

BOARD OF TRUSTEES  
THE CITY UNIVERSITY OF NEW YORK

COMMITTEE ON  
FISCAL AFFAIRS

MINUTES OF THE MEETING  
FEBRUARY 1, 2016

The meeting was called to order at 5:01 p.m.

There were present:

**Committee Members:**

Hon. Barry Schwartz, Chair  
Hon. Peter S. Pantaleo, Vice Chair  
Hon. Valerie L. Beal  
Hon. Una S. T-Clarke  
Hon. Carol A. Robles-Roman  
Hon. Terrence F. Martell, faculty member  
Ms. Cecilia Salvi, student member  
President Felix V. Matos Rodriguez, COP Liaison

**University Staff:**

Chancellor James B. Milliken  
Executive Vice Chancellor and Chief Operating  
Officer Allan H. Dobrin  
Vice Chancellor Matthew Sapienza  
Vice Chancellor Frank Sánchez  
Senior Advisor Marc V. Shaw

**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  
Ms. Towanda Lewis  
Mr. Anthony Vargas

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<b>Cal. No.</b>	<b>DISPOSITION</b>
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The agenda items were considered and acted upon in the following order:

**I. ACTION ITEMS:**

**A. APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 2, 2015.** The minutes were approved as submitted.

**B. POLICY CALENDAR**

1. Purchasing of Custodial Services at Borough of Manhattan Community College. Committee Chair Barry Schwartz asked for the Committee's approval to authorize the General Counsel to execute a contract on behalf of Borough of Manhattan Community College to purchase custodial services for its leased spaces at 70 Murray Street, and 5030 Broadway. Such purchase shall not exceed a total estimated cost of \$7 million for 5 years.

In response to a question from Ms. Cecilia Salvi, Vice Chancellor Matthew Sapienza stated that this resolution is subject to the full procurement regulations of the City of New York.

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

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2. Academic Excellence Fee for the Master of Science Physician Assistant Programs at the CUNY School of Medicine at City College and York College. Committee Chair Schwartz asked for the Committee's approval to adopt an academic excellence fee of \$800 per semester for the Master of Science Physician Assistant Programs at the CUNY School of Medicine at City College and York College, effective fall 2016.

In response to a question from Ms. Salvi, Vice Chancellor Sapienza stated that this Academic Excellence Fee have been done in consultation with the faculty and students for the Master of Science Physician Assistant Programs at the CUNY School of Medicine. As with all academic excellence fees, both colleges have been informed that the fees must go back to support the program and they have committed to doing so. He added that one of the reasons why the University implements academic excellence fees is because of a State Education Department regulation that states that CUNY must charge a similar fee for like degrees although they have different costs.

In response to a question from Committee Chair Schwartz, Vice Chancellor Sapienza stated that the University has not had one singular process where it has said to colleges, this is the time to have an academic excellence fee. It has been more ad hoc over the last three or four years that CUNY has started to institute academic excellence fees at certain Master's programs.

In response to a question from Trustee Una Clarke, Vice Chancellor Sapienza stated that there are certain criteria that determine if programs should charge an academic excellence fee, such as student outcomes upon graduation in terms of not only their job prospects for getting employment but what they can earn in salary. Also taken into consideration are the costs of certain programs and what competitor programs in the region charge for a similar degree.

In response to a question from Trustee Carol Robles-Roman, City College Provost Maurizio Trevisan stated that in regards to student outcomes, by the time students finish their last semester, they all have job opportunities. Starting salaries range from \$80,000-\$85,000 a year. He added that the program has 2,500 applicants for 35 slots.

University Faculty Senate (UFS) Chair and Trustee Terrence Martell stated that academic excellence fees usually require academic resources so the University must focus on getting excellent graduate programs. The people in the programs are the direct beneficiaries of the incremental funds that go towards these programs.

President Marcia Keizs noted that the University must address the continuous need for strong accreditation and also excellent results on the licensing exam. As a result, some of the funding would go into the work of accreditation, of taking the exam, and of having faculty being continuously professionally developed in order to maintain that excellence because short of that CUNY's accreditation could be threatened.

Trustee Robles-Roman stated that President Keizs remarks are compelling. However, in terms of baselining the budget costs, it is key not to allow such important imperatives to be placed on the students' payment of these fees.

Committee Chair Schwartz stated that the budgeting process is a discipline so if there are going to be additional funds, they should be earmarked. The budgeting process should be vetted.

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In response to a question from Committee Chair Schwartz, Vice Chancellor Sapienza stated that the Office of Budget will provide the Committee with a report relating to all of the programs that have had these fees.

Following discussion, the item was approved for submission to the Board. Trustee Carol Robles-Roman and Ms. Cecilia Salvi voted NO.

