

20

03

04

Financial Plan

Operating and Capital

In-Year Forecast

February 2004

CORNELL

Published by the
Division of Planning and Budget
Cornell University
440 Day Hall
Ithaca, New York 14853
<http://dpb.cornell.edu/index.htm>
607-255-9329


February 27, 2004

Michael L. Whalen, Editor

Additional copies of this report are available at:
<http://dpb.cornell.edu/pipa/pubs.htm>



*Cornell University is an equal-opportunity,
affirmative-action employer and educator.*

 Printed on recycled paper

CONTENTS

INTRODUCTION	4
OPERATING PLAN FORECAST – HIGHLIGHTS	5
OPERATING PLAN FORECAST – DETAILS	
Endowed Ithaca	8
General Purpose Budget	10
Contract Colleges	12
Medical College	14
SPECIAL TOPICS	
TUITION	
Change in Tuition Rates	16
Comparisons with Peer Institutions	16
ENROLLMENT	
Ithaca Campus Enrollment Growth	18
2003-04 Enrollment Forecast	18
FINANCIAL AID	
Undergraduate Financial Aid	20
2003-04 Financial-Aid Forecast	20
FACULTY SALARIES	
Change in Faculty Salaries	22
Comparisons with Peer Institutions	22
WORKFORCE	
Change in Workforce	24
Support Staff	24
GIFTS/CONTRIBUTIONS	
Gifts/Contributions	26

INTRODUCTION

To the Cornell University Board of Trustees:

This document provides an in-year forecast of the 2003-04 financial plan for Cornell University that was approved by the Board of Trustees in May 2003. We would like to report that midway through the fiscal year we expect the university's overall operating plan to remain on target. Both revenues and expenditures are forecast to increase 2.2 percent over planned levels, yielding a net of \$14 million. About 60 percent of the \$14 million will be added to the reserves of various operating units on the Ithaca campus while the remainder will augment reserves in the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences.

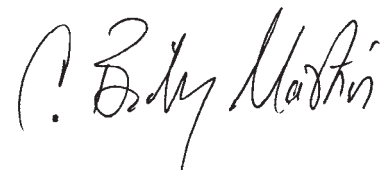
The university is making good progress on its approved capital plan for 2003-04. Duffield Hall is nearing completion, as is the first phase of construction for the West Campus Residential Initiative. The superstructure of the Statler Hall Beck Center has been built and is being enclosed, while the second phase of renovations of facilities serving the School of Industrial and Labor Relations is almost complete. A significant renovation of Mann Library is underway, and detailed plans and funding strategies are being developed for important initiatives in the physical and life sciences. Finally, groundbreaking has occurred for a new office/retail/hotel complex in Ithaca as part of a revitalization of the downtown area. Cornell will be a major tenant in this facility, which is scheduled to open in 2005.

As the nation emerges from its recent economic recession, Cornell continues to experience a mixed set of financial trends. New York State's budget condition for 2003-04 has improved, however, the governor is still predicting a budget shortfall for 2004-05 of about \$5 billion. Cornell's contract colleges received a \$2.4 million state appropriation budget reduction in 2003-04. Absent a change in New York State's approach to funding the State University of New York, we expect this pattern of reductions to continue for three more years. Our endowment's investment performance has rebounded—we experienced a 20.5 percent return for the calendar year 2003. Even with this good news we had to reduce our endowment payout rate for 2003-04, and will do so again in the coming year in order to realign the payout with the current size of the endowment. In the grant and contract arena, all three divisions of the university are demonstrating remarkable

resilience in enhancing research support, competing very successfully among peer institutions for federal funding. The university continues to experience strong support from our many donors, who contribute not only financial resources but of themselves. A record amount of cash gifts (\$224 million) was received through December 2003, setting the stage for 2003-04 to be a banner fundraising year. Finally, we continue to attract some of the best and brightest scholars to our academic programs as witnessed by the prominence of Cornell faculty and students who are involved in the Spirit and Opportunity rover missions on Mars.

It is our intent to continue our strategic investments in programs at both the Ithaca campus and the Medical College. Among these are plans to increase faculty and staff compensation; to invest in faculty research and scholarship in a variety of disciplines; to improve the learning and living environment of our students; and to provide facilities that support and encourage the very best from the Cornell community.

We have included reports in this booklet on six issues—tuition, enrollment, financial aid, faculty salaries, workforce, and gifts—that play an important role in our financial planning. A second forecast of this year's operating plan will be made in May, as part of the 2004-05 financial plan presentation. We began the formal budget approval process for 2004-05 with the presentation of budget policies at the January 2004 Board of Trustees meeting. Those policies were informed by the results summarized in this report. We appreciate your thoughts and comments on this document and stand ready to answer your questions about Cornell's finances.



C. Biddy Martin
Provost

OPERATING PLAN FORECAST – HIGHLIGHTS

2003-04 OPERATING PLAN

The university's 2003-04 composite operating plan was predicated on a resource inflow of \$2.143 billion, of which \$2.12 billion would be utilized, leaving a net from operations of \$23 million. The current forecast of that plan, which is shown in the tables on pages 6 and 7 and is highlighted below, calls for a 2.2 percent increase in operating resources and a 2.6 percent increase in the use of those resources, decreasing the net from operations to \$14 million. This forecast is discussed in detail, by division, beginning on page 8.

Endowed Ithaca

The endowed Ithaca operating plan was based on a total of \$926.9 million in resources being available for expenditure and transfer out to other funds.

- **Revenues and transfers in** are expected to total \$952.2 million, an increase of \$25.4 million, or 2.7 percent, from the plan, as growth will occur in tuition and fee revenues, investment distributions, and sponsored programs support.
- **Expenditures and transfers out** are forecast to increase \$25.6 million, to \$943.1 million, primarily due to growth in sponsored programs expenditures coupled with increased financial-aid support for graduate students.
- This combination of revenues, expenditures, and transfers is currently forecast to produce a \$9.1 million **net from operations**—\$245 thousand less than planned.

Contract Colleges

The operating plan for the contract colleges was based on a total of \$509 million in resources being available for expenditure and transfer out to other funds.

- **Revenues and transfers in** are projected to total \$517 million, an increase of \$8 million, or 1.6 percent, from the plan. The projection includes increases in tuition, sponsored programs funding, and state appropriations. Partially offsetting this growth will be a decrease in investment distributions.
- **Expenditures and transfers out** are forecast to increase \$7.4 million, to \$517.7 million, due to a growth in salaries and general expenses in the Col-

lege of Agriculture and Life Sciences that will be only partially offset by a \$2.8 million decrease in expenditures in the College of Human Ecology.

- This combination of revenues, expenditures, and transfers is currently forecast to produce a negative **net from operations** of \$717 thousand, reflecting an improvement in the overall financial condition of the contract colleges.

Medical College

The operating plan for the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences was based on a total of \$707.5 million in resources being available for expenditure and transfer out to other funds.

- **Revenues and transfers in** are projected to total \$720.4 million, an increase of \$12.9 million, or 1.8 percent, over that planned, as growth is expected in support for sponsored programs and Physician Organization receipts, only partially offset by a projected decline in restricted gifts for current operations.
- **Expenditures and transfers out** are forecast to increase \$22.2 million, to \$714.8 million. Most of this change will occur in academic, clinical, and support service departments of the Medical College, reflecting the increased availability of sponsored programs funding and Physician Organization revenues mentioned above. There will also be an increase in the central support service costs associated with the Strategic Plan.
- This combination of revenues, expenditures, and transfers is currently forecast to produce a \$5.6 million **net from operations**—\$9.3 million less than planned.

Overall, the university is projecting a \$14 million **net from operations**, which will be added to current fund balances. This will be \$9 million less than planned, and less than the 2002-03 net of \$36.2 million. Sixty percent of the projected 2003-04 net from operations will be added to fund balances at the Ithaca Campus; 40 percent to balances in the Medical College. Most of these fund-balance additions will be general purpose or restricted for specific programs or needs.

OPERATING PLAN FORECAST – HIGHLIGHTS

University Operating Plan – Summary						
(dollars in thousands)						
	01-02	02-03	03-04	03-04	Change from	
	Actual	Actual	Plan	Forecast	Plan to Forecast	
Revenues & Transfers In					Dollars	Percent
1. Tuition & Fees	\$461,476	\$491,006	\$527,325	\$535,668	\$8,343	1.6%
2. Investment Distributions	184,751	184,652	166,089	175,141	9,052	5.5%
3. Unrestricted Gifts	56,946	52,872	46,131	45,435	(696)	(1.5%)
4. Restricted Gifts	110,056	128,220	118,169	110,663	(7,506)	(6.4%)
5. Sponsored Programs (direct costs)	314,680	357,669	351,260	374,198	22,938	6.5%
6. Sponsored Programs (indirect costs)	91,784	102,655	99,095	105,614	6,519	6.6%
7. Institutional Allowances	1,666	1,650	1,645	1,659	14	0.9%
8. State Appropriations	152,046	145,885	138,980	140,248	1,268	0.9%
9. Federal Appropriations	19,495	18,770	20,077	20,100	23	0.1%
10. Physician Organization (PO)	289,686	297,386	335,238	341,068	5,830	1.7%
11. NYPH (purchased services)	61,265	60,475	69,520	70,488	968	1.4%
12. Sales & Services of Enterprises	114,798	120,556	120,990	121,597	607	0.5%
13. Other Sources	<u>110,828</u>	<u>133,246</u>	<u>138,297</u>	<u>138,760</u>	<u>463</u>	<u>0.3%</u>
14. Total Revenues	1,969,477	2,095,042	2,132,816	2,180,639	47,823	2.2%
15. Transfers In from Endowment	9,800	19,883	9,126	7,300	(1,826)	
16. Transfers In from Plant Funds	<u>4,546</u>	<u>2,632</u>	<u>1,494</u>	<u>1,680</u>	<u>186</u>	
17. Total Resources Available	1,983,823	2,117,557	2,143,436	2,189,619	46,183	2.2%
Expenditures & Transfers Out						
18. Agriculture & Life Sciences	194,828	204,976	209,312	217,500	8,188	3.9%
19. Architecture, Art & Planning	14,838	15,445	15,282	14,900	(382)	(2.5%)
20. Arts & Sciences	128,412	146,492	148,675	147,000	(1,675)	(1.1%)
21. Engineering	94,233	104,711	99,988	108,000	8,012	8.0%
22. Hotel Administration	39,970	39,751	42,946	40,000	(2,946)	(6.9%)
23. Human Ecology	42,831	42,907	44,227	41,420	(2,807)	(6.3%)
24. Industrial & Labor Relations	36,281	37,650	40,401	40,350	(51)	(0.1%)
25. Johnson School	32,159	34,628	36,679	35,000	(1,679)	(4.6%)
26. Law School	16,843	19,418	19,374	20,900	1,526	7.9%
27. Medical College (academic/clinical)	498,230	548,780	557,300	574,935	17,635	3.2%
28. Veterinary Medicine	<u>82,091</u>	<u>82,353</u>	<u>91,544</u>	<u>91,600</u>	<u>56</u>	<u>0.1%</u>
29. Subtotal Colleges	1,180,716	1,277,111	1,305,728	1,331,605	25,877	2.0%
30. Research Centers	78,620	86,103	86,743	92,900	6,157	7.1%
31. Other Academic Programs	100,878	101,998	102,822	103,050	228	0.2%
32. Centrally Recorded Financial Aid	116,569	124,777	124,695	133,277	8,582	6.9%
33. Student Services	93,673	94,882	97,752	96,100	(1,652)	(1.7%)
34. Administrative & Support	153,720	164,397	195,646	199,407	3,761	1.9%
35. Physical Plant	140,627	132,399	157,197	160,033	2,836	1.8%
36. All Other	<u>5,340</u>	<u>5,626</u>	<u>6,516</u>	<u>5,990</u>	<u>(526)</u>	<u>(8.1%)</u>
37. Total Expenditures	1,870,143	1,987,293	2,077,099	2,122,362	45,263	2.2%
38. Transfers Out to Endowment	19,733	41,710	9,658	11,230	1,572	
39. Transfers Out to Plant Funds	<u>47,056</u>	<u>52,345</u>	<u>33,633</u>	<u>42,030</u>	<u>8,397</u>	
40. Total Resources Used	1,936,932	2,081,348	2,120,390	2,175,622	55,232	2.6%
41. Net from Operations	46,891	36,209	23,046	13,997	(9,049)	
42. Change in Current Fund Balances	46,891	36,209	23,046	13,997	(9,049)	

