

Provost Nesheim: "There are issues here of State law and establishing quotas and so forth that I think we have to be careful about getting ourselves into. 'Equally' to me sounds pretty much 50/50. I usually think if I've got equal piles of something, I'm looking at that. I'm a little nervous about getting precise percentages down because of some issues that might be there relative to the legal aspects of this. I'm not a legal expert on that aspect. But some of our legal advisors have raised some issues about this."

Speaker Martin: "We have two members in the back who wish to speak."

Professor S. Kay Obendorf, Textiles and Apparel: "If you say no less than 40 percent, what happens if only 30 percent non-Latino's want to live there? Do you close the unit?"

Provost Nesheim: "We have a similar arrangement with the American Indian House. The American Indian House has indicated they need to have 50/50 equally native Americans and non-native Americans and that has been administered by Residence Life to achieve that racial balance, it's my understanding. Again, the issue here is that it is possible to administer the admissions to the unit in a way to achieve that racial balance. I think that's possible and I think they've done it in the American Indian House."

Speaker Martin: "Is there any further debate on the amendment?"

Professor Ahl: "Do we have living units where such equal subdivision does not pertain? Are there any residence units where there are special interests to cater to that do not specify the 50/50 division?"

Provost Nesheim, "Yes, I think we do."

Professor Ahl: "Then why should this one be different? Why should an exception be made for this one and not for the others?"

Provost Nesheim: "This is a new proposal that has come expressing concerns of those who drafted this proposal that this not be a living unit restricted to a single ethnic group. It was drafted on principles of openness and inclusiveness and this is what the proposal asked for."

Speaker Martin: "Further discussion on the amendment?"

Professor James Gillett, Natural Resources: "It's my understanding that the proposal was crafted specifically with Akwe:kon in mind. While that has not gone incredibly smoothly in every aspect, there have been more students applying on either side of the line than they could accommodate in spite of the surcharge for living in Akwe:kon which is very expensive living quarters by any standard. As long as that is probable for the number of the Hispanic students we have here it's going to be an easy job balancing it out. I don't think that is an issue at all."

Speaker Martin: "Further discussion on the amendment? Dean Stein."

Dean Stein: "I understand what you're trying to do and I'm sympathetic to it, but I'm not going to vote for your amendment. It just doesn't feel right to make it a quota and there is nothing else you can call it but a quota. The issue is an important one. What might be another way to get at the same thing is to ask the

FCR or to charge CAPP perhaps at some future meeting with the responsibility of reporting back to this faculty about how this house and perhaps other houses are going with regard to self-segregation."

Professor Keil: "Given that the native American house had been approved for the 50/50 ratio, I'll trust that this will happen. If we could get some sort of report down the road - you can assure me that this will happen?"

Dean Stein: "I will assure you that this will be taken up and brought back in some form to this body."

Professor Keil: "I'll withdraw it then on the grounds that the 40 percent may not be legally possible."

Speaker Martin: "The amendment has been withdrawn. We are back to the resolution itself. Is there further discussion? If not, we shall proceed to vote. All in favor of the resolution as presented, say Aye. Opposed, No. it is carried.

"Is there further business to come before the body? We're almost setting a record here. I would just remind you in addition to the Provost we have been privileged to have a couple of Vice Presidents back here - Hank Dullea, Vice President of University Relations, and Vice President of Finance, Fred Rogers. If you have any questions to direct there, we won't get out of here early.

"There being no further business, we are adjourned. Thank you for coming."

Adjourned: 5:30 p.m.

Robert F. Lucey
Secretary of the Faculty

**PROPOSED REVISION OF RESOLUTION FROM THE
COMMISSION ON HIGHER EDUCATION**
(deletions in brackets, additions underlined)

Whereas the Cornell University Faculty

o Is deeply concerned about the affordability of a Cornell education,

o Is cognizant of the fact that control of increases in costs to students will require significant efforts to control the University's expenses,

o Believes that the unique character and diversity of the Cornell student body represent a great asset to the University,

o Recognizes that external pressures will continue to limit Cornell's ability to increase real net tuition revenues (tuition income after adjustment for inflation and increases in financial aid) while maintaining the quality of this student body, and further

o Recognizes its obligation to advise the University administration and Trustees in these matters:

Therefore, be it resolved that

1) The Faculty recommends that the central administration submit to the Trustees for their approval annual budgets which include increases in undergraduate tuition (statutory and endowed) at a rate no greater than the percentage increase in the Consumer Price Index for the immediately preceding year. We recommend a three step/three year transition from the 1993-94 rate of annual increase of 5.6 percent to this lower rate of increase.

2) Because salaries, wages, employee benefits, and other costs associated with the number of university employees are the dominant and a rapidly growing item in the General Purpose Budget, these expenditures must be [adjusted downwards in order to bring about] contained as a major contribution to balancing the budget within the revenue generated by the tuition policy stated in paragraph 1).

3) The FCR recommends that the administration undertake with the University Faculty a broad-based discussion of ways to control costs, including the costs of new programs and construction, that are consistent with the revenue limitations inherent in paragraph 1) and with the maintenance of the character and quality of Cornell.

RESOLUTION FROM THE COMMITTEE ON ACADEMIC PROGRAMS AND POLICIES REGARDING LECTURERS

WHEREAS, the Committee on Academic Programs and Policies approved the Report of its Subcommittee on Academic Non-Faculty, and

WHEREAS, the report recommends adoption of policies to be followed throughout the University, and

WHEREAS, those policies require implementation by the Provost or approval by the Board of Trustees, namely that

a. The Board of Trustees amend Article XVII, paragraph 2.d. of the University Bylaws to read: (additions underlined)

2.d. Senior scholar, senior scientist, senior research associate, senior extension associate and senior lecturer - shall be appointed by the President for a term not to exceed five years, renewable indefinitely. Research associate, extension associate and lecturer - shall be appointed by the President for a term of not to exceed three years, renewable indefinitely. For those cases where senior lecturers or lecturers are employed to address long-term teaching needs, the terms of appointment should be five and three years respectively; one year appointments should be reserved for one-year replacements and other short term needs.

b. The Provost institute a policy that a one semester notice of termination be provided to lecturers and senior lecturers who have had at least two but not more than three years of continuous service, and a two semester notice be provided to those with more than three years of continuous service.

c. The Board of Trustees amend Article XIV, paragraph 1. of the University Bylaws to read: (deletions in brackets; additions underlined)

1. Each college or school faculty, except the Graduate Faculty, shall be composed of the President, who shall be the presiding officer; the dean or director of the college or school; and all professors, associate professors, assistant professors and instructors in the department or departments under the charge of that faculty. Instructors, senior research associates, senior extension associates [, senior lecturers] and those bearing the adjunct title shall be nonvoting members, unless given the right to vote by the particular faculty. Each college or school faculty may, in its discretion, grant voting or nonvoting membership to senior scholars, senior scientists, [lecturers] and other professional personnel for whom such membership is deemed appropriate by such faculty. Lecturers and senior lecturers are members in both college and department faculties and shall participate fully in decisions that pertain to their roles within the curriculum and to the hiring in their rank or below, and to any other matters the particular college or department may deem appropriate. In departments where the number of lecturers and senior lecturers is comparable to the number of professorial faculty, the Provost may modify this policy in regard to curricular decisions. Granting of such college faculty status will in no way affect other conditions of employment.

THEREFORE, BE IT RESOLVED, that the Faculty Council of Representatives approves the recommendations contained in the Report of the Committee on Academic Programs and Policies on the Status of Lecturers, and

BE IT FURTHER RESOLVED, that the FCR hereby forwards the recommendations to the Provost for his implementation and to the Board of Trustees for amendment to the University Bylaws.

February 1994

COMMITTEE ON ACADEMIC PROGRAMS AND POLICIES

Report on the Status of Lecturers at Cornell University

February 1994

1. History of this Report

On November 29, 1989, the Executive Committee of the FCR approved a resolution directing the Committee on Academic Programs and Policies (CAPP) to examine and to make recommendations concerning the issues pertaining to the careers of the "academic non-faculty;" in particular, the charge referred to lecturers and teaching associates. CAPP subsequently established a Subcommittee on Academic Non-Faculty, chaired by Professor Paul McIsaac. On May 15, 1992, the Subcommittee submitted its report to the full Committee. CAPP discussed the report in its meetings of spring and fall 1992. In the fall of 1992, the Committee held informal hearings with the Provost, the Dean of the College of Arts and Sciences, with the chairs of three departments and divisions that depend heavily on academic non-faculty (Biological Sciences, English, and Modern Languages and Linguistics), as well as with representative academic non-faculty from each of these departments or divisions. Subsequent to the first submission of this Report to the FCR on November 10, 1993, the Report was revised based, in part, on discussions at a meeting of CAPP attended by a delegation of senior lecturers representing a University-wide group of lecturers and senior lecturers.

The CAPP wishes to stress to the University faculty the seriousness of this issue and the importance to the life of the University of the contributions by our colleagues who are included in the category of academic non-faculty. We would echo in this respect a statement made in the State of the University Report to the Faculty Council of Representatives and the University Faculty delivered by President Frank H. T. Rhodes on September 19, 1990. The pertinent section is quoted here.

"I had lunch a couple of months ago with a group of lecturers and instructors in one particular area of the university. They told me that collectively they are responsible for 40 percent of the teaching in their particular unit, but they were never invited to faculty meetings, and they had no part in the departmental curriculum committee. I understand their resentment and frustration. When we as members of the faculty entrust that much responsibility to our colleagues, to our lecturers and instructors, I don't believe we should exclude them from the discussions that involve curriculum itself and the wider issues of policy in the department. I hope that departmentally you will look sympathetically at what needs to be done to bring those members of the professional teaching staff more fully into the departmental fold."

The following three sections of this report are based on the Subcommittee's report (distributed to the FCR in May 1993 by CAPP as a portion of the Interim Report on the Status of Academic Non-Faculty at Cornell University), the hearings conducted by CAPP, and subsequent deliberations by the members of CAPP. Section 2 of the report summarizes some of the material presented in the

Subcommittee's report. Section 3 presents several general recommendations that could be implemented without requiring legislation by the FCR. Section 4 refers to a resolution for action by the FCR.

2. Report

The University employs more than three hundred persons as senior lecturers, lecturers, instructors or teaching associates. This number comprises about thirteen percent of the total number of academic personnel of the University in Ithaca. The group forms a valuable resource for the teaching mission of the University. Indeed, in some units these persons are responsible for a significant portion of the total undergraduate teaching load. There is a wide range in the way members of this group are utilized in the teaching functions of the University among the various departments. In some cases, members of this group feel their contributions go unrecognized, and/or feel they have no meaningful input into decisions related to those matters of the curriculum which are the focus of their professional duties. The Committee on Academic Programs and Policies strongly affirms that the University has the responsibility to ensure that the members of this group are treated fairly with regard to all their interactions with the University, their College and their Department.

To obtain data concerning their status, the Subcommittee distributed a *Questionnaire on the Status of Senior Lecturers, Lecturers, Instructors and Teaching Associates* to the various units of the University early in the spring semester of 1992. Fifty-six departments, schools or other units responded to this survey; these respondents account for most of the persons employed in these categories. A copy of the questionnaire and a summary of the results are available in the Office of the Dean of the Faculty.

Some general comments on the data obtained from the questionnaire are in order. First, comparing the relative numbers of persons in the four categories, one finds that instructors constitute less than 4% of the total. The categories of senior lecturer and lecturer compose about 82% of the total, while teaching associates compose the remaining 14%. Because of the dominance of the senior lecturer and lecturer categories among these teaching positions, this report is addressed primarily to them. Hereafter, the term *lecturers* is intended to include both lecturers and senior lecturers.

The responses to the questionnaire demonstrate that there is a wide diversity in the ways that academic non-faculty for teaching are selected and employed in the academic life of the various units of the University. The data show that a majority of the teaching units of the University use few, if any, academic non-faculty. Although more than 85% of the responding units use academic non-faculty to some degree, 15% of the units account for a majority of the academic non-faculty employed. The latter units rely heavily on them to meet their teaching obligations.

These departments, ranging from Modern Languages and Linguistics to Theatre Arts, have different requirements for the types of professional qualifications that are appropriate, and different techniques for the successful employment of these persons in their teaching programs. Another aspect of the wide diversity is the range in the expected period of employment for these positions. In some departments the term of employment in these positions extends over many years. On the other hand, in some departments the term of employment is limited to no more than two years, at least for the junior ranks.

The responses to the questionnaire indicate that, in most cases, appointments to these positions are made after a local, regional, or national search. In a few cases, the responses state that no search was made; these cases usually appear to involve persons who were appointed some time ago. Of course, current hiring procedures must take into account affirmative action goals and attempts to accommodate spouses when hiring faculty members. An organized search by the department is desirable for several reasons. For example, a search validates the professional credentials of the person selected, ensuring that their qualifications will be recognized by their colleagues.

3. General Recommendations

According to the *Academic Appointments Manual*: "During the sixth year of service lecturers may request a formal promotion review in accordance with college guidelines; department chairs are obligated to undertake reviews of those lecturers who, as they approach the requisite time-in-rank, request promotion to senior lecturer. After the sixth year of teaching, lecturers who receive favorable promotion reviews are entitled to hold the rank of senior lecturer." Each department should have in place procedures, with clear and public timetables, to review lecturers for promotion to senior lecturer.

The Provost should require each department employing senior lecturers, lecturers, instructors and teaching associates to have in place well-defined and well-disseminated policies concerning their professional obligations and rights (including the existing grievance and promotion procedures).

CAPP did not attempt to investigate the question of salary equity among academic non-faculty. However, this is a matter which should be of concern to the University. Mechanisms to address salary equity may be in place in some schools and colleges; they should be instituted in those which lack them. The Provost should investigate whether the current salaries of beginning lecturers across the University are commensurate with the qualifications demanded of these persons.

The responses to the questionnaire indicate that, in most cases, the course loads for academic non-faculty are equitable. In a few instances the course loads appear high, but the special circumstances for the courses involved may make

these course loads reasonable. Deans and department heads should, however, ensure that teaching loads of academic non-faculty are consistent with the accepted norms for their respective college or school.

The *Academic Appointments Manual* states that senior lecturers and lecturers are eligible for leaves of absence without salary, but not for sabbatical or study leaves. However, in some cases there may be great benefit to the University in having leaves (paid as well as unpaid) for professional improvement available to senior lecturers. It is recommended that this question be addressed by the deans of the respective colleges.

In those few cases where departments rely heavily on lecturers to meet teaching obligations, lecturers and senior lecturers bring unique qualifications to their positions. This is an appropriate use of these titles. However, the University should discourage the regular replacement, for whatever reason, of professorial appointments by lecturers for normal teaching duties.

Recommendations in this report do not exhaust lecturers' concerns or the University Faculty's interest in their status. Therefore CAPP requests the FCR's Executive Committee to consider appropriate forums for discussion of relevant issues brought to it by lecturers' representatives. CAPP urges the Provost and the Dean of the Faculty to maintain regular communication with lecturers on matters pertaining to their responsibilities and their interests.

4. Resolution from the Committee on Academic Programs and Policies Regarding Academic Non-Faculty

A resolution regarding lecturers and senior lecturers is attached to this report and presented for consideration by the Faculty Council of Representatives.

Committee on Academic Programs and Policies 1993-94

Jon M. Conrad
George W. Hudler
Roger F. Loring
Paul R. McIsaac, Chair
John E. Parks
Michael Steinberg
Michael J. Todd
Carla Boyer, Student Member
Brian F. Rose, Student Member

Latino Living Center Proposal

LATINO LIVING CENTER COMMITTEE

FEBRUARY 11, 1994
CORNELL UNIVERSITY

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Part I: PHILOSOPHY

The Latino* Living Center will be a program house and residence for students interested in Latino cultures. This Center, to be shared equally by Latina/o and non-Latina/o students, will integrate academic and cultural aspects of student life, foster intercultural learning and exchange between Latina/o and non-Latina/o students, and provide a means to unite the Latino community. This proposed intercultural residential college will provide an innovative model for the future of Cornell University.

Cornell is operating in an increasingly globalized and multicultural world. In the Latino Living Center, students will be able to share their experiences with others of different backgrounds, while at the same time learning the value of their own heritage. As all members of the wider Cornell community will be able to share in the heterogeneity of Latino experiences, this will strengthen an appreciation of our cultures.

As the 1984 Residential-Learning Committee stated: "For too many students at Cornell, the residence hall is separate from the classroom, a place to socialize but not to learn. For too many faculty members, the residence hall is terra incognita, a building in the University, but not of the academy." The impact of our residential college will extend beyond the walls of its building. By providing a strong base for an interdisciplinary education, through extensive collaboration with other programs at Cornell, as well as community outreach efforts, the Living Center will become an integral part of the existing community. This Center will encourage students to continue learning once they get home, thus bridging the gap between the classroom and the residence hall.

This Center will help to build socially conscious and community-minded individuals. Our goals are to provide knowledge of our culture and the problems facing Latinos so that the future leaders of our communities will be prepared with the skills and sensitivity necessary to effect social change.

The academic and cultural benefits of such a Center will attract more Latina/o students to Cornell and will be a valuable and visible resource for prospective students and other visitors. The residential college will enable many more Latina/o students to complete their academic programs by providing opportunities for academic support through role models and actual tutoring. Through a philosophy of openness and inclusiveness, this residential college will aim to increase student leadership and support, intercultural education, and awareness of the spectrum of Latino cultures.

*In drafting this proposal, the Committee has abided by the U.S. Government Census and the Cornell University definition of Latino. The terms Latina/o and Hispanic are interchangeable in this context.

Part II: Guidelines

A. Academic Programming

The academic component of the Latino Living Center will be one of the integral facets of this multi-disciplinary center. In an effort to foster a stronger link between students' academic, cultural, and social lives, the LLC will promote collaboration with departments that address Latino and Latin American issues; programs such as the Hispanic American Studies Program (HASP), the Latin American Studies Program, etc. The residential college will serve as a center of academic and personal support, providing role models and tutors within an intellectually stimulating environment, as well as furthering student interest in a variety of academic fields. The interdisciplinary nature of the Latino Living Center will foster an understanding of academic and cultural diversity among students and faculty; and, in bringing students and faculty together, the LLC will enhance residents' sense of support within the University community. By providing opportunities for inter-cultural learning to both residents and non-residents, the Center will enable students from various backgrounds to gain a greater understanding of Latino cultures.

1. The **Faculty Resident** of the LLC will be an integral part of the academic component of the Center. While the programming of student activities will be largely the responsibility of the Programming Director and Programming Coordinator, the Faculty Resident will supply the insight and expertise essential to the success of a residential college. In the spirit of the existing Faculty-In-Residence program, this "live-in" position will provide the strongest connection between academic programs and the students' residential life. Because the Faculty Resident will concentrate his/her efforts on programming for the LLC, the student residents and associates will benefit from continuous interaction with a concerned and committed advisor. Depending upon their own aptitudes and abilities and time commitment they can afford to give to the position, Faculty Resident activities may include some of the following examples, all of which are currently practiced by Faculty Residents in their respective residence halls:

- to work with the LLC Fellows (see below) to bring talks, lectures, colloquia, and workshops to the LLC. As in the Harvard/Yale model, the Faculty Resident and Fellows might meet regularly (once a month) to discuss the progress of the Center and possibilities for enhancement of academic programming.

- to encourage and facilitate the involvement of faculty from various departments and interdisciplinary programs in the activities of the Center. Faculty from the Latin American Studies Program, the International Studies Program, as well as the College of Engineering and the department of Agricultural Economics are among the many who have already expressed interest in this interaction.

- to reserve a regular table (weekly) in Co-op dining

facilities at which anyone (student/ faculty/staff/visitor) would be able to dine with the Faculty Resident. Non Co-op guests can be "bonused" by the Faculty Resident at no cost.

-- to hold receptions periodically (2 or 3 per semester) in the Faculty Resident apartment as a way to interact more personally with students and foster informal discussion of community issues.

-- to work with student cultural and social programming on such events as art exhibits, performances, films, etc. either as a contributor /coordinator or a participant.

While all of the above are suggestions as to the types of activities in which a Faculty Resident can engage him/herself, various roles are implicit in the nature of the position. As the immediate contact between the students and faculty/academic life, the Faculty Resident may be called upon for academic advising, support, and/or reference to appropriate sources. As an accomplished professional and experienced individual, s/he would provide a role model and example for the determined undergraduates with whom s/he shares residence.

In order to facilitate their undertakings, the Faculty Resident will become familiar with residence hall policies and is encouraged to work in close collaboration with Residence Life Staff and the Academic Advisory Board of the Center.

Two professors have already expressed interest in this position.

2. **The Latino Living Center Fellows Program**, in the spirit of the existing Faculty Fellows Program, will allow faculty unable to live in the Center the opportunity to be more involved in its programming. Student residents will benefit from interaction with a larger group of faculty from various backgrounds who will serve as possible role models and gateways into a multitude of disciplines and specialties at Cornell. LLC Fellows activities may include:

-- to conduct one or two LLC talks per year, in their areas of specialty (with an emphasis on career motivation/guidance) and/or in topics of specific Latino interest.

-- to participate in the cultural programming of the Center, either as coordinators, contributors, or participants.

-- to have occasional meals with students in Co-op dining.

The LLC Fellows would be distinguished from the more casual participation of a larger pool of faculty in demonstrating their enthusiasm and dedication to the progress of the LLC.

Unlike the current Faculty Fellows program, LLC Fellowships will be open to non-University employees. The HASP currently works in conjunction with a large group of professors, instructors, and professionals from Ithaca area institutions who have expressed interest in assuming active roles in the programming of the LLC. These include Ithaca College professors, the director of Tompkins County Community College, local attorneys and community service professionals, among others.

Ten professors (Cornell and non-Cornell) have already expressed interest in this position; however limits on this number will be contingent upon budget constraints.

3. As **Visiting Fellows**, faculty, artists, and professionals from various institutions will be invited to participate in the activities of the LLC. Many interested visitors have come to Cornell looking for a means to interact with the Latino community, share their experiences and expertise, and get together with students on a more personal level. Visiting Fellows will be encouraged to engage students in many of the same activities as a Faculty Fellow. The LLC will also provide temporary lodging for interested Visiting Fellows, if space allows.

The HASP currently conducts a program in which professors, professional, and artists are invited to Cornell for six-week periods to give lectures, participate in colloquia, and meet students. HASP brings four to five visitors per academic year. These visitors would be considered LLC Visiting Fellows.

4. **Department Collaboration** will be sought from all disciplines to co-sponsor lectures and colloquia in the LLC. Such departments may include Literature, Chemistry to Human Ecology and Architecture. **Interdisciplinary programs**, such as the Latin American Studies Program, Africana Studies and Research Center, Women's Studies, and American Indian Program, which operate throughout the colleges will also be invited to co-sponsor events at the Center.

5. An **LLC Tutorial Program** will be instituted at the Center in order to provide residents with the support needed during the formative years of a student's career. Graduate students and upperclassmen unable to live in the LLC will be encouraged to assist and advise residents. An information and introduction session will be held at the start of each semester to make residents aware of the available support system.

Nineteen graduate students from various disciplines have already expressed interest in this program.

6. A **resource center/library** within the house will focus on issues of Latino cultures and will complement the learning component of the Living Center. This resource center will house books and periodicals of Latino interest, as well as computers linked to the Cornell Information Technologies Network for the use of the Center's residents.

B. Cultural and Social Programming

The cultural and social activities within the residential college will be open to the entire University community and will constitute a significant part of the Center's function. The combination of academic exchange and social interaction will create an environment in which the living and learning functions of the Center complement each other. Cultural and social activities will serve to increase awareness of Latino cultures in a more informal and casual format. Programming will include films, performances, dinners, dance workshops, and discussions, all of which will be open to residents and non-residents. The events will be coordinated in close

collaboration with the existing programs of different Latino campus organizations. These functions will be advertised throughout campus in order to increase cross-cultural and cross-campus interaction within the Cornell community. In addition, the Center will serve as a common ground for the many Latino organizations on campus, and will further interaction and cooperation among those groups.

