

BOARD OF TRUSTEES
THE CITY UNIVERSITY OF NEW YORK

COMMITTEE ON
FISCAL AFFAIRS

MINUTES OF THE MEETING
NOVEMBER 3, 2014

The meeting was called to order at 6:00 p.m.

There were present:

Committee Members:

Hon. Joseph J. Lhota, Chair
Hon. Peter S. Pantaleo, Vice Chair
Hon. Valerie L. Beal
Hon. Carol A. Robles-Roman
Hon. Barry F. Schwartz
Hon. Terrence F. Martell, faculty member
Ms. Mariam Jakhshvili, student alternate
President Felix Matos Rodriguez, COP Liaison

University Staff:

Chancellor James B. Milliken
Executive Vice Chancellor and Chief Operating
Officer Allan H. Dobrin
Vice Chancellor Matthew Sapienza

Ex-officio:

Hon. Benno Schmidt
Hon. Philip A. Berry

Trustee Observer:

Hon. Joseph K. Awadjie

Observer:

Prof. Kay Conway

Trustee Staff:

Senior Vice Chancellor and Secretary of the
Board Jay Hershenson
General Counsel and Senior Vice Chancellor
Frederick P. Schaffer
Deputy to the Secretary Hourig Messerlian
Ms. Towanda Lewis
Mr. Anthony Vargas

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| Cal. No. | DISPOSITION |
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Committee Chair Joseph Lhota welcomed Ms. Mariam Jakhshvili as the new student member on this Committee.

The agenda items were considered and acted upon in the following order:

I. ACTION ITEMS:

A. APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 8, 2014. The minutes were approved as submitted.

B. POLICY CALENDAR

1. The City University of New York – Library Electronic Resources Omnibus Resolution. Committee Chair Joseph Lhota asked for the Committee's approval to authorize the colleges and the University to enter into contracts to license electronic and other information resources in accordance with the law and University regulations not to exceed a total of \$75 million during the term of this resolution. Any single proposed acquisition with an aggregate value of \$5 million or more shall be subject to separate approval by the Board. This resolution shall

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remain in full effect until November 30, 2019. The University is committed to providing high quality information resources to support the research, teaching, and learning efforts of the students and the faculty.

Following discussion, this item was approved for submission to the Board.

2. The City University of New York - Wiley Electronic Journals. Committee Chair Lhota asked for the Committee's approval to authorize the General Counsel to execute a contract on behalf of the University to purchase a subscription of Wiley Electronic Journals for all of the CUNY campus libraries. Such purchase shall not exceed a total estimated cost of \$5,985,960 for five years. The collection of journals to be subscribed encompasses Wiley's premium package of social sciences, humanities, science, technology, engineering, and mathematic journals published generally from 1997 to the present in electronic format. This subscription is a continuation of purchases of STEM (Science, Technology, Engineering and Mathematics) resources for the libraries.

Following discussion, this item was approved for submission to the Board.

3. The City University of New York – Elsevier Online Access to Full Text Journals. Committee Chair Lhota asked for the Committee's approval to authorize the Office of Library Services, on behalf of the University, to purchase online access to full text journals from Elsevier B.V. Such purchases for the individual colleges and the Central Office shall not exceed \$10,300,000 for five years. The collection of journals to be subscribed encompasses Elsevier's full text of science, technology, medicine and social sciences journals. This purchase is a continuation of purchases of STEM (Science, Technology, Engineering and Mathematics) resources for the libraries.

In response to a question from Trustee Barry Schwartz, Vice Chancellor Matthew Sapienza stated that this is an existing contract and the reason for doing the Elsevier and Wiley resolutions separately is because the Omnibus resolution stated that anything over \$5 million should be done separately. Since this item is over \$10 million, it needs to come before this Committee for approval, but it should be noted that the University has had Elsevier services for several years. This is a contract renewal, as the previous contract has expired.