OPERATING PLAN FORECAST – HIGHLIGHTS

University Operating Plan – Divisional Detail						
(dollars in thousands)						
	Endowed	Contract	Medical	03-04	03-04	Change
	Ithaca	Colleges	College	Forecast	Plan	from
						Plan
Revenues & Transfers In						
1. Tuition & Fees	\$390,790	\$128,850	\$16,028	\$535,668	\$527,325	1.6%
2. Investment Distributions	125,400	20,580	29,161	175,141	166,089	5.5%
3. Unrestricted Gifts	34,050	8,780	2,605	45,435	46,131	(1.5%)
4. Restricted Gifts	45,500	8,250	56,913	110,663	118,169	(6.4%)
5. Sponsored Programs (direct costs)	149,250	124,650	100,298	374,198	351,260	6.5%
6. Sponsored Programs (indirect costs)	42,525	23,115	39,974	105,614	99,095	6.6%
7. Institutional Allowances		130	1,529	1,659	1,645	0.9%
8. State Appropriations	1,853	138,255	140	140,248	138,980	0.9%
9. Federal Appropriations		20,100		20,100	20,077	0.1%
10. Physician Organization (PO)			341,068	341,068	335,238	1.7%
11. NYPH (purchased services)			70,488	70,488	69,520	1.4%
12. Sales & Services of Enterprises	110,200		11,397	121,597	120,990	0.5%
13. Other Sources	50,000	37,945	50,815	138,760	138,297	0.3%
14. Inter-Unit Transfers	(5,250)	5,250				
15. Total Revenues	944,318	515,905	720,416	2,180,639	2,132,816	2.2%
16. Transfers In from Endowment	7,200	100		7,300	9,126	
17. Transfers In from Plant Funds	725	955		1,680	1,494	
18. Total Resources Available	952,243	516,960	720,416	2,189,619	2,143,436	2.2%
Expenditures & Transfers Out						
19. Agriculture & Life Sciences		217,500		217,500	209,312	3.9%
20. Architecture, Art & Planning	14,900			14,900	15,282	(2.5%)
21. Arts & Sciences	147,000			147,000	148,675	(1.1%)
22. Engineering	108,000			108,000	99,988	8.0%
23. Hotel Administration	40,000			40,000	42,946	(6.9%)
24. Human Ecology		41,420		41,420	44,227	(6.3%)
25. Industrial & Labor Relations		40,350		40,350	40,401	(0.1%)
26. Johnson School	35,000			35,000	36,679	(4.6%)
27. Law School	20,900			20,900	19,374	7.9%
28. Medical College (academic/clinical)			574,935	574,935	557,300	3.2%
29. Veterinary Medicine		91,600		91,600	91,544	0.1%
30. Research Centers	92,900			92,900	86,743	7.1%
31. Other Academic Programs	96,300	6,750		103,050	102,822	0.2%
32. Centrally Recorded Financial Aid	121,500	2,000	9,777	133,277	124,695	6.9%
33. Student Services	96,100			96,100	97,752	(1.7%)
34. Administrative & Support	106,200	3,690	89,517	199,407	195,646	1.9%
35. Physical Plant	91,700	31,480	36,853	160,033	157,197	1.8%
36. All Other	3,000	2,990		5,990	6,516	(8.1%)
37. Intra-University Cost Distribution	(76,282)	74,737	1,545			
38. Total Expenditures	897,218	512,517	712,627	2,122,362	2,077,099	2.2%
39. Transfers Out to Endowment	9,700	1,530		11,230	9,658	
40. Transfers Out to Plant Funds	36,200	3,630	2,200	42,030	33,633	
41. Total Resources Used	943,118	517,677	714,827	2,175,622	2,120,390	2.6%
42. Net from Operations	9,125	(717)	5,589	13,997	23,046	
43. Change in Current Fund Balances	9,125	(717)	5,589	13,997	23,046	

OPERATING PLAN FORECAST – DETAILS

ENDOWED ITHACA

Revenues and Transfers In

Revenues for 2003-04 are currently forecast at \$944.3 million, an increase of \$26.9 million, or 2.9 percent, from the plan and 2.5 percent over the amount recorded in 2002-03.

- **Tuition and fee** revenues are projected to be \$4.6 million more than planned due to higher undergraduate and graduate enrollments in the Colleges of Architecture, Art and Planning; Arts and Sciences; and Engineering. This growth will be offset partially by lower than planned enrollments in the Johnson School and in executive education programs in the School of Hotel Administration. (See page 19.)
- **Investment distributions** are projected to total \$125.4 million, an increase of \$8.4 million over the plan, due to higher than anticipated invested fund balances and a greater than planned payout centrally on pooled balance investments.
- **Unrestricted and restricted gift** revenues for current operations are forecast to total \$79.6 million, only slightly less than planned. While the level of cash gifts recorded in current funds through December 2003 was less than expected, overall cash gifts for all purposes (including endowment and capital) were up substantially from the prior year. The forecast anticipates a rebound in gifts for current purpose during the second half of 2003-04.
- **Direct cost** funding of **sponsored programs** is projected to be \$14.3 million greater than planned, and 6.5 percent more than recorded in 2002-03, reflecting research growth in the College of Engineering and in the endowed Ithaca research centers (most notably, the National Astronomy and Ionosphere Center and the Cornell High Energy Synchrotron). **Indirect costs** associated with sponsored programs are projected to total \$42.5 million, an increase of 2.2 percent from the plan that is less than the projected growth in direct costs. Much of the direct-cost growth is occurring in expenditures such as capital equipment that are not subject to indirect cost recovery.

Transfers in from funds functioning as endowment are currently projected at \$7.2 million, while transfers from plant funds are expected to total \$725 thousand.

Expenditures and Transfers Out

Gross expenditures are currently forecast at \$973.5 million, an increase of \$18.5 million, or 1.9 percent, from the plan, and 5.8 percent more than recorded in 2002-03.

- **College** expenditures are projected to be \$2.9 million more than planned, as increases in enrollment and sponsored programs activity in the College of Engineering will be offset partially by cost reductions in the School of Hotel Administration and the Johnson School due to decreased enrollment in executive education and other special programs in these schools.
- **Research centers** expenditures are expected to be \$6.2 million, or 7.1 percent, greater than planned as a result of the projected growth in sponsored programs funding noted above.
- **Centrally recorded financial-aid** costs are projected to exceed planned levels by \$8.7 million, or 7.7 percent, in response to the growth in graduate enrollment. Overall, centrally recorded financial-aid expenditures are forecast to be 6.9 percent greater than recorded in 2002-03.
- **Student services** costs are expected to be 1.7 percent less than planned as cost reductions from workforce planning initiatives are offset only partially by increases in general expenditures in enterprise operations.
- **Physical plant** expenditures are projected to exceed the plan by 2.9 percent, recognizing the increased cost of recently constructed buildings.

Transfers out to funds functioning as endowment of \$9.7 million will exceed the plan by 5.3 percent.

Transfers out to plant funds are projected to be \$6.9 million more than planned, reflecting primarily the transfer of gift funds for the West Campus Residential Initiative that were received in 2002-03.

Net from Operations

The combination of these factors is currently projected to yield a **net from operations** of \$9.1 million, a decrease of \$245 thousand from the plan, which will be recorded primarily in designated and restricted fund balances.

OPERATING PLAN FORECAST – DETAILS

Endowed Ithaca (dollars in thousands)				Change from Plan to Forecast		
	01-02	02-03	03-04	03-04	Dollars	Percent
	Actual	Actual	Plan	Forecast		
Revenues & Transfers In						
1. Tuition & Fees	\$351,230	\$370,209	\$386,211	\$390,790	\$4,579	1.2%
2. Investment Distributions	130,901	131,228	117,007	125,400	8,393	7.2%
3. Unrestricted Gifts	41,664	40,311	34,860	34,050	(810)	(2.3%)
4. Restricted Gifts	50,337	50,344	45,436	45,500	64	0.1%
5. Sponsored Programs (direct costs)	119,220	140,076	134,960	149,250	14,290	10.6%
6. Sponsored Programs (indirect costs)	34,644	39,840	41,616	42,525	909	2.2%
7. State Appropriations	1,791	1,696	1,839	1,853	14	0.8%
8. Sales & Services of Enterprises	103,649	109,798	109,420	110,200	780	0.7%
9. Other Sources	45,391	49,234	51,028	50,000	(1,028)	(2.0%)
10. Inter-Unit Transfers	<u>(10,906)</u>	<u>(11,287)</u>	<u>(5,003)</u>	<u>(5,250)</u>	<u>(247)</u>	4.9%
11. Total Revenues	867,921	921,449	917,374	944,318	26,944	2.9%
12. Transfers In from Endowment	8,028	19,308	9,026	7,200	(1,826)	(20.2%)
13. Transfers In from Plant Funds	<u>3,646</u>	<u>1,935</u>	<u>493</u>	<u>725</u>	<u>232</u>	47.1%
14. Total Resources Available	879,595	942,692	926,893	952,243	25,350	2.7%
Expenditures & Transfers Out						
15. Architecture, Art & Planning	14,838	15,445	15,282	14,900	(382)	(2.5%)
16. Arts & Sciences	128,412	146,492	148,675	147,000	(1,675)	(1.1%)
17. Engineering	94,233	104,711	99,988	108,000	8,012	8.0%
18. Hotel Administration	39,970	39,751	42,946	40,000	(2,946)	(6.9%)
19. Johnson School	32,159	34,628	36,679	35,000	(1,679)	(4.6%)
20. Law School	16,843	19,418	19,374	20,900	1,526	7.9%
21. Research Centers	78,620	86,103	86,743	92,900	6,157	7.1%
22. Other Academic Programs	93,631	95,351	95,986	96,300	314	0.3%
23. Centrally Recorded Financial Aid	104,998	113,667	112,766	121,500	8,734	7.7%
24. Student Services	93,673	94,882	97,752	96,100	(1,652)	(1.7%)
25. Administrative & Support	98,477	95,945	106,774	106,200	(574)	(0.5%)
26. Physical Plant	77,592	70,772	89,113	91,700	2,587	2.9%
27. Endowed Ithaca All Other	<u>3,307</u>	<u>2,788</u>	<u>2,956</u>	<u>3,000</u>	<u>44</u>	1.5%
28. Gross Expenditures	876,753	919,953	955,034	973,500	18,466	1.9%
Intra-University Cost Distribution						
29. Accessory Instruction	(16,487)	(17,221)	(17,830)	(17,830)		
30. Administrative & Support	(39,329)	(42,207)	(44,143)	(44,363)	(220)	0.5%
31. Financial Aid	<u>(9,143)</u>	<u>(12,308)</u>	<u>(14,089)</u>	<u>(14,089)</u>		
32. Net Expenditures	811,794	848,217	878,972	897,218	18,246	2.1%
33. Transfers Out to Endowment	14,634	36,728	9,208	9,700	492	5.3%
34. Transfers Out to Plant Funds	<u>39,526</u>	<u>42,816</u>	<u>29,343</u>	<u>36,200</u>	<u>6,857</u>	23.4%
35. Total Resources Used	865,954	927,761	917,523	943,118	25,595	2.8%
36. Net from Operations	13,641	14,931	9,370	9,125	(245)	
Additions to/(Withdrawals from) Current Fund Balances						
37. General Purpose	47	41		28	28	
38. Designated	9,883	17,076	5,993	5,732	(261)	
39. Enterprise/Service	3,818	162	268	265	(3)	
40. Restricted	<u>(107)</u>	<u>(2,348)</u>	<u>3,109</u>	<u>3,100</u>	<u>(9)</u>	
41. Net Current Fund Changes	13,641	14,931	9,370	9,125	(245)	

GENERAL PURPOSE BUDGET

The endowed Ithaca general purpose budget is the university's central operating fund, supporting the general purpose colleges, central administrative and support services, and most unrestricted financial aid. While shown separately on these two pages, this budget is part of the endowed Ithaca financial plan (displayed on pages 8 and 9). Besides redistributing cost within the endowed Ithaca division, the general purpose budget distributes costs to the contract colleges (displayed on page 13, lines 26 to 28) and the Medical College (displayed on page 15, line 25).

