

2007-2008 Annual Report of the Cornell University Financial Policies Committee
Preliminary Draft
August 7, 2008

The committee Chair, Kevin Hallock, met with the Vice President for Planning and Budget, Carolyn Ainslie in August of 2007 to consider the agenda for the academic year. Among the issues they agreed to discuss were faculty salaries, potential changes in the cost allocation model on campus, Cornell's short-term and long-term budget situation, undergraduate financial aid, the capital campaign, endowment payout, graduate student support and space allocation.

The committee met 12 times during the academic year. Although we occasionally discussed multiple issues at each meeting the main subjects of the meeting were as follows:

1. Sep 19, 2007: Cornell's Budget and Finances
2. October 3, 2007: The Distribution of Administrative and Central Costs
3. October 17, 2007: Graduate Student Support
4. October 24, 2007: Undergraduate Financial Aid
5. October 31, 2007: The Capital Campaign
6. December 12, 2007: Budget Planning
7. January 30, 2008: Undergraduate Financial Aid
8. February 13, 2008: Cost Allocation Model Revisions
9. February 27, 2008: Endowment Payout and United States Finance Committee Request
10. March 26, 2008: The Capital Campaign
11. April 23, 2008: Space Allocation
12. April 30, 2008: Faculty Salaries

Minutes were recorded for each of the meetings.

I would like to make some personal observations about the committee. I began service as a member of the committee in my second semester at Cornell (Spring 2006). I served as co-chair of the committee in 2006-2007 and as chair in 2007-2008. For the beginning I have been struck by the fact that the committee doesn't have substantial strength in influencing policy and there seems to be some frustration by members that the committee is more reactive and not proactive. It is my understanding that the committee was formed by merging two prior committees: one which dealt with faculty compensation and benefit issues (and, no doubt, advocated for them) and another that considered the university budget (and therefore considered tradeoffs between one expense and another). The Senate should consider having two committees again.

I am continuing as a member of the committee for the 2008-2009 academic year. I expect to meet with Vice President Ainslie soon to discuss an agenda for the new year. My hope is to concentrate more deeply on a set of issues (including more detailed studies of issues such as the capital campaign, space allocation, the cost allocation model and faculty salaries) than we were able to in the past. In previous years this was difficult given the lack of resources for such efforts.

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