

THE INSTITUTE FOR ADVANCED STUDY

Minutes

Joint Meeting of the Finance and Budget Committees

April 24, 1981

Princeton, New Jersey

Present: Messrs. Hansmann (Chairman, Finance Committee) and Taplin (Chairman, Budget Committee), Mrs. Delmas, Messrs. Brown, Dilworth, Kauffmann, Petersen, Woolf. Also Messrs. Hunt (Secretary), Basile, Fanning, Jenkins, Rowe, Mrs. Grisham, Ms. Modzelewski.

Absent: Messrs. Houghton and Opel.

Presiding Officer: Mr. Hansmann opened the meeting at 2:00 pm.

Minutes: The minutes of the meeting of January 28, 1981, were approved.

General portfolio review: James Fanning, representing Rockefeller & Co., Inc., reported on the results to date of the equity portion of the portfolio. The period from July 1, 1980, to March 31, 1981, showed a total return of 25.2%. Mr Fanning then presented the possibility of investing the sum of \$500,000 in DNA Sciences. Mr Hansmann cited existing guidelines for the management of the portfolio which permit venture capital invest-

Minutes

2

Joint Meeting of the Finance and Budget Committees
April 24, 1981

ments at the level of 5% of the endowment. The Committee, with Mrs Delmas abstaining, agreed to recommend to the Board a \$500,000 investment in DNA Sciences. It was also agreed that Rockefeller & Co., Inc. should bring other such projects to the Committee for its consideration.

Anthony Basile, representing The Fidelity Bank, then presented a review of the fixed income portion of the endowment portfolio. The absolute quarterly return was 3.01% for the first quarter of 1981.

Faculty Pension Policy:

Dr Woolf presented a memorandum on faculty pension policy, with a proposal that the contributions of the Institute to TIAA/CREF for permanent faculty and executive officers be increased from their present level to 15% of Institute salary annually, effective July 1, 1981, and that in any case where the retirement income of such individuals is less than 50% of the prevailing salary level of Institute professors, the Institute would supplement such income and bring it up to that level. For purposes of this proposal, retirement income would be defined as actual Social Security pension plus an imputed retirement income based on a single life annuity derived by calculating what the accumulation in TIAA/CREF would be at retirement if in each of the preceding thirty years 15% of the salary level of an Institute professor for each year had been deposited half in TIAA and half in CREF.

After discussion, the Committee accepted the suggestion of Mr Brown that the American Telephone and Telegraph Company personnel department should review the proposal under consideration and advise the administration

Minutes

3

Joint Meeting of the Finance and Budget Committees
April 24, 1981

how best to increase pensions gradually with due reference to the Social Security component and the effect on final salary while keeping in mind the need for both fairness to the faculty and competitiveness with other institutions.

It was agreed that this matter should be settled expeditiously, with a dollar cap to be decided by the Committee in the course of a conference call.

Reallocation of
existing restricted
fund accounts:

Dr Woolf then proposed for the consideration of the Committee the reallocation of certain existing fund accounts in order to create endowed professorships in the Schools of Mathematics, Natural Sciences and Historical Studies. It was agreed that such reallocation would not increase the faculties of the various Schools beyond the short-term limits envisaged by the Review Committee (that is, Historical Studies, 8; Mathematics, 8; Natural Sciences, 6; Social Science, 4).

The reallocations affecting the Schools of Historical Studies and Natural Sciences were then approved. As the reallocation affecting the School of Mathematics involves an endowment gift from IBM, it was agreed that Dr Woolf should explore the matter with John Opel before proceeding.

Review of draft budget:

Mr Taplin presented the draft budget for fiscal year 1982.

Mr Rowe noted minor corrections in the budgetary figures and then explained proposed increases in various budgetary items.

Minutes

4

Joint Meeting of the Finance and Budget Committees
April 24, 1981

Dr Woolf pointed out that cuts might be made in the anticipated NSF grant to the School of Mathematics, which could result in a shortfall of \$90-100,000. It was agreed that this possible deficit would have to be made up from Institute funds if necessary since members have already been invited for 1981-82.

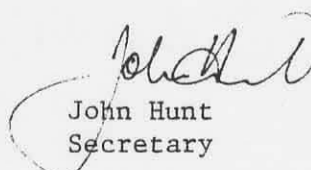
In response to a query about the construction of eight new apartments, Dr Woolf replied that he would bring a specific proposal to the Board.

He also explained that the contributions of Friends did not appear in the budget and would be used for such expenditures as a reader-printer in the Library, a piano, and the refurbishing of the Common Room.

With regard to capital expenditures, Mr Rowe noted that \$175,000 will be taken from bond proceeds with the rest to be taken from endowment.

Mr Hansmann asked that future meetings of the Finance and Budget Committees be scheduled for two hours. The Committee agreed to recommend the draft budget for approval by the Board with the minor corrections noted by Mr Rowe and with provision for changes in the benefits portion of the budget, depending on the final decision of the Committee with regard to pension policy.

There being no further business, the meeting was adjourned at 3:45 pm.



John Hunt
Secretary

THE INSTITUTE FOR ADVANCED STUDY

HARRY WOOLF
Director

24 March 1981

Memorandum

To: The Board of Trustees
From: Harry Woolf
Subject: Faculty Pension Policy

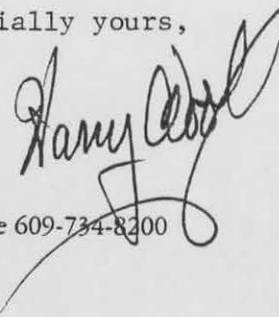
In accordance with the decision recorded in the minutes of the September 27, 1975, meeting of the Board of Trustees, the question of Institute faculty pension policy was reviewed at the joint meeting of the Finance and Budget Committees on October 24, 1980, and again on January 28, 1981.

At the January meeting, I summarized for the joint committee the prevailing faculty pension policy and pointed out that a straight contribution of 15% of salary by the Institute to TIAA/CREF would place the Institute in the upper 14% of the 889 institutions represented in the attached Schedule B, which was prepared by the director of research for TIAA/CREF.

The committee then decided that this upper 14% of participating institutions should be identified so that it could be ascertained whether they were strong institutions with high salary scales or weak institutions with lower salaries.

Attached you will find the original memorandum on faculty pension policy as presented to the joint committee in January, plus the requested list of institutions referred to in the memorandum, with an explanatory note.

Cordially yours,



Princeton, New Jersey 08540

Telephone 609-734-8200

THE INSTITUTE FOR ADVANCED STUDY

PRINCETON, NEW JERSEY 08540

January 23, 1981

Memorandum

To: Members of the Budget and Finance Committees

From: Allen Rowe

Subject: Faculty Pension Policy

In accordance with the minutes of the September 27, 1975 meeting of the Board of Trustees, prevailing Institute faculty pension policy is now being referred to the Budget and Finance Committee for review.

The policy now in effect guarantees a retirement income of at least 50% of the current salary level of Institute professors. Retirement income is defined as the combined total of TIAA and CREF pensions plus regular Social Security payments to which a retiring professor is entitled. While it is essential to continue this policy, there are a few refinements that would make the policy more equitable to all.

The current policy places at a disadvantage the person who makes extra premium payments to TIAA/CREF rather than to some other private investment plan during his or her working years in order to enhance retirement benefits. The reason for this is that the base-line TIAA/CREF pension is based not simply on what the Institute has provided but also includes what the individual has himself provided. Thus if a person provides for his or her own retirement by making additional payments from personal earnings into TIAA/CREF, that person may ultimately receive less from the Institute in pension supplemental payments (if needed) than someone who makes only the required minimum contributions to the Institute TIAA/CREF retirement plan. If that same individual chooses rather to provide for his or her retirement by making additional contributions to a plan other than the TIAA/CREF plan, he or she might, at retirement, receive the income generated from this separate investment plus a higher supplement from the Institute to achieve the basic minimum now guaranteed by current Institute policy. The reason for this is that income from private investments is not considered when calculating the supplemental retirement payment, nor should it be.

In order to create an equitable retirement policy for faculty and senior staff at the Institute, it is suggested that the policy remain at 50% of current salaries including Social Security but that the TIAA and CREF pensions for calculating the supplement be based on what the pension would be if 15% of each year's faculty salary had been deposited (one-half to TIAA, one-half to CREF) into the TIAA/CREF retirement program over the past 30 years. Thus, if someone wishes to supplement his retirement by making additional payments to TIAA/CREF, he or she can do so without penalty. All current faculty emeriti would of course be grandfathered under the old plan. (Schedule A attached.)

Revising this part of the faculty pension policy suggests further that paying supplements to our retired colleagues perhaps indicates the inadequacy of our current pension program, and that the matter under discussion might best be solved by establishing a pension program more in line with those in force at the best institutions of higher education in the country.

The enclosed xerox copy of Table 3.13 (Schedule B attached) was extracted from a book by Francis P. King and Thomas J. Cook entitled "BENEFIT PLANS IN HIGHER EDUCATION"⁽¹⁾, Columbia University Press, 1980. This table shows the contribution rates of 889 faculty retirement plans in institutions of higher learning. The institute's current contribution rate is less than 10% since we do not contribute a full 10% until age 45, at which point the 10% contribution from the Institute goes into effect. Thus, we are in the bottom 8% of the institutions so represented. The top 14.8% are contributing at a rate of 15% or better. The last column shows the percent of participants in the plans. You will note that 25.6% of the participants are in plans that contribute at a rate of 15%, while 4.1% of the participants are in plans that contribute at a rate above 15%. A straight 15% contribution rate would put us in the upper 14% of the 889 institutions represented in this table.