Revenues and Transfers In

Revenues for 2003-04 are currently forecast at \$408 million, an increase of \$10.3 million, or 2.6 percent, from the plan and a 4.6 percent increase from 2002-03.

- **Tuition and fee** revenues, which account for 72 percent of general purpose income, are forecast to be \$7.7 million more than planned. This is due to higher undergraduate and graduate enrollments in the Colleges of Architecture, Art and Planning; Arts and Sciences; and Engineering. (See page 19.)
- **Investment distributions** (including the recovery of investment management expense) are forecast to be \$3.7 million greater than planned, as the payout rate on short-term and intermediate-term investments that fund the general purpose budget will remain at 3 percent rather than the 1.5 percent that was planned.
- **Unrestricted gift** income is forecast at \$4.4 million, a decrease of \$527 thousand from the plan, but a total comparable with the amount received in 2002-03.
- **Indirect cost** recoveries for **sponsored programs** are projected to total \$42.5 million, an increase of \$909 thousand, or 2.2 percent, from the plan. This change is a result of research growth in the Colleges of Architecture, Art and Planning and Engineering as well as Computer and Information Sciences and several research centers (most notably, the National Astronomy and Ionosphere Center and the Cornell High Energy Synchrotron).
- The forecast for the category of **other sources** of income reflects a decline of \$1.5 million from the planned amount, due primarily to decreases in patent royalties and banking service fee income.

Allocations for Expenditure

Operating expenditure allocations totaling \$492.5 million were authorized for 2003-04. This level is expected to grow by \$10 million, to a total of \$502.5 million—a 2 percent increase.

- Allocations to **colleges, research centers, and other academic programs** will increase \$7.9 million, as planned limited-term support for program initiatives, faculty recruitment, and research infrastructure will be funded from university contingency and initiative funds budgeted on line 24.
- Allocations for **graduate financial aid** are projected to be \$8.8 million more than planned, reflecting the in-year assignment of central funding to support an expansion in graduate enrollment.
- **Student service** allocations will increase \$1.6 million from the original plan due to the allocation of additional funding (budgeted on line 24) for general and psychological health services for students.
- **Administrative and support** allocations will increase \$3.3 million, reflecting incremental investments in research administration and compliance activities, contractual increases, and other items of limited-term support. These items were budgeted on line 24 and are normally transferred during the fiscal year.
- The category of **all other** contains both the university's contingency and certain one-time or limited-term allocations that are budgeted centrally and transferred during the year to programs and units. This line item will decrease by \$11.7 million from the amount planned, reflecting the above-described allocations made to operating units. The **all other** category also includes funding for initiative in systems, faculty and staff development, classroom renovation, life safety improvement, and compliance.

Net from Operations

The general purpose budget **net from operations** is currently forecast at \$28 thousand. This amount will be added to the general purpose fund balance.

OPERATING PLAN FORECAST – DETAILS

General Purpose Budget (dollars in thousands)				Change from Plan to Forecast		
	01-02	02-03	03-04	03-04	Dollars	Percent
	Actual	Actual	Plan	Forecast		
Revenues & Transfers In						
1. Tuition & Fees	\$264,130	\$277,845	\$284,503	\$292,195	\$7,692	2.7%
2. Investment Distributions	62,068	61,209	59,385	63,125	3,740	6.3%
3. Unrestricted Gifts	4,505	4,343	4,877	4,350	(527)	(10.8%)
4. Sponsored Programs (indirect costs)	34,644	39,840	41,616	42,525	909	2.2%
5. State Appropriations	1,460	1,417	1,528	1,480	(48)	(3.1%)
6. Other Sources	<u>5,120</u>	<u>5,427</u>	<u>5,838</u>	<u>4,365</u>	<u>(1,473)</u>	<u>(25.2%)</u>
7. Total Revenues	371,927	390,081	397,747	408,040	10,293	2.6%
8. Transfers In from Endowment						
9. Transfers In from Plant Funds						
10. Total Resources Available	<u>371,927</u>	<u>390,081</u>	<u>397,747</u>	<u>408,040</u>	<u>10,293</u>	<u>2.6%</u>
Allocations for Expenditure						
11. Architecture, Art & Planning	10,170	11,014	10,822	10,922	100	0.9%
12. Arts & Sciences	96,124	102,102	104,642	106,092	1,450	1.4%
13. Engineering	38,148	41,209	40,796	41,787	991	2.4%
14. Johnson School	227	234	241	241		
15. Law School	750	750	750	750		
16. Research Centers	7,467	7,674	4,784	6,837	2,053	42.9%
17. Other Academic Programs	48,207	51,077	49,166	52,463	3,297	6.7%
18. Undergraduate Financial Aid	43,151	45,180	52,441	52,441		
19. Graduate Financial Aid	25,896	27,485	20,682	29,438	8,756	42.3%
20. Student Services	22,240	23,666	22,670	24,231	1,561	6.9%
21. Administrative & Support	87,148	93,543	93,933	97,271	3,338	3.6%
22. Physical Plant	52,682	55,401	54,925	55,158	233	0.4%
23. All Other	<u>17,627</u>	<u>19,049</u>	<u>36,598</u>	<u>24,849</u>	<u>(11,749)</u>	<u>(32.1%)</u>
24. Gross Expense Allocation	449,837	478,384	492,450	502,480	10,030	2.0%
Intra-University Cost Distribution						
25. Accessory Instruction	(12,415)	(12,780)	(13,878)	(13,430)	448	(3.2%)
26. Administrative & Support	(56,399)	(63,256)	(66,736)	(66,949)	(213)	0.3%
27. Financial Aid	<u>(9,143)</u>	<u>(12,308)</u>	<u>(14,089)</u>	<u>(14,089)</u>		
28. Net Cost Distribution	<u>(77,957)</u>	<u>(88,344)</u>	<u>(94,703)</u>	<u>(94,468)</u>	<u>235</u>	<u>(0.2%)</u>
29. Transfers Out to Endowment						
30. Transfers Out to Plant Funds						
31. Total Resources Used	<u>371,880</u>	<u>390,040</u>	<u>397,747</u>	<u>408,012</u>	<u>10,265</u>	<u>2.6%</u>
32. Net from Operations	47	41		28	28	
Additions to/(Withdrawals from) Current Fund Balances						
33. General Purpose	47	41		28	28	
34. Designated						
35. Net Current Fund Changes	<u>47</u>	<u>41</u>		<u>28</u>	<u>28</u>	

CONTRACT COLLEGES

Revenues and Transfers In

Revenues for 2003-04 are forecast at \$515.9 million, an increase of \$8 million from the plan and 3.7 percent more than recorded in 2002-03.

- **Tuition and fees** are projected to be 3.2 percent greater than planned due to a growth in undergraduate and graduate enrollments in the School of Industrial and Labor Relations (ILR) and the College of Agriculture and Life Sciences (CALs).
- **Investment distributions** are forecast to be 1.1 percent less than planned due to a reduction in the level of invested fund balances.
- The combination of **unrestricted** and **restricted gift** revenues for general operations is forecast to be \$187 thousand more than planned.
- **Direct funding for sponsored programs** is expected to increase \$765 thousand above the original plan, a growth due to research in textiles and apparel, employment disabilities, and disaster relief. **Indirect cost** recoveries are projected to also exceed the plan, by 4.4 percent, reflecting the increased amount of direct funding and an expansion in the number of grants and contracts that cover a higher portion of indirect costs.
- **State appropriations** are forecast to be \$1.3 million more than planned, as the reduction in appropriations for 2003-04 received through the State University of New York (SUNY) was less than originally anticipated. As planned, the forecast reflects the change in the handling of the SUNY component of tuition whereby the contract colleges retain \$9.4 million of contract college tuition that was formerly remitted to SUNY. An offsetting reduction in state appropriations was included in the 2003-04 operating plan to reflect this change.
- **Other sources** of income, which include sales and services of academic departments, are forecast to exceed the plan by \$700 thousand, representing increases in CALs's cooperative extension and animal sciences programs.

Expenditures and Transfers Out

Expenditures are currently forecast at \$437.8 million, an increase of \$4.6 million, or 1.1 percent, from the

plan and a 6.6 percent growth over 2002-03.

- The combined expenditures of the four **contract colleges** (including the Geneva Experiment Station under CALs) are projected to increase \$5.4 million, primarily as a result of an \$8.2 million increase from plan in salaries and general expenses in CALs that will be offset partially by a \$2.8 million expense decrease in CHE. The latter will be due to strategic position management and other planning initiatives.
- The category of **contract college all other** expenditures is forecast to be 16 percent less than planned due to the reorganization of media services activities, which included the shifting of some of these costs to the endowed Ithaca division.

Transfers out to funds functioning as endowment are expected to increase \$1.1 million, as operational savings that are being realized in ILR are invested in the Long Term Investment Pool. **Transfers to plant funds** will include a \$1.5 million increase to reflect the addition of matching funds for office space renovation in the basement of Martha Van Rensselaer Hall.

Net from Operations

The combination of these changes will yield a negative **net from operations** of \$717 thousand, \$517 thousand better than planned. Funding this shortfall will require that monies be withdrawn from unrestricted **current fund balances**—reserves that totaled \$76.1 million at June 30, 2003, and were specifically set aside in prior fiscal years for such a need.

