Cornell University
Employee Assembly

AGENDA
Employee Assembly Meeting
March 18, 2020
12:15 -1:30pm
Zoom

"An Active Voice for Cornell Staff"

We strive to make all events accessible. If you are in need of accommodations in order to fully participate, please contact the Office of the Assemblies at (607) 255-3715 or assembly@cornell.edu.

I. Call to Order 12:15pm
II. Roll Call
III. Approval of Minutes
IV. Business of the Day
    a. COVID-19 Virtual Staff Forum/Q&A with V.P. and Chief H.R. Officer Mary Opperman
    b. Jessica Withers: Inclement Weather Working Group Presentation
    c. Kate Supron: Cornell 2020 Census Stakeholder Group Presentation
V. New Business
    a. Open Discussion
VI. Adjournment – 1:30pm

Note:

Until further notice, due to the COVID-19 outbreak, all remaining Employee Assembly meetings will be held virtually via Zoom: https://cornell.zoom.us/j/258604492

Upcoming Meeting:

- April 1, 2020 – CLASP
- April 15, 2020 – Accreditation Committee

Cornell Employee Assembly
Minutes of the March 4, 2020 Meeting
12:15-1:30 PM
401 Physical Sciences Building

I. **Call to Order & Roll Call**
   a. Chair Howell called the meeting to order at 12:15pm.
   b. *Members Present:* S. Barry, K. Barth, J. Cooley, J. Creque, H. Depew, J. Duong, B. Fortenberry, G. Giambattista, B. Goodell, A. Haenlin-Mott, D. Hiner, A. Howell, E. Ivory, R. Lochner, K. LoParco, A. McCabe, R. Miegl, E. Miller, A. Miller, C. Sanzone, H. Sheldon, K. Supron, W. Treat, C. Wiggers, J. Withers
   c. *Members Absent:* K. Mahoney, T. Chams, M. Benda, J. Michael, L. Taylor, A. Brooks, M. Newhart, J. Townley

II. **Approval of Minutes**
   a. Motion to approve the minutes of the February 19, 2020 meeting – approved with no dissent

III. **Business of the Day**
   a. VP for Budget and Planning Paul Streeter: Cornell Budget and Endowment Presentation
      i. P. Streeter gave an overview of the two Ithaca campus budget objectives, which are to maintain a balanced budget of both immediate needs and the long-term future, and invest in major priorities while supporting ongoing campus operations. His office works with the one-year annual budget and the ten-year budget outlook used as a planning tool. He also explained the two types of budgets. There is an operating budget, which is a one-year plan defining available resources and how it will be used to support campus operations and campus operating units. The capital budget is a multi-year planning budget, which includes projects that have been on the docket for a number of years such as renovation of McGraw Hall.
      ii. P. Streeter gave an overview of the FY 2020 total university budget totaling $4.77 billion, which are resources that come into the institution. The single largest resource is the Medical College Service Revenues (30.6%) with the second being the gross price of tuition and fees (25.8%). Sponsored programs (15.7%) include restricted grants and gift money. He also gave an overview of the FY 2020 Ithaca campus budget totaling $2.53 billion. In Ithaca, tuition makes up 45.7% of the resource. However, the campus has diverse revenue streams. Cornell is also a large research institution in which a large portion of its money comes from sponsored programs. It also benefits from a relationship with New York State, and federal appropriations constitute 5.8% of the budget. Other sources that make up 9.9% of the revenue can include revenue from the animal hospital, the Lab of Ornithology, Cornell Executive Education, and Statler Hotel. In the sponsored arena, Cornell has direct costs to carry out the activity and indirect costs to assist paying for the overhead of running the university.
      iii. P. Streeter gave an overview of the FY 2020 Ithaca campus budget operating expense at $2.5 billion, explaining that Cornell approximately breaks even each year. Expenses largely go towards people and space (54%), which includes salaries, wages, benefits, maintenance, utility costs, and debt service. Financial aid constitutes 18%. Cornell receives endowment or gifts over time to provide students with aid that is funded by investment income. Another component is unfunded aid, or a discount off the tuition price. Cornell provides aid to undergraduates based on financial need.
      iv. P. Streeter gave an overview of Cornell's relationship with New York State. Cornell is a land-grant institution with four contract colleges under SUNY oversight: College of Veterinary

