CUNY Investment Pool - Spending Deliberations
Fiscal Year 2013

Committee on Fiscal Affairs
Subcommittee on Investments
April 2, 2012
Agenda

1st • 4 Similarly Situated Fund Categories

2nd • 8 Prudence Factors

3rd • Deliberate on Prudent Spending Rate
4 Similarly Situated Fund Categories

- Scholarships & Fellowships
- Academic Support
- Institutional Support
- Instruction

Similarly Situated Funds
### 8 Prudence Factors

<table>
<thead>
<tr>
<th>Number</th>
<th>Factor</th>
<th>Type</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Duration &amp; Preservation of the Endowment Fund</td>
<td>Universal</td>
</tr>
<tr>
<td>2.</td>
<td>Purposes of the Institution &amp; the Endowment Funds</td>
<td>Factor Specific</td>
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<tr>
<td>3.</td>
<td>General Economic Conditions</td>
<td>Universal</td>
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<td>4.</td>
<td>Possible Effects of Inflation/Deflation</td>
<td>Universal</td>
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<td>5.</td>
<td>Expected Total Return from Income &amp; Appreciation</td>
<td>Universal</td>
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<td>6.</td>
<td>Other Resources of the Institution</td>
<td>Universal</td>
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<tr>
<td>7.</td>
<td>Alternatives to Expenditure of the Endowment Fund</td>
<td>Special</td>
</tr>
<tr>
<td>8.</td>
<td>The CUNY Investment Policy</td>
<td>Universal</td>
</tr>
</tbody>
</table>
Spending Deliberation Process

1st • Factor 2: Purpose of Institution & Endowment Funds by Category

2nd • Universal Factors: Discuss Jointly for all 4 Categories

3rd • Brief Review of Factors Applicable to Exigent situations.
Purpose – Scholarships & Fellowships

- Percent of Spending: 46.8% of Spending
- Purpose: Attract & Retain, Education Access, Crucial to CUNY
- Duration: Perpetuity, Preservation, Expected Return
Purpose – Academic Support

- Percent of Spending
  - 9.2% of Spending

- Purpose
  - Professional Programs
  - Technical Programs
  - Key Endowment Support to CUNY

- Duration
  - Long Term Funds
  - Donor Designated
  - Program Specific
Purpose – Institutional Support

Percent of Spending

• 34% of Spending

Purpose

• Work Study Programs
• Do Not Qualify for Federal WS Programs
• Important role – Education Access

Duration

• Long Term Funds
• Donor Designated
• Program Specific

Institutional Support
Purpose – Instruction

- 2.7% of Spending
- Faculty Fellowships
- Important to CUNY Staying Competitive
- Long Term Funds
- Donor Designated
- Purpose Specific
Purpose – Additional Considerations

State Appropriations
- Historically provided majority of funds for these programs

CUNY Investment Pool
- Not the primary source

Balance
- Annual Spending Amount
- Increasing needs of current & future students
- Donor-Designated Funds
Joint Discussion – Universal Factors

- General Economic Conditions
- Possible Effects
  - Inflation/Deflation
- Expected Total Return
- Duration & Preservation Endowment Funds
- Other Resources
  - CUNY Investment Policy
- Scholarships & Fellowships
- Academic Support
- Instruction
- Institutional Support
- General Economic Conditions
  - Possible Effects
    - Inflation/Deflation
- Other Resources
  - CUNY Investment Policy
  - Expected Total Return
  - Scholarships & Fellowships
  - Academic Support
  - Instruction
  - Institutional Support
- Duration & Preservation Endowment Funds
  - General Economic Conditions
  - Possible Effects
    - Inflation/Deflation
Factors Applicable to Special Situations

1. Duration & Preservation of the Endowment Fund
2. Purposes of the Institution & the Endowment Funds
3. General Economic Conditions
4. Possible Effects of Inflation/Deflation
5. Expected Total Return from Income & Appreciation
6. Other Resources of the Institution
7. Alternatives to Expenditure of the Endowment Fund
8. The CUNY Investment Policy
Spending Decision

5.0%  4.5%

% Average Pool Spending
New Deliberation if Crisis

Economic Conditions
Lower Expected Returns
Pool Net Withdrawals