



The College of
Arts&Sciences

Rayna Kalas
Associate Professor
rayna.kalas@cornell.edu

Department of English
250 Goldwin Smith Hall
Ithaca, NY 14853-3201
t. 607.255.6800
f. 607.255.6661
<http://english.cornell.edu>

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Charles Van Loan
Dean of Faculty
315 Day Hall

Financial Policies Committee Annual report for 2018-19

Dear Charlie,

This report summarizes the work of the FPC during the 2018-19 academic year. The FPC met 10 times over the course of the year. Provost Kotlikoff and VP for Budgets and Planning Paul Streeter together joined us for 3 of those meetings. VP Streeter also joined us for 3 additional meetings. These meetings have been very helpful for us in understanding both the budgeting process and the financial priorities and policies agreed on by the President, Provost, and Trustees. It has also been useful for the FPC to have some unprogrammed time so that we can engage in open discussion and set our agenda as a committee.

Our meeting with Dean Morrisett last year was instructive, so the committee agreed that we should continue to have **conversations with Deans** to better understand how financial policies impact the various units and how the respective Deans respond to the particular challenges they face in budget planning. I invited CALS Dean Kathryn Boor and CAS Dean Jayawardhana to meet with the FPC. Dean Jayawardhana prefers to meet with us during the 2019-2020 academic year, after he has a more comprehensive grasp of the College budget. Dean Boor met with the FPC in December. She gave us some history of the College, including how she implemented a 15% cut in the College budget beginning in 2010. She faces ongoing challenges with deferred maintenance on aging buildings, the need for more student support services, and an aging faculty. She is eager to make new hires and to diversify the faculty, and explained that she is pressed when it comes to funding start-up packages (\$2 million start-up packages are not unusual for her College). Integrative plant science and digital agriculture have been crucial to her fund raising and planning, especially since the loss of Dyson.

Faculty compensation. VP Streeter and William Searle described to me last year how they conduct their analysis and reporting on salary equity to the AAUP and AAUDE (Association of American Universities Data Exchange). But we don't necessarily have good data on how Cornell compares to peer institutions in faculty compensation in competitive fields. Members of the FPC reasoned that one way to gather

Diversity and Inclusion are a part of Cornell University's heritage. We are a recognized employer and educator valuing AA/EEO, Protected Veterans, and individuals with Disabilities.

information about this would be to poll chairs and former chairs. We also thought this might be an opportunity to get feedback from chairs and formers chairs on faculty compensation issues related to a) efforts to diversify the faculty and b) salary compression. We drew up a survey that can be conducted by the Dean of Faculty's office.

Having looked at the distribution of undergraduate tuition last year, we began this year to look at the **distribution of graduate tuition** when students take courses across colleges. We met with VP Paul Streeter and Davina Desnoes in the spring and they briefed us on their efforts to come up with a revised distribution model for graduate tuition in those programs where students are crossing colleges for instruction. These efforts are ongoing so the FPC may want to follow up.

In our **meetings with Provost Kotlikoff and VP Paul Streeter**, we discussed the implementation of the President's diversity initiative and the annual budget (including the salary increase program and tuition rates). Provost Kotlikoff and VP Streeter also presented to us how they are bringing the annual budget in line with the 10-year budget planning and priorities, identifying affordability, academic priorities, and faculty growth as strategic priorities. The 10-year plan calls on the colleges to contain costs to meet their budgets. The center will be calling out colleges when there are increases in staff but not faculty. There are also efforts under way to provide services from the center. In response to a question about revenue, Provost Kotlikoff cited (in addition to new undergraduate enrollments) masters programs, new strategies for eCornell, executive education and lifelong learning programs; he also acknowledged that he is trying to avoid colleges mounting their own campaigns. We continued our discussion about the costs associated with the creation and staffing of the Johnson College of Business. And the Provost updated us on the radical collaboration initiatives.

