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New Budget Model Update

Faculty Senate
December 14, 2011

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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

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Budget Model Redesign Plan

Phase 1: Current Conditions	Phase 2: Define Future State *Current phase*	Phase 3: Begin Phased Implementation

Completed

- Define underlying principles
- Evaluate current budget model
- Recommend high-level changes that should be made

FY2011 thru FY2012

- Determine detailed budget model changes for future state
  - Policies and procedures
- Determine impact
- Define desired outcomes
- Create implementation and communication plans

FY2012 and beyond

- Communicate changes to key stakeholders
- Implement budget model adjustments
- Implement sustainability and measurement mechanisms

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Subcommittees and Governance Groups

Budget Modeling Teams

Leadership

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

- Set direction
- Provide guidance
- Test alternatives
- Make decisions

Budget Model Steering Committee

- Deans (4 total)
- Vice Presidents (4 total)
- College Officers (4 total)
- Vice Provost
- Budget Director
- University Auditor

- Advise and represent stakeholders
- Champion redesign efforts
- Address policy issues
- Propose alternatives

Subcommittees

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

- 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

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