From this analysis one could well conclude that the retirement plan contributions by the Institute are well below where they should be relative to other institutions of higher learning. It is therefore recommended to the Trustees that the Institute establish a plan based on a straight 15% of salary. In order to provide for extreme inflationary measures, the policy could retain the feature of a floor on all faculty pensions which would assure that the overall total of TIAA/CREF payments plus Social Security would be supplemented if necessary to assure that the total would never be less than 50% of current faculty salary.

(1) Francis P. King is Director of Research for the Teachers Insurance and Annuity Association - College Retirement Equities Fund and Thomas J. Cook is Assistant Director

SCHEDULE A

ILLUSTRATIVE EXAMPLE OF THE EFFECT ON RETIREMENT INCOME OF ADDITIONAL CONTRIBUTIONS TO TIAA/CREF VERSUS ADDITIONAL CONTRIBUTIONS TO A SEPARATE PLAN

	<u>A</u>	<u>B</u>	<u>C</u>
	BASIC	ADDITIONAL	ADDITIONAL
CONTRIBUTIONS TO RETIREMENT	PLAN	TO TIAA/CREF	TO SEPARATE
TIAA/CREF			PLAN
Employee	\$ 33,000	\$ 66,000	\$ 33,000
Institute	67,000	67,000	67,000
SEPARATE PLAN			
Employee			33,000
TOTAL CONTRIBUTIONS	<u>\$100,000</u>	<u>\$133,000</u>	<u>\$133,000</u>
RETIREMENT INCOME			
ANNUITY FROM TIAA/CREF			
From Employees Contributions to TIAA/CREF	\$ 5,000	\$ 10,000	\$ 5,000
From Institutes Contributions	10,000	10,000	10,000
FROM SOCIAL SECURITY	8,000	8,000	8,000
	<u>23,000</u>	<u>28,000</u>	<u>23,000</u>
FROM INSTITUTES SUPPLEMENTAL RETIREMENT (AMOUNT UNDER 50% OF CURRENT FACULTY SALARY)	6,000	1,000	6,000
FROM SEPARATE PLAN			5,000
TOTAL RETIREMENT INCOME	<u>\$ 29,000</u>	<u>\$ 29,000</u>	<u>\$ 34,000</u>

PROFESSOR A

Normal Retirement Plan. Contributes only the minimum required of the plan.

PROFESSOR B

Makes additional contributions to TIAA/CREF (totaling \$33,000) to provide for a higher income during retirement. Result - Professor B contributes \$33,000 more than Professor A but total income is the same once current salaries paid to Institute Professors exceeds twice the combined pensions income from TIAA/CREF and Social Security.

PROFESSOR C

Makes additional contributions to a separate plan (totaling \$33,000) outside the TIAA/CREF plan to provide for a higher income during retirement. Result - Professor C does accomplish objective because income outside the TIAA/CREF plan does not enter into the computation for supplemental retirement.

In the case of the proposed change to the Institute's retirement program, it would make no difference if the additional contributions were made to TIAA/CREF or another plan since the Institute's contribution would be based on 30 years of contributions at 15% of salary and a single life annuity. If A, B and C all retired at age 70 in the same year the retirement supplement would be identical for each regardless of additional contributions from their personal funds.

SCHEDULE B

RETIREMENT PLAN PROVISIONS

Table 3.13. Contribution Rates under Level Pattern TIAA-CREF Faculty Retirement Plans in Four-Year Institutions of Higher Education

<i>Level Contribution Rate</i>	<i>Total Level Plans</i>	<i>% of Level/ Plans</i>	<i>Total Participants Level/ Plans</i>	<i>% of Participants Level/ Plans</i>
Under 10%	71	8.0	11,370	6.4
10%	391	44.0	41,540	23.6
10.1-11.9%	57	6.4	11,446	6.5
12-12.9%	167	18.8	42,536	24.1
13-13.9%	21	2.4	5,788	3.3
14-14.9%	50	5.6	11,217	6.4
15%	113	12.7	45,139	25.6
Above 15%	19	2.1	7,170	4.1
Total	889	100.0	176,206	100.0

THE INSTITUTE FOR ADVANCED STUDY

March 19, 1981

Memorandum

To: Harry Woolf
From: Allen I. Rowe
Subject: List of institutions with retirement
contribution rates of 15% or better

At the time of my January 23, 1981, report to the Budget and Finance Committee concerning the faculty pension policy, I was asked to produce the attached list of institutions referred to in my memorandum as Table 3.13 from a book entitled Benefit Plans in Higher Education.

It is difficult to present in a simple statement an analysis and comparison of the various retirement plans listed on the attached Schedule of Retirement Plans. However, a few facts do emerge:

1. There are basically two types of plans for employer contributions:
 - a. One contribution rate for all of salary.
 - b. Step-rate plans (of which there are several):
 - (i) One contribution rate on a specified portion of the participant's salary and a higher contribution rate on the balance of salary.

.../

Memorandum to Harry Woolf
List of institutions...

2

March 19, 1981

- (ii) One contribution rate on the current Social Security wage base and a higher contribution rate on the balance of salary.
- (iii) Contribution rates graded by age.
- (iv) Contribution rates graded by years of service.
- (v) Some combination of (i) through (iv).

2. Of the 132 institutions listed:

- 16 have one contribution rate for all of salary
- 88 have one contribution rate on a specified portion of the participant's salary and a higher contribution rate on the balance of salary
- 22 are step-rated to the current Social Security wage base
- 4 have contribution rates graded by age
- 2 have contribution rates graded by years of service

3. For the 132 institutions listed, the maximum contribution rates are as follows:

<u>Institutions</u>	<u>Percent</u>
112	15
10	16 or better
4	17 or better
2	18
3	20
1	25

.../

Memorandum to Harry Woolf
List of institutions...

3

March 19, 1981

4. Of the 88 institutions contributing a specific portion of the participant's salary, 80 institutions have a rate of 10% or better on the specified portion and all have a rate of 15% or better on the balance.
5. Of the 22 institutions step-rated to the current Social Security wage base, 16 institutions have a rate of 10% or better on the Social Security wage base and all have a rate of 15% or better on the balance.
6. The Institute's retirement plan is graded by age as follows:

5.0%	to age 40
7.5%	to age 45
10.0%	to age 70

It is recommended that the Institute plan be changed to a 15% contribution rate on all of a participant's salary.

Arkansas College	1st \$6,000	10.00%
	Balance	15.00%
Barnard College		15.00%
Birmingham-Southern College	5 years after tenure	15.00%
Bowdoin College	OASDHI Base	11.50%
	Balance	17.50%
Bradford College	OASDHI Base	10.00%
	Balance	15.00%
California Inst. of Technology	OASDHI Base	8.92%
	Age 55	12.92%
	Balance	14.00%
	Age 55	18.00%
Central Michigan Univ.	Faculty & Staff	12.00%
	Executive Officers	15.00%
Chicago Theological Seminary	1st \$7,800	10.00%
	Balance	15.00%
Colby College	OASDHI Base	5.00%
	Balance	15.00%
Colgate-Rochester Divinity School		15.00%
Colgate University	1st \$22,900	9.00%
	Age 52	14.00%
	Balance	10.00%
	Age 52	15.00%
Columbia	OASDHI Base	5.00%
	Age 40	10.00%
	Age 55	15.00%
	Balance	10.00%
	Age 40	15.00%
	Age 55	20.00%
Cornell University Medical College	OASDHI Base	5.00%
	Age 40	10.00%
	Age 50	15.00%
	Balance	10.00%
	Age 40	15.00%
	Age 50	20.00%
Dartmouth College	Age 30	5.00%
	Age 35	10.00%
	Age 40	16.00%

Davidson College	1st \$17,700	10.00%
	Balance	15.00%
Denison University	OASDHI Base	10.00%
	Balance	15.00%
District of Columbia System, University of The		15.00%
Eastern Michigan University	OASDHI Base	10.21%
	Balance	16.34%
Elmira College	OASDHI Base	10.00%
	Balance	15.00%
Episcopal Divinity School		15.00%
Ferris State College	OASDHI Base	10.37%
	Balance	16.50%
Florida, University of, College of Medicine		16.60%
Franklin and Marshall College	1st \$7,800	10.00%
	Balance	15.00%
Franklin College of Indiana	1st \$25,000	10.00%
	Balance	15.00%
General Theological Seminary		15.00%
Harvard University	1st \$25,900	5.00%
	Age 40	11.00%
	Balance	10.00%
	Age 40	16.00%
Hofstra University	1st \$16,500	5.00%
	5 years	7.50%
	15 years	10.00%
	20 years	15.00%
	Balance	10.00%
	5 years	12.50%
	15 years	15.00%
	20 years	17.50%
Houston Baptist University	-	10.00%
	6 years	15.00%
Indiana University System	1st \$7,800	11.00%
	Balance	15.00%
Indiana Vocational Technical College		25.00%

Insurance, College of	1st \$6,500	8.00%
	Age 40	10.00%
	Age 50	12.00%
	Balance	12.00%
	Age 40	15.00%
	Age 50	18.00%

Johnson State College	1st \$6,500	10.00%
	Balance	16.00%

Lehigh University	-	10.00%
	Age 35	12.00%
	Age 45	14.00%
	Age 55	16.00%

Lyndon State College	1st \$6,600	10.00%
	Balance	15.00%

Michigan Technological Univ.	OASDHI Base	10.55%
	Balance	16.68%

Moravian College	OASDHI Base	10.00%
	Balance	15.00%

Muhlenberg College	OASDHI Base	10.00%
	Balance	15.00%

New School for Social Research		15.00%
--------------------------------	--	--------

New York School of Interior Design		15.00%
------------------------------------	--	--------

New York, State University Of	1st \$16,500	12.00%
	Balance	15.00%

(Also 35 affiliated colleges including Cornell Univ.)

