

COUNCIL OF THE PRINCETON UNIVERSITY COMMUNITY

February 9, 2009

Minutes of a meeting of the Council of the Princeton University Community held February 9, 2009 in 10 McCosh Hall. Present were Council members Ms. Ainslie, Ms. Chen, Professor DeLue, Mr. Diemand-Yauman, Ms. Dickerson, Mr. Durkee, Provost Eisgruber, Ms. Kaplan, Ms. King, Ms. Lang, Dr. L'Esperance, Professor Lyon, Dean Malkiel, Ms. McGinty, Ms. Metro, Mr. No, Ms. Noya, Professor Nunokawa, Mr. Parameswaran, Ms. Rosen, Ms. Salciccioli, Mr. Schiff, Ms. Thrall, President Tilghman (chair), Mr. Mike Wang, Mr. Zumbetta; Ms. Halliday was secretary.

Approval of Minutes

Upon motion made and seconded, the minutes of the December 8, 2008 Council meeting were approved as they had been circulated in advance of the meeting.

Pedestrian Safety in Winter

The meeting began with a presentation by James Consolloy, the Director of Grounds Maintenance at the University, about pedestrian safety in the winter. He described yearly challenges posed by Princeton's geographic location, between the coastal plane and the Piedmont elevation, noting that given oceanic influences, March can be the worst month for sleet and freezing rain. His staff work with departments, especially when special events or weekend events are planned, and especially with students with special needs to help ensure safety. He underscored the impact timing of storms can have on clean-up of campus. Many occur at night making safety for the opening of the day of primary importance. In addition to roadways and parking lots, steps and ramps and campus pathways have to be cleared. The department now pre-treats some pathways with brine where the possibility of run-off into the water system is not an issue (campus elevation is 212 feet at its highest and 134 feet near Lake Carnegie); sand, which is less invasive, is used especially on walkways. Clearing campus requires between 6 to 8 hours. He encouraged the audience to follow Office of Environmental Health and Safety's tips about safety in winter, reminding the audience that the north side of buildings and slopes will be locations that have the most ice the longest, and inviting them to take the handout about health and safety tips which he had made available. [Information includes the Facilities Customer Service hotline for reporting problems: 609-258-8000 and Web information on the Health and Safety Website concerning "avoiding winter slips and falls": <http://web.princeton.edu/sites/ehs/coldstress/AvoidWinterFalls.htm>.]

Town Hall Meeting with President Tilghman

President Tilghman thanked Mr. Consolloy and turned to the main topic for the day's meeting – her yearly town hall meeting with the University community. As she considered the "state of the University" in preparation for the meeting, the topic of overwhelming importance that came to mind is managing the economic down turn. Since Provost Eisgruber is taking the lead as chief budget officer to develop the University's response to the economic crisis, she invited the Provost to comment on the current state of the University and the outlook for the future.

The Provost used a powerpoint presentation to highlight his main comments, and that document is attached as Appendix A. He noted that the economic landscape continues to change, but he wanted to update the Council on current planning. PRINCO's current projections for this year are that the endowment will be down by at least 25%. With financial aid, Princeton's signature commitment, rising by at least 13%, and with income streams decreasing, including those from tuition and gifts, and most importantly, from endowment income, the University faces at least an \$82 million budget challenge for FY10. To achieve that level of savings, the University has called on members of the community to take a number of steps to reduce costs. Salary pools have been lowered; the University is reducing the capital budget especially by putting on hold several major projects; and income from endowments will be reduced by 8% for next year. But the steps described for FY10 are only the beginning of planning for a "new normal," and further cuts are anticipated. He explained why the effects of the current market drop are long-lasting. For example, if the "endowment" were \$1, and if the endowment lost 25% of its value, then the University's endowment would be only \$.75. Even a spectacularly high increase in investment return the following year of 25% on that \$.75 would not bring the endowment back to its previous level of \$1. The University is also spending endowment income. He showed a series of projections to demonstrate that the endowment is unlikely to regain its 2008 value within the next 4 or even 10 years. He also explained why the University cannot "dip" into principal and why the current spend rate of 5.75% (at the higher end of the spectrum) cannot be sustained if the endowment returns are not positive -- and not positive in the range of 10% return. Among Princeton's advantages in these difficult times are significant headroom for debt capacity and a conservative cash management policy. He emphasized Princeton's commitment to its core priorities, but warned that Princeton would not return to the "old normal" any time soon, and that there will be hard choices to make.

