



MINUTES
Employee Assembly
September 17, 2014
12:15-1:30 PM
401 Physical Science Building

I. Call to Order

G. Mezey called the meeting to order at 12:16pm.

Present: N. Bell, D. Brooks, M. de Roos, B. Esty, C. Ferguson, T. Grove, H. Hall, S. Jenks, E. Lee, G. Mezey, J. Rogan, B. Schaffner, BJ Siasoco, M. Stefanski Seymour, P. Thompson

Absent: J. Ballerstein, B. Cristelli, L. Croll Howell, L. Morris

Also Present: J. Blair, N. Doolittle, G. Giambattista, C. Lender, A. Mittman, A. O'Donnell, Paul Streeter

II. Call for Late Additions to the Agenda

BJ Siasoco added a quick update on the President's Address to the staff to the new business portion of the meeting. G. Mezey also added a discussion on the retirement communication to employees and its effective to new business.

III. Approval of the Minutes

T. Grove moved to approve the minutes and C. Ferguson seconded the motion. The EA unanimously approved the minutes from September 3, 2014.

IV. Business of the Day

A. Cornell Budget Model Presentation with Paul Streeter

G. Mezey introduced Paul Streeter and explained his presentation is to help the EA and other staff members understand the budget model and how it is impacting staff.

P. Streeter explained he would be working off of the questions provided to him by the EA prior to the meeting, and he also requested if any questions came up during his presentation to please bring them forward. He then gave a description of the previous budget model used by Cornell and defined a budget model as the way the university distributed revenues that come on campus and how they are going to pay costs. The budget model does not affect how much money is coming into or leaving the school, which is based more on the financial climate outside of the university. The past budget model had three different types of budget models running on the campus. The Law school, Johnson school, and Hotel school were on "tubs", which meant they received their tuition and gift money and then they paid the utilities and building maintenance bills directly without going through the provost. The four contract colleges all received their tuition money directly as well and paid a share for the university overhead. These colleges saw the utility bills but the provost was in charge of paying these bills off. These

colleges also received 130 million dollars from the State of New York, which was given directly to the provost. Finally, the private colleges got allocations from provost but the provost remained responsible for handling the financial aid bill, overhead bill, and utility bills. The Deans received a net amount and they worked within that amount to fund colleges. P. Streeter explained with three completely different models it was difficult to move forward; however, the new budget model was able to take parts of all of the models to create a hybrid.

The new model was created so tuition for undergraduates flows to the provost and is collected into a tuition pool. The provost then distributes the money to all of the colleges who have and teach undergraduate students—each college is looked at for actual enrollment and then where the students are actually taught. For masters degree, tuition money directly to the college the student is working in. P. Streeter stated one of the biggest changes is all of the colleges now receive their building care, maintenance, and utilities bills. This new system has created a lot of transparency. C. Ferguson asked if the tuition cost considers the different amounts it costs to educate the different majors? P. Streeter said there is no differentiation for students but the model was created to attempt to make revenue more apparent and align behaviors with decision-making and resources. The model subsidizes colleges and there will be some colleges that will likely always receive money from the provost. M. Stefanski Seymour asked if the medical college is considered in the model. P. Streeter answered that the medical college and Cornell Tech Campus are outside of model but Geneva is considered to be part of the Ithaca campus. T Grove asked who determines the overhead costs for each college. P. Streeter said it is the provost's decision but the bill is distributed based on several different metrics.

M. Stefanski Seymour questioned how the model affects what the EA is fighting for: salaries, employment, etc.? P. Streeter explained the budget model does not change the amount of revenue coming in or out but rather it brings the trade offs clearer to light. Cornell has been struggling the last few years and finished fiscal year 2014 at break even. The budget does not affect this financial struggle; however, it does paint a clearer picture for the trustees who then will make decisions on employee issues such as salaries. P. Thompson asked if the transparency might change how colleges push for money, especially since they can now see where they were lacking in utilizing potential funds? P. Streeter said yes this is a potential with the new model as with the transparency there comes pros and cons. The budget model is meant to be a reasonable distribution of revenues; however, it is not an exact science and when we act as though it is we create a local optimization that is not healthy. The budget model so far is trying to find the sweet spot which is how much money is going in and out the door instead of an internal competition.

J. Blair asked about paying for space considering not all building and utilizes cost are equal—for example a lab with fume hoods will be more expensive than an office. Utilities are metered separate for buildings while maintenance and building care are more socialized. P. Streeter explained to deal with this they developed a metric in which facilities know how much it costs and then it is divided by square footage. The goal is to recognize the cost but not to create a dislocation because of it. BJ Siasoco questioned if any other patterns or things have started to come up now that it is more transparent? P. Streeter said the trade-off have become more crisp and the model has promoted new entrepreneurship with people thinking about revenue in a healthy way. Marie de Roos said the vet school will under go renovation which were planned before the new model and asked if these renovations will be affected. P. Streeter said the

building cost will be bared by the vet college. The budget model did not really deal with construction.

P. Streeter mentioned there are two main points the EA can bring to its constituents: patience and to differentiate the budget model from financial challenges. It is not the budget model it is the financial reality. A. Mittman added from the Board of Trustees point of view in terms of new budget model, the board is very pleased with the transparency aspect. B. Schaffner asked how the budget model affects campus life since with the old budget model campus life did not contribute to financial aid but with the new one they have to contribute but are not able to raise housing or meal plans to compensate. P. Streeter explained the logic is that if housing and dining are raised the university would lose money because only about half of the students are actually housed on campus. To help the campus life, the provost has provided some support to cover increases in salary, food cost, and general operational costs.

In the final portion of the discussion, G. Mezey asked P. Streeter if there is a PR push for the budget model as it would be good to present the information to other members of staff around campus. P. Streeter said there is no PR but he would be happy to present again to other employees as well as help the EA in whatever capacity they deem most appropriate.

V. Report from the Chair

There was no report from the chair.

VI. Old Business

BJ Siasoco reported for L. Croll Howell and explained the food for the President's Address has been ordered. It is similar to previous years with sandwiches from the Cornell Dining. J. Rogan asked if the EA will be polling employees as they enter the event, like they did last year. G. Mezey said the EA can talk about but that if it does happen again it will be in a different format in order to be more effective.

G. Mezey asked P. Thompson if all of the UA Committee spots have been filled. P. Thompson has emailed the EA members but no one is concretely assigned to a committee yet. G. Mezey urged the members who are available to do so to join the Campus Infrastructure Committee as they will be housing some important discussions this year. T. Grove explained many employees cannot attend the meetings because of the time meetings are held. She asked J. Blair if it is possible for the meetings to rotate times throughout the year. J. Blair explained other hybrid shave been attempted and have not worked in the past; however, after the initial meeting on September 23, 2014 the committees will decide when to meet and the frequency so members can have input on times and dates.

VII. New Business

T. Grove and G. Mezey tabled their discussions until the next EA meeting on October 1, 2014.

VIII. Adjournment

C. Ferguson moved to adjourn the meeting. P. Thompson seconded and the EA meeting of September 17, 2014 was adjourned at 1:31pm.