

**AMERICAN MATHEMATICAL SOCIETY
EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES
NOVEMBER 17-18, 2006
PROVIDENCE, RHODE ISLAND**

MINUTES

A joint meeting of the Executive Committee of the Council (EC) and the Board of Trustees (BT) was held Friday and Saturday, November 17-18, 2006, at the AMS Headquarters in Providence, Rhode Island.

The following members of the EC were present: James G. Arthur, Sylvain E. Cappell, Walter Craig, Robert J. Daverman, James G. Glimm, and Paul J. Sally, Jr. Robert M. Guralnick was unable to attend.

The following members of the BT were present: James G. Arthur, John B. Conway, John M. Franks, Eric M. Friedlander, Donald E. McClure, Jean E. Taylor, and Carol S. Wood. Linda Keen was unable to attend.

Also present were the following AMS staff members: Gary G. Brownell (Deputy Executive Director), Kevin F. Clancey (Executive Editor, Mathematical Reviews), John H. Ewing (Executive Director and Publisher), Ellen H. Heiser (Assistant to the Executive Director [and recording secretary]), Elizabeth A. Huber (Deputy Publisher), Ellen J. Maycock (Associate Executive Director, Meetings and Professional Services), and Samuel M. Rankin (Associate Executive Director, Government Relations and Programs). Constance W. Pass (Chief Financial Officer) was present on Saturday.

President James Arthur presided over the EC and ECBT portions of the meeting (items beginning with 0, 1, or 2). Board Chair Jean Taylor presided over the BT portion of the meeting (items beginning with 3).

Items occur in numerical order, which is not necessarily the order in which they were discussed at the meeting.

0	CALL TO ORDER AND ANNOUNCEMENTS
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0.1 **Opening of the Meeting and Introductions.**

President Arthur called the meeting to order and asked those present to introduce themselves.

0.2 2006 AMS Election Results.

Secretary Daverman announced the following election results:

Vice President

Robert L. Bryant, Duke University

Trustee

Carol Saunders Wood, Wesleyan University

Members at Large of the Council

Robert L. Devaney, Boston University

Frank S. Quinn, Virginia Polytech Institute & State University

Marjorie Senechal, Smith College

Katherine St. John, Lehman College and the Graduate Center, City University of New York

Francis Edward Su, Harvey Mudd College

Nominating Committee

Thomas C. Hales, University of Pittsburgh

Roger Howe, Yale University

Hema Srinivasan, University of Missouri

Editorial Boards Committee

Eric Bedford, Indiana University at Bloomington

Irena Swanson, Reed College

Proposal for an AMS Fellows Program

The proposal to initiate an AMS Fellows Program was not approved

0.3 Housekeeping Matters.

Executive Director Ewing mentioned some details about the schedule and arrangements for the events that will take place during the current meeting.

1 EXECUTIVE COMMITTEE ACTION/DISCUSSION ITEMS
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1.1 Draft Agenda for the January 2007 Council Meeting.

The EC discussed and approved the draft agenda for the January 2007 Council Meeting, with minor modifications.

The EC decided that there should be a discussion period during the April 2007 Council meeting, in which the topic will be education.

The EC recommended that the Council decide at its January 2008 meeting whether to put the question of instituting a Fellows Program on the ballot for the 2008 AMS election.

1I EXECUTIVE COMMITTEE INFORMATION ITEMS

1I.1 Secretariat Business by Mail. Att. #2.

Minutes of Secretariat business by mail during the months April 2006 – October 2006 are attached (#2).

2 EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES ACTION/DISCUSSION ITEMS
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**2.1 Report on Mathematical Reviews Editorial Committee (MREC). Att. #3.
CLANCEY.**

The ECBT received the attached report (#3) on the October 16, 2006, MREC meeting.

2.2 Report on Committee on Publications (CPub). Att. #4.

The ECBT received the attached report (#4) on the September 15-16, 2006, CPub meeting.

2.3 Report on Committee on the Profession (CoProf). Att. #5. MAYCOCK.

The ECBT received the attached report (#5) on the September 16-17, 2006, CoProf meeting.

2.4 Report on Committee on Education (COE). Att. #21.

The ECBT received the attached report (#21) on the October 19-21, 2006, COE meeting.

2.5 Report on Committee on Meetings and Conferences (COMC).

The ECBT received the following report:

The last COMC meeting was held on March 18, 2006 in Providence. A report of that meeting is included in the May 2006 ECBT minutes.

The topic under review for the 2007 COMC meeting is the International Joint Meetings. A subcommittee was appointed to write an AMS meetings policy on diversity to include young mathematicians and underrepresented groups. This policy will be posted on the meetings web pages and on all AMS Call for Papers/Topics. COMC will have a focus group discussion at the Joint Meetings in New Orleans.

The next COMC meeting will be held May 5, 2007 at the O'Hare Hilton in Chicago.

2.6 Report on Committee on Science Policy (CSP).

The ECBT received the following report:

The next CSP meeting is scheduled for April 17-18, 2007 in Washington, DC.

CSP will host a discussion at the Joint Mathematics Meeting in New Orleans on NSF funding for mathematics. The new Assistant Director for Mathematics and Physical Sciences at the NSF, Tony Chan, and the new Director of the Division of Mathematical Sciences at the NSF, Peter March, will discuss NSF funding and programs.

2.7 Washington Office Report. Att. #6.

The ECBT received the attached report (#6) on recent Washington Office activities.

2.8 Report from the President.

President Arthur reported that the next Einstein Lecture will be given by Sir Roger Penrose on October 6, 2007 at the AMS sectional meeting at Rutgers University.

He also reported on the cancellation of the “Special Event on the Poincaré Conjecture and Geometrization Theorem” that was to take place at the January 2007 Joint Mathematics Meetings in New Orleans.

2.9 Report on Long Range Planning Committee (LRPC).

LRPC Chair James Arthur reported that the LRPC met on November 17 and brainstormed about the following five issues, which are persistent issues that arise frequently and give rise to important questions about the long-term direction of the Society:

- membership
- public awareness
- meetings
- education
- public policy statements/policy engagement

Several interesting ideas were discussed by the LRPC, but since the meeting was only an hour long, none were fully developed. The topic for the May 2007 LRPC meeting will be public policy statements/policy engagement.

The ECBT noted that the discussion topic of the spring 2007 Council meeting will be education.

2.10 2008 Individual Member Dues. Att. #7.

The ECBT reviewed an attachment (#7) presenting the principles and procedures for setting individual member dues, along with the information used by staff in formulating their recommendation that the 2008 dues rate for individual members be increased by \$4 above the 2007 level. The ECBT concurred with the staff and voted to recommend a regular high dues rate of \$160 for 2008 to the January 2007 Council.

2.11 Registration Fees for Sectional Meetings. Att. #8.

The November 2000 ECBT requested that registration fees for sectional meetings be routinely reviewed by the ECBT every three years. The last review was in November 2003. The ECBT reviewed background information, including a summary of sectional meeting attendance and revenue and expenses for recent years (Att. #8). No action was taken.

2.12 Conflict of Interest Statement for Prize Selection Committees. Att. #9.

The May 2006 ECBT decided that several customized conflict of interest statements were needed for the AMS. It was determined that the Committee on the Profession (CoProf) should write the statement for the prize selection committees.

Att. #9 contains the “Guidelines on Conflict of Interest for AMS Prize Selection Committees” endorsed by CoProf at its September 2006 meeting. The ECBT voted to recommend these guidelines to the January 2007 Council for approval, with the proviso that the Secretary determine the proper wording for the penultimate sentence of the last paragraph: “If after these discussions there does appear to be a conflict, the member should offer to step down from the selection committee.” The question is: does the member need to step down from the selection committee, or would it be acceptable for the member to recuse him/herself from just the discussion and vote of the particular matter presenting the conflict?

2.13 Financial Guidance. Att. #10.

Chief Financial Officer Pass made a presentation at the ECBT meeting on the *Total Return Concept*. Background information is attached (#10).

2.14 2007 Operating Plan.

The 2007 Operating Plan was mailed to all members of the ECBT on October 24, 2006. The plan includes the following sections for each division or department:

- I Mission
- II Ongoing Activities and Functions
- III Trends and Issues
- IV Future Projects and Activities
- V Financial Implications

Questions and comments on the Plan were invited. None were made.

[It is noted for the record that after Section VI (Report on Projects and Activities) is completed in spring 2008, a complete, official copy of the 2007 Operating Plan will be attached to record copies of the May 2008 ECBT minutes.]

2.15 Motions of the Secretary.

The following motions were approved by acclamation:

The Executive Committee and Board of Trustees of the American Mathematical Society express their gratitude to James G. Arthur for his leadership as President of the Society and for his contribution to the management of the Society as a member of the Board of Trustees. They note with pleasure that Professor Arthur will continue to serve on the Executive Committee and trust that he will continue to be available to the Society as needed.

The Executive Committee and Board of Trustees of the American Mathematical Society record their thanks to Walter Craig for his service to the Society as a member of the Executive Committee during the past four years. The ECBT expresses its gratitude to Professor Craig for his thoughtful participation and hopes that he will continue to be available to serve the Society in other ways.

2C EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES CONSENT ITEMS

2C.1 Funding for Project NExT.

Project NExT (New Experiences in Teaching) is a program of the Mathematical Association of America that provides training for young mathematicians beginning their careers. The AMS first provided funding for six fellows in 2002. In November 2003, the ECBT agreed to continue funding of \$15,000 (six fellows at \$2,500 each) each year, subject to review on the consent agenda at its November meeting two years prior.

The ECBT consented to a commitment of \$15,000 for Project NExT in 2008.

2C.2 May 2006 ECBT Meeting.

The ECBT approved the minutes of the meeting of the Executive Committee and Board of Trustees held May 19-20, 2006, in Ann Arbor, Michigan, which had been distributed separately. These minutes include:

- ECBT open minutes prepared by the Secretary of the Society
- ECBT "open" executive session minutes prepared by the Secretary of the Society

See also item 3C.1.

2I EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES INFORMATION ITEMS

2I.1 AMS Congressional Fellowship.

The AMS, in conjunction with the American Association for the Advancement of Science, is sponsoring a Congressional Fellow from September 2006 through August 2007. This year's fellowship has been awarded to Dan Ullman, former Chair of the Department of Mathematics at the George Washington University. Dan will spend the year working on the staff of the U.S. House of Representatives Committee on Science.

Applications are now being accepted for the 2007-08 AMS Congressional Fellowship. The application deadline is January 31, 2007.

2I.2 AAAS-AMS Mass Media Fellowship.

The AMS sponsored one fellow in the summer of 2006 – Brie Feingold. Brie is a Ph.D. student in mathematics at the University of California, Santa Barbara and worked at *Scientific American* in New York City.

The AMS will again sponsor a fellow in the summer of 2007. Applications are now being accepted. The deadline for submission is January 15, 2007. An announcement and information on the application process will be sent to graduate students in the mathematical sciences in the fall so that all interested students may apply.

2I.3 Changes in Registration Fees for Conferences, Employment Center or Short Course.

The Executive Director is authorized to make changes in registration fees for conferences, the Employment Center, and the Short Course, and then report them to the ECBT at their next meeting. There have been no changes to report since the May 2006 ECBT meeting.

2I.4 AAS-AMS-APS Public Service Award.

The Joint Public Service Award of the American Astronomical Society (AAS), American Mathematical Society (AMS), and American Physical Society (APS) was established in 1999 to recognize public figures for their sustained and exceptional contributions to policies that foster research, education, and industrial innovation in the physical sciences and mathematics. The first awards were made in 2000. Awards were also made in 2001, 2002, and 2003. No awards have been made since 2003.

A recommendation was made to the AMS Committee on the Profession (CoProf) at their September 2006 meeting that the AMS establish its own public service award and end its participation in the Joint AAS-AMS-APS Public Service Award. CoProf voted to forward this recommendation to the January 2007 Council for approval.

2I.5 Actions of the Agenda and Budget Committee (ABC).

At its October 6, 2006 meeting in Providence, Rhode Island, the ABC took the following action:

The ABC set the schedule for the November 2006 ECBT meeting.

3 BOARD OF TRUSTEES ACTION/DISCUSSION ITEMS
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3.1 Budget Review.

The BT discussed items 3.1.1 through 3.1.4 and then voted to approve the 2007 budget as presented, subject to the discussion of item 3E.3, and except for the modification noted in item 2E.1.

3.1.1 Discussion of Fiscal Reports.

The BT received and discussed various fiscal reports, as well as a memo discussing major variances between 2006 projections and the 2006 budget, and between 2006 projections and the 2007 budget.

See 3.1.

3.1.2 Appropriation of Spendable Income from Unrestricted Endowment. Att. #14. *PASS-EWING.*

The May 2001 Board of Trustees approved the following (from item 2E.5):

Each year, the budgeting process will include recommendations for allocating spendable income from the Unrestricted Endowment for specific projects. The allocated income will be treated as revenue for operations, offsetting (part of) the expenses. These recommendations will be brought to the Board for approval at its November meeting in the normal budgeting process. The goal will not be to use all the income from such funds each year, but rather to use some of the income every year for the support of mathematical research scholarship and outreach. Using such income should be a regular part of our operations rather than an exceptional situation.

The 2007 revenue budget includes the following uses of income on projects, which are explained in **Att. #14**. The BT approved the uses of income as stated below:

Previously Supported:		Newly Supported:	
MR Citations Project (ongoing)	\$ 50,000	Carnegie Initiative on Doctorate	\$40,000
Congressional Fellow (ongoing)	80,000	Public Awareness (DBIS)	30,000
Young Scholars Program (ongoing)	50,000		
Project NExT Support (ongoing)	15,000		
AAAS Mass Media Fellowship (ongoing)	10,000		
Mathjobs system (ongoing)	10,000		
Grand Total		\$285,000	

3.1.3 Capital Expenditures - 2007 Capital Purchase Plan.

The BT reviewed the 2007 capital purchase plan, and approved it as part of the 2007 budget. See item 3.1.

3.1.4 Capital Expenditures - Approval of Specific Purchases.

This agenda item is reserved for requests for authorization to make specific large purchases (items costing \$100,000 or more). No such requests were made at this meeting.

3.2 Changes in Appropriation of Spendable Income.

The November 2005 BT authorized the Executive Director to make amendments to appropriations in spendable income, under certain circumstances, for the current year and report them to the BT at their next meeting.

There are no changes in appropriations of spendable income this year. Nearly all the allocations were spent according to the approved plan.

3.3 Investment Committee Report. Att. #15 & Att. #22.

The Investment Committee met on October 6, 2006. A report is attached (**#15**). A special focus of the meeting was the five year review of asset allocation.

The Committee made the following recommendations, which the BT approved:

Recommendations on asset allocation.

1. Maintain equities as the dominant asset class, and within that category, US equities should be prominent.
 - Maintain the total equity allocation (including foreign) at 65% to 85%.
 - Increase allocation to small stocks by transferring all of the S&P500 fund to a new total stock market index fund.

- Maintain foreign equities (developed countries) at up to 10% of total.
- 2. Maintain the fixed income allocation at 15% to 25% of total.
- 3. Maintain the allocation to alternatives at up to 10% of total.
 - Add emerging markets as an additional alternative investment.

Recommendation regarding Frontier Capital Management's role in the portfolio.

The Committee decided that Frontier's portfolio balance (approximately \$8,626,000 at the end of August) should be reduced to \$5,000,000. The money made available by this reduction should be invested in the new total stock market index fund.

Recommendation on primary investment objective.

The Society's investment policy should be amended to state that the primary investment objective is to attain an average annual real total return (net of investment fees) of at least 5% over the long term (trailing five-year periods); it had previously stated 6%.

At the request of the Investment Committee, staff made the following recommendations to the BT for a new total stock market index fund and an emerging markets fund (see **Att. #22** for further details):

- Vanguard Emerging Markets Stock Fund for the allocation to emerging markets.
- Fidelity Spartan Total Market Index Fund for the additional fund to be used for the allocation to the total stock market index.

The BT approved these recommendations.

3.4 Economic Stabilization Fund and Operational Support Fund.

The BT reviewed the projected required balances in the Economic Stabilization Fund (ESF) at December 31, 2006 and the succeeding five year-ends, as well as the related projected balances in the Operating Support Fund (OSF) for the same times, under assumptions presented.