New York, State University, Community Colleges	1st \$16,500	12.00%
	Balance	15.00%

(Also 30 other New York Community Colleges)

Northern Michigan University	1st \$25,900	11.67%
	Balance	17.52%

Oakland University		15.00%
--------------------	--	--------

Oberlin College	Age 30	10.00%
	Age 45	12.50%
	Age 55	15.00%

Oklahoma College of Osteopathic Medicine and Surgery	1st \$1,000 (Monthly) Next \$1,500 (Monthly)	2.00% 15.00%
Oklahoma, University of Health Sciences	1st \$1,000 (Monthly) Next \$1,500 (Monthly)	2.00% 15.00%
Pacific Christian College	OASDHI Base Balance	10.00% 15.00%
Pomona College	OASDHI Base Balance	10.00% 16.00%
Princeton University	OASDHI Base Balance	9.00% 15.00%
Providence College	1st \$12,000 2 years 3 years Balance 2 years 3 years	3.00% 6.00% 10.00% 5.00% 10.00% 15.00%
Puget Sound College of the Bible	OASDHI Base Balance	10.00% 15.00%
Purdue University	1st \$9,000 Balance	11.00% 15.00%
Rhode Island School of Design	OASDHI Base Balance	10.00% 15.00%
Rice University	OASDHI Base Age 50 Balance Age 50	5.00% 10.00% 10.00% 15.00%
Rockefeller University	Less Univ.'s share of FICA	20.00%
St. Francis College	OASDHI Base Balance	10.00% 15.00%
St. John's College (Both at Santa Fe and Annapolis)	1st \$17,700 Balance	10.00% 15.00%
Smith College		15.00%
South, University of the		15.00%
Tufts University	OASDHI Base Balance	7.50% 15.00%

Union Theological Seminary		15.00%
U.S. Dept of Agriculture Graduate School		15.00%
Vassar College	-	11.00%
	Age 40	14.00%
	Age 55	*18.00%
	Age 60	*20.00%

*Temporary rate. Permanent rate will be 16%

Vermont, Community College	1st \$6,600	10.00%
	Balance	15.00%
Vermont Technical College	1st \$6,600	10.00%
	Balance	15.00%
Wesleyan University	1st \$20,000	10.00%
	Age 50	10.00%
	Balance	12.00%
	Age 50	15.00%
Western Michigan University	OASDHI Base	10.37%
	Balance	16.50%

THE INSTITUTE FOR ADVANCED STUDY

Minutes

Joint Meeting of the Budget and Finance Committees

January 28, 1981

New York City.

Present: Messrs. Hansmann (Chairman, Finance Committee), Taplin (Chairman, Budget Committee), Brown, Dilworth, Kauffmann, Woolf. Also, Messrs. Hunt (Secretary), Elliott, Fanning, Jenkins, Logan, Minton, Rowe, Weinstein.

Absent: Mrs. Delmas, Messrs. Houghton, Opel, Petersen.

Presiding officer: Mr Hansmann opened the meeting at 2:30 pm.

Minutes: Mr Hansmann asked that the Minutes of the October 24, 1980, meeting of the Budget and Finance Committees be amended to read as follows:

/page 6/ Bond issue: At Mr Hansmann's request, Mr Rowe provided a status report on the bond issue. Proceeds from the bond issue brought the Institute revenues of \$8.6 million. Of this sum, a total of \$4.1 million was transferred to the fixed income portfolio in accordance with the Board's instructions; \$3.3 million

Minutes

2

Joint Meeting of the Budget and Finance Committees
January 28, 1981

went to the construction fund which is held on deposit by the trustee (First National State Bank of New Jersey); and \$1.2 million was deposited in the equity portfolio to replace funds previously withdrawn to cover expenditures and advances for repairs and capital acquisitions.

Report of Portfolio
and Portfolio
Guidelines:

Mr Hansmann reported that the Institute's endowment fund totaled some \$95.6 million as of December 31, 1980. He then asked if there was any disposition on the part of the Committee to change the present guidelines with regard to the equity/fixed income balance in the portfolio. It was the view of the Committee that the present guidelines--75% for the equities portion of the portfolio and 25% for fixed income--should continue in force.

The equities portion of the portfolio was then reviewed by Messrs. Fanning and Logan. The presentation covered performance, transactions, outlook, and strategy. Mr Minton followed with a review of the fixed income portion of the portfolio.

Actual vs. Budgeted
Expenses: July-
December 1980:

Mr Taplin presented the comparison of actual versus budgeted expenditures for the first half of fiscal 1981 and pointed out that expenditures were running at approximately half of those anticipated for the full fiscal year. Mr Rowe then reported on the disposition of revenues from the bond issue and expenditures against these revenues thus far. He also distributed a status report on the Equity Funding Corporation investment.

Status of the
Business Office:

Mr Rowe reported on the installation of the computer in the business office and stated that the required programming should be finished by the end of the

Minutes

3

Joint Meeting of the Budget and Finance Committees
January 28, 1981

current fiscal year. He also noted that the new telephone system is now fully installed and that the addition of these new systems has made possible two reductions in the administrative support staff.

Visiting Members

and Their Support: Dr Woolf presented a series of schedules dealing with the average total cost and the average stipend of a visiting member at the Institute.

Among the principal points made were the following:

- From fiscal year 1976 to fiscal year 1981, total costs for the support of visiting members increased by 30%. During the same period Institute funds required to support these visiting members increased by only 5%. The difference was made up by an increase of 105% in outside funds raised for the support of visiting members, thus enabling the Institute to augment its endowment by the resulting savings.
- If outside funds had not been raised in the amounts shown above, the Institute either would have had a much larger operating deficit or would have been forced to reduce the number of members.
- Current levels of income from Institute endowment funds provide sufficient support for 89 visiting members annually at average total cost figures. In addition, the Institute provides support to approximately 60 visiting members annually--some 40% of our total visiting member population--from funds derived from outside sources.

Minutes

4

Joint Meeting of the Budget and Finance Committees
January 28, 1981

After discussion, it was agreed that the report should be further refined and presented to the full Board at its April meeting.

Institute benefits
program:

Dr Woolf summarized for the Committee the report on Faculty Pension Policy and pointed out that a straight contribution of 15% of salary by the Institute to TIAA/CREF would place the Institute in the upper 14% of the 889 institutions represented in the table prepared by the director of research for TIAA/CREF and distributed to the members of the Committee.

After discussion, it was agreed that this upper 14% of participating institutions should be identified so that it could be ascertained whether these were strong institutions with high salary scales or weak institutions with lower salaries.

The proposal with this additional information will be presented to the April meeting of the Board.

Dinner for
Harold Linder:

It was agreed that Mr Hansmann would take under consideration the question of an appropriate form of appreciation by the Institute to Harold Linder for his many years of outstanding service.

Land Develop-
ment Report:

Messrs Elliott and Weinstein reported on the current status of the land development project. In summary, the range of units which can be built would now seem to be 400-500, with a construction period of 8-10 years and a return to endowment of some \$10-12 million. It is estimated that the Princeton planning board will probably pass a satisfactory clustering ordinance within two months.

Minutes

5

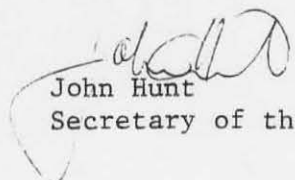
Joint Meeting of the Budget and Finance Committees
January 28, 1981

Mr Weinstein reported that Arthur Collins has recommended that the Institute be represented by someone other than himself in forthcoming negotiations with the planning board. It was agreed that Messrs Elliott and Weinstein, with the help of a local lawyer, should now assume this role. Mr Collins has stated his willingness for the project to go forward in this way without a formal commitment, on the understanding that the final choice of developer and the terms of the contract would be negotiated at the conclusion of formal zoning for the land.

It was agreed that the Institute should proceed to secure the necessary zoning for its land and then make a final decision about the choice of a developer.

In this connection, Mr Elliott was asked to prepare a formal letter of severance with regard to the existing accord between the Institute and Arthur Collins.

There being no further business, the meeting was adjourned at 5:00 pm.



John Hunt

Secretary of the Corporation

RESOLUTION APPROVING RETIREMENT SUPPLEMENT

WHEREAS, on September 27, 1975, the Board of Trustees resolved that in any case where the retirement income of a professor emeritus is less than 50% of the current salary level of Institute professors, the Institute would supplement such income and bring it up to that level.

