



Cornell University Employee Assembly

[MUSIC PLAYING] **ADAM HOWELL:** OK. Looks like we have some attendees filtering in, but we'll be going for a little bit. So I would like to call this meeting to order. We have a digital roll call that has been taken. And I would like to ask for an approval of last meeting's minutes. And somebody just chat that motion to me, please. All right. Motion to approve by Brandon. Second. All right. Second by Kris Barth. And the minutes are approved by unanimous consent.

The business of the day, as you all know, is a presentation by the vice president and chief of human resources officer, Mary Opperman and Paul Streeter, vice president for budget and planning. We're going to get into that in just a second. But before we do, I want to welcome any of our staff colleagues who are joining us today. We always are so grateful and love it when our staff colleagues join us at a regular meeting of the EA. And it looks like we're going to have a lot of people tuning in today, so thank you for being here.

I do want to point out to anybody who is attending or who is viewing our meeting, this is a regular meeting of the Employee Assembly. This is not an open staff forum. So we will only be taking questions or providing speaking privileges to EA members. Our meetings are run according to Robert's Rules of Order, and we'll be taking a speaker's list. But we hope that anybody attending will be able to enjoy a lot of great information today.

For those of you who do have opinions, commentary, questions, any input that you would like to give on today's presentation or other matters, you can always give us feedback by going to the Office-- excuse me, the Office of the Assembly's website. It's assembly.cornell.edu.

And we will have a special link up under the News and Updates section of the website on this particular issue regarding the financial situation with the university and any cost saving measures. So feel free to leave us feedback on the Office of the Assembly's website on the EA portal, and we'll love to hear from you.

So with that, I would like to not waste any more time and turn it over to vice president Mary Opperman and Paul Streeter. You both have the floor. And thank you so much for joining us and giving us the opportunity today. I really appreciate it.

MARY OPPERMAN: Absolutely, Adam. Thank you. And thank you to the EA for supporting all the efforts of the university and for being such an amazing group on behalf of the staff, especially during these difficult times. So Paul Streeter is going to take us through a PowerPoint that helps us understand where we are financially, and then lets you know what we're thinking about in terms of trying to address the remaining financial issues.

I do want to say that we're working as hard as we can to try to retain as many staff jobs as possible. We've done a lot of things to mitigate impact. We know that there has been some. We can't tell you that there won't be any more, but we are doing the best we can.

I do want to also say again that the president and the provost are steadfast in that commitment. And so with that as a backdrop for the conversation, I'm going to turn it over to Paul Streeter who will take us through the PowerPoint. Paul, thank you.

PAUL STREETER: Thank you, Mary. And thank you, Adam, EA, for the chance to present. I am going to walk through a presentation. I'll share my screen here in a moment. The provost has given a similar presentation to the faculty senate. And this presentation's largely based on one that we gave to the trustees a couple of weeks ago.

So it was our best thinking about what our financial outlook looks like. As I will note in the presentation, there are a number of uncertainties, but we did want to share and provide you with this update so you know what we're thinking. And let me just jump into this. And Adam, I'll turn to you to guide on questions and things of that sort. But I'll just keep working through the presentation unless you stop me along the way.

So again, there are four overarching principles that are guiding the decision making, as noted here, and as I think you've seen in previous messages. Caring for students, safeguarding our institution as a world-class institution for the future.

As Mary already noted, maintaining a strong commitment to maintaining as many staff positions, as much as possible. And continuing to seek new knowledge and protect the university to be able to do that long into the future. So those are the overarching principles that guide all the decision making.

As we look ahead, I'm going to focus today's conversation really about fiscal '21 budget. And when I say that term, what I'm referring to is the financial year that begins as of July 1 and extends through next June 30. So from July 1, 2020, through June 30, 2021, is the time period I'm referring to here. It's really next academic year.

As I mentioned already, this pandemic has created a significant amount of uncertainty in next year's budget, even though we're close to that budget year starting. I'll explain in a little bit why. But there remains a lot of uncertainty. But we do think that we're projecting-- we are projecting. We do believe we're facing roughly, without any mitigation, a couple-- \$200 million shortfall for next year. Could be much higher. We have taken some actions that are producing that, and I'll show you that in a second.

To put this on scale, the Ithaca campus budget-- so the campus alone is about a \$2.4 billion enterprise. When you add in the medical college, we're closer to a \$4.4, \$4.5 billion enterprise. But this context is Ithaca campus. And this is a \$200 million, \$210 million shortfall, again, before actions are taken. And what I want to do today is share the state of our financial planning, the steps we've taken to date and kind of what we're contemplating for the future.

So as I've mentioned a couple times, there are some significant uncertainties as we think about next year. Let me just kind of briefly describe these. Glad to take questions afterwards if you want.

Undergraduate financial aid is a really big issue for us. We are a needs-blind institution, and we are committed to meet the full need of our students to be able to attend campus. So in a time of a downturn in the economy, that hits our student families hard. And the result is that we end up having to provide more financial aid. But we are, again, a needs-blind, needs-based financial aid institution,

and that means that we don't have a set budget. We will meet the financial need of our students, of our admitted students.

And so this remains an uncertainty as to what that need is right now. Families are understanding the financial impact on their incomes. And we do expect that there will be a rise in financial aid based on past history, what we saw in the last big recession in 2009. So we are expecting a significant increase in financial aid, but we really don't know what that will be until we really see what student behavior is around appeals for their financial aid packaging.

Housing and dining. A lot of uncertainty. This really is very dependent upon the decision of whether students will be coming back to campus. If so, how many students? So again, I'll get into this a little bit more in a second. But the housing and dining realm remains uncertain as to what it will look like in the fall.

On the tuition side, there are some risks in terms of enrollment levels, both for our master's programs as well as our undergraduate enrollment. So we are uncertain in terms of what students may choose to defer for the fall semester or for next academic year. Students have been admitted, so the admitted class is set. The returning class is set. But there's still a choice that students have as to whether they return or not, and that would affect our enrollment levels and affect our revenues.