At December 31, 2006, operations of the Society will own approximately \$1,000,000 of the long-term investment portfolio. It is not expected to be necessary to liquidate any investments in order to move the money to the operating portfolio so as to maintain an adjusted current ratio of 1.5 to 1. The adjusted current ratio was 1.4 to 1 at December 31, 2005 and is expected to remain in that range or improve slightly at December 31, 2006.

The BT approved Chief Financial Officer Pass's recommendation that the amount of the long-term investment portfolio "owned" by operations at year end be added to the OSF, which will require no additional money to be invested in the portfolio. This shall be effective as of 12/31/2006.

3.5 Trustees' Officers.

The BT elected Linda Keen Chair of the Board, and re-elected Donald McClure Secretary of the Board, for the term February 1, 2007 – January 31, 2008. It is noted for the record that Donald McClure abstained from the vote.

3.6 Trustees' Committees, etc. Att. #16.

The BT reviewed a list of BT committees, as well as Trustee appointments to policy committees and Trustee liaison assignments to divisions of the Society's administrative offices.

Board Chair Taylor announced that two changes to the trustee assignments to policy committees will be made: Linda Keen will be appointed to the Committee on Education, and John Conway to the Committee on Science Policy, for 2008.

Chair Taylor will consider whether to reappoint Peter Weinberger to a third three-year term on the Investment Committee.

An updated list is attached (#16).

3.7 Report on MR Building Construction and Maintenance.

The BT received the following report:

The MR building was purchased about 25 years ago. Over the years, AMS has made many changes to improve the efficiency of its operations, save money, and improve working conditions. Recently, MR made the transition from holding back years of paper copies of many journals to their electronic counterparts. This has freed up space and provided an opportunity to convert the available space into a conference room and an efficient work area housing copiers, printers and mail facilities.

In spring 2006 the AMS hired a structural engineer to conduct a building survey and an architect to draw up plans for the conference room and work space. The building survey shows the MR building to be in very good shape. There are a few problems including a need for gutter flashings, weeps, masonry and internal wall repair on the west elevation. In addition, there are minor structural concerns in an unused part of the building called the "vault." The estimate of the repairs to the west elevation will cost around \$40,000. None of these difficulties impinge on the proposed conference room and work space.

The architect, working with staff, has drawn up a set of plans which meet MR's needs. On September 14, 2006, the plans as they relate to the outside of the building were approved by the Ann Arbor Historic Commission. October and November steps include finalizing the architectural details and obtaining bids for construction. If everything stays on track, these bids will be received by the AMS by the end of November. Contingent on budgetary approval, construction could begin in 2006 with completion in three to four months.

3C BOARD OF TRUSTEES CONSENT ITEMS

3C.1 May 2006 BT Closed Executive Session Meeting.

The BT approved the minutes of the closed executive session meeting of the Board of Trustees held May 20, 2006, in Ann Arbor, Michigan, which had been distributed separately.

3C.2 Recognition for Length of Service.

The BT approved the following proclamations for the employees noted.

Twenty years of service:

LuAnn I. Cole
Brenda Hopkins
Allyn Jackson
Gerard L. Loon
Lori A. Melucci
Kevork Vichabian
Julianne M. Pinsak
John H. Wilhelm

The Board of Trustees takes great pride in recognizing _____ for twenty years of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer _____ their special thanks and their best wishes.

Twenty-five years of service:

Nancy G. Kaull
Cheryl M. Marino
Donna L. Salter
Twila M. Price

The Board of Trustees takes great pride in recognizing _____ who has devoted twenty-five years of service to the Society. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to _____ for being such a loyal employee and wish her well in the future.

Thirty years of service:

Ellen H. Heiser

The Board of Trustees takes great pride in recognizing Ellen H. Heiser for the outstanding distinction of serving the Society for thirty years. The Board expresses its profound gratitude for this long record of faithful service to the Society. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to this loyal employee.

Thirty-five years of service:

Richard G. Kelly

The Board of Trustees takes great pride in recognizing Richard G. Kelly for the outstanding distinction of serving the Society for thirty-five years. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to Richard for being such a loyal employee and wish him well in the future.

Forty years of service:

Leonora T. Davol

The Board of Trustees takes great pride in recognizing Leonora T. Davol for the outstanding distinction of serving the Society for forty years. The Board expresses its profound gratitude for this long record of faithful service. It is through the dedication and service of its employees that the Society is able to effectively serve its members and the greater mathematical community. The Trustees offer their special thanks and their best wishes to Leonora for being such a loyal employee and wish her well in the future.

3C.3 Request for Support of Speakers at 2008 AAAS Annual Meeting.

The BT authorized \$10,000 to support mathematics speakers at the 2008 AAAS annual meeting.

3C.4 Vanguard Group Organization Resolution. Att. #18.

Society investments managed by the Vanguard Group are clustered into two “plans”: one containing cash equivalent and bond funds of the operating portfolio, and the other containing equity funds of the long-term portfolio. Att. #18 contains two Vanguard Group Organization Resolutions, one for each “plan.” These are required to:

- 1) remove Donna George, who is no longer employed by the Society, from the list of individuals authorized to transact on all Vanguard accounts and
- 2) add Carol Couto, Assistant Controller, to the list of individuals authorized to initiate transactions in the mutual funds of the short-term portfolio only.

The attachment also contains a summary of Society investment management accounts and the corresponding authorized signatories.

The BT approved the resolutions in Att. #18.

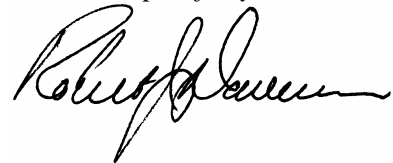
3I BOARD OF TRUSTEES INFORMATION ITEMS

3I.1 Focused Planning for Infrastructure. Att. #19.

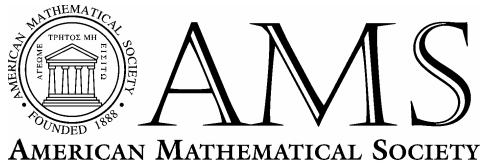
A status report on the Information Systems Plan is attached (#19).

The Business Rules part of the plan has been at rest over the summer. This is because members of the Business Rules group were unavailable.

Respectfully submitted,



*Robert J. Daverman, Secretary
Knoxville, Tennessee
December 1, 2006*



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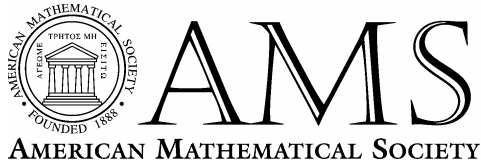
**SECRETARIAT
Business by Mail
May 1, 2006**

**MINUTES
from the Ballot dated April 3, 2006**

There were **five** votes cast by Robert Daverman, Susan Friedlander, Michel Lapidus, Matthew Miller and Lesley Sibner.

1. Approved electing to membership the individuals named on the list dated March 20, 2006.
2. Approved changing the dates of the January 2007 Joint Mathematics Meetings previously scheduled for January 4-7 to January 5-8, 2007, (to minimize conflicts with the Sugar Bowl scheduled on January 3, 2007) and changing the date of the previously scheduled January 3, 2007, Council Meeting to January 4, 2007.
3. Approved institutional membership for GESOCH304, Georgia Southern Univ, Statesboro, GA 30460.
4. Approved the minutes of the Secretariat Business by Mail from the ballot dated March 1, 2006.

Robert J. Daverman



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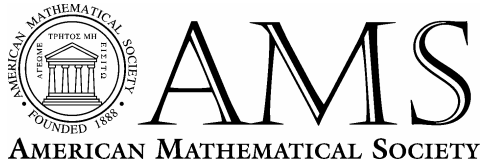
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SECRETARIAT
June 1, 2006
MINUTES
from the Ballot dated May 1, 2006

There were **five** votes cast by Robert Daverman, Susan Friedlander, Michel Lapidus, Matthew Miller and Lesley Sibner.

1. Approved electing to membership the individuals named on the list dated April 20, 2006.
2. Approved holding an Eastern Sectional Meeting at Wesleyan University (Middletown, CT) on October 11-12, 2008.
3. Approved a Fall Central Sectional Meeting to be held October 5-6, 2007, at DePaul University in Chicago, Illinois.
4. Approved institutional membership for PETRIIMABU Petroleum Inst., Abu Dhabi, United Arab Emirates
5. Approved the minutes of the Secretariat Business by Mail from the ballot dated April 3, 2006.

Robert J. Daverman



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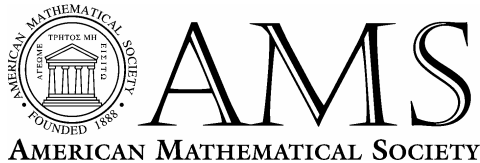
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SECRETARIAT
July 5, 2006
MINUTES
from the Ballot dated June 1, 2006

There were **five** votes cast by Robert Daverman, Susan Friedlander, Michel Lapidus, Matthew Miller and Lesley Sibner.

1. Approved electing to membership the individuals named on the enclosed list dated May 20, 2006.
2. Approved holding a Southeastern Sectional Meeting at North Carolina State University in Raleigh, NC, on April 4-5, 2009.
3. Approved holding an Eastern Sectional Meeting on October 11-12, 2008, at Wesleyan University in Middletown, Connecticut.
4. Approved the enclosed minutes of the Secretariat Business by Mail from the ballot dated May 1, 2006.

Robert J. Daverman



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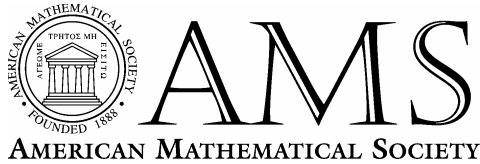
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SECRETARIAT
August 1, 2006
MINUTES
from the Ballot dated July 5, 2006

There were **five** votes cast by Robert Daverman, Susan Friedlander, Michel Lapidus, Matthew Miller and Lesley Sibner.

1. Approved electing to membership the individuals named on the list dated June 20, 2006.
2. Approved holding the Spring 2007 Council Meeting at the O'Hare Hilton on Saturday, April 21, 2007, beginning at 12:30 p.m.
3. Approved the minutes of the Secretariat Business by Mail from the ballot dated June 1, 2006.

Robert J. Daverman



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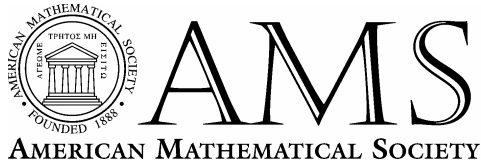
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**SECRETARIAT
September 1, 2006
MINUTES
from the Ballot dated August 1, 2006**

There were **four** votes cast by Robert Daverman, Susan Friedlander, Matthew Miller and Lesley Sibner.

1. Approved electing to membership the individuals named on the list dated July 20, 2006.
2. Approved holding the Joint Mathematics Meetings on January 8-11, 2014, in Baltimore, Maryland.
3. Approved holding a Western Sectional Meeting on April 25-26, 2009, at San Francisco State University in San Francisco, CA.
4. Approved the minutes of the Secretariat Business by Mail from the ballot dated July 5, 2006.

Robert J. Daverman



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**SECRETARIAT
October 1, 2006
MINUTES
from the Ballot dated September 1, 2006**

There were **five** votes cast by Robert Daverman, Susan Friedlander, Michel Lapidus, Matthew Miller and Lesley Sibner.

1. Approved electing to membership the individuals named on the list dated August 20, 2006.
2. Approved the minutes of the Secretariat Business by Mail from the ballot dated August 1, 2006.

Robert J. Daverman

Report on the Meeting of the Mathematical Reviews Editorial Committee October 2006

The Mathematical Reviews Editorial Committee (MREC) held its annual meeting at the Mathematical Reviews offices on October 16, 2006. In attendance were committee members Lisa Fauci, Jonathan Hall (Chair), Peter Maass, Tadao Oda, and Trevor Wooley; ex officio member, John Ewing; AMS invited guests, Robert Daverman and Donald McClure; the MR editors and administrative assistant. Committee member Ronald Stern provided earlier input via email to the Chair.

As is customary, the meeting opened with informational items including reviews of the 2007 Operating Plan and 2005 Annual Report.

The meeting continued with demonstrations of the new version of MathSciNet. This tabbed version preserves all the functionality of earlier versions and provides users with more natural access to the MR author, journal, and citation databases. The MR-developed Digital Mathematics Registry (DMR) was also demonstrated. The DMR is the electronic card catalog for the World Digital Mathematics Library (WDML) and is now posted and freely available to all on the WDML site. The DMR will be maintained by MR so as to provide a stable offering of this service to the community. MREC was also apprised of other ongoing developments at MR including: new tools to enable the downloading of the mushrooming number of electronic journals; scanning of paper articles for in-house processing use; renovation of the building to provide a conference room and improved work space; completion of the backfilling of reference lists for all of the 326 MREC approved reference list journals; a full report on the Mathematical Reviews Database (MRDB) and *Mathematical Reviews* statistics.

A synopsis of the committee's actions and discussion of agenda items follows.

Continuing a discussion from the 2005 meeting, the committee reaffirmed its decision that dissertations, as part of the tertiary non-refereed literature, should no longer be indexed by MR .

The committee recognized the role played by preprint servers, e.g., arXiv.org; however, for several reasons, including the uncertainty of future availability of such servers and the non-refereed content, the committee refrained from recommending listings of articles on preprint servers.

The committee considered the vast Chinese language mathematical science literature. Currently, the MRDB includes listings from around 140 Chinese language journals. The majority of these journals are published by Chinese academic institutions, mainly as a vehicle to enable faculty to publish research. Given that MR has only one Chinese language editorial associate, it is quite a challenging task to evaluate the quality of many new Chinese language journals received at MR. The committee recommended that a committee of mathematical scientists who are familiar with

the Chinese language literature be formed to review this important area of MR coverage. It is expected that a report from this committee will be available for consideration at the 2007 MREC meeting.

MR has been working hard to create listings, currently called “contributed items”, from the retro-digitized mathematical sciences literature. These listings are created using digitization-site- or publisher-supplied bibliographic metadata. To this date, MR has been limiting the creation of these listings by including only articles which had once existed in paper form. The committee took the broad view of the WDML and recommended that, whenever it is reasonable, MR should create listings for all available digitized mathematical literature. The last recommendation is subject to the 2005 MREC approved “Editorial Policy on Contributed Items”. The committee also discussed renaming these listings.

The committee considered the approved collection “Reference List Journals” (RLJ), which currently consists of 326 journals. Database listings of articles from journals in this collection include the original reference lists with most individual citations matched to their database listings. This collection of matched citations forms the MR Citation Database. The committee approved the addition of eight new journals to the RLJ collection. In addition, the committee suggested that additional citation index information should play a role in the annual systematic review of the RLJ collection by the MR editors.

MR carefully documents changes in the text of reviews. During the past year, MR has taken steps to ensure that a public record exists for all listings that are published on MathSciNet. In particular, MR numbers of duplicate listings are now linked. Currently, changes in bibliographic information are not publicly documented. The committee recommended that documentation of such changes be available on MathSciNet. During the coming year MR will develop a mechanism for this purpose.

The committee reviewed the MR Editorial Statement. The only change requested here was to provide a link on this statement to the document “MR Policy on Indexing Electronic Journals”.

As is done annually, the committee was provided with comparative information concerning the MRDB and the Zbl database. Activity on the MR-Zbl cooperative project of revising the 2000 Mathematics Subject Classification was also described.

The date for the 2007 MREC meeting is Monday, October 15.

Kevin Clancey
October 2006

AMS Committee on Publications

A meeting of the AMS Committee on Publications (CPub) was held on September 15-16, 2006 at the O'Hare Hilton, Chicago, IL.

At the start of the meeting, the Executive Director/Publisher gave a summary of the updates on actions taken for the 2005 CPub meeting – a regular feature of all future CPub meetings.