AND WHEREAS, the Board of Trustees further resolved that the matter be reviewed as of July 1, 1980,

NOW, THEREFORE, RESOLVED that the contributions of the Institute to TIAA/CREF for Institute permanent faculty and executive officers be increased from their present level to 15% of Institute salary annually, effective July 1, 1981, and that in any case where the retirement income (as defined below) of such individuals is less than 50% of the current salary level of Institute professors, the Institute for Advanced Study will supplement such income and bring it up to that level. Retirement income is defined as: actual Social Security pension plus an imputed retirement income based on a single life annuity derived by calculating what the accumulation in TIAA/CREF would be at retirement if in each of the preceding thirty years 15% of the salary level of an Institute professor for each year had been deposited half in TIAA and half in CREF.

RESOLVED that the Director be authorized to take such action as may be necessary to carry into effect the foregoing resolution.

April 25, 1981

THE INSTITUTE FOR ADVANCED STUDY

Joint Meeting of the Finance and Budget Committees

Friday, April 24, 1981

2:00 - 3:00 pm

West Building - Second Floor Seminar Room

AGENDA

2:00 pm Finance Committee (Mr Hansmann, Chairman)

1. Minutes of the January 28, 1981, meeting
2. General portfolio review
3. Faculty pension policy
4. Visiting members support costs
5. Reallocation of existing restricted fund accounts
6. Financial Review and Development Report
7. Recommendations for Board action
8. Other business

To be followed immediately by a meeting of the

Budget Committee (Mr Taplin, Chairman)

1. Review of draft budget for fiscal year 1982
2. Recommendations for Board action
3. Other business

THE INSTITUTE FOR ADVANCED STUDY
LOUIS BAMBERGER AND MRS. FELIX FULD
FOUNDATION

BUDGET REQUEST
FISCAL YEAR 1982

APRIL 24, 1981
PRINCETON, NEW JERSEY

INSTITUTE FOR ADVANCED STUDY
LOUIS BAMBERGER AND MRS. FELIX FULD
FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF BUDGET REQUEST	1
DETAIL OF BUDGET REQUEST	2
SCHEDULE A: DISTRIBUTION OF BENEFITS	8
SCHEDULE B: SCHEDULE OF BENEFITS	9
SCHEDULE C: CAPITAL AUTHORIZATION REQUEST	10
SCHEDULE D: STATUS REPORT - CAPITAL AUTHORIZATIONS	11
SCHEDULE E: STATUS REPORT - BOND ISSUE CONSTRUCTION ACCOUNT	12

INSTITUTE FOR ADVANCED STUDY

SUMMARY OF BUDGET REQUEST FISCAL YEAR 1982

	FY 81 Approved Budget	FY 81 Projected Actual	FY 82 Budget Request
<u>INCOME</u>			
Endowment Income	\$5,700,000	\$5,900,000	\$6,950,000
Gifts and Grants	<u>1,995,000</u>	<u>2,048,400</u>	<u>2,285,300</u>
TOTAL INCOME	<u>\$7,695,000</u>	<u>\$7,948,400</u>	<u>\$9,235,300</u>
<u>DIRECT CHARGES</u>			
Director's Office - Academic	\$ 112,000	\$ 112,000	\$ 112,000
School of Mathematics	1,486,700	1,483,800	1,994,500
School of Natural Sciences	1,325,000	1,441,300	1,542,000
School of Historical Studies	1,466,500	1,508,800	1,603,000
School of Social Science	<u>820,500</u>	<u>838,300</u>	<u>969,100</u>
TOTAL DIRECT CHARGES	<u>\$5,210,700</u>	<u>\$5,384,200</u>	<u>\$6,220,600</u>
<u>ACADEMIC SUPPORT</u>			
Libraries	\$ 420,200	\$ 422,500	\$ 523,700
Academic Buildings	<u>911,300</u>	<u>911,300</u>	<u>994,500</u>
TOTAL ACADEMIC SUPPORT	<u>\$1,331,500</u>	<u>\$1,333,800</u>	<u>\$1,518,200</u>
<u>ADMINISTRATIVE SUPPORT</u>			
Director's Office - Administrative	\$ 408,000	\$ 402,200	\$ 467,500
General Administration	259,600	283,600	308,000
Support Services	312,300	266,400	356,600
Grounds	218,500	216,200	243,900
General Expense	<u>520,000</u>	<u>571,000</u>	<u>616,000</u>
TOTAL ADMINISTRATIVE SUPPORT	<u>\$1,718,400</u>	<u>\$1,739,400</u>	<u>\$1,992,000</u>
<u>OTHER</u>			
Tenant Housing	\$ 234,300	\$ 225,700	\$ 246,800
Special Events	75,000	82,000	50,000
Contingency	<u>100,000</u>		<u>100,000</u>
TOTAL OTHER	<u>\$ 409,300</u>	<u>\$ 307,700</u>	<u>\$ 396,800</u>
TOTAL ALL EXPENSES	<u>\$8,669,900</u>	<u>\$8,765,100</u>	<u>\$10,127,600</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSE	<u>\$ (974,900)</u>	<u>\$ (816,700)</u>	<u>\$ (892,300)</u>

INSTITUTE FOR ADVANCED STUDY
DETAIL OF BUDGET REQUEST
FISCAL YEAR 1982

	FY 81 Approved Budget	FY 81 Projected Actual	FY 82 Budget Request
<u>GIFTS AND GRANTS</u>			
<u>SCHOOL OF MATHEMATICS</u>			
IBM	\$ 8,000		
Federal Republic of Germany	19,500	\$ 60,100	\$ 32,500
National Science Foundation	668,500	683,500	919,400
TOTAL	\$ 696,000	\$ 743,600	\$ 951,900
<u>SCHOOL OF NATURAL SCIENCES</u>			
Department of Energy	\$ 222,000	\$ 246,100	\$ 258,100
National Science Foundation	187,600	170,500	183,500
NASA	74,400	97,400	86,500
Office of Naval Research	49,000	22,900	24,300
Federal Republic of Germany	69,000	105,200	50,300
State of New Jersey	65,000	65,000	65,000
Other	-	8,400	1,000
TOTAL	\$ 667,000	\$ 715,500	\$ 668,700
<u>SCHOOL OF HISTORICAL STUDIES</u>			
National Endowment For The Humanities	\$ 143,600	\$ 153,700	\$ 262,900
Fund for Bernard Lewis	35,400	33,400	36,500
Samuel H. Kress Foundation	10,000	10,000	7,000
The Ford Foundation	10,000	23,800	-
Andrew W. Mellon Foundation	-	12,400	-
TOTAL	\$ 199,000	\$ 233,300	\$ 306,400
<u>SCHOOL OF SOCIAL SCIENCE</u>			
Exxon Education Foundation	\$ 133,000	\$ 130,500	\$ 132,800
German Marshall/Krupp Foundation	56,000	60,100	-
National Endowment For The Humanities	44,000	51,200	113,100
Rockefeller Foundation	25,000	32,200	62,400
TOTAL	\$ 258,000	\$ 274,000	\$ 308,300
<u>SPECIAL EVENTS</u>	\$ 75,000	\$ 82,000	\$ 50,000
<u>OTHER</u>			
Other Gifts and Grants	\$ 100,000	\$ -	\$ -
TOTAL GIFTS AND GRANTS	\$1,995,000	\$2,048,400	\$2,285,300

DETAIL OF BUDGET REQUEST (Cont'd)

	FY 81 Approved Budget	FY 81 Projected Actual	FY 82 Budget Request
<u>DIRECTOR'S OFFICE - ACADEMIC</u>			
Director's Fund	\$ 100,000	\$ 100,000	\$ 100,000
Publications Fund	12,000	12,000	12,000
TOTAL	\$ 112,000	\$ 112,000	\$ 112,000
<u>SCHOOL OF MATHEMATICS</u>			
Salaries, Wages & Stipends			
Faculty	\$ 323,800	\$ 323,800	\$ 437,200
Visiting Members	635,000	647,600	775,200
Research Assistants	29,000	12,500	100,100
Staff	76,000	76,000	98,400
TOTAL	\$1,063,800	\$1,059,900	\$1,410,900
Benefits (From Schedule A)	332,000	343,800	473,100
Faculty Travel Fund	34,100	7,100	40,000
Members Travel Grants	8,300	10,700	12,000
Communications	8,000	19,400	24,000
Duplicating and Page Charges	30,000	33,500	23,500
Other Expenses	10,500	9,400	11,000
TOTAL	\$1,486,700	\$1,483,800	\$1,994,500
<u>SCHOOL OF NATURAL SCIENCES</u>			
Salaries, Wages & Stipends			
Faculty	\$ 281,700	\$ 289,800	\$ 305,000
Visiting Faculty	-	52,000	96,000
Visiting Members	523,800	524,800	457,800
Research Assistants	22,000	-	12,000
Staff	82,000	81,600	124,000
TOTAL	\$ 909,500	\$ 948,200	\$ 994,800
Benefits (From Schedule A)	281,600	311,800	324,400
Faculty Travel Fund	19,000	7,000	18,000
Members Travel Grants	4,700	9,600	8,000
Meetings and Seminars	5,000	15,000	13,300
Communications	16,000	30,300	35,500
Duplicating and Page Charges	39,200	62,900	45,000
Computing	25,000	25,000	68,000
Other Expenses	25,000	31,500	35,000
TOTAL	\$1,325,000	\$1,441,300	\$1,542,000