Next, a significant uncertainty, is just the cost of operations. It certainly will be the case that next academic year will not be a normal academic year. There will be costs we face in terms of adjusting our operations to mitigate and prevent as much as possible the spread of the virus.

So this will involve extensive testing, actions to promote and maintain social distancing, providing sufficient PPE where warranted. This will cost us. The plans are still being set on that, but this will be an increase in expenses for next year of just dealing with COVID-19 mitigation and prevention.

And then lastly, there are a significant amount of revenues that occur in units throughout campus. We list the hotel here separately, just because that's one probably to get your arms around specifically. But that is an enterprise, and they've been shut down through this initial few months of the pandemic.

Other enterprise activities throughout campus have also been affected, and we expect that these operations will continue to be affected next year, even if we do-- or as we do open up. The scale of their ability to raise revenues as they have in the past will be affected. So again, the degree of that is uncertain, but we are certain that there will be a downturn in revenues.

So our approach to budget planning at this point has been to develop the three scenarios. Noted here, they're speculative in nature, so please don't take any of these as given numbers. They are our best educated assumptions around them. But they are three planning scenarios, and they're intended to bracket the range of possibilities that we think we might face, and then to give us a place in which to start thinking about measures to close the outstanding gap.

We will be presenting to the trustees a budget later this month in a special meeting at the last week of June. So we have not yet presented a fiscal '21 budget to the trustees. We did, as I mentioned, present these scenarios to the trustees a couple weeks ago. But we will do that before the end of the month. And again, as noted here at the bottom, no scenario decisions have been made yet.

So let me describe the three scenarios generally. Again, please understand, these are intended to kind of bracket the situation. None of these are definitive in the sense of exactly what might play out.

So the first scenario is one in which we're operating as a full residential campus come the fall with instruction occurring in more of a hybrid mode. Probably a mix of both online as well as in-person instruction, depending on the size of the course. It will likely entail, if we were under this scenario, shortened in-person semesters. So the academic year, at least in the presence of students on campus, will change, and there would be some part of the semester online.

We are anticipating under this scenario that we would have-- the international student body would be more limited than is what history would normally say for us. So we are concerned both at the graduate level that students will choose not to come here or may have a challenge in coming here just from travel restrictions, visa restrictions and limitations.

And we do expect even under this scenario, just because it's not going to be quite the same academic and student experience for students, that we will see a modest enrollment reduction. So even in this scenario, we are expecting some modest enrollment reduction.

The second of the three scenarios, again, just intended to bracket this planning, is a more limited residential option. So again, with hybrid instruction. So it would be shortened in-person semesters again, but with only partial undergraduate residents. So this would be an effort to de-densify the campus by having fewer students return to Ithaca and take residence here.

So again, in this scenario, if we are in a more limited residential, we think there will be fewer international graduate students, and that from an enrollment standpoint, we would have more significant enrollment in housing and dining reductions in this scenario if we just have fewer students that we bring back to the dorms.

And then the third scenario to bracket these options is one in which we don't have any residential students come the fall. Rather, we are fully online. So teaching fully online. In this scenario, we would anticipate it would be the most significant enrollment reduction of the three. And again, the least international enrollment. And obviously, the least housing and dining if for the fall semester we essentially didn't have students in the fall.

So those are the three scenarios. And I'll move on to provide you the financial assumptions, trying to bring these to life from a financial planning standpoint. Actually, before I do, let me kind of summarize to date what we have been doing.

As you've seen in other communication since March, there have been a number of decisions made and actions taken thus far. Our estimate is that the value of these is \$110 million. So as I talked about up front, that \$210 million deficit, we think we've solved \$110 million of that so far. And it's through these actions.

We have made a significant effort to reduce the amount of capital spending. These are maintenance and other planned renovation projects that either we have just stopped completely or that we will defer and put off to some time in the future. But in doing so, we've been able to save \$35 million that can directly support this financial challenge we're under.

As you know from other communication, the decision was that there would be no salary increases for fiscal '21. That decision saves approximately \$25 million across campus. We are currently operating under a hiring pause, which means that there's a very, very high bar to reach, to pass in order to go forward with any hiring decision. Those considerations start at the unit level and then move forward if there is a request for an exception into a central process.

But we are expecting this will slow down hiring. And in doing so, leave positions vacant. And in doing so, it will save us money. Our current estimate is about \$20 million, but this really just depends on our ability to hold down hiring, at least for the short term, in order to save this funding. So we are estimating a savings of \$20 million in that realm.

We've also cut down on non-personnel spending. So we have put some restrictions in place and some strong expectations in place for units to eliminate, reduce the amount of discretionary spending. So we are in a different operating mode, and we're asking units to cut back on any expenses, any non-personnel expenses they can achieve, any reductions they can achieve.

We're expecting a minimum of \$5 to \$10 million out of this effort. It could be more. Hard for us from the center to really understand where those choices are. But at a minimum, we are expecting in the range of \$5 to \$10 million.

And simultaneously, we are operating with a restriction around travel. And I expect that restriction will hold for quite some time. Certainly, the better part of next year. And again, just the travel pause alone will save, at a minimum, \$5 to \$10 million. Again, could be much more than that. So we are taking some actions on the non-personnel side.

Additionally, there has been an emphasis or are moving an emphasis for the near term to shift our philanthropy focus, or at least some of the philanthropy focus, to current use. And I believe particularly around financial aid support. So we are anticipating that we could see an uptick in giving for current use.

So we receive moneys-- when I say for current use, that's to spend in year. Many of our donors give money for endowment, and that money really serves us for the long term, and we only spend the income from those gifts. This is really asking our friends and donors to support us with money that we could actually spend currently. And our estimate is that for \$10 million in that realm.