1. A **Buddy Program** that matches upperclassmen with freshmen and transfer students will be initiated among the residents of the LLC. This program will serve as a more immediate means of academic and personal support for students new to Cornell. Upperclassmen will be given the opportunity to share their experiences on a more personal basis, while helping entering students acquaint themselves with Cornell. The Buddy Program will serve as a complement to the existing Freshmen Orientation Program and will remain in effect for the first month of the fall semester. Specific activities within this program will be left to the discretion of the participating upperclassmen, with the exception of reception/get together to be held at the start and end of the program.

2. **Workshops** will be conducted by the RAs and the Programming Director to provide a forum for the discussion of current social and cultural issues affecting the Latino community.

3. All **Latino student organizations** will be encouraged to hold sponsored colloquia, lecture series, cultural and social events, in the LLC, and Latino Month will be coordinated by the Programming Committee.

4. **Outreach programs** will enable the Living Center to play an important role in West Campus as well as the larger Ithaca community. In an effort to increase interaction between the Center and already existing organizations, there will be collaborative activities and co-sponsorship of events with other residences and program houses in the West Campus community, such as the Language House, Ujamaa, and Akwe:kon. Of special importance is the creation of student service groups, such as neighborhood assistance programs, one on one tutoring with the Ithaca Latino youth, and cooperation with local groups such as Ithaca's Institute for the Healing of Racism and Youth Challenge.

5. Students who are unable to live in the Center, but would like to play a closer role in its programming, will be offered the opportunity to join as **LLC Associates**. These students will receive the LLC newsletter and calendar of events and will be invited to participate in all in-house activities.

C. **HASP Involvement**

The **Hispanic American Studies Program** has typically encountered difficulties in finding a stable home for their activities. The LLC will provide this center from which already existing academic, cultural, and community programs can operate. Such activities include:

1. Teachers and professionals from Ithaca area high schools and colleges conduct seminars and workshops with Cornell Latinos.

2. HASP Visiting Fellows who come to Cornell for 6-week appointments conduct lectures and colloquia, and participate in cultural activities and meals with students.

3. Latina/o artists bring their work to Cornell for exhibits, discussions, and interaction with students.

4. Speakers from community organizations in the Ithaca area come to share their experiences with students and encourage service and community outreach.

5. HASP promotes summer internships for Latina/o students in the engineering, health, and finance fields through contacts with Hispanic alumni and other campus visitors.

6. HASP cooperates with both academic and non-academic organizations such as theater groups, Habitat for Humanity, and migrant workers camps to provide opportunities for students to be more involved in larger community issues.

7. HASP has discussed a preliminary proposal with the director of the Cornell Council for the Arts to co-sponsor events in the fine arts, theatre, music, dance, etc. to be held in the LLC. Other potential co-sponsors, with whom HASP has worked in the past, include the Department of Theatre Arts, Fine Arts, Communications, Music, the College of Art, Architecture, and Planning, and Cornell Cinema.

8. The LLC would provide a place for HASP to hold community events such as the bi-annual Unity Dinner, and a commencement dinner for graduating seniors and their families.

D. Student Composition

1. The residents of the Latino Living Center will consist of Latina/os and non-Latina/os. The application process, like that of Akwe:kon, will take pains to ensure racial and ethnic diversity and will be open to all interested students. Prospective residents will use the standard application process of University program houses such as Risley Residential College, Akwe:kon, and the Ecology House. The application essay will provide the student with an opportunity to explore the ways in which participation in an intercultural residential college will contribute to his or her Cornell experience. Their responses will also aid the residential advisors and programming committees in structuring activities for the following academic year.

2. In keeping with the current University program house application procedure, potential residents will fill out an information sheet and write a brief essay explaining their reasons for wishing to live in the Latino Living Center. The Living Center staff (RA's and the Program Director) will then review the applications and select candidates according to the Center's philosophy and vision, and the students' potential contributions to the Center.

E. Governance

An **Administrative Board** will be responsible for supervising the activities of the student sub-committees (see below) and for ensuring that these activities uphold the philosophy and vision within which the Center was created. The Board will convene at the beginning and end of each semester to discuss possibilities for programming and the progress of the LLC. At the end of each academic year, the Board will create an annual progress report, which will be submitted to the Provost and reviewed by the next year's Board. In addition, the Board will work on the creation and continuous development of the LLC Constitution. Meetings of the Administrative Board will provide an opportunity for the RAs and student chairs of sub-committees to communicate residents' concerns in a manner that will directly effect the policies of the LLC.

The Board will consist of:

- 1 representative from Residence Life (possibly the RHD), to be nominated by the Provost, rotating yearly.
 - 1 HASP Executive Board member, to be nominated by the Provost, rotating yearly.
 - the Faculty Resident
 - the Program Director
 - the Program Coordinator, rotating yearly.
 - 2 Resident Advisors
- the chairs of the sub-committees, rotating bi-annually.

1. The **Program Director** will be a non-student and will serve as the liaison between the LLC, HASP, and Residence Life. S/he will work in conjunction with the Residence Hall Director (already existing in the appropriate area of West Campus) to insure that all LLC activities are in accordance with Residence Life policies. This will be a full-time position.

2. The **Program Coordinator** will be a student and will coordinate the activities of the sub-committees in order to create a workable calendar of events that maintains the goals and vision outlined in the LLC Philosophy. The PC will report directly to the Program Director. This will be a part-time, work-study position.

3. The **Resident Advisors** will undergo Residence Life training procedures and will be screened by the RHD and PD.

4. A **Cultural and Social Programming Committee** will be responsible for initiating and promoting cultural and social events in the LLC. A student chair will be elected by residents within the first week of each semester. This chair will then form a committee

of interested students and will serve as their representative on the Administrative Board. The Committee will work to implement the programs outlined in section IIB of this proposal, as well as any other activities devised by the students. The chair will report directly to the Programming Coordinator.

5. An Academic Programming Committee will be responsible for initiating and promoting academic activities in the LLC. A student chair will be elected by the residents within the first week of each semester. This chair will then form a committee of interested students and will serve as their representative on the Administrative Board. The Committee will work with the Faculty Resident and LLC Fellows to implement the programs outlined in section IIA of this proposal, as well as any other activities devised by the students. The chair will report directly to the Programming Coordinator.

6. Other committees may be created by the Administrative Board as the community deems necessary to insure the efficient and organized functioning of the LLC. The chairs of these committees will be elected by residents, will also serve on the Administrative Board, and will report directly to the Programming Coordinator.

F. Location

1. In keeping with the dual goal of building unity and intra-cultural understanding within the Latino community while promoting interaction and inter-cultural learning between Latinos and non-Latinos, several provisions are necessary for the creation of the Latino Living Center:

- a. residential space for Visiting Fellows and Faculty-in-Residence
- b. multipurpose space for cultural events, community programs, and workshops
- c. additional space for conferences, meetings, lectures, and seminars
- d. space for a resource center/library
- e. living units for 150 students

2. The existence of the above specifications within the Center, as opposed to complete reliance on the use of common facilities outside of the Center, will serve to establish a truly residential college, that is, a house in which academic, cultural, and social activities continually enhance the residential experience and promote non-classroom learning.

3. The committee recommends the appropriation of space within an existing University Hall on West Campus as the most cost-effective and beneficial option for both the Latino Living Center's and the University's long-term goals. Not only will the extensive costs of new construction be avoided, but the prospective renovations necessary to accommodate the Center appear to be minimal. Also, the location of the Center on West Campus will serve to diversify this community, as well as creating a base of support for Latina/o students that does not yet exist in this part of campus.

4. During the summer semesters, the LLC will continue its programming on a smaller scale. The LLC would further aid in the recruitment of Latino high school students participating in the Summer College, and would remain a visible Center for alumni and other visitors to campus. The LLC could also serve as a conference center for the many Latino organizations and corporations that come to Cornell in the summer. This would not only benefit the Center's efforts in outreach and national recognition, but would provide an opportunity for summer students to interact with professionals from a wide variety of fields.

Appendix 1

ORGANIZATIONAL CHART

Administrative Board

- 1 representative of Residence Life
- 1 HASP Executive Board member
- the Faculty Resident
- the Program Director
- the Program Coordinator
- 2 Resident Advisors
- the chairs of the sub-committees



CULTURAL/SOCIAL PROGRAMMING

- Buddy Program
- Community Issues Workshops
- Student Organizations
- Outreach/community service
- arts, music, dance events

ACADEMIC PROGRAMMING

- Faculty Relations with Resident and Fellows
- Departments/Programs Collaboration
- Tutorial Program
- Resource Center

OTHER COMMITTEES

to be determined

Minutes of a Meeting of the Faculty Council of Representatives

April 13, 1994

Seventh Meeting of 1993-94 Academic Year

(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Greene, S.E. (6). **CALS:** Baer, R.A. (7); Berkey, A. (5); Feldman, R. (4); Gillett, J.W. (5); Pritts, M.P. (5); Rockcastle, V.N. (7); Slack, S.A. (3); Smith, M. (6); Tauer, L.W. (4). **Geneva:** Rao, M.A. (4); Shelton, A.M. (3). **AAP:** Saltzman, S. (7). **A&S:** Cotts, R.M. (6); DeVoogd, T.J. (6); Feigenson, G.W. (3); Hirschmann, N.J. (5); Howland, H.C. (4); Hull, I. (7); Kennedy, K.A.R. (5); Lambert, B. (3); MacDonald, J.F. (6); Peirce, L. (4); Shanzer, D. (6); Speh, B. (6); Strang, D. (3); . **Engr.:** Farley, D.T. (7); Fisher, E. (6); Giannelis, E. (5); Jirka, G. (3); Philpot, W. (3); Turnbull, B.W. (spg. only)(3); Warhaft, Z. (4). **Hotel:** Dunn, D. (5); Sherry, J. (4). **H.E.:** Obendorf, K. (6); Wethington, E. (4). **ILR:** Abowd, J. (5). **JGSM:** McAdams, A.K. (7). **Law:** Green, R.A. (5). **Libr.:** Atkinson, R.W. (5). **ROTC:** Corcoran, G.J. (6). **Vet. Med.:** Dubovi, E.J. (2); Hermanson, J.W. (6); Meyers-Wallen, V. (5); Randolph, J.F. (6). **At-Large:** Farley, J.T. (7); Levitsky, D.A. (5); Schuler, R.E. (7); Shiffrin, S. (spg. only)(3); Todd, M. (spg. only)(3); Water, M.F. (5). **Faculty Trustees:** Calvo, J.M. (6).

Absent: **CALS:** Awa, N.E. (1); Ewert, D.M. (4); Glynn, C. (0); Parks, J.E. (4); . **Geneva:** Koller, W. (4). **AAP:** Cruvellier, M. (4); Perlus, B.A. (3). **A&S:** Ahl, F. (5); Bathrick, D. (2); Darlington, R. (3); Geber, M.A. (3); Hayes, D. (5); Keil, F. (3); Loring, R.F. (3); Mullen, H. (0); Siggia, E. (spg. only) (2); Strauss, B. (4). **Engr.:** Brown, G. (spg. only)(0); Kay, R.W. (5); Liboff, R. (2); Liu, P. (3); Rand, R. (2). **H.E.:** Garner, C.E. (4); Key, R. (spg. only)(0); Street, L. (3). **ILR:** Kuruvilla, S. (5); Lieberwitz, R. (4). **JGSM:** Bierman, H. (4); Lind, R. (1). **Law:** Taylor, W.F. (spg. only)(0). **Vet. Med.:** Ball, B. (2); Casey, J.W. (1); Kallfelz, F.A. (4). **At-Large:** Bierman, H. (4); Decker, D. (3); Holcomb, D.F. (6); Lumley, J.L. (2). **Faculty Trustees:** Kramnick, I. (1).

Professor J. Robert Cooke, Agricultural and Biological Engineering, and Speaker pro tem: "If any member of the FCR has not signed in, please do so. We are at present two short of a quorum, but we have decided to go ahead with an informal meeting so the presentations can occur and hope that two additional people show up. Formal voting cannot occur until we have 44 here.

"I am J. Robert Cooke, substituting for your regular Speaker for this one occasion. As a courtesy to the Secretary, the Acting Speaker, and to your colleagues, we would appreciate it if you would identify yourself when you get the floor to speak. It would be very helpful and expedite the meeting.

"First, we will call on the Dean of the Faculty for his remarks. We have an agenda with some time limits. I think we will have adequate time to get through the whole agenda, but if we run short of that, the Chair will notify you and give you a chance to extend the time limit. Dean Stein."

1. REMARKS BY THE DEAN

Peter Stein, Dean of Faculty: "This is my usual spot to warm up the crowd for a quorum and I thought with the topic of the presidential search on the agenda that wouldn't be necessary, so I didn't prepare any songs and dances and I don't particularly have anything to say.

"Is there anyone in the room who hasn't signed in? I guess we ought to just begin with the presentation and hope that two more responsible faculty members come and sign in so that we can do business."

Speaker Cooke: "We will skip over the approval of the minutes since we don't have a quorum.

"The next item is a report from the Committee on Nominations and Elections."

2. REPORT FROM THE COMMITTEE ON NOMINATIONS AND ELECTIONS

Toby Berger, J. Preston Levis Professor of Engineering and Chair, Committee on Nominations and Elections: "On behalf of the University Committee on Nominations and Elections, enclosed with the call to the meeting was a report from our Committee with the Slate of Candidates for Faculty Trustee, At-Large members of the FCR and other committees. I hereby present the slate for your approval." (Appendix A, attached).

Speaker Cooke: "The Chair will also call attention to the standing rule for the FCR that nominations can come from the floor provided the person being nominated has agreed to be a candidate.

"Are there any comments or suggestions or nominations? We cannot go to a vote on this resolution. In that case, we'll go to the next item.

"This is a resolution from the Hotel School. Professor John Sherry will make the presentation."

The Secretary of the Faculty informed the Chair that a quorum had been attained.

Speaker Cooke: "We have a quorum. If you are willing, may we go back and approve the minutes?"

3. APPROVAL OF SUMMARY MINUTES

"The minutes of the February 9 meeting were distributed with the call. Do you have any corrections or adjustments that need to be made? If not, I'll ask for unanimous vote to approve. Any objections? They stand approved.

"Now we'll go back to nominations. The floor is open for any nomination you wish to add to the list. It isn't essential. The Committee has prepared a slate and that rule allows the chance for the full body to have access to the process.

"Hearing none, since the report came from a committee, it is presumed to have a second, so if you are ready, we will go to a vote on the slate of candidates.

"If you are in favor of making this the slate of candidates and proceeding with the election, raise your right hand. Opposed? It's done."

"Now we can go to Hotel Administration. Professor Sherry."

4. RESOLUTION ON MASTER OF MANAGEMENT IN HOSPITALITY DEGREE

Professor John E. H. Sherry, Hotel Administration: "Thank you very much. Ladies and gentlemen, I think the resolution speaks for itself. I speak to you not only as a member of the FCR, but also as a former GFR of the Hotel School. It was during my administration that we conceived this idea, this name change. I think it not only adds to the quality of the Hotel School program and thereby helps to admit more qualified students, but it also enhances the overall reputation of Cornell in its graduate programs as a whole since quite obviously graduate students are permitted to take courses outside of the Hotel School and vice versa.

"I'm here also to introduce to you Neal Geller, who is my successor as GFR and is now able to provide you with detailed information and will make a short statement to you regarding the thinking behind the program and the goal behind the purpose of this name change."

A. Neal Geller, Richard J. and Monene P. Bradley Director for Graduate Studies: "Thank you. I'm Neal Geller and I'm going to introduce our Dean of the Graduate School, Walter Cohen, who is going to discuss the process a little bit."

Walter I. Cohen, Dean of the Graduate School: "I guess it was late last summer or early in the fall that David Dittman, Dean of the Hotel School, and Neal as GFR, spoke to me about this issue. We discussed a number of issues that I then pursued. The four that I recall were the rationale of the name change which you will hear a little bit about, the views of the Johnson School on this since the introduction of the name Management seemed like a potential overlap, the relationship between this name

change and a curriculum reform which had recently gone through in the Hotel School, and the requirements for approval at the State level which are extremely arduous, at least in terms of the amount of time that passes.

“As you already heard, the rationale for the name change was accuracy, recruiting and placement. I should add my own bias on this and that is the M.P.S. degree often doesn't serve either the program or the students that well. As I said, that's a personal bias in the sense that it doesn't have the kind of national recognition that say an M.A. an M.S. and an M.B.A. do. I have a personal bias in favor of descriptive names. Both the Dean and the GFR of the business school wrote letters in support. What I had requested was a letter of non-objection. The letters are considerably more positive than that, I think it's fair to say they are enthusiastic in support. As far as the curriculum reform, I looked over that reform with a reasonable degree of attention. It seemed obvious to me that it fell within the ordinary bounds of reform of a program, which is something that we don't tend to review. The old curriculum and the new curriculum were more accurately named by the proposed name change. The question of curriculum reform and name change were virtually independent variables.

“Finally, moving on to the question of the State review. The reason it was difficult to obtain approval from the State was because the State viewed the name change as a new degree, but it isn't. The mere fact that the State sees this as a major undertaking does not imply that we at Cornell should view it the same way, and I don't think that it should be. I then went to the General Committee of the Graduate School and discussed this issue very briefly, it's fair to say, and concluded that this was a non-issue for us, basically, or a small one. This approval appeared in the fall. I then wrote to the General Committee again this term with the prospect of this meeting occurring to make sure there were no second thoughts about this issue and there were none.

“The reason this came to the FCR is because of a certain ambiguity in the phrasing of the code of legislation of the Graduate School. It says that professional degrees must go before the University Faculty. It's not clear whether we name the professional degree. It's not clear whether it has to go to the University Faculty. I talked to the Provost about this; he said we should interpret the University Faculty as the FCR. I then contacted Peter Stein. That's the entire process. I don't feel as Dean or in consultation with the General Committee that we had any concerns about this change and I was reassured about the Johnson School's position. So, I recommend that this be approved without a whole lot of discussion.”

Speaker Cooke: “The resolution comes from the Committee on Academic Programs and Policies, whose name should be listed in the minutes as the sponsor, and introducer of the resolution, Professor Sherry.

"The floor is now open for any further debate on the resolution. It's a one page statement dated March 31. Hearing none, the Chair assumes you are ready for a vote. All in favor, raise your right hand. All opposed? It clearly carries. (Appendix B, attached)

5. RESOLUTION ON BRONFENBRENNER LIFE COURSE CENTER

Speaker Cooke: "Next we have a second resolution from Academic Programs and Policies. Professor Paul Mclsaac will introduce the resolution. The Chair will point out that Dean Firebaugh and Professor Moen are here to answer questions if that's useful."

Professor Paul R. Mclsaac, Electrical Engineering, and Chair, Committee on Academic Programs and Policies: "You have the proposal before you (Appendix C, attached) and I'll move the resolution that the Faculty Council of Representatives approves the proposal to establish the Bronfenbrenner Life Course Center as outlined in the attached document (Appendix C, attached). The Center would be created as an outgrowth of the Life Course Institute which currently is in place in the College of Human Ecology. The Center then would be across colleges, so that is the major thrust of the proposal. Beyond that, it also honors Urie Bronfenbrenner, one of our distinguished faculty members. I think I will defer any further discussion of the details of this to Dean Firebaugh and Professor Moen."

Speaker Cooke: "Any questions?"

Associate Professor Timothy DeVoogd, Psychology: "I'm just wondering whether this would involve funds beyond the funds that are specified?"

Francille Firebaugh, Dean, College of Human Ecology: "The funds are associated currently with a gift to endow the professorship for Life Course Studies but additional gifts have been used already as the expected source in addition to other college support from indirect cost funds and gifts."

Speaker Cooke: "Any further questions? Hearing none, we'll go to a vote. If you are in favor of the resolution--it's one page dated 3/94--raise your right hand. All opposed? It clearly carries.

"That brings us to the last item, Discussion of the Presidential Search Process. The Chair will call on Dean Stein to introduce a resolution."

6. DISCUSSION OF THE PRESIDENTIAL SEARCH PROCESS

Dean Stein: "I would like to introduce a resolution on the floor, if it has a second, or perhaps it speaks for itself.

Whereas President Frank H. T. Rhodes has announced his intention to retire after the next academic year, and

Whereas the Cornell Faculty is deeply appreciative of his seventeen years of gracious, tireless and single-minded dedication to the welfare of the University, and

Whereas the entire Cornell community has benefited from the wise, responsible and prudent course that he has charted and followed during the sea changes of his presidency, and

Whereas we the faculty are honored and fortunate that our spokesman to the wider community, on whose sympathy and understanding our fortunes depend, has an unparalleled ability to articulate our ideals and values, and

Whereas his belief in and devotion to the pursuit of excellence has been an inspiration to us all,

Therefore be it resolved, that the FCR, on behalf of the entire University faculty, expresses its gratitude to him for all of his past efforts, its best wishes to him for whatever endeavors lie ahead, its hope that he and Mrs. Rhodes will see fit to maintain their ties and contributions to Cornell, and asks them, at the appropriate time, to accept from us this ancient blessing:

May the sun shine gently on your face; may the wind be at your back; may the road rise to meet you; may the Lord hold you in the hollow of His hand--until we meet again.'

Speaker Cooke: "Is there a second? There is. [applause]. That shows a very warm thanks."

Dean Stein: "I think we need a vote."

Speaker Cooke: "That's the vote."

President Frank H. T. Rhodes: "Mr. Chairman, may I say I didn't know this was going to be on the agenda or I wouldn't be here. I want to thank my friend Peter for that and to thank you for your discretion for not putting it to a show of hands."

Dean Stein: "With the remaining time, minus our five minutes at the end for new business, I would like to ask you to concentrate on the most important question that has faced us in some time; namely, what sort of person do we think would make the

best successor to Frank for the years ahead. A search committee of Trustees headed by Paul Tregurtha has asked me to assemble a Faculty Advisory Committee to help them in their search and also to try to get a sense from the faculty. I've been here long enough to know that to get a sense from the faculty on any question is very difficult to do, but he has charged me with getting a sense from the faculty of what we think the future of Cornell holds and, following that, what sort of person would best be suited to guide us in the years ahead. I have no particular agenda but I had hoped that we could have some discussion on that to help me and the Committee in interpreting your views and to bring them to the Search Committee."

Speaker Cooke: "Do you have any questions for the Dean?"

Professor John M. Abowd, ILR: "Could you elaborate a little more on what the process is going to be for the faculty participation, or aren't you prepared to do that yet?"

Dean Stein: "No, I don't really know. I just received a long letter from Paul Tregurtha indicating his desire to have full faculty participation, and I assume that will be what our views are on what sort of person we want, what we think are the critical items for that person to address, then to propose names to the Search Committee. I expect, although he hasn't said this, that during the final stages he will ask us to comment on the short list of choices, but I honestly don't know that. At this phase, he's asked us this specific question which I would like to help him with; namely, what sort of person do we think--a good person, a smart person, but beyond that what are we looking for?"

Professor James W. Gillett, Natural Resources: "I'll ask a question. President Rhodes, what didn't you accomplish that you really wanted to in your tenure here?"

President Rhodes: "It's such a long list. I think I really feel out of place and just wonder if I shouldn't go, I feel my presence may inhibit conversation, but I just have to tell you my favorite story about searching for a new president, then maybe I will go.

"In the middle of the 18th century, Yale was out to recruit a new president and in those days, inevitably, it had to be a man. They began to list the qualities that the person would have to have. The person would have to be a great scholar, someone who could speak to the faculty on its own terms. And yet in spite of that distinction, the person must be a man of the world, not having lost the common touch, able to communicate with the man on the street and yet speak fluently on the platform. It must be somebody who's a Yale man, it must be somebody who got along well with the students. It must be somebody who understood the priorities of alumni. It must be somebody who was able to reinforce all that Yale stood for by supplementing its endowment with funds. And then it continued, but then a dark thought crossed their minds. There was only one such person who could fill the position. But was God a Yale man?"

