At the November 1996 meeting, Professor Frank Moon, Joseph C. Ford Professor of Mechanical Engineering, and Chair of the Financial Policies Committee, reported on the year’s focus on the need for a strategic plan to maintain faculty excellence in the next decade. Faculty salaries are continually falling relative to peer institutions. This is coupled with stagnating research support. The Committee will be studying financial options in order to increase both the endowed and statutory salaries vis-à-vis peer institutions.

Professor Moon also stated the Committee would look into a financial plan for graduate education support, the role of retirement plans in faculty age and rank distributions, and faculty mobility and attrition within the last few years.

Professor Paul Sherman, Neurobiology and Behavior, and Associate Professor Tom Gavin, Natural Resources, had been concerned about faculty salaries at Cornell and the future of the University. They had shared their data with Dean Stein, the President, the provost, the Deans of Arts and Sciences and Agriculture and Life Sciences, and now with the Faculty Senate. The found:
• Cornell ranked number three based upon the scholarly quality of graduate faculty.
• Faculty salaries have eroded but tuition has increased.
• Raise pools have great discrepancies.

Professor Sherman concluded that the salary issue has to be dealt with in order to maintain the quality of the University.

At the March 1997 meeting, Professor Frank Moon, Joseph C. Ford Professor of Theoretical and Applied Mechanics, and Chair of the Financial Policies Committee, said that this year, the Committee decided to focus on promoting faculty excellence in the next decade. He moved the following resolution, which was adopted:

BE IT RESOLVED, that the Faculty Senate recommends the Trustees and Administration adopt the following policies to maintain and advance the reputation of the University:

(i) The University should commit itself to a course of action to bring Cornell endowed and statutory faculty salaries to a position consistent with its scholarly and professional standing within three to five years.

(ii) In order to maintain excellence in the face of declining external support, the University should support a plan to generate new funding for the graduate program. New funding initiatives, such as an endowment for fellowships, should involve a partnership between the Dean of the Graduate School and the Graduate Fields and should address equitable distribution of new support.

(iii) The University Administration and the Board of Trustees should seek a more appropriate balance between investment in facilities, faculty development, and the graduate research programs.

(iv) The Provost and other administrators should propose measures to create incentives to motivate and encourage new initiatives by the faculty to help support the graduate research mission of the University.

BE IT FURTHER RESOLVED, that the Senate instructs the Dean of the Faculty to report to the Senate annually on Cornell’s progress toward meeting these goals.

At the March 1998 meeting, the Faculty Senate addressed the matter of faculty salaries as part of its commitment to review the issue on an annual basis. After some debate, the Senate passed the following resolution from the Financial Policies Committee:
WHEREAS, the faculty have primary responsibility for executing the teaching, research and extension missions of the University; in essence, the faculty are the University, and

WHEREAS, the Financial Policies Committee has compared Cornell faculty salaries over the past decade to those paid by peer (based on published rankings of institutional quality) institutions, and

WHEREAS, many factors (e.g. quality of professional peers, quality of laboratory space, market forces, personal preferences relating to lifestyle, opportunities for spousal employment, cost of living in the community, etc.) influence faculty salaries at Cornell and elsewhere, they cannot explain or justify the decline in salaries of Cornell faculty relative to those at peer institutions, particularly in the last decade when our ranking of academic quality has remained the same, and

WHEREAS, these comparisons consistently show the following:

1. The salaries of assistant professors in the endowed units at Cornell are below those paid by peer institutions,

2. The salaries of assistant and associate professors in the statutory units and associate professors in the endowed units at Cornell are, at present, roughly comparable to those paid by peer institutions, and

3. Most conspicuously, the salaries of full professors in both the endowed and statutory units at Cornell have been significantly and consistently below those at peer institutions and this gap is growing.

THEREFORE, BE IT RESOLVED that

1. As a general principle, faculty compensation should be commensurate with faculty quality based on published rankings of institutional quality,

2. To achieve the goal of faculty compensation commensurate with faculty quality, a major salary initiative is required covering both the endowed and statutory units,

3. The salary initiative should take the form of an immediate (within the next 12 months) increase in salary to begin to close the gap that already exists as well as a longer-term (3-5 years) plan to close this gap completely and to provide salaries that are comparable to those paid by peer institutions at the end of this period,
4. This will require an annual raise pool consistently in excess of that offered by peer institutions and substantially greater pressure on the State of New York by the central and statutory administration working as a team on behalf of the statutory faculty.

5. Once parity with peer institutions has been achieved, faculty compensation should maintain parity with that at peer institutions.