Questions and discussion followed with the President and the Provost. The opening question concerned whether Princeton would institute cuts in staff. One of the core assets of the University is its human resources, its faculty and staff, but the Provost remarked that the University's highest expense is in salaries and benefits. While there are no plans for cuts or layoffs for now, it is likely that in the second round of cost-cutting measures next year, ways to reduce staffing will be considered.

Following questions from the audience, discussion focused then on graduate students, another core priority of the University. The Provost noted that stipend levels for graduate students have been maintained because these students are central to the University's mission. There will likely be some impact on the amount of assistant-in-instruction hours available since overall there are no plans to increase teaching hours. But the University is being very careful in considering changes for the Graduate School. A member of the Council, noting her association with the Graduate School as a School alumna and as an Annual Giving volunteer, asked for help answering questions from alumni about the outlook for graduate students with respect to the job market. The President responded that she is concerned about three cohorts of the University community who are likely to face difficult prospects on the job front. These include graduate students and seniors. The third cohort, post-doctoral fellows, is becoming for graduate students not just in science and engineering but in the humanities and social sciences a natural next career step. The prospects are much less certain than in the past. The Graduate School is hosting a series of career fairs targeted at categories that should help both graduate students and post-

doctoral fellows find interim positions that can hold them over if jobs disappear. They are being encouraged to broaden their searches. She also had spoken with Eric Lander '78, who has been appointed by the White House as co-chair of the Council on Advisers on Science and Technology, and urged him to talk about this problem with President Obama as he formulates next year's budget. A whole generation is at risk; the country has invested heavily in its graduate students and post doctoral fellows, and it would be tragic to forget this cohort. The President also remarked on efforts in the University at the department level. Many departments now have faculty placement officers who work hard to help prepare graduate students for the job market and to research options.

Next, an alumna member of the Council, mentioning a petition to encourage the University to develop a certificate-granting Asian-American studies program, asked what the University's response is to the high interest in such a program exhibited by the petition. The President said that she has asked Dean of the Faculty David Dobkin to take the lead in identifying ways to expand opportunities to study in this area. The Program in American Studies, which has been interested in promoting courses in the Asian-American field, has renewed efforts to develop courses in this area, and the Dean of the College has targeted resources to encourage these efforts. The President also referred to a similar question raised about half a dozen years ago concerning the field of African American studies during a CPUC meeting. Responses to such questions are developed deliberately, not in haste; they require assurance that the University has in place faculty of sufficient distinction in teaching and research to sustain the initiative. Budget concerns are also a consideration, and the current economic climate will make hiring new faculty difficult. However, the President said she believed that with existing resources, the University can make progress in this area.

Asked about the likelihood of major renovations to the Graduate College, the President said that all housing plans are on hold because of the economy, and all will be reviewed. None of these projects is funded by outside contributions, and the Housing Office is looking for alternative strategies using different financial models to move some projects forward.

She was asked whether the Bridge Year program will begin this year. The plan for this program had always been to start slowly, with a small initial group of 20 students, and thanks to generous contributions, the program can go forward this year. However, whether or how much the program can expand in the near future depends on economic forecasts.

The President ended the meeting by thanking members of the University community for their questions. She described the University as being in a good place, with a firm commitment to core priorities including its human resources, support for undergraduate financial aid, and graduate student stipends.

Respectfully submitted,

Ann Halliday
Secretary