And then lastly, across senior leadership, they took a voluntary pay cut. And the aggregate value of that is a million dollars. And that's in place now. So all total, we've taken \$110 million of actions thus far. And this may turn out to be more, depending on our ability to really hold down spending.

What I'm showing you here are the financial results of those assumptions I just went through, both the scenario one of the full residential, scenario two of a de-densified campus, and scenario three of online instruction. The numbers that are reflected here-- I'm not to go through every single row-- but the numbers here are reflective of the \$110 million of savings I just talked about on the prior slide. So these numbers are after those savings have been applied.

And if you look at the very bottom, there's a net from operations row that under scenario one is-- these are in millions-- \$98 million. Scenario two, \$226 million. Scenario three, \$314 million. So these

are the remaining deficits that we've yet to solve, given the assumptions that I talked about earlier under these.

So again, this is with reduced enrollment. If you just look at the tuition and fees row, the very first row at the top. And you can see under scenario one, we're projecting a \$1,100,000,000 in tuition. In scenario two, \$975 million. In scenario three, \$818 million.

This is the most significant driver for the differences at the bottom. And this driver relates directly to what I described up front, is under each of these scenarios, we are forecasting different enrollment levels. So that's the difference across these scenarios. And you can see at the bottom, again, the gap we are still trying to solve.

So closing this gap. So I'm going to go through each of these scenarios and talk about how we're thinking about closing this gap. So under scenario one, if we were facing a remaining gap of around \$100 million, we see a few actions. So first, again, has communicated separately.

There are 10 different specific reviews going on right now. We call them functional area reviews. They cut across a number of common administrative and support activities across campus. Those 10 reviews, again, are under review now. Reports are due in next week. If through those reviews-- under each of those reviews, the leaders of those reviews have been asked to look at scenario actions to create budget savings scenarios of 5%, 10%, and 15%.

So the 5% across those scenarios, the 5% value would be about \$20 million. So out of these functional reviews, we are anticipating that we should be able to save at least \$20 million through both personnel, non-personnel reductions. The personnel actions will be targeted to happen through attrition as much as possible. So \$20 million of this gap would close through savings through these functional review efforts.

We still would have a gap remaining. We would take other actions that would be for next year of an additional \$20 million of savings. They would probably hit with cost reductions at individual program levels. A cutback in faculty hiring, a further reduction of faculty hiring than what's already in the budget. And likely, an additional use of reserves. But we do think we could come up with another \$20 million of savings. This still leaves us, though, about \$60 million short.

So the steps that are under consideration to close the \$60 million are a couple. So most significant is to have a one-year pause in retirement contributions for all endowed employees and combine that with a one-year salary reduction for contract college employees.

And the reason for the difference is employees in the contract college receive their benefits through the state of New York. It's a different retirement program. And the contributions to that retirement program are done directly by the state of New York. It's actually not done out of Cornell's budget, so we cannot effect the retirement contribution.

So we are, again, looking to do a one-year pause in the retirement contribution on the endowed side. And for an effort of equivalency, making a salary reduction in the contract side.

This contribution, this pause in the retirement contribution would just be for fiscal '21. So for one year only with the contribution returning and full salary returning for contract employees in fiscal '22. So both actions, one year only.

These actions would save \$60 million. And if you convert that as the trade-off towards-- the potential impact if we had to solve it in other ways, this is a significant amount of value that certainly saves a lot of jobs. This has been an action taken by a lot of institutions, and they're definitely painful in many ways, but hopeful to save as many jobs as possible and protect that.

So on the retirement side, individuals can still make retirement contributions on their own, and the employee cap levels that are currently in place around those employees would remain the same. On the salary reduction side for contract college employees, the plan, the specifics are still in progress, but we are anticipating there would be a level in which below a certain salary level, there would be no reduction. And then above that salary level, it would be a progressive reduction of between 1% to 5%. And it would scale up accordingly with salary levels.

Combined with this is the plan to do a voluntary retirement plan. So an incentive-based plan would provide an incentive of six months salary payment with a one-year retirement contribution. In doing so, this would allow those who are eligible to retire, should they choose to. And for the institution, it would help provide savings in future years. Doesn't provide a lot of savings next year, but does help provide those savings in future years.

If we're under the \$226 million scenario-- so same issues, just in this scenario, recall this would be a bigger gap because we have lower enrollment-- we would be looking to achieve more savings out of these functional reviews. So instead of the 5% level I mentioned on the prior slide, we'd be looking at a 10% reduction. Again, targeting to do as much of that as possible through attrition and reassignment across offices, across the organization. So protecting positions as much as possible.

We would be pressed to do further actions, again, in terms of cost reductions in specific programs. These functional reviews-- probably won't get the list complete, but it's activities like financial processing, human resource support, communications, alumni affairs and development, facilities work, enrollment management, events management, looking at the president and the provost, the offices that report into the president and provost to make reductions in their offices.

But that area of body of offices is not complete to the whole university, and this other savings would occur in colleges and other programs. At this level, we'd be looking at \$40 million. Again, as I mentioned on the prior slide, the action of the retirement salary, one-year actions of \$60 million, that doesn't change in this scenario.

Under this scenario, we do expect that should we be operating under this scenario that enterprise units would see a greater reduction in their revenues, and that likely would end up meaning further furloughs specifically in those units. In response to that, the voluntary retirement plan would be same as that first scenario.

And under this one, the actions, all these bullets here would not close the gap, and we would end up having to borrow money to help close this gap of \$226 million. And this scenario would introduce the use of debt to help resolve the budget problem.

And if we go to the third scenario where we're fully online, this is the one we expect enrollment to take the greatest decline. Again, it would push us to do more out of these functional reviews. As I mentioned, each of the reviews has been tasked with a scenario planning around 5%, 10%, and 15% reduction. And this would push us into looking at the actions of a 15% reduction.