Medicine, College of Agriculture and Life Sciences, College of Home Economics, and the School of Industrial and Labor Relations. Cornell receives about $120 million in appropriations each year that goes to the four contract colleges. Cornell also operates in every county of the state and in the five boroughs of New York City. The state provides financial support in the research realm to research supporting NYS citizens and industry. From a financial standpoint, the appropriations allow Cornell to charge NYS resident students in the four contract colleges a lower tuition rate. It also provides partial support for the operations of the four contract colleges and support for major facility repair and renovation projects.

v. P. Streeter gave and overview of the endowment funds, or funds invested such that the principal amount is kept intact for the long-term while providing a stable flow of operating revenues to fund core activities. Endowment funds typically come from donors and are legally restricted for a specific purpose in perpetuity. Cornell benefits from the income. Individual endowment funds are not separately invested but invested together through the Long-term Investment Pool. Last FY 2019, the endowment was about $6.9 billion and it generating approximately $340 million. The income was used for academic programs and research (29%), financial aid (26%), professorships (22%), general purpose and facilities support (20%), and CU Foundation (3%). As of June 30, 2019, the long-term investment pool market value was $6.9 billion. It is an invested asset with two resources coming into it over time: endowment gifts and investment earnings. From that pot of money, the total spending rate governed by the Board of Trustees is equivalent to approximately 5% based on the average value of the endowment over a 7-year period.
   1. H. Depew asked about the trajectory of the payout amount.
      a. P. Streeter explained that every dollar in the endowment owns a share, and Cornell pays out a certain dollar amount per share. It is at $2.45/share each year. That number has been going down because Cornell is trying to get down to a 5% spending rate. Previously, Cornell had been spending at an unsustainable rate at 5.6%. He anticipated the number is close to bottoming out and then perhaps a slight ramp up.
   2. J. Duong asked for explanation of reports regarding lower performances of the Cornell endowment compared to those of similar institutions.
      a. VP for University Relations Joel Malina explained that Cornell made a shift in its Chief Investment Officer about three years ago who put in place a shift in strategy. Due to the way markets operate, Cornell is limited in terms of making changes. Cornell's performance has performed better over the last few years than it had previously.
   3. R. Miegl asked about the affordability of tuition and whether it will ever decrease.
      a. P. Streeter noted that investing in student access is a constant challenge and a significant priority of President Pollack. Cornell makes a large investment in it, but the trade-off of reducing tuition is that expenses also include paying employees, buildings, space, and programs. Cornell continues to be a need-blind institution. In addition, students from the lowest three or four income quintiles are paying less today than they would have two years ago in terms of average cost. It will be difficult to decrease tuition as Cornell needs and increase in resources every year to maintain operations. In addition, as North Campus goes online, Cornell has a plan to grow enrollment.
   4. K. Supron noted there is a $362 million amount in addition to the funds that come from the endowment for financial aid. She asked for the source of it beyond the endowment.
      a. P. Streeter replied that it is tuition income. Financial aid can be thought of as a price discount.

vi. P. Streeter gave an overview of the internal budget model and how resources are allocated. The University Budget conveys sources and uses of revenue from an institutional perspective. The internal resource and cost distribution occurs through a standard budget model. The budget model only distributes resources and costs, and does not create any new resources or expenses. His office's challenge is aligning the resources and the costs. The Central university budget pools and redistributes resources to sustain units that do not receive sufficient resources directly and to invest in priorities. The budget model structure includes direct revenues and expenses, pooled resources that are subsequently redistributed, and cost recovery and assessment. Direct resources include professional and graduate tuition, investment income, gifts, sponsored awards including indirect cost recovery, sales and service income. Direct expenses include salaries, wages, benefits, and general operating expenses. Pooled resources include undergraduate tuition and financial aid that is distributed based on enrollment and teaching, and state appropriations that is distributed to contract colleges only. Cost recovery and assessment include the central administration and other institutional costs, facilities maintenance, and university support pool assessment on net tuition.

