It is a pleasure to introduce this report for the academic year 1999-2000. Since this is the first year of a new administration, we have given the report a forward-looking perspective, emphasizing activities that illustrate our vision and goals for the future of the University.

Key to that vision are five elements: excellence, community, leadership, innovation, and partnerships. We place the highest priority on the pursuit of excellence in education at all levels and in our research activities, choosing to do what we can do exceptionally well. We foster a strong sense of community in a setting noted for its intellectual vitality, interactivity, and interdisciplinary cooperation, and we value diversity, teamwork, communication, and the unique contributions of each participant. Leadership is an underlying theme, manifest in the recruitment and advancement of our students, faculty, and staff, the development of new programs, the cultivation of learning beyond the classroom, and in our interactions with local, national, and international communities. We stress innovation in our research and educational programs and in the transfer of research results into the commercial sector. To leverage our research capabilities and to enrich the learning experience for our students, we form strategic partnerships with other centers of learning, research, and culture, and with community and international organizations, businesses, and corporate entities.

These are the characteristics that guide our decision-making and for which we want this institution to be known. This report examines each of these, with illustrations drawn from activities of the past year.

The year included notable achievements by faculty, staff, and students to complement the steady enhancement of quality and effectiveness that is the hallmark of the institution. Let me mention just a few of these achievements.

The College of Arts and Sciences marked its first seven years by completing a multi-year capital campaign with total attainment of more than $90 million - against a goal of $75 million. The School of Medicine also announced the public phase of its campaign to raise $300 million, the largest in the School's 157-year history.

The Case School of Engineering and the Weatherhead School of Management announced the Institute for the Integration of Management and Engineering, offering a program for engineering students that will lead to a Master's degree in Engineering and Management after a fifth year of study.

Led by the Division of Finance and Administration, more than 200 faculty, staff, and students devoted three days to an on-campus retreat to examine ways in which the University can develop a stronger sense of community internally through partnerships across traditional boundaries.

In an effort initiated by the Northeast Ohio Regional Technology Council, the University worked in collaboration with University Hospitals of Cleveland and the Cleveland Clinic to develop plans for an industrial park to promote commercialization of technology originating in academic laboratories. The State of Ohio has appropriated $8.5 million toward the cost of this project.

Researchers at the School of Medicine and University Hospitals of Cleveland announced discovery of the first link to a gene controlling inherited susceptibility to testicular cancer. Their colleagues, working with scientists from Affymetrix, Inc., made a major step toward identifying the gene changes that may be considered candidates for causing hypertension.

The Frances Payne Bolton School of Nursing and the Case School of Engineering announced a joint effort in which nursing and engineering students will work together on projects to improve health care and health care equipment. Both schools are also in discussion with the School of Law about the potential for joint degree programs.

The Mandel School of Applied Social Science's Center on Urban Poverty and Social Change played a major community information role in the implementation of welfare reform locally, regionally, and statewide, earning recognition as a national model for neighborhood-based research and analysis.

Partnership in Hope, a voluntary effort led by faculty at the School of Dentistry to improve medical care in Lithuania, has established Lithuania's first-ever medical teleconferencing facility. The technology enables hospital staff there to communicate in real time with dental school faculty and other professionals who volunteer in the program.

Private giving to the University for the report year reached $109 million in cash, an all-time record. Giving in virtually every category also broke records, and the combination of cash gifts and commitments climbed to $131 million.

And, in what was perhaps the most anticipated event of the year, "Y2K" - marking the advent of the year 2000 - passed with little of the disruption that had been predicted by many for CWRU's computers and other related systems. We are all grateful for the effort invested in ensuring that this transition would in fact be so uneventful.

My thanks to all those - faculty, staff, students, alumni, trustees, and other friends - whose hard work, generosity, and thoughtful advice made these accomplishments possible. We will need those same resources as we work to achieve our vision for the University's future.

David H. Auston
We will strengthen our recruitment of undergraduates with a full review of our policies and practices in admissions, financial aid, and tuition pricing. We will develop outreach programs to enhance the recruitment of minority students. We will review the factors affecting retention of undergraduates and develop a program to increase graduation rates from 75 percent to at least 85 percent. We will implement a marketing plan aimed at strengthening and diversifying the recruitment of undergraduates. We will attract resources to endow scholarship programs so that general funds can be released for program enrichment.