BE IT FURTHER RESOLVED, that these changes in faculty salaries be achieved by resetting priorities for use of current and future resources (including consideration of the relative amounts spent on such items as new construction, support staff and administration) to reflect the need for salary parity with our peers across all professorial ranks rather than by increasing tuition faster than at peer institutions.

BE IT FURTHER RESOLVED that the Faculty Senate urges the President and the Provost to meet with the Financial Policies Committee at an early, mutually convenient date to discuss how these changes are to be achieved.

At the December 1998 meeting, Professor Kathleen Rasmussen, Nutritional Sciences, and Associate Dean and Secretary of the Faculty, traced the history of the faculty-administration partnership, pointed out successes and failures, and introduced relevant portions of the resolution before the body.

Professor Paul Sherman, Neurobiology and Behavior, and Chair of the Financial Policies Committee, presented the latest data on faculty salaries including:

• salaries relative to other institutions
• endowed and statutory peer group salaries
• salaries compared to SUNY centers
• endowed and statutory full professor salary gap

The resolution introduced sought to develop a spirit of cooperation and partnership between the Administration and the Financial Policies Committee in order to reach faculty salary targets.

Following discussion, the resolution carried as follows:

The Senate believes that it is both appropriate and in Cornell’s best interests for the Faculty to be fully involved in a partnership with the administration on all major fronts as priorities are chosen and a vision of the future is crafted.

One critical area that could benefit immediately from a renewed partnership is
faculty salaries. The Senate believes that progress is not proceeding rapidly enough toward average salaries in both the statutory and endowed units that are competitive with those at peer institutions whose faculty are ranked similarly in quality.

To attack this problem in a spirit of cooperation and partnership, the Senate asks the Administration to develop, together with the Financial Policies Committee, faculty salary targets for all ranks in both units, as well as a schedule and financial strategy for meeting these targets. The Senate instructs the Financial Policies Committee to report on the status of this joint effort no later than the April 1999 meeting of the Faculty Senate.

The Senate believes that it must be not only consulted, but also substantively involved in the formulation of major policy and selection of major priorities involving Cornell’s faculty, academic programs, curricula, and students. The Senate is increasingly concerned that the partnership is withering rather than flourishing.

Professor Peter Stein, Physics, reported at the March 1999 meeting on the Financial Policies Committee discussions with the Administration on faculty salaries. In order to describe what occurred, he read a letter, which Paul Sherman wrote to Dean Cooke:

“Dear Bob,

“I am resigning from the Financial Policies Committee, effective immediately. It is time for someone else to take over as Chair.

“On 2 February I met with Provost Randel to begin implementing the Resolution that was passed by the Senate on 9 December, 1998 entitled ‘Faculty-Administration Partnership: Improvement of Faculty Salaries.’ While the Provost raised the possibility of obtaining faculty input in setting institutional budgetary priorities though reinvigorating the Budget Planning Group, and strongly reiterated the administration’s commitment to improving faculty compensation, he was unwilling to initiate the process of ‘developing faculty salary targets for all ranks in both units, as well as a schedule and financial strategy for meeting these targets,’ as was called for in the Senate Resolution.

“For the past two years, the Financial Policies Committee has wrestled with the issue of faculty salaries. After careful consideration, the FPC developed a set of long-term goals based on the general principle that average faculty compensation at all ranks should be commensurate with faculty quality, gauged by published rankings of institutional quality. In other words, to attract and
retain the best faculty in the face of stiff competition from academic institutions of equal or higher quality, it is essential for Cornell to pay salaries that are competitive.

“Given that average salaries of Cornell’s full and associate professors (the majority of the faculty) have fallen well below average salaries at private and public quality-peer institutions, in March 1998 the Faculty Senate passed a Resolution that recommended immediate remedial action, through resetting internal priorities (including consideration of the relative amounts spent on such items as new construction, staff, and administration) rather than by increasing tuition faster than at peer institutions. The FPC was poised to participate in priority resetting, whenever it was invited to do so. It was never invited, and the Committee’s attempts to offer such input consistently were deflected. Indeed, during my tenure as FPC Chair, the administration requested the Committee’s opinion only once, when (then) Vice President Ron Ehrenberg asked for comments on a space-use model he was developing.