As I mentioned on the prior slide, we think it would probably raise the need to do some furloughs in specific enterprise units whose revenues would be down significantly. The cost savings, again, \$40 million as the prior slide. These first five bullets-- the reduction, the furloughs, the savings, retirement plan, the furloughs-- are exactly the same as the prior slide, as is voluntary retirement.

The difference in this scenario is probably the degree of debt we would have to borrow. And also, this one would probably push us into using the endowment. It's a place we don't want to go. But as a last resort in this scenario, we likely would go there.

So let me kind of jump to the endowment. This is my last slide, and then I'll certainly take questions. But let me talk about the endowment, because this is a question that's been out there is, why aren't we tapping that?

So important to really understand what the endowment is and what it does for us currently. So the endowment supports-- when I use the term endowment, this is money that is invested for the long-term benefit of the university, and it funds specific activity. I'm just going to close my window. One second. Sorry. There's a truck coming down the street.

As I said, the endowment is used to fund very specific activities. It funds financial aid costs, it funds faculty positions, it funds academic programs throughout the university. We invest that money, and in general, we take 5% payout annually to do these activities. Support financial aid, support faculty positions. So if we took money out of the endowment, we would have less income, and that would be a permanent reduction. So it is important to understand, the endowment is generating resources for the operating budget, and any action with the endowment reduces those resources.

Our endowment relative to our peers. This is a very significant resource. We are a wealthy institution, and this is a significant resource for us. But relative to our competitive institutions, we are by far the lowest amongst our peers.

The endowment, as I said, it's a large collection of funds. It's not one fund or just a few funds. It's hundreds, perhaps thousands of funds that make up the endowment. These are all invested. About 80% of those funds were provided by donors, and they have a restricted purpose. It means the donors gave us these funds to be used for a specific purpose, and we have an obligation, a requirement to honor that purpose, and we must do so in perpetuity. So taking money from the endowment is a big action, and it does raise this question of stewardship with donors.

Even when it is possible to draw down the endowment, as I mentioned that in doing so, drawing down that endowment does result in less resources in the future. So this is a question of, if we took endowment funds now, it would reduce the amount of money that we have in fiscal '22, '23, and long time really in perpetuity. So it's a big decision to make to actually take that down.

There's a significant amount of uncertainty about next year. And as I mentioned in that third scenario, should we be out at the worst of the scenarios, it would force us to look hard at taking the endowment

and probably making a recommendation to the board to tap that endowment. But again, it is something that from the president and the provost, it is the last lever they are looking to pull.

So I'm going to stop there, and I'm going to stop screen sharing just for the moment at least so I can see folks. And then I'm sure Mary and-- or Mary, I'll invite you to make any comments before questions start up. So please.

MARY OPPERMAN: Thanks, Paul. And thank you for doing the presentation. I could never have done the justice to the complexity of our modeling, so I appreciate very much your willingness to be here. And while the truck was going by your house, my dog was barking maniacally outside of my window. So I closed my window. We don't have air conditioning. So if you see me keel over, call the paramedics.

[LAUGH]

I'm going to turn it over to Adam.

ADAM HOWELL: All right Well, thank you both. I think we all-- everybody who has done a webinar or a presentation or anything virtually, as we all have so much, is very forgiving of that. My family's very accommodating by all going into a bedroom with my small children and trying to be quiet while I do these.

Paul, once again, thank you. I know it's not a pleasant or fun presentation to have to make, but we really appreciate having a clear line of sight as to what's ahead of us or potentially ahead of us. So with that, I'm going to open the floor to members. And the first question I would like to recognize. Jamie, go ahead with your question.

JAMIE DUONG: Thanks, Adam. And thank you, Paul and Mary, for joining us again. Those of us who were Cornell employees during the '08, '09 recession know that employees were asked at the time and made sacrifices for the university with SIPS being eliminated that year and significantly curtailed in the following years. We've already learned that similar cuts are coming and even more possible proposals, like you mentioned the possible reductions in salaries or retirement contributions.

In the years between the great recession and the recent COVID crisis, the stock market and the economy saw unprecedented growth, but Cornell employees did not see commensurate pay increases despite having sacrificed during the Great Recession. This time around, if we are making these sacrifices, will the university commit to making up for those in the future when and if Cornell's finances improve?

MARY OPPERMAN: Thank you so much for the question, Jamie. And I was here during the Great Recession, so I understand your question. And it is true that our salary increases and the increases across the whole country did not rebound to what they were before 2008.

But I do want to start by saying, well, here's one of the things we learned. So we took a number of positions out of the university in 2008 and 2009 because we really had to. And for a while, we had a great deal of discipline about that.

But by the time we reached the pandemic, by the time we reached March, the university was back to the size that it was prior. And one of the things that we suffer from is the fact that over 60% of our

costs are in people. So when we grow beyond what our revenues allow, we end up being put in a position where we have to spread the funds across a greater population.

And so one of the things that Paul mentioned are these longer term efforts to rationalize our administrative support services so that we can agree to the amount we believe we can afford to spend on a regular basis in those areas, which will then help us curtail the growth in the overall cost of payroll, which then allows us to set the overall payroll cost at an affordable rate and be able to move forward in a more financially sustainable way than we did after 2012 when we began to grow back. Does that answer your question?

JAMIE DUONG: Yeah. Thank you.

PAUL STREETER: Mary, if I could just chime in. Jamie, again, thank you for the question. And it prompts me to-- there's a part that I did not mention in the financial presentation that I think is important to recognize.

We do think the biggest hit of this recession, this event is fiscal '21, but we don't really think the financial pressure will end in fiscal '21. The financial aid component, given the nature of how financial aid is packaged, will continue with us for a number of years. So should we see this spike up that we're anticipating, it will continue for a number of years, given the way packaging works. We're also anticipating some reduction in state appropriations. We don't know that amount yet, but we are expecting some reduction.

