New Budget Model Update

Faculty Senate
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Division of Planning and Budget
Background: Why The Budget Model Change was Proposed

• One budget model for the Ithaca campus that is transparent, simple, data informed, and advances academic excellence
• Manage the cost pressures of the current environment
• Improve service, quality and reduce costs
• Improving processes to respond to:
  • Deep cuts in state appropriations
  • Decreasing parental and student ability to pay tuition bills
  • Severely constrained revenues
  • Declines in fundraising, investment income, and research grants
  • Increasing operational costs, deferred maintenance, and other capital
Principles Beneath the Proposal

• Decisions will be data informed

• Will seek to align fiscal responsibility with activities

• Costing will be as transparent as possible

• Policies will be flexible enough to manage complexities

• Policies will be uniformly applicable and standardized
Budget Model Redesign Plan

Phase 1: Current Conditions
- Completed
  - Define underlying principles
  - Evaluate current budget model
  - Recommend high-level changes that should be made

Phase 2: Define Future State
- Current phase
- FY2011 thru FY2012
  - Determine detailed budget model changes for future state
    - Policies and procedures
  - Determine impact
  - Define desired outcomes
  - Create implementation and communication plans

Phase 3: Begin Phased Implementation
- FY2012 and beyond
  - Communicate changes to key stakeholders
  - Implement budget model adjustments
  - Implement sustainability and measurement mechanisms
Subcommittees and Governance Groups

**Budget Modeling Teams**

**Leadership**
- Deans
- Provost, Kent Fuchs
- VP P&B, Elmira Magnum

**Budget Model Steering Committee**
- Deans (4 total)
- Vice Presidents (4 total)
- College Officers (4 total)
- Vice Provost
- Budget Director
- University Auditor

**Subcommittees**
- Recharge and Cost Recovery
- Administrative Cost/USP
- Space Use
- Cost of Instruction

- Set direction
- Provide guidance
- Test alternatives
- Make decisions
- Advise and represent stakeholders
- Champion redesign efforts
- Address policy issues
- Propose alternatives
- Recommend specific solutions, policies and procedures
- Determine budget impact of recommendations
Major Issues and Current Status

• Undergraduate Tuition – Pooled
  – Financial Aid
• Space Use – Space Study launches in Spring 2012
• Cost Allocation Methodology – being modeled
• University Support Pool – under review
• Facilities and Administrative Reimbursements Proposal – under review
• New York State Appropriation – under review
• Graduate Tuition – no change in current practice
• Cornell Abroad – moved to GP funding & CAM
• Endowed Professorships – centrally held – moved to Dean’s office
Next Steps

- Continue current path to reach agreement on major principles and implementation

- Provost will hold a meeting with the Deans in January to discuss outcomes of the summer and fall 2011 activity