Student Excellence

Fulbright Fellow • Jonathan Pastor, double major in economics and chemistry • First in the class of ’00 • Now in Japan studying how business management practices influence developments in science and technology

Fulbright Scholar • Jonathan Roth, biomedical engineering major • Outstanding undergraduate student, four consecutive years • Using his Fulbright to study at the Medical Laser Centre at Sweden’s Lund University

George J. Mitchell Scholar • Traci Donovan, political science major • Summer intern-investigator in the Public Defenders Service, Washington, D.C., and summer study in Belfast • Pursuing an LL.M. in humanitarian and human rights law at Ireland’s University College Galway
Faculty Excellence
Carl F. Wittke Awards
for outstanding undergraduate teaching • Thomas Sayers Ellis, assistant professor of English • Four books of poetry • Former teaching assistant to Spike Lee at Harvard • Students in his poetry classes comment on his spirit of genuine sharing • Carol Epstein, assistant professor of nursing • Teaches 9-credit course in Nursing Care of the Adult and Older Adult for sophomores • Part-time clinical nurse at MetroHealth’s surgical intensive care unit • First nursing professor to win a Wittke J ohn S. Diekhoff Award for excellence in graduate teaching • Roberto Ballarini, professor of civil engineering • Focuses on the mechanics of MEMS (microelectromechanical systems) and biomimetics (imitating nature when designing composite materials and structures • Calls his students a constant source of inspiration • Michael Zagorski, associate professor of chemistry • Advises student research on proteins associated with dementia, Alzheimer’s, “Mad Cow,” and Parkinson’s diseases • Has been studying proteins associated with Alzheimer’s for more than a decade • NIH recently renewed his $1.17 million, five-year grant to continue this work

Frank and Dorothy Humel Hovorka Prize for exceptional achievements in teaching, research, and scholarly service • Cynthia Beall, Sarah Idell Pyle Professor of Anthropology • Focuses on the more than 22 million people who live at altitudes of 12,800 feet and higher • Tibetans in the Himalayas, Bolivians in the Andes, Ethiopians on the East African Plateau • Studied more than 4,000 people in 14 rural villages and nomad camps while living in tents or mud huts and cooking over dung fires

Staff Excellence
President’s Award winners
Elizabeth (Betty) Cernohorsky, department administrator, Weatherhead School • 12 years of service • Oversees 30 staff members, 4 budgets, 5 international institutes • Sue Nickel-Schindewolf, associate director for housing and residence life • 14 years at CWRU • Designs innovative programming for students who live on and off campus • Jes Sellers, director of university counseling service since 1986 • 18 years at CWRU • Active in community service organizations including the Human Rights Campaign Fund
We will strengthen our efforts to become a more diverse community at all levels, and provide better support and mentoring systems for students, faculty, and staff. We will improve the quality of our residential housing facilities for undergraduates and for faculty, staff, and graduate students on or near campus. We will develop a much more effective student center. We will work with University Circle, Inc., to encourage bookstores, restaurants, and other commercial enterprises to locate in the area. We will develop a new master plan to guide the development of the campus over the next decade.

Policies of Opportunity
Fairness and Affirmative Action in the 21st Century
A three-part series presented last year by CWRU’s Center for Policy Studies as a means of increasing knowledge about affirmative action and informing public discourse • March 21—Robert Berdahl, chancellor of the University of California at Berkeley, delivered a lecture titled “Diversity, Fairness, Excellence: Can We Achieve All Three?” • March 29—A roundtable forum featured Matthew Holden Jr., professor of government and foreign affairs at the University of Virginia, Deborah Malamud, professor of law at the University of Michigan, and John David Skrentny, assistant professor of sociology at the University of California at San Diego • April 18—A public debate took place between affirmative action critic Ward Connerly, founder and chair of the American Civil Rights Institute, and Eleanor Smeal, president of the Feminist Majority Foundation and a strong proponent of affirmative action programs
Residence Hall Improvements

An ongoing, four-year project funded with $20 million in tax-free bonds • Improved grounds, reconfigured rooms, new windows, roofs, and furnishings, painting, carpeting, woodwork • Begun after the housing office held focus groups with students to develop realistic priorities • Student suggestions: movable furniture, more space and privacy in lavatories, a more homelike feel, increase green space by reducing paved areas, add picnic areas • Said Ken Kutina, vice president for institutional planning, “We’ll be putting a lot of time into talking with students about the project and getting their feedback.”