So beyond fiscal '21, we don't think the scale of the issue will be just as great. Will be something significantly less. But it won't be zero. And as Mary made mention, as I tried to mentioned, these functional reviews are our effort to make an adjustment that really sustains us for the long run. They are not just one-year actions. And in doing so, we're hopeful that that positions us best for a quick recovery after next year.

ADAM HOWELL: Thank you, Paul. Members, do any of you have questions? I'm not seeing any. Oh, I see one from Brian. Brian, go ahead.

BRIAN GOODELL: Thank you, Mary. Thank you, Paul, for coming and doing the presentation. I know it's not an easy one. I've got a couple questions. I was thinking about some of the fiscal issues that we have, and I was looking at the assets that Cornell has. They have many assets in the way of properties, mineral rights, things like that. Has there been any consideration of losing some of these assets, selling off some of these assets to gain the capital needed? That's my first question.

PAUL STREETER: So that is-- Brian, I can't speak to the specifics, as I'm just not close to it. The consideration of our properties and whether to keep them, whether to monetize them, convert them into something that is more spendable is something that's ongoing, and it is being looked at right now. That would be more done out of the facilities review and out of real estate. So I just can't speak to the specifics, because I'm not close enough to it. But yes. Using all of our assets to the best way possible is in motion.

BRIAN GOODELL: OK. And my other question was, I was here for the last fiscal crisis, and we squeaked through it. But I do know that Mary's right. A lot of positions that we thought were gone are back. And there's a lot of positions that I know, that many staff know that probably aren't necessary.

And is there any talk about forming a task force to look at some of the positions on campus to find out if they are a necessity? And the ones that aren't needed, eliminated or consolidated? I know that we did a thing a while back where we looked at some positions and streamlining some positions in the lean process. I think that there's still much to be done there. And I was wondering of there's consideration. Are we headed that direction?

PAUL STREETER: Yeah. So it's a great question, Brian. So let me just start by saying, every person who's here contributes in a meaningful way. So the way I like to think about this is not that we have positions that are expendable, but rather that to the extent we can, we need to look at leveraging how we get things done and really thinking about the way that processes stream through, particularly on the administrative side.

And so that's exactly what these administrative reviews are doing, Brian. It's taking a hard look at the way we get work done, the interrelationship between the central services and the college services to see whether or not there are more effective ways that we can use the positions that we have.

And Paul mentioned that our goal is really to use attrition to the extent we can to get to that point. So if we are successful at doing that, what it may mean is that we will be offering people opportunities to do different things or do them differently. So it's very much in line with what you're talking about.

I think that we really need to acknowledge that left to our own devices, we just have so many ideas and so many creative people that want to do great things that we grow beyond what our financial capacity allows. And I think we need to acknowledge the fact that what we need to do is get back to a sustainable financial model. So I'm right there with you, Brian.

BRIAN GOODELL: Thank you.

ADAM HOWELL: OK, we have four members seeking recognition. Kris, go ahead. Kris Barth.

KRIS BARTH: Hey, everybody. Good to see everybody. I miss you guys. I miss being on campus and being in the room together and talking about stuff. Paul, I miss you too. I know two years ago we met and you showed the budget, and I was like, Paul. Where on your pie chart is the budget for IT's wires and servers? And you gave me a smile and said, all right. Let's sit down and talk about this, man.

[LAUGH]

So I appreciate you being able to break this down for people that are a little bit less financially savvy. I also appreciate everything that the administration and the university is doing to develop these comprehensive plans.

So you talked a lot about the cost savings. And I know that there is uncertainty about the uncertainty, and there is a lot of us that are working from home right now. And thank you to all the essential employees that are out there on campus, getting stuff ready for everybody. I also know that there are a lot of reports still pending from the president's committee to restart campus.

I was wondering if you could talk about areas maybe in general where the university is still doing business and where they're seeing growth or investment opportunities to support the academic

mission. So for instance, I was at the research town hall, and one of the things they mentioned is that the budget for research for FY '21 is steady, if not up a little bit. And when you're not on campus being a part of the buzz and seeing things happen, you know, stuff getting built, just wanted to know besides cuts, what is growing?

PAUL STREETER: Yeah. Thank you for the question, Chris. I'll do my best. But honestly, my attention's been on some other things, so I'm probably not as articulate about it as I probably should be.

I think what that is probably referencing is an anticipation that the federal support for research, as was the case in the last recession, we saw it increase in federal support. Last time, it was very, very intentionally to jumpstart the economy. I can't remember what it was termed, but it had a special term around it. It was initiative money.

I think there's some anticipation that in the research environment, there is going to be research funding out through external sponsors. Probably largely targeted towards virus understanding and mitigation and vaccine development, et cetera.

Institutionally, we're not putting more funds into research. So I just want to separate the two. So that's why I'm pretty confident what the reference was was an anticipation that, again, in the research environment, probably both because of the need for greater knowledge. And institutions, academic institutions are a place to generate that, as well as an opportunity to kind of jumpstart the economy through academic institutions. So I think that's what it's referencing. I'm going to turn to Mary to see if she a better insight.

MARY OPPERMAN: I think so too. But Chris, what I guess I wanted to-- I wanted to just broaden your great comment to say the revenues of a great institution from our academic lines of scholarship and innovation, that's where we get our-- that's where we get our revenues, because that's our purpose. So teaching our students, creating knowledge through the graduate student center, and faculty moving forward in outreach and extension and in research.

And so I do think our faculty are very focused on being in the spaces that are relevant to today's issues. And we are well positioned to do that. And I'm not the right person either, Paul.

But you know, we've got experts. Our breadth of faculty expertise is incredible. So we have people in CALS, in the areas of food safety. And we have people working on the virus. We have people working in spaces that help us understand what the policy decisions need to be. All across the spectrum, Cornell is in the space, right? Our researchers, the staff, and the graduate students in that research space. So I think we have reason to be positive about our opportunities in the research realm, absolutely.