3. Purchase of Cooling Towers for the E Building at LaGuardia Community College. Committee Chair Schwartz asked for the Committee's approval to authorize the General Counsel to execute a contract on behalf of LaGuardia Community College to purchase and install two new cooling towers in the E Building. Such purchase shall not exceed a total estimated cost of \$800,000. The College will replace the existing cooling towers with new energy efficient and environmentally friendly units to maintain proper temperature and humidity in the building during cooling seasons.

In response to a question from Committee Chair Schwartz, LaGuardia Community College Vice President Shakir Khan stated that in regards to energy efficiencies of the cooling towers at LaGuardia Community College, anything above 85 percent is pretty good for the new system. The current cooling towers at the College are close to 70 percent and they are 20 years old. He added that the College will recoup the \$800,000 within 15 years.

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

4. Purchase of Bus Services to transport students, faculty and staff from Franklin Ave. Subway Stop to various Medgar Evers Campus locations. Committee Chair Schwartz asked for the Committee's approval to authorize the General Counsel to execute a contract on behalf of Medgar Evers College (MEC) to purchase bus services to transport its students, staff, and faculty to and from the Franklin Avenue subway stop at Eastern Parkway and various campus locations. Such purchase shall not exceed a total estimated cost of \$800,000. The contract shall have a five-year term with an option for the University to terminate at any time.

In response to a question from Ms. Salvi, Vice Chancellor Sapienza stated that the College will use internal funds to cover these costs.

In response to a question from Trustee Beal, Vice Chancellor Sapienza stated that outside contractors will be responsible for the bus services, not employees of MEC.

In response to a question from Trustee Clarke, Vice Chancellor Sapienza stated that this contract will take competitive bids through a standard process. He added that the University has had successful initiatives with providing transportation. In every instance, CUNY has received terrific feedback, especially from the students in terms of helping them get to class.

In response to a question from Committee Chair Schwartz, MEC Chief Operating Officer Jerry Posman stated that when President Rudy Crew came to MEC, he immediately conferred with students in terms of what would make a difference on the bifurcated campus. On the top of the list was a shuttle bus that would go around the campus in a 20-minute loop that would hit Carroll Street, the Bedford buildings, and Franklin Avenue. This was especially important because the student body is made up of seventy percent females and thirty percent males. Since the College had money available through an income fund of \$500,000 per year through the Medgar Evers Prep High School lease, the idea was to take \$100,000 per year for 5 years for this shuttle bus service, which started in the summer of 2014. The College has an additional facility in George Gershwin High School/Middle School that has a similar shuttle bus service that operates in the evenings, located on Eastern Parkway. The contract is for 5 years with a cost of \$160,000 per year.

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In response to a question from Vice Chairperson Philip Berry, MEC Chief Operating Officer Posman stated that the shuttle bus operates from 7:00 a.m. to 7:00 p.m.

In response to a question from Trustee Clarke, Chief Operating Officer Posman stated that the College has a long-term lease with the Department of Education. He added that going forward the President has projected a twenty-five percent increase in enrollment over a period of time. If the high school moves to Boys and Girls High School, the College will decide whether that lease continues, or can it use the up-to-date modern facility. MEC will either get revenue or acquire a facility.

In response to a question from Ms. Salvi, Chief Operating Officer Posman stated that the College's lease agreement with the Department of Education is for another two or three years. In the out years, MEC will cover the cost so that the responsibility will not fall on the students. He added that the College will hopefully have a different type of campus as a result of master plan improvements for the whole campus facility in the next five years so it may not need the same type of shuttle bus that it has now.

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

5. John Jay College contract renewals for the NYC Justice Corps. Committee Chair Schwartz asked for the Committee's approval to authorize the General Counsel to renew four existing contracts on behalf of John Jay College to provide services for the NYC Justice Corps. The additional renewal term authorized hereby shall be one year. Such purchase shall not exceed a total estimated cost of \$2,602,000.00 during fiscal year ending June 30, 2017, using funds allocated by the City of New York to CUNY and payable by the Research Foundation. The NYC Justice Corps is a collaborative initiative that The City University of New York is engaging in with the New York City Center for Economic Opportunity (NYC CEO) as a demonstration project to reduce poverty and reduce recidivism among youth ages 18 to 24 by setting them on the path toward higher levels of education, dignified work, and meaningful participation in civic life.

Vice Chancellor Sapienza stated that this terrific program has been in place for several years at John Jay College, providing academic and vocational services to young people who are leaving incarceration. It has been funded under Mayor Bloomberg's administration through the Commission on Economic Opportunity. Since the program has had successful outcomes, funding has continued under the Mayor de Blasio's new administration. Mayor de Blasio has also committed to funding this program next year as well.

