

THE INSTITUTE FOR ADVANCED STUDY

M I N U T E S

Meeting of the Budget Committee

Thursday, April 9, 1987

New York, New York

- Present:** Messrs. Brown (Chairman), Hansmann, Taplin, Woolf.
Also Mrs. Labalme and Mr. Rowe.
- Absent:** Messrs. Lee, Stewart, Wolfensohn.
- Minutes:** Mr. Brown opened the meeting at 2:30. The minutes of the meeting on October 24, 1987, were approved as circulated.
- Drafted budget for FY '88:** Mr. Rowe presented the drafted budget for FY '88. He pointed out that Faculty salaries have been calculated at the present rate, in order to allow the new Director to participate in any decision about a raise. The present annual salary of \$95,000 became effective January 1, 1987.
- Faculty Benefits Study:** The status of the Faculty Benefits Study was raised. Mr. Segal's company, which has been consulted, has not yet made a report on the material sent them. Mr. Rowe will seek an opinion from them before the Board meeting in two weeks.
- Computing costs:** A number of items in the drafted budget were discussed, and in particular, the high increase in computing costs. The increase over the budget for FY '87 is 28.3% for all Schools. However, computer operating expenses to be paid from Institute general funds for Math and Natural Sciences more than doubled. Dr. Woolf and Mr. Rowe pointed out that the escalation in these costs argues the need for an independent expert to evaluate computing at the Institute. There is currently no independent technical review of requests for computing at the Institute. An independent consultant could recommend a procedure and a structure for managing computing at the Institute.

Dr. Woolf said that he had already discussed this need with the Faculty. He was confident that the new Director, Marvin Goldberger, with his experience in this area, would have good suggestions as to which way to go.

Draw on
endowment:

The estimated draw on endowment for FY '88 was 7.6%, based on a two-year moving average of the market value of the endowment fund.

Mr. Taplin asked how much would have to be raised in gifts and grants to balance the budget? \$40 million in endowment at a 6% draw, or \$250,000 raised annually.

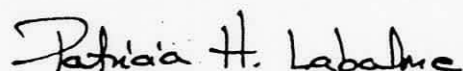
Case statements:

Mr. Brown asked whether all the essential needs of the Institute are being met. Mr. Rowe answered that the Schools' requests have been met. There are additional "wish lists" in the form of case statements from each School and these are about to be circulated shortly to the whole Board.

A number of particular matters were discussed, including the possible combination of the two Libraries, now under discussion, the purchase of Princeton housing for Faculty, the availability of dead storage facilities.

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

Respectfully submitted,



Patricia H. Labalme