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**ANNUAL REPORT
OF THE
PRESIDENT
1991-1992**



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BRUNSWICK, MAINE



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TO THE GOVERNING BOARDS, ALUMNI,
PARENTS, AND FRIENDS:

This is the Annual Report of the President of Bowdoin College—the second I have had the honor to present to the Governing Boards and alumni of the College. To set a context for the year, and for the annual reports of the Dean for Academic Affairs and the Vice President for Finance that follow, I propose to set down some thoughts about the *idea* of Bowdoin College. It has been a lively year, with much debate about our essentials and our values. In balancing budgets and revisiting the role of fraternities and sororities, the year has, in fact, been about what Bowdoin College stands for and how the nature of the Bowdoin community is defined and represented.

I could be too heavy about all this. Beyond the debates, there has been the wonderfully robust concreteness of Bowdoin, the density and flow of its life. I've come in my second year to know more faculty and more students—seen and rejoiced in their research on Kent Island, their musical and dance performances in Pickard, their exhibitions of painting and photography in Adams Hall studios and in New York, and in their doings on the athletic field. It is the concrete expressions of vital, creative human beings that build attachment, affection, and pride, and I'm determined not to let the abstractions and the pressures absent me from these felicities in the years ahead.

But it's hard to report on the College, interpret it for the Governing Boards, without relating it to some of the broader forces that are shaping all of America's colleges and universities today. It is no accident, in these fractious times, that the Yale scholar Jaroslav Pelikan, in his just-published book *The Idea of the University: A Reexamination*¹, turns back to John Henry Newman, whose own *Idea of a University* was published in 1873. Newman

believed powerfully in the university's mission of seeking knowledge for its own sake—not for utilitarian reasons—and in the grounding values of free inquiry and total, unremitting academic honesty. Pelikan, in his restatement, underlines these virtues, and the vital qualities of toleration, civility and rationality, but when he has done so he is drawn into all our current university and college duties of financial fairness, non-discrimination, public accountability, community service, and the duty to change and grow, and thus he swiftly leaves the haven of principle and enters the world of controversy. This is the world—a world of process and mediation—in which colleges, and college presidents, find themselves, fascinatingly and turbulently, today.

Perhaps more helpful in explaining the nature of colleges, although some distance from our mission, is a political scientist, Benedict Anderson. In describing the historic, global struggle of human beings to establish sovereignties, or nation states, he recounts the efforts of peoples to create what he calls "imagined communities."² Sovereign states are human artifacts, he says, creative constructions of shared recollections, belief and language. We may see again the irreducible elements of national sovereignty as we witness the dissolution of the USSR, Yugoslavia, Sudan, and Ethiopia into hopeful and proud, but also vengeful and murderous, sub-national communities, or as we watch a country like Pakistan struggle to create a nation out of powerful, defensive, linguistic, ethnic and religious subgroups, each with their own recollections, ecologies, fears and beliefs. Human beings are unendingly inventive, restless—and protective—about institutions that embody and express their hopes and sense of themselves.

A college is not a sovereignty, but it too is a human artifact, an act of human imagination that

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is created by each generation. Pretty much until the 1960s, American colleges—and not only those that were all male—caused their undergraduates to assimilate mainly elements of the great Western tradition: what, confidently and unquestioningly, Matthew Arnold called “the best that has been thought and known.” Despite the arrival of war veterans on the GI Bill, private higher education was grounded in a triad: familiar values, the canon, and social class. We assigned a sort of irreducible cultural significance to the great texts and works we studied, in the same way that we assimilated the national mythology of economic progress and, without defining what it meant, the national “melting pot.” The most self-confident of our disciplines, the natural sciences, led the social sciences—even the humanities—to adopt scientific critical theories, based on certainty and knowable fact upon which all could agree.

Our condition today in colleges and universities, however, has rather less to do with certainty, inheritance and transmission, although the *quattrocento* frescoes, the Goldberg Variations, *King Lear*, and the Federalist Papers are still wonderfully there. Intellectually, we have been invaded by many of the forces that gave birth to the phenomenon of modern art, as Kirk Varnedoe, the curator of painting and sculpture at the Museum of Modern Art, described them in a recent talk.³

“In the lineage that unrolls . . . from Cézanne and Van Gogh to the present, there is a remarkable idea: the radical idea that living with uncertainty and open-endedness—in fact, embracing it, creating it when it wasn’t wanted—could produce something sustaining, a culture of its own that would satisfy the soul and serve social life as well . . .

And embedded in this conception of art is the larger, wholly modern notion that as an individual you don’t

establish your culture only by the accepting embrace of your given nature, or race, or heritage of tradition—that individual acts of imagination, proposing worlds that have not yet been, can create their own new, plural communities around them, and that these in turn can form a different kind of society.”

It is not hard to see, on this theory of art as impertinence, why judgments about contemporary art arouse such public discomfort, fury and Congressional ire. And if colleges and universities have been, for roughly a generation, conducting their affairs in this same spirit—bursting intellectual conventions, building major non-Western studies programs, accepting into their scholarly ranks more women, blacks, native Americans, and foreign-born minorities than ever before, many with radically different perceptions and collective memories, is there any reason why boards of trustees and the public as a whole find us difficult to grasp? The imaginers of today’s collegiate “imagined community” have been formed by a far greater variety of social, racial, and gender experiences. Our scientists themselves burst not only with new knowledge, new, inventive ways of knowing, but also with new uncertainties.

For both the colleges and their supporters, as exciting as all this is, and as inevitable as it is—for it is the spirit of the age—it is excitement that has risks and costs. We can be seen to be—and be—uncritical and self-indulgent. For if there is no community of shared purpose, how does an institution define what is expected of a faculty member? If we are reluctant to discuss the ideas and skills a graduating senior should command, how then do we define our intellectual mission? If we treat everything as equally important and therefore equally fundable, while our resources are limited, how do we define financial integrity?

³Kirk Varnedoe, Stanford Commencement Address, June 14, 1992.
See also Varnedoe and Adam Gopik, *Modern Art and Popular Culture*, New York, 1990

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My colleagues and I are aware of our dual obligation both to encourage inventiveness and to build solidly, and assigning responsibility and defining Bowdoin's core educational ideas are, in fact, what the past year has been about. The following reports by Charles Beitz on the academic program and by Kent John Chabotar on finance give palpable examples. But as they also dramatize, the redefinition of budgetary and curricular centralities has required elaborate, time-consuming mobilization of the college, to "imagine" this community creatively and optimistically. So we have mobilized forums, committee meetings, seminars and workshops without number.