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

Chancellor Milliken stated that he received a letter from the State Director of Operations which was critical of salaries at both the CUNY and SUNY systems. CUNY is carefully reviewing the data provided by the Empire Center as well as looking at additional comparisons to other large university systems. Of course, as is the case with most CUNY faculty and staff, there have not been across the board increases in administrative salaries for over five years. Nonetheless, CUNY shares Governor Cuomo's interest in cost-effectiveness and administrative efficiencies. The University has taken a number of steps this year to reduce administrative costs including cuts in hiring and purchasing. CUNY has also realized significant efficiencies by moving a number of major administrative functions to a shared services model including admissions, financial aid, human resources, public safety, and others. These changes have been possible in large part because CUNY's campuses are all located in one city. He added that earlier today, CUNY presidents were informed of additional opportunities for system efficiencies, and are looking forward to working with the Board of Trustees, the state, the city, and SUNY. Over the past nine months or so, discussions were put in place in regards to the administrative budget reductions that the University has implemented. CUNY is also pursuing

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additional opportunities. This important work should involve the Board, particularly the Committee on Fiscal Affairs. Therefore, this Committee will play a lead role as CUNY continues this work, looking for ways to create efficiencies and to be the best steward possible for the state, the city, and the students' investment in CUNY, ensuring that the University is dedicating as much of its resources to the success and support of its students.

UFS Chair and Trustee Martell stated that cost-efficiencies are important. He added that nothing in the letter struck him as extraordinary; however, he would like to make a personal comment for the record that while Chancellor Emeritus Matthew Goldstein and he did not agree on every aspect of the decisions he made, nonetheless, he always felt that this "golden parachute" was a total misnomer of what in fact occurred. Chancellor Emeritus Goldstein made substantive changes to this University in terms of changing its reputation, changing the way people viewed CUNY, and centralizing a lot of functions. In fact, he did all these things while being underpaid during his entire tenure. To single him out is entirely inappropriate.

Chairperson Benno Schmidt stated that Chancellor Emeritus Goldstein was one of the lowest paid university system CEOs in the country, operating the third largest system in the country's most expensive city. His salary was in the bottom quartile where it should not have been so the Board felt that it would help make up for his salary in his retirement package.

Committee Vice Chair Peter Pantaleo stated that he would like to thank Chairperson Schmidt and UFS Chair and Trustee Martell for their elegant and appropriate statements. He added that one thing he found particularly challenging about the letter is that it neglected another important fact that is incorporated into the facts that were just put forth. Being on the Compensation Committee, the matter is that consistently Chancellor Emeritus Goldstein asked the committee to not consider any compensation increases for himself during the course of his tenure, especially in light of the fact that the faculty had suffered and is continuing to suffer a disproportionate share of the pain being inflicted by austerity. That is a comment on his leadership as well as a comment on the fact that the Board has been and remains in fundamental solidarity with the faculty in trying to get a fair, equitable, and hopefully a quick contract. As a result, if not inappropriate, the letter was certainly misleading to single out Chancellor Emeritus Goldstein.

Trustee Beal stated that having had the honor of serving with Chancellor Emeritus Goldstein, she found that the letter did not point out the resources that he brought to the University over that time frame, not only in terms of name recognition. If CUNY is going to measure how much is spent, the University also needs to measure effectiveness and performance measurement.

Chairperson Schmidt added that a sizeable portion of Chancellor Emeritus Goldstein's retirement compensation is coming from private sources, not from University funds.

Vice Chairperson Berry stated that it is important to focus on the facts regarding the seeming discrepancy and the pay that is given to the three individuals from CUNY and SUNY. The University has been prudent in bringing out those facts and not let other types of information get in the way. And, based on a number of conversations about the increases, there is nothing that is out of bounds in terms of how CUNY has managed this. He added that the University has to pay to attract talent and for performance.

Chancellor Milliken stated that he concurs with much of what was said. The University will continue to find ways to be cost-effective and at the same time continue the model that it has effectively used to share many of these services, trying to take costs out of the administration while ensuring that the University is in a position to attract and retain people. He added that this Committee will be provided with additional analysis on some of the comparisons with large systems across the country so that it will have a basis for evaluating costs and administrative expenses at the University going forward.

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Trustee Clarke stated that she would like for this Committee to be aware that in the environment in which CUNY operates, the University experiences ongoing pressures. As a result, she respects everything that Chancellor Emeritus Goldstein has done for the University.

Committee Chair Schwartz stated that he would like to pick up on what Trustee Beal mentioned. It should be standard operating procedure for this Committee to receive performance metrics for each proposal that comes for its consideration.

The meeting was adjourned at 5:43 p.m.