"I think, Mr. Chairman, with your permission I'm going to excuse myself so you can discuss what you really want."

Speaker Cooke: "Let me add one anecdote before you go. I happened to have been at the inauguration ceremony when the famous 'perhaps Cornell' speech was given. And I was standing behind Bob Purcell and Frank Rhodes before going on stage for the ceremony and Frank Rhodes turned to Bob Purcell and said, 'I think I'll tell them I've changed my mind'."

Associate Professor Alan McAdams, JGSM: "Before the President goes, I would like to suggest that the president should be able to speak eloquently and extemporaneously as he just did."

Professor Richard A. Baer, Jr., Natural Resources: "I'm currently preparing a statement that I'd like to share with the faculty. I think one of the long-term concerns I have is that the President and Provost be very much in touch in terms of the question of diversity at the University. I believe that at present there are programs at Cornell that massively discriminate against conservatives and against Christians. I think there are programs where we have massive censorship by omission. I'm in very close touch with the students and I've written several pieces and I think we are reaching a point where we have to recognize that diversity is not just a matter of skin color or gender. It's also a matter of diversity of ideas. I've had many students come to me over the past five or ten years who believe that they have been indoctrinated, they have been exposed to a very narrow range of ideas in some programs, they have not been taught to think critically, they have the feeling the motivating force in some of the programs is ideology rather than exposure to a broad range of ideas.

"I would like to see a president who would concern himself with those aspects of the intellectual life of the University as well as some of the things that are more commonly associated with the office. Obviously, I can't present some of the reasons why I have these convictions at this point. Time does not permit that. I'm preparing a longer statement. I believe at present Cornell has a very poor record in some areas of the University and is discriminating in a very serious and offensive way against some cognitive and religious minorities. I think it's not a thing of which we ought to be proud and it is a thing that mainly can be redressed through the deliberate attempt to hire faculty who will represent different points of views in these areas. I will speak more to it later in writing and share these convictions with the FCR. At least that is one concern I have as we look forward to choosing a new president."

Professor David A. Levitsky, Nutritional Sciences: "I totally concur and I hope that the search will cast a very broad net looking for non-academics and particularly underrepresented people at the University--minority groups, women. We may not have traveled the trajectory towards the presidency that is traditionally subscribed to, but offered some creative and innovative directions, we might pursue. So I would

strongly advocate, in fact, exaggerate the affirmative action mandate that we have to look for faculty positions in our departments and stress that looking for the leadership position.”

Dean Stein: “That's an unusual view. I've been carrying on an informal poll by just asking this question of faculty members where I run into them. I had a brisk discussion outside the P&C when it was raining the other day. I sort of lost interest in it after awhile. One thing I've heard from almost everyone I've talked to--I believe that you're the first exception--is that almost everyone starts out by saying what we need is an academician, somebody that is firmly grounded in the sort of work that we do, and then they usually go on to say that it has to be either a provost at a major research institute or a president. It's interesting. I've not heard anyone seriously propose that we find our next president outside of that narrow sphere that we're all in.”

Professor McAdams: “I just want to reassure my colleagues that conservatism is alive and well, and it's thriving in the business school. You can relax.”

Speaker Cooke: “Further comment or questions?”

Professor Steven H. Shiffrin, Law: “I just want to suggest that one of the reasons I think there is so much silence is that the question that's being asked is just the wrong question. It can't be answered in the abstract, it has to be answered in the particular. When you have a field of candidates and it seems to me the kind of field you'll get will be the kind of field that any school like this will get, talking about what are we looking for in a president is just too far removed from the specific context. If one started asking questions like, what questions would you ask candidates when you have them, it seems to me that you would then be getting at something and then you would find out that this faculty disagrees on all sorts of things. You might have some of the same questions but the answers they would want would be different. I would very much be interested in knowing how committed the president was in the autonomy of the individual departments and schools, decentralization and so forth. Others might be interested in whether the commitment to building up the endowment is a good commitment and if so, if cutting was going to take place, where should cutting take place.

“People obviously would differ. If the notion was that cutting should take place in the Law School, I would tend to differ with that. If you were at Yale and the President told you the Sociology Department should go, you might have a different view about that.

“My general point is that if you want to get a sense of the faculty, don't ask that question. It seems to me you will get closer to the ground if you started asking about the kinds of things people want to know from a presidential candidate if that person is indeed a candidate.”

Dean Stein: "I just realized I misspoke. One of those discussions was with Steve in the Collegetown Bagelry and in fact he suggested a federal judge would be a good possibility, so it wasn't the first time I heard it. I'm sorry."

Speaker Cooke: "Any further comment on the original question or as expanded by Professor Shiffrin?"

Professor S. Kay Obendorf, Textiles and Apparel: "In our FCR Executive Committee discussion and our discussion with the President and the Provost, I think one of the things that I would suggest might be procedural. How can we as a faculty posture ourselves during the search process so that we're seen as major players and as partners in the next levels of discussions."

Speaker Cooke: "Further questions? I have one for you. Will it be done by an outside consulting firm or will it be done with a more traditional search?"

Dean Stein: "I think the answer is neither yes nor no. I spoke to Mike Kimberly, who is secretary to that search committee, and he told me they are about to contract with an outside search firm and an outside search firm can work in a variety of ways. One way is you can tell an outside search firm, 'go find us a president' and they'll come back with one. Another one is that you can give them very specific tasks to accomplish and they'll do that for you. He said he believed the search committee would operate in a way that was much closer to a few specific tasks that they are going to ask the search firm to do."

Professor DeVoogd: "A concern of some of the people I've spoken to is our perception that over the last ten or twelve years there are even more layers between the President and the faculty or the layers exist, and a wish that I have is that when the President in the future presents a vision of the University, it's a vision that's congruent with what the rest of us see as well."

Professor Arthur Berkey, Education: "I think it would be helpful to ask the question whether or not they are committed to uniform application of the Campus Code of Conduct."

Dean Stein: "Do you want to elaborate on that?"

Professor Berkey: "Do you have an hour? Would you like elaboration or are you being facetious?"

Dean Stein: "I'm not quite sure what you're saying."

Professor Berkey: "I'm talking about two incidents when the Campus Code of Conduct was violated at Day Hall on two different occasions. There was nothing done. On the

other hand, we did have a recent situation where one fraternity was determined to have stolen a number of items and because of that, the Campus Code of Conduct was applied and I think appropriately so. I'm surprised you would ask that question."

Dean Stein: "I had some vague idea of what you were talking about but I thought you ought to say it."

Assistant Professor Nancy Hirschmann, Government: "On procedures. Some of us have never been through this process before. What happens? How do nominations get handled? Who makes the nomination? How do they get considered? Who does the considering? At what point do various kinds of input go into the decision from faculty as well as from the administration?"

Dean Stein: "I think the search committee acts like most search committees. It has the responsibility for presenting one candidate to the Board of Trustees. If it does its job well, it asks for input from all groups that will be affected by the choice. I think that's how it was done in the search committee that brought Frank Rhodes to the campus. There was a twelve-person Trustee committee that asked the students and the faculty for their input. I was just reading through the minutes of that, or not the minutes of the trustee search committee, but the faculty advisory committee that was in place when Frank Rhodes became our President. What happened was that faculty committee sent names to the Trustee committee. They were upset when their names did not survive the final cut. They then were given a group of three names to comment on. They went and called people on other campuses and asked for their opinion of these three names and fed it back to the Trustees. They interviewed Frank Rhodes before the Trustees named him and enthusiastically supported him. So that's roughly what their input was, and I believe it will be similar this time."

Professor Hirschmann: "Is that a national custom to have the actual search committee that makes the final decision be just Trustees or do other institutions have faculty and others?"

Dean Stein: "I'm not an expert, but all of those I've heard of work in that particular way, that the Trustees or the governing body form the search committee."

"One of our Faculty Trustees is sitting here. Joe Calvo is a member of that twelve-person committee and there is a Student Trustee, who is also a member and an Employee Trustee, who is also a member. Of course, they act as Trustees, not as our representatives. I think that it's clear that's what their obligation is."

Professor Howard Howland, Neurobiology and Behavior: "Perhaps we could ask Professor Calvo about the outside consultants. That's an innovation, is it not? Or were outside consultants used in the last search?"

Professor Calvo: "In the last search there was an outside consulting firm, and right now the Trustees have a subcommittee that is interviewing a number of such firms with a possibility of selecting one."

Dean Stein: "One story that I heard is that the outside consultant that the Trustees used last time was a new consulting corporation and Frank Rhodes' selection was seen as such a triumph that it made that company. They got a lot of business from that."

Speaker Cooke: "Any comment. If not, the Chair assumes you are ready for the last item, which is new business. The Chair is not aware of any."

Dean Stein: "Shall we wait a little longer to see if anyone else has anything to say?"

Speaker Cooke: "Sure. We don't want to suppress any outbursts."

Professor Michael Todd, Leon C. Welch Professor of Engineering: "One thing I want to mention. I've been concerned over the last few years and this is partly a result of the depressing economic situation, that departments and colleges and so forth, seem to be retrenching and feeling themselves more of a tug in trying to get more financial control. I think this is to some extent at the expense of the University. I'd like to plead for diversity but maybe in a different sense. This University is very diverse in terms of the colleges and the intellectual pursuits that go on. In the last few months I've talked to some perspective graduate students and tried to stress how great it is to come to Cornell because of the diverse things that go on here. I'd really like for the next president somehow to try to bring us together instead of colleges trying to make it on their own."

Associate Professor John W. Hermanson, Veterinary Anatomy: "Do you have a timetable in terms of nominations?"

Dean Stein: "Yes. I was asked to bring nominations to this committee by the end of June."

Professor Hermanson: "I've talked to a couple of people in the Veterinary College and the talk there is interesting because we were getting the same answer that no one really knew what to do about the new president. They would like to talk to me about the people they would like to see on the committee. One of the pleas was to make sure there was a wide constituency representing the colleges of this campus."

Dean Stein: "Nominations for the committee are due now. We have a meeting of the Executive Committee two weeks hence, and I would hope to form this Advisory Search Committee at that meeting. Like most things, if you don't do it now you'll forget about it,

so if you have people you think are wise people that understand the needs of this institution and who's judgment you trust, please send their names to me.

"I think it is an important function. I am not cynical about it. I think that Paul Tregurtha is really interested in the input that we have to make. I think it's important. It certainly is a critical decision. There's no question about that. How we go about getting the right person is another question. I'm sure the decision is very important and I think it's worth your thought and consideration and help. Additionally, any people you can think of that aren't obvious, you should send their names to me and I will feed them into this Faculty Advisory Committee to be forwarded to the Trustee Search Committee."

Professor Robert M. Cotts, Physics: "There's another area that hasn't been addressed here and that is what does the faculty see as the problems facing the University? It seems to me that a candidate coming here or candidates coming here would want to know what we're concerned about and the discussion toward that end would seem to be a good idea."

Dean Stein: "Do you want to start it, Bob?"

Professor Cotts: "Well, it seems there are some obvious areas. Certainly financing the University is one that we're all concerned about. The fact that our tuition has gone up faster than inflation is a big issue and we're finding it's obvious that's a concern. President Rhodes has spoken recently within the last six months frequently on the outside world's view of our interests and attention to undergraduate education. I'd like to know what we think of it from within.

"Another issue closely related to that is faculty loyalty--to whom are we loyal. Are we loyal to our disciplines or are we loyal to the University? What's the balance there and how has it been changing."

Professor Shiffrin: "I just wanted to say something that I told Peter which he found shocking so it's probably worth saying. I didn't by the way say that a federal judge who did not have an academic background should be a president, though I did come close to it."

Dean Stein: "It was a federal attorney, right?"

Professor Shiffrin: "And he would have to have an academic background."

Dean Stein: "I'm sorry, Steve."

Professor Shiffrin: "I think the first three characteristics for a college president should be: first, fund-raising ability; second, fund-raising ability; and third, fund-raising ability. Then judgment in other matters. I think it's important to have an academic

background so that it helps in your fund-raising and it helps in your relations within the University. I think there will be a tendency to want to clone Frank Rhodes who came as a provost from another university."

Professor McAdams: "Vice President, not provost."

Dean Stein: "His job in Michigan was equivalent to provost. Vice-president for academic affairs. It's like a provost."

Professor McAdams: "I thought it was the financial side of that. My friend from Michigan told me that."

Professor Shiffrin: "It does seem to me that the most vital thing to look for in a college president is the track record at fund raising. Part of the reason I say that is I'm committed to a view that is different than some others have expressed which is local autonomy in terms of departments and colleges in which Day Hall does it's best to stay out of the way. The provost is the person who by default is doing major work in terms of its operation and its ideas and so forth. I've exaggerated, but obviously fund-raising has not been pushed hard in this discussion."

Dean Stein: "I think that is a view that many of you hold. In the handful of discussions I've had, a number of people have expressed just the view that Steve has although not so strongly, but many almost as strongly. That view is that the fundamental job of the president is to bring us resources, a job that Frank has done so magnificently. I don't know how many of you know this, but Cornell is now the number one University in alumni giving in the whole country. That really is a critical accomplishment and is really important for us. I hear another view from other people, I haven't made a count. My guess is it's a substantial minority that say this separation of the outside person, inside person in the president, provost--in those two offices--will not serve us. That served us well during an expansionist period but during a period where 'hard choices have to be made' and where we see the end of the era of growth and where we might possibly have to contract in various ways, many people feel that is in front of us and many people feel that it isn't. People are crying wolf and in fact things will go on somewhat moderated as they have before. If you believe that some people feel those kinds of decisions are very hard to make and need to be made by the person at the top, then the next president will have to spend a fair fraction of his or her time in making the kinds of decisions that are going to have to be made to trim our sails. We really should look for someone who is able to cope with those problems and exercise good judgment in making those decisions. I've heard two sets of views on that. Everyone agrees that fund raising and presenting the best face of Cornell to the outside world, whether it be alumni or the public or the government or the government of the State of New York is important. We value Frank's eloquence and hope that we can find someone who is almost as good. There are those that believe that this other

job of the presidency will be much more important in the years to come than it has been in the years that have just gone by. I'd be interested in other views on that."

Professor Gillett: "Peter, you're in touch with a lot of different departments and schools on campus. My impression is we've lost more stars than we've gained in the last five years. Am I incorrect in that?"

Dean Stein: "I don't know any numbers on that and it's too important to make a guess."

Professor Gillett: "It really bothers me because I've lost colleagues that I've really trusted and depended on in the sense of looking to their logic and their intellectual energies and so on--not that the rest of us are a bunch of jerks or anything like that--but I really am concerned that for instance, when the Yankees got really good they started trading everybody away and pretty soon you didn't have the Yankees, you had something else. We're not trading anybody away, we haven't picked up any free agents, though I would like to see us do so. We're not going to get Oprah Winfrey as President, but we need to have people who do draw some intellectual power down on the campus again. There have been and there will be people here always of that caliber, but they seem to be getting thinner in terms of numbers."

Professor Baer: "I don't know quite what I think about the fund-raising issue, but when I do think about people like Nathan Pusey and Derek Bok, I do not think of them mainly as fund raisers. They may have been extraordinarily good but my recollections and memories of them are that they did provide great intellectual leadership for the institution and were respected for that leadership. I honestly don't know how good they were at fund raising and I trust they must have been very good but at least I wanted to throw that into the pot."

Professor Richard E. Schuler, Civil and Environmental Engineering and Economics: "I think what this discussion is beginning to generate is exactly the range of ideas that are going to be important input, but if there's one thing I do hear is that the world that influences the University is changing and the technologies that we have available to us to communicate what we have to offer are also changing. The valuable way to proceed is to pose a range of questions in that changing environment that would be important to ask the president.

"I certainly feel that fund raising is important, but there is another model that I also would like to see Cornell use more effectively; that is to try the Faculty's hand at raising funds. There are far more of us than there is a single president and I think the faculty has demonstrated an incredible ability to raise money for their particular research grants. Well, if we were used more by the Alumni Association and we had a president that spent somewhat more time trying to deal with the internal changes than project an image of the University, that also might be a desired combination. Of course in the

final result, it always becomes a question of who are the candidates available rather than setting up your hypothetical ideal. What we have to do is be armed with a set of questions and issues that we think are important and then judge the individual candidates on the thoughtfulness they have provided with respect to those issues.”

Speaker Cooke: “We are still thirty minutes away from a mandatory closure but we'll close any time we run out of things to say. Any further comments?”

“One observation by the Acting Speaker is to call your colleagues from the FCR membership not present today and invite them to be here next time. It's nerve-racking to risk a quorum but we all value the advice and counsel they bring.

“Any final comment? If not, we'll ask for a unanimous consent for adjournment.”

The meeting was adjourned at 5:30 p.m.

Robert F. Lucey
Secretary of the Faculty

April 6, 1994

REPORT FROM THE COMMITTEE ON NOMINATIONS AND ELECTIONS

SLATE OF CANDIDATES

(all terms commence July 1, 1994 unless otherwise indicated)

FACULTY TRUSTEE - 1 vacancy, 3-year term

Karen W. Brazell, Professor, Asian Studies
 Ronald G. Ehrenberg, Irving M. Ives Professor of Industrial & Labor Relations and Economics
 Dorothy M. Mermin, Professor, English
 Richard E. Schuler, Professor, Civil and Environmental Engineering and Economics

AT-LARGE MEMBER, FCR - 3 vacancies, 3-year terms

John M. Abowd, Professor, Industrial and Labor Relations
 Steven W. Cornelius, Associate Professor, Human Development and Family Studies
 Clifford J. Earle, Professor, Mathematics
 Jeffrey J. Haugaard, Assistant Professor, Human Development and Family Studies
 Howard C. Howland, Professor, Neurobiology and Behavior
 Kenneth A. Strike, Professor, Education

COMMITTEE ON MEMBERSHIP OF THE UNIVERSITY FACULTY - 1 vacancy, 3-year term

Thomas R. Dyckman, Ann Whitney Olin Professor of Accounting
 Robert H. Silsbee, Professor, Physics

NOMINATIONS AND ELECTIONS COMMITTEE - 4 vacancies, 3-year terms

Frederick M. Ahl, Professor, Classics
 Joan J. Brumberg, Professor, Human Development and Family Studies
 David A. Easley, Professor, Economics
 Jerome E. Hass, Professor, Johnson Graduate School of Management
 Jean N. Locey, Professor and Chair, Art
 Daniel N. Tapper, Professor, Physiology

(over)

REVIEW AND PROCEDURES COMMITTEE - 3 vacancies, 3-year terms

Robin R. Bellinder, Associate Professor, Fruit and Vegetable Science
Robert M. Cotts, Professor, Physics
Philip D. Nicholson, Associate Professor, Astronomy
Alice N. Pell, Associate Professor, Animal Science
Peter Schwartz, Professor, Textiles and Apparel
Michael L. Thonney, Professor, Animal Science

UNIVERSITY-ROTC RELATIONSHIPS COMMITTEE - 2 vacancies, 3-year terms

Louis N. Hand, Professor, Physics
James R. Houck, Professor, Astronomy
Richard E. Ripple, Professor, Education
William B. Streett, Professor, Chemical Engineering

**COMMITTEE ON ACADEMIC PROGRAMS AND POLICIES - 1 non-tenured vacancy,
3-year term**

Kent L. Goetz, Assistant Professor, Theatre Arts
Joseph B. Yavitt, Assistant Professor, Natural Resources

COMMITTEE ON ADMISSIONS AND FINANCIAL AID - 1 vacancy, 3-year term

Cynthia Chase, Associate Professor, English
J. Peter Krusius, Professor, Electrical Engineering

COMMITTEE ON AFFIRMATIVE ACTION - 1 vacancy, 3-year term

Kathleen P. Long, Associate Professor, Romance Studies
Gary J. Simson, Professor, Law
Hortense J. Spillers, Professor, English

COMMITTEE ON AFFIRMATIVE ACTION - 1 non-tenured vacancy, 3-year term

Elizabeth A. Stevens, Assistant Professor, Hotel Administration
Barbara J. Strupp, Associate Professor, Nutritional Sciences
Peter J. Taylor, Assistant Professor, Science and Technology Studies

ATHLETICS ADVISORY COMMITTEE ON ATHLETICS AND PHYSICAL EDUCATION

- 2 vacancies, 3-year terms

William L. Brown, Professor and Chairman, Rural Sociology
George J. Conneman, Professor, Agricultural, Resource, and Managerial Economics
Robert A. Hillman, Professor, Law
Steven P. O'Hara, Robert W. Purcell Professor of Management

COMMITTEE ON FINANCIAL POLICIES - 4 vacancies, two endowed and two statutory,
3-year terms

Statutory:
Robert Cooke, Professor, Agricultural and Biological Engineering
George A. German, Professor, Agricultural, Resource, and Managerial Economics
Robert A. Milligan, Professor, Agricultural, Resource, and Managerial Economics

Endowed:
Keith Dennis, Professor, Mathematics
Dorothy Saltzman, Professor, City and Regional Planning
Charles W. Wolfram, Charles F. Reavis Sr. Professor of Law

MINORITY EDUCATION COMMITTEE - 2 vacancies, 3-year terms

Alberto Garza, Leading Professor and Director, Division of Nutritional Sciences
Annifer C. Greene, Associate Professor, Human Service Studies
Doraine E. Maxwell, Assistant Professor, Design and Environmental Analysis
Ayed A. Naqi, Professor, Avian and Aquatic Animal Medicine

UNIVERSITY ASSEMBLY - 4 vacancies, 2-year terms beginning June 1, 1994

Robin D. Gleed, Associate Professor, Clinical Sciences
Ray T. Oglesby, Professor, Natural Resources
Andrea Parrot, Assistant Professor, Human Service Studies
Joan R. Piggott, Assistant Professor, History
Clifford W. Scherer, Associate Professor, Communication
Dawn E. Schrader, Assistant Professor, Education

**RESOLUTION TO CHANGE THE DEGREE DESIGNATION
“MASTER OF PROFESSIONAL STUDIES” (M.P.S.) TO
“MASTER OF MANAGEMENT IN HOSPITALITY” (M.M.H.)**

WHEREAS, the “Master of Professional Studies” (M.P.S.) is currently granted to graduates completing the two-year professional program in the School of Hotel Administration, and

WHEREAS, new applicants, in-course students, alumni, and hospitality industry contacts have expressed opinions that the M.P.S. designation is confusing and unfamiliar in use, and that a new degree name would better reflect the nature of the program and qualifications of its graduates, and

WHEREAS, the faculty and administration of the Hotel School support the change in name of the professional master’s program to Master of Management in Hospitality (M.M.H.),

THEREFORE, BE IT RESOLVED, that the Committee on Academic Programs and Policies recommends that the FCR approve the change in degree name, and

BE IT FURTHER RESOLVED, that the Dean of Faculty forward this recommendation to the President with the request that it be forwarded to the Board of Trustees for action.

March 31, 1994

Proposal for the Master of Management in Hospitality (M.M.H) Degree

The faculty of the School of Hotel Administration is seeking permission to change the degree name "Master of Professional Studies" currently granted to the graduates of its two-year professional program to "Master of Management in Hospitality" (M.M.H). For some time now, new applicants, alumni and hospitality industry contacts have expressed opinions that the M.P.S. designation is confusing and unfamiliar in use. A survey conducted by the Hotel School in 1990 confirmed that over 90% of the alumni and in-course students preferred a new degree name that would better reflect the nature of the program and qualifications of its graduates.

The Master of Management in Hospitality degree communicates the following clearly:

- A. Master of Management in Hospitality conveys meaning about the nature and content of the program, and the qualifications of graduates.
- B. The Master of Management in Hospitality degree reflects the cornerstone of the Hotel School program: mastery of hospitality management.
- C. The Master of Management in Hospitality degree will increase the quantity and quality of the applicant pool, many of whom are confused or unsure about the M.P.S. designation currently offered.
- D. The shift in focus over the past decade from administration to management in the Hotel School is reflected in the new degree name.