Visions of Excellence: a 2-1/2 Day Summit

Some 140 faculty, staff, administrators, and students participated, focusing on the theme “Discovering the Power of Partnership: Building a University-Wide Community to Advance CWRU to the Next Tier of Nationally Recognized Excellence” • Facilitated by David Cooperrider, associate professor of organizational behavior, with assistance from his master’s and Ph.D. students • Used appreciative inquiry, a way of building consensus in large groups with diverse characteristics but common interests • This methodology was developed at CWRU by Professor Cooperrider with Suresh Srivastva, professor of organizational behavior • Among the group’s visions: increasing community service activities, creating a green, pedestrian-friendly campus, seeking new methods of transferring research-generated technology into the corporate sector, decreasing barriers between departments, schools and people • Said Professor Cooperrider: “This is the first major university in the country that I’ve seen really have people from every level and all parts of the school take part in the president’s strategic planning for the future • Said Robert Edwards, professor of chemical engineering: “I was seeing leadership and insight from places I wouldn’t have expected. It shows that if people here are empowered, great things are going to happen.”
We will refine and reinforce a leadership role for the University within the community and among institutions of higher learning.

**The College Scholars Program**

For undergraduates dedicated to broad interdisciplinary learning and the moral demands of leadership—on the CWRU campus and beyond • Twenty students enroll at the beginning of their sophomore year and move as a cohort through the program • Students help design and direct the program • They live together in the Scholars House residence hall • They meet with international, national, and local leaders who visit campus • Their communication skills sharpen in focused seminars that emphasize speaking, listening, writing, and group dynamics • “A unique environment that fosters an education that goes beyond what’s in our textbooks and lectures.” (Nicola Prall ’01)
Regional biomedical conference of the National Academy of Engineering (NEA) May 4 in Reinberger Auditorium at Severance Hall • Said Simon Ostrach, W.J. Austin Distinguished Professor of Engineering at CWRU: “Biomedical technology is one of the most exciting fields for discovery. Significant work is going on right here in Cleveland, at Case Western Reserve, the Cleveland Clinic, and University Hospitals. We want to draw attention to the topic and the region.” • Keynote speaker Walter Gilbert is a Nobel Laureate, professor of biomedical science at Harvard and chairman of NetGenics, a Cleveland-based biotech software start-up company • Joining him were other speakers at the forefront of research and practical applications in genetics, tissue engineering, miniature medical devices, and medical imaging

Community-Based Practice at the Mandel School
MSASS faculty have embraced community-based practice as the organizing principle of the school’s curriculum • The relationship between the professional social worker and the client is part of a larger pattern of relationships that may include family, church, neighbors, community organizations, and others • Community-based practitioners become involved in these networks, learn which interactions generate problems, and intervene to change them • Community-based practice is also strongly endorsed by such CWRU professional schools as medicine, management, and engineering
We will improve the quality of our instructional programs and position the University to compete in the marketplace for innovative learning strategies using information technology. We will substantially enhance technology transfer to enable CWRU to serve as a source of innovations and advice for the larger society.

**Cleveland Biotechnology Park**

At the urging of Cleveland Tomorrow and the Northeast Ohio Regional Technology Council, CWRU, the Cleveland Clinic Foundation, and University Hospitals Health System are working together to develop a cooperative venture in applied biomedical technologies in or near University Circle • Its purpose: to foster the commercialization of biomedical science and technology in the region • The concept is also supported by the Ohio governor’s office, the mayor of the City of Cleveland, the Greater Cleveland Growth Association, Cuyahoga County Commissioners, and the Edison BioTechnology Center, among others • CWRU, the Cleveland Clinic, and University Hospitals of Cleveland now attract a combined $225 million annually for sponsored research • The State of Ohio’s capital budget for 2000-2002 appropriated $8.5 million toward the project
The University Center for Innovation in Teaching and Education Technology (UCITE)

Founded in 1994, UCITE holds bi-weekly seminars for CWRU faculty, hosting discussions on a variety of educational issues • The Center collaborates with East Cleveland’s Kirk Middle School to help teachers develop key understandings in social studies, language arts, math, science, and the arts • Last year, UCITE received the Distinguished Educator Award from the local chapter of Phi Delta Kappa, an education fraternity • The Center coordinates Glennan and Nord grants to junior faculty with ideas for new courses or better ways to teach existing ones