DETAIL OF BUDGET REQUEST (Cont'd)

	FY 81 Approved Budget	FY 81 Projected Actual	FY 82 Budget Request
<u>SCHOOL OF HISTORICAL STUDIES</u>			
Salaries, Wages & Stipends			
Faculty	\$ 499,000	\$ 497,500	\$ 542,100
Visiting Members	328,000	329,700	328,900
Research Assistants	68,000	68,500	76,000
Staff	<u>185,000</u>	<u>181,800</u>	<u>206,400</u>
TOTAL	\$1,080,000	\$1,077,500	\$1,153,400
Benefits (From Schedule A)	298,000	316,100	349,000
Faculty Travel Fund	36,000	21,000	34,000
Members Travel Grants	13,500	15,000	9,000
Communications	8,000	21,000	25,600
Duplicating and Page Charges	10,000	16,700	11,900
Computing	-	2,800	2,000
Other Expenses	<u>21,000</u>	<u>38,700</u>	<u>18,100</u>
TOTAL	<u>\$1,466,500</u>	<u>\$1,508,800</u>	<u>\$1,603,000</u>
<u>SCHOOL OF SOCIAL SCIENCE</u>			
Salaries, Wages & Stipends			
Faculty	\$ 174,000	\$ 174,000	\$ 189,600
Visiting Members	305,000	302,600	372,900
Research Assistants	40,000	40,000	36,000
Staff	<u>81,200</u>	<u>78,800</u>	<u>92,800</u>
TOTAL	\$ 600,200	\$ 595,400	\$ 691,300
Benefits (From Schedule A)	180,800	191,800	232,600
Faculty Travel Fund	9,000	3,000	12,000
Members Travel Grants	8,500	13,500	3,000
Communications	8,000	14,400	16,800
Duplicating and Page Charges	8,000	11,400	6,000
Other Expenses	<u>6,000</u>	<u>8,800</u>	<u>7,400</u>
TOTAL	<u>\$ 820,500</u>	<u>\$ 838,300</u>	<u>\$ 969,100</u>
 TOTAL DIRECT CHARGES	 <u>\$5,210,700</u>	 <u>\$5,384,200</u>	 <u>\$6,220,600</u>

DETAIL OF BUDGET REQUEST (Cont'd)

	FY 81 Approved Budget	FY 81 Projected Actual	FY 82 Budget Request
<u>LIBRARY</u>			
Salaries	\$164,000	\$164,000	\$182,000
Benefits (From Schedule A) 39,200	<u>392,000</u>	41,000	48,200
Books	44,000	54,500	75,000
Periodicals	107,000	98,500	150,000
Office Supplies	10,000	7,700	8,500
Other Expenses	2,000	2,800	6,000
Depreciation	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>
TOTAL	<u>\$420,200</u>	<u>\$422,500</u>	<u>\$523,700</u>
<u>ACADEMIC BUILDING MAINTENANCE</u>			
Salaries	\$152,000	\$150,000	\$166,500
Benefits (From Schedule A)	36,300	37,500	44,000
Outside Labor	-	8,000	10,000
Materials and Supplies	27,000	40,000	45,000
Maintenance Contracts	20,000	20,000	22,000
Utilities	190,000	200,800	230,000
Other Expenses	10,000	4,000	5,000
Debt Service	316,000	307,000	306,000
Depreciation	<u>160,000</u>	<u>144,000</u>	<u>166,000</u>
TOTAL	<u>\$911,300</u>	<u>\$911,300</u>	<u>\$994,500</u>
TOTAL ACADEMIC SUPPORT	<u>\$1,331,500</u>	<u>\$1,333,800</u>	<u>\$1,518,200</u>

DETAIL OF BUDGET REQUEST (Cont'd)

	FY 81 Approved Budget	FY 81 Projected Actual	FY 82 Budget Request
<u>DIRECTOR'S OFFICE - ADMINISTRATIVE</u>			
Salaries	\$ 255,500	\$ 249,000	\$ 291,000
Benefits (From Schedule A)	60,900	62,200	77,000
Travel	12,000	11,000	12,000
Office Supplies & Printing	64,000	65,000	71,000
Other Expenses	15,600	15,000	16,500
TOTAL	\$ 408,000	\$ 402,200	\$ 467,500
<u>GENERAL ADMINISTRATION</u>			
Salaries	\$ 180,000	\$ 188,000	\$ 200,000
Benefits (From Schedule A)	44,600	46,900	53,000
Other Expenses	35,000	48,700	55,000
TOTAL	\$ 259,600	\$ 283,600	\$ 308,000
<u>SUPPORT SERVICES</u>			
Salaries	\$ 154,000	\$ 160,000	\$ 177,600
Benefits (From Schedule A)	35,000	39,900	47,000
Communications	75,000	70,000	77,000
Materials and Supplies	55,000	51,000	56,000
Security Expense	13,000	11,500	13,000
Motor Vehicle Expense	7,300	11,000	13,000
Depreciation	23,000	23,000	23,000
TOTAL EXPENSES	\$ 362,300	\$ 366,400	\$ 406,600
Charged to Others	(50,000)	(100,000)	(50,000)
TOTAL	\$ 312,300	\$ 266,400	\$ 356,600
<u>GROUPS</u>			
Salaries	\$ 118,600	\$ 117,000	\$ 129,900
Benefits (From Schedule A)	28,300	29,200	34,300
Shop Utilities	12,000	12,000	13,500
Motor Vehicle Expense	6,000	8,000	9,000
Materials and Supplies	35,000	35,000	39,100
Real Estate Taxes	24,000	24,000	27,500
Other Expenses	7,000	6,000	7,000
Depreciation	4,000	-	-
TOTAL EXPENSES	\$ 234,900	\$ 231,200	\$ 260,300
Less Rental of Land	(16,400)	(15,000)	(16,400)
TOTAL	\$ 218,500	\$ 216,200	\$ 243,900

DETAIL OF BUDGET REQUEST (Cont'd)

	FY 81 Approved Budget	FY 81 Projected Actual	FY 82 Budget Request
<u>GENERAL EXPENSE</u>			
Entertainment	\$ 14,000	\$ 18,000	\$ 20,000
Insurance	85,000	85,000	100,000
Moving and Relocation	-	20,000	-
Legal and Professional Fees	60,000	68,000	75,000
Other Expenses	10,000	13,000	14,000
Investment Management	270,000	270,000	300,000
Debt Service	50,000	47,000	47,000
Depreciation	31,000	50,000	60,000
TOTAL	\$ 520,000	\$ 571,000	\$ 616,000
 TOTAL ADMINISTRATIVE SUPPORT	 \$1,718,400	 \$1,739,400	 \$1,992,000
<u>OTHER</u>			
<u>TENANT HOUSING</u>			
Salaries	\$ 60,000	\$ 45,600	\$ 62,600
Benefits (From Schedule A)	14,300	11,300	16,500
Materials and Supplies	20,000	29,800	24,300
Utilities	30,000	35,000	40,000
Real Estate Taxes	35,000	35,000	36,000
Other Expenses	18,000	28,300	31,000
Debt Service	50,000	47,000	47,000
Depreciation	25,000	32,700	34,000
TOTAL EXPENSES	\$ 252,300	\$ 264,700	\$ 291,400
Less Rental Income	(18,000)	(39,000)	(44,600)
NET EXPENSES	\$ 234,300	\$ 225,700	\$ 246,800
<u>SPECIAL EVENTS</u>			
Salaries		\$ 35,000	
Benefits (From Schedule A)		8,800	
Other Expenses	\$ 75,000	38,200	\$ 50,000
TOTAL	\$ 75,000	\$ 82,000	\$ 50,000
CONTINGENCY	\$ 100,000	\$ -	\$ 100,000
TOTAL OTHER	\$ 409,300	\$ 307,700	\$ 396,800
TOTAL ALL EXPENSES	\$8,669,900	\$8,765,100	\$10,113,600

SCHEDULE A

INSTITUTE FOR ADVANCED STUDY
SCHEDULE OF DISTRIBUTION OF BENEFITS
FISCAL YEAR 1982 BUDGET

	<u>FY 81 Approved Budget</u>	<u>FY 81 Projected Actual</u>	<u>FY 82 Budget Request</u>
BENEFITS DISTRIBUTED AS FOLLOWS:			
School of Mathematics	\$ 332,000	\$ 343,800	\$ 473,100
School of Natural Sciences	281,600	311,800	324,400
School of Historical Studies	298,000	316,100	349,000
School of Social Science	180,800	191,800	232,600
Libraries	39,200	41,000	48,200
Academic Buildings	36,300	37,500	44,000
Director's Office	60,900	62,200	77,000
General Administration	44,600	46,900	53,000
Support Services	35,000	39,900	47,000
Grounds	28,300	29,200	34,300
Tenant Housing	14,300	11,300	16,500
Special Events	-	8,800	-
Dining Hall	25,400	29,000	33,700
Members Housing	<u>29,800</u>	<u>30,000</u>	<u>35,200</u>
TOTAL (See Schedule B attached)	<u>\$1,406,200</u>	<u>\$1,499,300</u>	<u>\$1,768,000</u>