E. The M.M.H. designation recognizes the management focus of the Hotel School without encroachment on the M.B.A. designation offered by the Johnson School of Management.

The faculty and administration of the Hotel School support the granting of "Master Management in Hospitality," and have provided a mandate to proceed with this request for change.

The Process for Change

The Hotel School's professional master's program is considered to be the best in the world by many hospitality managers and educators. There is no plan to launch a new program, or re-engineer the existing one beyond the normal, on-going process of curriculum review and change. The Hotel School simply seeks a change in degree name.

The mechanism under the regulations of the Education Department of the State of New York by which a change in degree name may be achieved is identical to the process for gaining permission to offer a new program. Consequently, documents have been prepared which describe the existing program's curriculum, organization and funding as if they were being proposed as a new program. Of course the existing program has been fully funded and authorized for many years. These documents are available should any colleagues desire to review them.

RESOLUTION CONCERNING THE PROPOSED
BRONFENBRENNER LIFE COURSE CENTER

WHEREAS, a proposal to establish the Bronfenbrenner Life Course Center has been submitted by the College of Human Ecology for consideration by the Faculty Council of Representatives and has been reviewed by the Committee on Academic Programs and Policies, and

WHEREAS, the proposed center is intended to foster collaborative research, outreach and educational efforts aimed at life-long competency and productive maturity, and

WHEREAS, the proposed center, while housed in the College of Human Ecology, will have an interdisciplinary nature involving faculty in several of the Colleges and Schools,

THEREFORE, BE IT RESOLVED, that the Faculty Council of Representatives approves the proposal to establish the Bronfenbrenner Life Course Center as outlined in the March 1994 "Charter for the Bronfenbrenner Life Course Center" (attached) brought forward by the College of Human Ecology.

CHARTER FOR THE BRONFENBRENNER LIFE COURSE CENTER

PREAMBLE

The Bronfenbrenner Life Course Center is an outgrowth of the Life Course Institute, created by The College of Human Ecology in 1992. This initiative was in response to: (1) the need for new knowledge in the light of major demographic and social changes and the resultant challenges that we as a society face; and (2) the need and opportunity for Cornell to marshal its faculty capabilities in the social and behavioral sciences, consistent with Cornell's responsibilities as a land-grant and a research university. The need for a life course approach and the application of new knowledge generated by that approach is heightened by the transformations in gender roles, in the age structure of the population, in the workplace, and in the family that have produced dramatic shifts in "typical" life pathways, as well as greater variability in family patterns of living and the development of individuals over the life course. The institute has encouraged and facilitated collaborative research, training and outreach about effective families and individual lives in terms of stability and change over time and across generations.

The institute greatly benefitted from the endowment of the Ferris Family Professorship in Life Course Studies. Collaborative research and outreach programs have resulted in external grants. Faculty response to institute programs indicates wide interest across colleges, departments and disciplines in applying the life course approach.

Recognizing the contributions of Urie Bronfenbrenner, Jacob Gould Schurman Professor Emeritus, internationally known for his contributions to the ecology of human development, and whose work and wide interests transcend disciplinary boundaries, the Cornell University Naming Committee gave permission in 1993 to rename the Institute the Bronfenbrenner Life Course Center in his honor.

Cornell University has multidisciplinary capabilities located throughout its endowed and statutory units that can be marshalled to promote innovative, collaborative research, service, and educational efforts aimed at fostering effective families and lives across the life course. The creation of the Bronfenbrenner Center continues the Cornell tradition of combining theory with practice and linking research with policy development, a tradition that is epitomized in the career of Urie Bronfenbrenner.

OBJECTIVES

The Bronfenbrenner Life Course Center fosters collaborative research, outreach and educational efforts aimed at promoting life-long competency and productive maturity. To that end, the Center focuses on the effective functioning of individuals and families at all stages of the life course. The hallmark of the Bronfenbrenner Life Course Center is its life-course perspective, examining stability and change in families and individual lives over time and across generations.

In the pursuit of this mission scholars both within and across disciplines collaborate in developing research, outreach and other programmatic activities to achieve the following objectives:

- * To execute multidisciplinary, collaborative, problem-oriented **research** on effective family and individual functioning throughout the life course.
- * To design and study **policies and programs** that might enhance the effectiveness of families and individuals and promote life-long competency and productive maturity.
- * To **disseminate the findings** of life course research to policy-makers in the public and private sectors, and to encourage ongoing dialogues between and among scholars, policy-makers, citizens and advocacy groups.
- * To **educate** students in applying a life-course approach to research and policy analysis.

ORGANIZATION

The Bronfenbrenner Life Course Center is a University-wide organization housed in the College of Human Ecology.

1. Membership

Members of the Bronfenbrenner Life Course Center are Cornell Faculty members, extension associates, and research associates. Membership in the Bronfenbrenner Life Course Center is open to faculty members, extension associates, or research associates interested in teaching, research, or outreach related to effective families and lives, at all stages of the life course. Application for membership can be made at any time. Members will be periodically queried as to whether they wish to continue being included in the Bronfenbrenner Life Course Center (receiving announcements from the center and being considered as a member).

2. Affiliated Organizations

In addition to individual members, other Cornell centers, institutes and programs whose activities are related to life course development can affiliate with the Bronfenbrenner Center. Requests for affiliation are made to the Director of the Bronfenbrenner Center.

3. Governance

3.1 The Director

The Bronfenbrenner Center will have a Director who is a senior tenured faculty member in the College of Human Ecology at Cornell. The Dean of the College of Human Ecology, in consultation with the Vice President for Research and Advanced Studies, shall appoint the Director. The term of appointment will be three years, subject to re-appointment.

The Director will provide leadership to the Bronfenbrenner Center and be responsible for the funds associated with the Center. The Director shall prepare an annual budget for submission to the Dean of the College of Human Ecology, to be reviewed by the University Governing Board, and shall submit an annual report on the activities of the center to both the Dean of the College of Human Ecology and the Vice President for Research and Advanced Studies. The Director may appoint various committees to oversee and carry out the work of the Bronfenbrenner Life Course Center.

3.2 Assistant Director

The Bronfenbrenner Center will generally have an Assistant Director responsible for management of the activities of the Center, depending on the available budget and the recommendation of the Director. The full or part-time Assistant Director shall be appointed by the Director and report to the Director.

3.3 Other Staff

The Bronfenbrenner Center will have no faculty that are entirely appointed within the Center. The Bronfenbrenner Center may make term appointments of non-academic staff and non-faculty academic staff, including postdoctoral fellows, research associates, and extension associates.

3.4 Steering Committee

The Bronfenbrenner Center will be governed by a Steering Committee constituted as follows:

- the Director and Assistant Director of the Bronfenbrenner Life Course Center
- three members-at-large, elected by the individual members of the center for terms not to exceed three

years. The members may be from any unit at Cornell, at least two of whom will be from units other than the College of Human Ecology

- two members from the faculty of the College of Human Ecology, appointed by the Dean.

The Steering Committee shall have responsibility to work with the director in establishing the direction and implementing the program of work of the Bronfenbrenner Center, including programming and center initiatives. Responsibility for basic funding the center rests with the College of Human Ecology; funding in addition to a base budget will come from sources external to the College. The Steering Committee shall meet on a regular basis, not less than three times a year.

3.5 University Governing Board

The Dean of the College of Human Ecology will chair the University Governing Board of the Bronfenbrenner Center. It shall be composed of the Vice President of Research and Advanced Studies, the Director of the center (ex officio), the Director of Cornell Cooperative Extension, and an administrator from another college with participants in the center. The Governing Board will review the plans of the center, the annual budget, and will give counsel to the Dean of Human Ecology on the appointment of the Director. This board will also assume oversight responsibility for the center, and periodically evaluate the center's progress in achieving its major goals, soliciting the judgements of the External Advisory Panel.

4. External Advisory Panel

The Bronfenbrenner Center will have an External Advisory Panel, whose members are selected by the Dean of the College of Human Ecology and the Director of the Center, in consultation with the University Governing Board and the Steering Committee. These members will be selected to give the External Advisory Board breadth and balance, including:

- community practitioners
- representatives of research institutes, government agencies, foundations, corporations, trade associations, and alumni
- scholars at other universities or colleges

The External Advisory Panel shall convene at least once every two years. The External Advisory Panel shall have the duty and responsibility of advising the Steering Committee as to the interests, directions, and needs of the research and policy communities so as to ensure the timeliness and relevance of Cornell's work in promoting effective families and effective lives.

NECESSARY RESOURCES

The Bronfenbrenner Life Course Center will be housed in the College of Human Ecology and core support has been committed by the college. The current director holds the Ferris Family Chair, The infrastructure costs of the Bronfenbrenner Center will come from the endowment for the professorship and other college support will come from indirect cost funds and gifts.

ADDENDUM:

The Institute has already brought together interested faculty from across the campus. For example, faculty from Human Ecology and Rural Sociology collaborate in the Cornell Applied Gerontology Research Institute, funded by the National Institute on Aging. Other faculty from ILR, Sociology, Rural Sociology, Human Development and Family Studies, and Consumer Economics and Housing worked together in submitting a graduate training grant proposal that has not yet been funded.

MINUTES OF A MEETING OF THE FACULTY COUNCIL OF REPRESENTATIVES

May 11, 1994

Eighth Meeting of 1993-94 Academic Year
(Number in parenthesis indicates attendance at meetings to date)

Present: **Afr. Ctr.:** Greene, S.E.(7). **CALS:** Baer, R.A. (8); Berkey, A. (6); Ewert, D.M. (5); Gillett, J.W. (6); Parks, J.E. (5); Pritts, M.P. (6); Rockcastle, V.N. (8); Slack, S.A. (4); Smith, M. (7); Tauer, L.W. (5). **Geneva:** Rao, M.A. (5). **AAP:** Cruvellier, M. (5); Saltzman, S. (8). **A&S:** Ahl, F. (6); Cotts, R.M. (7); Darlington, R. (4); Geber, M.A. (4); Hayes, D. (6); Howland, H.C. (5); Hull, I. (8); Kennedy, K.A.R. (6); Peirce, L. (5); Shanzer, D. (7); Speh, B. (7). **Engr.:** Farley, D.T. (8); Fisher, E. (7); Giannelis, E. (6); Jirka, G. (4); Kay, R.W. (6); Liboff, R. (3); Rand, R. (3); Turnbull, B.W. (spg. only)(4); Warhaft, Z. (5). **Hotel:** Dunn, D. (6); Sherry, J. (5). **H.E.:** Obendorf, K. (7); Street, L. (4); Wethington, E. (5). **ILR:** Abowd, J. (6); Kuruvilla, S. (6); Lieberwitz, R. (5). **Libr.:** Atkinson, R.W. (6). **Vet. Med.:** Hermanson, J.W. (7); Meyers-Wallen, V. (6). **At-Large:** Decker, D. (4); Farley, J.T. (8); Holcomb, D.F. (7); Todd, M. (spg. only)(4). **Faculty Trustees:** Calvo, J.M. (7).

Absent: **CALS:** Awa, N.E. (1); Feldman, R. (4); Glynn, C. (0). **Geneva:** Koller, W. (4); Shelton, A.M. (3). **AAP:** Perlus, B.A. (3). **A&S:** Bathrick, D. (2); DeVoogd, T.J. (6); Feigenson, G.W. (3); Hirschmann, N.J. (5); Keil, F. (3); Lambert, B. (3); Loring, R.F. (3); MacDonald, J.F. (6); Mullen, H. (0); Siggia, E. (spg. only) (2); Strang, D. (3); Strauss, B. (4). **Engr.:** Brown, G. (spg. only)(0); Liu, P. (3); Philpot, W. (3). **H.E.:** Garner, C.E. (4); Key, R. (spg. only)(0). **JGSM:** Lind, R. (1); McAdams, A.K. (7). **Law:** Green, R.A. (5); Taylor, W.F. (spg. only)(0). **ROTC:** Corcoran, G.J. (6). **Vet. Med.:** Ball, B. (2); Casey, J.W. (1); Dubovi, E.J. (2); Kalfelz, F.A. (4); Randolph, J.F. (6). **At-Large:** Bierman, H. (4); Leviitsky, D.A. (5); Lumley, J.L. (2); Schuler, R.E. (7); Shiffrin, S. (spg. only)(3); Walter, M.F. (5). **Faculty Trustees:** Kramnick, I. (1).

President Frank H. T. Rhodes: "Friends, we should call this meeting to order, and the first item of business is that I will read the names of our faculty colleagues who have passed away this academic year. I will then ask you if you will join me in standing to recognize these friends who contributed so much in their life and their work to our University."

1. FACULTY DEATHS

Paul J Chapman, Professor Emeritus, Entomology (Geneva),
October 5, 1993

Charles G. Rickard, Professor Emeritus, Pathology, October 20, 1993

Bart J. Conta, Professor Emeritus, Mechanical and Aerospace
Engineering, November 1, 1993

Sho-Chieh Tsiang, Professor Emeritus, Economics, October 21, 1993

Harrup A. Freeman, Professor Emeritus, Law, October 28, 1993

Harry A. MacDonald, Professor Emeritus, Agronomy, November 14, 1993

Arthur H. Burr, Hiram Sibley Professor of Mechanical Engineering, Emeritus, November 5, 1993

2. REMARKS BY THE DEAN

Ronald D. Mack, Associate Professor, Psychology, November 27, 1993

Blanchard L. Rideout, Professor Emeritus, Romance Studies, December 3, 1993

J Milton Cowan, Professor Emeritus, Linguistics, December 20, 1993

Harold E. Shadick, Professor Emeritus, Asian Studies, December 21, 1993

R. Lauriston Sharp, Goldwin Smith Professor of Anthropology and Asian Studies, Emeritus, December 31, 1993

Dennis G. Shepherd, John Edson Sweet Professor of Engineering, Emeritus, January 9, 1994

Stanley W. Warren, Professor Emeritus, Farm Management, January 10, 1994

John W. Wells, Professor Emeritus, Geological Sciences, January 12, 1994

Eugene A. Delwiche, Professor Emeritus, Microbiology, January 14, 1994

Robert F. Risley, Professor Emeritus, Industrial and Labor Relations, January 20, 1994

Charles E. Ostrander, Professor Emeritus, Poultry Science, April 15, 1994

Cyrl W. Terry, Professor Emeritus, Agricultural Engineering, April 25, 1994

"These are more than just names on a list. They are colleagues and friends to whom we owe a debt and of whom we have lasting and strong memories. Will you join with me in recognizing these departed members.

"Thank you. Mr. Speaker."

Speaker Professor Emeritus Russell Martin, Communication: "Thank you, President Rhodes. The Chair now calls on the Dean of the Faculty, Peter Stein, for remarks, followed by a report of the Faculty Advisory Committee to the Presidential Search."

2. REMARKS BY THE DEAN

Peter Stein, Dean of the University Faculty: "For the first part of my report, I want to report on a meeting of the Executive Committee. After our last meeting, we decided that the FCR should present a gift to our departing head, to President Rhodes. Then we had to think a lot about what we ought to give him as a gift. First we thought of a watch, but that didn't seem right. He probably has a watch and it didn't seem of sufficient value. Somebody suggested a sterling silver tea set. How about that? That seemed like a better idea, but the question was how to pay for it. Somebody suggested the indirect cost flow. We thought about that for awhile, but we decided that wasn't right, either. It didn't seem in keeping with the times.

"We had to figure out something that really had high value that we could afford. Professor McAdams pointed out, as he does quite often, that value and cost are not the same thing. We need something of high value and low cost. We thought about that, and we thought maybe a work of art. Somebody pointed out that van Gogh was able to turn eighty cents worth of paint into something that is now worth twenty-five million dollars. Now that's an idea. That's low cost and high value. So we thought about that a little bit. What is it about that eighty cents of paint worth twenty-five million dollars? It has two characteristics. One is uniqueness, that's very important. The other is emotion. We need something unique and something that by itself conveys an emotion that is felt on the part of the creator to the person who's looking at it.

"We decided we were on the right track. And then suddenly it came to us. What is something unique? We thought about the possibility of a hand-lettered FCR framed resolution. Now there's one that's unique. There's something that doesn't exist another copy of in the whole world. We talked with our colleague, Peter Kahn, who as you know, likes to letter things by hand. And we came up with the only example in the entire world of a hand-lettered FCR resolution.

"That's the first half of it. And the second half of it, does it convey emotion? Does it convey something of great meaning? And we decided it does. This is the FCR resolution that was passed in our last meeting. And I would just like to say that I have spent a lot of time over the last month going around talking to faculties about what it is we need in a new president. From that I've had a lot of interesting discussions, but one thing that's come out of it was that there is a unanimity that is hard to find. You know as well as I, you get 25 faculty members together, you get 50 points of view. On this one question; namely, how do we feel about your stewardship of the University, do

we feel that Cornell has been well led over the last 17 years? I can tell you that almost--you won't believe me if I tell you there's complete unanimity, and that's right--but I tell you, that there is more unanimity on this subject than on any other that I have seen. I think it really is a credit to you.

"From the FCR, from myself, from the Executive Committee, we'd like to present you with this resolution which we feel expresses the feeling of the entire Cornell Faculty."

[Applause]

President Rhodes: "I'm not sure, Mr. Dean, that I'm allowed to reply, but that's two meetings in succession that you've taken me by surprise, and I want to tell you, you could have given me nothing that I would treasure more than this expression of your support. It's literally true that I have felt a sense of kinship and participation with the Faculty from my first day on campus--in fact, from the day you interviewed me, some of you, before I committed myself and you committed yourselves. And, Peter, for all the partnership that this represents, for the deep sense of gratitude I have to my colleagues, I want to thank all of you very much. Thank you."

Dean Stein: "I now have several other items on which I want to report. I want to report on the results of the Faculty Trustee election. I think we had a particularly distinguished slate for our trustee and the person we have selected to be on the Board of Trustees is Professor Richard Schuler. I know Dick is away. He wanted to be here, but he has a meeting in California that he couldn't cut. I'm convinced in my own mind that he will represent our interests very well.

"The second thing I want to report is that we passed a resolution regarding the funding of the Library. We asked the Provost to respond to us on that and he has responded. He has declined to change his allocation to the library but he has explained to us why he is inclined to do that. That was passed out when you came in (Appendix A). The Provost is here, and I believe is willing to answer questions on that subject at the appropriate time.

"Another item I want to report to you is that the Executive Committee, on behalf of the FCR, has given a letter to John Wiesenfeld on the strategic planning process. It is clearly a letter (Appendix B) which is critical of the report that has been issued. John, you're in the room somewhere? Yes. John assures me that the current report is part of a process and that these remarks we have made he will listen to.

"I want to report on the room for the FCR meetings. Joe Calvo, after the last FCR meeting, pointed out to me that this could be the worst room you could imagine to have an FCR meeting in. It certainly is not a room that is designed to produce a sense of community with seventy-five or eighty people. I took that to heart. It's hard to talk, you have to talk very loud to get up there and we searched around. It's not easy to find a

room on central campus which is smaller and comfortable and open at the hours that we need it. But we have found a single room which is 265 in Statler Hall which seats about 140 people and which is a nice pleasant room, and that's where we'll have our FCR meetings next year.

"I also want to report that the Executive Committee has had a discussion with the Provost, an ongoing discussion with the Provost and sometimes with President Rhodes, about our desire to have representation from the Faculty on the committee that the Provost has formed to advise him with regard to budget priorities, and we have sort of an informal agreement. We met and decided that in fact we felt we were well served by the two Faculty members who currently serve on that committee, Ron Ehrenberg and Don Holcomb, and he accepted that recommendation. For me that is a significant event--namely, that those two gentlemen serve on that committee with the blessings of the faculty governance organization.

"The last thing I want to report on is that, as I told you at the last meeting, the Chairman of the search committee for a new president has asked me to assemble a Faculty Advisory Committee to advise them while they conduct a search. We have in fact assembled a committee with the advice and consent of the Executive Committee. It was very difficult to try to figure out a committee of manageable size that spanned the intellectual interests of the faculty that were sensitive to the gender makeup, minority makeup, to the college designations and had significant representation from the faculty governance, but in fact we did come up, after a long discussion, with a group of 13 faculty members. I then asked those 13 faculty members and I'm pleased to report that all of them agreed with enthusiasm to serve on that committee. I've also passed out a list of the membership of that committee (Appendix C). That concludes my remarks."

Speaker Martin: "Thank you, Peter. Are there any questions for Dean Stein? Do we have a quorum, Mr. Secretary?"

Robert F. Lucey, the E. V. Baker Professor of Agriculture, and Secretary of the University Faculty: "Yes, we do."

Speaker Martin: "Thank you. The Chair again calls on Dean Stein for approval of the Slate of Candidates for FCR seats on committees."

3. APPROVAL OF SLATE OF CANDIDATES

Dean Stein: "We have passed out a Slate of Candidates (Appendix D). Are there further additions to that? Are there any other nominations from the floor? Seeing none, I shall declare the nominations closed. All in favor of the Slate that's been passed out, please say aye. (Aye.) Opposed, no. The Slate is approved."

Speaker Martin: "The chair next calls on Professor John Abowd, Co-chair of the Financial Policies Committee, for a report."

4. REPORT OF THE FINANCIAL POLICIES COMMITTEE

Professor John Abowd, ILR: "It's my privilege to summarize the work of the Financial Policies Committee, some of which you saw earlier this semester when we jointly sponsored several resolutions with the Commission on Higher Education.

"I'm going to take you on a whirlwind tour of what we did this year (Appendix E). Primarily, I should point out for the purpose of putting on the record some of the things the Committee has learned so subsequent members of that Committee and subsequent members of the University Faculty can benefit from the research. There isn't any real need to move many of these things, it's mostly a question of conveying to you the concerns that the Financial Policies Committee expressed over the year to various members of the University administration and then discussing their answers. We won't be able to spend very long on any one answer, and I think I see most of the members of the Committee in the audience and several of the University vice-presidents; in particular, Vice President Rogers, who supplied some of the slides I'm going to show you today. And I will, I'm sure, respect my time limit.

"We were in a subcommittee structure for most of the year, which meant that the subcommittees were charged with meeting regularly and reporting back to the committee. Each of the subcommittees had a set of issues that they looked into throughout the course of the semester, and made regular reports. We attempted basically to make sure that progress was made on many of these fronts, usually in detailed discussions with various University groups in trying to define the issues and further the interests of the FCR and the Faculty in general.

"Let me briefly remark that earlier in the semester the Financial Policies Committee along with the Commission on Higher Education brought you a resolution linking tuition policy to reduction in costs, particularly in personnel costs. There was a full and vigorous debate of that--not the first time but the second time--so I don't want to dwell on that, but no report would be complete without mentioning that was an important part of the Financial Policies Committee's work, especially when we were working as a whole Committee.

"The first of our Committees was the Budget Subcommittee, and it was Alan McAdams who took responsibility for this Subcommittee, and in fact worked very hard to increase the formal Faculty participation in the budget process. I think that in general we ought to notice that although there weren't specific budget resolutions other than the one that came jointly from the Commission on Higher Education, I think the direct Faculty participation in the budget process was at a higher level this year than last year. What this Committee did was look at the basic assumptions underlying the General Purpose

Budget and then focus specifically on two issues most of this semester--capital campaign costs and rising employee benefit recovery rates. Our goal was to understand why the charges showed up in the different budgets, and then if we saw something to which we strongly disagreed, to bring a motion to the FCR, if that seemed appropriate. It took a long time to understand these issues and essentially I just want to show you the results of that so that you understand what we learned.

