nia, Texas, and Florida) are simply impossible to effect. Admissions cannot be squeezed into “so Procrustean a bed,” nor is it wise policy to force universities “to serve one vital interest (racial diversity) at the expense of another (individualized selection of students),” sacrificing academic freedom.

Finally, the brief argues that race-conscious admissions programs such as those practiced at Harvard are not quotas. The

brief includes data on the variation in admissions of applicants of different characteristics, and then comments on the relative consistency of applicant pools from year to year: “One would expect,” it notes, “that the number of redheaded students in the entering class would be relatively constant from year to year—but that hardly demonstrates the existence of a ‘redhead quota.’”

In sum, the brief declares that university decisions on “which minority groups deserve favorable consideration in an individualized admissions process designed to foster…diverse representation…are necessarily and appropriately decisions to be made as a matter of educational judgment, not as a matter of conflicting ‘rights.’” Whether that view continues to prevail as a matter of law now depends on the Supreme Court. A ruling is expected as the academic year ends.

**CFO for Tighter Times**

The university’s fiscal affairs are now in the hands of Ann E. Berman, who was appointed vice president for finance and chief financial officer in February, after holding the position on an acting basis since October. Announcing the appointment, President Lawrence H. Summers praised Berman’s “impressive combination of financial expertise, analytical capabilities, strong management skills, and commitment to the academic mission of the University.”

All those traits will be tested as the administration pursues ambitious new programs even as Harvard, like other educational institutions, adjusts to a period of financial constraint. Berman herself has cited the need for sound financial management so Harvard can realize plans for “the future of our Allston campus” and “important new initiatives in the sciences and in undergraduate education.”

Cautionary examples abound. To close a $25 million deficit looming in the next fiscal year, Stanford recently announced a freeze on faculty and staff salaries, 5 to 10 percent reductions in department operating funds, and selective layoffs. Dartmouth has suspended most construction projects. Duke, nearing the end of a $2-billion-plus capital campaign, has broached the idea of reducing its faculty ranks by 50 or more professors. Harvard’s goal, Berman said, is to weather prevailing conditions “without going through a period of painful cutbacks like those currently being endured at other research universities.”

To that end, Harvard is tightening the screws, gently so far. Distributions of funds from the University’s endowment to its schools in support of their operating budgets are now scheduled to increase about 2 percent annually (down from annual increases of as much as 28 percent in fiscal year 2000). The guidance on general salary increases has recently been lowered from 4 percent to 3 percent (still above the endowment payout, and so posing obvious problems for many University units). And deans are talking up the virtues of fiscal prudence (see “Iron and Silk,” January-February, page 59, for the perspective of Arts and Sciences dean William C. Kirby).

The condition of Harvard’s diverse fiefdoms varies considerably. The Kennedy School has been working to reduce large, widely publicized deficits worsened by government-budget cutbacks and constraints on travel that have curtailed executive education. Similar pressures are being felt at the other professional schools, including the business school, that have large executive-education operations. And every school is pinched by the deceleration in endowment payouts. That combination means that at least a few of the smaller professional schools are expected to operate at a deficit in the next fiscal year.

Finally, much as higher medical costs affect the benefits expense of all Harvard operations, University Health Services is squeezed trying to match the cost of the care it provides and the premiums it charges its subscribers.

Beyond balancing the books, Berman is responsible for financial systems, budgeting, sponsored research and grants administration, risk management, auditing, and technology and trademark licensing. She brings to her tasks more than a decade of Harvard financial experience, first at Radcliffe and then in the Faculty of Arts and Sciences, where she was associate dean of finance. A 1974 Cornell graduate with a B.A. in French literature, she earned an M.B.A. at the Wharton School and, as a C.P.A., worked in accounting firms for nearly a decade. She has also studied Italian language and literature on a graduate level, and travels to Italy as often as possible.

For now, however, her major preoccupation has been steering a course between austerity and investments in Harvard’s twenty-first-century academic agenda, so the resources required will be available as the University needs them. That, she said, inevitably means “lots of belt-tightening everywhere over the next year.”