ADAM HOWELL: Marcy, go ahead.

MARCY BENDA: Hi. Thanks, Paul and Mary. Thanks for your presentation. I work at the veterinary college. The hospital has remained open through everything. I was able to be home for a couple months, but things are ramping up pretty much here.

But my question was you mentioned salary reduction for contract colleges, if that college is a contract college. And I don't know if you know the amount. I think you mentioned none below a fixed level, salary level. Do you know what that is?

MARY OPPERMAN: No, we don't yet, Marcy, but thank you for asking. And it's a completely understandable thing. We're very aware of the difference and the impact between a retirement contribution hiatus, which is really significant for people, and taking on a pay cut, which is right now today, an issue.

And so the president and the provost-- and this is mentioned in the best possible way-- have staff in my office and Paul modeling every possible design to try to mitigate the impact. Any cut is hard, but trying to mitigate that impact.

So more to come. They're looking at a number of models now. But I'm very, very focused on trying to make sure that we are sensitive to the impact of taking any pay cut at all.

ADAM HOWELL: Brandon, go ahead.

BRANDON FORTENBERRY: Thank you, Adam. And thank you Paul, and thank you, Mary. I just want to give a special shout-out to Mary and your commitment to the people throughout this entire process. I know this has been a very challenging, challenging time. And I thank you, Mary, for being an advocate for employees.

So what I would like to say is more of a statement and just an issue of concern as the representative for student and campus life. The furlough on that street there. I'm the major furlough there, and the people in my organization are the major furlough there. And so I guess what I would just say is it's challenging to see that as a note, a bullet point on there, when you look at it.

And again, I'll say something you've heard before. The endowment of billions of dollars to look at that-- something that solves 2% of a downfall which impacts such a huge number of staff in our organization. I know that you have to look at every option, and I understand that you have very challenging, challenging decisions to make. I just urge you to consider and think about the impact that that has as opposed to the net gain that that has and the downfall and the percentage value of that.

I know that in my organization, I've seen such tremendous, tremendous outreach of, what can I do to support the university? What can I do differently? Can I help out in this area and this area? And I know that there are so many folks like that in this organization that would do anything it takes to stay on payroll, obviously. And I hope that is also considered and weighed in in the decision and thought process throughout. So thank you.

MARY OPPERMAN: Brandon, first of all, thank you. And I do want to say that the leadership of-- well, before I say that, now I'm going to have to remember something.

But before I say that, I do want to say, Marcy reminds me that I have not said the amazing work of the animal hospital and animal diagnostic lab, which continued through some of the hardest times, people coming in while we really had very little knowledge of this virus. And they kept on doing their emergency work, and then they've been slowly ramping up. And the diagnostic lab has been incredible, trying to deal with testing and social distancing. Just really incredible efforts at the veterinary college. So I just want to say that.

And then-- look, I remembered. Then Brandon, I also want to say that the leadership-- and I mean that in a broad way-- at student and campus life has kept the best interests of the staff forefront. They have just been really quite amazing about finding resources once they lost the housing and dining.

And the last thing they want to see is people furloughed. The last thing I want to see is people furloughed. The last thing the leadership, including Paul and provost and the executive vice president and probably most of all the president want to see is anyone having to be furloughed.

And so part of the reason that we're hoping for the best is that we think we can get through with minimal disruptions and if the best case scenario all of the time we're in can happen. But we have to be pragmatic.

And so I also want to say that I do think that if we do find ourselves in one of the more worst case scenarios that we will want to work creatively to see whether we can retrain people, move them temporarily. Remember, we used the term there furloughs, not layoffs, because we will come back from this. And we want to come back with people with all the knowledge and skill and dedication that you all have to our students, our faculty, to one another, to the alums, to our community.

So we're going to try the very best we can, Brandon, if we find ourselves in one of those situations to use creativity and reassignments and whatever we can to get through. You have my word on that. We're going to work as hard as we've been working. We'll work harder.

BRANDON FORTENBERRY: Thank you, Mary. Absolutely, you have been working very hard, and it's been greatly appreciated, as well as the leadership here. And I want to acknowledge that I know we're not the only enterprise unit. I just know how big of a part of the enterprise operation that we are. And so it was really important for me to acknowledge that, so thank you both.

MARY OPPERMAN: I'm glad you did. Thank you, Brandon.

ADAM HOWELL: OK, everyone. Just as a point of information, we have five people seeking recognition. So just try to keep your questions as brief as possible. Hopefully, we'll get to everybody, and we'll move to Hei Hei.

HEI HEI DEPEW: Thank you. Hi, everyone. So it sounds like the measures being taken include reduction to retirement, to savings, potential org reduction, and in worst case scenarios, we've got use of reserves and use of the endowment.

I just want to know. Have there been any discussions with units, with colleges in regards to what if anything they can do to contribute to cover the deficit? I know in past forums, I know individuals have said, I work in this program and we have some funds. Like, how can we help to contribute to any deficit? So can you talk a little bit about those sorts of discussions and how those might play into this deficit and closing the gap?

PAUL STREETER: Yeah. Certainly. Thanks, Hei Hei, for the question. The provost and I have been meeting actually with all the colleges, as we do annually. But certainly, the focus over the last month has been on both understanding the capacity of resources to help address the problem currently, strategies on how to address the problem.

So colleges are all working through those plans, and they will come into play. I mean, we will come through with a coordinated plan in the end. The colleges have, have you mentioned, many units have some reserves, some resources they could put to it. The strategy of holding positions vacant, of re-looking at work are all actions that the colleges are currently taking. And I think that then kind of drives down within the colleges at the department level and the program level.

