Please answer each of the following questions True, False, or Uncertain. Make sure to fully explain your answer.

1. The great run up in stock market prices that occurred in the late 1990s caused many universities’ endowment spending rates to fall well below 4% of the current value of their endowments. Faced with great public pressure about their raising tuition at the same time that their spending rates were so low, many institutions responded by raising their spending rates to over 4% of their current endowment value. Then, many institutions’ endowment values plummeted between July 1, 2000 and October 1, 2001 as the economy stagnated and as an aftermath of the events of September 11, 2001. This will most likely cause most academic institutions to reduce the amount that they spend from their endowments for academic year 2002-2003.

2. For many years average faculty salaries in both the endowed and statutory colleges at Cornell were compared to average faculty salaries at a set of private and public research universities. Several years ago, a faculty senate committee switched the method of comparison and started to compare endowed average faculty salaries to average faculty salaries at a set of private research universities and statutory average faculty salaries to average faculty salaries at a set of public research universities. This change led the committee and the university to conclude that endowed faculty salaries were further behind their competitors’ average faculty salaries than statutory faculty salaries were, even though over the last decade statutory faculty average salaries have fallen relative to endowed faculty average salaries. This change in the comparison groups was a wise thing for the university to agree to.

3. Cornell is a very prestigious Ivy League university. It is located in Ithaca, New York. Adelphi is a much less prestigious university and it is located on Long Island. For a number of years during the 1970s and 1980s, Cornell was a national lacrosse powerhouse. At one time during this period, it started playing Adelphi, which was just beginning to play Division I sports, in lacrosse. For a few years Cornell won the majority of the games but then its lacrosse team fell on bad times. Almost immediately, Cornell dropped Adelphi from its schedule. The decisions to begin and end play with Adelphi both made sense.

4. During the summer of 2000, a group of 28 major private college and university presidents, led by Cornell’s Hunter Rawlings, announced agreement on a set of principles governing undergraduate financial aid. In particular, the group agreed that admissions should be need-blind, that all financial aid should be needs-based and that the institutions should develop a consistent common definition of what a student’s financial need was. This agreement is likely to reduce the use of financial aid to compete for top students.
5. My productivity is clearly double that of any of my colleagues (assume for the purpose of this question that this is a true statement). Yet Cornell refuses to pay me twice what my colleagues earn (assume for the purpose of this question that this also is a true statement). Therefore, one can conclude that the Cornell administration is too blind to recognize how productive I am.

6. Critics of evaluating public schools by their students’ performance on standardized tests often argue that doing so provides too much of an incentive for public school teachers to “teach to the test”, at the expense of other important educational goals. One can argue by analogy, that the annual USNWR rankings unfortunately provide a similar incentive for America’s colleges and universities to alter their behavior.