SCHEDULE B

INSTITUTE FOR ADVANCED STUDY SCHEDULE OF BENEFITS FISCAL YEAR 1982 BUDGET

	<u>FY 81 Approved Budget</u>	<u>FY 81 Projected Actual</u>	<u>FY 82 Budget Request</u>
<u>DINING HALL OPERATION</u>			
Income	\$ 153,000	\$ 150,000	\$ 165,000
Expenditures			
Salaries	\$ 122,000	\$ 140,500	\$ 148,000
Benefits	25,400	29,000	31,000
Outside Labor	-	4,000	2,000
Food and Beverages	93,000	115,000	128,000
Minor Equipment & Supplies	18,000	27,500	20,000
TOTAL OPERATING EXPENDITURES	\$ 258,400	\$ 316,000	\$ 329,000
Depreciation	42,000	42,000	44,000
TOTAL COST	\$ 300,400	\$ 358,000	\$ 373,000
AMOUNT OF SUBSIDY	\$ 147,400	\$ 208,000	\$ 208,000
<u>MEMBERS HOUSING</u>			
Income	\$ 500,000	\$ 470,000	\$ 500,000
Expenditures			
Salaries	\$ 125,000	\$ 120,000	\$ 133,000
Benefits	29,800	30,000	33,000
Outside Labor	20,000	25,300	-
Utilities	140,000	150,000	165,000
Taxes	225,000	238,000	262,000
Materials and Supplies	99,000	68,000	75,000
TOTAL OPERATING EXPENDITURES	\$ 638,800	\$ 631,300	\$ 668,000
Debt Service	275,000	284,000	284,000
Depreciation	180,000	174,000	246,000
TOTAL COST	\$1,093,800	\$1,089,300	\$1,198,000
AMOUNT OF SUBSIDY	\$ 593,800	\$ 619,300	\$ 698,000
<u>RETIREMENT INSURANCE AND TUITION</u>			
Retirement	\$ 286,000	\$ 286,000	\$ 420,900
Social Security	150,000	160,000	194,100
Pensions	53,000	48,000	45,000
Medical Insurance	40,000	48,000	58,000
Major Medical Insurance	43,000	41,000	47,000
Disability Insurance	18,000	28,000	32,000
Life Insurance	30,000	19,000	21,000
Tuition Payments	36,000	33,000	34,000
Other	9,000	9,000	10,000
TOTAL COST	\$ 665,000	\$ 672,000	\$ 862,000
TOTAL BENEFITS	\$1,406,200	\$1,499,300	\$1,768,000

SCHEDULE C

CAPITAL AUTHORIZATION REQUEST BUDGET YEAR 1981-82

	<u>Authorization Request</u>
MAJOR MAINTENANCE	
Fuld Hall Patio Roof	\$ 50,000
Building E - Computer Room	75,000*
Marquand House	100,000*
Pool Repair - Quaker Road	6,000
Insulate Steam Pipes	25,000
Wind Break - Dining Hall	4,000
Blacktop Repairs	15,000
Landscaping	<u>12,000</u>
TOTAL MAJOR MAINTENANCE	<u>\$287,000</u>
EQUIPMENT AND FURNITURE	
Pickup Truck - Grounds	\$ 9,000
Lawn Mowers - Grounds	16,000
Motor Pool Cars	18,000
Model 1250N Duplicator	13,000
Typesetter - IBYCUS	10,000
Computer - Natural Science	343,600**
Terminals/Printer/Storage	30,400
Controlled Access - Library	3,000
Stage and Sound Shell	35,000
Furniture and Fixtures	25,000
Other Equipment	<u>14,000</u>
TOTAL EQUIPMENT AND FURNITURE	<u>\$517,000</u>
TOTAL REQUEST	<u><u>\$804,000</u></u>

* Bond issue proceeds to be used to fund these projects.

** Advanced by IAS. NSF and DOE will pay for computer over a four-year period.

SCHEDULE D

CAPITAL AUTHORIZATIONS STATUS REPORT AS OF MARCH 31, 1981

	<u>Authorization</u>	<u>Expended thru 3/31/81</u>	<u>Unexpended Balance</u>
NEW CONSTRUCTION			
Tennis Courts	\$ 108,000	\$ 47,249	\$ 60,751
Eight Apartments	<u>650,000</u>	<u>-</u>	<u>650,000</u>
TOTAL NEW CONSTRUCTION	<u>\$ 758,000</u>	<u>\$ 47,249</u>	<u>\$ 710,751</u>
MAJOR MAINTENANCE			
Academic Buildings			
Repair Walks	\$ 200,000	\$ 23,466	\$ 176,534
Members Housing			
Structural Repairs	750,000	751,665	(1,665)
Heating and Insulating	400,000	18,070	381,930
Modernize Kitchens	770,000	87,552	682,448
Air Conditioning	630,000	-	630,000
Roads and Parking	<u>15,600</u>	<u>-</u>	<u>15,600</u>
TOTAL MAJOR MAINTENANCE	<u>\$2,756,600</u>	<u>\$ 880,753</u>	<u>\$1,884,847</u>
EQUIPMENT AND FURNITURE			
Upgrade Telephone System	\$ 85,000	\$ 87,265	\$ (2,265)
Rosenwald Library	6,000	1,542	4,458
Accounting Machine	35,000	27,876	7,124
Word Processing	35,000	4,927	30,073
Vehicles	17,000	-	17,000
Other	30,400	18,763	11,637
Furniture and Fixtures	<u>22,500</u>	<u>29,106</u>	<u>(6,606)</u>
TOTAL EQUIPMENT & FURNITURE	<u>\$ 230,900</u>	<u>\$ 169,479</u>	<u>\$ 61,421</u>
TOTAL	<u><u>\$3,754,500</u></u>	<u><u>\$1,097,481</u></u>	<u><u>\$2,657,019</u></u>

SCHEDULE E

INSTITUTE FOR ADVANCED STUDY BOND ISSUE CONSTRUCTION ACCOUNT JULY 24, 1980 THROUGH MARCH 31, 1981

PROCEEDS OF SALE

BOND ISSUE	\$8,775,000
Less: Discount to Purchaser	116,884
	<u>8,658,116</u>
Add: Accrued Interest to 7/24/80	42,123
TOTAL NET PROCEEDS	<u>\$8,700,239</u>

DISPOSITION OF PROCEEDS

Transferred to Interest Account	\$ 42,123
Transferred to Construction Fund	<u>8,658,116</u>
TOTAL	<u>\$8,700,239</u>

CONSTRUCTION FUND

Initial Deposit	\$8,658,116
Add: Interest Income 3/31/81	176,417
	<u>8,834,533</u>
Less: Expenses of Bond Issue	88,761
TOTAL AVAILABLE FOR CONSTRUCTION	<u>\$8,745,772</u>

TRANSFERRED TO INSTITUTE ENDOWMENT TO REIMBURSE FOR CONSTRUCTION ADVANCES

West Building/Dining Hall	\$4,100,000
New Boilers	204,515
Quaker Road Properties	384,294
Computer - Capital Costs	27,876
Operating Costs	23,429
Repair Walks	19,780
Upgrading of Telephone System	80,408
Members Housing	
Roof Repairs	732,787
Kitchens	24,252
Energy Projects	21,330
Tennis Courts	<u>46,498</u>
TOTAL TO ENDOWMENT	<u>\$5,665,169</u>

BALANCE IN CONSTRUCTION FUND AS OF 3/31/81

\$3,080,603

SCHEDULE E (Cont'd)

ALLOCATION OF BALANCE IN
CONSTRUCTION FUND

	<u>Authorized</u>	<u>From Bond Proceeds</u>	<u>Balance</u>
Repair Walks	\$ 200,000	\$ 19,780	\$ 180,220
Eight New Apartments	650,000	-	650,000
Housing - Energy Projects	400,000	21,330	378,670
Housing - Kitchens	770,000	24,252	745,748
Housing - Air Conditioning	630,000		630,000
Tennis Courts	108,000	46,498	61,502
Building E Computer Room	75,000		75,000
Marquand House Renovations	<u>100,000</u>	<u></u>	<u>100,000</u>
	\$2,933,000	\$ 111,860	\$2,821,140
Uncommitted			<u>259,463</u>
TOTAL			<u><u>\$3,080,603</u></u>

THE INSTITUTE FOR ADVANCED STUDY

Princeton, New Jersey 08540 U.S.A.



JOINT MEETING OF THE BUDGET AND FINANCE COMMITTEES

Friday, April 24 2:00 p.m. West Bldg. Seminar Room

Sabina Modzelewski

Comptroller

THE INSTITUTE FOR ADVANCED STUDY

PRINCETON, NEW JERSEY 08540

Memorandum to: Members of the Board of Trustees
From: Harry Woolf
Date: April 10, 1981
Subject: VISITING MEMBERS AND THEIR SUPPORT

The exhibits attached to this memorandum have been prepared to show the average total cost and the average stipend of a visiting member.

EXHIBIT A: This exhibit is an analysis of numbers of members visiting the Institute in each of the six years indicated. For this exercise a full-time member is one who has been in residence for eight months. To arrive at the full-time equivalent numbers we divided the total cumulative months by eight. The number of visiting member stipends paid from the Institute endowment funds has been dropping year by year. It was 56.4 in Fiscal Year '76 and 42.8 in Fiscal Year '81.

EXHIBIT B: This exhibit shows how much the stipends paid amounted to each year and the average stipend per member. The average stipend per member was calculated by dividing the total stipends paid by the sum of the full-time equivalents paid from IAS funds plus those paid from outside funds.