Glennan Microsystems Initiative

A $231 million, five-year program enabling CWRU, NASA Lewis Research Center, and the State of Ohio to help companies cash in on Microsystems technology • Microsystems combine car sensors and an actuator on a silicon chip as small as a dust mite • The technology is the basis for smart devices that can monitor pressure and temperature inside tires, control deployment of automotive airbags, improve fuel efficiency in engines, and detect changes in the body’s glucose levels • The initiative focuses on sensors and actuators that must operate in harsh environments that include high temperatures, vibrations, and corrosion • The “MEMS” initiative is named for T. Keith Glennan, president of Case Institute of Technology from 1947-1966 and the founding administrator of NASA
Cleveland Tomorrow

CWRU President David Auston is the first university president selected to join Cleveland Tomorrow, whose members primarily are leaders of the region’s largest companies. Cleveland Tomorrow focuses on initiatives which will ensure the long-term economic vitality of the region and provide a forum for its membership to review and seek support for major economic development initiatives and programs. Under its initiative, the region created a Technology Council composed of representatives of the public, private, and educational sectors. This group seeks to maintain a strong local research base. Equally important goals are to commercialize local university research and encourage technological entrepreneurship in the region.

The University will strengthen its impact within the community, particularly in relationships with organizations addressing the needs of disadvantaged persons. We will renew our partnership with Cleveland’s K-12 educational system, focusing on broadening and intensifying the participation of young persons in higher education and on helping the Cleveland Municipal Schools explore new and more effective strategies for learning. We will establish strategic alliances with selected community organizations aimed at addressing issues of poverty, social justice, and neighborhood relations.
Cleveland Council on World Affairs
The University and the Council have forged an agreement to exchange information, share visitors’ expertise on international concerns, and collaborate on programs. The agreement came after two years of discussion. CCWU is a nonprofit organization that fosters dialogue on international topics of political, economical and social issues. It is the official conduit for international visitors brought to Cleveland by the U.S. State Department. Initially the two organizations are determining how CCWU officials can become part of the CWRU Speakers Bureau on international topics while finding more ways for University faculty to become involved in CCWA’s education programs for K-12 school children and teachers. Last spring, the two organizations co-hosted the 56th annual Model United Nations for high school students on CWRU’s campus.

Center for Math and Science Education
A two-year-old umbrella organization that includes many campus outreach activities for primary and secondary school teachers and students. Among its programs: the Jason Project, an earth science and environmental education curriculum that brings hundreds of school children to campus each year. Proficiency tests in science and math are forcing teachers to rethink how they teach these subjects. The Center will help CWRU assist the region in supporting classroom learning.
The report year of 1999-2000 was a remarkable period in many respects, including the arrival and introduction of a new president, record-setting attainment in gifts and pledges, and new initiatives in communications and marketing. The year also saw the creation of the new Division of University Relations and Development, bringing together the functions previously housed in the Division of Development and Alumni Affairs and the Division of Public Affairs. The new structure aims to improve coordination among all departments involved in institutional advancement.

### Presidential Welcome

Early in the year, the Division played a lead role in introducing newly arrived President David Auston to CWRU’s large national community of alumni and friends. The series of events for the President included: over 100 breakfasts and lunches for key donors and friends; alumni receptions in eight major cities; and the first campus-based President’s National Leadership Forum for key alumni. The Division also led the planning for the President’s inauguration, attended by more than 1,300 guests, including 150 Turning Point Society members and their families who joined in the weekend celebrations.

Consistent with the spirit underlying the University’s new leadership, the Division launched important new initiatives to advance CWRU’s regional presence and national stature, including:

- A new visibility program, CWRU’s first comprehensive marketing and integrated communication plan.
- More extensive initiatives in state and federal government relations, featuring successful cooperative efforts leading to plans to invest a share of the State’s tobacco settlement funds in biomedical research and. An allocation of State capital funds for the Cleveland Biotechnology Park.

### Record-Breaking Private Support of CWRU’s Programs

1999-2000 was a banner year for private support to the University. University alumni and friends set record levels of contributions in virtually every category. Overall, private contributions to CWRU’s educational and research programs totaled $109 million in cash and $131 million in commitments for the year. The University’s Annual Fund attainment also increased in 1999-2000, reaching an all-time high of $6,240,284.

Other highlights of CWRU’s record-setting year in development were:

- Four schools—the School of Dentistry, the Case School of Engineering, the Mandel School of Applied Social Sciences, and the School of Medicine—achieved individual high marks in private support.
- The College of Arts and Sciences campaign was successfully concluded, achieving $90.6 million for capital, endowment, and operational purposes to support undergraduate and graduate programs and research.

Two other school campaigns made major progress:

- The School of Medicine passed the halfway mark toward its $300 million campaign goal, reaching $154.3 million.
- The Case School of Engineering advanced toward its $150 million campaign goal, reaching $119.5 million.