“Analyses the FPC conducted indicate that after three years (1995-98) the administration’s faculty salary program has not improved Cornell’s position for statutory and endowed full or associate professors relative to average salaries at ten public and eight private quality-peer institutions, respectively. The FPC believes that to make real gains we must set realistic goals – i.e., fiscally responsible benchmarks against which Cornell measures its progress toward salary parity with peers. The Committee presented this recommendation, along with supporting documentation, to President Rawlings and Provost Randel at a meeting in April 1998. The raised no objections at that time. In fact, the President remarked that the approach of comparing average salaries at Cornell with those at quality peer institutions ‘seemed reasonable.’

“In the past 12 months, I have made the case for this ‘external goal’ approach as clearly, forcefully, and honestly as I could, to the Faculty Senate (twice), to the CALS Senate, to the Division of Biology, and in numerous other public and private forums. Other FPC members also have spoken out. The Provost has now rejected this approach and, I am discouraged to say, I see no evidence that the FPC’s analyses received serious consideration or resulted in changes in the administration’s policies or priorities.

“Clearly, it is time to begin addressing the important issues raised by the Senate Resolution of 9 December, especially because the Senate expects a progress report in April. However, for a number of reasons, some of them personal, I have decided that I will not continue to lead the FPC in this effort. I am unswerving in my belief that it is in Cornell’s best interests to return average salaries to levels that are consistent with current faculty quality and the quality
to which the University aspires. Indeed, until this occurs, it is inconceivable to me that Cornell can achieve President Rawlings’ optimistic goals of being the ‘top teaching and research institution’ in the United States.”

Professor Stein indicated that the Financial Policies Committee is at a crossroads and doesn’t know how to proceed.

Discussion ensued on the various data available to the Committee.

Dean Cooke and the Financial Policies Committee will work on an email to be sent to all of the Senators that would invite feedback. Responses will be collated and a decision how to proceed and advise the Committee will be put together.

At the April 1999 meeting, Provost Randel said the Administration is engaged in an unprecedented effort to improve faculty and staff compensation in an on-going effort with the Financial Policies Committee.

Professor Peter Harriott, Chemical Engineering, and Chair, Financial Policies Committee, reported on a cordial meeting of the Committee with the Provost and Chief Financial Officers. The Committee requested more data and will continue to work on the salary question.

Professor Keith Dennis, Mathematics, indicated there were two resolutions to be voted on today. He presented some anecdotal evidence about salaries and people leaving Cornell. Following discussion, the first resolution was moved and unanimously adopted:

\[
\text{BE IT RESOLVED, that the Senate reaffirms the resolution (attached below) it passed at its December 1998 meeting, and asks the Provost to reconsider his decision not to abide by that resolution,}
\]

\[
\text{BE IT FURTHER RESOLVED, that the Senate asks the Dean of the Faculty and the UFC to make every effort to achieve the goals of the December 1998 resolution, and}
\]

\[
\text{BE IT FINALLY RESOLVED, that the Senate supports the Financial Policies Committee’s decision to make the improvement of faculty salaries the highest priority.}
\]

Resolution submitted by: Donald Barr, Keith Dennis, Clifford Earle, Locksley Edmondson, Stephen Hamilton, Mary Jacobus, Robert Kay, William Lesser, Pete Loucks, Mary Beth Norton, Judith Reppy, Gordon Teskey

FACULTY SALARIES
The Senate believes that it is both appropriate and in Cornell’s best interests for the Faculty to be fully involved in a partnership with the administration on all major fronts as priorities are chosen and a vision of the future is crafted.

One critical area that could benefit immediately from a renewed partnership is faculty salaries. The Senate believes that progress is not proceeding rapidly enough toward average salaries in both the statutory and endowed units that are competitive with those at peer institutions whose faculty are ranked similarly in quality.

To attack this problem in a spirit of cooperation and partnership, the Senate asks the Administration to develop, together with the Financial Policies Committee, faculty salary targets for all ranks in both units, as well as a schedule and financial strategy for meeting these targets. The Senate instructs the Financial Policies Committee to report on the status of this joint effort no later than the April 1999 meeting of the Faculty Senate.

The Senate believes that it must be not only consulted, but also substantively involved in the formulation of major policy and selection of major priorities involving Cornell’s faculty, academic programs, curricula, and students. The Senate is increasingly concerned that the partnership is withering rather than flourishing.