Following discussion, this item was approved for submission to the Board.

4. The City University of New York – Intellectual Property Legal Services. Committee Chair Lhota asked for the Committee's approval to authorize the General Counsel to execute three contracts on behalf of the University to provide as needed intellectual property legal services. These contracts are being awarded on the basis of best value to responsive and responsible offerors after the University's evaluation of proposal submissions provided in response to a (Request for Proposals) RFP issued after public advertisement. The initial term shall be three years with two one-year options for the University to renew in its best interest. Such services shall not exceed a total estimated cost of \$1.5 million. The University requires the services to assist the Technology Commercialization Office with legal issues related to the filing and prosecution of patents worldwide.

Following discussion, this item was approved for submission to the Board.

5. Brooklyn College – Academic Excellence Fees for the Master of Fine Arts (MFA). Committee Chair Lhota asked for the Committee's approval to adopt a schedule of Academic Excellence Fees for students enrolled in the MFA in Cinema disciplines starting in the fall semester 2015 and ongoing thereafter as follows: effective in the fall of 2015, the fee for full-time resident and non-residents student will be \$4,140 per semester and the part-time fee for resident and

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non-residents student will be \$2,070 per semester; effective in the fall of 2016, the fee for full-time resident and non-resident students will be \$4,300 and for part-time resident and non-resident students will be \$2,150; and effective fall of 2017, the fee for full-time resident and non-resident students will be \$4,470 per semester and for part-time resident and non-resident students will be \$2,235 per semester. The new Barry R. Feirstein Graduate School of Cinema will open at the Steiner Studios at the Brooklyn Navy Yard in Fall 2015. The Feirstein School will offer a three-year specialized education in six disciplines leading to an MFA degree in Cinema Art. Housed in a newly renovated 68,000 square foot, state-of-the-art facility on the Steiner Studio's lot, the school will be equipped with the most up-to-date production, post-production, animation, motion capture and other equipment. As such, it will boast a filmmaking environment comparable to the finest in the world.

In response to a question from Ms. Mariam Jakhashvili, Vice Chancellor Sapienza stated that this MFA program at Brooklyn College is going to be the first public graduate school of cinema in New York City, as well as in the entire country, that will be on a working film lot at Steiner Studios. The University is excited about this program and one of the best things about it is that it has been a true public-private partnership. President Karen Gould and her staff have done a terrific job raising funds from the Brooklyn College alumni, and CUNY's partnership with Steiner Studios plays a key part of this initiative. On the public side, not only is the University supporting this but the Mayor's office has put up funding, as has the City Council, the Brooklyn Borough President's Office, and the New York State Senate. He added that New York State law requires that CUNY charge the same tuition for all similar degree offerings at other colleges. With the fee of \$9,000 per semester, which is significantly lower than programs at the private college in New York City, the revenue is going to be used to cover the costs of the program. None of the funds are going to be used for any other purposes at Brooklyn College.

President Gould stated that she would like to give some framework for the approximately \$55,000 cost of the MFA program over three years for CUNY students. Compared to schools around the country for a three-year program: UCLA \$112,000; Columbia \$115,000; USC in LA \$141,000; American Film Institute \$151,000; and NYU Tisch—which might be the University's biggest competitor—\$157,000. CUNY will charge a third of what these other primarily private and one public institutions charge. The reason for these additional funds is because Brooklyn College is leasing facilities that could not be reproduced on campus. One of the things that will draw students to this wonderful graduate cinema school is that it is on a working film lot. The money raised is going into the construction and the preparation for the building to open, but every year the college will have to pay Steiner Studios rent which is significant because these programs are occupying nearly 60,000 square feet. The college is confident that it will have well over 300 students after three years in the building in the MFA program track, because it already has students applying. She added that the most important thing to underscore for the students is that the college has already raised through private funding, and also public funds through the Mayor's office, \$1.7 million for student scholarships. The college also has a master plan capital campaign to raise \$10 million for student scholarships. Barry Feirstein is a Brooklyn College alum. He was the president of the Brooklyn College Foundation until last year and he is a tremendous donor that truly cares about the college.