A meeting of the Managing Editors of the four AMS primary research journals takes place every other year prior to the CPub meeting. This year three of the four managing editors met with the Executive Director, Deputy Publisher, and the Chair of CPub on Friday afternoon, September 15. CPub Chair Beverly Diamond, reported on the discussions including a review of editorial guidelines, the terms of editors, the revised Editorial Boards Committee charge, and various operational and philosophical issues. The Managing Editors who were in attendance for the CPub meeting provided additional commentary. Since there was a fair bit of overlap between the Managing Editors' agenda and the CPub agenda, the Managing Editors' views were also expressed as CPub went through their agenda items.

Some of the other topics discussed included:

Length of Terms for Journal Editors

The Committee decided that the term lengths for book and journal editorial committees should be standardized (aside from *Notices* and *Bulletin* which are already 4 year terms). The Managing Editors also discussed this item during their meeting on Friday and were in agreement with the Committee's action. CPub moved to recommend to Council that the charge to the various editorial committees be modified to increase the current editorial terms from three to four years and to recommend that the normal number of terms for serving members of the editorial committee be no more than two. The motion carried unanimously.

Role of the AMS Journals

In discussing the history of AMS journals and the multiple purposes the journals serve today, concern was expressed that one of those purposes (serving as models to balance commercial journals) was being diluted. While commercial journals have increased in size, AMS journals have remained at the same size for many years. One way to invest in the future of our journals is to increase the number of pages published annually (possibly by up to 20%) to make our journals a larger fraction of the literature. Currently, the AMS is in a financial position to cover the additional costs associated with increasing the page sizes without raising prices. The Managing Editors of *Mathematics of Computation* (MCOM) and *Transactions of the AMS* (TAMS) were supportive of this expansion. The *Proceedings of the AMS* (PAMS) Managing Editor was not in attendance and the Managing Editor of the *Journal of the AMS* (JAMS) agreed to review the matter with the journals other four editors at their November meeting.

Review of Primary Journals

The report of the CPub subcommittee (members: Ken Ono, Chair, Abigail Thompson and Steven Weintraub) which reviewed the primary research journals was presented. Included in the

discussion were the results from the author and editor surveys, backlog statistics, ISI (Institute for Scientific Information) journal rankings and demographics of papers by primary MSC descriptions. In summary, all four journals are meeting their objectives. A few issues were noted by the subcommittee:

JAMS - There is a heavy concentration in four MSC categories.

TAMS - The backlog could be helped with an increase in pages.

PAMS - There appears to be over representation in certain areas and the backlog could be helped with an increase in pages.

MCOM - The backlog could be contained with an increase in pages.

The subcommittee determined that it was too early to evaluate the CENTRACK manuscript tracking tool, but recommended that a review be done at this time next year. It also recommended that the new editorial guidelines be provided to new and existing editors.

Book Program

A report of the book program was given by Deputy Publisher Beth Huber. Last year we did not produce the number of titles budgeted but we did exceed the income budget for the Book Program. This year we are on track to publish slightly fewer books than budgeted, however, we will exceed the budgeted revenue. We continue to focus on market expansion in China and India. The distribution channels remain relatively stable with the exception of Amazon which continues to exhibit significant yearly growth.

Centralized Manuscript Submission

In May of 2006 the AMS moved to a centralized submission policy for all journals. The change has been well received by both editors and authors. Under this new system all papers submitted into peer review are recorded, acknowledged, and then passed to the appropriate editor for consideration. Once recorded in Providence, papers are tracked in peer review by editors using the new tracking tool CENTRACK. A new version of CENTRACK will be available early in 2007 and will reflect changes suggested by the Managing Editors.

Editors Publishing in Their Own Journals-Policy

CPub discussed the need for a new policy governing the practice of editors publishing in their own journals. The discussion focused on the need for a uniform policy concerning editors publishing in their own journals so the integrity of the decision making process and the journal remains intact. CPub moved to recommend to the Council the following policy:

An editorial board member must not seek to influence publication decisions on manuscripts he or she has submitted to the journal.

The Committee further requested that the recommendation to the Council be prefaced with a statement that there are no current problems with editors publishing in their own journals; however, other societies have such a policy, and the AMS should as well in order to avoid any future problems. The motion carried.

ERA as an Overlay Journal

At its 2005 meeting, CPub recommended that *Electronic Research Announcements* (ERA) be transformed into an overlay journal to the arXiv, with the journal consisting of links to arXiv

papers. After further review it was determined that there are many issues that make the transformation of ERA into an overlay infeasible. Since the managing editor of ERA is retiring in 2007 and the consensus was that there is no need for the journal to continue, the Committee moved to recommend to the Council that the Society cease publication of ERA in 2007. The motion carried. (*Publisher's note: At the meeting, it was noted by the Publisher that discontinuing publication immediately is likely impractical, and the sense of the meeting was that publication should be discontinued as soon as practical.*)

Impact Factors & Citations

The improper use of impact factors and citation data as a measure of mathematical research continues. Various groups (university administrators, government agencies) seeking a measure with absolute objectivity are relying on impact factors and citation data to measure journal quality. Mathematicians have a role to play in trying to explain why using this data to measure the quality of journals or the quality of researchers is incorrect. Further, mathematicians have an obligation to suggest appropriate substitutes for ways in which to measure research.

Math Reviews

Mathematical Reviews Executive Editor Kevin Clancey gave an annual update on MR which included a brief summary of the new version of MathSciNet which was released on September 28, 2006. The new tab format for easier navigation and the added search options were highlighted. The MR developed registry for the World Digital Mathematics Library was also demonstrated. Dr. Clancey reported that the transition of publishers to electronic-only issues of journals is requiring MR to modify acquisition and in-house processing procedures. In general, everything is going smoothly at MR and the timely processing of articles continues.

Standard Reports

The standard report on the *Notices & Bulletin* was given and both journals are doing well. In addition, the standard backlog reports were included in the agenda to keep the Committee informed.

Date for Next Meeting, Other Business

The next meeting of the Committee was scheduled for September 7-8, 2007, at AMS Headquarters in Providence, RI. The meeting will include a visit to the Print Shop in Pawtucket, RI.

In 2007 CPub will be in year 2 of its review cycle, so there will be a review of all other journals, including the electronic-only journals.

*John Ewing
Executive Director/Publisher
October 2006*

**Committee on the Profession, Highlights
September 16-17, 2006
O'Hare Hilton Hotel, Chicago**

The Committee on the Profession (CoProf) held its annual meeting on September 16-17, 2006, at the O'Hare Hilton Hotel in Chicago, IL. Highlights of that meeting are provided below.

CoProf endorsed several motions and statements that will be sent to Council for action.

- A subcommittee of CoProf revised and updated the statement on the employment of young mathematicians. The statement was endorsed by the Committee and appears at the end of this report.
- The Committee endorsed a revision of the Whiteman Prize to make it consistent with other AMS prizes, and recommends that Council approve the revision. The Whiteman prize would now be a prize of \$5,000, awarded every three years.
- CoProf endorsed a proposal made by Sam Rankin, AED, that the AAS-AMS-APS Public Service Award be given in the future by the AMS alone.

In addition, CoProf took action on several issues related to the committee's charge.

- CoProf endorsed a conflict of interest statement for prize selection committees, which appears in another attachment.
- The Committee on the Profession has been making a series of statements that highlight ways in which the traditions of mathematics differ from those in other disciplines, especially other sciences and engineering. This year, CoProf endorsed a statement that explained publication rates of mathematicians. An edited version of this statement will be posted at the AMS web site, at <http://www.ams.org/employment/CultureStatements.html>. The committee has not yet chosen a topic for next year's statement.
- In January 2005, Council endorsed CoProf's recommendation to recognize two programs each year that: (1) aim to bring more persons from underrepresented minority backgrounds into some portion of the pipeline beginning at the undergraduate level and leading to an advanced degree in mathematics, or retain them in the pipeline; (2) have achieved documentable success in doing so; and (3) are replicable models. The two programs that were chosen this year by a subcommittee of CoProf and endorsed by the full committee are the Mathematical Theoretical Biology Institute (MTBI) and the Enhancing Diversity in Graduate Education (EDGE) Program. These programs will be featured in an upcoming issue of the *Notices* and will be presented on a web site linked to the AMS home page. AMS staff members will work to generate a list of programs, and Bob Daverman will issue a call

for nominations by March 1, in order to generate candidates for next year's recognition.

Concerns have been raised about several activities of the Society, and CoProf is supporting further work in these areas.

- The most current awards for the Young Scholar Program from the Epsilon Fund do not conform to the guidelines outlined in the original proposal for this fund. CoProf has once again endorsed the original proposal for the AMS Epsilon Fund and Young Scholars Program. The committee has directed Bob Daverman, AMS secretary, to write to the chair of the Selection Committee to remind them to follow the guidelines laid out in the original proposal when making awards.
- Some advertisements (from institutions outside the United States) that have been submitted for posting on the EIMS web site do not comply with the legal requirements for job ads in the United States. Additionally, most of the ads posted on the EIMS site do not conform to the AMS policy, approved by Council in 1971 and stated in the EIMS booklet and on the web site. A CoProf subcommittee will write a new AMS policy for job advertisements after the legal issues are clarified.

This year, CoProf's annual review was on the topic of the Society's activities related to increased communication and cooperation with other disciplines. The report of the subcommittee charged with this review was quite positive about the many ways that the Society promotes interdisciplinary activities. The subcommittee will draft a statement asserting the Society's support of interdisciplinary mathematics that will be considered by the full committee, and, if endorsed by CoProf, will be taken to Council. The Committee selected the Society's activities for recognitions and awards as the topic of the next year's annual review. This topic was reviewed last in 2000.

During the time period 4:30 – 6:00 pm on Friday, January 5, 2007, at the upcoming Joint Mathematics Meetings, CoProf will sponsor a panel entitled **Katrina and Its Aftermath: Institutional Survival in New Orleans since the Storm**, moderated by CoProf chair **Jim E. Hoste**, Pitzer College. The panel, including **Kenneth W. Holladay**, University of New Orleans, **Morris Kalka**, Tulane University, **Vlajko L. Kocic**, Xavier University of Louisiana, and **Katarzyna Saxton**, Loyola University New Orleans, will discuss the impact of the hurricane on New Orleans mathematics departments, describe their current situation, and present plans for the future.

The Committee on the Profession will hold its next meeting on September 8-9, 2007 in Providence.

*Ellen Maycock
Associate Executive Director
October 16, 2006*

Supportive Practices and Ethics in the Employment of Young People in the Mathematical Sciences (Revised Statement)

Subcommittee members: Jim Hoste, Craig Huneke (Chair) and Jean Taylor

1. Mathematics departments should make their students aware of the realities of the job market and should provide them the opportunity to prepare for a broad range of jobs in the mathematical sciences.
2. Employers have a responsibility to support the development of recent graduates, whether in temporary or potentially permanent positions, through mentoring and training in all aspects of professional life, and by integrating them into the scholarly life of the department.
3. Mathematics departments that offer temporary positions are urged to offer such positions for at least two years' duration whenever possible. When a recent graduate is hired for only one year (e.g., to replace a permanent faculty member on sabbatical), it is especially important to attend to the professional development of the person hired. Colleges and Universities have a responsibility to permanently staff departments at sufficient levels, rather than continually relying on temporary non-tenure track faculty.
4. Recent graduates should be hired at salaries commensurate with national norms. In particular, the practice of hiring recent graduates by the course at sub-standard salaries is reprehensible and exploitative.

Washington Office
Report to ECBT
October 11, 2006

Since the May Washington Office report, the House has passed legislation that includes a budget increase of 7.9 percent over the FY 2006 budget, to \$6.02 billion, for the National Science Foundation (NSF) and an increase over FY 2006 of 14.9 percent to a budget of \$4.13 billion for the Office of Science (SC) of the Department of Energy. These are very good increases relative to the last several years, with the NSF amount equaling the level proposed in the Administration Budget Request and the SC amount equaling 0.8 percent over the Request. On the Senate side, the Senate appropriations committee has given the NSF a 7.3 percent increase and the SC a 17.9 percent increase over FY 2006 levels. These amounts have not been approved by the whole Senate. Since there are differences between the House and Senate bills, the two bodies will have to reach a compromise before a bill is sent to the President for his signature.

October 1 was the beginning of the 2007 fiscal year so the federal government is running on a continuing budget resolution. To date only one appropriations bill (Defense) has been signed by the President. This means that most federal agencies are allowed to spend at some percentage of their FY 2006 budgets. It is likely that the government will run on a continuing resolution into December and possibly into January. Continuing resolutions make it difficult for agencies to begin new initiatives and/or to increase spending in established programs. Depending on how the election turns out, there is speculation that the government may run for the fiscal year on a continuing resolution. I don't believe this will happen as there are too many political consequences. A possibility is that all the remaining appropriations bills will be passed as an omnibus budget package. Once the bills are passed, we may see across the board cuts, as we have in the last two budgets.

The Washington Office is and has participated in several events and activities directed at promoting the need to fund science, mathematics, and engineering research and education. These activities use US innovation and competitiveness as a hook to convince policy makers that adequate federal funding for research and improving education is important. The Director of the Washington Office regularly participates in the Task Force on the Future of American Innovation which will roll out, on November 16, 2006, its Benchmarks II report which assesses the international standing of the US in science and technology. This press conference will feature Newt Gingrich; William Perry, former Secretary of Defense under Bill Clinton; Ron Sugar, CEO of Northrop Grumman; and others.

Recently, the National Academy of Sciences (NAS) held a convocation based on the NAS report *Rising Above the Gathering Storm: Energizing and Employing America for a Brighter Future*. The purpose of the convocation was to convene leadership of industry, government, research, and education communities from all 50 states and the federal government to share knowledge and encourage leadership initiatives at the state and local level that strengthen US competitiveness. The AMS, through the Washington Office, was a co-sponsor of the

convocation and of a reception for Members of Congress and staff, and participants, held the evening before the convocation.

The Washington Office has also been a participant in the Innovation and Competitiveness Coalition. Through this coalition, we have met with staff of Members who are sponsoring authorizing legislation pertaining to innovation and competitiveness and participated in a letter campaign to encourage appropriators to finalize the budget increases for the NSF and the Office of Science this calendar year.

The Task Force for the Future of American Innovation is led by Intel and other high tech industries and trade associations with members from professional societies and universities, while the Innovation and Competitiveness Coalition is led by IBM with members from industry, universities, and professional societies.

As mentioned in the May ECBT report, industry has taken the lead in pushing for increased federal funding for research and has linked research to innovation and competitiveness. The leverage of industry has made a big difference in the Administration's support for research, as seen in the Budget Request, and in congressional support as well. Of course, there are other things that industry desires, such as a permanent research and development tax credit and no caps on the number H1-B visas issued. I believe the science community sees these as worthwhile trade-offs for obtaining increased federal funding for research.

The Director of the Washington Office continues to serve as chair of the Coalition for National Science Funding (CNSF), with the Assistant Director of the Office, providing all of the logistical support. Current CNSF membership totals 114 professional societies, universities, and companies. On June 7, CNSF held its 12th Annual Capitol Hill Exhibition. Thirty-four NSF funded projects were on display in the Rayburn House Office Building. The AMS sponsored Eva K. Lee, a mathematician from Georgia Tech. Her exhibit, titled "Disease Prediction and Treatment Design," which concerns detecting and treating cancer, drew the attention of Hill staffers as well as some Members of Congress and NSF Director, Arden Bement. Professor Lee's work is featured in one of the AMS Mathematical Moments. Over 300 people attended this year's Exhibition including six Members of Congress. Anita Benjamin directed the Exhibition.

On September 12-13, the CNSF held a second Hill Visits Day, with the first taking place in September, 2005. Over eighty scientists, mathematicians, and engineers from 27 CNSF member organizations made over 100 visits to congressional offices. The message included thanking House and Senate Members for the increases for the NSF in the FY 2007 appropriations bills and urged them to finish their job of appropriating at least a 7.3% budget increase to the NSF before the end of the calendar year. Two mathematicians took part in this event, Robert Olin, Dean of Arts and Sciences, University of Alabama and Steven Cox, Professor of Mathematics, Rice University. These two were chosen to participate based on the fact that their state and/or district had Members on the House and/or Senate Appropriations Subcommittee with jurisdiction over the NSF.

We learned from one office visit that the President will continue to increase the budgets of the NSF and the Department of Energy's Office of Science in the FY 2008 Administration Budget Request. This was verified later in a conversation I had with an Office of Science and Technology Policy (OSTP) staff member. This is good news.