OPERATING PLAN FORECAST – DETAILS

Contract Colleges (dollars in thousands)	01-02	02-03	03-04	03-04 Forecast	Change from Plan to Forecast	
	Actual	Actual	Plan		Dollars	Percent
Revenues & Transfers In						
1. Tuition & Fees	\$95,433	\$105,033	\$124,851	\$128,850	\$3,999	3.2%
2. Investment Distributions	21,117	21,474	20,799	20,580	(219)	(1.1%)
3. Unrestricted Gifts	9,744	10,322	8,666	8,780	114	1.3%
4. Restricted Gifts	7,602	8,198	8,177	8,250	73	0.9%
5. Sponsored Programs (direct costs)	108,321	116,780	123,885	124,650	765	0.6%
6. Sponsored Programs (indirect costs)	22,264	23,808	22,139	23,115	976	4.4%
7. Institutional Allowances	230	149	130	130		
8. State Appropriations	150,066	144,051	136,937	138,255	1,318	1.0%
9. Federal Appropriations	19,495	18,770	20,077	20,100	23	0.1%
10. Other Sources	38,539	37,655	37,245	37,945	700	1.9%
11. Inter-Unit Transfers	<u>10,906</u>	<u>11,287</u>	<u>5,003</u>	<u>5,250</u>	<u>247</u>	4.9%
12. Total Revenues	483,717	497,527	507,909	515,905	7,996	1.6%
13. Transfers In from Endowment	1,772	575	100	100		
14. Transfers In from Plant Funds	<u>900</u>	<u>697</u>	<u>1,001</u>	<u>955</u>	<u>(46)</u>	
15. Total Resources Available	486,389	498,799	509,010	516,960	7,950	1.6%
Expenditures & Transfers Out						
16. Agriculture & Life Sciences	194,828	204,976	209,312	217,500	8,188	3.9%
17. Human Ecology	42,831	42,907	44,227	41,420	(2,807)	(6.3%)
18. Industrial & Labor Relations	36,281	37,650	40,401	40,350	(51)	(0.1%)
19. Veterinary Medicine	82,091	82,353	91,544	91,600	56	0.1%
20. Other Academic Programs	7,247	6,647	6,836	6,750	(86)	(1.3%)
21. Centrally Recorded Financial Aid	1,287	1,099	2,000	2,000		
22. Administrative & Support	4,017	3,735	3,683	3,690	7	0.2%
23. Physical Plant	30,184	28,370	31,624	31,480	(144)	(0.5%)
24. Contract College All Other	<u>2,033</u>	<u>2,838</u>	<u>3,560</u>	<u>2,990</u>	<u>(570)</u>	(16.0%)
25. Gross Expenditures	400,799	410,575	433,187	437,780	4,593	1.1%
Intra-University Cost Distribution						
26. Accessory Instruction	16,487	17,221	17,830	17,830		
27. Administrative & Support	38,129	40,707	42,598	42,818	220	0.5%
28. Financial Aid	<u>9,143</u>	<u>12,308</u>	<u>14,089</u>	<u>14,089</u>		
29. Net Expenditures	464,558	480,811	507,704	512,517	4,813	0.9%
30. Transfers Out to Endowment	5,099	4,982	450	1,530	1,080	
31. Transfers Out to Plant Funds	<u>4,240</u>	<u>5,153</u>	<u>2,090</u>	<u>3,630</u>	<u>1,540</u>	
32. Total Resources Used	473,897	490,946	510,244	517,677	7,433	1.5%
33. Net from Operations	12,492	7,853	(1,234)	(717)	517	
Additions to/(Withdrawals from) Current Fund Balances						
34. General Purpose	1,504	366	3,874	1,413	(2,461)	
35. Designated	8,293	7,541	(3,683)	(3,369)	314	
36. Restricted	<u>2,695</u>	<u>(54)</u>	<u>(1,425)</u>	<u>1,239</u>	<u>2,664</u>	
37. Net Current Fund Changes	12,492	7,853	(1,234)	(717)	517	

MEDICAL COLLEGE

Revenues and Transfers In

Revenues for the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences for 2003-04 are currently forecast at \$720.4 million, an increase of \$12.9 million, or 1.8 percent, from the plan.

- **Gifts from restricted sources** are expected to total \$56.9 million, a decrease of \$7.6 million, or 11.8 percent, from the planned level of \$64.6 million. This change is attributable largely to an anticipated drop in the level of funding required for Strategic Plan priorities.
- **Direct sponsored program support** is expected to increase to \$100.3 million, \$7.9 million more than the planned amount of \$92.4 million. This growth is predicated on higher government grant support and no change in the level of nongovernmental grant funding. Government grant support for Strategic Plan faculty is projected to remain relatively consistent with the planned level. **Indirect cost recoveries** from sponsored programs are expected to increase \$4.6 million, or 13.1 percent, to \$40 million.
- Revenues from the **Physician Organization** are projected at \$329.7 million, an increase of \$5.7 million, or 1.8 percent, from the plan. This forecast includes the expansion of current and new clinical practices and various specialty divisions, which will result in higher clinical revenues.
- Revenues for services purchased by the **New York Presbyterian Hospital (NYPH)** are forecasted to increase slightly from the planned amount of \$69.5 million, to a total of \$70.5 million. These revenues are primarily payments for professional services related to hospital activities, such as supervision and training of NYPH residents, and other hospital-related functions.
- Funding from the **Qatar Foundation** to operate the Weill Cornell Medical School in Qatar will remain at the planned level of \$32.3 million.

No transfers in from funds functioning as endowment or plant funds are anticipated in this forecast.

Expenditures and Transfers Out

Net expenditures are currently forecast at \$712.6 million, an increase of \$22.2 million, or 3.2 percent, over the level planned for 2003-04.

- **Academic and clinical departments**, including the Physician Organization, are forecast to expend a total of \$574.9 million, an increase of \$17.6 million, or 3.2 percent, compared to the plan. This growth is centered primarily in two areas: a) higher Physician Organization-related expenses due to increased malpractice premiums and medical service agreement contracts and b) increased sponsored program costs related to government grant funding.
- **Administrative and support** costs are forecast to increase \$4.3 million, or 5.1 percent, from the plan, to \$89.5 million. This change is related primarily to greater than anticipated expenses in Strategic Plan administrative costs and in other auxiliary support areas.
- **Physical plant** expenditures are projected to total \$36.9 million, a \$393 thousand, or 1.1 percent, increase over the planned level of \$36.5 million—a change attributable mainly to greater debt service payments.

Transfers out to plant funds are forecast to remain as planned at \$2.2 million.

Net from Operations

The net from operations that will be added to current fund balances is now projected to total \$5.6 million. This operating surplus includes anticipated increases in general purpose and restricted fund balances offset partially by decreases in designated and enterprise fund balances.

OPERATING PLAN FORECAST – DETAILS

Medical College				Change from		
(dollars in thousands)				Plan to Forecast		
	01-02	02-03	03-04	03-04	Dollars	Percent
	Actual	Actual	Plan	Forecast		
Revenues & Transfers In						
1. Tuition & Fees	\$14,813	\$15,764	\$16,263	\$16,028	(\$235)	(1.4%)
2. Investment Distributions	32,733	31,950	28,283	29,161	878	3.1%
3. Unrestricted Gifts	5,538	2,239	2,605	2,605		
4. Restricted Gifts	52,117	69,678	64,556	56,913	(7,643)	(11.8%)
5. Sponsored Programs (direct costs)	87,139	100,813	92,415	100,298	7,883	8.5%
6. Sponsored Programs (indirect costs)	34,876	39,007	35,340	39,974	4,634	13.1%
7. Institutional Allowances	1,436	1,501	1,515	1,529	14	0.9%
8. State Appropriations	189	138	204	140	(64)	(31.4%)
9. Physician Organization (PO)	279,424	286,482	323,972	329,652	5,680	1.8%
10. Institutional Development (PO)	10,262	10,904	11,266	11,416	150	1.3%
11. NYPH (purchased services)	61,265	60,475	69,520	70,488	968	1.4%
12. Sales & Services of Enterprises	11,149	10,758	11,570	11,397	(173)	(1.5%)
13. Qatar	10,326	29,358	32,328	32,328		
14. Other Sources	<u>16,572</u>	<u>16,999</u>	<u>17,696</u>	<u>18,487</u>	<u>791</u>	4.5%
15. Total Revenues	<u>617,839</u>	<u>676,066</u>	<u>707,533</u>	<u>720,416</u>	<u>12,883</u>	1.8%
16. Transfers In from Endowment †						
17. Transfers In from Plant Funds						
18. Total Resources Available	<u>617,839</u>	<u>676,066</u>	<u>707,533</u>	<u>720,416</u>	<u>12,883</u>	1.8%
Expenditures & Transfers Out						
19. Medical College (academic/clinical)	492,336	531,823	557,300	574,935	17,635	3.2%
20. Return to Qatar Foundation	5,894	16,957				
21. Centrally Recorded Financial Aid	10,284	10,011	9,929	9,777	(152)	(1.5%)
22. Administrative & Support	51,226	64,717	85,189	89,517	4,328	5.1%
23. Physical Plant	<u>32,851</u>	<u>33,257</u>	<u>36,460</u>	<u>36,853</u>	<u>393</u>	1.1%
24. Gross Expenditures	<u>592,591</u>	<u>656,765</u>	<u>688,878</u>	<u>711,082</u>	<u>22,204</u>	3.2%
Intra-University Cost Distribution						
25. Administrative & Support	<u>1,200</u>	<u>1,500</u>	<u>1,545</u>	<u>1,545</u>		
26. Net Expenditures	<u>593,791</u>	<u>658,265</u>	<u>690,423</u>	<u>712,627</u>	<u>22,204</u>	3.2%
27. Transfers Out to Endowment						
28. Transfers Out to Plant Funds	<u>3,290</u>	<u>4,376</u>	<u>2,200</u>	<u>2,200</u>		
29. Total Resources Used	<u>597,081</u>	<u>662,641</u>	<u>692,623</u>	<u>714,827</u>	<u>22,204</u>	3.2%
30. Net from Operations	20,758	13,425	14,910	5,589	(9,321)	
Additions to/(Withdrawals from) Current Fund Balances						
31. General Purpose	4,356	4,610		2,667	2,667	
32. Designated	4,222	(1,321)	2,893	(4,654)	(7,547)	
33. Enterprise/Service	1,290	(284)	139	(654)	(793)	
34. Restricted	<u>10,890</u>	<u>10,420</u>	<u>11,878</u>	<u>8,230</u>	<u>(3,648)</u>	
35. Net Current Fund Changes	<u>20,758</u>	<u>13,425</u>	<u>14,910</u>	<u>5,589</u>	<u>(9,321)</u>	

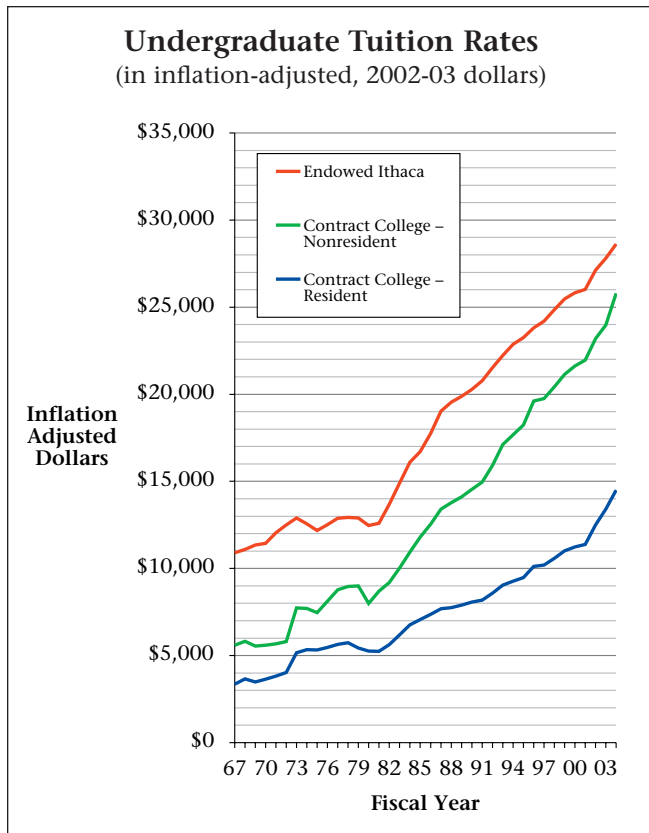
Note: † This schedule has been restated to remove transfers in from endowment and expenditures related to those resources, both of which are now treated as non-current activities.

SPECIAL TOPICS – TUITION

Change in Tuition Rates

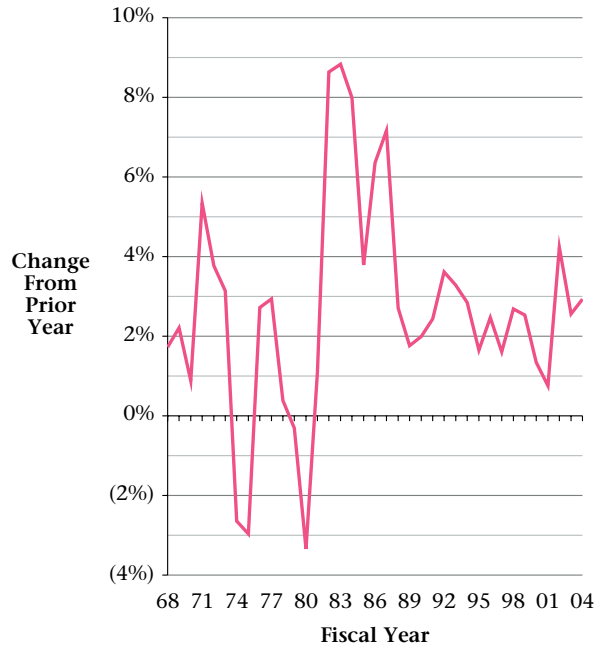
Since 1966-67, Cornell's undergraduate tuitions rates have grown irregularly (in inflation-adjusted terms).