Which takes us to the score card for the year. I have measured success by one major touchstone. We were successful to the extent that the year's actions put in train processes—and aroused excitement and passion—to strengthen discourse at Bowdoin about its great purposes, about what is vital and what Bowdoin can do best within its financial limits for students who will spend lives and careers in the twenty-first century. We have been unsuccessful to the extent that we have taken actions that have left members of the College believing that decisions will be made by others, that they are exempt from the dual burdens of shared power and responsibility, or that they are marginal.

As Beitz and Chabotar narrate, we have made successful beginnings in creating a genuinely serious forum on finance and academic affairs. In finance we still have tough issues ahead, but we have plotted the way to a balanced budget. Even when we achieve that goal in 1993-94, however, we will be successful only if we have established mechanisms to engage the community in a continuing process of making judgments and trade-offs between the excellent and the good, the vital and the merely important.



Top: Bowdoin's Concert Band provides music at the James Bowdoin Day Exercises. Above: Entering students still sign the matriculation books at Nathaniel Hawthorne's desk in the President's Office every fall.

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Top: Discussion groups with faculty are an important part of Orientation for new students. Shown here, Associate Professor of Education Penny Martin. Above: The Museum of Art welcomes visitors in all seasons.

In the academic domain, we shall in an important sense never be “there.” But I believe we have begun at Bowdoin a new habit of institution-wide discourse and an organizing theory of a student’s four years. The values of Newman, reexamined by Pelikan, underlie all we do, and they probably need to be underlined more often and publicly. But the dean for academic affairs and the students and faculty on the Curriculum and Educational Policy Committee have outlined with fresh clarity the educational qualities that will inform Bowdoin’s tradeoffs in the curricular domain: that basic writing and quantitative skills need fresh attention; that the students’ four years should have a cumulative structure; that they should move a student consciously from apprenticeship toward mastery, probably demonstrated by independent work; that the association between student and faculty member should be close, intellectually intense, and generous; and that the student, with guidance, should have an increasing hand in the design and navigation of his or her academic voyage, since the world will require, more than anything else, an ordering capacity and an ability to synthesize and think independently.

This past year these concerns for the shape of a student’s four-year education at Bowdoin played out against exhaustive reviews, with external consultants, of two major, and quite different, substantive curricular domains. The first involved the scrutiny and the strong encouragement of two, still experimental, but vital programs: Afro-American Studies, which seek to explore, depict and “imagine” the experience of two hundred years and beyond of America’s black community of 32 million people; and film studies, which explore historically and through student creations the power of the visual image that has done so much to inform, manipulate, inspire—and diminish—the twentieth-century mind. These are vital programs, old

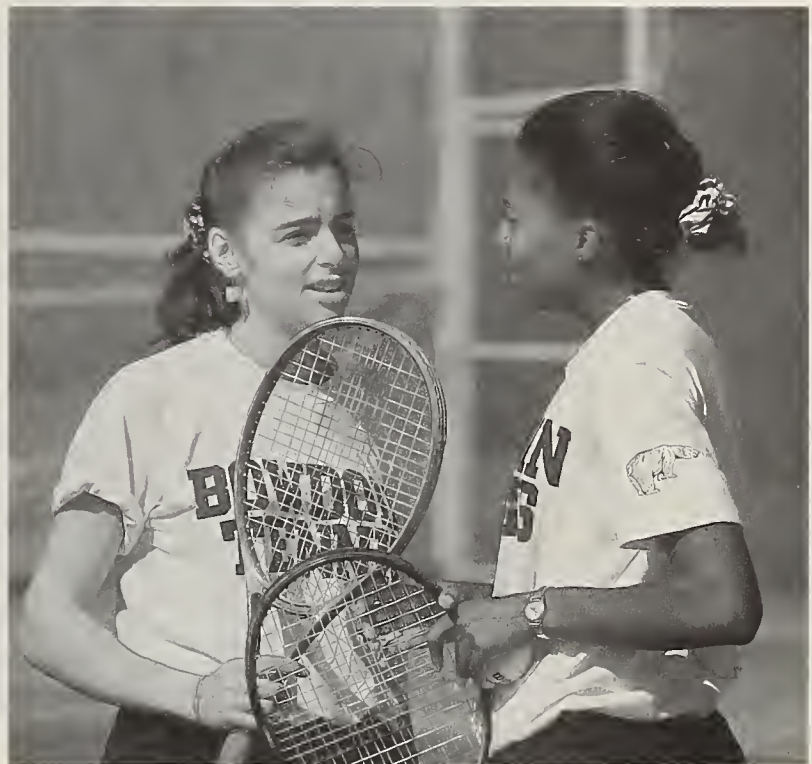
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enough now to be reexamined and refined. The second involved a searching examination into Bowdoin's needs in an area of great historic strength at the College—the natural sciences—and a year-long planning effort by the dean and chairs of science departments on new science space requirements.

Here—in finance and the educational program—I believe we were successful. We have drawn a great variety of Bowdoin's members and subgroups into a discourse that will define the constant “becoming” that a good college must be.

In one domain we were not successful: in devising satisfactory ways for the community to discuss its future regarding single-sex fraternities and sororities. The issue, the administration and Governing Boards believed, had already been decided in principle by the College in 1988, when the Governing Boards adopted the Merton Henry Commission recommendation that all fraternities should be coeducational by September 1991 or lose College recognition. When, in fact, a second single-sex fraternity purchased a house in 1991, joining the one existing non-recognized all-male fraternity, with the prospect of more all-male chapters swiftly following, the Boards decided to close the loophole status of “nonrecognition” by the College and require a uniform policy—already accepted by eight fraternities—of non-discriminatory coeducational membership.