“What were the issues with capital campaign costs? Several members of the Financial Policies Committee were concerned that the General Purpose Budget and perhaps some of the other budgets of operating units of the University reflected inappropriately charges for the Capital Campaign. Whether they were appropriate or not basically depends on how it was done, so we haven't got an opinion on whether they were appropriate although my personal opinion is that they were reasonably done but it's important I think to get out in the open how it was done and what the charges reflect. Essentially there was a decision made by the deans in the organization of the Capital Campaign to finance part of it--officially 45 percent--but if you do the present value, the calculation's a little closer to 50 percent, with direct charges to the endowment and officially 55 percent--but actually closer to 50 percent--by allocated charges to the various units which were participating in the Capital Campaign. The allocated part was further financed so deans and administrative heads of different participating units didn't have to bear the costs before they started receiving some of the fruits of the labor of the Capital Campaign. So, there is a fairly elaborate plan which was shared with the Financial Policies Committee showing how the capital costs were allocated to the colleges. There is a settling up process that we won't see until the end of the Capital Campaign wherein the actual charges to the individual units will be set proportional to what they actually received rather than what they were budgeted to get as a part of the Capital Campaign. The consequences of this are that the campaign will affect the participating units budgets through a ten year cycle, ending in the 1998-99 budget. The charges to the units, because they were deferred, will show up in larger measure after the benefits of the Capital Campaign start to flow in rather than currently. Vice President Rogers graciously prepared some slides that illustrate these points a little more clearly than I could have (Appendix F).

“What this first slide shows is the total Public Affairs Budget and not the incremental Capital Campaign so that the large medium gray area at the bottom is what has been charged to the General Purpose Budget. Excuse me, it's the base. Where they're paid from is in the next slide. The various components of the campaign costs show up here. In terms of the sources which is what the Committee looked at more, the General Purpose Budget is the source of a base of 8 million in 87-88 and has grown. The current fiscal year is right in the middle--93-94--it's about 10 million. Again, I stress these are not the incremental campaigns, these are the entire fund raising efforts of the University. So, in particular, this doesn't show the 50/50 split. To see the 50/50 split, we can look in the current year budget at what happened to the approximately 7 million dollars worth of charges this year that were associated with the Capital

Campaign. Long term investment pool funding means essentially that it was charged to the endowment. Current operating budget funding means that it was charged to one of the operating budgets of the units. That includes the General Purpose Budget and also the operating budgets of other units. The unamortized portion is the chunk that came as a direct bill and the amortized portion is the part that was divided over the ten year life of the agreed upon financial plan. The total that was paid from current funds is the sum of the unamortized portion and the annuity part of the amortized portion which shows this 572, so a total of 3 million approximately--\$2,992,000--were allocated to various current budgets for the Capital Campaign while \$3,541,000 were allocated directly to the endowment. That's in this year. That divided up among the various budgets is \$1,289,000 to the general purpose colleges and smaller amounts to other units around the University. I stress that this is the plan that was agreed upon by the deans and the heads of these units when the Capital Campaign was launched and the Committee's purpose in presenting this to you is to make it known why these charges show up in the budget since it kind of puts into the general discussion how the Capital Campaign was paid for.

"The other costs that the Budget Subcommittee looked at carefully were the effects of retiree health care on the direct cost recovery of employee benefits. The issues here were largely forced upon Cornell but they do make Cornell think clearly about what's going on. There are changes in the way the Financial Accounting Standards Board required universities and businesses to account for retiree health care. Essentially on balance sheets these entities like universities are required to recognize the liability. And the liability is the present value or amount of money that would be spent on retiree health care with people who are vested and accrued that health care actually retire. One thing that this policy forced on the University was clarifying the vesting rules and the definition of the benefit. So, at age 55 after 10 years of service and then to calculate the liability you go through and do a lot of actuarial projections. The current estimate of the liability is about 53 million dollars. That's the present value of the amounts that Cornell expects to pay over the next 30 - 35 years for the health care of people who are already vested in the system--they are either current retirees or they have attained the age of 55 with 10 years of service at Cornell. The Financial Accounting Standards Board gave the universities and businesses a lot of leeway to decide a schedule for actually turning that liability into an expense that they recognize on an annual basis and we have to turn it into an expense recognized on an annual basis in order to put that payment into the set of entities that allow Cornell to charge other units for benefits and to recover the costs of those benefits from external financing sources like the Federal government. The rules there are quite strict and they were explained to the Committee at some length, and I took a lot of grief for having them explained to the Committee at that length but essentially I think the members of the Committee now understand them. The main policy decision is the more you recognize the expense associated with retiree health care, the more cash Cornell has to pay into the retiree benefit pool immediately, not all of which can be covered from external sources, but it's at risk to be recovered from external sources.

So, you're trading off a higher benefit rate which, when you succeed in getting external funding, generates more recovery, a recovery more closely related to the benefit, but of course the budget for the entire proposal is going to be higher so there is some reduced chance of having the overall proposal funded. Internally, it's mostly a question of whether we recognize currently or in the future the expenses associated with retiree health care.

"What got us going on this was noticing that benefit rates were projected to rise from around 30 percent--this in the non-academic endowed rate--to around 40 percent over the next six or seven years. In fact, many people actually prepared budgets in which the third year budget this year reflected a benefit rate that was 37 percent. We wanted to know why that was and that basically reflected the original proposal to the Trustees, which was to fully fund the FAS106 liability beginning in 96-97, the three fiscal years, and it would have resulted in benefit rates that project out to 36 or 37 percent. The circle line here is under the current actuarial assumptions. The actuarial assumptions changed from last semester to this semester. These checks are the current actuarial assumptions. The benefit rate would have had to get to around 37 percent. This is the non-academic rate, so we add on to that for the academic rate in order to fully fund it. Instead, the decision was made to basically fund two parts of it--to continue paying as we go for the people who are currently retired and to recognize the accrued vested liability for those who aren't. That is to say each year there are another group of people who become vested in the program. They have a projected value of their projected retiree health care expenses. That is called current service in the language that accountants choose to use for this particular exercise. The black square of the circle will actually be funded and now it takes about 30 years for the dynamics of this to work out and we're not going to go through the 30-year evolution. But I should have one more slide with rates in it. So, the proposed rate base under the current funding only the current service, would rise to a peak of 34 percent and stay level and that would approximately balance the pool. It would be a little high early and a little low later over a ten year horizon.

"It's virtually impossible to formulate a recommendation on this because there is so much flux as to what the Federal government will and won't allow and how the accounting standard will work. The subcommittee convinced itself we had gotten an accurate representation of what was going on and what was being presented to the Trustees and we could expect that non-academic endowed benefit rates would not grow much beyond 34 percent and then stay relatively flat for a reasonable length of time. The alternative if we stayed on pay as you go is that these rates go through the sky in about a decade and a half. It was just a matter of timing for the recognition of the expense; it's not a question of whether we have to pay for it or not.

"My employee benefits class would probably not have appreciated the speed with which I just did that. There will be time for questions.

"The next subcommittee is the Information Systems Subcommittee which was charged at the beginning of the year with trying to answer a number of fairly specific questions about the composition of the employment pool at Cornell. In particular, who was paid by soft money, who was paid by hard money, what were the various configurations in the different colleges. And as an outgrowth of another committee I'll talk about in a little while, tried to figure out what the distribution of class sizes was inside the University. The Subcommittee reported several times that the state of the University information systems was not up to answering these questions other than by directly collecting and adding to the existing systems the answers to these questions. Some of that has been done. In addition, the Subcommittee has cooperated with the various offices that are redesigning the University information systems to make our data requirements and interests known. We believe the newly designed information systems will reflect those interests and will make it possible to answer questions like, 'what's the configuration of employees in a college and who funds them and who is projected to fund them.' We don't have any information to bring to you about that other than by saying that the Subcommittee moved the University closer to having a full service information system.

"The other problem associated with class sizes I'm going to take up in a few minutes.

"Our next Subcommittee did employee benefits but wasn't charged with trying to figure out FAS106. The Benefits Subcommittee operated this semester and looked primarily at the 80/20 vs. Managed Choice option. Most of the questions we charged that committee with addressing have not yet been resolved. For example, the main question is how the risk pools will be managed between the two systems. It makes a big difference whether the employees on the 80/20 plan and the employees on the Managed Choice plan are pooled for the purposes of calculating the insurance costs or whether the two pools are separated. Essentially what will happen is if the two pools are separated, the 80/20 plan will attract people who have relatively higher demand for medical services, and the Managed Choice plan will attract people who have a relatively lower demand and over time they'll diverge. And that will price the 80/20 plan well above the Managed Choice plan. If they are pooled, there exist ways of calculating the University's contribution which maintains all the cost savings with the Managed Choice plan but recognizes that the two groups are going to get health insurance from Cornell anyway and so the adverse selection from driving people into one plan--Managed Choice--because of the rates only represents the way the risk pool was managed and doesn't represent what the basic costs to Cornell were for providing health care. That is completely unresolved. There hasn't been a statement of how the risk pools are going to be managed and if there is a statement and the Financial Policies Committee believes it is not in the best interest of the University, a resolution will be forthcoming.

"The other questions that we raised had to do with the way the physicians would be managed inside the system and a long list of implementation questions which I gather have come up in many of the sessions to which the plan has been presented to the various faculty members. I have no resolutions to report to you on that one so I'll just report to you the questions that were raised.

"The next Subcommittee was charged with dealing with transfer pricing. Transfer pricing is the set of exchanges that the University uses between units and between groups of units to resolve current expense budget problems. The most prominently discussed transfer pricing policy at Cornell is the accessory instruction charge which is the set of charges between various units for students whose teaching is performed by other units. There has been a Provost's Committee on Accessory Instruction and it has issued a report which the Subcommittee of the Financial Policies Committee read and wrote a memorandum of reply. The memorandum raised some issues about the appropriateness of using the same formula between two units--say two endowed units--and in general for recovering accessory instruction. That is to say the plan uses the same formula regardless of who the origin and destination unit are and the transfer pricing subcommittee raised some questions about the appropriateness of that and also about the actual cost model that was used by the Provost's Committee. We met with a group of vice-presidents, expressed our concerns and had a very long discussion. The model and the assumptions are being revised, but I think there is no expectation that the fundamental structure report on accessory instruction will change. That is, we don't have the expectation that there will be multiple formulas or that the average cost nature of the transfer prices will change. The whole arrangement is a compromise and we would have to study it further to see what the effects of the final plan are. I'm almost done here.

"Finally, we had a Class Sizes Subcommittee that only met last semester. It was charged with trying to get the distribution of class sizes by college and professor and ran into some of the data problems that I discussed earlier under the University Information Subcommittee. Leslie Trotter was largely charged with trying to resolve these and he made a report to the Executive Committee of the FCR last December which you can get by requesting a copy from the Secretary of the University Faculty. The data needs further improvement. Work is in place to improve them and the Commission on Higher Education--Bob Cooke primarily--have taken up the issue of improving these data. So we expect in more detail a complete report perhaps next fall. Questions."

Speaker Martin: "Are there questions for Professor Abowd?"

Speaker Martin: "All right. Thank you, John.

"The Chair next calls on Professor Howard Howland, Co-chair of the Research Policies Committee, for a resolution on patent royalty payments."

5. RESOLUTION FROM RESEARCH POLICIES COMMITTEE ON CORNELL PATENT ROYALTY PAYMENTS

Professor Howard C. Howland, Neurobiology and Behavior, and Co-chair, Research Policies Committee: "Thank you. I'm going to read to you the motion that's been passed out to you on this yellow paper, titled 'Resolution Regarding the Revision of the Financing and Distribution of Funds of the Cornell Research Foundation's Patents and Licensing Operations'. This is brought to you by the Research Policies Committee. It reads:

1. *Since patent royalty distribution to the inventor is an important incentive for encouraging individuals to pursue disclosures and patenting of inventions, and*

Since under the current policy of Cornell University for patent royalty distribution the share of the individual inventor is far less than that common in our sister institutions

It is proposed that the inventor's share in net royalty income will be 50% after deduction of expenses for that patent, and that this fractional share will be independent of the total amount of the income, and

that the inventor will determine how his/her share of royalty income will be distributed between direct payments and/or the inventor's research funds.

2. *The distribution of the remaining funds is a matter to be decided by the University and the Colleges in a manner which will ensure that operation of the Cornell Research Foundation is placed on a solid basis, and that substantial funds will be returned to the units generating the patents.*

"This motion is the result of a large number of discussions over the past two years. What I want to do now is read this chart to you. I want to show you what the present policy is that this motion is replacing. Then I want to discuss why we are proposing to replace it, and that will conclude my presentation.

"Presently, the royalties earned by a patent first have the costs deducted from them from that individual patent. And then if the patent is so fortunate as to produce net royalty income, that income is distributed into two streams. The first is the embedder's share. It starts at 50% for the first \$10,000, it then decreases to 35% for the next 40,000, then to 25% for the next \$50,000 and above \$100,000 it's capped at 15%. Meanwhile 50% goes to the Cornell Research Foundation as sort of costs for

operation of the foundation. The remaining net royalty income goes towards the sub-unit share--it says usually inventors research program--though that differs from unit to unit, sometimes it doesn't reach the inventors research program. Secondly it goes to the royalty income fund which by and large is retained by the colleges. The two directions from which we came were on the one hand, the faculty inventors. Faculty who generally felt that the share given to inventors was rather ungenerous. And from the other direction on the University side, where the Cornell Research Foundation found that it was in a sort of venture capital business. It had to invest money to make money. It didn't have the funds to do that, in part because a large quantity of it was stuck in colleges. Hence, the motion.

"I want to just make a little aside here about intellectual property. There are several kinds of inventions and several kinds of intellectual property. Traditionally, if a faculty member writes a poem or a book, that's an intellectual property that is copyrighted and the copyright is vested with the faculty member, even though that may be part of his or her regular duties to make poems or write books. Somewhat more complicated is that of the artist. If you have a studio and paint pictures or make statues, that copyright also belongs to those people, although at one point the University considered saying that the artist was using rather unusual resources of the University and perhaps the University should keep the copyright. That move was defeated.

"Now we come to the scientist who also makes inventions, but I would point out, not as part of the scientist's regular duties. We are supposed to research and publish, not necessarily make inventions. Inventions are often a sort of accidental thing, an amateurish thing, not at all part of our regular duties, yet that's the particular product that the University lays claim to. To an extent rightly so. An invention doesn't become a useful device unless a fair amount of money is spent both in terms of the patenting of it and in terms of developing it. The question arises as to what is right, what should be done. How much should the inventor have? As a way of looking into this question we, thanks to Walter Haeussler, collected patent policies from a large number of our sister institutions and made a classification of faculty copyright policies (Appendix G). Looking through the policies of all of these universities we found that Cornell's policy was the most ungenerous. Hence, we want to right that situation.

"So we went quite candidly up to the more liberal end of the spectrum--not the most liberal. There are some universities still--Washington at Saint Louis--that claim no rights of patent of its faculty. Carnegie-Mellon has a plan where it shares 50% with the university and that's the plan that we're suggesting. At the same time we spent a great amount of discussion looking at this problem of how to run the Cornell Research Foundation's efforts on patents and licensing, and all I can say is the Faculty is very glad it doesn't have responsibility for that operation. It's incredibly complicated. It looks to us like a venture capital gain and we are glad we have experts in it. The other

part of our effort was designed to simply giving these people the freedom they need to assemble the capital to develop that and that's why the motion reads that the rest of the money goes to the University. I think that pretty much does it."

Speaker Martin: "The resolution is on the floor for debate. Professor Baer."

Professor Richard Baer, Natural Resources: "I find it difficult to know how to think about this because there is so much I don't know about it. For instance, is the capital put up to try to patent something--is that the professor's own money?"

Professor Howland: "No. What happens is if I have an invention and wish to report it to the Patents and Licensing office, they look at it and they have a choice. They can say, 'we're not interested in this, Professor Howland, it's all yours' or 'yes, we will patent it.' They will provide the legal services and funds, etc. needed to do that. Then it goes over to another part of their operation--the development end of it--and they then try to license it, get a company interested in it. Sometimes that involves the professor sometimes not. But it does not involve my funds. Now it may be that on special occasions they may enter into other financial arrangements."

Professor Baer: "Do research scientists that work for corporations have a similar arrangement or does all of the benefit go to the corporation?"

Professor Howland: "Corporation is quite different. They hire people to make inventions and that policy has varied widely. I can give you two examples. Bell Laboratory used to give 100 dollars to people who made a patent and then they discontinued that policy because they found that different divisions were competing with each other and there were too many patents. Irving Langmuir, an industrial research scientist, made substantial inventions, as you probably know, and they gave Irving Langmuir the most beautiful laboratory in the world and told him to do exactly what he wanted with the rest of his time. There are different rewards."

Professor Baer: "I'm a little uneasy about the resolution. It seems to me that some kind of a step arrangement where perhaps the inventor gets even a larger share, maybe 90% of the first part or so, but I'm uneasy in the event that there would be a patent that truly produced huge amounts of money. It seems to me that that would represent a certain exploitation of the University and the larger research capabilities and so on. I don't see the University as a place where the individual ought to benefit to that degree. I would be much more in favor even if the rates were changed from what they are, some kind of a graduated rate, depending on the amount that was recovered."

Professor Howland: "I will say we considered this in our Committee and there was a view expressed and when we probed it, one of the reasons for putting on a cap was it was thought in some way the inventor would be corrupted by the money. Other people

thought maybe the University would be corrupted by the money. The facts are that if one publishes poetry or books, there is a kind of an even income involved in it. Patents are much more a lottery. I agree with you that it is an extraordinary thing and an unusual thing when a patent earns a lot of money. I don't think that changes the fundamental morality of the situation, and I think that was our Committee's view."

Speaker Martin: "Further discussion? Professor Abowd."

Professor Abowd: "I would have expected the compensation policies of these universities to be related to their generosity in the patent rights that they granted to faculty members. Do you know anything about that?"

Professor Howland: "I'm sorry. I didn't quite get the connection."

Professor Abowd: "Universities that have liberal patent policies usually have lower salaries. Do you know anything about that?"

Professor Howland: "No, I don't, but we're talking about very rare events. The total amount earned by patents in the University budget--please correct me, if I'm wrong--is not very large. We're not talking about a big thing here."

Speaker Martin: "Further discussion? Yes."

Norman R. Scott, Vice President for Research and Advanced Studies: "Just to give you a handle on it, CRF would take in typically about 2 million dollars. As Howie mentions, very few numbers out of all that are filed have a significant income. It's distributed as he indicates and in fact it's also important to note that the faculty member does benefit both personally and in the way in which the funds do flow to the research program. That is a fairly small amount, but in some specific cases on a rare occurrence, there is a significant amount."

Speaker Martin: "Further questions or discussion before we vote? All in favor of the resolution say Aye (Aye). Opposed, No (no). It is carried.

"While we have you down here, Professor Howland will next present a resolution on Graduate Tuition Policy."

6. RESOLUTION FROM RESEARCH POLICIES COMMITTEE ON GRADUATE TUITION POLICY

Professor Howland: "We also discussed in the Research Policies Committee the Graduate Tuition Policy. I think we were generally pleased with the policy, but we had one important point in which we had complete unanimity which resulted in the motion.

Whereas, the administration has indicated its desire to change the graduate tuition policy in a 'revenue neutral' fashion,

The FCR strongly recommends that the net effect of any new graduate tuition policy be that no externally funded research project pay more than 60% of the tuition for graduate students supported by that research project.

"The primary motivation was as principal investigators on grants we are living in very uncertain times. We didn't want to add to that uncertainty; we did want to keep the revenue neutrality and, hence, the resolution."

Professor James W. Gillett, Natural Resources: "As a director of a University-wide research program involving both endowed and statutory units, I'm very concerned that this would come into being simply because it would mean that those students in environmental engineering who now get full tuition and stipend support would have to go to their dean or somebody else to make up the difference of the 65%. That would be very, very serious. We're talking about 27,000 dollars of tuition and overhead to be covered. That would very seriously damage the program."

Professor Howland: "You're speaking for the motion?"

Professor Gillett: "I'm speaking against the motion."

Professor Howland "I didn't understand that."

Assistant Professor Elizabeth Fisher, Mechanical and Aerospace Engineering: "Perhaps you should give a little more background on the original proposal that resulted in this motion because I'm not sure that everyone is familiar with it. This isn't 60% of current."

Professor Howland: "We have the Dean of the Graduate School here. Would you care to speak to them, Walter?"

Walter I. Cohen, Dean of the Graduate School: "I'm not sure what background you need. I'll be glad to take a crack at it. I believe that the resolution which I'm going to argue against in a moment, but not for the reason you think, is meant to address one element in the report which was that tuition be charged at 100% on the endowed side and that 40% of that tuition be given to the deans with the option of handing it back to the departments, and I believe that this resolution says that 40% should go directly back to the principal investigator. Am I getting it right?"

Professor Howland: "Absolutely."

Dean Cohen: "That's the context. Let me just say briefly why I'm opposed to it. I'm not opposed to it because it disagrees with the report. I'm opposed to it because I don't understand and don't believe there is any relationship between the whereas and the proposal. By that I mean the question of revenue neutrality had to do with the total income to the University, period. It doesn't matter where the money goes once it's inside the University to preserve revenue neutrality. It could go all into one particular college, one particular PI, and it's still revenue neutral.

"The second point is where whatever money comes back goes. And those are separate issues, and I see them as non-relational and you could be in favor of the second point and against the first and vice-versa."

Professor Howland: "With all respect, one person's revenue neutrality is another one's fighting words, I think. We took it from the point of view of the principal investigator. We wanted revenue neutral for us."

Dean Cohen: "There is only one possibility to maintain revenue neutrality that your talking about and that is to keep the current system. There is no other way of doing it. And if that's what you're saying, then I think you should just come out against it."

Dean Stein: "With all due respect, Walter, I understand what you're saying, that there is no policy across the institution which is revenue neutral to every single group, but the word revenue neutral can be interpreted as Howard says in more than the narrow way that you've said it. You could say revenue neutral to the institution or you could also mean revenue neutral to the broad group of PIs who are going to be affected by this policy. In that sense in this proposal it would be revenue neutral to both, revenue neutral to the University and revenue neutral to all of the principal investigators with the understanding that there are some that are going to be helped and some who are going to be hurt. The argument that you make for it seemed reasonable, that is, strong enough to overcome the disadvantage of moving around people within that group. We do feel strongly that it ought to be revenue neutral to the whole group of PIs. I didn't understand what Jim Gillett said at all."

Professor Gillett: "The problem is that we have a very steep tuition differential between environmental engineering and students in CALS and students in the Vet school. If this proposal goes through as I understand it, as stated in the resolution, there is no guarantee that the Dean of Engineering has to pass that 35 or 40 percent--I can't remember the exact figure--back into the program. It just says that no more than 60 percent would be charged to the grant, which means we have to negotiate it with the Dean as I understand it. Correct me on that if I'm not right."

Dean Stein: "That's not right. The meaning is supposed to be what you think, that it gets passed back to the grant directly."

Frederick A. Rogers, Vice President for Finance and Treasurer: "The biggest disadvantage of this requires you to forego recovery and there is not another source to make it up. So it's not revenue neutral, it's a loss of revenue. In the first instance where you are recovering it in full, this would be less than full recovery. That would be a disadvantage.

"The second disadvantage is that this requires that practice across the University. It's not clear to me that in a world that is not revenue neutral that this is an intelligent response to the University. Our indirect costs have been reduced by 10% unilaterally. Everybody's grant has additional funding from that source so in another University sense we are not revenue neutral, we are revenue reduced, and that will probably continue. What this says is where there are opportunities we should try to recover that, where there are not opportunities we wouldn't and as the Dean says the total amount of money would be used in the colleges to balance out this situation. It seems to me that it can't be better to not do as the graduate school has proposed or as the institution as a whole proposed."

Professor William Streett, Chemical Engineering: "There is another dimension in this that troubles me. If we assume that tuition is the first estimate of the cost of educating a student, who is it that we are asking to pay the other 40% of the cost of educating these students? And if we increase in the future the number of graduate students supported on external grants and contracts, are we obligating those other sources to continue to pick up those additional costs?"