In July, the Director of the Washington Office served on the NSF Advisory Committee for the Government Performance and Results Act (GRPA) Performance Assessment. The Advisory Committee is asked to report on issues related to the NSF's strategic outcome goals and their associated indicators which have been defined in the Foundation's Strategic Plan for FY 2003 – 2008.

In August, Sam Rankin was asked by OSTP to organize a letter of support for the President's nomination to the position of Associate Director of OSTP. This letter went to the chair and ranking Member of the Senate committee which vetted this nomination.

On November 16, Amy Langville, a mathematician at the College of Charleston, will deliver the AMS Congressional Luncheon Briefing. Her presentation is titled "The Necessity of Mathematics: From Google to Counterterrorism to Sudoku. Amy is the co-author with Carl Meyer of the book *Google's Page Rank and Beyond: The Science of Search Engine Rankings*. Amy currently has an NSF CAREER award.

Respectively submitted,

Sam Rankin
Associate Executive Director
Washington Office

Determining the 2008 Individual Member Dues Recommendation to the Council

The Guidelines.

In May 2004 the Board of Trustees approved, and the Executive Committee recommended to the January 2005 Council, a new procedure for setting dues each year, replacing the (almost) automatic formula that was used for many years by a procedure based on a set of principles for setting dues. The new procedure was approved by the Council and was first used in setting dues for 2006. The new procedure requires beginning the process of setting dues slightly earlier than before. To change the dues rate for year X+2, the discussions must begin in year X.

- In November of year X, staff makes a recommendation about dues, following the principles described below. The ECBT recommends a dues rate for year X+2 to the Council.
- In January of year X+1, the Council reviews the ECBT recommendation and sets the dues rate for year X+2.
- In May of year X+1, the Board of Trustees approves the dues set by Council.

The process for setting dues is meant to be guided by the following principles.

Principle 1: The total revenue from individual dues should exceed the total net direct costs of the following membership related areas: privilege journals, members-only services, membership development, membership administration and governance, as reported to the Board of Trustees.

Principle 2: When an increase in dues rates is deemed to be appropriate, the following factors should guide the Council and the Board of Trustees in establishing the new dues rates:

- The current rate of inflation.
- The recent rate of growth in faculty salaries.
- The rate of growth in the net direct costs of the membership related areas listed in Principle 1.

Principle 3: A single increase in dues rates substantially beyond the level of the factors listed in Principle 2 should be avoided in favor of several successive moderate annual increases.

Recommendation for 2008 Dues.

The dues rate for 2007 was increased from the 2006 rate by \$4, to yield dues of \$156/\$117 (high/low). The table on the next page provides the information required under Principle 1. It includes actual results for 2001-2005, projected and budgeted results for 2006, budgeted results for 2007 and an estimate of 2008 results assuming no increase in dues, a \$4 increase in dues and an \$8 increase in dues.

Prior to the change in the process of setting dues, the net difference between dues revenue and net direct costs of membership had decreased approximately 48% in five years, from \$569,000 in 2001 to \$298,000 in 2005. This net difference is budgeted to decrease another \$210,000 by 2007, to \$88,000.

If dues are held constant again in 2008, the net difference is still positive at \$43,000, but this amount is well within the differences experienced between the budgeted and actual results in recent years. With the exception of 2005, these differences have consistently resulted in a smaller net excess, and given the components of the revenue and the costs, it is not unusual for the difference between budget and actual results to be in the \$40,000-\$60,000 range. Accordingly, there is some significant probability that if dues are held constant in 2008 the difference between dues revenue and net direct costs of membership will be negative, which will not meet the requirements of Principle 1.

If dues are increased \$4 in 2008, the net difference between dues revenue and net direct costs of membership is estimated to be \$78,000. This is comparable to the net amount budgeted for 2007 of \$88,000. It is also outside the range of budget to actual differences seen in recent years, so it is unlikely that actual results for 2008 will be negative and thus not meet the requirements of Principle 1 if a \$4 increase were implemented for 2008.

If dues are increased \$8 for 2008, the net excess is estimated to be approximately \$113,000, which is about half the next highest amount of \$203,000 and only the 2007 budgeted amount is lower, at \$88,000.

Dues Revenue and Net Direct Cost of Membership Activities (1,000's)

Year	Dues Revenue	Net Direct Costs of Memberships	Net
2001	\$1,413	\$844	\$569
2002	1,387	960	427
2003	1,367	1,042	325
2004	1,318	1,106	212
2005	1,345	1,047	298
2006 Projection	1,354	1,152	203
2007 Budget	1,370	1,282	88
2008 Estimates			
no dues increase	1,370	1,327	43
\$4 increase	1,405	1,327	78
\$8 increase	1,440	1,327	113

Explanatory Notes:

Membership Activities under Principle 1 are:

- a) *Notices & Bulletin*,
- b) Membership development and administration, and
- c) Governance

The amounts are taken directly from the B-Pages, pages 5 and 6, as presented to the ECBT. The estimate for 2008 assumes a stable membership and a 3.5% increase in the net direct costs.

Principles 2 and 3 describe the factors to be taken into consideration for the determination of the amount of a dues increase. Staff considered the economic data related to growth in faculty salaries and general inflation, shown in the chart at the end of this attachment. The data on salaries relate to the general ability of members and potential members to pay dues with total personal income. It seems prudent for a membership organization to increase dues at the same or slower rate than its members' salaries increase. If the dues are held constant in 2008, the cumulative increase in dues since 1997 lags the salary increase (in the AMS survey) by about four years. If dues are increased by \$4 the lag is between three and four years. As of the end of 2006 (the last year of actual data), the cumulative dues increase lags the salary increase by about two years. Similar results are seen if one uses the AAUP salary data, although the lag time and differences in the cumulative increases are about six months less than the results using the AMS survey.

The data on inflation relate to the ability of members and potential members to pay dues from discretionary income. Again, it seems prudent for a membership organization to maintain the cumulative increase in dues in line with general inflation in the absence of any significant financial needs. If one assumes an annual inflation rate of 3.5% for 2006 and 3.6% for 2007 and 2008, and an increase of \$4 in dues, the cumulative increases for the dues lags CPI (using 1997 as the base year) commencing in 2006 (when dues were held constant for a year and inflation began to creep upwards). It should be noted that dues for year X are generally paid by members in the last quarter of

year X-1, so the inflationary effect of dues on discretionary income felt by the individual member is likely somewhere in between the cumulative increase of year X (dues paid during dues year) and X-1 (dues paid in advance).

Finally, staff looked at the overall financial health of the Society to determine if there were any foreseeable financial needs to raise dues in 2008. While revenue has remained somewhat flat over recent years, the Society has been able to maintain positive net operating income. Spendable income from the Operations Support Fund should increase significantly over the next three years, as the base years used in the calculation roll forward and the full effects of the recently adopted changes to the post-retirement health benefit plan and reserve fund policies are felt (May 2006 BT). We also expect inflationary pressures to increase costs to the Society significantly over the next few years. However, these two factors should balance each other out and we expect operating income will remain positive in the near-term.

Although not directly related to the dues-setting process, the cash flow needs of the Society are important to consider for a full understanding of its financial health and near-term future needs. Accordingly, the following is provided for information, only. The Society will need significant amounts of cash-on-hand over the next few years to fund major capital projects. We are continuing to invest significant amounts of money in building maintenance, renovations and HVAC equipment over the next few years. Expenditures related to the implementation of the Information Systems Plan will also be quite substantial in the near future (2 – 7 years). The cash needed to fund these planned expenditures will have to come from increased cash inflows (increased revenues), use of operating investments (which will lower the working capital ratio) or use of board designated reserve funds (which would require liquidation of a portion of the long-term investment portfolio).

Principle 3 states that small increases in dues over time are preferable to a large increase in any one year. Although an increase of \$8 in dues would allow for a more comfortable net difference between dues revenues and direct costs of memberships, staff do not feel this increase is necessary at this time.

In conclusion, staff recommend that the 2008 dues rate for individual members be increased by \$4 above the 2007 level.

*Ellen Maycock, Associate Executive Director
Connie Pass, Chief Financial Officer
October 2006*

Factors for Consideration in Setting Individual Dues Rates for 2008

Academic Year Beginning	Faculty Salaries Data				Inflation Data		Regular High Dues Rates				Dues Rev.	
	AAUP Reports		AMS Annual Survey		Calendar Year	Annual Increase CPI-U	Cumulative Increase CPI-U	Actual Dues	Cumulative Increase	Covert Dues	High/Low Cutoff	Total Dues Revenue (1000's)
1988	5.8%				1988	4.4%		88			30,000	
1989	6.1%				1989	4.6%		88	88.000		38,000	
1990	5.4%				1990	6.1%		92	93.104		43,000	
1991	3.5%				1991	3.1%		100	98.783		45,000	
1992	2.5%				1992	2.9%		104	104.117		45,000	
1993	3.0%				1993	2.7%		108	107.761		45,000	
1994	3.4%				1994	2.7%		112	110.455		45,000	
1995	2.9%				1995	2.5%		116	113.769		45,000	
1996	3.0%				1996	3.3%		120	117.637		45,000	
1997	3.3%	3.3%	2.7%	2.7%	1997	1.7%	1.7%	124	3.3%	121.048	45,000	1,414
1998	3.6%	7.0%	3.8%	6.6%	1998	1.6%	3.3%	128	6.7%	124.679	45,000	1,437
1999	3.7%	11.0%	3.8%	10.7%	1999	2.7%	6.1%	132	10.0%	128.918	55,000	1,380
2000	3.5%	14.9%	5.0%	16.2%	2000	3.4%	9.7%	132	10.0%	128.918	65,000	1,384
2001	3.8%	19.2%	4.2%	21.1%	2001	1.6%	11.4%	136	13.3%	133.559	75,000	1,413
2002	3.0%	22.8%	3.3%	25.1%	2002	2.4%	14.1%	140	16.7%	138.501	75,000	1,388
2003	2.1%	25.4%	2.0%	27.6%	2003	1.9%	16.2%	144	20.0%	143.349	75,000	1,369
2004	2.8%	28.9%	2.2%	30.4%	2004	3.3%	20.0%	148	23.3%	148.796	80,000	1,318
2005	3.1%	32.9%	4.0%	35.6%	2005	3.4%	24.1%	152	26.7%	153.260	80,000	1,345
2006					2006	3.5%	28.4%	152	26.7%	156.478	80,000	1,355
2007					2007	3.6%	33.0%	156	30.0%	160.860	80,000	1,370
2008					2008 (A)	3.6%	37.8%	156	30.0%		80,000	1,370
					2008 (B)	3.6%	37.8%	160	33.3%		80,000	1,405
					2008 (C)	3.6%	37.8%	164	36.7%		80,000	1,440

Explanatory Notes:

1. AAUP data: Percentage increase in average nominal salaries for institutions reporting comparable data for adjacent one-year periods.
2. CPI-U data: Based on the Dec. to Dec. annual change in the index, with estimates for 2006, 2007 and 2008.
3. Covert Dues: For the period 1990-1999, covert dues for Year N+1 were calculated by increasing the covert dues for year N by an amount equal to the AAUP percentage for Year N-1. A "holiday" was taken in applying the usual AAUP increase for 2000, and the formula was applied since 2000 using the AAUP figure for Year N-2. The formula approach is no longer used to determine the dues rate in any given year, but is presented here for informational purposes.
4. 2006 dues revenue reflects current projections and 2007 dues revenue is as budgeted. The three scenarios presented for 2008 dues assume a stable paying membership and no change in the high-low cutoff.
5. January 2006-September 2006 CPI-U is 3.5%

Sectional Meetings Expenses

Expenses for a sectional meeting include supplies, printing, space charges (occasionally), a stipend for the host institution, travel, and staff labor. The average loss per year during the period 1997 – 2004 was \$32,531. The expenses of the first Einstein Lecture were included in the sectional expenses in 2005; expenses for future Einstein Lectures will be managed in a different account.

The Society pays for travel for staff members, the associate secretaries, and invited speakers. Often, travel includes site visits in advance of the meeting itself. On a few occasions, more than one trip to the site must be made.

The largest expense is usually staff labor, charged at our standard hourly rate and typically accounting for 75% of the expenses. These labor costs can vary significantly from meeting to meeting for a number of reasons. A three-day meeting requires at least five days of staff time for the meeting, including travel and preparation. When the number of speakers increases, extra time is required to process abstracts, to make scheduling arrangements and to work with organizers. When large numbers of special session abstracts are rejected, the rejected abstracts must be moved from special sessions to contributed paper sessions. When attendance is large, extra time is required to process the accounting after the meeting (especially in processing hundreds of credit card transactions).

Some meetings require AMS staff to handle scheduling of sessions. Others require staff time for trouble shooting local arrangements (for example, when hotel accommodations are in short supply). Almost all meetings require special handling for speakers and organizers who want extra time for sessions, help with abstracts or reassurance about equipment. Occasionally, the AMS is legally required to pay for support for hearing- impaired or visually impaired participants.

Putting the program book together takes time. When local organizers provide the appropriate information about hotels, transportation, and local dining for the program book, it is relatively simple for the Meetings Department staff to pull together the program book. When local organizers do not provide the information, or provide only part of it, the staff must step in to help obtain the information that is to be put on the web site and in the program book.

The chart below provides a summary of the revenue and expenses of the sectional meetings from 1997 to 2005. Some of the drop in recorded expenses from **1998** and beyond is due to the implementation of online submission of abstracts between **1998** and **1999**. This resulted in reduced staff time to process abstracts submitted by paper and in email.

The increase in expenses for **2002** is, in part, the results of two sectional meetings held jointly with MAA, one much larger than usual and both more complex. In addition, 2002 failed to have the good fortune of having a couple of break-even sectionals as had occurred in the each of the

previous three years. In **2003**, there was a joint Central and Western sectional that was small yet required additional attention.

The increase in **2005** was due to the work performed on the first Einstein Lecture. These hours and costs will now be separated out with its own job code. Also, the attendance figures for this lecture are not included in the registration counts as the lecture is at no cost and had about 1000 participants. Additionally, there has been an increase in the labor rate for the meetings department.

Sectional Meetings Financial Overview

Year	No. of Meetings	Total Registrants	Revenue in dollars	Expenses in dollars	(Loss) in dollars	Loss per Registrant in dollars	Member	Non-Member
1997	8	2,248	62,718	113,174	50,456	22.40	1448	320
1998	8	1,971	54,420	103,795	49,375	25.00	1205	233
1999	8	2,261	62,875	86,801	23,926	10.60	1437	356
2000	8	2,111	69,221	89,917	20,696	9.80	1331	321
2001	8	1,855	65,954	89,814	23,860	12.90	1194	276
2002	8 (Jt MAA & AMS)	2,677	75,850	111,363	35,513	13.30	1491	324
2003	7 (Cen&Wes -joint)	2,206	76,125	105,908	29,783	13.50	1262	387
2004	8	2,381	82,047	108,689	26,642	11.20	1347	423
2005	8	2198	76,430	119,102	42,672	19.40	1242	403

*Diane Saxe, Director of Meetings and Conferences
 Ellen J. Maycock, Associate Executive Director
 October 11, 2006*

Guidelines on Conflict of Interest for AMS Prize Selection Committees

It is difficult to draft legal rules regarding conflict of interest for prize committees. Individuals nominated for prizes are often so well known among the community that selection committee members may consider themselves colleagues. Nevertheless, a selection committee should avoid favoritism or the appearance of favoritism. And so some general guidelines on avoiding conflicts of interest are appropriate.

Selection Committee chairs and individual members need to consider the spirit of these guidelines, and members should step down if they feel their participation might create an appearance of a conflict of interest.

Conflicts of interest (or the appearance of such conflicts) would most likely arise if:

1. the body of work (paper, significant piece of research, or the like) considered in the prize nomination was done by someone while a student or postdoc of the committee member;
2. the person nominated was a recent former student or postdoc of the committee member;
or
3. the research being judged is in any way a collaborative effort between the committee member and the nominee.

Judging a nomination of a close friend may also create the appearance of a conflict of interest. Of course, no committee can seriously consider awarding a prize to one of its own members.