EXHIBIT C: This exhibit shows the average cost per member of support costs. Included in these costs are: typing of manuscripts; xeroxing parts of books and reports; travel grants; dining hall subsidy; members housing subsidy; telephone and postage charges; and a factor for indirect costs called Support Services on this report. Also shown is the average cost per visiting member for stipends and support costs.

If outside funds at their present level are reduced, we must be prepared either to accept much larger deficits or reduce the number of visiting members presently supported by these outside funds. Although there is now a ceiling on the amount of money available to each school for stipends to visiting members, we are always one year behind in reacting to a reduction in outside funds. Appointments are made almost a year in advance and cannot be easily rescinded. Therefore, any loss of anticipated outside support would require the use of quasi endowment funds to meet our commitments in the year in which the loss occurred.

The Institute in Fiscal Year '81 provided stipends for 87.5 members from outside funds secured by the Institute. This represents 57% of the total visiting member population. Stipends for the remaining 43% or 66.7 visiting members came principally from Institute endowment funds.

These facts help to explain why we are now focusing our current Fiftieth Anniversary Fund Campaign on securing 50 gifts of \$150,000 each. If successful, the results of this campaign will provide the endowment income necessary to provide stipends for 50 members. All Trustees will be receiving background information on the Fiftieth Anniversary Fund in the near future.

EXHIBIT A

INSTITUTE FOR ADVANCED STUDY

ANALYSIS OF VISITING MEMBERS
 FOR THE YEARS INDICATED

	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
TOTAL MEMBERS						
Mathematics	62	66	73	73	77	65
Natural Sciences	49	36	46	35	52	42
Historical Studies	38	41	44	47	47	42
Social Science	<u>17</u>	<u>18</u>	<u>18</u>	<u>14</u>	<u>16</u>	<u>17</u>
TOTAL	<u>166</u>	<u>161</u>	<u>181</u>	<u>169</u>	<u>192</u>	<u>166</u>
FULL-TIME EQUIVALENTS						
Mathematics	61.7	63.5	61.0	65.5	64.7	61.4
Natural Sciences	40.6	32.7	34.9	31.0	40.6	39.8
Historical Studies	31.5	32.5	39.5	39.5	39.5	36.3
Social Science	<u>16.0</u>	<u>15.5</u>	<u>14.5</u>	<u>13.5</u>	<u>15.5</u>	<u>16.7</u>
TOTAL	<u>149.8</u>	<u>144.2</u>	<u>149.9</u>	<u>149.5</u>	<u>160.3</u>	<u>154.2</u>
PAID FROM IAS ENDOWMENT FUNDS						
Mathematics	19.9	17.4	16.3	14.0	14.4	13.6
Natural Sciences	8.8	5.1	7.6	8.3	13.2	12.1
Historical Studies	18.7	16.5	18.0	19.0	16.5	16.5
Social Science	<u>9.0</u>	<u>12.7</u>	<u>7.0</u>	<u>7.0</u>	<u>3.0</u>	<u>.6</u>
TOTAL	<u>56.4</u>	<u>51.7</u>	<u>48.9</u>	<u>48.3</u>	<u>47.1</u>	<u>42.8</u>
PAID FROM OUTSIDE FUNDS						
Mathematics	37.3	38.6	34.7	40.5	39.8	37.8
Natural Sciences	30.3	24.1	24.8	22.2	26.4	23.7
Historical Studies	8.8	9.0	11.5	11.5	14.0	13.3
Social Science	<u>5.5</u>	<u>1.3</u>	<u>6.8</u>	<u>6.5</u>	<u>10.5</u>	<u>12.7</u>
TOTAL	<u>81.9</u>	<u>73.0</u>	<u>77.8</u>	<u>80.7</u>	<u>90.7</u>	<u>87.5</u>
MEMBERS WITH OWN FUNDS						
Mathematics	4.5	7.5	10.0	11.0	10.5	10.0
Natural Sciences	1.5	3.5	2.5	.5	1.0	4.0
Historical Studies	4.0	7.0	10.0	9.0	9.0	6.5
Social Science	<u>1.5</u>	<u>1.5</u>	<u>.7</u>	<u>-</u>	<u>2.0</u>	<u>3.4</u>
TOTAL	<u>11.5</u>	<u>19.5</u>	<u>23.2</u>	<u>20.5</u>	<u>22.5</u>	<u>23.9</u>

EXHIBIT B

INSTITUTE FOR ADVANCED STUDY

ANALYSIS OF STIPENDS PAID TO VISITING MEMBERS
 FOR THE YEARS INDICATED

	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
TOTAL STIPENDS						
Mathematics	\$ 481,597	\$ 486,627	\$ 477,497	\$ 497,928	\$ 682,079	\$ 647,600
Natural Sciences	366,367	321,802	330,114	363,139	536,462	567,800
Historical Studies	305,828	281,316	321,088	332,274	353,274	329,700
Social Science	268,400	288,906	289,702	311,100	318,750	302,600
TOTAL	<u>\$1,422,192</u>	<u>\$1,378,651</u>	<u>\$1,418,401</u>	<u>\$1,504,441</u>	<u>\$1,890,565</u>	<u>\$1,847,700</u>
STIPENDS PAID FROM IAS ENDOWMENT FUNDS						
Mathematics	\$ 190,576	\$ 187,507	\$ 171,258	\$ 136,475	\$ 185,794	\$ 184,200
Natural Sciences	81,577	76,642	69,959	120,194	206,348	223,500
Historical Studies	190,474	164,300	181,400	189,250	172,250	169,000
Social Science	170,400	267,202	185,917	185,000	78,175	21,000
TOTAL	<u>\$ 637,027</u>	<u>\$ 695,651</u>	<u>\$ 608,534</u>	<u>\$ 630,919</u>	<u>\$ 642,567</u>	<u>\$ 597,700</u>
STIPENDS PAID FROM GOVERNMENT GRANTS AND CONTRACTS						
Mathematics	\$ 291,021	\$ 299,120	\$ 306,239	\$ 361,453	\$ 496,285	\$ 463,400
Natural Sciences	284,790	245,160	260,155	242,945	283,114	282,200
Historical Studies	111,354	110,016	130,688	136,024	136,024	116,700
Social Science	98,000	21,704	103,785	126,100	60,425	38,700
TOTAL	<u>\$ 785,165</u>	<u>\$ 676,000</u>	<u>\$ 800,867</u>	<u>\$ 866,522</u>	<u>\$ 975,848</u>	<u>\$ 901,000</u>
STIPENDS PAID FROM FOUNDATION AND CORPORATE GRANTS						
Mathematics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Natural Sciences	-	-	-	-	47,000	62,100
Historical Studies	-	7,000	9,000	7,000	45,000	44,000
Social Science	-	-	-	-	180,150	242,900
TOTAL	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 9,000</u>	<u>\$ 7,000</u>	<u>272,150</u>	<u>\$ 349,000</u>
AVERAGE STIPENDS						
Mathematics	\$ 8,400	\$ 8,700	\$ 9,400	\$ 9,100	\$ 12,600	\$ 12,600
Natural Sciences	9,400	11,000	10,200	11,900	13,500	14,700
Historical Studies	11,100	11,000	10,900	10,900	11,600	11,100
Social Science	18,500	20,600	21,000	23,000	23,600	22,800

EXHIBIT C

INSTITUTE FOR ADVANCED STUDY

ANALYSIS OF COSTS IN SUPPORT OF VISITING MEMBERS
 FOR THE YEARS INDICATED
 (EXCLUDING STIPENDS)

	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
SUPPORT COSTS						
Staff Salaries	\$ 134,288	\$ 148,698	\$ 150,285	\$ 163,504	\$ 181,154	\$ 196,000
Staff Benefits	32,229	35,687	36,069	39,241	43,854	49,000
Travel Grants	31,697	33,114	33,767	34,986	34,175	48,800
Other Direct Charges	129,372	124,633	122,962	123,874	171,115	155,300
Dining Hall Subsidy	56,888	55,146	56,736	60,178	64,099	75,600
Members Housing Subsidy	<u>414,700</u>	<u>425,800</u>	<u>379,837</u>	<u>469,337</u>	<u>435,468</u>	<u>619,300</u>
	\$ 799,174	\$ 823,078	\$ 779,656	\$ 891,120	\$ 929,865	\$1,144,000
Support Services	<u>1,088,469</u>	<u>1,078,847</u>	<u>1,077,048</u>	<u>1,173,825</u>	<u>1,382,011</u>	<u>1,465,900</u>
TOTAL	<u>\$1,887,643</u>	<u>\$1,901,925</u>	<u>\$1,856,704</u>	<u>\$2,064,945</u>	<u>\$2,311,876</u>	<u>\$2,609,900</u>
AVERAGE SUPPORT COST PER MEMBER	\$12,600	\$13,200	\$12,400	\$13,800	\$14,400	\$16,900
TOTAL AVERAGE COST (INCLUDING STIPENDS)						
Mathematics	\$21,000	\$21,900	\$21,800	\$22,900	\$27,000	\$29,500
Natural Sciences	\$22,000	\$24,200	\$22,600	\$25,700	\$27,900	\$31,600
Historical Studies	\$23,700	\$24,200	\$23,300	\$24,700	\$26,000	\$28,000
Social Science	\$31,100	\$33,800	\$34,400	\$36,800	\$38,000	\$39,700

THE INSTITUTE FOR ADVANCED STUDY

HARRY WOOLF
Director

30 March 1981

Memorandum

To: Members of the Finance and Budget Committees

From: Harry Woolf *HW*

Subject: Reallocation of existing fund accounts

As part of our continuing effort to create one new endowed professorship in each of the Institute's four Schools, it is proposed that certain existing fund accounts be reallocated in ways that would help to achieve these goals.