Professor Peter Schwartz, Textiles and Apparel, addressed the situation of statutory salaries and showed graphs on:

- Average Ithaca campus faculty salaries with statutory salaries converted to a nine-month basis
- 1997 salaries based on AAUP data
- S/E ratio of salaries

Professor William Lesser, Agricultural, Resource, and Managerial Economics, commented that he was a member of a CALS ad hoc committee that looked at various sources of money to achieve salary goals. The committee identified several areas to this end:

- cashing in faculty lines
- accessory instruction
- reduction in the rate of increase of fees paid to central
The second motion, on statutory salaries, was then moved, and carried:

WHEREAS, the average salaries in the statutory colleges are much lower than at comparable peer institutions, especially at the full professor level and especially in the Colleges of Agriculture and Life Sciences and Human Ecology, and

WHEREAS, the long-standing inequity between statutory and endowed faculty salaries has become an institution fracturing gap during the past decade, (At present the average monthly salary for statutory faculty has dropped to approximately 82% of the endowed level. In other words, the average statutory faculty salary for eleven (11) months’ service for all ranks in 1998-99 equaled the average salary for nine (9) months in the endowed colleges.)

THEREFORE, BE IT RESOLVED that a much higher priority be given to improving faculty salaries by both the college and by university administrators.

Such efforts should include:

- Expanding lobbying and political efforts in Albany and with SUNY.

- Creating an emergency funding source for more robust salary improvement program. (For example, consider leaving unfilled some faculty positions that have been or may be authorized – except to meet truly urgent needs such as sustaining required courses or pursuing truly high priority research needs.)

- Faculty compensation comes in many forms. In this emergency, consider encouraging retention of high productivity faculty using non-salary perks such as dedicated support for graduate students and special parking benefits to encourage institutional loyalty.

BE IT FURTHER RESOLVED, that we request the University administration to seek both Trustee and expanded Faculty assistance in finding remedies for this crisis and to make a formal report no later than the Senate’s September meeting.

At the May 1999 meeting, Professor Harriott reported on the status of faculty salaries at Cornell, as they appeared in the Ithaca Journal and Academe.

At the September 1999 meeting, Provost Don Randel reported that the discussions in Albany over the summer were fruitful - amounting to 4% salary increases.
In the endowed units, 5% is available for salaries.

Associate Professor Brad Anton, Chemical Engineering, asked the Provost whether he has been able to meet with the Financial Policies Committee to specifically discuss faculty salaries. Provost Randel replied that he had and that they will continue to meet as regularly as the Committee wants.

Thomas Dyckman, A.W. Olin Professor of Accounting, and member of the Financial Policies Committee, reported at the May 2000 meeting on recent conversations with the President.

The consensus is that:

1. Future reports on progress in raising faculty salaries would follow.

2. In both the endowed and statutory units, the average salary of the peer comparison group will be the goal for Cornell faculty salaries.

3. In the endowed units, five years will be the nominal planning period for reaching this goal; in the statutory units, it will take somewhat longer.

4. The administration invites the Financial Policy Committee to make suggestions for strategies to meet this goal.

Professor Dyckman also had some overheads showing Comparison Institutions and Adjusted Salaries 99-00, and Format for Faculty Salary Comparisons.

At the December 2003 meeting, Provost Martin gave a slide presentation containing data on General Operating Revenue; General Operating Expense; Undergraduate Tuition; Tuition and Fees at Ivy League and Other Peers; Tuition and Fees, Room and Board; Non-resident Tuition and Fees at Selected Public Institutions; Sources of Support for Undergraduate Grant Aid; Unrestricted Grant Aid as a Percent of Tuition; Cornell Long Term Investment Pool Payout Policy; Long Term Investment Pool Coming-Year Payout Versus Payout Policy; Faculty Salaries Peer Groups; and Endowed and Contract College Faculty Salaries 1997-98 through 2002-03.

In 2003-2004, average salaries grew 5.4% in the endowed colleges to $107,794 and in the contract colleges 4.8% to $89,519. The five-year average for endowed is 6% and for the contract colleges, 6.4%.

Average salaries for continuing faculty grew 5.8% in endowed and 5.6% in the contract colleges overall.
College-specific goals are being developed for this next year, anticipating ranges of faculty increases in the colleges between 3% and 6%.

For staff pay, the goal is to be at 100% of the market median in various job categories, and Cornell is getting close for all bands, except Alumni Affairs and Development where the competition is really quite extraordinary.

- In 1997, the Ithaca campus staff pay was at 84% of the market median. We established the goal to pay staff on average, at 90% of the prevailing market medians within 5 years. We achieved this goal in 2001 with an overall position at 92% of market median.
- Goal updated in 2001 to target at “fair market” for 5 lowest pay bands (A to E) and targeted areas of Alumni Affairs and Development and IT by 2006.
- In July 2003, we were at 97% of market median for bands A through E and 96% overall.

In May 2004, the Provost gave an update on salaries.