Committee Chair Lhota stated that this is a unique program that reminds him of when the CUNY Graduate School of Journalism started, which has now become the number one school of journalism.

Following discussion, this item was approved for submission to the Board.

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6. The City University of New York – Consideration of the FY2015-2016 Operating University Budget Request.

PRESENTATION BY VICE CHANCELLOR SAPIENZA ON THE FY2015-2016 OPERATING UNIVERSITY BUDGET REQUEST

In response to a question from Trustee Valerie Beal, Vice Chancellor Sapienza stated that part of the challenge that CUNY faces in this round of bargaining is that the city and the state patterns are very different. In past years, they have been close enough that the University has been able to work out a hybrid type of agreement that fits in with both the city and the state pattern, but this year the city pattern is very different from the state pattern and that is something that the University has been working on.

In response to a question from Trustee Schwartz, Vice Chancellor Sapienza stated that at the end of the day, when both the city and state budgets are adopted, it will then be determined how much funding is available, the colleges will get back dollar for dollar what their tuition increase generates and additional state and city aid, but the \$500 is based on feedback that the University has received from the colleges, and it is also based on continuing to provide momentum for CUNY's faculty hiring initiative that has taken place over the last several years.

In response to another question from Trustee Schwartz, Vice Chancellor Sapienza stated that of the \$7 million for the expansion of CUNY's online education programs, part of it will be for fully online degree offerings and part of it will be for hybrid courses where some of the courses are taught online and some are taught in the classroom. The University also expects that some of the funds will be used for professional development for CUNY's faculty to help them generate more online degree offerings.

Chancellor James Milliken stated that most of the funds would go to program development, which is cost intensive at the beginning. It could either be used for additional components of a degree program that is offered physically and online or a complete online program. The University needs to find ways to jumpstart its positioning a bit by providing some incentives and program development funds that faculty could compete for.

In response to a question from Trustee Schwartz, Vice Chancellor Sapienza stated that the University does provide online degrees. John Jay College just started a new graduate online degree program that was approved late last academic year.

Chancellor Milliken stated that the University has a number of programs through the School of Professional Studies (SPS), as well that are online degree programs. In fact, a new one was just approved for SPS today at the meeting of the Committee on Academic Policy, Programs, and Research for an M.S. in Disability Services.

In response to a question from Trustee Schwartz, Vice Chancellor Sapienza stated that the degrees offered thus far at SPS are not graduate degrees; SPS usually offers undergraduate degrees.

In response to a question from Chairperson Benno Schmidt, Vice Chancellor Sapienza stated that the 500 additional faculty will all be new hires.

In response to a question from Prof. Kay Conway, Vice Chancellor Sapienza stated that the Committee will be provided with a breakdown of the net new faculty numbers at a future meeting.

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In response to a question from Trustee Beal, Vice Chancellor Sapienza stated that CUNY could do better in terms of keeping students engaged through technology. In terms of students persisting towards their degree, a lot of times students register for twelve credits and they do not realize that taking another course would be free because the University starts tuition discounting at twelve credits. This past year, CUNY experimented with students at the College of Staten Island who had certain GPA scores, and registered for twelve credits: a pop-up came up asking the students if they would like to take another course, and that by the way, it is free.

In response to a question from UFS Chair and Trustee Terrence Martell, Vice Chancellor Sapienza stated that discussions have been initiated with the college presidents about what the future may hold in reference to the rational tuition policy that ends in eighteen months. At the same time, the University is very confident that it can prove the case that these dollars have gone to the real benefit of the students and that terrific investments are being made on the campuses with the tuition revenue. Subsequently CUNY can make the case in Albany to extend the legislation, yet the University also has contingency plans in place with the campuses for worst case scenarios. He added that CUNY has had discussions not only with the campus presidents, but also with SUNY regarding strategies in terms of state legislation.