In a literal, legal sense the issue had indeed been decided. The policy change was a minor adjustment, confirming Bowdoin's benign view of fraternities so long as they observe basic principles and practices. But in an immediate, campus sense, it had not been decided. The 1988 Henry Report was not reargued; we discovered that it was pre-history to 1992's campus. Neither was the College's duty and right to prescribe its collective identity and institutional values reargued in full,



*Top: Professor of Geology Arthur Hussey, an author of the Bedrock Geologic Map of Maine, reviews the geology of a student's honors research area.
Above: Members of Bowdoin's women's tennis team prepare for a match at the Pickard Field courts.*

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Top: Renovations in Searles Science Building have included new ventilation systems for several laboratories. Further improvements have been funded through a grant from the National Science Foundation. Above: Bowdoin fields a total of 29 men's and women's intercollegiate teams.

and our assumptions were countered by a number of students who argued, with a sense of fresh injury and unrequited logic, their own right to choose to associate with whomever they wanted in whatever organization they wanted. The issue, as it happens, arose on a campus where the sensibilities of students were already ruffled. In their three-year "living memory," the faculty had voted a change in the grading system—after elaborate discussion and debate but to considerable student disapproval; two popular faculty members had not received reappointments; and budgetary constrictions had pinched or redefined some student services and athletic teams.

The fraternity issue is uniquely difficult, for several reasons: fraternities have played a major part in Bowdoin's residential and social life over the years; they stand on independently owned real estate; and they are part of national organizations with their own systems of convictions and rules. In addressing the fraternity question in 1992, the College underlined two principles that seem both essential and unexceptionable: that it should have control over its own institutional social and residential life; and that the fundamental services, activities, and organizations of the College should be available freely and without discrimination to all students. Notwithstanding, the incomprehension and anger precipitated by the decision are evidence of a real failure of process. Devising more effective ways to engage students in the institution-defining and decision-making processes of the College remains unfinished and important business. Fraternities are only one example.

In specific ways, the College evidenced great health and enjoyed some marvelous achievements. The Development Office, reorganized under the leadership of Vice President for Development and Alumni Relations William A. Torrey, buoyed by a magnificent effort from its Alumni Fund class

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agents and spearheaded by the giving of the reunion classes, raised \$3 million for the Alumni Fund, in an environment clouded by economic uncertainty and unhappiness about fraternities. Our Parents Fund has increased by 38 percent in two years. Overall the College raised over \$10.5 million in the year 1991-92, the fourth largest total in Bowdoin's history.

The Admissions Office, under the new leadership of Dean Richard E. Steele, secured an improvement in our "yield"—the percentage of students we have accepted who accept Bowdoin's offer of admission—by two percentage points, and we will be admitting one of the most able and selective classes in recent years. Aided by the strengthened BASIC network, research on Bowdoin's applicant pool, a new program of group recruiting nationwide with peer colleges and universities, and a new set of publications, Steele's extremely lively Admissions Office approaches the new year in a state of high optimism—and with inquiries about the College up by 2,000.

On campus the most dramatic physical change, thanks to the \$742,000 anonymous donation of an alumnus, was the replacement of the rink and the redesign of the facilities in the Dayton Arena, after two precarious seasons in which this 35-year-old facility verged on breakdown. In Cleveland Hall, thanks to the scientific leadership of Professors Dana W. Mayo and Samuel S. Butcher, the world's first undergraduate organic chemistry microscale laboratory was completed, with a grant of \$400,000 from the Pew Foundation. In athletics, it was the year for cross country and track and field. The men's cross-country team won NESCAC, and the women's track team won the NESCAC league in the spring.

Finally, we had a number of expressions of Bowdoin College's commitment to the "Common Good," the theme of Bowdoin's coming

bicentenary. One of which I am particularly proud involved the leadership of two Bowdoin professors, William H. Barker of mathematics and Dale Syphers of physics, and Katharine B. Bunge of the Development Office, in helping to organize the Maine Mathematics and Science Alliance and assisting the alliance in winning a \$10 million grant from the National Science Foundation to improve the quality of mathematics and science education throughout the State of Maine. I now chair the executive committee of the alliance, a remarkable group of public school educators, state officials, business representatives, and state university administrators. I feel privileged to be able to help tie Bowdoin and its vital intellectual life into the rejuvenation of education widely in the state, in an experiment that could attract national attention.

There are in train a number of studies and planning exercises that will be of vital importance to Bowdoin's future—concerning the size of the College, the redesign and renovation of Hyde Cage as a campus center, financial aid, and other issues. I shall report on these matters after the year ahead, to which I already look forward.

It was, in sum, a year of hard work, imaginatively and loyally performed by many at the College—from those in our service departments, operating with fewer staff, to my senior administrative colleagues and faculty and students who ran the policy committees. As ever, the willingness of Bowdoin alumni to stick with their College, in spirit and financial support, even when troubled by it, has been inestimably valuable. To them and members of the Governing Boards, who have given their understanding and support, my warmest thanks.

Robert H. Edwards
President

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REPORT OF THE DEAN FOR ACADEMIC AFFAIRS

This report marks the end of my first year as a member of the Bowdoin faculty and as its chief academic officer. Above all else, it has been a year of listening and learning, of appreciating the College's impressive heritage as a teaching institution and of understanding its aspirations for the future. At a time when the College has been preoccupied with regaining its financial equilibrium, there was encouraging movement in the academic program: we have completed some important items of old business and set out on several new initiatives aimed at building on our strengths. This brief report is a highly selective overview.

Curriculum

The position I hold is different from that of my predecessors. The change of title (from dean of the faculty) recognizes a shift that has been in the making for several years. Responsibility for the coherence and integrity of the curriculum now clearly resides in the same office as responsibility for the administration of faculty affairs. The hope is that this arrangement will make for a more coherent curriculum and more uniform standards of excellence across the College.

One reflection of this shift is that the academic dean now serves as chair of our Curriculum and Educational Policy Committee (CEP), a role formerly played by the president, who continues to serve as a member of the committee. The other members include a half-dozen faculty members, three students, and the dean of the College. The CEP advises both the faculty and the administration on curricular policy and, through its New Course Subcommittee, supervises the process of curricular change. It serves as our principal forum for searching discussion about the structure and direction of the educational program. It has also

supervised a series of reviews of the College's academic departments and the principal interdisciplinary programs.