### Major Gifts for Strategic Priorities

Equally important to the University’s record-setting levels of private support, CWRU received a number of significant individual commitments in support of the University’s five major themes for the future. Among the most notable of these strategically important major gifts were:

- $1.5 million grant from The Cleveland Foundation’s Dorney Fund for the Weatherhead School of Management will create an innovative new program in e-learning.
- Other grants, including support from the Kulas Foundation, will solidify CWRU’s strategic partnerships with University Circle cultural institutions.
Special Programs for Alumni and Friends

The Division of University Relations and Development also designed and sponsored special programs to strengthen CWRU’s community-based partnerships and to make even closer the University’s relationships with alumni and friends:

- Forged strategic partnerships with the Cleveland City Club Forum, leading to CWRU sponsorship of the Club’s nationwide network of radio broadcasts, and with the Cleveland Council on World Affairs.
- Reinforced alumni ties to the CWRU community, including an on-line version of the Alumni Directory, some 55 regional alumni chapter events, and new alumni affinity programs.
- Fostered friends’ sense of involvement in CWRU’s community by publishing the quarterly newsletter, Fast Forward; showcasing their contributions in the first “True Blue” honor roll in CWRU Magazine, and creating opportunities, such as the annual Scholar/Endowment Luncheon, for donors to experience the positive results of their investments in CWRU.
- Helped the adjoining Little Italy neighborhood address concerns about treatment of persons of color in a local restaurant.

During the year ahead, the newly created Division of University Relations and Development will remain dedicated to these overriding goals: advancing CWRU in visibility and stature, and attaining the financial resources to help the University achieve its major priorities.

Fiscal Year 2000 Development Programs Records

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<th>Highest Overall Private Support Attainment</th>
<th>2000 Attainment</th>
<th>Prior Record Attainment</th>
<th>Year</th>
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<td>$109,506,364*</td>
<td>$86,822,698*</td>
<td>1998</td>
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<th>Highest Private Support Attainment for the following schools:</th>
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<td>Medicine</td>
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<td>Case School of Engineering</td>
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<p>| Highest Overall Commitment Attainment | 130,605,680* | 101,344,145 | 1999 |</p>
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<th>Highest Commitment Attainment for the following schools:</th>
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<td>Case School of Engineering</td>
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<td>Dentistry</td>
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| Highest Annual Fund Attainment | 6,240,284 | 5,942,004 | 1999 |
| Highest Private Support for Operating Purposes | 66,768,918 | 40,370,593 | 1999 |
| Highest Private Support from Corporations | 27,894,219 | 18,902,229 | 1996 |
| Highest Commitment Attainment from Corporations | 29,503,225 | 17,751,537 | 1999 |
| Highest Private Support from Foundations | 29,752,174 | 26,528,137 | 1997 |
| Highest Commitment Attainment from Foundations | 37,671,766 | 27,159,165 | 1989 |
| Highest Private Support from Associations | 11,894,763 | 9,337,260 | 1999 |
| Highest Commitment Attainment from Associations | 12,861,023 | 9,549,401 | 1998 |
| Highest Attainment Month May, 2000 | 29,117,999 | 17,163,302 | June 1999 |

* Attainment is based upon preliminary figures that include C.A.A. attainment through May 31, 2000 only.
Highlights of the Year

July
- Citing CWRU’s “considerable and growing financial resources, relative to modest debt and capital needs; consistent track record of strong operating surpluses driven by diversified revenue sources; and established market position in graduate and professional education and research,” Moody’s Investors Service raises its rating of CWRU’s outstanding bonds to Aa2 with a stable outlook.
- CWRU announces a record of $101.3 million in new gifts and commitments during the 1998-99 academic year. This is the first time the University has passed the $100 million mark in attainment.

August
- Neuroscientists at the School of Medicine publish a new study showing tremendous capacity for nerve fiber regeneration from transplanted adult nerve cells in adult spinal cords with large lesions. The work demonstrates that the damaged spinal cord has a far greater potential for nerve regeneration than has ever been thought possible.
- Twenty-one seniors from CWRU’s School of Dentistry and four other dental schools serve externships at the Pine Ridge, South Dakota, Indian Reservation in a pilot project designed by Dennis Tommasone, associate professor of dentistry, to help the U.S. Public Health Service provide much-needed dental care for the reservation’s 40,000 residents.

