

JOHN HARVARD'S

JOURNAL

Baker Library, Renewed

BAKER LIBRARY at the Business School reopened officially on September 19 after a two-year makeover. The new facility was designed by Robert A.M. Stern Architects, the firm responsible for the school's Spangler Center. The cost of construction was \$53.4 million.

Workers demolished the southern half of the old structure and rebuilt, extending the library slightly to the south and adding 38,000 square feet for a new total of 168,000. They dug a sub-basement, and here, at 60 degrees and



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35 percent humidity, the library stores its rarest books and manuscripts, trusting its engineers, for the stacks are below the water table. Unlike Boston's Big Dig tunnels, quips acting dean Jay O. Light, these walls don't leak.

Planners wished to enhance the library's ability to serve as the intellectual hub of the campus. Much was done to foster interaction and informal meetings among faculty members, and to gather close the staff who support faculty research, teaching, and course development. The new Baker has 67 offices for professors, a net increase of 30. A faculty commons comprises three seminar rooms and a small dining room where one may have lunch. Scattered throughout the faculty precincts are three large conference rooms and six eight-person conference rooms. There are also 24 work stations for faculty assistants and 63 more compact work stations for research associates.

A new physical and virtual space, The Exchange, just inside the south entrance, invites students, faculty, and staff to pause to read newspapers from around the world, check e-mail at two computer stations, use eight two-screen Bloomberg terminals showing real-time and

historical business data and information, or watch eight 42-inch plasma screens on the walls stream the latest business news and coverage of Business School events. From top to bottom, this building is wired.

The columned north façade facing the Charles River remains as it was, but the redefined south entrance is the main one now. It faces Allston and the future.



Previous page: The new main stairwell at the heart of Baker Library separates the repainted but otherwise unchanged original north lobby from The Exchange (left), just inside the new south entrance (top left). Woodwork in the restored Stamps Reading Room (above) was cleaned and oiled. Skylights that had been blackened during World War II by government order now shine again.

Better-than-Balanced Books

FASTER REVENUE GROWTH, plus expenses rising at almost the same rate, yielded an operating surplus of \$43.6 million for Harvard's fiscal year ended June 30, up slightly from the \$36.8 million surplus reported for 2004. In reviewing the latter results a year ago, vice president for finance Ann E. Berman, Harvard's chief financial officer, had forecast "probably similar" outcomes this fall. The bottom lines were similar, but not the paths that led there.

Revenue rose 7.8 percent, to \$2.8 billion. Reviewing the audited financial statements (the University's formal report will appear, as usual, in November), Berman pointed to several surprises. In a competitive environment, federally sponsored re-

search support, including overhead costs, rose nearly \$38 million, or 7.9 percent. Gifts for current use jumped \$34 million, or 22 percent (see "Generous Givers," opposite). Other contributing factors included a \$47-million increase in endowment income distributed for operations (this totaled \$855 million, plus the special \$106-million allocation of endowment capital for Allston campus development); a \$21-million increase, to \$308 million, in graduate-student income, driven by higher tuitions and slightly larger enrollments; and a \$10-million gain in revenue from continuing and executive education.

Reported expenses grew 7.7 percent, to \$2.76 billion—well above the 5 percent level of the preceding fiscal year. Salaries and wages (the University's biggest category of expense, approaching \$1.1 billion) increased 5.5 percent. Employment was virtually flat, reflecting

some reductions in the workforce (in the central administration and Radcliffe Institute, for example), offset by hiring elsewhere. The \$314-million employee benefits line rose just 3.1 percent—startling in an era of soaring healthcare and pension-funding costs. The cost trends are greater, Berman said, but the financial statements understate them: adoption of the new Medicare prescription-drug benefit reduced costs \$11 million in fiscal 2005, and the University's shift to self-insurance for its health plans also affected this expense line.

Offsetting those favorable expense factors were one unusual and two recurring items. "Other" expenses leaped more than 12 percent to \$557 million; these included the \$26-million settlement of a federal lawsuit concerning Harvard's economic advisory services in Russia (see page 59). Among normal items, space and occu-