VP Paul Streeter and I had some conversations about how we could **increase the flow of information between the center and the FPC** and he has been very accommodating in coming to FPC meetings and preparing targeted presentations for the committee. We dedicated one meeting with VP Streeter to understanding allocated costs under the current budget model. As a follow up to that meeting, FPC member Adam Smith has agreed to coordinate with VP Streeter to look into research allocated costs, especially those instances in which the research allocated costs may inhibit faculty from running grants through the University. We also dedicated a meeting to capital planning, and VP Streeter summarized the work of the Provost's capital planning committee (3 faculty members serve on that committee, myself and 2 faculty members of the campus planning board from the UA).

Toward the end of the year, you referred to us an issue that had been brought to the Dean of Faculty's office by the **University Assembly: their wish to have a budget and finance committee of their own**. The members of the FPC felt that the UA should establish their own committee to work on an overview of how budgets and financial planning work in the university but also agreed that it would be more productive to have members of that committee coordinate with the FPC rather having two distinct committees.

The FPC might benefit from having representatives or officers who interact directly with members of the administration and with Institutional Research and Planning on specific issues of concern. This could increase the flow of information and the potential for dialogue about the programmatic implications of financial decisions. With that in mind, and in the interest in diversifying the composition of the FPC, I proposed expanding the FPC from 11 to 15 faculty members and revising the charge of the committee. Members of the FPC collaborated on the **revised charge** and I presented those proposed changes to the faculty senate to be voted on in the fall.

My term as Chair of the FPC ends this year. Ravi Kanbur has agreed to take over as Chair. Here are my handover notes.

1. Enrollments

- a. The enrollment data used for distribution of tuition should be reviewed on a regular basis.
- b. FPC should continue to watch for “negative incentives” that stem from distributing tuition according to student enrollments. These may include duplicating a course taught in another college in order to keep students “in college.” But it may also be important to think about the impact of developing new majors in order to attract students (i.e. do policy-oriented majors like Environment and Sustainability draw students away from hard science majors like Earth and Atmospheric Sciences?).

2. Grad tuition

- a. When we spoke with Paul Streeter and Davina Desnoes about the distribution of graduate tuition across the colleges (esp. professional masters degree tuition) they were working on a revised distribution model that would replace the ad hoc deals made between colleges. We should follow up on this.
- b. Should there be a single rate for research degree tuition (there is currently a difference in contract and endowed research tuition) since this too can have an effect on grant writing for external funds.
- c. The data Paul Streeter gave us on research degree external funding showed a decline in total external funding from F15 to F16. Has that downward trend continued? What accounts for it?

3. Continuing conversations about Dyson and Johnson.

4. **Ongoing questions about CIS.** Given the demand for CIS courses, how is the role of CIS within the U being envisioned – a stand-alone college with special ties principally to Engineering, or a college that is also committed to “fostering without owning” programs across the U (computational biology, digital humanities, etc.). **Ongoing questions about Cornell Tech.** One of our most interesting deaconal conversations was with Greg Morrisett, we should request another meeting with him as Dean of Cornell Tech.
5. **Conversations with Deans.** We should invite Ray Jayawardhana to a meeting next year.
6. **Shared governance** and appointments to Provost’s committees: Ron was on Admission and Financial Aid Working Group, Larry on Administrative and Support Costs, Rayna on Capital Planning Committee. Don’t know if the other groups (Curriculum Oversight, Academic Technologies Working Committee, and Public and Global Activities) got off the ground. The administration has been transparent about financial policy, budgets and planning. Related to but distinct from the issue of transparency, is the matter of shared governance, which seeks faculty input in financial decision making.
7. **Faculty compensation.** It is crucial that the FPC set an agenda and a schedule for any concerns we want to raise about faculty compensation and keep open a dialogue with the center about faculty salary issues.
8. Doug Antczak suggested that we ask for data on **non-tenure track academic professionals** (professor of the practice, lecturer, research professor, etc.). The numbers were not terribly high, but were going up slowly. This is something the FPC should keep an eye on.

Thank you for the opportunity to serve as Chair of the FPC.

Sincerely yours,