Chairperson Schmidt stated that in all likelihood CUNY will ask for another five-year Compact that will have predictable tuition increases as a component.

UFS Chair and Trustee Martell stated that from a tuition increase prospective, it seems to be an easier story to tell when one explicitly encounters the fact that TAP covers a nice chunk of tuitions that in fact students cannot pay.

In response to a question from Trustee Carol Robles-Roman, Vice Chancellor Sapienza stated that of the dollars being used for student success, \$1.3 million will expand the Single Stop program to all CUNY colleges and it will enhance services at the community colleges. Currently, Single Stop operates at the community colleges and at City College. The \$1.3 million would be used to staff Single Stop centers at each of the campuses. He added that he agrees with Trustee Robles-Roman that this is a very modest investment for a tremendous return for CUNY students.

In response to a question from Chairperson Schmidt, Vice Chancellor Sapienza stated that the total budget for the Single Stop program is a little below \$1 million. The University has put up some of the money and the rest comes from the individual campuses that have invested their own operating funds.

In response to a question from Prof. Conway, Vice Chancellor Sapienza stated that Single Stop is a referral program. It is a low investment for CUNY since the staffers only operate the system; they are not managing any of the benefits.

President Felix Matos Rodriguez stated that at some campuses Single Stop provided a launching pad to expand services. This program is a great service for the students.

In response to a question from Trustee Schwartz, Vice Chancellor Sapienza stated that all of the colleges have career centers; however, there are disparities in the level of services that are provided at some colleges, so the University would like to ensure that students are getting the same level of services throughout all of the campuses.

In response to a question from Trustee Robles-Roman, Vice Chancellor Sapienza stated that the Office of Student Affairs will oversee this program.

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UFS Chair and Trustee Martell stated that he is glad to see that \$20 million went to operating funds for the new Advanced Science Research Center (ASRC); it would be a mistake not to fund it appropriately, ensuring that it has the opportunity to succeed.

Trustee Schwartz stated that he would like to emphasize what UFS Chair and Trustee Martell said about ASRC. It is a world-class building and the faculty are extraordinary. The \$1.5 million that was allocated for technology transfer will pay back in spades.

In response to a question from Trustee Schwartz, Vice Chancellor Sapienza stated that when the University receives capital funding to put up new buildings, it does not receive the associated operating funds to cover the cost. CUNY has been internally funding the operating cost of new buildings for the last several years so the costs for the ASRC in the current year will be internally funded by CUNY as well. The University is confident that the ASRC is in line with the Governor's goal of STEM and research initiatives and workforce development that the cost will eventually be picked up by the state.

Executive Vice Chancellor and Chief Operating Officer Allan Dobrin stated that it has happened routinely over the last several years when CUNY has built a building with its mandated costs, as operating costs of new buildings were always included and funded. That changed three years ago.

In response to a question from UFS Chair and Trustee Martell, Vice Chancellor Sapienza stated that the state funded CUNY's fringe benefit costs last year, since that is the largest component, but they funded none of the other mandatory needs last fiscal year.

In response to a question from Trustee Schwartz, Vice Chancellor Sapienza stated that since the University began the Compact it has been requiring each of the colleges to finance part of its cost through fundraising. Each college is given a target that they have to raise that is usually a very small component of what their total fundraising would be for the year.

In response to a question from Chairperson Schmidt, Vice Chancellor Sapienza stated that CUNY raised \$250 million across the University last year. The encouraging thing about CUNY's efforts is that ten years ago, all the colleges combined were earning around \$50 million a year.

Chairperson Schmidt stated that fundraising at CUNY has gone up very rapidly and noted that he hopes that it doubles it in the next ten years.

The public meeting was adjourned at 6:56 p.m.