- Endowed Ithaca tuition increased slightly faster than inflation through 1980-81. (See graph below.) In the 1980's, tuition was raised significantly above inflation. Since then, tuition growth has moderated to two or three percentage points above inflation. (See graph at right.)
- Contract college tuition experienced wider swings, especially in the 1970's. During the 1980's, the growth pattern paralleled that of endowed Ithaca tuition. In the 1990's, contract college tuition grew more rapidly than endowed Ithaca's, as stepped increases in State University of New York (SUNY) tuition triggered increases in the portion of contract college tuition remitted to SUNY. More recently, contract college tuition has been increased significantly to offset state budget cuts.
- It is Cornell's goal to keep the annual growth in endowed Ithaca tuition, when adjusted for inflation, at 2 percent or less. For 2003-04, endowed Ithaca tuition was increased 5 percent, 3 percent-



Change in Endowed Ithaca Tuition from the Prior Year

(in inflation-adjusted, 2002-03 dollars)



age points above the assumed rate of inflation. Inflation is now forecast at 2 percent for 2003-04 (based on the most recent twelve-month growth in the Consumer Price Index).

- The university approaches the setting of contract college tuitions similarly. However, actions by the state and SUNY to reduce funding for the contract colleges and the need to support local costs that are not funded through state appropriations will affect future tuition growth.

Comparisons with Peer Institutions

Cornell's undergraduate tuitions are in the midrange of peer research universities. (See table on page 17.)

- For 2003-04, Cornell's increase in endowed Ithaca undergraduate tuition kept it among the lowest of the Ivy League but in the midrange of institutions with which Cornell competes for students.
- Cornell's contract college tuition remains at the top of comparable land-grant and state institutions.
- The total cost of tuition, fees, room, and board for endowed Ithaca undergraduates is in the upper tier among Ivy League and peer institutions.

Undergraduate Tuition, Fees, Room, and Board

(Ivy League, peer, and common acceptance institutions))

Tuition & Mandatory Fees				Tuition, Fees, Room & Board			
<u>Institution</u>	<u>02-03</u>	<u>03-04</u>	<u>%</u>	<u>Institution</u>	<u>02-03</u>	<u>03-04</u>	<u>%</u>
Brown University	\$28,480	\$29,846	4.8	New York University	\$37,076	\$39,406	6.3
Columbia University	28,206	29,788	5.6	Columbia University	36,642	38,590	5.3
Tufts University	28,155	29,630	5.2	University of Chicago	36,553	38,403	5.1
MIT	28,230	29,600	4.9	Cornell (Endowed)	36,374	38,334	5.4
Carnegie Mellon University	27,116	29,410	8.5	MIT	36,060	38,310	6.2
Duke University	27,844	29,345	5.4	Washington University	36,199	38,293	5.8
University of Pennsylvania	27,988	29,318	4.8	Tufts University	36,465	38,270	5.0
University of Chicago	27,825	29,238	5.1	Georgetown	36,545	38,242	4.6
Dartmouth College	27,771	29,145	4.9	Boston University	36,392	38,194	5.0
Harvard University	27,448	29,060	5.9	University of Pennsylvania	36,212	37,960	4.8
Washington University	27,619	29,053	5.2	Brown University	36,356	37,942	4.4
Princeton University	27,680	29,040	4.9	Harvard University	35,950	37,928	5.5
Boston University	27,414	28,906	5.4	Stanford University	36,123	37,905	4.9
Stanford University	27,443	28,832	5.1	Johns Hopkins University	36,220	37,872	4.6
Cornell (Endowed)	27,394	28,754	5.0	Dartmouth College	35,988	37,770	5.0
Johns Hopkins University	27,390	28,730	4.9	RPI	36,072	37,579	4.2
Northwestern University	27,228	28,524	4.8	Carnegie Mellon University	34,960	37,565	7.5
New York University	26,646	28,496	6.9	Duke University	35,765	37,555	5.0
RPI	27,170	28,496	4.9	Northwestern University	35,674	37,491	5.1
Yale University	27,130	28,400	4.7	Princeton University	35,522	37,149	4.6
Georgetown	26,853	28,209	5.1	Yale University	35,370	37,000	4.6
University of Rochester	26,067	27,573	5.8	University of Rochester	34,571	36,343	5.1
Cornell (Contract-nonres.)	23,624	25,924	9.7	Cornell (Contract-nonres.)	32,604	35,504	8.9
U. Michigan (nonres.)	23,365	24,777	6.0	U. Michigan (nonres.)	29,737	31,481	5.9
U. Virginia (nonres.)	20,375	22,169	8.8	U. Cal.-Berkeley (nonres.)	27,323	31,280	14.5
U. Cal.-Berkeley (nonres.)	16,715	20,068	20.1	U. Virginia (nonres.)	25,606	27,760	8.4
Penn. State Univ. (nonres.)	17,610	19,328	9.8	Penn. State Univ. (nonres.)	23,568	24,998	6.1
Michigan State (nonres.)	15,168	16,663	9.9	Cornell (Contract-res.)	22,254	24,204	8.8
Cornell (Contract-res.)	13,274	14,624	10.2	Rutgers (nonres.)	20,254	22,468	10.9
Rutgers (nonres.)	13,284	14,441	8.7	Michigan State (nonres.)	20,142	21,935	8.9
SUNY-Buffalo (nonres.)	9,750	11,811	21.1	SUNY-Binghamton (nonres.)	16,029	18,737	16.9
SUNY-Binghamton (nonres.)	9,617	11,637	21.0	SUNY-Buffalo (nonres.)	15,390	18,135	17.8
SUNY-Buffalo (res.)	4,850	5,861	20.8	SUNY-Binghamton (res.)	11,129	12,787	14.9
SUNY-Binghamton (res.)	4,717	5,687	20.6	SUNY-Buffalo (res.)	10,490	12,185	16.2

Notes: • Institutions are ranked in descending order of rates for 2003-04.
• Institutions with different resident and nonresident tuitions are indicated *res.* and *nonres.* respectively.
• *Common acceptance* refers to an institution that had a significant overlap with Cornell in the common acceptance of students who eventually matriculated at Cornell rather than that other institution.

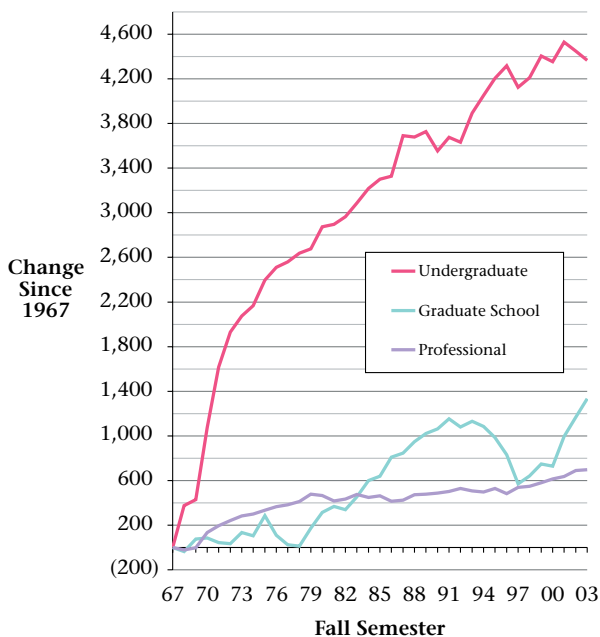
SPECIAL TOPICS – ENROLLMENT

Ithaca Campus Enrollment Growth

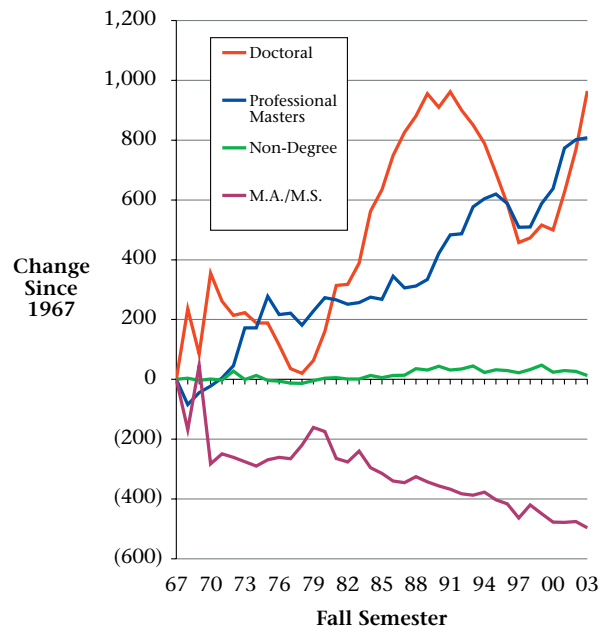
From the fall of 1967 through the fall of 2003, overall Ithaca campus enrollment (including students registered *in absentia*) increased by 6,397, or 47 percent, from 13,637 to 20,034. (See graph below.)

- Undergraduate enrollment increased 47 percent, to 13,754, accounting for most of this change. Contract college enrollment grew more rapidly than endowed Ithaca's during this period.
- Enrollment of professional students in professional schools increased by 696, or 79 percent, to 1,578.
- Graduate School enrollment increased 40 percent, to 4,702. Graduate School enrollment grew quickly in the 1980's and declined in the 1990's, as funding for doctoral students expanded and contracted. Beginning in 1997-98, the Graduate School undertook several actions to increase doctoral enrollment that have reversed the downward trend, producing a 19 percent enrollment growth since the fall of 1997. (See graph at right.)
- Professional masters enrollment in the Graduate School has increased significantly (219 percent). Partially offsetting this growth has been a steady decline in research masters degrees (M.A./M.S.).

Cumulative Change in Ithaca Campus Full-Time Enrollments Since 1967



Cumulative Change in Ithaca Campus Graduate School Enrollments Since 1967



2003-04 Enrollment Forecast

The 2003-04 operating plan was predicated on a full-time equivalent (FTE) paying enrollment of 19,721. That enrollment plan has been revised to 20,130, based on fall 2003 enrollments. (See page 19.)

- Overall, FTE undergraduate enrollment is projected to be 239 more than planned, with increases in all colleges except Agriculture and Life Sciences and Hotel Administration.
- FTE graduate enrollment is projected to be 171 more than budgeted, due primarily to higher than planned enrollments in several colleges.

Beginning with the admission of freshmen for in the fall of 2001, Cornell instituted an enrollment management process in order to meet the goal of having no more than 3,050 first-time freshmen on the North Campus. The process combined the implementation of a conservative admit and yield model coupled with the use of a waitlist to bring admissions to target levels in a controlled fashion. The effort was partially successful for 2003-04 as the enrollment of first-time freshmen was limited to 3,135 for the fall of 2003, 85 over target. Further refinements of the process should allow the 3,050 target to be reached in coming years.