September
- The 1525 Foundation pledges $1 million to provide graduate fellowships for students in the Case School of Engineering. The resources will support the Case Prime Fellowship Program, which is designed to provide attractive financial packages to outstanding Ph.D. candidates.
- A $2.62 million Integrative Graduate Education and Research Training grant from the National Science Foundation will enable twenty-eight graduate students to participate in designing agile robots over the next five years. Roy Ritzmann, professor of biology, and Patrick Crago, professor of biomedical engineering, are overseeing the project.
- Clark Hall, one of the University’s grandest buildings, is rededicated after a $3.7 million facelift. The 107-year old building is listed on the National Registry of Historic Places and now houses several CWRU departments.
- Shimon Shetreet, deputy mayor of Jerusalem and a former cabinet minister in the government of Yitzhak Rabin, speaks on “The Road to Peace in the Middle East: High Hopes and Major Challenges.” Mr. Shetreet is a visiting professor at the School of Law.

October
- Inadequate parental monitoring and exposure to real-life violence contribute far more to violent behavior in children than does watching televised violence, according to a study released by Mark Singer, professor at the Mandel School of Applied Social Sciences. His research is based on a survey of 2,245 youngsters at eleven Northeast Ohio schools.
- CWRU’s School of Medicine announces the largest fund-raising campaign in its history, setting a goal of $300 million during the next seven years. Alumnus and trustee Dr. Theodore Castele is chair of the campaign.
- The Weatherhead School of Management is one of ten top business schools honored in New York City for playing a leadership role in incorporating social issues into M.B.A. programs. The awards are presented by the World Resources Institute, based in Washington, D.C., and the Initiative for Social Innovation Through Business, a New York-based program of the Aspen Institute.

November
- Physicians at CWRU’s School of Medicine and University Hospitals of Cleveland receive $13.2 million from the National Heart, Lung, and Blood Institutes at the National Institutes of Health to help design and perform an historic nationwide study that will define the best treatment for the prevention of heart disease among patients with Type2 diabetes mellitus. Principal investigators are Marc Thibonniere and Saul Genth, both professors of medicine.
- Edward Albee, three-time winner of the Pulitzer Prize, discusses his playwriting career and the contemporary theater during an open conversation at Harkness Chapel. He also meets with small groups of undergraduate and graduate students.

December
- A new $3.1 million commitment from Tinkham Veale II will support improvements to the natatorium in the Emerson Physical Education Center, increasing the pool area’s seating capacity, developing a more direct and inviting entrance for spectators at swimming events, and blending the Emerson facade with that of the Veale Convocation, Recreation, and Athletic Center.
- Lawrence Krauss, chair and Ambrose Swasey Professor Physics, is chosen to receive the 1999-2000 Public Understanding of Science and Technology Award from the American Association for the Advancement of Science. The award honors educators who improve communication between the scientific community and the public.
Several CWRU students successfully network a cluster of 15 inexpensive personal computers to work like a super computer. Their Beowulf Project demonstrates a way to put significant computing power into the hands of those who would have no other way to access it.

January

• The Tuberculosis Research Unit at the School of Medicine receives a $28 million contract from the National Institute of Allergy and Infectious Diseases, one of the National Institutes of Health. The grant is the largest award in the school's history, and will help combat the world-wide tuberculosis epidemic.

• The Rev. J-Glenn Murray of the Catholic Diocese of Cleveland is the keynote speaker at CWRU's annual Martin Luther King Jr. Convocation. Senior sociology major Steve Khang, whose essay won first place among students in the annual MLK Essay Contest, reads his winning composition during the event.

February

• CWRU freshman Timothy Goebel competes before a hometown crowd at the United States Figure Skating Championships, held at Cleveland's Gund Arena. Earlier he became the first American to land a clean quadruple jump in senior-level competition in Switzerland.

• During Engineers Week, CWRU students use their technology acumen in the annual egg drop competition and other events, including a paper airplane contest, battleship programming, and prosthetic matching contest. The Case School of Engineering and the Case Engineers Council joins Andersen Consulting in sponsoring the week's activities.

• Christopher Gerstle, a third-year student at CWRU's School of Law, launches a unique publication devoted solely to issues of Internet law. The Internet Law Journal is available only on the World Wide Web at http://www.tlj.com.

March

• Women's basketball team center Erin Rogalski reaches the 1,000-point mark more quickly than any other woman in school history. She is only a junior.

• The Board of Trustees approves a combined math/physics degree program, making it one of the first of its kind. The program will enable enrolled students to follow a structured course schedule and save as much as a full academic year.