It is less clear what to do in cases where the nominee is a colleague -- a co-worker in the same department, for example. In such cases, the member of the selection committee and the chair should consider the circumstances and how they will appear to community.

If the member of the prize selection committee feels there may be a conflict, he or she should consult with either the chair of the selection committee and/or the AMS Secretary. If after these discussions there does appear to be a conflict, the member should offer to step down from the selection committee. If the possible conflict arises with the chair of the committee, then the AMS Secretary should consult with the AMS President and reach a consensus decision.

The Committee on the Profession thanks the Society for Industrial and Applied Mathematics for giving the AMS permission to adapt its policy.

Financial Guidance – Total Return Concept

The following memorandum is part of the documentation provided to the Board of Trustees when it adopted various new policies to govern the investments of long-term investment portfolio, effects on the endowment and quasi-endowment funds that owned the investment portfolio and the determination of income and spending of income therefrom. It is provided again here as background material for the financial guidance lesson, which will focus on how the Society has implemented the Total Return Concept.

Connie Pass
Chief Financial Officer
October 27, 2006

ORIGINALLY ATTACHMENT 43, MAY 1991 ECBT

AMERICAN MATHEMATICAL SOCIETY

To: WHJ
From: Gary Brownell
Subject: Total Return Concept

Date: April 5, 1991

This memo provides information about the Total Return Concept and its application to endowment and quasi-endowment funds. This information was originally outlined in a memo discussing financial reserve policies, which was reviewed by the Ad Hoc Committee to study the Future Operations Fund, which met on January 29, 1991. The Committee recommends that the Society adopt the total return concept for endowment funds whose income has been restricted by the donor.

Total Return Concept

The Society is about to embark on a future direction determined by a strategic plan and with a fully functioning development office. It can be expected that the number and amount of endowment funds whose income is restricted will increase. It is therefore important to have the ability to provide a stable stream of investment income for the endowed activity, and to provide for growth of the endowment. The total return concept is appropriate for this purpose.

Many institutions employ the "total return" concept in the management of their endowments. Under this concept, the institution takes into consideration the total return, interest, dividends, and net capital gains and losses earned by its endowment. It then determines the rate of income (known as the "spending rate") to be used for the endowed purpose and the base to which the spending rate is to be applied. An example may make this concept clearer. Suppose a generous donor has given the Society \$500,000, the income from which is to be used to support summer meetings. Suppose also that the Board of Trustees has established a spending rate of 5% to be applied to the fund's average market value over the three most recent fiscal years. In addition, assume that the fund's total return was 9% in year one, 2% in year two, and 15% in year three. The following spendable income and principal balances would result:

	Beginning	3 Year	Total	Spending	Spendable	Return to
Year	Principal	Average	Return	Rate	Income	Principal
1	500,000	500,000	9%	5%	25,000	20,000
2	520,000	510,000	2%	5%	25,500	(15,100)
3	504,900	508,300	15%	5%	24,415	50,320
4	555,220	520,030	9%	5%	26,002	23,968

The example shows that the spendable income was reasonably stable (even in the year with poor market performance) and the principal managed to grow at a reasonable pace. This illustrates the two main advantages of the total return concept - growth in principal and predictability of spendable income.

Income restricted endowment funds. Some of the Society's benefactors have provided endowment funds with restrictions as to how the funds' income is to be used. It is recommended that the total return concept be applied to these funds. Investment income would be credited to the supported project based on the spending rate applied to a three-year moving average of the fund's market value. The difference between the spending rate and the total return would be reinvested in principal.

ORIGINALLY ATTACHMENT 43, MAY 1991 ECBT

Discretionary endowment funds. The income can be used for the general operating needs of the Society or for special purposes if designated by the Board of Trustees. Currently, the yield (interest and dividends) from these funds is recorded as unrestricted income in the general fund, then transferred to quasi-endowment funds and reinvested in the Future Operations Fund. All of the income from these funds should be reinvested in quasi-endowment funds unless the Board of Trustees designates the income to be used for specific purposes.

Spending rules.

Basic to the total return concept is the establishment of spending rules. These are the guidelines set by the governing body to determine the amount of spendable endowment income each year. The table below is from the 1990 NACUBO Endowment Study. It summarizes the spending rules used by the institutions taking part in the study.

	Participating Institutions	
	<u>Number</u>	<u>Percentage (%)</u>
Spend all current income	64	17.3%
Spend a prespecified % of a moving average of market values	174	47.2
Spend a prespecified % (>100 %) of preceding year's spending	25	6.8
Decide on appropriate rate each year	33	8.9
Other rule	61	16.5
No response to this part of questionnaire	12	3.3
Totals	369	100.0%

The spending rule (which generally includes a spending rate) should provide reasonably predictable spendable income while allowing principal to grow at about the rate of inflation. The following spending rule is recommended:

Spendable income for any year should be determined by applying the spending rate to a three-year moving average of the fund's market value as of December 31 of the prior fiscal year. The spending rate should be recommended by the Investment Committee and approved by the Board of Trustees.

Spending rate.

Below are the average spending rates reported in the NACUBO survey.

In aggregate:	
Equal-weighted mean	4.5%
Dollar-weighted mean	4.2%
Median	4.6%
By endowment size	
\$25 million and under	4.9%
Over \$25 million to \$100 million	4.6%
Over \$100 million to \$400 million	4.2%
Over \$400 million	4.2%

ORIGINALLY ATTACHMENT 43, MAY 1991 ECBT

The spending rate should be less than or equal to the expected long term total return from the endowment minus the expected rate of inflation. If the BT approves the use of the total return concept, the DF proposes the use a spending rate of 4.5% for the 1992 budget.

Legal issues.

The use of the total return concept is governed by the state law. Our attorneys have advised us that they know of no legal issue preventing the AMS from adopting the total return concept. They will be providing a memorandum explaining in more detail the provisions of the law.

Allocation of Spendable Income

The 2007 budget reflects the following allocations of spendable income from the unrestricted endowment.

Previously Supported:		Newly Supported:	
MR Citations Project (ongoing)	\$50,000	Carnegie Initiative on Doctorate	\$40,000
Congressional Fellow (ongoing)	80,000	Public Awareness (DBIS)	30,000
Young Scholars Program (ongoing)	50,000		
Project NExT Support (ongoing)	15,000		
AAAS Mass Media Fellowship (ongoing)	10,000		
Mathjobs system (ongoing)	10,000		
Grand Total		\$285,000	

MR Citations Project (\$50,000): For the past several years, Math Reviews has added a new kind of data to the database -- lists of references, tagged with the corresponding MR number when it exists. The resulting collection of citation data, based on the data within MR itself, provides a new way to study and understand the mathematical literature. At the moment, these reference lists exist for over 300 journals. Next year, the project will be expanded slightly more, always going back to 2000. For most journals, this means having the reference lists keyboarded by an outside contractor (Apex). These lists allow us to "mine" the data for our citation database, which is likely to increase in importance, in part because it so clearly distinguishes *Math Reviews* from *Zentralblatt*.

Congressional Fellow (\$80,000): In the fall of 2005, the AMS began support of a Congressional Fellow through the American Association for the Advancement of Science (AAAS) program. Fellows do not provide direct services to the supporting organization, and a large part of the value is building a relationship between those who provide support and the congressional office in which the person works. We continue to try out this program for a few years to measure its ultimate value. The total annual cost will be approximately \$100,000.

Young Scholars Program (\$50,000): The Society has provided small grants to young scholars programs across the country for the past seven years, and the program will continue in the future. In 2006, grants totaling \$80,000 were awarded to 14 programs across North America. (This was an anomaly, and the selection committee has been reminded that there should be fewer and more substantial awards in the future.) The same amount is budgeted for 2007. Eventually, this program will be supported by income from the Epsilon Fund. In the meantime, the Society uses income from the unrestricted endowment and operating income to fund the grants.

Project NExT Support (\$15,000): The Society has agreed to fund six Project NExT Fellows each year at \$2,500 each. (Approval is done on the consent agenda in year X-2 for support in

year X.) The money pays for the Project NExT program and the expenses incurred by the fellows at two meetings. (Travel is paid by the fellow's department.)

AAAS Mass Media Fellowship (\$10,000): For a number of years, the Society has supported one or more mathematics graduate students, who spend 6-8 weeks in the summer working with a media outlet (newspaper, magazine, or radio/TV station). The program has built a cadre of young mathematicians with some experience in carrying out public awareness, and we have used them in various ways (often at the annual meeting). This has been a great program for the entire science community, increasing the number of scientifically-literate journalists (as well as the number of media-savvy young scientists).

Mathjobs (\$10,000): This service provides a way for mathematics departments, job candidates, and referees to exchange various materials related to job searches. It was created at Duke University, and it continues to reside there. Customer support is now done by the AMS, which also provides overall control and administration. The number of departments and candidates continues to grow, and the Society is now prepared to be more aggressive in promoting the service. Duke receives a stipend of \$10,000 each year to update and support the software and hardware behind the service. We are currently reviewing ways in which to institutionalize this program.

Carnegie Initiative on the Doctorate (\$40,000)

Beginning in 2002, the Carnegie Foundation carried out a program aimed at encouraging selected departments in selected disciplines to think in depth about their doctoral programs. The centerpiece of the project was a series of meetings, held each summer, in which a few faculty and some graduate students from each department came together over several days. Departments that participated were generally enthusiastic and found this to be a flexible and non-threatening way to make improvements in doctoral programs. The Carnegie Foundation had always viewed this as a short-term program, with the goal of establishing longer-term efforts within the various disciplines. One way to do this has been suggested in a proposal that was presented earlier to the ECBT and the Council. Rather than waiting to find funding for such a program, however, the Society could run a pilot project in the summer of 2007 to see whether the idea is feasible and to improve chances of securing long-term funding from other sources.

Discoveries and Breakthroughs Inside Science (DBIS) (\$30,000)

This is a rather ambitious effort by the American Institute of Physics to produce short science-related news clips for local television stations across the country. It has been described to the ECBT previously, and the Society has been contributing to it as part of our public awareness effort for several years. AIP is asking participating societies to contribute at higher levels, in part so that they can build the program to a sustainable level. Funding this through income from the endowment is a good way to support public awareness, while devoting the money to a well-defined project.

John Ewing

AMERICAN MATHEMATICAL SOCIETY

To: Investment Committee
From: Gary Brownell, Connie Pass
Subject: October 6, 2006, Meeting Minutes
Date: October 17, 2006
Cc: Carol Couto, Karen Mollohan, John Ewing

The Committee met from 1:00 to 3:30 on Friday, October 6, 2006. Committee members were John Franks (Chair), Linda Keen, Don McClure, and Peter Weinberger. Staff members attending were Connie Pass, Karen Mollohan, John Ewing, and Gary Brownell. Grace Fey of Frontier Capital Management was present for part of the meeting.

The Investment Committee Charge and the Long-Term Investment Policy were attached for reference, but are not included in the minutes.

- 1. Performance review.** The Committee reviewed performance of the portfolio, which is summarized in the table below. The red entries are those whose returns have trailed their benchmark by more than .5%. Additional details are in the I section of the green pages.

	2003	2004	2005	Aug 2006
Frontier	27.0% vs. 28.7%	5.9% vs. 10.9%	7.3% vs. 4.9%	(0.4%) vs. 5.8%
Vanguard 500	28.6% vs. 28.7%	10.8% vs. 10.9%	4.8% vs. 4.9%	5.8% vs. 5.8%
Vanguard Total	31.6% vs. 31.7%	12.6% vs. 12.6%	6.1% vs. 6.3%	5.7% vs. 5.6%
Vanguard REIT	35.7% vs. 36.8%	30.7% vs. 31.5%	11.9% vs. 12.1%	21.5% vs. 22.0%
Cohen & Steers	38.1% vs. 37.7%	38.5% vs. 31.6%	14.9% vs. 12.0%	22.4% vs. 20.1%
Fidelity Intl Ind	38.3% vs. 39.2%	19.9% vs. 20.7%	13.7% vs. 14.0%	14.1% vs. 14.7%
PIMCO	5.6% vs. 4.1%	5.1% vs. 4.3%	2.9% vs. 2.4%	2.2% vs. 2.2%
Total Portfolio	23.9% (net)	11.2% (net)	6.4% (net)	5.6% (net)

A table of three-year, five-year and ten-year trailing returns is included below:

As of August 31, 2006				
	One Year	Three Years	Five Years	Ten Years
Total AMS Portfolio	8.74%	10.97%	6.48%	8.06%
Domestic Equities:				
Frontier	4.86%	6.83%	2.18%	8.63%
Vanguard S&P 500 Index	8.78%	10.89%	4.60%	8.85%
Vanguard Total Market Index	8.87%	11.98%	6.09%	not owned
S&P 500	8.81%	10.89%	4.63%	8.89%
Wilshire 5000 Full Cap	8.76%	12.01%	6.14%	8.94%
Russell 2500 (small cap)	8.07%	15.08%	11.04%	11.27%
Russell 1000 Growth Index	3.68%	7.00%	1.69%	5.91%
Foreign Equities:				
Fidelity International Index	23.54%	23.20%	11.49%	not owned
MSCI EAFE Index	24.78%	23.99%	12.25%	6.49%
Alternatives:				
Vanguard REIT Index	24.29%	26.18%	20.30%	not owned
Cohen & Steers Realty Shares	27.00%	30.26%	22.10%	not owned
MSCI REIT Index	24.85%	26.82%	20.76%	
NAREIT Index	22.59%	26.24%	20.45%	
Fixed Income:				
PIMCO Total Return	1.65%	4.64%	5.56%	7.29%
Lehman Bros Aggregate Bond Index	1.71%	3.98%	4.87%	
3 Month Treasury Bill	4.27%	2.48%	2.17%	

The Committee took no action with respect to returns.

2. **Asset allocation.** The Committee reviewed the current asset allocation. Below is a spreadsheet showing the allocation percentages as of the date indicated. The current allocation policy is:

Equity investments (including foreign equities)	65%-85% of total.
Foreign equities	Up to 10% of total.
Alternative investments	Up to 10% of total.
Fixed income	15%-25% of total.

ASSET ALLOCATION		Aug 06		
		Balance	% of Total	Policy
Equities				
US Equities	Frontier Capital Management	\$8,626,000		
	Vanguard S&P 500 Fund	5,507,000		
	Vanguard Total Mkt Fund	26,936,000		
	Total domestic stock accounts	<u>41,069,000</u>	64.9%	
Foreign Equities	Fidelity International Index	<u>5,315,000</u>		
	Total foreign equity accounts	5,315,000	8.4%	<i>Up to 10%</i>
Total Equities		46,384,000	73.3%	65%-85%
Alternative Investments				
REITs	Vanguard REIT Fund	1,856,000		
	Cohen & Steers REIT Fund	<u>2,134,000</u>		
Total Alternative		3,990,000	6.3%	Up to 10%
Fixed Income	PIMCO Total Return	12,910,000	20.4%	15%-25%
TOTAL		<u>\$63,284,000</u>	100.0%	

As of the date indicated, the portfolio conforms to the current allocation policy.

This meeting marked the appropriate time for an in-depth review of asset allocation. This is done at five-year intervals.

Attached is **REVIEW OF ASSET ALLOCATION POLICY**, which formed the basis for the Committee's discussion of asset allocation. The following are recommendations from page 1 of the document, adjusted as recommended by the Committee:

Recommendations on asset allocation:

1. Maintain equities as the dominant asset class, and within that category, US equities should be prominent.
 - Maintain the total equity allocation (including foreign) at 65% to 85%.
 - Increase allocation to small stocks by transferring all of the S&P500 fund to a new total stock market index fund.
 - Maintain foreign equities (developed countries) at up to 10% of total.
2. Maintain the fixed income allocation at 15% to 25% of total.
3. Maintain the allocation to alternatives at Up to 10% of total.
 - Add emerging markets as an additional alternative investment.

Recommendation regarding Frontier Capital Management's role in the portfolio.

The Committee decided that Frontier's portfolio balance (approximately \$8,626,000 at the end of August) should be reduced to \$5,000,000. The money made available by this reduction should be invested in the new total stock market index fund.

Recommendation on primary investment objective.

The Society's investment policy should be amended to state that the primary investment objective is to attain an average annual real total return (net of investment fees) of at least 5% over the long term (trailing five-year periods); it had previously stated 6%.