The cycle came to an end in the year just finished with the completion of reviews of the Afro-American Studies Program and the program in film and communication studies. Very different in their subject matters, these programs have two important points in common: they signify the College's ambition for curricular breadth, and given our small size, they have had to operate with fewer resources than would be desirable. The committee found that, in spite of these limitations, both programs valuably enrich the academic experience of Bowdoin students, and it commended those members of the faculty who have been instrumental in sustaining them. The CEP urged increased support for the Afro-American Studies Program, including recruitment from outside the College of a new director who would be appointed to the tenured ranks. It also advised that the film and communication studies program be reconstituted as a Department of Film and Video and that funds be sought to increase its faculty staffing from one to two.

Looking beyond departmental reviews, the CEP began a discussion of broad issues of concern relating to the curriculum as a whole. At a time when other campuses are engulfed in culture wars, our curriculum committee resisted ideological and political perspectives and concentrated, instead, on the quality and sequence of academic life at Bowdoin as students experience it. Our thinking was enriched by several interviews with small groups of first- and fourth-year students. There emerged three topics for further exploration: the effectiveness of the program for the first two years, including the distribution requirement, first-year seminars, and introductory courses in

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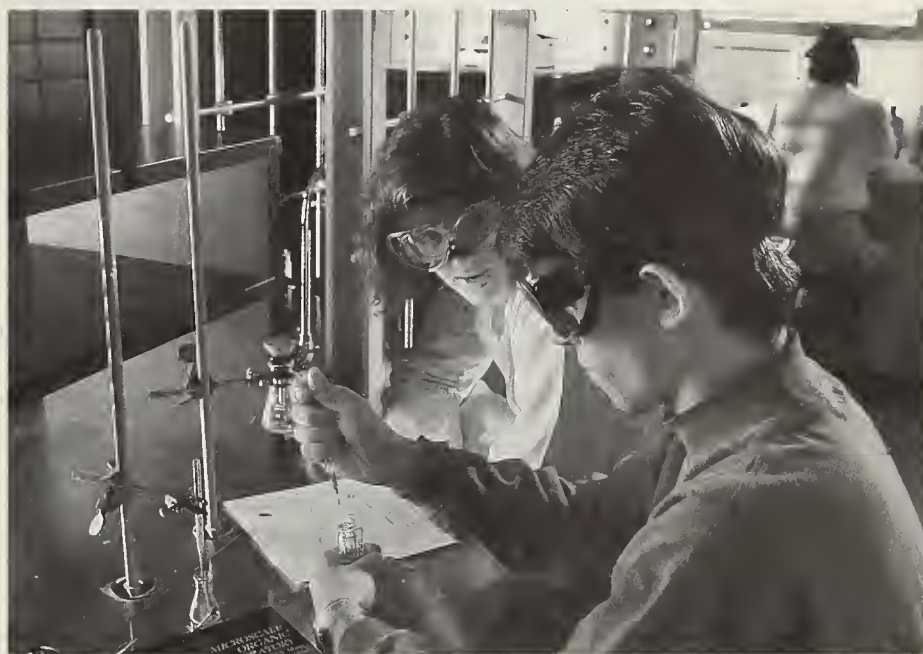
the sciences; the coherence and challenge of advanced work in the major; and the integration of study away into a student's educational program on the campus. These subjects compose a rich agenda for the new academic year.

Science Facilities

With an unusually productive faculty and a history of commitment to the natural sciences and mathematics, Bowdoin's science programs are among its strongest academic offerings. So it is a paradox, and a matter of serious concern, that our science facilities are, without question, among the most antiquated and least satisfactory to be found at any good small college in the United States. This fact was recognized in the College's last major fund-raising effort, but with the wonderful exceptions of the Hatch Science Library and the microscale organic chemistry laboratory in Cleaveland Hall, we were not able to meet our needs.

One of my first tasks was to initiate a fresh look at our science buildings. A planning group made up of the chairs of our science and mathematics departments met throughout the year. Its members invested many hours, with much time devoted to educating a new dean about modern college science instruction, and accomplished a great deal. We identified the most pressing health and safety problems, most of which will have been corrected by the time this report is published. We initiated a half-million dollar proposal to the National Science Foundation to improve the laboratories in the Searles Science Building. As I write, we have just learned that Bowdoin's proposal was successful, and we look forward to beginning the work in the coming year.

Most importantly, we framed the outline of a strategy for meeting the College's future space



Top: The Hatch Science Library houses over 60,000 volumes of science-related materials and provides a quiet place for study. Above: Bowdoin's new microscale organic chemistry laboratory is a prototype facility for organic chemistry instruction.

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needs for science instruction on a realistic budget, through a combination of new construction and imaginative renovation of existing space. There is no question that new space for science teaching and research must be our top academic building priority in the next several years.

Faculty

The recruitment of new faculty members is the most important ongoing responsibility of my office. The process was ably coordinated this past year by Associate Dean Randolph Stakeman. Nineteen people were appointed to full- and part-time faculty positions (none of them new positions). A larger fraction of the finalists for tenure-track appointments were members of minority groups than at any time in recent memory. Although we were disappointed that some of our offers were declined, an extraordinary effort to redress a chronic shortfall in faculty compensation meant that we lost no one due to an inability to offer competitive salaries.

Authority for the appointment of new faculty members rests ultimately with the president. It has never been the College's policy to delegate this critical function to individual departments acting alone. Still, the process of faculty recruitment at Bowdoin has sometimes been excessively decentralized, and we began this year a series of efforts to ensure that our recruitment practices conform to college-wide standards. The future quality of the academic program will be determined more powerfully by the quality of new faculty appointments than by any other single factor. If Bowdoin is to retain its position as a leader among American undergraduate colleges, we must spare no effort to recruit and attract new faculty members of the highest promise as teachers and scholars.

In addition to the new members of the teaching faculty, we succeeded in recruiting a worthy suc-

cessor to Arthur Monke, the College librarian, whose retirement after many years of distinguished service took effect in February. Sherrie S. Bergman comes to Bowdoin from Wheaton College, where she directed the library for fifteen years, oversaw the implementation of a range of new information technologies, and rose to national prominence among her peers in the library profession. As our libraries confront a period of rapid and unsettling change in information technologies, we are fortunate to have induced such a talented leader to join our ranks at Bowdoin.