• Grant funding from the National Institutes of Health to CWRU's School of Medicine increases 9.5 percent to $142.3 million from the previous year's $129.9 million. This is the 13th consecutive year that the medical school has experienced growth in NIH funds.

• P. Hunter Peckham, professor of biomedical engineering, is named 1999 "Engineer of the Year" by Design News Magazine. He is lauded for his "Freehand" system, which allows quadriplegics to regain use of their hands.

April

• Three CWRU undergraduate students constitute one of forty-eight teams from around the world to compete in the 11th annual Jean Pictet International Humanitarian Law Moot Court competition in Mariefred, Sweden. The participating students are seniors Joshua Cherry, Traci Donovan, and Katie Feldman.

• "J arrell Bishop, Lowell & Co.: A Poetry Conference and Celebration" brings together award-winning poets, scholars, critics, students, and the public to examine the lives of three celebrated U.S. poets and their peers. Public readings by distinguished poets highlight the conference.

• Several of CWRU's graduate and professional programs rank in the top 10 nationally according to U.S. News and World Report's annual graduate school rankings. They include nonprofit management, biomedical engineering, polymer science, family medicine, health law, and gerontological nursing.

May

• CWRU awards more than 2,100 undergraduate, graduate, and professional degrees at annual commencement exercises. Joseph Gorman, chairman and chief executive officer of TRW Inc., delivers the commencement address.

June

• The Weatherhead School of Management receives a $10 million gift from the Arnold and Sydell Miller Family Foundation to create the Arnold and Sydell Miller Center for Entrepreneurship. The Center will allow the school to blend its existing programs with new initiatives.
Report on Operations

Clarity of purpose, a common understanding of the desired future, and shared values are essential for the success of any organization and its members. President David Auston’s core themes of excellence, leadership, community, partnership, and innovation set the tone for strategic planning discussions and operational improvement initiatives during FY 1999-2000.

Planning activities enabled each department to make choices that were not only well informed, but also widely understood, accepted, and supported. In daily operations, CWRU remains committed to the well-being, growth, and success of every faculty and staff member and student.

Financial Results

Financial results for fiscal year 1999-2000 also reflect disciplined planning and management. CWRU completed operations with revenues exceeding expenses by $40,102, based on actual spending and transfers to reserves. Net assets increased from $1.948 billion to $2.073 billion—a result of the generosity of donors, earnings on investments, and capital improvements to the campus. The market value of all permanent assets to support the University, including assets held by others, charitable remainder trusts, and the Case Alumni Association, reached $1.551 billion. The market value of the pooled endowment had a net gain of $110.4 million, ending the year at nearly $1.048 billion. The market value of assets managed and held in trust by others, for which the University is a beneficiary, rose to $360 million. Pooled endowments generated a total annual rate of return (net gains, interest, and dividends) of 13.1 percent.

At the close of 1999-2000, total outstanding debt stood at $194 million, or 9.6 percent of net assets, with an average maturity of only 20.5 years. This relatively low level of debt, along with average annual principal repayment of approximately $9.5 million, positions CWRU to consider assuming additional debt should plans call for significant new capital investments.

Excellence

Consistent with the theme of sustaining excellence, a ten-year major capital renewal plan was developed. This plan amplifies the purchasing power of the annual plant budget, optimizes preventive maintenance, and eliminates deferred maintenance. The first of four phases of this plan were financed, and the most urgent projects were initiated.

Campus beautification is ongoing, with new flower beds each year. Upgraded areas include Van Horn Field, Mather Quad, Case Quad, and areas surrounding parking lots. A new, “one-stop shopping” customer service center will address all facility-related service requests. During a span of only 9-1/2 weeks, the outdated and worn Clarke Tower received a major interior and exterior facelift. Each floor was reconfigured into suites, and electrical, mechanical, and fire alarm systems were upgraded. CWRU also completed exterior restoration of its apartment buildings, improving “curb appeal.”

The University completed a $43 million debt financing with highly attractive borrowing costs for its major capital renewal plan, construction of the new Peter B. Lewis Campus, and other capital projects. Concurrently, CWRU initiated variable-rate debt to optimize its asset/liability structure. First-year savings totaled about $300,000. Based on current interest rates, savings should be about 125 basis points annually.