Staff were asked to bring recommendations for a new total stock market index fund and an emerging markets fund to the November ECBT meeting.

3. Spending Rate and Spendable Income.

Current spending rate – 5%.

Next scheduled review of spending rate by BT – May 2007.

Spendable income over 5 years.

Year	Total return	Spending rate	Spendable income from OSF	Available spendable income from endowments, income restricted.	Available spendable income from endowments, income unrestricted.
2003	23.9%	5%	\$ 668,000	\$ 128,084	\$ 252,637
2004	11.2%	5%	\$ 661,800	\$ 117,794	\$ 255,753
2005	6.4%	5%	\$ 612,500	\$ 119,834	\$ 255,189
2006		5%	\$ 637,000	\$ 127,326	\$ 263,011
2007B		5%	\$ 724,300	\$ 143,213	\$ 286,797

For information.

4. Agenda for May meeting. The agenda for the next meeting will include:

- Five-year review of Spending Rate.

REVIEW OF ASSET ALLOCATION POLICY

Gary Brownell, Connie Pass

September 29, 2006

Goals for this review

The Committee should review the current policy by considering:

- Long-term performance characteristics of the basic allocation. To assist with this I have included several tables from *Stocks, Bonds, Bills, and Inflation (SBBI) 2006 Yearbook*, published by Ibbotson Associates.
- Asset allocation models used by other institutions. I've included information from the *2005 NACUBO Endowment Study* for this.
- Business purpose of the funds.
- Your own comfort levels with respect to risk and long-term market trends.

In addition to the direct asset allocation questions, the Committee may wish to consider whether the overall investment objective of 6% real (after inflation) return is appropriate.

Summary and recommendations

The Society's current asset allocation policy has served well over the past couple of decades. Investments have appreciated and income has been produced for support of Society operations. A decision to leave the allocation policy as is would seem appropriate. On the other hand, some fine tuning could be done, within the general structure already in place.

Recommendations on asset allocation:

4. Maintain equities as the dominant asset class, and within that category, US equities should be prominent.
 - Maintain the total equity allocation (including foreign) at 65% to 85%.
 - Increase allocation to small stocks by transferring all of the S&P500 fund to the Total Stock Market Fund.
 - Maintain foreign equities (developed countries) at up to 10% of total.
5. Maintain the fixed income allocation at 15% to 25% of total.
6. Maintain the allocation to alternatives at Up to 10% of total.
 - Add emerging markets as an additional alternative investment.

Recommendation on primary investment objective.

The Society's investment policy currently states that the primary investment objective is to attain an average annual real total return (net of investment fees) of at least 6% over the long term (trailing five year periods); given the historical inflation adjusted returns of US stocks and bonds, the expectation should be reduced to 5%.

The Committee should review Frontier's role in the portfolio.

Investment Objectives and Goals

Investors use asset allocation to maximize returns over the long-term within acceptable levels of risk of failure to achieve overall financial objectives.

The Society's long-term investments are pooled, even though the objectives of the various funds may be different. The financial objectives of the various funds may be summarized as follows:

- Endowment funds, income restricted. Provide a stream of income sufficient to meet the fund's purpose (prizes, scholarships, etc.). The income stream should increase with inflation over the long term.
- Endowment funds, income unrestricted. Provide general support for operations. Currently, income is allocated to specific projects or reinvested. This income stream should also increase with inflation over the long term.
- Economic Stabilization Fund (ESF). Reduce the risk of forced changes in operations resulting from economic or financial crises. This is a reserve fund. Income is reinvested or added to the OSF.
- Operations Support Fund (OSF). Provide a stream of income sufficient to maintain a positive operating income while meeting the Society's overall mission. These goals could include more services or lower fees. It is desirable for this income stream to increase over time.
- Other Quasi-endowment funds. Provide a stream of income sufficient to meet the fund's purpose, as designated by the BT. An example is the Young Scholars Fund. The income stream should increase with inflation over the long term.

Given these individual fund objectives, the AMS Long-Term Investment Policy includes the following:

*The **overall financial objective** is to generate a real return adequate to provide meaningful growth in purchasing power over time while providing a modest level of income for the activities supported by the investments.*

*The **primary investment objective** is to attain an average annual real total return (net of investment fees) of at least 6% over the long term (trailing five year periods). Real return is the sum of capital appreciation or loss, (realized and unrealized) and yield (dividends and interest), adjusted for inflation by the Consumer Price Index. It is recognized that the real return objective may be difficult to attain in every five year period, but should be attainable over a series of five periods.*

The most powerful tool available to the Investment Committee for achieving these goals is asset allocation.

Current Asset Allocation Policy

Equity investments (including foreign equities)	65%-85% of total
Foreign equities	Up to 10% of total
Alternative investments	Up to 10% of total
Fixed income	15%-25% of total

This policy is slightly modified (in 2003) from the policy first adopted in 1992. It relies on (mainly domestic) equities to maximize long-term returns, with fixed income as a hedge against deflation, and with alternative investments providing returns when domestic equities may not.

This allocation scheme has worked quite well over the past couple of decades, and the Society has generally met its objectives over this period. Achieving 6% real return over trailing five-year periods has not always been achieved.

Constructing an Asset Allocation Policy

The following steps are those the Committee has followed in the past when evaluating asset allocation:

1. Choose a dominant asset class.
2. Hedge against disasters. Bonds can serve as a hedge against deflation, while real estate and other “hard” asset investments (e.g., oil and gas, asset-based stocks) can serve as a hedge against unanticipated inflation.
3. Enhance returns with investments in alternative assets. These can include small capitalization stocks, emerging markets, venture capital, asset plays, distressed bonds, etc., and hedge funds.
4. Reduce fluctuations in returns by choosing asset classes whose returns are not highly correlated.

Equities – the dominant asset class.

SBBI Tables 6-7 and 6-8 on the next page summarize annual returns for the basic US stock and bond returns.

Summary Statistics for Basic and Inflation-Adjusted Series

The following information is summarized from SBBI Tables 6-7 and 6-8

Summary Statistics of Annual Returns from 1926 to 2005

Series	Geometric Mean	Arithmetic Mean	Standard Deviation	Serial Correlation
Large Company Stocks	10.4%	12.3%	20.2%	0.03
Small Company Stocks (Total Returns)	12.6	17.4	32.9	0.06
Long-Term Corporate Bonds (Total Returns)	5.9	6.2	8.5	0.08
Long-Term Government Bonds	5.5	5.8	9.2	-0.08
Intermediate-Term Government Bonds	5.3	5.5	5.7	0.15
Treasury Bills (Total Returns)	3.7	3.8	3.1	0.91
Inflation	3.0	3.1	4.3	0.65

Inflation-Adjusted Series

Summary Statistics of Annual Returns from 1926 to 2005

Series	Geometric Mean	Arithmetic Mean	Standard Deviation	Serial Correlation
Inflation-Adjusted Large Company Stocks	7.1%	9.1%	20.3%	0.02
Inflation-Adjusted Small Company Stocks	9.3	13.9	32.3	.003
Inflation-Adjusted Long-Term Corporate Bonds	2.8	3.2	9.7	0.19
Inflation-Adjusted Long-Term Government Bonds	2.4	2.9	10.4	0.02
Inflation-Adjusted Intermediate-Term Government Bonds	2.2	2.4	6.9	0.23
U.S. T-Bills (Real Riskless Rates of Returns)	0.6	0.7	4.0	0.67

An investment objective of a real return of at least 6% has required a dominant asset class of equities. As one moves from large stocks to small, the risk in the portfolio increases. AMS's core index strategy is weighted toward large company stocks, with small company stocks included in the total stock market index fund.

If the organization is to achieve a goal of a 6% real return, maintaining equities as the dominant class is necessary.

The role of bonds.

As noted above, bonds play a role as a hedge against deflation. They can also decrease the overall risk in the portfolio (as well as the long-term return). SBBI Table 2-12 shows this effect from 1926 to 2005 at various allocations:

Table 2-12			
Summary Statistics of Annual Returns (in percent)			
from 1926 to 2005			
Portfolio (Always Rebalance)	Geometric Mean	Arithmetic Mean	Standard Deviation
100% Large Company Stocks	10.4	12.3	20.2
90% Stocks/10% Bonds	10.1	11.6	18.3
70% Stocks/30% Bonds	9.3	10.3	14.6
50% Stocks/50% Bonds	8.4	9.0	11.5
30% Stocks/70% Bonds	7.3	7.7	9.4
10% Stocks/90% Bonds	6.1	6.5	8.8
100% Long-Term Govt. Bonds	5.5	5.8	9.2

An allocation of around 20% to bonds reduces the standard deviation a few points with only a small decrease in returns.

The table below (summarized from SBBI Tables 2-17 and 6-5) shows cross correlations of annual returns from 1926 to 2005.

Series (Inflation adjusted)	Large Company Stocks	Small Company Stocks	Long-Term Corp Bonds	Long-Term Govt Bonds	Intermediate Govt Bonds	T-Bills	Equity REITS	Inflation
Large Company Stocks	1.00							
Small Company Stocks	0.79	1.00						
Long-Term Corporate Bonds	.026	.011	1.00					
Long-Term Government Bonds	0.20	0.02	0.95	1.00				
Intermediate-Term Government Bonds	0.14	-0.02	0.94	0.93	1.00			
Treasury Bills	0.11	-0.06	0.57	0.57	0.72	1.00		
Equity REITS	0.46	0.76	0.29	0.21	0.16	-0.06	1.00	
Inflation	-0.21	-0.08	-0.56	-0.52	-0.60	-0.74	-0.13	1.00

Bonds are poorly correlated with stocks. Also, bonds tend to be negatively correlated with inflation. This is the property that allows them to be the hedge against deflation.

Real estate and other hard assets.

AMS owns significant real estate in support of its operations. Although not part of our investment pool, these assets (against which there is no debt) do contribute to the Society's financial strength and stability. Within the long-term portfolio are two REIT mutual funds, which provide an interest in real estate. As indicated in the cross correlation table above, REITs are somewhat negatively correlated with inflation, so probably do not provide an important hedge against inflation.

Within the long-term investment pool, there is really no good hedge against inflation. As in the past, we could continue to rely on the Society's real estate outside of the pool for a "hedge against disaster" of the rampant inflation sort. An additional possibility would be to move some of the fixed income allocation to inflation protected securities.

The role of alternative assets.

The Society's only alternative assets are two REIT funds. The following return information is from SBBI table 2-16.

Summary of annual returns, 1972 to 2005

	Geometric Mean	Standard Deviation
Equity REITs	13.4%	16.7
Large Company Stocks	11.2%	17.5
Small Company Stocks	14.9%	22.8

During this period, REITs performed better than large stocks, but not quite as good as small stocks. Standard deviation was less than both stock categories. To the extent that REITs replace large stocks, they tend to add return while reducing risk.

As of August, REIT funds make up about 6.3% of the total long-term portfolio.

Foreign equities.

The SBBI Yearbook has information on foreign stocks from 1970 to 2005. The following are some interesting data:

Summary of annual returns, 1970 to 2005

	Geometric Mean	Standard Deviation	Maximum Return	Minimum Return
MSCI EAFE	11.2	22.1	69.9	-23.2
Europe	11.7	21.0	79.8	-22.8
Pacific	11.2	32.1	107.5	-34.3
United States	11.1	17.0	37.4	-26.5

The correlation between MSCI EAFE over this period was 0.59.

The underlying data for the above are in US dollars, so the effect of currency exchange is included. Over the long run, average returns are about the same as for the US, but with more risk. Foreign equities provide some diversification value. The occasional very high returns tend to be memorable.

Vanguard published an analysis of international investing in May of 2004, International Equity Investing: Long-Term Expectations and Short-Term Departures. Its executive summary:

Executive summary

The main benefit of investing internationally is greater portfolio diversification. While this benefit is clear and significant over the long term, it is sometimes not apparent over shorter investment horizons. By focusing on the cyclical phenomena of bull and bear equity markets—which can obscure the long-term case for international investing—this paper shows that a portfolio diversified into non-U.S. stocks has typically provided higher returns or lower volatility than a U.S.-only portfolio over such periods. However, we contend that behavioral and practical considerations call for a smaller allocation than standard theory may suggest. Practical factors such as transaction costs and the need to fund local liabilities can engender home-country bias. In the end, investors deciding how much to allocate internationally must weigh the expectations of long-run risk-adjusted return against the potential regret of underperforming benchmarks or peer-group averages over shorter investment horizons.

Asset allocation at NACUBO institutions

The table below summarizes asset allocation for 738 institutions that participate in the NACUBO Endowment Study, with AMS shown for comparison. The NACUBO data are as of June 30, 2005.

June 2005 Asset Allocations of Large, Average, and Smaller Endowments							
	Equity	Fixed Income	Real Estate	Hedge Funds	Private Equity	Venture Capital	Natural Resources
	%	%	%	%	%	%	%
Greater Than \$1.0 Billion	44.9	14.2	4.0	21.7	5.7	3.6	3.4
Equal-Weighted Average	58.5	21.5	3.1	8.7	1.6	0.8	0.9
\$50-100 Million	60.5	22.1	3.3	7.0	0.7	0.4	0.5
AMS	72.2	22.1	5.6 (REITs)				

These institutions, and particularly the larger institutions, have moved material amounts of money into hedge funds. During recent years, the hedge funds have definitely boosted their returns. AMS's allocation to fixed income is about average. Allocation to stocks is higher than average.

The NACUBO study breaks down the asset classes in more detail than is shown above. Included in the equity column above are foreign equities. The study shows allocation of from about 10% (smaller institutions) to about 15% (larger institutions); this includes emerging markets. AMS has about 8% in foreign stocks, with none in emerging markets.

AMS has a larger allocation to US equities and smaller allocation to alternative investments.

Alternative investments.

We currently include the REIT funds as alternative investments. Recently they have certainly met the goal of increasing the return of the portfolio. They currently make up 6.3% of the portfolio (at the end of 2003 they were less than 5%). The limit on alternatives is 10%.

One of the allocations commonly seen in the NACUBO study is to emerging markets. Allocation averages range from 1% in smaller institutions to about 3% in larger institutions. Vanguard published an analysis of emerging markets in July of 2004, *International Equity Investing: Investing in Emerging Markets*. Its executive summary:

Executive summary

By blending theoretical and empirical approaches, we find that the allocation of a portion of a portfolio's international exposure to emerging markets stocks can enhance the portfolio's long-term risk-adjusted returns. The benefit of such an allocation is the opportunity to increase a portfolio's return while reducing its risk through diversification. However, the cycle of bull and bear markets, financial crises, and stock market booms and bubbles can break down the long-term case. Indeed, over certain short periods of time, investments in emerging markets have reduced a portfolio's return while increasing its volatility. To decide on the appropriate allocation to emerging markets, investors must weigh their expectations of long-run risk-adjusted returns against the potential regret of their portfolios' underperforming benchmarks or peer-group averages over shorter investment horizons. We recommend that risk-tolerant investors allocate a small portion of their international stock investments to emerging markets.

The analysis includes the following table, which provides a history of returns and volatility with comparison to US stocks (Wilshire 5000).

Table 1.
Annualized risk and average returns of emerging and developed markets

	Simple Annualized Average Return	Compound Annualized Average Return	Volatility
Full sample: 1985–2005			
Emerging Markets	16.71%	13.90%	23.43%
U.S.	13.09	11.89	15.34
EAFE	12.73	11.27	17.14
“Lookback” period*: 1975–1984			
Emerging markets	15.73%	14.59%	15.35%
U.S.	12.68	11.77	13.72
EAFE	14.85	13.71	15.18
Before liberalizations: 1985–1990			
Emerging markets	23.91%	20.52%	25.90%
U.S.	15.24	13.59	17.88
EAFE	23.96	21.73	21.26
Early liberalizations: 1991–1996			
Emerging markets	19.48%	17.89%	18.18%
U.S.	17.10	16.60	10.11
EAFE	9.80	8.78	14.42
Recent period: 1997–2005			
Emerging markets	10.06%	6.87%	24.82%
U.S.	8.98	7.62	16.41
EAFE	7.20	5.99	15.52

*S&P/IFC emerging-markets regional indexes were established in 1985. Backtracking those countries to 1975 created a “lookback” bias. For the period from 1975 to 1984, the emerging-markets performance numbers are based on an equal-weighted portfolio of the following emerging markets: Argentina, Brazil, Chile, India, Jordan, Mexico, South Korea, Thailand, and Zimbabwe. Jordanian data start in December 1978. All other emerging-markets data start in December 1975.