Professor Howland: "I'd like to respond to Fred Rogers. What we were trying to write here and what I think we did write was that no grant would pay more than 60% of the tuition. That doesn't mean that the grant can't ask for 100% of the tuition. You can put into your grant whatever you want in terms of requiring it. We want a constant price for grants for tuition that's 60% so this was specifically written not to leave money on the table. The last speaker has raised a question that far exceeds the purview of this little motion. We do believe that we are holding revenue neutrality. The entire question of funding the graduate education goes far beyond this motion. I agree there are great questions there but this motion does not significantly affect the status quo."

Associate Professor Risa Lieberwitz, ILR: "I think actually the last thing you were saying is one of the concerns that I have. You said that this is just one little motion that's called resolution on graduate tuition policy and so it seems to me that there is some indication that this is going to be the FCR's position on the graduate tuition policy. This just plucks one piece out of it and I think that's the question being asked in terms of background. It seems to me that we are talking about one little piece without talking about the whole policy. It might be useful if we could get some update as to where the policy stands right now, what the schedule is. It doesn't make sense to me to talk about one piece of it only."

Dean Cohen: "The current situation is that we're not making a recommendation to the Provost to go to the Trustees in either May or June. Our plan is to try to have something else ready to come back to the Faculty. The committee hasn't met again but I will recommend that we have something to the Faculty no later than the beginning of classes so we can go through this another time. And then try to either get something that can go to the Trustees at the October 20th meeting or say we can't do it. So, that's the timetable. We will be working on it over the summer. I've gotten a lot of responses and have had a lot of meetings. I know that was your concern at that small open meeting in April and I think we all accepted that as a legitimate concern.

"I just want to say since I'm on the floor that, Peter, I do accept your correction. I don't think that is inferable from the way the motion is stated. I think that what you said is accurate. When you say revenue neutral and then you say the two groups of the University and individual PI. That does work and it's a logically coherent proposal but it's not clear from the way the proposal is written that those are the only groups because you could say the department, field, college, you get the idea."

Professor Michael Todd, Leon C. Welch Professor of Engineering: "I think in view of this discussion it would be very helpful for a more complete set of resolutions to come before this group in the fall. One thing I'd really like to see available at that time is supporting documentation as we had in the patents as to what our sister institutions are doing. I know in earlier discussions on graduate tuition, bar graphs were made of several of our competitors and the charge to a grant supporting a Cornell graduate student was way higher I think both with reduced tuition and full tuition than the average and I'd really like to see those figures as we decide what to do about this."

Professor Donald T. Farley, Electrical Engineering: "I was at the same meeting that Risa was with the small group of Faculty that got together with Walter Cohen. I think the upshot was it's a very complicated issue and we can't just decide in a couple of sentences like this. We were very concerned this was being rushed into action without enough thought being given to it even though the issue has been on the table for a couple of years, the current version is pretty recent. I'm glad to hear that it's not going to the Trustees in the spring, but I'm still a little worried about the fall. If this is going to go to the Trustees in October we will have one, possibly two FCR meetings before that. It's a very complicated issue and I think it's an important issue. We're talking about serious amounts of money here. It has major effects on people who are submitting grants to the National Science Foundation and NIH and what have you. I'm concerned that whatever happens the faculty has time to give some serious thought and input to this before something is frozen in stone."

Dean Stein: "I think that it's worthwhile to report the genesis of why this is appearing at this seemingly premature point. We had been told that it was possible that in fact the Trustees would approve this policy as written at the May meeting and that put a sense of urgency in front of the Research Policies Committee. It should be recognized

that the way the policy has been written--that is the last time we saw the policy--is the way it's written is that it does take substantial funds from principal investigators and move them to departments. That is the net affect of the way that the policy was written. There are a lot of principal investigators who in these tight times when it's not so easy to get money were deeply concerned by that policy and it seemed that the FCR should not be silent about that issue if that were to be decided and that's what's responsible for bringing this. We decided in the time that was available that we couldn't do anything more other than state what was our fundamental belief that a policy like this should not substantially fund different parts of the University at the expense of the principal investigators. That's really what the resolution is saying."

Professor Lieberwitz: "In light of what we've just heard all around and one of the concerns we have, Peter, is just what you're saying in terms of working under a sense of urgency in order to get something out, and that's what the people at the meeting were saying is that we shouldn't be working under a sense of urgency for something that's really quite monumental for the University and graduate education. In light of that and in light of the comments of wanting something more complete from the FCR and the need for greater debate, it seems to me that it doesn't make sense to vote on this now as a piecemeal fashion but rather then to perhaps table this and look in terms of having the FCR speak as a whole on all of the important issues regarding graduate tuition policy after we have a chance to debate it as a whole."

Professor Donald F. Holcomb, Physics: "Perhaps in consonance with the previous speaker, it seems to me that this is indeed an exceedingly complicated issue. There have been many people worrying about it in many different directions. The FCR has now presented us with a nugget and essentially to vote in favor, I think many people would be saying we have faith in the Research Policies Committee. This seems to me to be an issue in which there are many concerned Faculty members who are pounding on the table in various directions and maybe that is the way that such a complicated issue such as this ought to be handled rather than presenting to the FCR a nugget which it's then supposed to approve, mostly to provide artillery to people who really know how to use it in argument with the administration. It seems to me it's just not a good issue for the FCR to decide on at this time."

Speaker Martin: "Professor Lieberwitz, were you tempted or were you going to make a motion to postpone?"

Professor Lieberwitz: "I think that would be a good idea. I'd like to make a motion to postpone voting on the resolution from the Research Policies Committee on graduate tuition policy until such time as the full Faculty, including the FCR, has a chance to debate the graduate tuition policy sometime in the fall."

Speaker Martin: "One of the rules on postponing is that you cannot postpone beyond the next regular meeting at which time you can postpone again but only one meeting at a time."

Professor Lieberwitz: "Is there some rule about tabling indefinitely?"

Speaker Martin: "No."

Speaker Martin: "Are you moving to postpone to our next regular meeting?"

Professor Lieberwitz: "I move to refer it back to the Committee"

Speaker Martin: "All right there was no second here. We'll come back to that."

Dean Stein: "I'll second the motion to refer just to be able to talk about it. One thing I would not like to do is to refer something back to committee while it's being adopted as policy by the University. So, I'd like to ask the Provost what his timetable is for adopting the graduate tuition policy."

Malden Nesheim, Provost: "We have agreed that we want to have further discussion on some of the issues that have been raised. Dean Cohen has gone around and talked to the GFR meetings in all of the various areas of the Graduate School to explain the proposal and to understand what are some of the issues. As a result of that set of discussions and some of the things that have surfaced, Dean Cohen and his committee felt they needed to consider some of the things that were heard and go back and examine the report and make any recommendations over the summer and those would come back in the fall. The earliest time we could take it to the Board would be October, which is the next Board meeting that comes up in the fall."

"I think we have to make a decision one way or the other what we are going to do about this graduate tuition policy because on the one hand we have the current reduced tuition which sets up a certain dynamic within the way we handle graduate students and the way graduate fields have optimized the current system. We have the policy of what is reduced tuition really based on and how do we establish what reduced tuition really ought to be. So I'm anxious to get the issue resolved. If Dean Cohen and his committee have a set of cogent proposals that have been discussed on the campus in a reasonable way by the October meeting, I'm willing to take it to the October meeting. If we're not feeling we've had the chance to have that, then I'm certainly not wed to that particular timetable. I do want us to come to grips with it and decide one way or another what we're going to do. We've talked about reduced tuition long enough. I think we need to make a decision."

Speaker Martin: "We have a motion and it has been seconded to send this back to the Committee. Is there further discussion?"

Dean Stein: "With that timetable, it seems like a reasonable proposal and I think that we will have an FCR meeting in September."

Speaker Martin: "Further discussion on the motion to recommit? All in favor, say 'Aye'. (Aye). All opposed, no. It is carried.

"Is there further business to come before the body before we adjourn? There being none, have a good summer. We'll see you in the Statler next fall."

Adjourned: 6 p.m.

Robert Lucey
Secretary of the Faculty

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MAY 6 1994

Office of the Provost

DEAN OF FACULTY

300 Day Hall
Ithaca, NY 14853-2801
Telephone: 607 255-2364

May 5, 1994

Professor Peter C. Stein
Dean of the Faculty
315 Day Hall
Campus

Dear Peter:

I wish to respond to the resolution by the FCR requesting that I restore funding to the library budget that has been lost over the last two to three years. I recognize that the FCR resolution was intended to express the priority that the faculty place in maintaining the strength of the Cornell library. Indeed, Cornell should be proud of its library system. In terms of the latest comparative data on holdings of university research libraries in U.S. and Canada, Cornell University ranks 9th overall, 3rd in the number of volumes added during the year, 6th in the number of serials, 6th in the number of total staff, and 9th in overall library expenditures.

The general purpose funds budgeted for the library during the 1993-94 year were budgeted at \$18.0 million, including \$5.5 million specifically intended for acquisitions and \$12.5 million intended for general support of the library. The library estimated other resources from endowments, gifts, etc., amounting to an additional \$3.8 million in 1993-94. During the past three years, the administration, colleges and other units served by the general purpose budget have been undergoing a general belt tightening. In fact, the growth of these budgets during these past three years has been reduced by \$9.2 million or 3.7% of the 1990-91 base budget. This is compared to the reductions that we have asked the library to undertake of \$460 thousand or 2.9% of their 1990-91 budget. In addition, we have added limited term funding totaling almost \$1 million over the past three years in support of many library programs including the preservation program, library automation and job classifications.

The question clearly is are we spending enough of our available institutional resources on the library? There are enormous needs that continue to stress our library funding. The escalating price of many journals, the cost of acquisitions, the cost of access to many data bases, and other electronic sources of information can demand significant new resources. On the other hand, any new resources added to the library must, in effect, be a reallocation of resources away from other activities that are currently being carried on at the university. It does not seem unreasonable in this period of financial constraint that the library also examine its operations and make those savings which in its judgment will allow it to continue to maintain the high standards to which we have been accustomed.

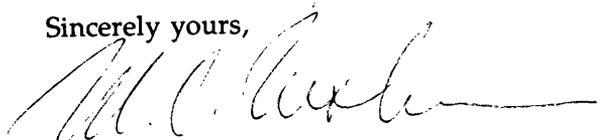
May 5, 1994

One of the difficult long-term issues for support of the library has been the decline in our indirect cost income from research. The federal government retroactively has not allowed us to charge into our indirect cost pool over a million dollars a year in library expenses from about 1986.

This retroactive disallowance of expenses for the library results in a reduction of our indirect cost rates over the next few years so that the federal government can recover these costs that were part of our indirect cost rates in the earlier years. This is in spite of the fact that library costs were allocated using a methodology that had been audited since the 1970's and that these costs had been agreed to by federal representatives when the rates were originally negotiated. In order to restore the cut in the library component of the rate, we have been working to develop a new library study. However, pressures by federal auditors to keep the library component down will make it difficult for us to achieve more than a partial mitigation of the cut.

The reductions that we have made in the library and their resulting consequences have been discussed with the university librarian. I believe they have been neither unreasonable nor unduly damaging to the long-term excellence of the Cornell University library system.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "M. C. Nesheim", with a long horizontal flourish extending to the right.

Malden C. Nesheim
Provost

The University Faculty

Office of the Dean
315 Day Hall
Ithaca, New York 14853-2801Telephone: 607-255-4843
Facsimile: 607-255-9412

May 9, 1994

To: John Wiesenfeld

From: Peter Stein, for the Ad-Hoc Faculty Group

Subject: The Draft Strategic Plan

I have circulated the draft strategic plan to an ad-hoc faculty group (membership listed on page 3) composed of members from the FCR Executive Committee and its Commission on Higher Education. As you know, both the Executive Committee and the Commission are chosen in a way that ensures a broad membership from across the campus. The ad-hoc faculty group read the plan, and discussed it and their reactions to it thoroughly. While as individuals we react differently (and on some issues oppositely) to the many proposals in it, we do find ourselves in agreement that the presence of some items and the omission of others trouble us so deeply that we wish to bring our concerns to your attention as quickly as possible.

We believe that the draft plan is seriously incomplete in that it does not address many of the most pressing strategic issues facing Cornell, nor does it contain a systematic and comprehensive survey of potential opportunities and adverse factors on the horizon. There appears to be no connection between this document and the harsh financial realities that have been recognized and emphasized by the Provost. The compelling need to contain the growth of, and probably reduce, the workforce size, particularly in the salaried support sector, receives at best a passing mention. Coherent strategies for coping with the under-recovery of research costs, maintaining the quality of Cornell's libraries, and keeping Cornell accessible to a crosssection of American families are missing. We are disappointed that the issues chosen for emphasis did not include any of the major problems the FCR judges as primary.

We are also very concerned that the plan, which purports to be our roadmap to the future, does not appear to be firmly grounded on the basic concept that has served Cornell so well for more than half a century: a research university, where undergraduate teaching, graduate teaching and research

mutually support and reinforce each other. While it is true that research receives occasional approving mention, the prevailing tone of the document relegates graduate education and research activities to a secondary, and almost subservient role. A reader unfamiliar with Cornell is not likely to conclude that this is the strategic plan of a university whose goal is to continue to lead the nation in NSF funding.

We are particularly dismayed that the plan, in its vision of the future, does not appear to recognize the unique centrality of the faculty to successful institutional goal setting and planning, nor does it identify the slowly but steadily weakening faculty bonds of loyalty and identification with Cornell as a very serious strategic problem that must be addressed. Cornell's democratic and participatory past seems to have been ignored and undervalued, and replaced with a vision of streamlined administrative decision making. Traditional areas of faculty jurisdiction, such as the calendar and educational policy, have been largely pre-empted. A diminished respect for shared decision-making permeates the document. Those of us who attended the first academic leadership meeting several weeks ago were gratified to hear President Rhodes recognize and enunciate the importance of faculty "ownership" of the critical issues facing Cornell, and were correspondingly disappointed to find that focus missing in the draft plan.

The draft plan comes to several major conclusions that appear to be based on implicit assumptions that have not, in our view, been adequately studied. We do not believe that it has been firmly established that substantial academic duplication is a problem, that centralization is good, that interdisciplinary research and teaching can be supported without having strong disciplinary bases, that year round operation will be financially and programatically beneficial to Cornell, and that heightened investment in information technologies is necessarily appropriate at this time. We wish to emphasize that we have not collectively reached conclusions on any of these questions. We simply believe that insufficient evidence for making these conclusions is, as far as we know, in hand.

In conclusion, we do not believe that the current document has sufficient focus, faculty backing, and scope to merit being called a Strategic Plan. The questions raised in it are important, and should be studied further. We suggest that you consider the present document as another step in the strategic planning process. We feel that, among other things, the objections that we raise here must be met before a Strategic Plan for Cornell can be formulated.

Ad-Hoc Faculty Group:

John Abowd
Susan Christopherson
J. Robert Cooke
Richard Darlington
Elizabeth Fisher
John Hermanson
Howard Howland
Robert Kay
Kenneth Kennedy
David Levitsky
David Lewis
Philip Liu
Robert Lucey
John Lumley
Alan McAdams
Paul McIsaac
Joseph Novak
Noa Noy
Kay Obendorf
Richard Schuler
Peter Stein

cc: Frank H. T. Rhodes

FACULTY ADVISORY COMMITTEE ON THE SEARCH FOR A PRESIDENT

<u>Name</u>	<u>School/College</u>
John Abowd	Industrial and Labor Relations
Thomas Eisner	Agriculture and Life Sciences
Cornelia E. Farnum	Veterinary Medicine
Cutberto Garza	Human Ecology
Isabel Hull	Arts and Sciences
Walter LaFeber	Arts and Sciences
Sidney Leibovich	Engineering
Peter LePage	Arts and Sciences
Robert Lucey	Agriculture and Life Sciences
Kenneth McClane	Arts and Sciences
Kay Obendorf	Human Ecology
Mary Sansalone	Engineering
Peter Trowbridge	Agriculture and Life Sciences

May 11, 1994

REPORT FROM THE COMMITTEE ON NOMINATIONS AND ELECTIONS

SLATE OF CANDIDATES FOR FCR SEATS ON COMMITTEES
(all terms commence July 1, 1994)

ACADEMIC FREEDOM AND PROFESSIONAL STATUS COMMITTEE -
2 vacancies, 3-year terms

Richard A. Baer, Jr., Professor, Natural Resources
Frank C. Keil, William R. Kenan Jr. Professor of Psychology
Sarosh C. Kuruvilla, Assistant Professor, ILR
Barry Strauss, Associate Professor, History

ACADEMIC FREEDOM AND PROFESSIONAL STATUS COMMITTEE -
1 non-tenured vacancy, 3-year term

Iain D. Boyd, Assistant Professor, Mechanical and Aerospace Engineering
Mark R. Cruvellier, Assistant Professor, Architecture

ACADEMIC PROGRAMS AND POLICIES COMMITTEE - 1 vacancy, 3-year term

Clifford J. Earle, Professor, Mathematics
John W. Hermanson, Associate Professor, Anatomy

ADMISSIONS AND FINANCIAL AID COMMITTEE - 2 vacancies, 3-year terms

Josephine A.V. Allen, Associate Professor, Human Service Studies
Robert C. Fay, Professor, Chemistry
Donald F. Holcomb, Professor, Physics
Elaine Wethington, Associate Professor, Human Development and Family Studies

AFFIRMATIVE ACTION COMMITTEE - 1 vacancy, 3-year term

Risa L. Lieberwitz, Associate Professor, ILR
John F. Randolph, Associate Professor, Clinical Sciences

(over)

EXECUTIVE COMMITTEE - 4 vacancies, 2-year terms

John M. Abowd, Professor, ILR
Daniel J. Decker, Associate Professor, Natural Resources
Victor Kord, Professor, Art
N. David Mermin, Horace White Professor in Physics
Hayden N. Pelliccia, Assistant Professor, Classics
Marvin P. Pritts, Associate Professor, Fruit and Vegetable Science
M. Anandha Rao, Professor, Food Science, Geneva
John E.H. Sherry, Professor, Hotel Administration

EXECUTIVE COMMITTEE - 1 non-tenured vacancy, 2-year term

John E.A. Bertram, Assistant Professor, Anatomy
Sandra E. Greene, Associate Professor, Africana Studies

FACULTY ADVISORY COMMITTEE ON ATHLETICS AND PHYSICAL EDUCATION - 1 vacancy, 3-year term

Barry A. Ball, Associate Professor, Clinical Sciences
Lloyd C. Street, Associate Professor, Human Service Studies

MINORITY EDUCATION COMMITTEE - 1 vacancy, 3-year term

Jennie T. Farley, Professor, ILR
Dennis T. Regan, Associate Professor, Psychology

RESEARCH POLICIES COMMITTEE - 2 vacancies, 3-year terms

Andreas C. Albrecht, Professor, Chemistry
Emmanuel P. Giannelis, Associate Professor, Material Science and Engineering
Howard C. Howland, Professor, Neurobiology and Behavior
John L. Lumley, Willis H. Carrier Professor of Engineering

Financial Policies Committee Report May 11, 1994

Subcommittee Structure

-  Committee of the whole with the FCR Commission on Higher Education (both semesters)
-  Budgets (both semesters)
-  University Information Systems (both semesters)
-  Benefits (Spring)
-  Transfer Pricing (Fall)
-  Class Sizes (Fall)

Joint with the FCR Commission on Higher Education

Issues:

Long range budget planning for the University

External factors affecting the University Budgets

Outcomes:

Final version of the CHE resolution linking tuition increases with employment and other cost control measures

Budgets Subcommittee

Issues:

Basic assumptions underlying the General Purpose Budget

Formal faculty participation in the budget process

Specific budget items receiving further study

Capital campaign costs

Rising employee benefit recovery rate

Outcomes:

Re-established formal faculty participation in the General Purpose Budget process

Specific issues explained and resolved

Capital Campaign Costs

What happened?

Half of incremental costs charged directly to endowment (officially 45%)

Half allocated to colleges and other participating units (officially 55%)

Allocated part partly financed over 10 years with larger payments in later years so effective allocation is 50%

Settling-up to reflect actual rather than projected gifts

Consequences

The campaign costs will affect all participating unit budgets until 1998-99

Part of charges to units deferred until benefits of campaign are also available

FAS 106 (Retiree Health Care) Costs

Issues

New accounting standards require recognition of the liability associated with retiree health care

Over the next 20 years must convert from pay-as-you-go financing to accrual-based financing

Federal government direct cost recovery rules permit benefit recovery of the part of the accrued liability that is recognized as an expense in the benefits pool. High benefit rates permit recovery of the actual cost of the benefit but raise project costs, lowering the success probabilities

Outcomes

Original plan (full funding beginning in fiscal 1996-97) revised

Current plan: funding of the incremental liability and the pay-as-you-go part until liability is fully funded

University Information Systems Subcommittee

Issues:

Current systems do not permit identification of important characteristics (examples: funding sources, time use)

Current systems do not facilitate linking of information in multiple sources (examples: personnel information with teaching assignments)

Outcomes:

The subcommittee has worked closely with the University team redesigning these information systems to identify important information

New information systems will permit better tracking of funding sources (time use still a problem) and teaching assignments

Benefits Subcommittee

Issues:

80/20 vs. Managed Choice Option: Will the risks be pooled or assessed separately?

How will the physicians be encouraged to stay in the system?

Implementation issues not addressed in the official information

Outcome:

Largely unresolved

Transfer Pricing Subcommittee

Issues:

The transfer pricing/accessory instruction model in the Final Report of the Provost's Committee on Accessory Instruction uses the same model for internal transfers and for determining the net accessory instruction charge to New York State.