1. H. Depew referenced the previous recession and questioned what changes have been made or preparations put in place for the future financial impacts of another recession.
    a. P. Streeter explained that during the recession, the endowment lost about 20% of its value but sponsored program money went up slightly because the federal government was trying to stimulate the economy. There was also a drop in state appropriations of about 205. Cornell has been looking at payout policies, having a 7-year average, and thinking about the way the treasury manages its money and how accessible the cash is. Should a recession happen, Cornell is susceptible to drop in state appropriations and the endowment value, which would affect income stream. It is also susceptible to student need as Cornell is a need-blind institution.
2. A. Howell asked if there were an emergency fund or identifications of non-essential aid that could be prioritized in the event of a downturn.
    a. P. Streeter noted that the university looks at contingency much more formally now and building it in the budget. He stated that Cornell is in a much better prepared position and does not face the same scale of risk.
3. B. Goodell shared concerns about the deferred maintenance costs.
    a. P. Streeter replied that Cornell can never wipe out deferred maintenance as it is too large of a number and prioritizing building so much over people and programs would be a disproportionate use of resources. However, they are trying to make targeted investments where they can. There is a new 10-year capital plan with a list of projects to prioritize. There is a funding plan for those projects.
4. K. Supron asked if new construction projects have to have the funds to endow the maintenance over time.
    a. P. Streeter stated that it is an aspiration but not a policy requirement. However, Cornell does not start a project without knowing how it is going to pay for the project and maintain it.

IV. **Committee Reports**

a. Executive Committee
    i. H. Depew stated the committee is continuing work on transitioning documentation and providing resources to the next executive team. They are also working with units across campus on a commemoration or award. There will be a CCET forum debate at the next meeting. The committee is also trying to arrange for a presentation on the North Campus Expansion in April. In May, they will leave some time for regrouping for the end-of-year discussion and review.
b. Communications and Awards Committee
    i. C. Sanzone stated the committee met and reviewed the draft content for the next newsletter, which includes the George Peter Award rollout, CARE Fund promotion, and an election heads-up. J. Creque also showed samples for EA promotional items. Members also had a discussion about the lunch concept. B. Fortenberry is going to be getting some information on possible discount or special menu items for a pilot of the lunch get-together event. She also provided J. Withers with a template for the election mailing.
c. Education Committee
    i. M. Benda is not present.

d. Welfare Committee
    i. K. Mahoney is not present.
e. Benefits and Policy Committee
    i. B. Goodell announced that the next meeting will be on March 17 from 10:30-11:30 in PSB 401. They will continue to discuss the bereavement policy and will follow up on the election day time off policy and other new businesses.
f. Elections Committee
    i. J. Withers said she is working on the template from C. Sanzone. The election heads up will be in the March newsletter.

V. **New Business**

a. Open Discussion
    i. A. Howell asked for feedback on an option of having an abbreviated EA meeting next time to allow members to attend and participate in the CCET debate. It would be on March 18 and held from 12-1pm. He explained the CCET election and debate is not EA-administered and the EA would have its meeting directly after.
    ii. G. Giambattista noted that the trustee debate will happen at that time regardless. The idea is to maximize an already-interested body while also ensuring the 12-1pm traditional lunch hour to engage the staff community. They are proposing starting the meeting at noon with the first hour being the trustee debate and having an shortened EA meeting from 1-1:30pm. EA meetings are open and it could be a great opportunity to advertise EA elections and welcome guests of the debate.
    iii. A. Howell made a motion to move to the question to have the EA meeting alongside the candidate debate – motion passes with majority vote.
b. B. Fortenberry brought up performance reviews and disciplinary documents. He questioned whether the process was effective and asked for the experiences of other units.
    i. B. Goodell advocated for better training in dialogues.

VI. **Adjournment**

a. Chair Howell adjourned the meeting at 1:30pm.

Respectfully Submitted,

Catherine Tran
Clerk of the Assembly