Reforms to faculty and staff health insurance programs assure that the University remains competitive with other private institutions of higher education and major Cleveland employers. These reforms resulted in less expensive health benefits for employees with dependents and enhanced ability to attract and retain faculty and staff. Nearly one-third of staff employees enrolled in a new retirement plan with a matching contribution from CWRU. To reduce absenteeism and avert potential declines in performance/productivity, a new employee assistance program was also launched.

An evaluation of food service programs to enhance service and value to student, faculty, and staff customers resulted in improvements to Leutner Commons and the Faculty/Staff Dining Room. A multi-year financial plan for improvement of all dining facilities also was completed.

CWRU completed the Y2K transition without disruption to business and plant operations, but with contingency plans developed and tested.

FY 1999-2000 was the first full year using the PeopleSoft general ledger. A significant amount of work remains to create a fully on-line integrated financial management and reporting environment, but major milestones were achieved in a relatively short time. Some reports are now being distributed electronically rather than by paper, conserving resources, improving efficiency, and increasing customer service. A new student loan system went live in August, 1999.

Leadership

In addition to benefits reforms, CWRU implemented several other advances in human resources programs. A new staff performance planning and appraisal system was adopted after a successful two-year pilot. An article on this system, published in the June 2000 NACUBO Business Officer, with circulation to the national higher education community, illuminated CWRU’s efforts to shape its culture via performance management.

The Treasurer and Investment Committee implemented new, integrated (pooled, unpoled, and outside trust) asset allocation policy, ranges, and targets and, at the same time, boosted pooled endowment performance to 13.1 percent vs. benchmark of 8.9 percent.

An updated emergency response plan was completed and will be introduced in the coming year.
**Community**

As a partnership between Finance and Administration and Weatherhead faculty member David Cooperrider, a successful three-day community-building event for faculty, staff, and students, titled “Discovering the Power of Partnership,” was held. The event is highlighted elsewhere in this report.

To foster the development of a sense of community, the University launched a retail needs assessment and market analyses. These studies will help to inform planning and investment decisions for the new Student Center, as well as campus-oriented retail in nearby areas.

CWRU also remains committed to being a good citizen in the Cleveland community. The 1999-2000 Charity Choice campaign resulted in more than double participation among CWRU faculty and staff and increases in contributions of nearly 60 percent.

**Partnership**

Various partnership initiatives, both internal and external, were launched. Discussions with outside trustees resulted in an agreement to maintain asset allocation within the policy ranges established by the Investment Committee. Plans were initiated for roundtable discussions with deans and department chairs about strategies to avoid employment disputes and improve individual performance.

In partnership with the Weatherhead School of Management’s Executive Education Center, the University also introduced a new leadership training program for its managers. A partnership with Barnes and Noble yielded improved financial performance, a capital contribution for a new bookstore, access to Web-based retail technology, and better service to the campus. CWRU also established a new umbrella contract with a temporary employment agency, resulting in estimated annual savings of $360,000, plus better skill screening, background checks, and performance monitoring; as well as a higher quality recruitment pool.

The University also established a new, more cost-effective contract for specialized laboratory custodial services in its Health Sciences Complex, and outsourced management and training of CWRU’s residence-hall housekeeping staff to achieve improved oversight and quality standards.

**Innovation**

A team of University officers developed innovative financing options and finalized a business plan for a capital campaign. The plan avoids significant disruption to the operating budget, while gradually integrating an enhanced development function into ongoing operations.

After reevaluating implementation of additional PeopleSoft financial applications vs. other technology options, CWRU selected a more affordable electronic work-flow strategy for purchasing and payables. The decision allows a more flexible framework to develop other electronic work-flow applications, such as budget, student systems, and research administration. Implementation awaits selection of a CIO and deployment of a project team.

An electronic job requisition, application, and screening system, to eliminate paperwork, shorten recruiting time, and expand applicant pools, was successfully piloted and will be implemented campus-wide in the coming months. New e-commerce technology for University office supplies will streamline the ordering process. A new energy conservation initiative, with the initial focus at the Dental School, saw monthly electrical consumption fall approximately 50,000 kilowatt hours.

The continued emphasis on excellence, leadership, community, partnership, and innovation in the coming years will assure the advancement of CWRU and benefit every member of the University community.

Nancy D. Suttenfield
Vice President for Finance and Administration
2000 Financial Highlights

Case Western Reserve University's financial strength is illustrated by the consolidated balance sheet on this page. Total assets exceeded $2.4 billion for the year. Total liabilities at $334 million have increased mainly due to $43 million commercial paper issue in 2000. Copies of the University's consolidated audited financial statements are available from:

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