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1 July 2018

Charles Van Loan
Dean of Faculty
315 Day Hall

2017-18 Annual Report for the Financial Policies Committee

Dear Charlie,

The financial policies committee met 11 times this year, 6 times in the fall semester, 5 times in the spring. We spent the bulk of our time during the fall semester understanding and asking questions about the metric governing undergraduate tuition distribution (the percentages of tuition dollars distributed to the colleges has been frozen at 2016 enrollment levels and will be unfrozen beginning with FY2019).

I'll begin with a summary of our work concerning **tuition distribution**. Under the old model, tuition and financial aid costs for AAP, CAS, and ENG went to the center and funds were distributed ad hoc; tuition and financial aid for the Hotel School and Contract Colleges went to the colleges. The idea for the new model was to rationalize the distribution of resources, to establish a single distribution model for all colleges and to ask colleges and units to work within a budget. The plan, under the new model, was for tuition dollars to be initially pooled and then, after a 10% "tax" to the center, 90% would get distributed in a consistent way to the various colleges (with financial aid costs distributed to colleges in proportion to tuition); colleges would be also be responsible for allocated costs. But how would that pool of tuition get distributed? The thinking was that some should go to college of enrollment, some should go to college of instruction. For F14, the metric governing the distribution of tuition was 25% to the college of enrollment, 75% to the college of instruction. This kept the budget of CAS status quo, but left ENG with a serious shortfall. So, for F15 the metric was shifted to 40% to the college of enrollment and 60% to the college of instruction. That metric has remained in place since. But to create some stability, the distribution of tuition was frozen at the F16 figures for student enrollments and credit hours. The metric was to be "unfrozen" for F19, after which point those percentages would be determined on a five-year rolling average (the use of five-year rolling averages is intended to create stability and to inhibit "perverse incentives," such as colleges trying to capture students who might otherwise cross colleges to take courses). The budget model does not pretend to measure the differential costs of educating students across fields, it aims only to "rationalize" the distribution of dollars according to enrollment trends.

The FPC reviewed the data shared with us by VP Streeter (Budget Model Teaching Data 5 year dated 10/3/2017). Enrollments in CAS had dipped after 2008, but as of the fall of 2017, they had rebounded and were looking pretty stable. More concerning were the downward trends

in enrollment for CALS and HEC. CIS enrollments were increasing perhaps even more than anticipated. It is important to note that CIS is not an enrolling college so they don't see any of the 40% that goes to college of enrollment. As for the 60% directed to the college of instruction, that's interesting too. ENG faculty are "hard coded" into CIS for the purposes of distributing those instructional dollars, but CAS and CALS faculty are not. **The FPC should request Budget Model Teaching Data from Paul Streeter annually to see how enrollments may be changing.**

During the spring term we began to explore distribution of **graduate tuition**. I meet with Barbara Knuth, Dean of the Graduate school and reported back to the FPC. My meeting with Dean Knuth was largely an information gathering meeting. The Graduate School has oversight over all research MA, MS, and PhD degree programs (except those at Weill Medical) as well as 12 professional masters programs; it does not oversee the DVM, JD, and MBA degrees. Recruiting fellowships (such as the Sage fellowships) are administered by the Graduate School; RA and TA resources come from the Colleges. Graduate degree tuition rates are available on the Bursar website.

The FPC targeted some points to follow up on: 1) there are two rates for research tuition (endowed college PhD tuition is roughly \$9K more than contract college PhD tuition). According to Dean Knuth, there was some discussion about establishing a single tuition rate for endowed and contract college PhD students, but this was abandoned in 2008. Obviously, the higher tuition rate benefits the University but it can be a problem for faculty who are writing tuition into grants for external funding. 2) Professional master's degree programs. The tuition distribution for cross-college professional master's degree programs does not appear to have been "rationalized" in the way undergraduate tuition has been, though this is something that VP Streeter is currently working on with his staff. This work is ongoing so the FPC will need to follow up on it

In March, I invited **CIS Dean Greg Morrisett to come to an FPC meeting**. CIS is unique among the colleges in that it is not an admitting college (admitting colleges for the CIS majors are CALS, CAS, and ENG). CIS has seen a dramatic increase in undergraduate majors and student enrollments. 70% of their PhD students are going into industry; and 70% of new STEM jobs are in computing and information science. The College has neither the space nor the faculty to keep up with the demand. Indeed, they cannot fully assess the extent of the demand because no students outside of the CIS major can take upper-level courses. One way of dealing with the enrollment pressure has been to lower admissions. CALS admits to the major; and ENG and CAS have had to dial down admits wanting to major in CS. Another approach CIS has taken under Dean Morrisett has been to foster, without owning, relevant programs across the University in digital and computational biology, digital humanities, data science, computational social sciences, etc. Trying to keep up with the student demand is a primary challenge. Diversity is another challenge for CIS. The tuition distribution metric poses some challenges as well: because CIS is growing quickly, the "freeze" on tuition distribution and the decision to calculate enrollments according to 5-year rolling averages have meant that there is a lag time between the number of students they are serving and the supporting tuition dollars reaching CIS. CIS does not see the 40% of tuition that goes to the college of enrollment, but that loss (though it

may not be sustainable into perpetuity) is at present preferable to becoming an admitting college, since that would require the addition of a lot of student-facing services. As CIS continues to grow, its unique institutional standing warrants some further thought.

The FPC reviewed the AAUP Annual Report on the Economic State of the Profession for 2017-18. I also met privately with Paul Streeter and William Searle to discuss **faculty compensation**. I wanted to know what they could tell me about how the University is faring, salary wise, with recruitment and retention of faculty in competitive fields, as well as under-represented minority and female faculty. I also wanted to know how the University compares to its peers in salaries of continuing faculty; and how, if at all, they measure and address internal equity issues. They explained to me how they do their analysis and reporting on salary equity to the AAUP and AAUDE (Association of American Universities Data Exchange). These data are also used internally for calculating the tuition rate, SIP, and endowment payout. In the last reporting period they saw no significant difference by gender or race by college. I asked if it would be possible to see salary data by division (as a way of assessing salary disparities across fields) but they felt that in some cases the division might be small enough that this data would compromise confidentiality. They did share some sample salary information with the FPC. They agreed that they don't have good data on how Cornell is faring in very competitive fields. Members of the FPC suggested that we might be able to gather some information about this by surveying chairs and former chairs. Oversight of faculty salary issues is one of the express charges of the FPC, so one task of this committee going forward should be to establish an ongoing dialogue with central administration about faculty salary issues.

The FPC met again during the spring term for **ongoing conversations with Provost Kotlikoff and VP Streeter** about graduate tuition; the move of Dyson from CALS to Johnson College of Business; the north campus expansion and how the new undergraduate matriculants will be distributed across the colleges; and how we might increase FPC involvement in financial decision making.

Thank you for the opportunity to serve as Chair of the FPC. I look forward to continuing to work with you in our efforts to communicate the work of the committee with wider University community and to address concerns about financial policy and decision making that arise within the senate and across campus.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Rayma". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.