Full-Time Student Enrollments	03-04 Plan		03-04 Forecast		Change from Plan	
	Fall Registrar	FTE Paying	Fall Registrar	FTE Paying	Fall Registrar	FTE Paying
Undergraduate—On-Campus						
1. Agriculture & Life Sciences	3,056	2,979	3,005	2,965	(51)	(14)
2. Architecture, Art & Planning	515	498	531	525	16	27
3. Arts & Sciences	4,265	4,100	4,262	4,166	(3)	66
4. Engineering	2,644	2,600	2,682	2,671	38	71
5. Hotel Administration	792	770	790	769	(2)	(1)
6. Human Ecology	1,297	1,277	1,271	1,307	(26)	30
7. Industrial & Labor Relations	765	713	784	772	19	59
8. Internal Transfer Division	45	50	43	50	(2)	
9. Subtotal	13,379	12,987	13,368	13,225	(11)	238
Undergraduate—Off-Campus						
10. Cornell Abroad	186	275	163	269	(23)	(6)
11. Cornell-in-Washington	40	45	36	44	(4)	(1)
12. Field Study/Sea Semester	37	65	84	73	47	8
13. Rome Program	46	53	41	53	(5)	
14. Subtotal	309	438	324	439	15	1
15. Total Undergraduate	13,688	13,425	13,692	13,664	4	239
Professional						
16. Johnson School †	658	658	645	638	(13)	(20)
17. Law	559	559	584	585	25	26
18. Medical College	416	416	408	408	(8)	(8)
19. Veterinary Medicine	330	330	329	331	(1)	1
20. Total Professional	1,963	1,963	1,966	1,962	3	(1)
Graduate						
21. Agriculture & Life Sciences	890	870	956	955	66	85
22. Architecture, Art & Planning	160	205	233	229	73	24
23. Arts & Sciences	1,120	1,180	1,238	1,220	118	40
24. Engineering	1,020	1,125	1,203	1,182	183	57
25. Hotel Administration	123	123	107	104	(16)	(19)
26. Human Ecology	200	200	188	150	(12)	(50)
27. Industrial & Labor Relations	192	190	201	198	9	8
28. Johnson School	38	38	46	38	8	
29. Law	58	58	74	73	16	15
30. Graduate School of Medical Sciences	259	259	265	265	6	6
31. Veterinary Medicine	85	85	92	90	7	5
32. Total Graduate	4,145	4,333	4,603	4,504	458	171
33. Total Enrollment	19,796	19,721	20,261	20,130	465	409

Notes: • Planned fall registrar enrollments were based on tenth-week projections; forecast fall registrar enrollments are based on semester-end actuals.

• Tuition revenues are based on full-time equivalent enrollments, which account for any tuition proration.

• The contract colleges charge lower undergraduate and professional tuitions to residents of New York State; endowed Ithaca colleges do not.

† Fall registrar and full-time equivalent figures in the Johnson School for the 2003-04 plan have been adjusted for 95 executive MBA enrollments that were inadvertently omitted from the original plan document.

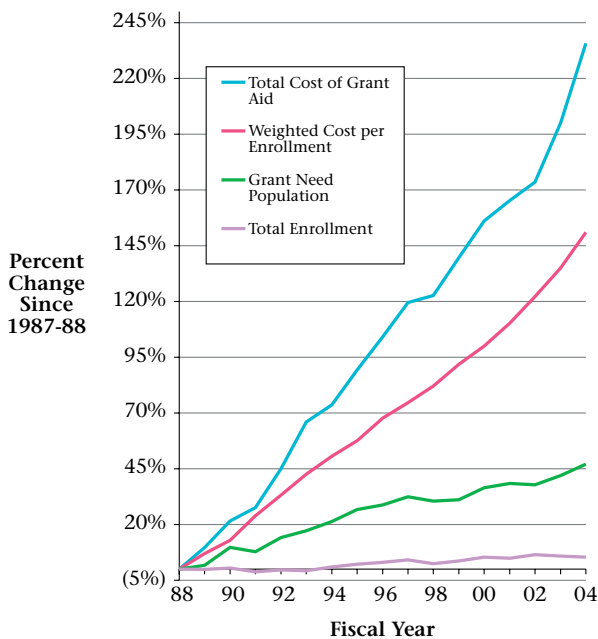
SPECIAL TOPICS – FINANCIAL AID

Undergraduate Financial Aid

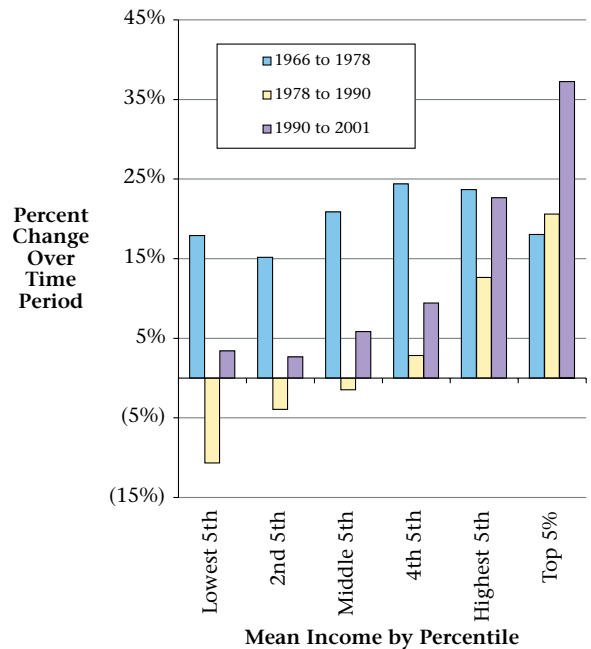
The total cost of federal, state, and institutional grant-aid for undergraduates has experienced a 236 percent increase from 1987-88 through 2003-04 (projected). (See graph below.) This change is attributable to several factors:

- There has been a slight increase (5.3 percent) in the overall undergraduate student population, while the weighted cost of attendance (tuition, fees, room, and board) for endowed Ithaca and contract college students has grown 151 percent.
- The number of students eligible for grant aid increased 47 percent, from 3,815 to 5,609. This change was due in part to the overall growth in the student population and in part to a 33 percent expansion in underrepresented minority enrollment. Underrepresented minority students have, historically, demonstrated greater levels of grant need than other students.
- There has been uneven growth in U. S. family income. (See graph at right.) As the richest families have enjoyed significant inflation-adjusted increases, middle-income Americans have experienced more modest growth, and the poorest families have seen little growth. Cornell's success

Factors Affecting Grant-Aid Costs
(Cumulative percent change since 1987-88)



Change in Average U.S. Family Income
(in inflation-adjusted terms)



in creating a more diverse socioeconomic student body over the past thirty years occurred as a segment of society lost purchasing power, causing the grant-aid population to rise faster than the increase in overall undergraduate enrollment.

2003-04 Financial-Aid Forecast

The following changes have occurred in the undergraduate financial-aid budget for 2003-04:

- Both the number of students with demonstrated financial need and the subset of these students who required grant aid are more than planned. (See table on page 21.)
- The average grant per student with grant aid, which was budgeted at \$20,356, is forecast at \$19,887, a change due in part to greater than planned parental contribution to the overall cost of education.
- The combination of an increase in the number of grant recipients and a slight decrease in the cost of grant-aid per recipient will yield a 0.8 percent increase in total grant-aid expenditures, from \$110.1 million to \$111.5 million.

Sources of Funding for Undergraduate Financial Aid

(dollars in thousands)

	87-88	01-02	02-03	03-04	03-04	Percent	Average
	Actual	Actual	Actual	Plan	Forecast	Change	Annual
						from	Growth
						Plan to	Rate from
						Forecast	87-88
Family Contribution							
1. Parental	\$22,189	\$59,712	\$63,749	\$65,661	\$68,712	4.6%	7.3%
2. Student	<u>7,819</u>	<u>16,041</u>	<u>17,773</u>	<u>18,662</u>	<u>17,846</u>	(4.4%)	5.3%
3. Subtotal	30,008	75,753	81,522	84,323	86,558	2.7%	6.8%
Federal Government							
4. Grants	5,143	8,913	9,421	9,561	9,710	1.6%	4.1%
5. Loans	11,192	30,776	32,059	33,802	34,466	2.0%	7.3%
6. Work/Study	<u>2,769</u>	<u>4,901</u>	<u>4,907</u>	<u>5,250</u>	<u>5,020</u>	(4.4%)	3.8%
7. Subtotal	19,104	44,590	46,387	48,613	49,196	1.2%	6.1%
State Government							
8. Grants	4,903	5,348	5,572	5,560	5,887	5.9%	1.2%
9. Work/Study	<u>692</u>						
10. Subtotal	5,595	5,348	5,572	5,560	5,887	5.9%	0.3%
Other External							
11. Grants	<u>2,663</u>	<u>7,263</u>	<u>7,001</u>	<u>7,450</u>	<u>7,853</u>	5.4%	7.0%
12. Subtotal	2,663	7,263	7,001	7,450	7,853	5.4%	7.0%
Cornell							
13. General Purpose Grants	12,157	43,151	45,180	52,441	52,441		9.6%
14. Designated Grants	594	1,867	2,393	2,623	2,965	13.0%	10.6%
15. Gifts/Endowment Grants	7,770	24,350	30,106	32,432	32,692	0.8%	9.4%
16. Loans	130	1,423	1,364	1,300	1,690	30.0%	17.4%
17. Work/Study	<u>1,846</u>	<u>4,901</u>	<u>4,907</u>	<u>5,250</u>	<u>5,020</u>	(4.4%)	6.5%
18. Subtotal	22,497	75,692	83,950	94,046	94,808	0.8%	9.4%
19. Total	79,867	208,646	224,432	239,992	244,302	1.8%	7.2%

Financial-Aid Population

(on- and off-campus)

	Fall	Fall	Fall	Fall	Fall	Percent	Average
	1987	2001	2002	2003	2003	Change	Annual
	Actual	Actual	Actual	Plan	Actual	from	Growth
						Plan to	Rate from
						Actual	Fall 1987
All Undergraduates							
1. Total Enrollment	12,958	13,801	13,725	13,688	13,655	(0.2%)	0.3%
2. Number with Need	5,173	6,489	6,598	6,598	6,717	1.8%	1.6%
3. <i>Percent of Total Enrollment</i>	39.9%	47.0%	48.1%	48.0%	48.0%		
4. Number with Grant Aid	3,815	5,257	5,416	5,407	5,609	3.7%	2.4%
5. <i>Percent of Total Enrollment</i>	29.4%	38.1%	39.5%	39.0%	39.0%		
Minority Undergraduates							
6. Total Minority	2,436	3,719	3,746	3,682	3,738	1.5%	2.7%
7. <i>Percent of Total Enrollment</i>	18.8%	26.9%	27.3%	27.2%	27.2%		
8. Underrepresented Minority	1,124	1,467	1,467	1,451	1,499	3.3%	1.8%
9. <i>Percent of Total Enrollment</i>	8.7%	10.6%	10.7%	10.9%	10.9%		

- Notes:
- The sources of financial aid shown are for students who demonstrate a financial need according to Cornell's methodology. Financial-aid amounts are shown as computed and as awarded. Students sometimes elect to underutilize the loan and work study components of their financial-aid packages.
 - Enrollments exclude *in-absentia* and extramural students.