The average cost model used in the Report is not appropriate for giving units correct financial incentives

Outcomes

The subcommittee's views were presented to a group of University Vice-presidents, who explained the reasons behind many of the compromises

The model is undergoing revisions that reflect some, but not all of the Committee's concerns

Class Sizes Subcommittee

Issue:

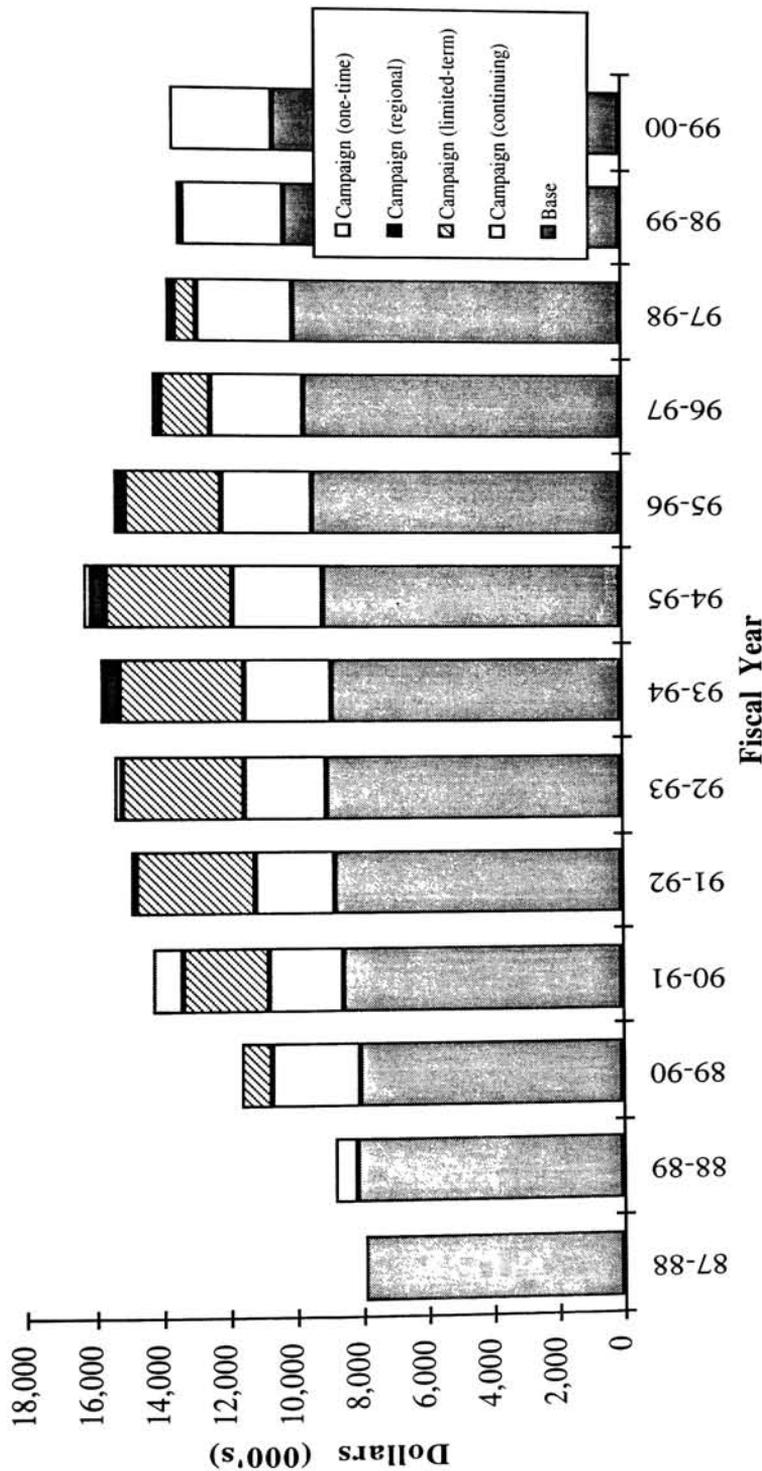
Inability to study the distribution of class sizes because of massive problems in the University's information systems

Outcome:

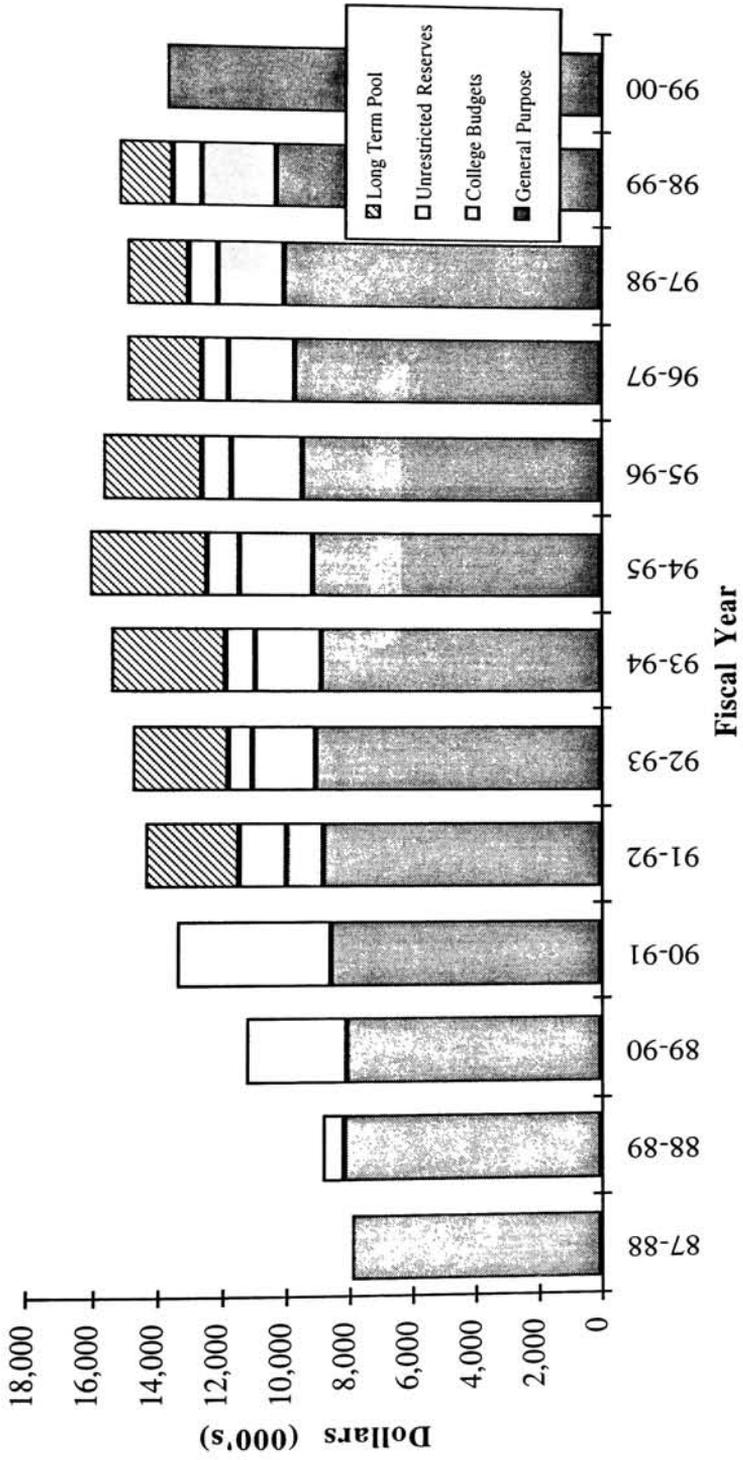
Report to the Executive Committee (in December) showing the results of Subcommittee's efforts to make data usable

Joint work continuing with the CHE to improve the data and produce a usable study of class sizes

Public Affairs Budget - During and After the Campaign

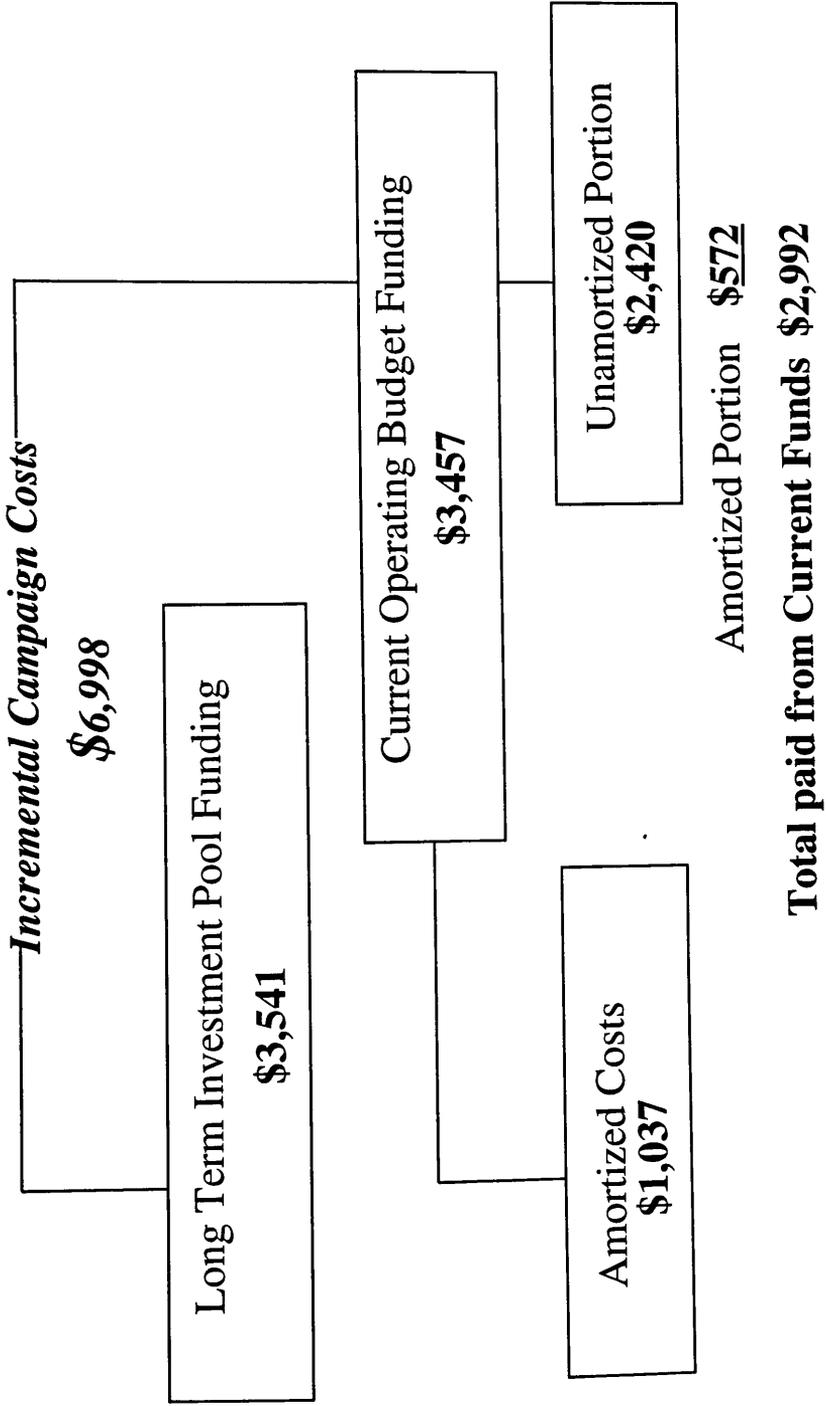


Public Affairs Budget - Planned Sources of Funding



1993-94 Budget Plan

Paying for the Incremental Cost of the Cornell Campaign



1993-94 Budget Plan
Paying for the Incremental Cost of the Cornell
Campaign - Current Funds

General Purposes Colleges	\$1,289
Other Academic Programs	\$916
Designated Colleges	\$474
Statutory Units	<u>\$313</u>
Total paid from Current Funds	\$2,992

1993-94 Budget Plan

Impact of Incremental Cost of the Cornell Campaign on Current Funds

General Purposes Colleges

Architecture, Art & Planning	114
Arts & Sciences	601
Engineering	<u>574</u>
Subtotal General Purposes Colleges	\$1,289

Other Academic Programs

Athletics & Physical Education	126
Biological Sciences	29
Ornithology	19
Libraries	268
Johnson Museum	47
Plantations (50% - see below)	48
Student Services	54
University-wide	<u>325</u>
Subtotal Other Academic Programs	\$916

Designated Colleges

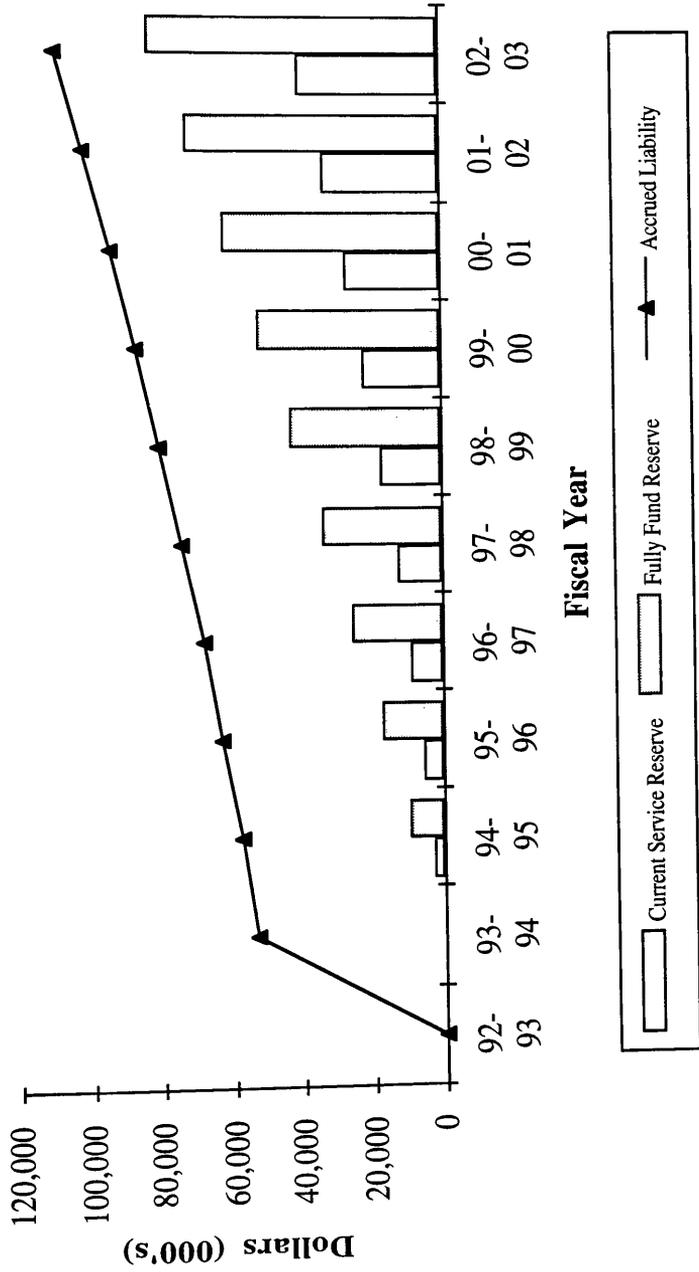
Hotel Administration	117
Johnson Graduate School of Management	106
Law	<u>251</u>
Subtotal Designated Colleges	\$474

Statutory Units

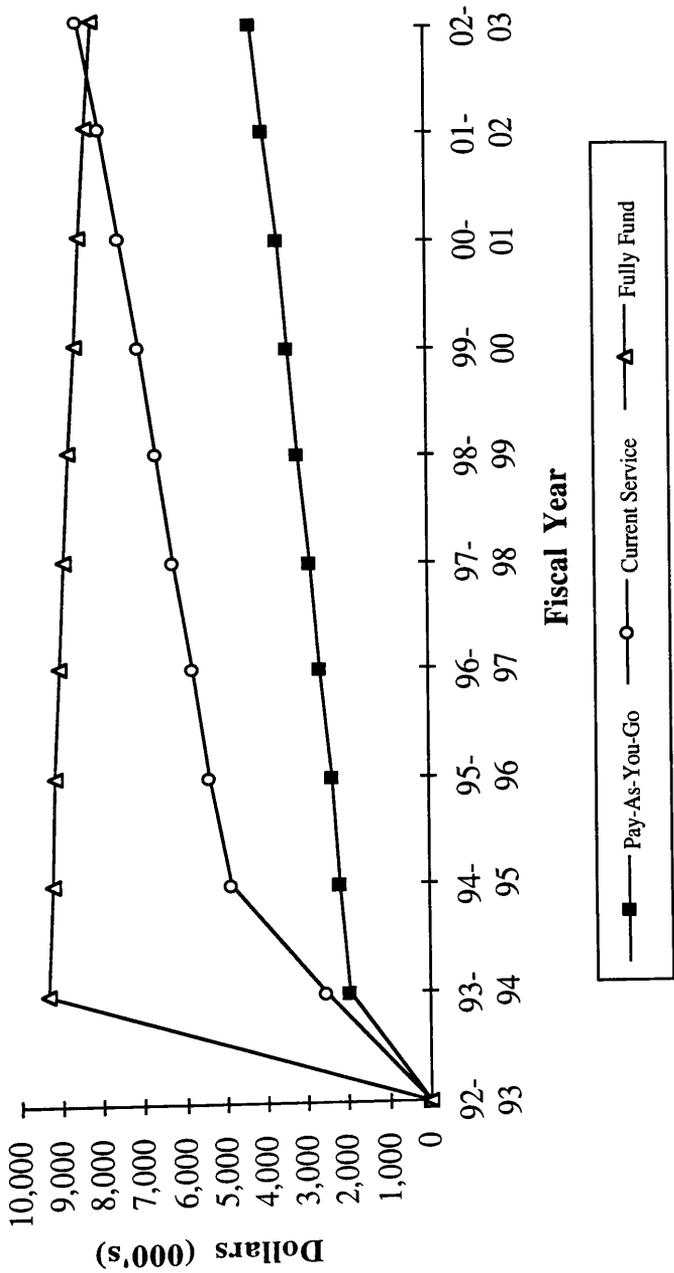
Agriculture & Life Sciences	120
Plantations (50% - see above)	54
Human Ecology	32
Industrial Labor Relations	42
Veterinary Medicine	<u>65</u>
Subtotal Statutory Units	\$313

Total paid from Current Funds **\$2,992**

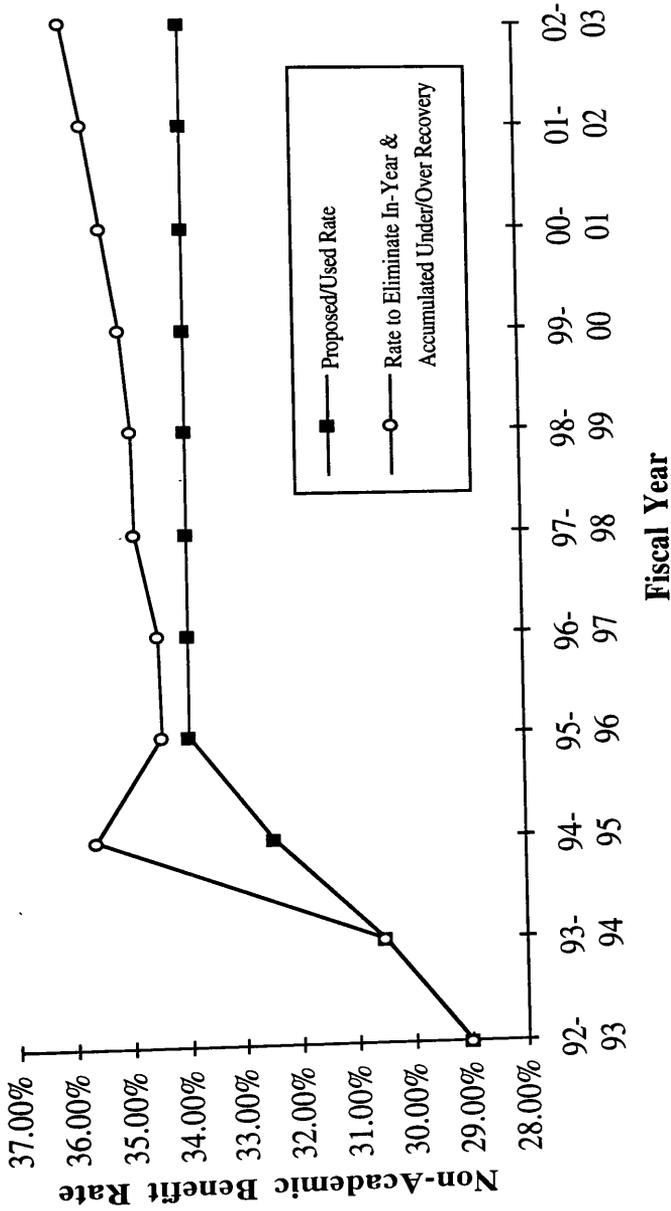
FAS106 Liability/Reserve Beginning of Year Balances - 10 Yrs



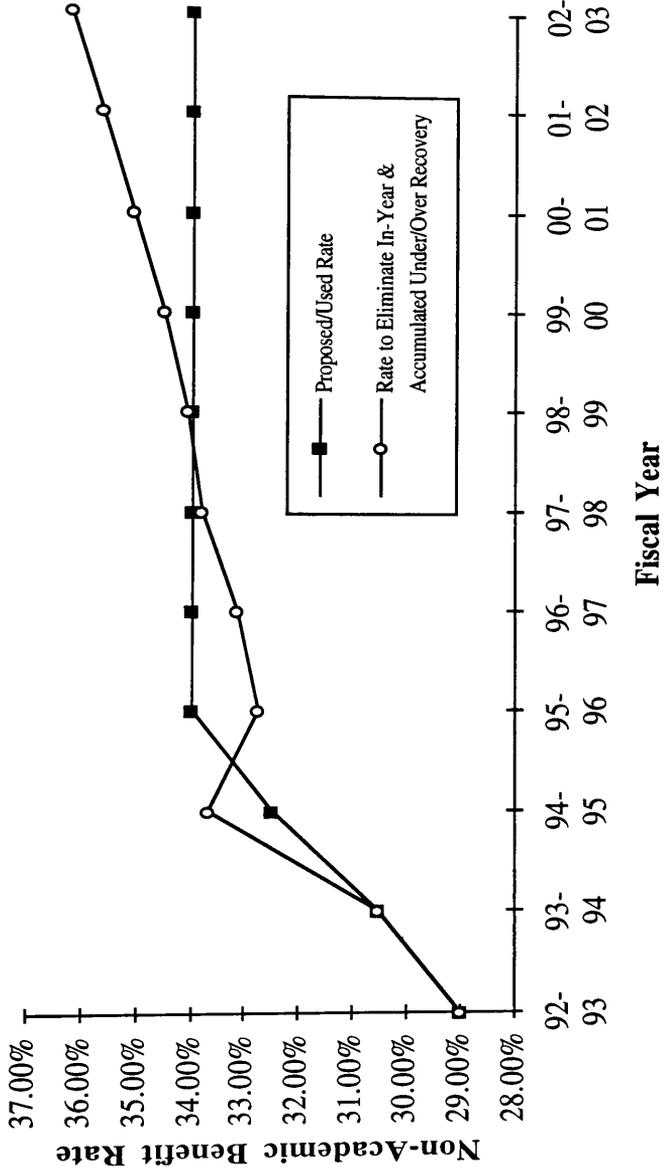
Endowed Benefit Pool FAS106 Annual Funding Expense - 10 Yrs



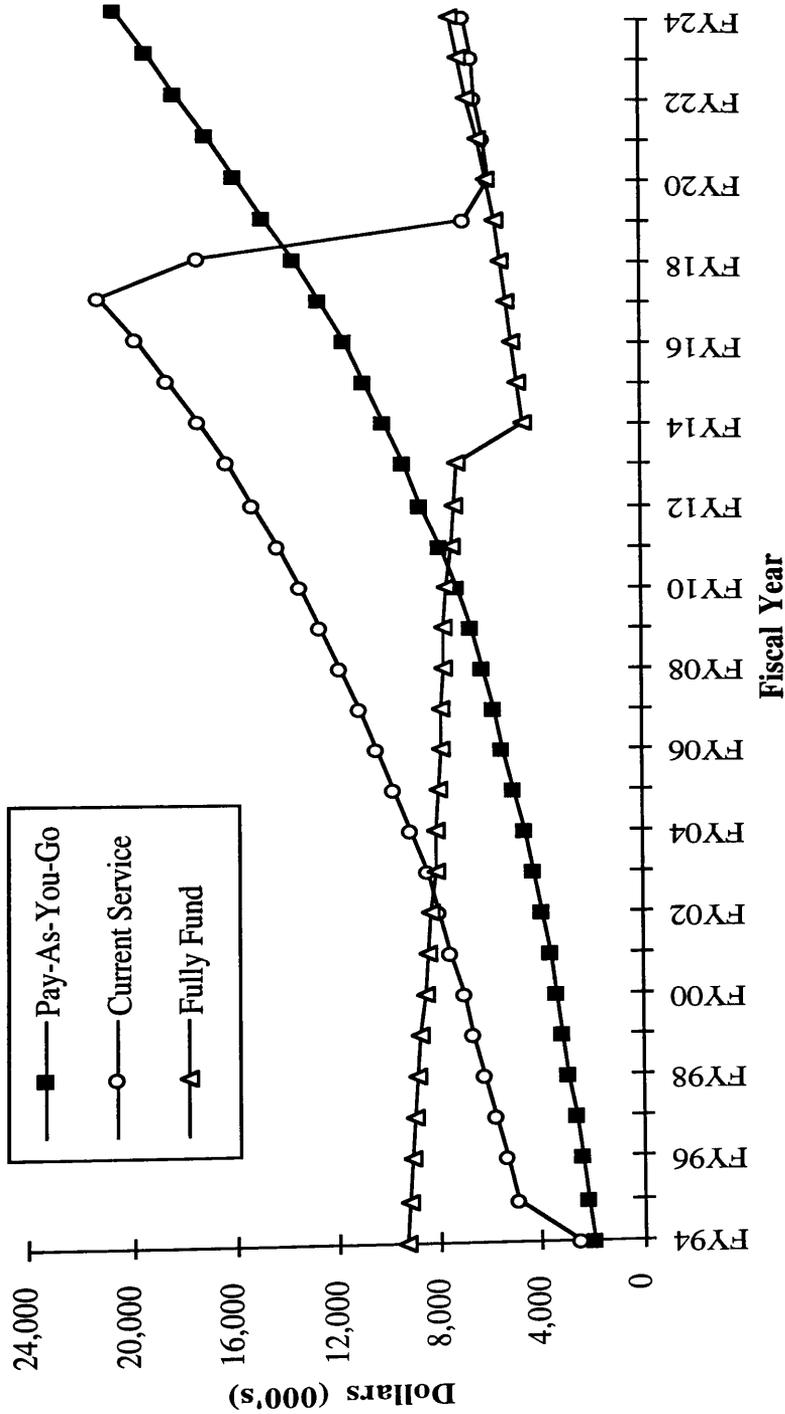
Endowed Benefit Pool Non-Academic Rate As A Result of FAS106 Annual Funding Expense - 10Yrs @ Fully Fund