So just as we're doing today with this presentation, we're being as transparent as we can with our projections and helping those who do manage resources understand what the challenge is ahead. And I'm confident that everyone's kind of pulling in the same direction.

Exactly what actions are being taken? Right now, they really are about doing those things we can control now. Stopping our non-personnel spending as much as possible, what is discretionary of cutting that. And that goes for anyone online here who has control over resources to stop that.

Pausing our hiring and holding positions vacant. It's not a decision about long term. That's really holding that opportunity and saving that cash as much as possible. So it's a very active conversation with units right now, and it will continue as we understand more.

And I should note, we will-- and back a little bit to Brandon's question earlier. I assure you, we continue to look at these estimates all the time. They are framing estimates right now. As we understand more, we'll continue to shape that so that we don't overshoot on what we're thinking the problem is. And we want to do our best, and as Mary said, be pragmatic here. But we do want to be careful that we are not casual about how we make these projections. So we continue to look at it, refine it, and work with the colleges in that process.

ADAM HOWELL: Rob, go ahead.

ROB MIEGL: Thanks, Adam. And thank you both for your time today. My question gets back to Marcy's as well. In terms of the salary reductions-- I'm sorry I don't have the PowerPoint in front of me in terms of that, Paul. But it was 1% to 5%.

And then the retirement on the endowed side was a one-year pause, and then it gets reenacted in FY '22. And in regards to the salary, the 1% to 5% reduction, is that something that will also occur-- like, it'll go-- I don't know. Yeah, so I wanted to ask that.

PAUL STREETER: Yes. It's a one-year reduction. It would come back in fiscal '22 in the same way the retirement contribution would.

ROB MIEGL: OK. Thank you.

ADAM HOWELL: Kate.

KATE SUPRON: I'll add my thanks to Mary and to Paul for being here today, and to the EA leadership for making all this happen. And my question is very nuts and bolts. Robert just mentioned we don't have the slides in front of us. Is it possible, Paul, that we could have follow-up access to your PowerPoint?

PAUL STREETER: Kate, I can check on that and just find out. We just really need to know what the president and provost are comfortable sharing.

KATE SUPRON: Yeah. Yeah. Absolutely. Thank you.

PAUL STREETER: Mm-hmm.

ADAM HOWELL: All right. So we'll move to Andrea.

ANDREA HAENLIN-MOTT: Hi. I want to-- everyone keeps thanking you, but just express our deep gratitude for taking the time to be able to do this today. My question is representing the disability groups on campus and individuals who identify as having disabilities.

In any of the scenarios with cost reduction, anything related to benefits, additional benefits in modifying any of our benefit programs? I know the endowed was different from contract college and the state things that are provided to our employees, but I know that that's a great concern.

MARY OPPERMAN: So let me make sure I understand the question, Andrea, before I answer the wrong one. Is your question, are we looking at constraining or reducing any of our benefits?

ANDREA HAENLIN-MOTT: Yes.

MARY OPPERMAN: No. I can't say that we won't have to do that in the future, but right now, the hiatus of [INAUDIBLE] and the cut is significant for people. And so it is not at this time our intention to cut benefits. To cut the health benefits. I think that was the-- is that the area of focus you have?

ANDREA HAENLIN-MOTT: Yeah, that's the crux of the issue. But if any other benefit programs were part of a consideration in cost reduction.

MARY OPPERMAN: Well, actually, it's a great question. So we looked at a lot of different scenarios. So you know, upping co-pays, upping the amount people contribute, looking at broad-scale changes to benefits.

But to Paul's point, we only want to propose what we think we really need. We don't want to over-propose. And so as hard as the choices that we're recommending are, we felt that it was-- they're very difficult, and I appreciate that. But we thought 10 smaller things would feel even more overwhelming, so we made the decision that we made so that we wouldn't have to do that. Now if we end up in a much, much worse scenario, I can't promise that we won't have to go back to that, but they are not on the table right now.

ANDREA HAENLIN-MOTT: Thank you.

ADAM HOWELL: OK, so we have two more people seeking recognition. I'm going to cut it off there to be respectful of Paul and Mary's time. So let's go with Karen. Karen, are you with us? Tell you what. Let's go with Carrie, and then we'll come back to Karen if she can hop on the phone.

CARRIE SANZONE: Hi. Thank you. One of my constituents asked this question. There have been some talk amongst the staff that some units may be asked to work from home permanently to save money

on rent or however that might work, and allow people to shuffle around. I just wanted to confirm, if possible, whether that's true and whether that is a broad strategy that you might use across many units.

MARY OPPERMAN: Yeah. So let me just say that use of remote work does free up space. It doesn't save money, per se, but it does potentially free up space. WE are trying to understand what work might remain partially or primarily remote for a longer term. This is something we have just begun to explore and hope to get more information and will let you know what we learn. HR is thinking about this for our own division.

One thing we know is that internet access and connectivity are constraining factors, as it having a space from which to work. And so we need to understand first, what things do people appreciate and would like to see continued? And what things are real barriers, and how might we get around those? So we're just starting those conversations.

ADAM HOWELL: OK. Karen, are you with us?

KAREN LOPARCO: Can you hear me?

ADAM HOWELL: We can hear you now. Go ahead.

KAREN LOPARCO: OK. Sorry. I did type my question in the chat, just in case I wasn't able to-- let me go back to it. Let's see. So thank you both, Mary and Paul, for being with us today. Greatly appreciate it. I'm wondering, what is the percent cut in the overall income for the employee when you pause the endowed retirement payment?

MARY OPPERMAN: So it's a 10% university contribution to your CURP. The overall impact of that depends a lot on a number of factors. Depends on your age, it depends on how you've invested your money. But the amount that's going in is at 10%. That's before you save on your own.

KAREN LOPARCO: Thank you.

ADAM HOWELL: OK. Went a little bit over the hour. But Mary, Paul, thank you both so much for coming here today and giving us this time. I know that like a lot of people have said, it's never a happy presentation, but information is always a great thing to soothe anxiety. And I think we all have a lot more of that now than what we did before.

