



The College of Veterinary Medicine takes pride in its rich tradition as an innovator in veterinary education, animal disease discovery, clinical programs, and biomedical research. This culture of innovation is reflected in the College's ongoing efforts to strategically adapt its programs and administrative structure to maximize impact and reflect the changing needs of society. Over the course of the past decade, the College has undergone extensive restructuring. In 1998 the academic departments of the College were reorganized, merging faculty from 9 departments into 5 in an effort to develop interdisciplinary programs and improve efficiency. In 2003, an incentive-based funding system was implemented, which standardized budgets, increased financial transparency College-wide, and transferred responsibility for effective resource management to department chairs. Graduate education within the College was also reorganized at this time, creating the Biomedical and Biological Graduate Studies umbrella that unified admissions and developed consistent educational and financial processes. Support services in the areas of Finance, Human Resources, and Information Technology were aggressively centralized as part of "work force planning". These changes have augmented accountability and entrepreneurial behavior within departments and have resulted in improved efficiency, expansion of research funding, and successful faculty recruitment. However, because of the extensive academic and financial reorganization undertaken by the College over the past decade, opportunities for further academic or financial consolidation are limited.

More recently, a College-wide strategic planning effort addressed the challenges confronting the field of academic veterinary medicine in general and the College in particular. Nationally, the costs associated with providing comprehensive veterinary clinical training are rising rapidly, and for-profit corporate networks of referral hospitals increasingly compete with academic institutions for caseload and recruitment of leading specialists. The College also faced an expanding structural deficit, due largely to a change in central University cost allocation (defined in 2000 and implemented in 2003) that dramatically increased the College's share of University costs, and a double digit annual increases in those costs in recent years. In FY09, the College closed a potential \$5M deficit through aggressive budget reduction measures, improved hospital operations, and a change in central allocated cost methodology. In the near term, the College anticipates flat or reduced core SUNY funding and an increasingly competitive environment for sponsored research. SUNY budget reductions that are offset by tuition increases in undergraduate colleges have a disproportionate effect on the Veterinary College, which has a small student body and operates a high cost hospital.

Decisions made as part of the strategic effort have led to a reorganization of the Cornell Hospital for Animals, reduction in personnel of more than 100 FTEs over the past year, consolidation of the Feline Health Center and the Baker Institute, consolidation and unification of fundraising efforts throughout the College, financial restructuring of the dual DVM/PhD program, and the elimination



of several programs. The College is currently pursuing critical strategic initiatives to expand veterinary class size by 30 students, enhance primary care training, establish a College-affiliated specialty referral clinic in southern Connecticut, aggressively market hospital programs, and initiate fee-based management agreements with nascent veterinary institutions in Hong Kong and Qatar.

Clinical areas, including the Cornell University Hospital for Animals (CUHA) and the Department of Clinical Sciences (DCS) have undergone extensive cutbacks. Over the past year, CUHA has cut nearly 10% of its administrative and support workforce, for a projected FY 2010 savings of \$600K. Reporting relationships and financial systems have also been reorganized and six (6) top management positions eliminated. Unfortunately, the prevailing economic climate has also caused a sharp and sudden drop in hospital service revenue. Savings that would have been generated by cost reductions will not be fully realized because of this loss of revenue. In order to increase caseload and revenue in a challenging economic climate, the hospital is working to further improve customer experience and marketing.

A review of all College units has identified potential areas for further budget reductions of up to \$6M with the goal of minimizing the impact on the core mission and reputation of the College. However, the direct relationship of approximately 60% of the College budget to specific federal or state grants and contracts limits the ability of the largest of these reductions to generate central cost savings. In many cases, program cuts would also eliminate the associated revenue stream, producing only indirect savings in support services. The major areas of reduction are summarized below:

1. The largest item in this category is the elimination of several programs that are supported by New York State, but which are plagued by underfunding, operate in inadequate facilities, and require intensive HR, IT, and administrative support. Over \$4M in programs of this nature have been identified that are outside of the core mission of the College.
2. The College participates extensively in undergraduate education, teaching more than 500 biology students every year, an arrangement that provides critical medically –related instruction for students interested in health science careers. Tuition transfers have been capped since 1998, placing significant financial pressure on this program, and recent reorganization of the undergraduate biology program of study will likely entail expanded contributions by veterinary college faculty. For the current undergraduate teaching program to remain under the auspices of the College, it will need to be funded through an appropriate tuition sharing arrangement consistent with other inter-College transfers. Clearly it is time to develop a fair and consistent process for undergraduate tuition transfer throughout the University.



3. Staff reductions in clinical and teaching programs have reduced the budget by more than \$575K in the current year, and additional savings of approximately \$465K have been identified through a combination of holds, non-renewals, retirements, and resignations. Savings identified in other academic areas through unfilled searches and phased retirements will contribute an additional savings of approximately \$150K for FY2010.
4. The College has developed a plan to reduce annual expenses for the Office of Learning & Instruction and the Flower-Sprecher Veterinary Library, while retaining the unique contributions of these units to the student experience and faculty productivity.
5. The Animal Health Diagnostic Center (AHDC) faces a large budget gap brought about by a 25% decline in funding from the NYS Department of Agriculture & Markets and a concomitant decline in service revenues. In response, the AHDC has sharply reduced operating and salary expense, for an anticipated savings of \$800K. Across-the-board fee increases and other revenue-generating measures are expected to increase annual revenues by approximately \$600K.
6. Consolidation and reorganization within Alumni Affairs & Development and Communications will produce salary savings of approximately \$85K. Savings associated with the centralization of College technical and administrative support services could generate an additional \$250K in estimated savings.
7. Given current low occupancy rates and high per diems, a consolidation of existing lab animal facilities across campus, including the ECRF, TCMF, Baker Institute, and Weill Hall, should be seriously examined.

These aggressive actions will provide important savings to close the current deficit and anticipate further near term reductions. In the longer term, savings will be obtained through strategic management of faculty positions to support the highest college priorities. This process will be informed by the College's recently completed Strategic Plan, and will also be impacted by the success of revenue diversification strategies that are being implemented. These strategies include leveraging the College's reputation to become a leader in global animal health through strategic partnerships, enhancing our clinical programs and buttressing our teaching hospital through the development of offsite academic veterinary medical centers, and expanding the DVM class size through a partnership with CALS and augmented support from New York State and SUNY. These initiatives will be critical for the College to retain its historic leadership position within the profession.