Note: Emerging-markets data are from the MSCI Emerging Markets Index, which was backfilled by the S&P/IFC Global Composite Index between 1985 and 1987. All returns are denominated in U.S. dollars. U.S. returns are from the Dow Jones Wilshire 5000 Index.

Hedge funds have gotten a lot of publicity in recent years. Some have generated very high returns for their clients. Some have been disasters.

In January of 2004, Vanguard published *Understanding Alternative Investments: A Primer on Hedge Fund Evaluation*. Its executive summary:

Executive summary

Sparked by the 2000–2002 equity bear market and fueled by general expectations of lower future returns for stocks and bonds, popular opinion has embraced the idea that hedge funds can deliver positive returns regardless of the direction and magnitude of stock and bond market returns. As a result, hedge funds have garnered considerable attention as a viable alternative investment. But is such enthusiasm justified? What have been the risk-adjusted returns of hedge funds? And what are the risks of hedge fund investing?

This report examines the characteristics and historical performance of a common set of hedge fund strategies available to investors. While we find that most hedge funds operate in a risk-controlled framework, we caution that investing in hedge funds may not be as simple or safe as often portrayed. Indeed, this report concludes that:

- *Reported hedge fund returns contain significant biases that skew conventional mean-variance and regression analysis.*
- *Distinct and enduring differences exist between opportunistic and non-directional strategies.*
- *Because of serious data limitations, quantitative analysis of hedge funds should be supplemented by qualitative judgment.*

Style diversification.

Most portfolios are diversified by style. The SBBI table below provides a comparison of historical returns and standard deviation for various categories of growth and value stocks.

Table 8-1 Total Returns and Standard Deviation of Value and Growth Summary Statistics of Annual Returns from 1969 to 2005			
Series	Mean	Arithmetic Mean	Standard Deviation
IA Large-cap Growth Stocks	9.1	11.0	20.1
Large-cap Value Stocks	10.8	12.1	16.6
IA Mid-cap Growth Stocks	9.7	11.8	21.6
IA Mid-cap Value Stocks	14.0	15.6	19.1
Small-cap Growth Stocks	9.2	12.0	24.6
Small-cap Value Stocks	15.3	17.3	21.4
IA Growth Stocks	9.2	11.0	19.6
All Value Stocks	11.5	12.8	16.7

In general, growth has provided lower returns and larger fluctuations. In general, the cross correlations of the various categories tend to be high, 0.8 or better. The exception is in the correlation of small cap value and large cap growth, which is reported as 0.5.

The AMS core index strategy provides participation in all style categories. Shifting funds from the S&P500 index to the Total Stock Market Index would increase participation in the small cap stocks.

Frontier Capital Management.

During a number of years in the past, the Society maintained two actively managed funds, one with a growth style and one with a value style. This was a traditional way to handle diversification, and roles of the two funds were clear. Recently, the role of Frontier in the portfolio has been (informally) stated to be enhancing returns. Currently, this has not been the case for 1, 3, 5, and 10 year trailing returns. There have been periods during which Frontier has enhanced returns. However, it is not at all clear that Frontier currently fits in the portfolio either in terms of diversification or return enhancement.

BOARD OF TRUSTEES STANDING COMMITTEES

AGENDA AND BUDGET COMMITTEE

(as of February 1, 2007)

James Glimm, Chair (ex officio - President)
Robert Daverman (ex officio - Secretary)
John Franks (ex officio - Treasurer)
Linda Keen (ex officio - Chair of BT)
Donald McClure (ex officio - Associate Treasurer)

AUDIT COMMITTEE

(as of February 1, 2007)

John Franks, Chair (ex officio - Treasurer)
Eric Friedlander (ex officio – third-year Trustee/incoming Chair of BT)
Linda Keen (ex officio - Chair of BT)
Donald McClure (ex officio – Associate Treasurer)

INVESTMENT COMMITTEE

(as of February 1, 2007)

John Franks, Chair (ex officio - Treasurer)
Linda Keen (term expires January 31, 2008)
Donald McClure (ex officio - Associate Treasurer)
Peter Weinberger (term expires January 31, 2007)

LIAISON COMMITTEE

(NOT REALLY A BT COMMITTEE, BUT LISTED HERE FOR CONVENIENCE)

(as of February 1, 2007)

James Glimm, Chair (ex officio - President)
Robert Daverman (ex officio - Secretary)
John Franks (ex officio - Treasurer)
Linda Keen (ex officio - Chair of BT)

SALARY COMMITTEE

(as of February 1, 2007)

John Franks, Chair (ex officio - Treasurer)
Donald McClure (ex officio - Associate Treasurer)
Linda Keen (ex officio - Chair of BT)

EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES STANDING COMMITTEES

LONG RANGE PLANNING COMMITTEE

(as of February 1, 2007)

James Glimm, Chair (ex officio - President)
Sylvain Cappell (ex officio - second-year member of EC)
Robert Daverman (ex officio - Secretary)
John Ewing (ex officio - Executive Director)
John Franks (ex officio - Treasurer)
Robert Guralnick (ex officio - third-year member of EC)
Linda Keen (ex officio - Chair of BT)

ECBT NOMINATING COMMITTEE

(as of February 1, 2007)

Eric Friedlander, Chair (ex officio - third-year member of BT)
Michael Crandall (ex officio - Chair of Council Nominating Committee)
Robert Guralnick (ex officio - third-year member of EC)

NOTE: When the position of Secretary is under consideration, the Treasurer is a member of this Committee. When the position of Treasurer is under consideration, the Secretary is a member of this Committee.

TRUSTEE ASSIGNMENTS TO POLICY COMMITTEES

COMMITTEE ON EDUCATION

Linda Keen (term expires January 31, 2008)

COMMITTEE ON MEETINGS AND CONFERENCES

Carol Wood (term expires January 31, 2008)

COMMITTEE ON THE PROFESSION

Jean Taylor (term expires January 31, 2008)

COMMITTEE ON PUBLICATIONS

Eric Friedlander (term expires January 31, 2008)

COMMITTEE ON SCIENCE POLICY

John Conway (term expires January 31, 2008)

TRUSTEE LIAISON ASSIGNMENTS TO DIVISIONS FOR 2007

Division (Division Director)	Board Liaison
Administration (Gary Brownell) Electronic Products Development Human Resources Management Information Systems Systems and Operations	John Conway John Franks Eric Friedlander
Finance (Connie Pass) Facilities and Purchasing Fiscal	John Franks Don McClure Jean Taylor
Mathematical Reviews (Kevin Clancey) Administration Bibliographic Services Copy Editors Editorial Production Reviewer Services Slavic Languages Systems Support	Don McClure Carol Wood
Meetings and Professional Services (Ellen Maycock) Meetings and Conferences Membership and Programs Public Awareness	Linda Keen Carol Wood
Publications (John Ewing) Acquisitions Distribution Member and Customer Services Printing Production Promotions Sales Administration	Eric Friedlander Linda Keen
Washington Office (Sam Rankin)	John Conway Jean Taylor

Be it resolved, that

Gary G. Brownell, Deputy Executive Director
Constance W. Pass, Chief Financial Officer

are duly authorized by the Board of Trustees of the American Mathematical Society to act on behalf of the organization in connection with any Vanguard mutual fund account owned by the organization. Each such signatory is authorized (1) to invest the assets of the organization; (2) to obtain information and to give instructions for the purchase, sale, exchange, or transfer of mutual fund shares; and (3) to execute any necessary documents in connection with those securities and/or the Vanguard accounts owned by the organization.

That each of the additional authorized persons listed in Exhibit A attached to this Resolution, as such Exhibit may be updated from time to time, is authorized to act on behalf of the organization in connection with any Vanguard mutual fund account owned by the organization. Each such additional authorized person is authorized (1) to invest the assets of the organization; and (2) to obtain information and to give instructions for the purchase, sale, exchange, or transfer of mutual fund shares in the Vanguard accounts owned by the organization. However, the individuals identified in Exhibit A are not authorized, and will not be permitted by Vanguard, to execute in connection with the organization's Vanguard accounts such documents as new account registration forms, agreements or contracts, or checkwriting drafts (unless specifically identified on the Vanguard Institutional Checkwriting Form).

The organization agrees to indemnify and hold The Vanguard Group, Inc., its affiliates, each of the investment company members of The Vanguard Group, and their respective officers, employees, and agents (collectively, Vanguard), harmless from and against all losses, claims, and expenses (including attorney's fees) of any kind incurred by Vanguard for relying in good faith upon information provided in the Vanguard Institutional Asset Management Organization Resolution form and for acting on instructions believed by Vanguard to have originated from any authorized signatory listed above and/or any additional authorized person listed in Exhibit A. This resolution remains in full force and effect until revoked by an authorized signatory of the organization. Each Vanguard Institutional Asset Management Organization Resolution form filed with Vanguard revokes the Vanguard Institutional Asset Management Organization Resolution form previously filed with Vanguard in its entirety, and each updated Exhibit A revokes the Exhibit A previously filed with Vanguard in its entirety. Any revocation will not affect any liability resulting from transactions initiated before Vanguard has had a reasonable amount of time to act upon the revocation.

NB: THIS RESOLUTION AUTHORIZES TRANSACTIONS ON VANGUARD PLAN NUMBER 13111 ONLY.

Be it resolved, that

Gary G. Brownell, Deputy Executive Director
Constance W. Pass, Chief Financial Officer
Carol J. Couto, Assistant Controller

are duly authorized by the Board of Trustees of the American Mathematical Society to act on behalf of the organization in connection with any Vanguard mutual fund account owned by the organization. Each such signatory is authorized (1) to invest the assets of the organization; (2) to obtain information and to give instructions for the purchase, sale, exchange, or transfer of mutual fund shares; and (3) to execute any necessary documents in connection with those securities and/or the Vanguard accounts owned by the organization.

That each of the additional authorized persons listed in Exhibit A attached to this Resolution, as such Exhibit may be updated from time to time, is authorized to act on behalf of the organization in connection with any Vanguard mutual fund account owned by the organization. Each such additional authorized person is authorized (1) to invest the assets of the organization; and (2) to obtain information and to give instructions for the purchase, sale, exchange, or transfer of mutual fund shares in the Vanguard accounts owned by the organization. However, the individuals identified in Exhibit A are not authorized, and will not be permitted by Vanguard, to execute in connection with the organization's Vanguard accounts such documents as new account registration forms, agreements or contracts, or checkwriting drafts (unless specifically identified on the Vanguard Institutional Checkwriting Form).

The organization agrees to indemnify and hold The Vanguard Group, Inc., its affiliates, each of the investment company members of The Vanguard Group, and their respective officers, employees, and agents (collectively, Vanguard), harmless from and against all losses, claims, and expenses (including attorney's fees) of any kind incurred by Vanguard for relying in good faith upon information provided in the Vanguard Institutional Asset Management Organization Resolution form and for acting on instructions believed by Vanguard to have originated from any authorized signatory listed above and/or any additional authorized person listed in Exhibit A. This resolution remains in full force and effect until revoked by an authorized signatory of the organization. Each Vanguard Institutional Asset Management Organization Resolution form filed with Vanguard revokes the Vanguard Institutional Asset Management Organization Resolution form previously filed with Vanguard in its entirety, and each updated Exhibit A revokes the Exhibit A previously filed with Vanguard in its entirety. Any revocation will not affect any liability resulting from transactions initiated before Vanguard has had a reasonable amount of time to act upon the revocation.

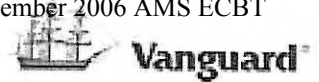


Exhibit A—Additional Authorized Persons

In addition to the authorized signatories listed in Section 2 on the Vanguard® Institutional Asset Management Organization Resolution form, identify additional persons who are authorized to transact on behalf of the organization's Vanguard account(s). Each filing of an updated Exhibit A revokes the Exhibit A previously filed with Vanguard.

Organization's Information

American Mathematical Society
Name of Organization

201 Charles Street
Street Address

Providence
City

RI 02904-2294
State Zip

05-0264797
Employer/Taxpayer Identification Number

Number of authorized persons required to transact on the organization's accounts. (Note: If a number is not provided, the signature of any one of the authorized persons identified below will be sufficient to make written transaction requests.)

Name of Authorized Person (first, middle initial, last) and Title

Name of Authorized Person (first, middle initial, last) and Title

Name of Authorized Person (first, middle initial, last) and Title

Name of Authorized Person (first, middle initial, last) and Title

Name of Authorized Person (first, middle initial, last) and Title

Name of Authorized Person (first, middle initial, last) and Title

Name of Authorized Person (first, middle initial, last) and Title

Attach additional sheets for other authorized persons, if necessary.

The undersigned hereby certifies, on behalf of the organization named above, that each of the additional authorized persons listed on this Exhibit A is authorized to act on behalf of the organization in connection with any Vanguard mutual fund account owned by the organization, subject to the applicable terms and limitations described in Section 3 of the Vanguard Institutional Asset Management Organization Resolution form to which this Exhibit A relates.

Name of Authorized Signatory/Corporate Officer (first, middle initial, last) and Title

Signature Date (month, day, year)

Name of Authorized Signatory/Corporate Officer (first, middle initial, last) and Title

Signature Date (month, day, year)

**Investment Accounts
 Signature Authority**

Account	Plan Number	Account Number	Signature 1	Signature 2	Signature 3
<u>Cohen & Steers Capital Management Inc.</u>					
Cohen & Steers Realty Shares		590073865	None		
<u>Fidelity Investments</u>					
Fidelity Ultra Service Account (Ky Fan)		Z31-047775	Gary Brownell	Constance Pass	
Fidelity Ultra Service Account		Z31-048135	Gary Brownell	Constance Pass	
<u>Frontier Capital Management Co.</u>					
Frontier Capital Management			Constance Pass	Gary Brownell	
<u>Pimco</u>					
Pimco Bond Fund		3478	Constance Pass	Gary Brownell	
<u>State Street Bank and Trust Co.</u>					
State Street Custodian Account (for Frontier)		S15435	Constance Pass		
<u>The Vanguard Group</u>					
Vanguard Short-Term Investment-Grade Fund	13111	9791148654	Constance Pass	Gary Brownell	Carol Couto
Vanguard Long-Term Treasury Fund	13111	9791148670	Constance Pass	Gary Brownell	Carol Couto
Vanguard GNMA Fund	13111	9791148683	Constance Pass	Gary Brownell	Carol Couto
Vanguard Convertible Securities Fund	13111	9865827720	Constance Pass	Gary Brownell	Carol Couto
Vanguard Prime Money Market Fund	13111	9865827720	Constance Pass	Gary Brownell	Carol Couto
Vanguard REIT Index Fund	17275	9865827720	Constance Pass	Gary Brownell	
Vanguard Total Stock Market Index Fund	17275	9865827720	Constance Pass	Gary Brownell	
Vanguard Institutional Index Fund	17275	9865827720	Constance Pass	Gary Brownell	

Information Systems Plan Status Report

Overview

The Information Systems Planning (ISP) effort has continued with the Providence computing department heads serving as the planning group. The ISP is a long-range computing plan for the Society that we expect will cover the next seven to ten years. The first two years are expected to be planned in more detail than the remainder of the plan. As each year passes, more detail will be added to ensuing years. While creation of the plan will be driven by the computing departments, it will be done in consultation with senior management and using input from the division heads and managers. The project plan for the creation of the ISP defines the tasks below.

1. Analyze the current Information Systems and Technology Environment
2. Analyze current and future Business Requirements
3. Determine Information Systems and Technology Direction
4. Analyze Gap and Determine Options and Recommendations
5. Document Purpose, Scope, and Summary
6. Migration/Implementation Plan

Status Report

Task 1 - Analyze the current Information Systems and Technology Environment

Over the past two years, the computing departments created System Assessments for the computing systems that they support. Because our computing systems are in a constant state of flux, periodic reviews and updates of these assessments is required. For the purpose of this project, these assessments can be considered to be complete.