Two members of the tenured faculty resigned during the year to accept appointments elsewhere. David I. Kertzer, the William R. Kenan, Jr., Professor of Anthropology, will become the Paul R. Dupee, Jr., University Professor of Social Sciences and Professor of Anthropology at Brown University. Associate Professor of Sociology Liliane P. Floge has accepted an appointment as assistant provost at Gettysburg College. Both will be missed by their colleagues in the Department of Sociology and Anthropology and throughout the College.

No academic dean could be effective without the active collaboration of the faculty and academic staff, and I must close by acknowledging my debt to these colleagues for their support and help during a busy year that saw its fair share of difficulties. Bowdoin is rightly counted among the nation's premier liberal arts institutions. We are the trustees and conservators of a distinguished legacy of teaching and scholarship, and I look forward enthusiastically to our common task of enhancing the College's historic strengths and adapting the teaching program to the daunting challenges of a new century.

Charles R. Beitz
Dean for Academic Affairs

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REPORT OF THE TREASURER

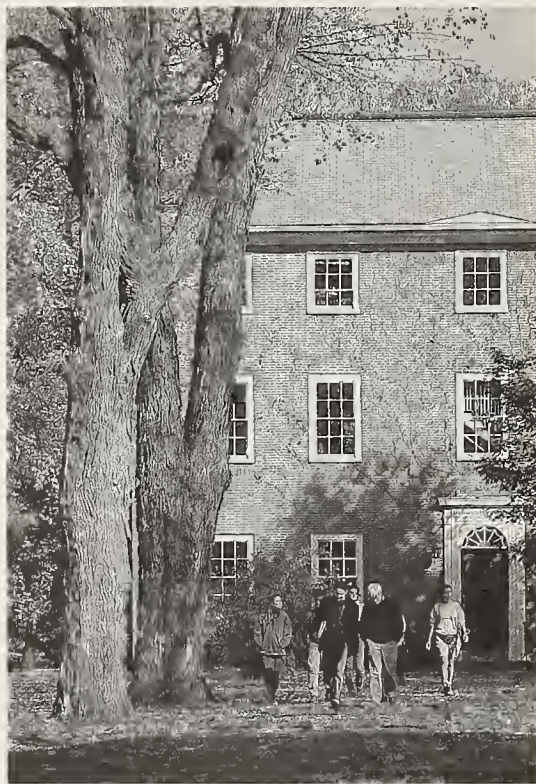
The 1901 Reports of the Treasurer and Finance Committee of Bowdoin College stated that the "income for the last year applicable to the general uses of the College was \$55,713.24 and the expenditures were \$60,436.00, leaving a deficiency of \$4,722.76." The College at that time had an endowment of \$788,000 and enrolled 252 students. Since then, many aspects of the College have changed, expenditures now are near \$50 million, the endowment is about \$175 million, and Bowdoin has over 1,400 students. Yet, as readers of more recent Treasurer's Reports know, we continue the struggle to balance the budget.

This year, I am pleased to report that Bowdoin's financial condition is much improved over that of a few years ago. The budget deficit is decreasing, and the use of endowment to support the College's academic and administrative operations has stabilized. This has been accomplished with the cooperation of faculty and staff, the excellent work of a new budget committee, and considerable sacrifice. Positions have been eliminated, salary increases minimized, and departmental budgets diminished. Yet, many challenges remain on the road to a balanced budget. The College must continue its substantial investments in the academic program, student financial aid, and campus maintenance. At the same time, we must cut costs, limit increases in tuition and fees, and expect little real growth in other revenues. Most colleges and universities are in a similar predicament as they also cope with increased academic and social needs and diminished resources. In short, the financial watchwords for the 1990s at Bowdoin College should be "hopeful but cautious."



*Top: Assistant Professor of Philosophy Lawrence Simon conducts a seminar in Massachusetts Hall.
Above: Hubbard Hall.*

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Top: Associate Professor of English Marilyn Reizbaum advises Julie Felner '92 on her honors research project. Above: Professor of English William Watterson and students after class in Massachusetts Hall.

This report will discuss budget trends and priorities as well as the College's financial problems and opportunities. In their 1904 Reports, the treasurer and Finance Committee explained that the "financial transactions for the year are mostly in the ordinary course, so that not much is required to be explained by us." Not surprisingly, our situation is now more complicated than that.

Budget Trends and Priorities

The operating budget deficit has been reduced from almost \$4 million in fiscal year (FY) 1988-1989 to less than an estimated \$1 million in FY 1991-1992 that ended on June 30, 1992. The projected FY 1991-1992 deficit is less than the amount the administration forecast and the Governing Boards approved in the original budget.

Exhibit 1 summarizes the estimated sources and uses of funds for FY 1991-1992. Like most private liberal arts colleges, Bowdoin earns the largest percentage of its revenue from tuition and fees and must be very sensitive to the impact of future increases on prospective students' ability to pay. Fortunately, unlike most other colleges, we can also rely on investment earnings from our endowment for a significant share of total revenue. On the expenditure side, the College spends the largest percentage of its expenditures on instruction and research in keeping with our historic mission of excellent undergraduate teaching and high quality faculty research. Undergraduate student scholarships and scholarships for graduate study are also major budget priorities. Institutional support, or the costs of the president, deans, and other administrative departments, is a large but declining percentage due to the continuing staff layoffs and other cutbacks that are helping to restore financial equilibrium.

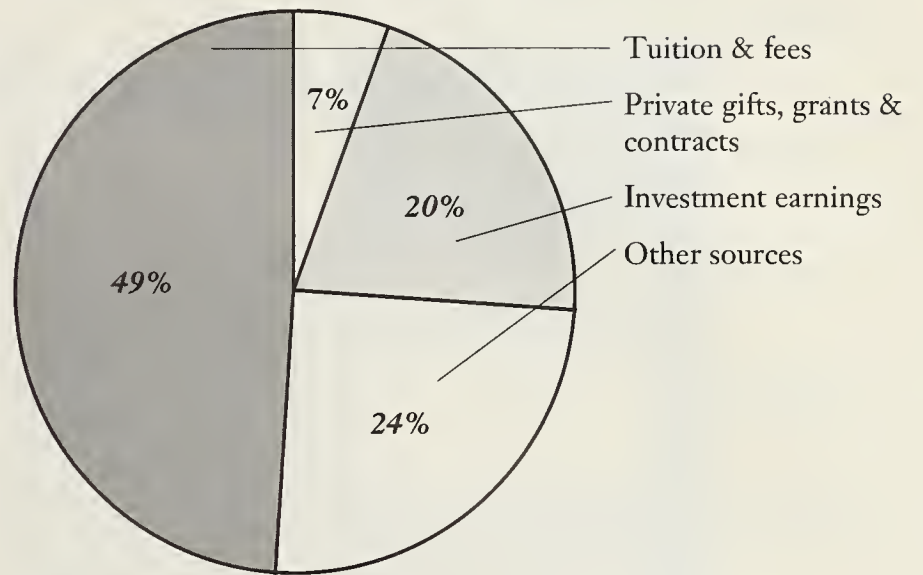
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Budgets for the next two fiscal years continue this positive trend: the deficit is expected to decrease to \$350,000 in FY 1992-1993 and to be eliminated in a balanced budget for FY 1993-1994.