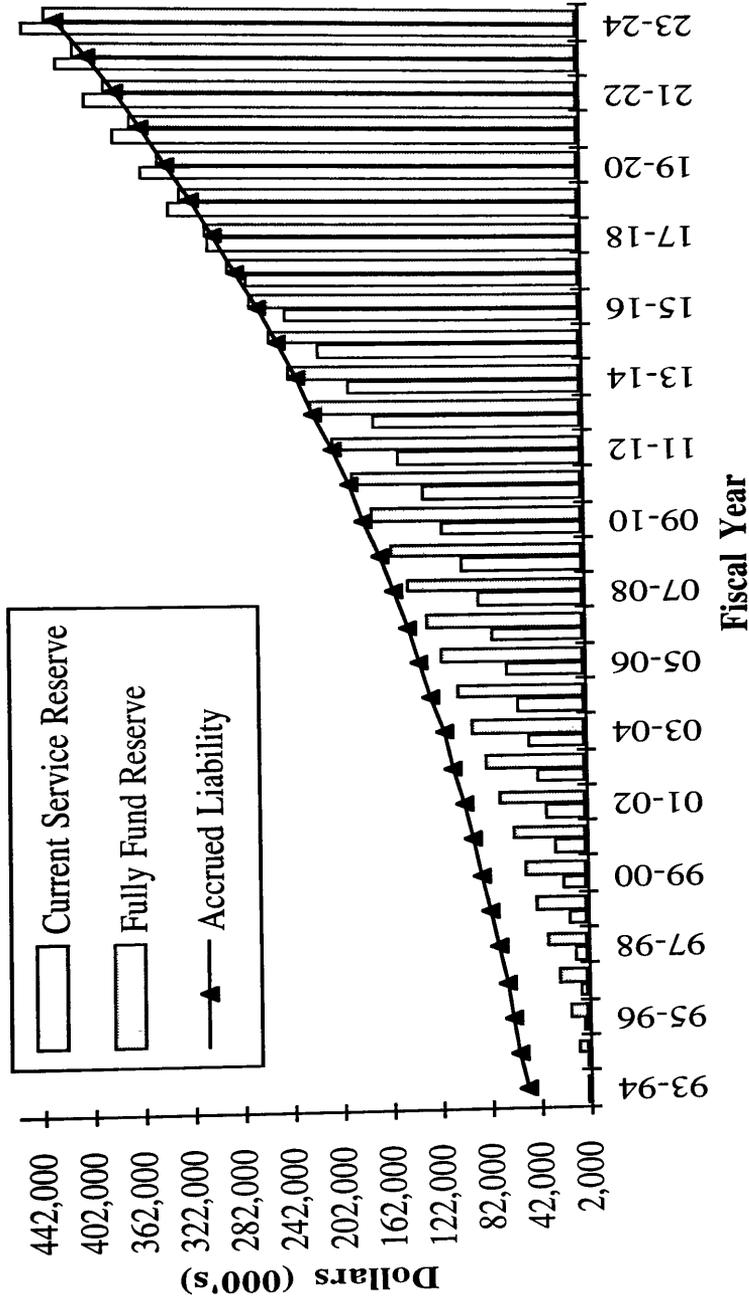
Endowed Benefit Pool Non-Academic Rate As A Result of FAS106 Annual Funding Expense - 10 Yrs @ Current Service



Endowed Benefit Pool FAS106 Annual Funding Expense - 30 Yrs



FAS106 Liability/Reserve Beginning of Year Balances - 30 Yrs



THE SFAS 106 EXPENSE IS FULLY FUNDED EACH YEAR

Fiscal Year	BOY Accrued Liability	BOY Service Cost	Interest Cost	Amort. Transition Obligation	Return on Assets	SFAS 106 Annual Expense	Annual Benefit Payments	Annual Amount Funded	Benefit Payments From Trust *	Required Annual Cashflow	Incremental Required Annual Cashflow	BOY Fund Balance	% Funded of BOY APBO
1994	\$3,358	\$2,334	\$4,375	\$2,668	\$0	\$9,377	\$1,982	\$9,377	\$0	\$11,359	\$9,377	\$0	0.00%
1995	\$38,086	\$2,521	\$4,769	\$2,668	(\$746)	\$9,212	\$2,166	\$9,212	\$2,166	\$9,212	\$7,046	\$9,377	16.14%
1996	\$63,094	\$2,749	\$5,172	\$2,668	(\$1,437)	\$9,152	\$2,398	\$9,152	\$2,398	\$9,152	\$6,754	\$17,169	27.21%
1997	\$68,542	\$2,936	\$5,612	\$2,668	(\$2,163)	\$9,053	\$2,655	\$9,053	\$2,655	\$9,053	\$6,398	\$25,360	37.00%
1998	\$74,348	\$3,106	\$6,080	\$2,668	(\$2,923)	\$8,931	\$2,896	\$8,931	\$2,896	\$8,931	\$6,035	\$33,921	45.62%
1999	\$80,542	\$3,280	\$6,579	\$2,668	(\$3,717)	\$8,810	\$3,159	\$8,810	\$3,159	\$8,810	\$5,651	\$42,879	53.24%
2000	\$87,134	\$3,406	\$7,107	\$2,668	(\$4,549)	\$8,632	\$3,400	\$8,632	\$3,400	\$8,632	\$5,232	\$52,247	59.96%
2001	\$94,127	\$3,597	\$7,672	\$2,668	(\$5,418)	\$8,519	\$3,657	\$8,519	\$3,657	\$8,519	\$4,862	\$62,028	65.90%
2002	\$101,609	\$3,757	\$8,270	\$2,668	(\$6,329)	\$8,366	\$3,981	\$8,366	\$3,981	\$8,366	\$4,385	\$72,308	71.16%
2003	\$109,533	\$3,899	\$8,903	\$2,668	(\$7,279)	\$8,191	\$4,299	\$8,191	\$4,299	\$8,191	\$3,892	\$83,022	75.80%
2004	\$117,901	\$4,207	\$9,583	\$2,668	(\$8,269)	\$8,189	\$4,635	\$8,189	\$4,635	\$8,189	\$3,554	\$94,193	79.89%
2005	\$126,911	\$4,380	\$10,302	\$2,668	(\$9,316)	\$8,035	\$5,032	\$8,035	\$5,032	\$8,035	\$3,003	\$106,016	83.54%
2006	\$136,404	\$4,611	\$11,064	\$2,668	(\$10,405)	\$7,938	\$5,436	\$7,938	\$5,436	\$7,938	\$2,502	\$118,334	86.75%
2007	\$146,473	\$4,885	\$11,874	\$2,668	(\$11,548)	\$7,879	\$5,870	\$7,879	\$5,870	\$7,879	\$2,009	\$131,241	89.62%
2008	\$157,179	\$5,177	\$12,737	\$2,668	(\$12,747)	\$7,833	\$6,291	\$7,833	\$6,291	\$7,833	\$1,542	\$144,798	92.10%
2009	\$168,602	\$5,534	\$13,661	\$2,668	(\$14,015)	\$7,848	\$6,735	\$7,848	\$6,735	\$7,848	\$1,113	\$159,089	94.36%
2010	\$180,846	\$5,705	\$14,632	\$2,668	(\$15,351)	\$7,654	\$7,307	\$7,654	\$7,307	\$7,654	\$347	\$174,217	96.33%
2011	\$193,640	\$5,926	\$15,647	\$2,668	(\$16,735)	\$7,506	\$7,946	\$7,506	\$7,946	\$7,506	(\$440)	\$189,915	98.08%
2012	\$207,013	\$6,164	\$16,707	\$2,666	(\$18,168)	\$7,371	\$8,690	\$7,371	\$8,690	\$7,371	(\$1,319)	\$206,210	99.61%
2013	\$220,919	\$6,435	\$17,816	\$2,666	(\$19,656)	\$7,261	\$9,316	\$7,261	\$9,316	\$7,261	(\$2,055)	\$223,059	100.97%
2014	\$235,551	\$6,775	\$18,981	\$0	(\$21,204)	\$4,532	\$10,121	\$4,532	\$10,121	\$4,532	(\$5,569)	\$240,660	102.17%
2015	\$250,859	\$7,143	\$20,204	\$0	(\$22,576)	\$4,771	\$10,894	\$4,771	\$10,894	\$4,771	(\$6,123)	\$256,295	102.17%
2016	\$266,954	\$7,549	\$21,494	\$0	(\$24,023)	\$5,020	\$11,660	\$5,020	\$11,660	\$5,020	(\$6,640)	\$272,748	102.17%
2017	\$283,948	\$7,994	\$22,851	\$0	(\$25,544)	\$5,301	\$12,618	\$5,301	\$12,618	\$5,301	(\$7,317)	\$290,131	102.18%
2018	\$301,753	\$8,375	\$24,266	\$0	(\$27,140)	\$5,501	\$13,612	\$5,501	\$13,612	\$5,501	(\$8,111)	\$308,358	102.20%
2019	\$320,324	\$8,811	\$25,737	\$0	(\$28,797)	\$5,751	\$14,837	\$5,751	\$14,837	\$5,751	(\$9,086)	\$327,387	102.20%
2020	\$339,540	\$9,287	\$27,268	\$0	(\$30,521)	\$6,034	\$15,946	\$6,034	\$15,946	\$6,034	(\$9,912)	\$347,098	102.23%
2021	\$359,610	\$9,848	\$28,873	\$0	(\$32,324)	\$6,397	\$17,098	\$6,397	\$17,098	\$6,397	(\$10,701)	\$367,707	102.25%
2022	\$380,644	\$10,465	\$30,536	\$0	(\$34,216)	\$6,805	\$18,313	\$6,805	\$18,313	\$6,805	(\$11,508)	\$389,330	102.28%
2023	\$402,717	\$11,038	\$32,324	\$0	(\$36,210)	\$7,152	\$19,413	\$7,152	\$19,413	\$7,152	(\$12,261)	\$412,038	102.31%
2024	\$425,976	\$11,632	\$34,184	\$0	(\$38,312)	\$7,504	\$20,607	\$7,504	\$20,607	\$7,504	(\$13,103)	\$435,987	102.35%
2025	\$450,442	\$12,268	\$36,140	\$0	(\$41,626)	\$6,782	\$21,916	\$6,782	\$21,916	\$6,782	(\$9,648)	\$461,196	102.39%
2026	\$476,134	\$12,935	\$38,192	\$0	(\$44,459)	\$6,628	\$23,346	\$6,628	\$23,346	\$6,628	(\$10,411)	\$493,174	103.58%
2027	\$503,055	\$13,648	\$40,338	\$0	(\$47,559)	\$6,427	\$24,956	\$6,427	\$24,956	\$6,427	(\$11,308)	\$527,262	104.81%
2028	\$531,163	\$14,386	\$42,584	\$0	(\$50,819)	\$6,151	\$26,497	\$6,151	\$26,497	\$6,151	(\$12,111)	\$563,513	106.09%
2029	\$560,646	\$15,111	\$44,936	\$0	(\$54,295)	\$5,752	\$28,111	\$5,752	\$28,111	\$5,752	(\$13,000)	\$602,221	107.42%
2030	\$591,522	\$15,871	\$47,398	\$0	(\$58,000)	\$5,267	\$29,835	\$5,267	\$29,835	\$5,267	(\$13,964)	\$643,516	108.79%
2031	\$623,822	\$16,621	\$49,973	\$0	(\$61,956)	\$4,638	\$31,550	\$4,638	\$31,550	\$4,638	(\$14,929)	\$687,554	110.22%
2032	\$657,657	\$17,393	\$52,663	\$0	(\$66,169)	\$3,887	\$33,517	\$3,887	\$33,517	\$3,887	(\$16,124)	\$734,581	111.70%
2033	\$692,908	\$18,186	\$55,471	\$0	(\$70,659)	\$2,998	\$35,422	\$2,998	\$35,422	\$2,998	(\$17,236)	\$784,626	113.24%

8.00% Discount Rate
9.00% Expected Long-Term Rate of Return on Assets

* It has been assumed that benefit payments for 1993-94 will be paid out of general assets as the fund has not yet begun as of May 1994.

Payments into the fund have been assumed to be made at year-end.

**THE SERVICE COST & BENEFIT PAYMENTS ARE FUNDED EACH YEAR
FUNDING AMOUNTS NEED TO BE SMOOTHED!!**

Fiscal Year	BOY Accrued Liability	BOY Service Cost	Interest on Service Cost	Remaining Interest Cost	Return on Assets	SFAS 106 Annual Expense	Annual Benefit Payments	Annual Amount Funded	Benefit Payments From Trust *	Required Annual Cashflow	Incremental Required Annual Cashflow	BOY Fund Balance	% Funded of BOY APBO
1994	\$3,358	\$187	\$4,188	\$0	\$9,377	\$1,982	\$4,889	\$2,521	\$0	\$4,503	\$2,521	\$0	0.00%
1995	\$3,086	\$2,521	\$4,567	(\$129)	\$9,829	\$2,166	\$4,889	\$4,889	\$2,166	\$4,889	\$2,723	\$2,521	4.34%
1996	\$63,094	\$2,749	\$4,932	(\$376)	\$10,213	\$2,398	\$5,367	\$5,367	\$2,398	\$5,367	\$2,969	\$4,889	8.52%
1997	\$68,542	\$2,936	\$5,377	(\$665)	\$10,551	\$2,655	\$5,826	\$5,826	\$2,655	\$5,826	\$3,171	\$5,367	12.72%
1998	\$74,348	\$3,106	\$5,828	(\$1,000)	\$10,854	\$2,896	\$6,250	\$6,250	\$2,896	\$6,250	\$3,354	\$5,826	16.89%
1999	\$80,542	\$3,280	\$6,317	(\$1,380)	\$11,147	\$3,159	\$6,701	\$6,701	\$3,159	\$6,701	\$3,542	\$6,250	20.99%
2000	\$87,134	\$3,406	\$6,835	(\$1,812)	\$11,369	\$3,400	\$7,078	\$7,078	\$3,400	\$7,078	\$3,885	\$6,701	25.05%
2001	\$94,127	\$3,597	\$7,288	(\$2,294)	\$11,643	\$3,657	\$7,542	\$7,542	\$3,657	\$7,542	\$4,058	\$7,078	29.02%
2002	\$101,609	\$3,757	\$7,969	(\$3,836)	\$11,859	\$3,981	\$8,039	\$8,039	\$3,981	\$8,039	\$4,211	\$7,542	32.97%
2003	\$109,533	\$3,899	\$8,591	(\$5,442)	\$12,028	\$4,299	\$8,510	\$8,510	\$4,299	\$8,510	\$4,211	\$8,039	36.88%
2004	\$117,901	\$4,207	\$9,247	(\$7,116)	\$12,343	\$4,635	\$9,179	\$9,179	\$4,635	\$9,179	\$4,544	\$8,510	40.75%
2005	\$126,911	\$4,380	\$9,952	(\$9,877)	\$12,473	\$5,032	\$9,762	\$9,762	\$5,032	\$9,762	\$4,730	\$9,179	44.68%
2006	\$136,404	\$4,611	\$10,695	(\$15,724)	\$12,619	\$5,436	\$10,416	\$10,416	\$5,436	\$10,416	\$4,980	\$9,762	48.62%
2007	\$146,473	\$4,885	\$11,483	(\$26,667)	\$12,760	\$5,870	\$11,146	\$11,146	\$5,870	\$11,146	\$5,276	\$10,416	52.58%
2008	\$157,179	\$5,177	\$12,323	(\$37,723)	\$12,859	\$6,291	\$11,882	\$11,882	\$6,291	\$11,882	\$5,591	\$11,146	56.60%
2009	\$168,602	\$5,534	\$13,219	(\$48,902)	\$12,962	\$6,735	\$12,712	\$12,712	\$6,735	\$12,712	\$5,977	\$11,882	60.66%
2010	\$180,846	\$5,705	\$14,175	(\$61,215)	\$12,789	\$7,307	\$13,468	\$13,468	\$7,307	\$13,468	\$6,161	\$12,712	64.78%
2011	\$193,640	\$5,926	\$15,173	(\$76,660)	\$12,581	\$7,946	\$14,346	\$14,346	\$7,946	\$14,346	\$6,400	\$13,468	68.96%
2012	\$207,013	\$6,164	\$16,213	(\$93,252)	\$12,286	\$8,690	\$15,347	\$15,347	\$8,690	\$15,347	\$6,657	\$14,346	73.23%
2013	\$220,919	\$6,435	\$17,301	(\$110,916)	\$11,901	\$9,316	\$16,266	\$16,266	\$9,316	\$16,266	\$6,950	\$15,347	77.63%
2014	\$235,551	\$6,775	\$18,439	(\$139,956)	\$8,800	\$10,121	\$17,438	\$17,438	\$10,121	\$17,438	\$7,317	\$16,266	82.13%
2015	\$250,859	\$7,143	\$19,633	(\$179,106)	\$8,241	\$10,894	\$18,608	\$18,608	\$10,894	\$18,608	\$7,714	\$17,438	86.80%
2016	\$266,954	\$7,549	\$20,890	(\$214,485)	\$7,558	\$11,660	\$19,813	\$19,813	\$11,660	\$19,813	\$8,153	\$18,608	91.61%
2017	\$283,948	\$7,994	\$22,211	(\$241,110)	\$6,735	\$12,618	\$21,252	\$21,252	\$12,618	\$21,252	\$8,634	\$19,813	96.57%
2018	\$301,753	\$8,375	\$23,596	(\$270,012)	\$5,629	\$13,612	\$17,471	\$17,471	\$13,612	\$17,471	\$3,859	\$21,252	101.72%
2019	\$320,324	\$8,811	\$25,032	(\$297,735)	\$4,813	\$14,837	\$18,867	\$18,867	\$14,837	\$18,867	\$6,867	\$17,471	105.46%
2020	\$339,340	\$9,287	\$26,525	(\$316,444)	\$4,911	\$15,946	\$19,941	\$19,941	\$15,946	\$19,941	\$5,941	\$18,867	105.90%
2021	\$359,610	\$9,848	\$28,085	(\$335,540)	\$5,181	\$17,098	\$21,130	\$21,130	\$17,098	\$21,130	\$5,941	\$19,941	106.01%
2022	\$380,644	\$10,465	\$29,719	(\$355,517)	\$5,504	\$18,313	\$22,456	\$22,456	\$18,313	\$22,456	\$6,130	\$21,130	106.08%
2023	\$402,717	\$11,038	\$31,441	(\$375,988)	\$5,764	\$19,413	\$23,946	\$23,946	\$19,413	\$23,946	\$6,473	\$22,456	106.14%
2024	\$425,976	\$11,632	\$33,254	(\$397,774)	\$6,043	\$20,607	\$25,910	\$25,910	\$20,607	\$25,910	\$6,910	\$23,946	106.16%
2025	\$450,442	\$12,268	\$35,159	(\$420,623)	\$6,346	\$21,916	\$27,294	\$27,294	\$21,916	\$27,294	\$7,294	\$25,910	106.19%
2026	\$476,134	\$12,935	\$37,157	(\$446,467)	\$6,660	\$23,346	\$28,946	\$28,946	\$23,346	\$28,946	\$7,697	\$27,294	106.22%
2027	\$503,055	\$13,648	\$39,246	(\$476,988)	\$6,998	\$24,956	\$30,180	\$30,180	\$24,956	\$30,180	\$8,180	\$28,946	106.26%
2028	\$531,163	\$14,386	\$41,433	(\$499,638)	\$7,332	\$26,917	\$31,414	\$31,414	\$26,917	\$31,414	\$8,414	\$30,180	106.33%
2029	\$560,646	\$15,111	\$43,727	(\$520,405)	\$7,642	\$28,111	\$32,739	\$32,739	\$28,111	\$32,739	\$8,739	\$31,414	106.37%
2030	\$591,522	\$15,871	\$46,128	(\$550,301)	\$7,968	\$29,835	\$34,127	\$34,127	\$29,835	\$34,127	\$9,127	\$32,739	106.40%
2031	\$623,822	\$16,631	\$48,644	(\$586,337)	\$8,258	\$31,550	\$35,359	\$35,359	\$31,550	\$35,359	\$9,359	\$34,127	106.43%
2032	\$657,657	\$17,393	\$51,272	(\$615,272)	\$8,554	\$33,517	\$36,848	\$36,848	\$33,517	\$36,848	\$9,848	\$35,359	106.46%
2033	\$692,908	\$18,186	\$54,016	(\$644,821)	\$8,836	\$35,422	\$38,028	\$38,028	\$35,422	\$38,028	\$10,028	\$36,848	106.50%

8.00% Discount Rate
9.00% Expected Long-Term Rate of Return on Assets

* It has been assumed that benefit payments for 1993-94 will be paid out of general assets as the fund has not yet begun as of May 1994. Payments into the fund have been assumed to be made at year-end.

THE FUNDING SCHEDULE AND FUND BALANCES ARE SUBJECT TO CHANGE.

**Abstract of Appendix B, Annual Report, Research Policies Committee, May 1993
(Handout for FCR Meeting 5/11/1994)**

Table I Classification of Patent and Copyright Policies

<u>University</u>	<u>Patent ownership</u>	<u>Patent agreement</u>	<u>Royalties</u>	<u>Copyright</u>
Cornell	Strict	Strict 15%	Strict	Strict
Stanford	Liberal	Liberal	Liberal	Strict
Washington St L.	Laissez faire= LF	LF	LF	LF
Johns Hopkins	Strict	Liberal	Strict	Strict
U of California	Strict	Strict 20%	Strict	Strict
U of Florida	Strict	Liberal	Liberal	Strict
U of Penn.	Strict	Liberal	Strict	Not reported
U of Washington	Strict	Liberal	Liberal	None
M.I.T.	Strict	Liberal	Liberal	Liberal*
Harvard+	Liberal	Liberal	Not rep'td	Liberal
Carnegie-Mellon	Liberal	Liberal	Liberal	Liberal
U. of Texas	Strict	Liberal	Liberal	Liberal

 * But not for students! +Policy varies throughout Univ. % indicates amount going to inventor after highest earning threshold is passed (usually 1E6\$)

Definitions:

- 1.) **Laissez faire:** essentially no policy, inventor and originator keeps all
- 2.) **Liberal:** University claims patents and copyrights in some cases, but shares 30 to 50% with inventor. Does not require all faculty and staff to sign patent agreement. Does not automatically claim copyright to software made on grants.
- 3.) **Strict:** University keeps more than 60% of royalties after some thresholds. Faculty and staff required to sign patent policy. Copyrights of software and databases made on grants belong to University.

It may be seen from the above table that Cornell University has the strictest patent and copyright policies of all the universities surveyed. That with the most liberal policies (excluding the laissez faire, Washington at St Louis) is Carnegie-Mellon.

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