



Cornell University Employee Assembly

Cornell Employee Assembly
Minutes of the October 3, 2018 Meeting
12:15-1:30 PM
Space Sciences 105

I. Call to Order & Roll Call

- a. H. Depew called the order to meeting at 12:15pm.
- b. *Members Present:* A. Sieverding, A. Hourigan, B. Roebal, C. Sanzone, C. Dawson, D. Hiner, E. Miller, H. Depew, K. Supron, K. Mahoney, K. Barth, K. LoParco, M. Benda, T. Chams, T. Grove, A. Howell, L. Johnson-Kelly
- c. *Members Absent:* A. Haenlin-Mott, A. Brooks, C. Wiggers, K. Fitch, P. Andersen, P. Thompson, H. Sheldon

II. Business of the Day

- a. Presentation from Paul Streeter, Vice President for Budget and Planning
 - i. P. Streeter gave a budget overview. Cornell is overall on a stable financial position. The overall campus budget is balanced and the central budget managed by the Provost is balanced. However, capacity and flexibility varies by units so individual unit budgets can be much more stressed than what he is implying.
 - ii. He went over the two types of operating budget types. "Operating budget" refers to the resources they have for a one-year budget ongoing operations of campus operating units and the campus as a whole. "Capital budget" refers to multi-year plans for major renovation projects or investments into administrative systems.
 - iii. Ithaca Campus Budget Objectives
 1. Build central capacity to invest in priorities, including salary programs to retain and recruit faculty and staff, as well as academic and housing deferred maintenance.
 2. Ensure sufficient and predictable budgets for campus operating units.
 3. Minimize tuition increases. Questions about affordability is on the agenda.
 4. Maintain balanced budget in FY2019 and beyond.
 - iv. Budget planning in investments the provost and president are trying to make are geared towards four priorities.
 1. Academic distinction
 - a. Faculty excellence in retainment and recruitment
 - b. Investment in research, scholarship, and innovation
 - c. Collaborations
 2. "One Cornell"
 - a. Capitalizing on Cornell's unique combination of rural and urban campuses
 - b. Integrate programs and initiatives across all campuses
 3. Educational verve
 - a. Educational innovation
 - b. Increased student housing and upgraded academics spaces
 4. Civic Responsibility
 - a. Affordability
 - b. Increased socio-economic diversity
 - c. Equitable and inclusive community
 - v. The fiscal year 2019 total university revenue is \$4.35 billion. The single largest source is the medical college physician service revenues, which large goes back out as compensation.

- vi. The fiscal year 2019 Ithaca Campus revenue is \$2.42 billion. The campus is very dependent on tuition and fees (46% of the total, 33% net of financial aid). One challenge is that they are becoming increasingly dependent on tuition – up from 30% five years ago.
 - 1. Compared to other ivy institutions, they have a more diverse set of revenues. However, the area increasing the fastest is tuition. The campus took a huge hit in the recession.
 - 2. Expenses for people (staff and faculty) and space (utilities and running facilities) dominate the expense pie (\$1.6 billion of the total budget).
 - 3. Cornell has over \$6 billion dollars of endowment. That money cannot be touched and has to be invested. Cornell collects the investment income off of it, about 4.5% yearly. Some years, investment performance is good and some years are poor. Large gifts to the endowment does not change the operating budget that quickly.
- vii. Over the last 5 years, Cornell has been growing on both the staff and faculty side. The undergrad body has grown significantly and the master's degree program is also growing.
- viii. The administration is working to bring down tuition rate increases over the coming years.
- ix. Key points and elements of the budget model
 - 1. Distributes resources and costs
 - 2. Aligns resources and costs
 - a. Revenues and related direct costs are predominately distributed to revenue producing units. Indirect institutional support costs are distributed to revenue producing units using reasonable approximate measures. The central university budget redistributes resources to sustain many units who don't have sufficient resources
 - 3. Establishes clear financial management responsibilities and incentives at the unit level, but also adds the risk of unit optimization over institutional optimization.
 - 4. Requires proactive management oversight to maintain balance, manage competing interests, and enable progress.
- x. How Cornell pays for new buildings, building renovations, and major software systems
 - 1. Gifts restricted for use only on a building project
 - 2. Occasionally borrowing money (i.e. debt), such as the north campus project
 - 3. State University Construction Fund (Contract College Facilities only), such as the MVR renovation
 - 4. Funds set aside from operating budget
- xi. The capital planning philosophy for the Ithaca campus include prioritizing investment in renewal and adaptation of existing space to meet programmatic needs while addressing maintenance backlog, limiting new space growth to only programmatic needs, maintaining stewardship of the historic campus, developing reasonable funding strategies that align with scope, and where possible (particularly with revenue generating opportunities) utilizing third party partnerships.
- xii. Cornell does not have the flexibility to allocate more money in increasing staff levels so this issue comes down to the units. Deans in the colleges have the responsibility to determine the amount of support they need. That tension is going to remain in the system.

III. **Approval of Minutes of the September 19, 2018 EA Meeting**

- a. Motion to approve the minutes of the EA meeting of September 19, 2018 – **approved** with no dissent

IV. **Business of the Day (continued)**

- a. Update on R1 & R2
 - i. H. Depew said R1 is in regards to the budget, and President Pollack has expressed enthusiasm for R2. There is no negative feedback.
- b. President's Address to Staff Update
 - i. C. Sanzone said everything is on track.

1. The food is ordered, and the event is all set for Klarman Hall.
 2. Communications has been deployed and they will be doing some follow-ups through PawPrint, Facebook, and email.
 3. A. Haenlin-Mott has been coordinating for the remarks and the presentation of the appreciation award. The plaque is in production.
- ii. C. Sanzone asked H. Depew to touch base with the president's office for a heads up.

V. Committee Reports

- a. Communications and Awards Committee
 - i. C. Sanzone said the event was her update.
- b. Education Committee
 - i. The committee is meeting next week.
- c. Welfare Committee
 - i. No update.
- d. Transportation Committee
 - i. No update.
- e. Benefits and Policy Committee
 - i. They established expectations for the committee.
- f. Executive Committee
 - i. No update.
- g. Elections Committee
 - i. No update.
- h. L. Johnson-Kelly gave an update on the Retirement Plan Oversight Committee that was created by the Board of Trustees in 2010 and made up with faculty and staff to monitor retirement plan vendors.

VI. New Business

- a. K. Mahoney asked what the takeaway of P. Streeter's presentation was, and how it would benefit the employees at large.
 - i. H. Depew said she was hoping this presentation could help the EA get a sense of its mission and what the priority of the university is. There are a lot of capital projects happening, but nothing adjusted for salary increases. This will not be the only time P. Streeter will present, and it is good to learn more about the budget so members can answer questions when constituents ask.
- b. EA member suggested sending a copy of the presentation slides prior to the presentation so EA members know what to expect and can formulate questions to facilitate discussions.
 - i. H. Depew said she did ask for the presentation in advance but received it this morning. She agreed with the suggestion and said it would be helpful moving forward.
- c. EA had a discussion about ways to be conduits for their constituents and tips to conduct outreach to them.

VII. Adjournment

- a. H. Depew adjourned the meeting at 1:30pm.

Respectfully Submitted,
Catherine Tran
Clerk of the Assembly