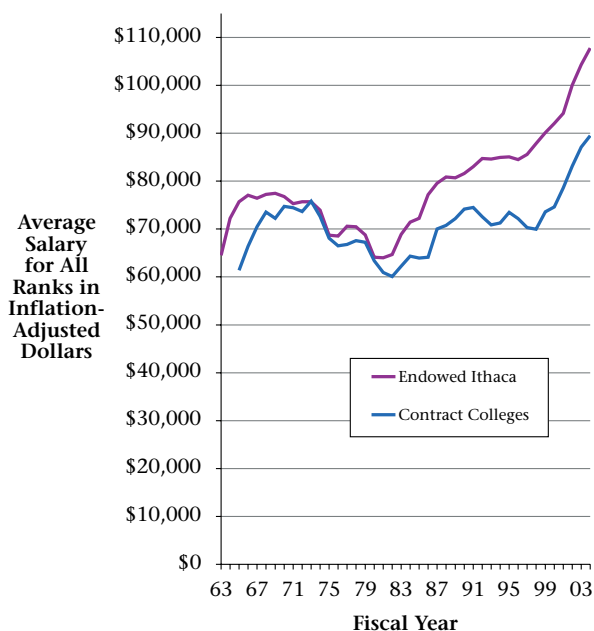
SPECIAL TOPICS – FACULTY SALARIES

Change in Faculty Salaries

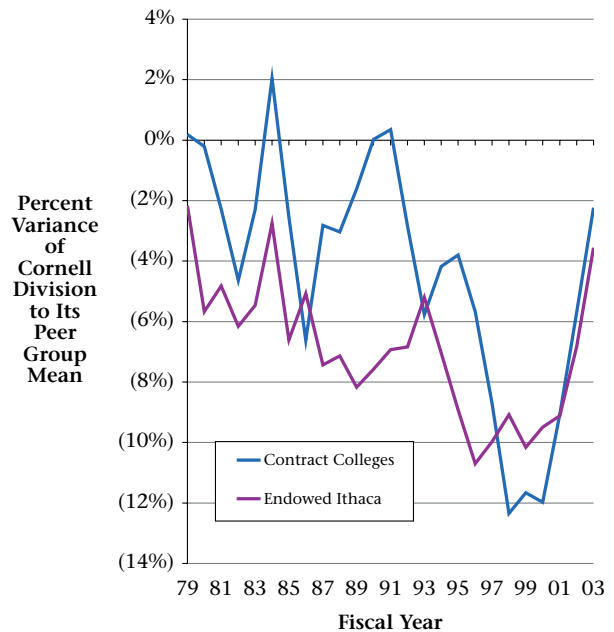
Ithaca campus faculty salaries have seen periods of decline and growth over the past four decades.

- Since 1962-63, average endowed Ithaca faculty salaries have grown from \$64,522 to \$107,794, or 67 percent, in inflation-adjusted terms. (See graph below.)
- Average contract college nine-month faculty salaries have grown from \$61,381 to \$89,519 in inflation-adjusted terms since 1964-65, an increase of 46 percent. (Sixty-nine percent of contract college faculty are paid on a twelve-month basis. For comparison purposes these salaries have been converted to a nine-month basis.)
- The gap between endowed Ithaca and contract college faculty salaries can be attributed to relative levels of resources available for salary increases, changes in the mix of faculty by rank, and higher rates of senior faculty retirement in the contract colleges, among other factors.
- Average endowed Ithaca faculty salaries increased 5.4 percent from 2002-03 to 2003-04 while contract college salaries grew 6.8 percent. Overall, the growth in faculty salaries significantly outpaced the change in consumer inflation.

Average Ithaca Campus Faculty Salaries
(contract college salaries converted to a 9-month basis)



Variance of Average Ithaca Campus Faculty Salaries to Peer Group Means
(contract college salaries converted to a 9-month basis)



Comparisons with Peer Institutions

The changing relative position of Cornell's faculty salaries within a large group of public and private research universities is shown in the table on page 23. In 1999, the Faculty Senate, the academic deans, and the university administration agreed to define the following subsets of these institutions to serve as peer reference groups for faculty salary purposes:

- *Endowed Ithaca*: Cal. Tech., Chicago, Columbia, U-Michigan, Penn., Princeton, Stanford, UCLA, UC-San Diego, and Yale.
- *Contract College*: Michigan State, Minnesota, U-N. Carolina, Ohio State, Penn. State, Penn., Texas A&M, UC-Berkeley, UC-Davis, and Wisconsin.

The graph above shows the change in Cornell's faculty salaries measured against the average of these reference groups. Endowed Ithaca faculty salary average is now 3.6 percent below its peer group mean while the contract college average is 2.2 percent below its respective mean. Cornell has established a goal to raise each division's average faculty salary level to the mean of its peer group within a five to six-year period, and began allocating incremental resources in 2001-02 to achieve this objective.

Average Nine-Month Faculty Salaries Among Research Universities

<u>Institution</u>	<u>82-83</u>	<u>Institution</u>	<u>92-93</u>	<u>Institution</u>	<u>02-03</u>
Stanford University *	\$43,024	Cal Tech *	\$80,399	Harvard University	\$121,685
Cal Tech *	42,869	Harvard University	77,600	Stanford University *	115,418
Harvard University	42,480	Stanford University *	76,614	Cal Tech *	112,583
MIT	40,725	Princeton University *	73,841	Univ. of Pennsylvania *†	112,547
Univ. of Pennsylvania *†	40,524	MIT	73,817	Princeton University *	112,416
University of Chicago *	39,067	Univ. of Pennsylvania *†	72,391	University of Chicago *	110,517
Rutgers University	39,017	Yale University *	71,868	Yale University *	108,624
Yale University *	38,874	New York University	71,614	New York University	108,498
New York University	38,536	Northwestern Univ.	69,624	MIT	108,193
Columbia University *	38,513	Duke University	69,591	Columbia University *	106,529
Johns Hopkins Univ.	38,300	Georgetown University	68,829	Northwestern Univ.	106,314
Princeton University *	37,888	Columbia University *	68,792	Duke University	104,565
Univ. Southern Calif.	37,736	Carnegie Mellon Univ.	67,594	Cornell (Endowed) *	102,287
Texas A&M †	37,297	Rutgers University	67,248	UC–Berkeley †	97,085
Carnegie Mellon Univ.	37,223	UC–Berkeley †	66,639	UCLA *	96,668
University of Virginia	36,777	Univ. Southern Calif.	66,177	Dartmouth College	96,532
Cornell (Endowed) *	36,574	Cornell (Endowed) *	65,540	University of Michigan *	96,194
UC–Berkeley †	36,550	UCLA *	64,105	Georgetown University	95,817
UCLA *	36,043	Johns Hopkins Univ.	63,821	Univ. Southern Calif.	95,779
Georgetown University	36,012	Dartmouth College	63,586	Carnegie Mellon Univ.	93,740
University of Michigan *	35,961	University of Michigan *	62,921	Brown University	92,116
Ohio State University †	35,825	UC–San Diego *	62,820	University of Maryland	91,387
Duke University	35,736	Brown University	60,811	Johns Hopkins Univ.	91,352
Northwestern Univ.	35,676	UC–Davis †	59,573	Rutgers University	90,686
University of Texas	35,500	University of Virginia	59,561	UC–San Diego *	89,101
Brown University	35,103	Purdue University	59,038	University of Virginia	88,811
Dartmouth College	34,883	University of Texas	58,606	Univ. of North Carolina †	88,707
University of Maryland	34,563	Ohio State University †	58,492	Penn. State University †	86,226
Penn. State University †	34,286	Penn. State University †	58,442	Univ. of Minnesota †	86,087
Purdue University	34,284	University of Maryland	58,370	Cornell (Contract) †	85,880
Univ. of North Carolina †	34,233	University of Chicago *	57,605	University of Texas	85,843
University of Illinois	34,195	University of Illinois	57,605	University of Illinois	85,618
UC–San Diego *	34,105	Univ. of North Carolina †	57,133	Univ. of Wisconsin †	83,966
Cornell (Contract) †	33,992	Univ. of Minnesota †	57,101	UC–Davis †	83,580
Univ. of Minnesota †	33,476	Univ. of Washington	56,950	Ohio State University †	82,721
UC–Davis †	32,973	Univ. of Wisconsin †	56,884	Michigan State Univ. †	81,260
Univ. of Wisconsin †	32,456	Cornell (Contract) †	55,595	Purdue University	79,018
Univ. of Washington	31,872	Michigan State Univ. †	54,103	Univ. of Washington	78,904
Michigan State Univ. †	31,842	Texas A&M †	53,437	Texas A&M †	78,125

Note: • The average faculty salary for each institution (including contract college faculty at Cornell) was computed using the mean salary by academic rank (assistant, associate, full) and weighting those figures for the number of endowed Ithaca faculty for each rank. Twelve-month salaries were converted to a nine-month appointment basis; extra compensation and summer salaries were excluded.

Source: *Academe* (Bulletin of the American Association of University Professors).

SPECIAL TOPICS – WORKFORCE

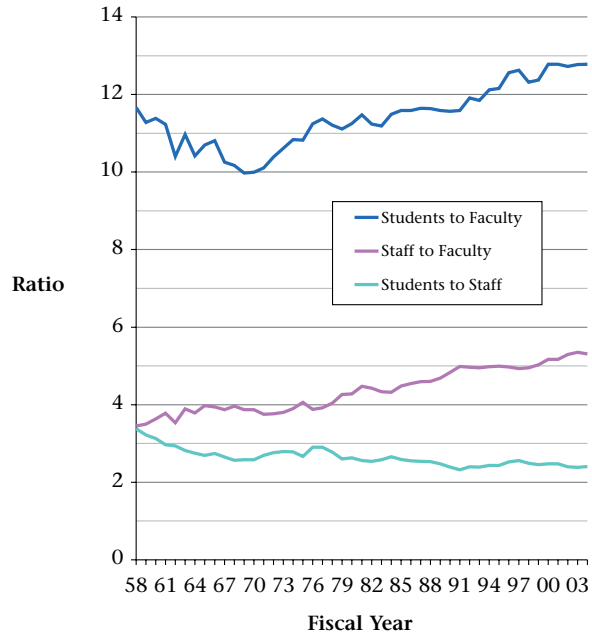
Change in Workforce

The size of the Ithaca campus workforce changed significantly during the period 1972-73 to 2003-04.

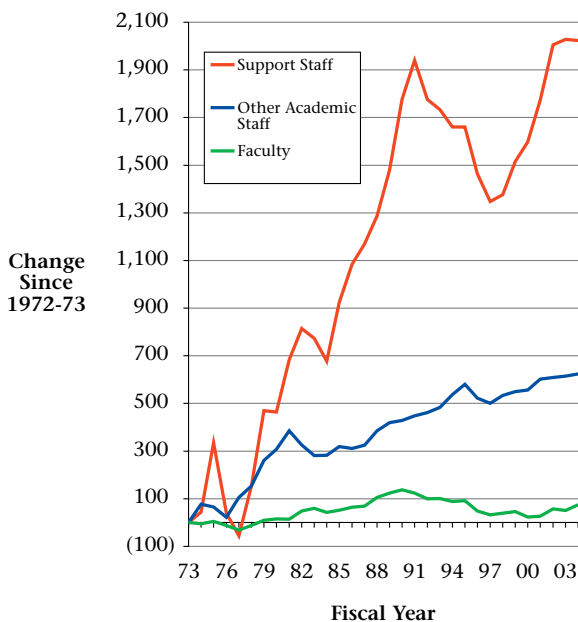
- The number of regular, full- and part-time employees increased 38 percent, from 7,171 to 9,893, as enrollment and academic programs expanded.
- There was a 5 percent increase in faculty. (See graph below.) Nonfaculty academics (lecturers, research associates, librarians, etc.) grew 109 percent, while nonacademic support staff increased 40 percent.

Recent changes in the university's workforce have reflected a longer-term pattern of growth as Cornell evolved into a modern research university. Following a brief reduction in the 1960's, the ratio of students to faculty rose as the university adapted to higher enrollments by adding nonfaculty instructional and student-service staff. (See graph at right.) The expansion of the research program also brought increases in nonfaculty staff. As a result, the ratio of all staff (academic and nonacademic) to faculty increased from 3.5 in 1957-58 to 5.3 by 2003-04. Even though student enrollments increased during this period, the ratio of students to all nonfaculty staff has gradually declined.