Task 2 - Analyze current and future Business Requirements

An important part of the ISP will be documentation of the requirements of the Society's business functions, with emphasis on how well these functions are supported by the computing systems. This year, members of the computing staff collected and documented business requirements by interviewing key members of business management and staff. Before each interview, management was asked to review the business functions performed in their departments and assess the computing systems that support them, with a focus on:

1. Enhancements – What features need to be added to the computer system to effectively support of the business function?
2. Modifications – What existing features of the computing system need to be modified to more effectively support of the business function?
3. Removals – Which of the existing features of the computer system be removed because they are no longer used in support of the business function?

The computing departments have completed these interviews and the documentation has been reviewed by department managers. The final documentation will be reviewed by the Staff Executive Committee (SEC). This review process will allow the SEC to amend, approve, and prioritize the list of enhancements and modifications.

Other Tasks

Tasks 3 through 6 have not yet been completed. Work on these tasks will continue into 2007.

Creating the Long-Range Plan

When the interviews with the business departments were completed, it was obvious that the two of the most critical problems identified were:

1. Replacement of the existing financial software packages
2. Migration of the association management system from VMS to a more modern operating system

Replacement of the existing financial software packages is critical because the vendor for our current packages no longer supported and can only run using an out-dated and unsupported version of VMS.

Migration of the association management systems (membership maintenance and renewal, subscription fulfillment, order processing, inventory, customer file maintenance, mailing lists, etc.) is important because they support most of our business data processing and represent approximately 75 percent of the programs running under VMS. Before creating a long-range plan, it will be important to determine if these systems will be replaced with software purchased from a vendor and modified to meet our needs, or if the existing systems will be migrated from VMS to another operating system and enhanced.

During 2007, the computing departments will work with the appropriate business departments on software selection processes for these two areas. Each selection process will involve formation of a steering committee, documentation of detailed business requirements, creation of a request for proposal (RFP), identification of software vendors, distribution of RFPs, creation of evaluation criteria, evaluation of the vendor responses, and recommendations from the steering committee to the SEC. When these two selection processes are complete, it will be possible to create an informed and realistic long-range computing plan.

*Prepared by Tom Blythe, Director
Management Information Systems
October 2006*

**American Mathematical Society
Committee on Education Meeting
October 19-21, 2006
Washington DC**

Summary Report

The Committee discussed a number of issues related to mathematics education. Guests of the Committee included representatives from the American Council on Education, Education Development Center, National Science Foundation, Achieve, Math for America, The College Board, Council of Graduate Schools. The meeting was very well attended, with 73 participants, including 35 chairs and representatives of mathematical sciences department.

Discussion on Mathematics Education

James Glimm (Stony Brook University/AMS President Elect) opened the meeting with a discussion on mathematics education, particularly undergraduate education. He referred to a number of recent studies on the teaching of calculus that find that there are problems in the system. Glimm advocated for the mathematics community to look for ways to improve the teaching of calculus (and other courses). He had some suggestions for the AMS and the Committee on Education on this point, including: 1) making available to incoming department chairs and directors of undergraduate instruction a collection of recent reports on the topic of mathematics education and, generally, on chairing a mathematics department; 2) providing help sessions whereby those schools who have achieved improvement in their teaching can be a resource for other universities; 3) addressing the undergraduate instruction issue as a supplement to the AMS department chairs workshop held at the Joint Meetings. He also made some recommendations for mathematics departments, including: 1) rewarding good teaching; 2) building support within a department structure for concern about teaching; 3) working with poor teachers to improve their teaching. Glimm cited some other examples of how universities are addressing teaching improvement.

Report on The Institute for Mathematics and Education

Bill McCallum (University of Arizona/COE Chairman) reported on a new initiative at the University of Arizona – The Institute for Mathematics and Education. The aim of the institute is to provide a place for disciplined collaborative work between mathematicians, educators and teachers. The goals of the institute are: 1) focused collaboration aimed at concrete improvements in mathematics education; 2) norms for interdisciplinary scholarship; and 3) a professional culture which respects and rewards collaboration.

McCallum informed attendees of one of the Institute's coming events -- a Workshop on Mathematics Courses for Teacher Education to be held March 1-4, 2007 in Tucson, Arizona.

Report on the Secretary of Education's Commission on the Future of Higher Education

Bill Parsons (American Council on Education-ACE) discussed the report from U.S. Secretary of Education Margaret Spellings appointed commission regarding the future of higher education. The report is entitled "A Test of Leadership: Charting the Future of U.S. Higher Education." Parsons gave attendees some background on the commission and its report, including information on the makeup of the panel, hearings and testimony.

The report includes findings and recommendations in four basic areas: access, affordability, quality and accountability. One significant proposal that Parsons discussed was with regard to Pell grant awards – the proposal is to increase the average award from the current level of 48 percent of the cost of an average four year public university to 70 percent. Parsons also mentioned that the report does embrace the funding levels recommended in the President’s American Competitiveness Initiative (ACI).

ACE President David Ward was the only commission member to not offer his signature on the report presented to Secretary Spellings. Parsons explained that Ward found fault with some of the report’s recommendations and detailed some of them for meeting attendees. He also discussed some of the positive and non-controversial recommendations of the report to give attendees an overview of the findings in the report.

“Collaborations Between Mathematicians and Educators”

Sarah Sword (Education Development Center) introduced the panel to discuss collaborations between mathematicians and educators. The panel consisted of three teams: Jim Lewis and Ruth Heaton from the University of Nebraska; Glenn Stevens and Steve Rosenberg from Boston University; and Karen King from New York University and Irwin Kra from Math for America.

Glenn Stevens and Steve Rosenberg presented information on two collaborative efforts at Boston University. One is the Program in Mathematics for Young Scientists (PROMYS) and the other is the Focus on Math MSP. PROMYS was founded in 1989 and grew from a focused program for high school students to a program that works with teachers in school settings that includes three elements – an immersion experience, a research experience and a leadership experience. The Focus on Math MSP was launched in 2003 and Rosenberg discussed its efforts in bringing together mathematicians, math education professors and high school district leaders to work on meaningful content in the state’s exit exams.

Jim Lewis and Ruth Heaton then presented information on the Math in the Middle Partnership (M²) at the University of Nebraska-Lincoln. The goal of M² is to improve K-12 student achievement in mathematics and to reduce achievement gaps in diverse student populations. Lewis and Heaton discussed the program in some detail and then talked about what they have learned about the process of collaboration.

Irwin Kra, Executive Director of Math for America (MfA), introduced the organization to meeting attendees. This foundation was established in 2004 to improve the quality of mathematics education in U.S. public schools. Kra discussed MfA partners and programs and also talked about the Math and Science Teaching Corps Act of 2006, legislation introduced in early 2006 that would create a national teaching corps based on MfA’s successful NYC programs. Kra then described the Newton Fellowship Program, which recruits and trains teachers for placement in the NYC public high schools. Karen King then discussed the MfA/NYU partnership for the Newton Fellowship Program. King also described two other programs that grew out of the MfA/NYU model that are also related to mathematics teacher preparation – the Gateway Project and the Partnership Project.

Achieve's American Diploma Project

Laura McGiffert Slover discussed Achieve's work in raising academic standards and achievement in America's schools to better prepare students for postsecondary education, work and citizenship. She highlighted Achieve's central initiative, the American Diploma Project (ADP). The project, which has grown to a network of 26 states, involves a wide variety of K-12, higher education and business representatives. ADP research has found a common core of knowledge and skills in math and English that are necessary for success in postsecondary education and for acquiring "good jobs." Specifically, it found that to be college and work ready, students should complete a rigorous set of courses that includes a math requirement of four courses, with a content equivalent to Algebra I and II, Geometry and a fourth course such as Statistics or Pre-calculus, in addition to English requirements. The project concludes that states should align standards and assessments with skills required to succeed in both college and work.

The College Board's Mathematics and Statistics Standards for College Success

Andrew Schwartz (The College Board) presented The College Board's newly released Mathematics and Statistics Standards for College Success. He distributed copies of the publication to all attendees and gave some background information on the development process for the document. He then discussed some of the standards presented in the document.

Panel on Common Language for Standards Documents

Joan Ferrini-Mundy (Michigan State University), Laura McGiffert Slover (Achieve) and Alejandro Uribe (University of Michigan) presented three different perspectives on standards documents. Slover kicked off the panel by talking about how difficult the process of writing standards documents can be. She talked about what the process requires, particularly with regard to balance -- such as in balancing the wide variety of perspectives that are brought together during the process, balancing topics, balancing critical thinking with procedural knowledge and so on. She also discussed what Achieve looks for in its standards review process: rigor, focus, coherence, specificity, clarity and measurability.

Uribe discussed why mathematicians should participate in the standards writing process. He spoke about what mathematicians have to offer the process, including: precision in mathematical language, perspective on what topics are more fundamental or important for higher education, and enthusiasm and appreciation for the beauty of mathematics. Uribe also discussed the importance of communication and collaboration between mathematicians and educators to this process.

Ferrini-Mundy talked about how standards documents should provide two things: 1) precision and rigor in mathematics; and 2) direction for K-12 mathematics teaching. She used some examples to highlight the tension that sometimes comes from trying to achieve these two goals.

Council of Graduate Schools Ph.D. Completion Project: Report from Participating Mathematics Departments

Daniel Denecke (Council of Graduate Schools) introduced the relatively new Ph.D. Completion Project, which was designed to address the causes behind student attrition from doctoral programs and address the fact that historically underrepresented minorities complete programs at lower rates than majority students and that women are completing at lower rates than men, particularly in STEM fields. He explained that the completion project is funded by the Pfizer pharmaceutical company and by the Ford Foundation. It

involves 21 grant-recipient universities and 24 additional partnering universities. Denecke further explained that it is not just an intervention project, but is a research project with components that include completion data, attrition data, exit surveys, and policy and activities assessment.

Alejandro Uribe (University of Michigan), DeWitt Sumners (Florida State University) and Loek Helminck (NC State University) then spoke about their universities' involvement in the project. Uribe provided some statistics and information on the math Ph.D. program at the University of Michigan and then discussed some components of their program, including a summer institute, a mentoring program, and a program review. Sumners then talked about FSU's involvement in the project as an unfunded partner. He discussed the challenges that exist in their mathematics Ph.D. program and the changes they have made to address these challenges. Helminck gave an overview of the doctoral programs at NC State and then discussed the math program's goals and commitments, recruitment measures, opportunities and retention.

National Council of Teachers of Mathematics Curriculum Focal Points

Sybilla Beckmann (University of Georgia) presented NCTM's recent Curriculum Focal Points as the "next step" following the publication of standards in 1989 and 2000. Three curriculum focal points have been identified and described for each grade level from pre-K to grade 8, along with connections to guide integration for forming a comprehensive mathematics curriculum. These focal points are meant to be major instructional goals and desirable learning expectations. Their implementation should help build students' mathematical competency.

Beckmann went through the focal points grade-by-grade and expanded on their descriptions with specific examples of mathematical problems that illustrate the content suggested for the curriculum at that level.

Computer Testing

Frank Quinn (Virginia Tech) discussed developments in computer testing as determined, in part, as a result of a computer-assisted education project at Virginia Tech. He described what he calls "teaching tests," which are not assessment tools, but are designed to play a central and active role in the learning process in low-level math courses. These "teaching tests" are more difficult and comprehensive than typical assessment tests and students use them to learn by taking them multiple times and using them in place of homework.

Quinn talked specifically of Virginia Tech's large computer-assisted education program. He illustrated the costs involved in the program, both financial and in teaching time. He also discussed the considerable efficiency they have found in using these tests and talked about the educational outcomes.

Report on Activities of the Centers for Inquiry-Based Learning, Sponsored by the Educational Advancement Foundation

Educators at four universities are working to incorporate the Inquiry-Based Learning (IBL) philosophy into their classrooms. Michael Starbird (University of Texas at Austin) discussed IBL and how the University of Texas at Austin is implementing it. Using IBL, students learn mathematical concepts through individual critical thinking rather than by simply listening to lectures or reading texts.

Starbird talked about two points in their curriculum where IBL has a role to play -- introduction to proof and introduction to research. He spoke of the courses created using IBL and the way these classes are

conducted. Currently, IBL classes and course materials at his university have been developed for number theory, analysis, discrete mathematics and topology.

Future Plans of the Preparing Mathematicians to Educate Teachers Project

Alan Tucker (SUNY at Stony Brook) is one of the PIs on the Preparing Mathematicians to Educate Teachers (PMET) project funded by the National Science Foundation. The project has four major components: 1) faculty development through workshops and mini-courses; 2) information and resources provided through talks, articles and websites; 3) regional networks to help initiate, support and coordinate efforts at individual institutions; and 4) mini-grants for individual institutions to improve their teacher education programs and develop new instructional materials. Looking to the future, Tucker referenced another round of standards that is set to be issued in a few years and he encouraged consensus building within the mathematics community prior to assessing any new standards documents.

Committee on Education Meeting Topics Discussion

Bill McCallum introduced the idea of having invited department chairs submit potential topics of discussion for future Committee on Education meetings. These proposals would need to specify a topic, explain why the topic would be of interest to the community and who has expertise on this topic. The Committee on Education would review these submissions and, if chosen, the AMS Washington office would work with the person making the suggestion to put it on the agenda. There was some discussion about how this approach would work, including how much of the work the person suggesting the topic would be responsible for.

COE activities at New Orleans, LA Joint Mathematics Meetings, January 2007

Bill McCallum reported that the AMS Committee on Education will host a panel discussion at the Joint Meetings in New Orleans, LA in January 2007. The panel discussion will be on the National Mathematics Advisory Panel and will be held on Monday, January 8th from 8:30 to 10:00 am.

Dates of Future Meetings

The committee chose dates for the next two years' meetings. They were scheduled for Thursday to Saturday, October 25-27, 2007 and Thursday to Saturday, October 23-25, 2008 in Washington, DC.

*Sam Rankin
Associate Executive Director
Washington Office
November 10, 2006*

Recommendations for emerging market fund and additional total stock market fund.

At the October Investment Committee meeting, the Committee recommended establishing an additional total domestic stock market index fund and an emerging market fund. The emerging market fund is to provide some additional diversification; the additional total market index fund is to provide some protection against a complete Vanguard catastrophe (as might be the case in a meteor strike).

The table below compares the Vanguard Emerging Market Stock Index Fund and iShares MSCI Emerging Markets Index Fund. The Vanguard Fund is a traditional mutual fund; iShares is an exchange traded fund (ETF). Although the funds tracked slightly different indexes in the past (see note below table), they both use the same index now. Vanguard charges purchase and redemption fees that are intended to cover transaction costs and are added to the fund. Over a period exceeding two years, the fees and expenses will be lower with Vanguard than with iShares.

Staff recommend selecting the Vanguard Emerging Markets Stock Fund.

	Vanguard Emerging Markets Stock Index Fund*	iShares MSCI Emerging Mkts Index Fund	MSCI Emerging Markets Index (net)	Spliced Emerging Markets Index*
Ticker	VEMAX	EEM		
Exp Ratio	0.30%	0.77%		
Purchase Fee	0.50%	\$20		
Redemption Fee	0.50%	\$20		
YTD 9/30/06 Return	10.38%	9.78%	12.39%	10.32%
1 Yr Return	17.05%	16.28%	20.46%	18.63%
3 Yr Return	29.34%	30.09%	30.59%	30.30%
5 Yr Return	27.25%	N/A	28.47%	28.05%
10 Yr Return	7.76%	N/A	7.36%	8.04%

* Benchmark was Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index thereafter. According to our Vanguard representative, “the Select EM Index was an Index that MSCI constructed several years back, specifically for Vanguard. We asked for this custom EM benchmark because at the time we weren't comfortable with stock liquidity in several countries included in the "normal" MSCI Emerging Markets Index (most notably Russia and Malaysia). More recently, our concerns regarding liquidity in these countries diminished enough where we were comfortable switching to the normal, more typical MSCI EM benchmark rather than the Select EM Index.”

Fidelity offers the Spartan Total Market Index Fund (FSTVX). It has a low expense ratio of 0.07% and a short-term trading fee of 0.50% (the short-term trading fee period is 90 days).

Staff recommend this fund as an additional total stock market fund.

Gary Brownell and Connie Pass