These budgets were prepared, for the first time, by a campus committee of faculty, administrators, support staff, and students. Chaired by Professor of Mathematics James E. Ward, this Budget and Financial Priorities Committee solicited and reviewed budget proposals and consulted with the Bowdoin community at a series of open meetings. In its deliberations, the committee was guided by President Edwards' commitments to balance the operating budget by FY 1993-1994; to shift budget priorities toward the academic program, in part by preserving existing faculty positions while reducing administrative positions; and to limit tuition and fee increases. That the Committee used a genuinely participative and open process to produce such a tough but realistic budget is a testimony to its high resolve and great teamwork. They seemed to have followed Ralph Waldo Emerson's admonition about another type of team in an earlier day that: "No member of a crew should be praised for the rugged individuality of his rowing."

Tuition and Fees: In the FY 1992-1993 budget, tuition and fees increase by an average of 5.7 percent, or one percent over the Consumer Price Index as measured for the 12 months ending June, 1991. This is the smallest percentage increase in 15 years. During the 1980s, Bowdoin's tuition and fees, like most colleges and universities, increased on average at more than twice the rate of inflation. Today, tuition and fees constitute 49 percent of total revenues and fund almost 50 percent of the College's budget, a troubling increase from the 40 percent of the FY 1988-1989 budget. The

1991-1992 Estimated Sources of Funds



1991-1992 Estimated Uses of Funds

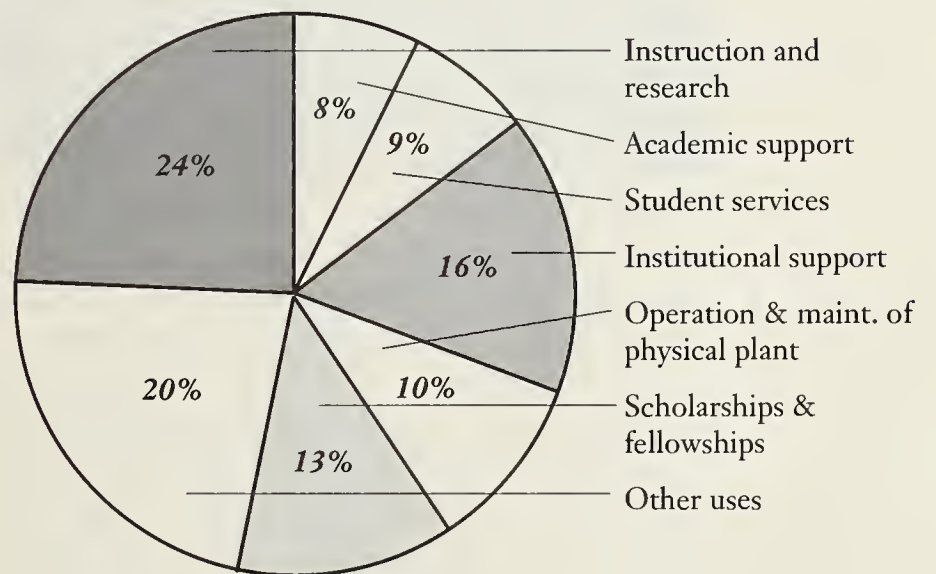


EXHIBIT 1

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Undergraduate Financial Aid

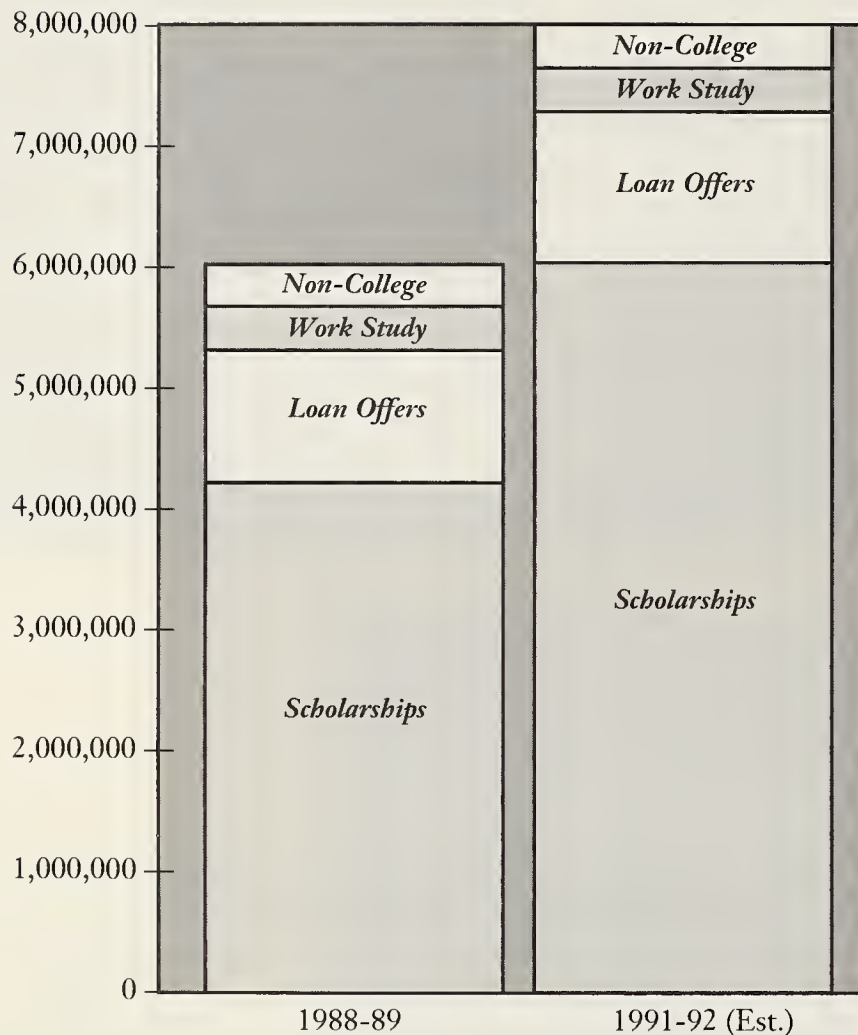


EXHIBIT 2

enrollment target of 1,410 students for FY 1992-1993 is the same as that for FY 1991-1992.