Such operations have already been carried out with the Oswald Veblen Fund, which enabled us to endow an existing professorship in the School of Mathematics. Additionally, by reallocating the existing Harold F. Linder Fund and attracting a matching gift through the good offices of Ralph Hansmann, William Golden and the Linder family, we have assembled the funds necessary to create a new endowed professorship in the School of Social Science in the name of Harold F. Linder. (4)

I would now like to propose for the consideration of the Finance and Budget Committees the following reallocations. These reallocations would have no negative effect on the internal fiscal situation, nor would they violate the spirit or letter of the existing funds.

.../

Memorandum to Members of the Finance and Budget Committees
Reallocation of existing fund accounts

2

25 March 1981

School of Mathematics

Herman Weyl Professorship Fund

This chair is currently funded at \$50,000.

Recommended action: Reallocate \$700,000 from the IBM von Neumann Chair (now at \$1.8 million). Seek the remaining \$250,000 needed with the help of the Bär family.

87

Capital Gain

School of Natural Sciences

Albert Einstein Professorship Fund

Recommended action: Reallocate \$250,000 from the corporate Associates Fund (now at \$500,000) and \$250,000 from the Einstein Memorial Fund. Seek the remaining \$500,000 from private or corporate sources on a matching basis as a fiftieth anniversary gift.

School of Historical Studies

Humanities Professorship Fund

We now have a total of \$500,000 toward an endowed professorship in the School of Historical Studies.

Recommended action: Reallocate the \$250,000 remaining in the corporate Associates Fund to bring this total to \$750,000. Then seek the remaining \$250,000 from outside sources.

STATUS REPORT

EQUITY FUNDING CORPORATION

1972 Purchased 15,000 shares	\$585,853
March 1973 sold 15,000 shares	<u>260,183</u>
Loss on sale	<u>\$325,670</u>

April 1973 Transaction cancelled

February 1977	Received 4,808 shares of Orion Capital Corporation. This security was carried on our books at the original Equity Funding Corporation cost of \$585,853 plus legal costs paid to Debevoise, Plimpton, Lyons & Gates of \$12,296.	
	Book Cost	\$598,149

December 1977	paid to Debevoise, Plimpton, Lyons and Gates	7,744
---------------	--	-------

February 1981	paid to Debevoise, Plimpton, Lyons and Gates	<u>583</u>
---------------	--	------------

Total Cost	<u>\$606,476</u>
------------	------------------

RECEIVED TO DATE:

October 1977	- Settlement of claims - Salomon Brothers and Lawton Litigations	\$88,462
--------------	--	----------

February 1978	Sold 4808 shares of Orion Capital Corporation	33,656
---------------	---	--------

October 1980	Partial payment equal to 80% of final settlement	93,462
--------------	--	--------

February 1981	Possible final payment	<u>24,331</u>
---------------	------------------------	---------------

LOSS TO DATE	<u>\$366,565</u>
--------------	------------------

THE INSTITUTE FOR ADVANCED STUDY

PRINCETON, NEW JERSEY 08540

Memorandum to: Members of the Budget and Finance Committee

From: Allen Rowe *AR*

Date: April 10, 1981

Subject: INSURANCE

The Budget and Finance Committee has requested a report on the status of the Institute's general insurance program.

Attached hereto for comparative purposes are two schedules of insurance. One was prepared as of June 30, 1979 and the other was prepared as of March 1, 1981.

In fiscal year 1981 the Institute renewed its insurance coverage as indicated on the March 1, 1981 schedule. A \$1,000 deductible clause was introduced along with a \$10,000,000 umbrella policy. The base liability coverage was reduced from \$3,000,000 to \$1,000,000 with the difference being covered in the umbrella policy.

The Institute's previous three-year premium paid in February of 1979 was \$107,854. The three-year premium for 1981 is \$109,030 plus \$3,517 for the \$10,000,000 umbrella policy or \$112,547 in total. The increase in premium for the three-year period is therefore \$4,693 or 4% (1.3% per year).

Schiff Terhune

SCHEDULE OF INSURANCE The Institute for Advanced Study

Page 2

LOCATION: Princeton, New Jersey

March 1, 1981

Company	Policy Number	Expiration	Term	Premium	Coverage	Amount	Remarks
Atlantic Mutual	400-37-46-15	6/30/81	1 yr.	\$26,393.	<u>Workers' Compensation</u> Statutory		Subject to audit
Atlantic Mutual	331-00-97-24	2/1/82	1 yr.	7,029.98	<u>Automobile Policy</u> Comprehensive Fire & Theft Bodily Injury) Property Damage) Includes Uninsured Motorist Coverage Includes Non-Ownership Includes Hired Car Coverage	As per schedule in policy \$1,000,000.	Each person Each Occurrence C.S.L.
National Union	952-53-18	7/21/82	3 yrs.	12,500.	<u>Directors and Officers Liability</u>	\$2,000,000.	\$10,000 Self-Retention
INA Life Ins. Co.	LAC 13207	7/1/81	1 yr.	613.	Personal Accident Insurance Life of Harry Woolf	250,000. 250. 5,000.	Accidental Death Weekly Indemnity Medical Reimbursement
American Home Assurance Co.	0523776	2/12/82	1 yr.	375.	24 Hour All Risk Protection Harry Woolf	250,000.	
Mission Ins. Co.	M871569	2/1/82	1 yr.	3,517.	<u>Umbrella Liability</u>	Limit 10,000,000.	

Schiff Terhune Incorporated 100 William Street, New York, New York, 10038, (212) 425-3010

NOTE: THE PREMIUM CHARGES ABOVE REPRESENT THE INITIAL AND/OR DEPOSIT PREMIUM.
 IN THE EVENT OF ANY DISCREPANCIES, YOUR POLICY CONDITIONS PREVAIL.

Schiff Terhune

SCHEDULE OF INSURANCE

The Institute for Advanced Study

Page 1

LOCATION:

Princeton, New Jersey

June 30, 1979

Company	Policy Number	Expiration	Term	Premium	Coverage	Amount	Remarks
Atlantic Mutual	290-645 882	2/1/81	3 yrs.	\$107,854.	<u>Package Policy</u> All Real & Personal Property (Fire, E.C., V&MM as respects all real property) (All Risk Coverage as respects personal property)	\$22,475,100.	
					Fire & Ext. Coverage on Rents	80,000.	
					Sprinkler Leakage - Library Bldg.	5,000.	
					All Risk on Property in Transit	500.	
					Comprehensive General Liability incl. Elevators, Products, Independent Contractors and Contractual Liability:		
					Bodily Injury	3,000,000.	
					Property Damage	25,000.	
					Comprehensive Crime Coverage		
					Employee Dishonesty - Blanket		
					Position Coverage	25,000.	
					Loss Inside Premises	2,270.	
					Loss Outside Premises	1,875.	
					Steam Boiler	100,000.	
					Fine Arts	247,300.	
					Film Negatives	5,000.	

Schiff Terhune Incorporated 100 William Street, New York, New York, 10038, (212) 425-3010

NOTE: THE PREMIUM CHARGES ABOVE REPRESENT THE INITIAL AND/OR DEPOSIT PREMIUM IN THE EVENT OF ANY DISCREPANCIES, YOUR POLICY CONDITIONS APPLY.

Schiff Terhune

SCHEDULE OF INSURANCE The Institute for Advanced Study

Page 2

LOCATION: Princeton, New Jersey

June 30, 1979

Company	Policy Number	Expiration	Term	Premium	Coverage	Amount	Remarks
Atlantic Mutual	400-36-77-67	6/30/80	1 yr.	\$19,037.	<u>Workers' Compensation</u> <u>Statutory</u>		Subject to audit
Atlantic Mutual	27-331-00-2030	2/11/80	1 yr.	5,947.	<u>Automobile Policy</u> Comprehensive Fire & Theft Bodily Injury Property Damage Includes Uninsured Motorist Coverage Includes Non-Ownership Includes Hired Car Coverage	As per schedule in policy \$1,000,000. Each Person 3,000,000. Each Occurrence 50,000.	
National Union	On Binder 952-53-18	7/21/82	3 yrs.	12,500.	Directors and Officers Liability	2,000,000.	\$10,000 Self-Retention
INA Life Ins. Co.	LAC 13207	7/1/80	1 yr.	613.	Personal Accident Ins. Life of Harry Wolf	250,000. 250. 5,000.	Accidental Death Weekly Indemnity Medical Reimbursement

Schiff Terhune Incorporated 100 William Street, New York, New York, 10038, (212) 425-3010

NOTE: THE PREMIUM CHARGES ABOVE REPRESENT THE INITIAL AND/OR DEPOSIT PREMIUM.
 IN THE EVENT OF ANY DISCREPANCY, YOUR POLICY CONDITIONS PREVAIL.