And we really, really appreciate the transparency and stewardship and leadership that you both provide on this issue and so many others. It's been a great partnership throughout all of this, and I'm looking forward to moving on to the summer and doing more. Would either of you like to say any words in closing?

MARY OPPERMAN: You know me. Paul, did you want to say something quickly?

PAUL STREETER: Yeah, I'll give you the last word. But I just want to say thank you to the Employee Assembly for one, the opportunity to come today. It is not a happy presentation. It's a necessary presentation. And it's just a privilege to be able to provide it to you. So I appreciate the questions.

Please don't hesitate to reach out if you have other questions, and just thank you for the leadership that you bring to the community and to the staff.

MARY OPPERMAN: Well, I wouldn't have let you go first if I thought you were going to say such a great thing. So I want to echo everything that Paul said. And just to remind you all, we are going to be all right. This has really been just a really tough time, but we are going to be OK. And we will come out of this. The country will come out of it [INAUDIBLE] to one another, it's just remarkable.

And I just appreciate all of you so much [INAUDIBLE] your partnership [INAUDIBLE] on the campus about racism. And I hope that you'll consider joining them. We put out a note today about the opportunities. This is a difficult conversation for people to have and to find their space in. But this is a really amazing opportunity for us in the country to look hard at something that I think many of us have not explored deeply, and maybe make change. Make real change. So I hope you'll consider joining one of the conversations that we announced earlier today.

And once again, thank you all so much. Please take care of yourselves. Be well. You know what I always say to you. Don't watch too much TV. If you feel like you've got to watch TV, after you've had enough of all the stuff, find something that makes you feel good and sustains you. So take care, and thank you again.

ADAM HOWELL: Thank you, Mary. And to our members, remember, we still have a few minutes for open discussion. We'll be continuing our meeting as normal, so please hang around. Mary, Paul, thank you once again so much.

So I just have a few-- and Gina, please jump in if I get any of the details wrong. But I did want to update you all on the status of what we're trying to put together in terms of continuing some of these forums that we have done to keep communication with staff on a variety of topics, including the university opening back up. We probably would have had the schedule published, but this meeting was a great opportunity to be able to get a different kind of good information out to you all and our viewers and constituents.

So it's looking like we're going to be setting up several new forums throughout the remainder of the summer. Some of them will be topical in nature and shorter. And then we'll also try to tack on a couple of regular open forums like we've done in the past. We will likely, especially for the topical forums, be sending out staff surveys to solicit questions beforehand.

And hopefully, we'll be able to publish everything, including the topics and the guest speakers. I think Mary will be in attendance at all of them. But the topics and the guest speakers with our upcoming EA newsletter. Gina, did I get all that right as per what the details are right now?

GINA GIAMBATTISTA: Yep. I think we're just trying to solidify the dates. As you noted, there's six topical forums and two open forums. And with regular communications going out, as Adam just said, there'll be a link to a Qualtrics survey for each of those topical surveys so that we can elicit questions in advance and actually select a few so that-- these will just be 30-minute forums. Much shorter, because they're very focused.

And then hopefully, we can have some of the questions that we've received in advance so that the panelists can address them well on and have a robust conversation about that. But more to come. As

Adam said, we were ready to go and then this today got a little ahead of us all. But there'll be more information soon.

ADAM HOWELL: And this may be a recurring theme throughout the summer. There are so many things that are changing. There are so many opportunities for different kinds of information or different things that need to pre-empt the regularly scheduled programming that our meetings may change around a lot or these forum dates may not-- you know, may be changed around a lot. Just always stay tuned. I really appreciate, like I've always said, your flexibility and your accommodation.

The other thing-- hey, Kris, I see you. The other thing I wanted to ask, because we will be having so many forums, you know, I think it's a good idea for Hei Hei and I too have maybe some backups. You know, we all have schedules going on, different things throughout the summer, especially as the state and country partially opens back up.

But I would always like there to be an EA presence presenting and introducing each forum, closing them out. And then if we're taking questions or giving panelist questions, I'd like that to always be an EA member. So you don't have to tell me now, but if you would like to kind of back us up in case our schedules don't allow us to be there for every single forum, just let me know offline, and that would be really helpful. Kris, go ahead.

KRIS BARTH: Hey. So I want to thank all the constituents for joining our meeting today. And before we lose too many hundreds of you, I just wanted to mention that the Employee Assembly is staying together through the summer through these extenuating circumstances, but we are going to be having elections in the fall. And all the people that you're seeing on the screen, one of us represents you somewhere in Cornell.

And so if you're interested in our organization and being a part of the club, please go to assembly.cornell.edu. And you'll be able to find out who's up there, what's going on, and what are we doing. I just wanted to throw that out there.

ADAM HOWELL: Yep. And yeah, that's a very important thing. We will be still holding elections this fall, and I'm sure that we'll have a plan for that laid out soon. I totally skipped this on the agenda. I'm not going to ask every committee chair for a report. We're not meeting regularly. If any of you do have a report for any reason that you'd like to give, we have a few minutes. You can feel free to give it now. And if not, I'll entertain a motion to adjourn. Either way. Brian?

BRIAN GOODELL: Yeah. Real quick. Our BPC meeting is on the 16th at 10:30 AM. We're going to have guest speakers Amy Parmley and Seth Brahler talk a little bit about gigs and what's happening with them. I did get an email from Lauren Jacoby about the voting changes. We're going to discuss that. And it should be a good meeting. If anybody wants to partake, let me know. And I move to adjourn.

ADAM HOWELL: All right. There's a motion on the floor. Oh, looks like Hei Hei seconds. So thank you all so much. Stay safe. Stay healthy. Have a great summer. Enjoy yourselves. And we will all get together soon. Take care, everybody.