Student Financial Aid: The principal objective of the College's financial aid program is to promote the admission of as many academically qualified students as possible without regard to their financial need. Total undergraduate financial aid increased by over a third between FY 1988-1989 and FY 1991-1992. Exhibit 2 illustrates this substantial increase not only in total but also in terms of the proportional changes in the components of financial aid awards. At 75 percent, scholarships comprise a relatively large share of the typical financial aid package at Bowdoin compared to that for similarly selective private colleges. This helps to limit students' debt burdens when they graduate. Expenditures for undergraduate scholarships are planned to increase to \$6.2 million in FY 1992-1993, constituting about 12.5 percent of the College's budget compared to 9.5 percent in FY 1988-1989. Nevertheless, despite substantial increases in the financial aid budget and modest increases in tuition and fees, the poor economic climate compelled the College to admit an average of 3 percent of the prospective members of the Classes of 1995 and 1996 based, in part, on their ability to pay.

Endowment Earnings: With a current market value of approximately \$175 million, the Bowdoin endowment will provide about 20 percent of the FY 1992-1993 budget. Its dollar contribution will remain the same as in FY 1991-1992 in order to safeguard its purchasing power. Despite this contribution to the budget, our endowment has increased significantly from slightly less than \$160 million on June 30, 1991. Such remarkable growth can be credited to a strong stock market coupled with the generosity of the College's alumni and friends and the effective management

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of the Investment Committee of the Governing Boards. On the other hand, much of the endowment has significant limitations on its use, not only because the original gifts must be preserved in perpetuity but also because many donors want their funds spent on financial aid, endowed faculty chairs, library books, and other worthwhile but restricted purposes. The truly unrestricted endowment has been depleted over the years in support of the College's academic programs and administrative support services.

As a percentage of the endowment's market value, as Exhibit 3 demonstrates, the income and appreciation used from the endowment for the budget has declined from about 8.5 percent three years ago to estimates of 6.5 percent in the upcoming FY 1992-1993 budget and 6.0 percent in FY 1993-1994. The goal at Bowdoin and most other colleges and universities is to use no more than 5.5 percent of the endowment for current operations. That allows the endowment to grow more rapidly and slows the loss of purchasing power due to inflation.

Exhibit 3 also compares the percentage of the endowment used for the budget with the total amount that the endowment earned, also expressed as a percentage of endowment market value. It suggests the volatility of total endowment return in any given year, which complicates the task of providing a stable flow of funds for the budget. The exhibit also manifests that the College used more than it earned from the endowment in two of the years shown, in part because endowment reserves had to cover operating budget deficits. These reserves consist of budget surpluses and gifts from prior years that were saved rather than spent (also called "quasi-endowment"), accumulated capital appreciation, and contingency funds set aside for maintenance.

Assuming that the endowment's market value continues to grow and the operating budget stays balanced, the College is confident that endowment use will remain prudently below its total earnings in the next few years.

Compensation: Employee salaries and fringe benefits comprise over half of the budget. The FY 1992-1993 budget reflects Bowdoin's commitment to support the primacy of the academic program by providing faculty and staff with competitive salaries consistent with the employment market and our financial condition. It makes an initial investment in restoring the College's competitive position in attracting and retaining the highest quality faculty. The 1992-1993 year marks the fifth straight year in which instruction and research expenses, including faculty compensation, have increased their share of the operating budget. A modest salary increase averaging 3.5 percent was budgeted for other employees, with an additional 1 percent reserve for equity adjustments, about the same as last year. The College awaits the completion this fall of a position evaluation study conducted by KMPG Peat Marwick that will use market data and our own management values to establish competitive salary scales for administrators, coaches, librarians, and others. In addition, an independent consultant has been working with the Human Resources Department on a similar study for support staff.

Staff Reductions: The achievement of both a balanced budget and these other objectives will require significant personnel reductions. The FY 1992-1993 budget reduces compensation costs by \$700,000 or about 19 full-time equivalent (FTE) positions. All but three of the positions were eliminated through attrition rather than termination because the College instituted a partial hiring freeze last September and successfully offered a

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voluntary early retirement program that enrolled 24 employees. One of those early retirees will be especially missed in the Treasurer's Office: Betty Masse, assistant to the treasurer, retired after over 30 years of service. Added to the 26 positions cut last year and the 13 positions expected to be eliminated in the next budget, Bowdoin College will have streamlined its workforce by 10 percent over three years. With the exception of appointments supported by expiring foundation and other grants, faculty positions remain untouched.

Campus Infrastructure: Compared to other institutions, Bowdoin College has not overly deferred essential maintenance on its buildings and grounds in order to balance the budget. A recently completed external evaluation of the College's Physical Plant Department concluded that:

With strong support from its Governing Boards, the College has devoted long-term funding support to major maintenance and repair projects which have enabled the College to avoid the excessive deferred maintenance burden that handicaps many colleges and universities. Consequently, the overall condition of the College physical plant is excellent.

The College's major maintenance and capital projects budget of \$1.6 million involves not only upgrading building integrity and code compliance but also campus aesthetics, energy conservation, and the demands of academic and administrative programs. The College is also making major investments to improve handicapped access, fire safety, and air quality.