Change in Ithaca Campus Work Force Ratios Since 1957-58



Cumulative Change in the Number of Ithaca Campus Employees Since 1972-73
(regular full-time and part-time headcounts)



Support Staff

Nonacademic staff are distributed unevenly among academic units. (See table on page 25.) Colleges with teaching and public service clinics (e.g., Hotel Administration and Veterinary Medicine) have high ratios of nonacademic support staff. Faculty associated with research centers are located in the colleges, thereby rendering the ratios artificially low for these centers.

A long period of growth in the number of support staff peaked in 1990-91. Then a series of state budget cuts forced the contract colleges to reduce staffing levels. The downward trend reversed sharply during the period of 1997 to 2001. The renewed growth was due in part to research initiatives, the expansion of programs in several colleges, and efforts to improve technology and student services and to better support the physical plant. In order to examine and change this growth pattern the university implemented a hiring freeze in 2001 and launched a comprehensive review of the nonacademic workforce to more clearly define roles, responsibilities, standards of performance, and accountabilities. The result of this effort has been a reduction of staff in several support functions and a decline in the growth rate in others. This review is scheduled for completion in the summer of 2005.

2003-04 Ithaca Campus Work Force Distribution	Full-Time and Part-Time Headcounts				Ratio of Support to Academic
	Academic Staff		Support		
	Faculty	Other	Staff	Total	
1. Agriculture & Life Sciences	385	358	1,165	1,908	1.57
2. Architecture, Art & Planning	52	7	35	94	0.59
3. Arts & Sciences	519	219	340	1,078	0.46
4. Engineering	228	61	225	514	0.78
5. Hotel Administration	41	16	238	295	4.18
6. Human Ecology	88	91	197	376	1.10
7. Industrial & Labor Relations	47	76	170	293	1.38
8. Johnson School	49	7	99	155	1.77
9. Law School	35	11	68	114	1.48
10. Veterinary Medicine	<u>116</u>	<u>107</u>	<u>674</u>	<u>897</u>	3.02
11. Subtotal Colleges	1,560	953	3,211	5,724	1.28
12. Research Centers		130	319	449	2.45
13. Other Academic Programs	<u>8</u>	<u>102</u>	<u>574</u>	<u>684</u>	5.22
14. Subtotal Other Centers	8	232	893	1,133	3.72
15. Total Academic Units	1,568	1,185	4,104	6,857	1.49
16. Student Services		13	911	924	
17. Administrative & Support		1	1,385	1,386	
18. Physical Plant			<u>726</u>	<u>726</u>	
19. Subtotal Support		14	3,022	3,036	
20. Total Work Force	1,568	1,199	7,126	9,893	2.58

Change in Support Staff					Change from 00-01	
	00-01	01-02	02-03	03-04	Number	Percent
21. Agriculture & Life Sciences	1,184	1,207	1,230	1,165	(19)	(2%)
22. Architecture Art, & Planning	37	41	41	35	(2)	(5%)
23. Arts & Sciences	311	310	343	340	29	9%
24. Engineering	214	222	220	225	11	5%
25. Hotel Administration	226	231	226	238	12	5%
26. Human Ecology	247	245	234	197	(50)	(20%)
27. Industrial & Labor Relations	152	170	172	170	18	12%
28. Johnson School	85	98	95	99	14	17%
29. Law School	61	70	72	68	7	12%
30. Veterinary Medicine	<u>623</u>	<u>645</u>	<u>663</u>	<u>674</u>	<u>51</u>	8%
31. Subtotal Colleges	3,140	3,239	3,296	3,211	71	2%
32. Research Centers	282	285	296	319	37	13%
33. Other Academic Programs	<u>594</u>	<u>613</u>	<u>587</u>	<u>574</u>	<u>(20)</u>	<u>(3%)</u>
34. Subtotal Other Centers	876	898	883	893	17	2%
35. Total Academic Units	4,016	4,137	4,179	4,104	88	2%
36. Student Services	885	965	918	911	26	3%
37. Administrative & Support	1,305	1,322	1,336	1,385	80	6%
38. Physical Plant	<u>670</u>	<u>684</u>	<u>698</u>	<u>726</u>	<u>56</u>	8%
39. Subtotal Support	2,860	2,971	2,952	3,022	162	6%
40. Total Support Staff	6,876	7,108	7,131	7,126	250	4%

Note: • Headcounts are limited to regular, full-time and part-time positions, excluding temporary appointments.

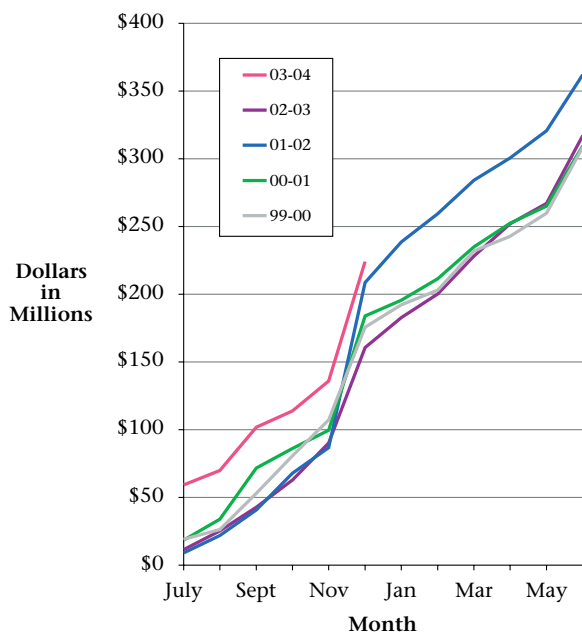
SPECIAL TOPICS – GIFTS/CONTRIBUTIONS

Gifts/Contributions

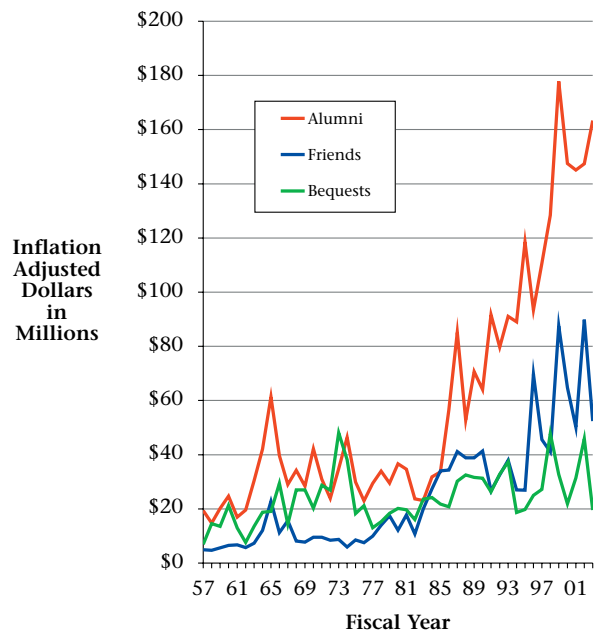
Cornell's financial statements report as *contributions* the sum of gifts, pledges deemed as unconditional promises to give, and income from irrevocable outside trusts. This differs from the definition of *cash gifts* as reported by Alumni Affairs and Development, which includes the principal of gifts to outside trusts and excludes pledges. The table on page 27 shows contribution details by division as recorded in the accounting system through October 2003. (*The reconciliation with cash gifts could not be made at this time due to the implementation of the new contributor relations system.*)

- Through October 2003, Cornell recorded contributions of \$99.4 million in its accounting records; cash gifts logged in the gift records system totaled \$113.8 million over the same period. The difference between the two systems of \$14.4 million was not reconciled, but such differences are typically due to the dissimilarities in the treatment of pledges and other adjustments.
- The level of cash gifts as recorded in the gift records system through December 2003 was ahead of the results of recent years (see graph below). Based on historical extrapolation it would appear that giving in 2003-04 may equal or exceed the level

Cumulative Cash Gift Receipts by Month
(as recorded by Alumni Affairs & Development)



Sources of Cash Gifts from Individuals
(in inflation-adjusted, 2002-03 dollars in millions)



recorded in 2001-02. Such predictions must be tempered with the knowledge that gift receipts are a function not only of recent solicitations but also payments on prior years's pledges and pecuniary bequests. As a result, donations from alumni, friends of the university, and bequests have all demonstrated largely unrelated patterns of episodic growth and change over the past forty-six years. (See graph above.)

- A significant trend in Cornell's fundraising has been the substantial increase in alumni gifts, which have grown at an annually compounded rate of 4.7 percent in inflation-adjusted terms since 1956-57. In 2002-03, Cornell ranked number two among Ivy League and peer institutions in raising cash gifts from alumni.
- Since the university-wide Cornell Campaign was completed in December 1995, the institution has undertaken a number of major fundraising programs, including facilities projects, a successful drive to increase undergraduate financial-aid endowment, and several initiatives to advance the Medical College strategic plan. These efforts benefited from the groundwork laid by the Cornell Campaign to expand the pool of donors and position Cornell for future fundraising endeavors.

Reconciliation[†] of Contributions to Cash Gifts				03-04	02-03	Change
(dollars in thousands)				Year to	Year to	from
	Endowed	Contract	Medical	Date	Date	02-03
	Ithaca	Colleges	College			
General Operations						
1. Unrestricted	\$4,578	\$2,206	\$8,815	\$15,599	\$22,442	(31%)
2. Temporarily Restricted	<u>8,444</u>	<u>2,925</u>	<u>7,879</u>	<u>19,248</u>	<u>8,492</u>	127%
3. Subtotal	13,022	5,131	16,694	34,847	30,934	13%
Financial Capital						
4. True Endowment	14,079	1,962	2,749	18,790	16,447	14%
5. Funds Functioning as Endowment	41,319	75	(1)	41,393	2,060	1,909%
6. Life Income Funds	593	17		610	1,325	(54%)
7. Trusts Held by Others						
8. Loan Funds	<u>25</u>	<u></u>	<u>79</u>	<u>104</u>	<u>954</u>	(89%)
9. Subtotal	56,016	2,054	2,827	60,897	20,786	193%
Physical Capital						
10. Cash Gifts	3,628	24		3,652	4,168	(12%)
11. Gifts in Kind	<u></u>	<u></u>	<u></u>	<u></u>	<u>134</u>	(100%)
12. Subtotal	3,628	24		3,652	4,302	(15%)
13. Financial Statement Total	72,666	7,209	19,521	99,396	56,022	77%
Adjustments						
14. Gifts to Outside Trusts						
15. Gift Annuities						
16. Split-Interest Agreements			†			
17. Insurance Premiums Not Booked						
18. Pledges (net present value)						
19. Timing Differences						
20. Other						
21. Total Adjustments						
22. Gift Records Total				113,787	61,591	85%

Notes: • This table reconciles contributions as displayed in the financial statements (line 13) to cash gifts as reported from the contributor relations system (line 22). The reconciling adjustments between the two records are detailed on lines 14 through 20.

† A full reconciliation between the financial statements and the contributor relations system could not be done at this time due to the implementation of the latter system.

- Line 14 shows the net difference in valuation of gifts from outside trust agreements that are recorded in the contributor relations system at full value and may be reflected at present value in the financial statements. Lines 15 and 16 identify trusts in which the university shares an interest with the donors. While the gifts are reflected at full value in the contributor relations system, Cornell's financial statements recognize the liability owed to the beneficiaries of these trusts. Line 17 reflects insurance policy gifts and premiums that are not recorded in the financial statements until the policy matures. Line 18 reflects the net present value of unconditional promises to give (pledges) that were recorded in the financial statements but not treated as cash gifts in the contributor relations system. Lines 19 and 20 identify other periodic adjustments.
- Some of these exclusions—all of which are based on the application of reporting standards appropriate for each record—are entire (e.g., the inclusion of pledges in the financial statements and the exclusion of such promises from the cash gifts of the contributor relations system). Others are partial (e.g., the recognition in the financial statements of the interest that beneficiaries may have in split-interest agreements).

NOTES

A large empty rectangular box with a thin black border, intended for taking notes.