- The Deans and the Provost have agreed on college specific goals for continuing faculty for 2004-05.
- College targets range from 3.0% to 6.0%.
- Targets are based on discipline market data of the selected peers and other relevant comparators.
- Individuals’ increases are based on college/department-defined measures of merit.

Provost Biddy Martin presented the final faculty salary update in May 2006.

The institutional goal was to reach the average of the peer groups (selected by the Financial Policies Committee of the Faculty Senate) by the end of a five-year period for the endowed colleges and by the end of a six-year period for the contract colleges.

2001-02 was the first year of the multi-year plan and 2005-06 concludes the goal period.

The five-year average for all endowed faculty was 5.2%, and 6.4% for continuing faculty; and for contract colleges 6.0% for all faculty, and 6.5% for continuing faculty.

The Provost presented information on faculty ranks in the endowed and contract colleges, comparisons to peer institutions, and nine month vs. twelve-month pay categories.
Other observations:

- The faculty (as defined by the survey) grew by 57 during the five-year plan period.
- Approximately $9.7 million was added in each of the 5 years to fund the faculty salary yearly increases.
- Faculty salaries now account for approximately 13.5% of the Ithaca Campus operating budget compared to approximately 12.7% in 2000-01.
- The faculty salary increases were funded by a combination of tuition, state appropriations and investment income.
- 35 new endowed professorships were established during the five-year period.

The Provost indicated that faculty salary planning going forward:

- Will continue to evaluate the market and ensure that Cornell faculty salaries are competitive.
- Will continue to evaluate gender salary equity.
- Individual college targets will vary based on discipline mix, discipline-based market evaluations and recruitment plans.
- Individuals’ increases will be based on college and department definitions of merit.

At the September 2006 meeting, Professor Ron Ehrenberg, ILR, introduced a resolution from last year’s Committee. He first read a letter of support from Les Trotter, last year’s chair:

“In December 1990, Dick Schuler, then Chair of the Financial Policies Committee (or the ‘FPC’), presented a resolution to the Faculty Senate noting a sharp decline of Cornell faculty salaries relative to those at peer institutions and calling upon the University to rectify this situation. No such steps were taken, however, and the situation persisted.

“Working with the FPC in the mid-1990s, Peter Stein, as Dean of the Faculty, led an intense effort to make University administrators aware of this problem. In March 1998, FPC Chair, Paul Sherman, presented the Faculty Senate with a resolution noting the continual decline of faculty salaries and calling upon the University administration to work with the FPC to design and implement a plan that would bring Cornell salaries back into line. President Hunter Rawlings acted on this recommendation, and we are now nearing completion of the salary improvement program that he enacted. Over the past five years, the goals of this program have played a central role in the annual budget planning cycle carried out by
Provost Biddy Martin and Vice President Carolyn Ainslie. Carolyn has also worked each year with the FPC to monitor the program’s progress.

“Over this period, Biddy has provided the faculty ample evidence of the success of this endeavor. I offer two additional observations that serve to underscore its cumulative effect: Cornell faculty salaries have increased on average 30% over this five-year period. This should be compared first to the Bureau of Labor Statistics Consumer Price Index, which has risen only 16% over this same period; and second, to the 18% average increase for the 20 peer institutions used in this program. To repeat, consistently over the past five years, our salaries have increased at a rate nearly double that of inflation and exceeds that of our peers by over 65%. These figures are for the Cornell ‘composite’ salary averaged over rank across the entire University; similarly impressive statements hold for each rank. Simply put, the cumulative effect of this program has been striking.

“I have been fortunate to have had the opportunity to work with these individuals through the FPC, in the initial effort to put the program in place and then later to monitor its progress. I sincerely regret that I cannot be present today to convey my personal respect and appreciation for their efforts. They surely deserve our unqualified commendation for planning, enacting, and executing an initiative which has strengthened Cornell significantly.”

The resolution was then moved and adopted as follows:

Whereas, the University has pursued over the past five years an intensive program of faculty salary improvement, whose goal was to place mean Cornell faculty salary at least at the mean salary of faculty in their peer institutions;

Whereas, this program has dramatically succeeded in achieving this overall goal;

Therefore, be it resolved that the University Faculty Senate acknowledge the evident success of the program;

Therefore, be it further resolved that the University Faculty Senate extends its sincere appreciation to those individuals whose efforts initiated and sustained this program, recognizing, in particular, the important contributions of:

Peter Stein, (former) Dean of the Faculty
Hunter Rawlings, University President
Carolyn (Biddy) Martin, University Provost
Carolyn Ainslie, Vice President for Planning & Budget