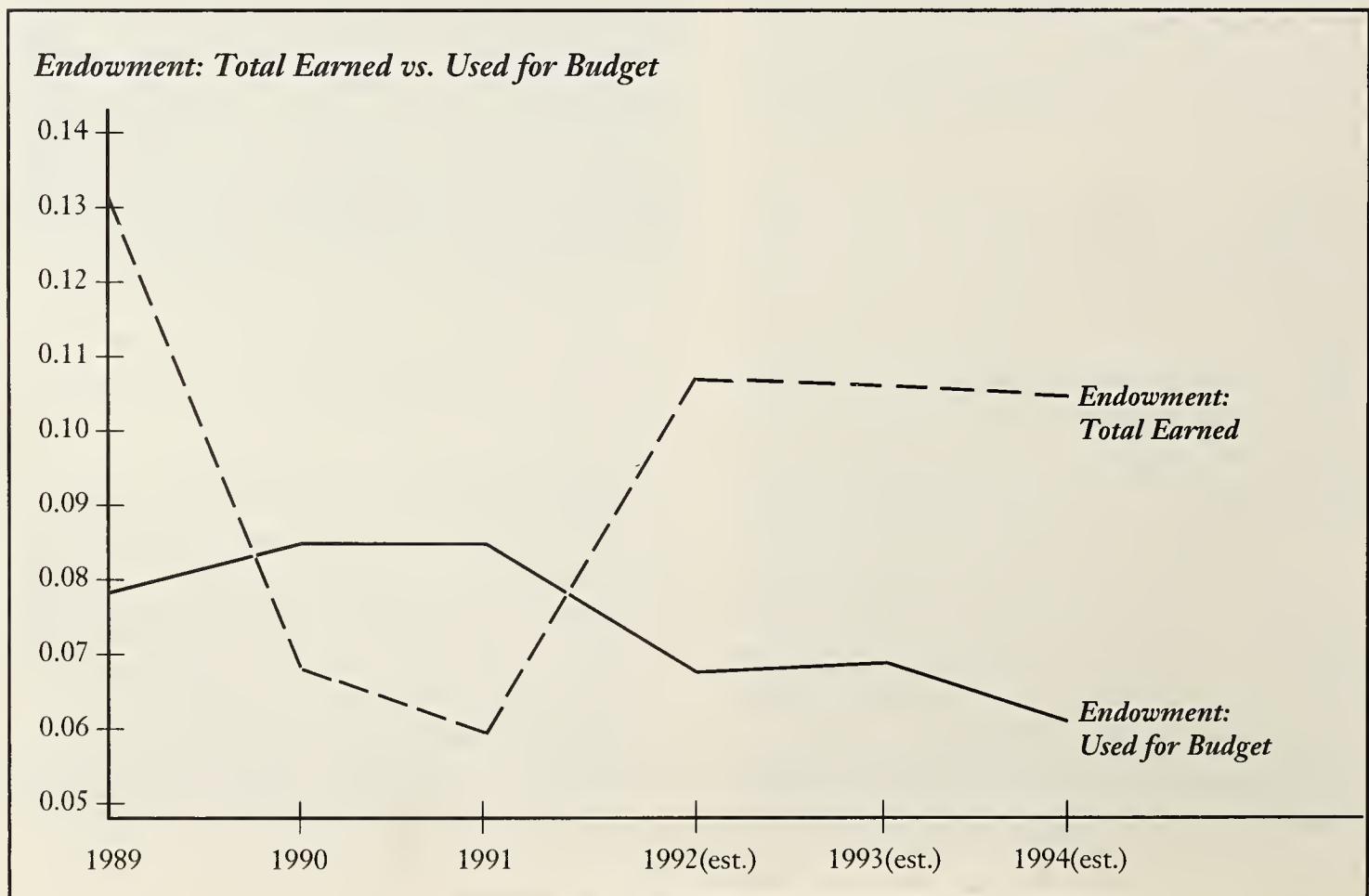


EXHIBIT 3

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Problems and Opportunities

Budget Control: It is easier to balance a budget on paper than in reality. Led by Gerald L. Boothby, director of budgets, the treasurer's staff will continue to work with our auditors, administrators, and faculty, and others to ensure that what we spend is no more than what we budget. The Bowdoin Community is already very cost conscious; they would definitely disagree with Robert Frost's advice to: "Never ask of money spent where the spender thinks it went."

Among the tools that they need for such budget control are improved purchasing and bidding procedures, more timely and accurate financial reports so that managers can track their revenues and expenses, tighter controls on new positions and replacements, and constant evaluation of the cost effectiveness of administrative programs and services. The new controller, Judith Haupin, will be an important player in achieving these goals. Better budget control will also entail the more efficient use of the College's 1,400 restricted endowment funds. Because we lack a reliable, computerized system for matching expenses for maintenance, scholarships, and other items with the appropriate fund that the donor intended for that purpose, too many of these expenses are automatically charged against the operating budget. Overseer Diane T. Lund has generously contributed her time this past summer to improve the ways that the College classifies and utilizes our endowment.

Operational Evaluation: Departments reporting to the treasurer have been participating this year in peer reviews: an evaluation of mission and management conducted by an independent panel of outside experts and campus customers. As noted above, Physical Plant was reviewed in the spring by officials from the University of Virginia,

Colby College, and Education Development Center, Inc. A similar review is planned in the fall for the Computing Center with a panel from Brown University, Wellesley College, and Harvard University. These events provide an opportunity for us to answer two important questions: "Are we doing the right things?" and "Are we doing things right?"

In addition, the College is participating in a national study by the National Association of College and University Business Officers (NACUBO) to develop benchmarks against which to measure our own operational efficiency (e.g., cost per student for dining services) as well as criteria for estimating program and service quality. These initiatives and a new series of employee workshops are promoting the initial implementation of Total Quality Management (TQM) at Bowdoin College, whereby our employees' longstanding attention to the needs of customers such as students and faculty receive high priority and service departments strive to continue to be as user friendly as possible despite severely reduced resources.

Bowdoin does face significant challenges in balancing the budget and preserving the endowment while continuing to support adequately our excellent academic program. However, in striving toward fiscal recovery and stability, we have been able to depend on the good will of the community and the College's enduring strengths and traditions. Throughout this process, it will be important to remember what Shakespeare wrote in *Hamlet*: "Striving to do better, oft we mar what's well."

Kent John Chabotar
Vice President for Finance and
Administration and Treasurer

BOWDOIN COLLEGE

Senior Administration

Robert H. Edwards
President

Charles R. Beitz
Dean for Academic Affairs

Kent John Chabotar
*Vice President for Finance and
Administration and Treasurer*

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