

BOARD OF TRUSTEES
THE CITY UNIVERSITY OF NEW YORK

COMMITTEE ON
FISCAL AFFAIRS

MINUTES OF THE MEETING
JUNE 6, 2011

The meeting was called to order at 5:07 p.m.

There were present:

Committee Members:

Hon. Joseph J. Lhota, Chair
Hon. Peter S. Pantaleo, Vice Chair
Hon. Valerie L. Beal
Hon. Judah Gribetz
Hon. Carol Robles-Roman
Hon. Kathleen M. Pesile
Prof. Terrence Martell, faculty member
Mr. Kevin McKessey, student member

University Staff:

Chancellor Matthew Goldstein
Executive Vice Chancellor and Chief Operating
Officer Allan Dobrin
Senior Vice Chancellor Marc V. Shaw
Vice Chancellor Eduardo Marti
Associate Vice Chancellor Matthew Sapienza
University Controller Barry Kaufman
Chief Investment Officer Janet Krone

Ex-officio:

Hon. Philip A. Berry

Trustee Observer:

Hon. Sandi E. Cooper

Trustee Staff:

Senior Vice Chancellor and Secretary of the
Board Jay Hershenson
Senior Vice Chancellor and General Counsel
Frederick Schaffer
Deputy to the Secretary Hourig Messerlian
Mr. Steven Quinn

Cal. No.	DISPOSITION
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The agenda items were considered in the following order:

I. ACTION ITEMS:

A. APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 4, 2011. The minutes were approved as submitted.

B. POLICY CALENDAR

1. A resolution to authorize The City University of New York to adopt a schedule of academic excellence fees for students in masters programs at Baruch College, effective the Fall 2011 semester as detailed below:

Financial engineering program: Year 1

Full-time students:	\$1,500 per semester, up to a maximum of \$4,500 per student
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Part-time students: \$1,000 per semester, up to a maximum of \$4,500 per student

Financial engineering program: Year 2

Full-time students: \$3,000 per semester, up to a maximum of \$9,000 per student

Part-time students: \$2,000 per semester, up to a maximum of \$9,000 per student

Financial engineering program: Year 3

Full-time students: \$4,000 per semester, up to a maximum of \$12,000 per student

Part-time students: \$3,000 per semester, up to a maximum of \$12,000 per student

Business programs (accelerated part-time and full-time MBA; part-time and full-time business MS)

Full-time students: \$1,000 per semester, up to a maximum of \$3,000 per student

Part-time students \$750 per semester, up to a maximum of \$3,000 per student

Public affairs MS degrees, corporate communications, industrial-organization psychology and mental health counseling programs

Full-time and

Part-time students \$500 per semester, up to a maximum of \$2,000 per student

In response to a question, Chancellor Goldstein stated that an academic excellence fee is an infusion of dollars that enable the faculty and the support staff to give an education to the students in a highly competitive quant world that our students will participate in. The program would be using these additional funds to give the edge to the students in getting them entry into the big financial houses that are hiring quant people to serve as career advisers, to bring in faculty that the University may not be able to pay for with the regular tax levy budget. All of these are what one would get in return for a fee for academic excellence.

In response to several questions, Associate Vice Chancellor Sapienza stated that there are nonresident students in this program. Their tuition is different, since they are nonresidents, but the fee will be the same for them.

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In response to a question, Chancellor Goldstein stated that the financial aid related to this fee would be made available by the college to reduce the burden on students who are highly qualified to get in to this program but do not have the financial ability to pay.

Associate Vice Chancellor Sapienza noted that the exact determination of financial aid related to this fee will be a local decision of the college.

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

2. A resolution to authorize The City University of New York to adopt a revised schedule of tuition charges for students in the Master of Public Administration Programs within CUNY effective the Fall 2011 semester and as detailed below:

<u>Current Rates</u>	<u>Effective Fall 2011 Semester</u>
Resident	Resident
Full-time: \$3,865 per semester	Full-time: \$4,445 per semester
Part-time: \$325 per credit	Part-time: \$375 per credit
Non-Resident	Non-Resident
Full-Time: \$605 per credit	Full-time: \$695 per credit
Part-time: \$605 per credit	Part-time: \$695 per credit

In response to a question, Chancellor Goldstein stated that the ratio of the nonresident tuition to the resident tuition in New York State is much lower than the ratio of nonresident tuition to the resident tuition in Wisconsin, and that is probably true throughout the country. New York State does not charge as much of a differential as do other states.

Associate Vice Chancellor Sapienza noted that one of the things to keep in mind when comparing the ratio of the nonresident tuition to the resident tuition in other states to New York State, and particularly to CUNY, is that the large numbers of international students here also pay the nonresident rate. A student from Wisconsin makes his/her decision looking at what New York charges and what other states charge. International students face different decisions, such as whether they can come to the United States at all. That is something the University has always been sensitive to in terms of pushing the nonresident rate issue. This issue has been discussed in the State Legislature and in the City Council recently.

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

3. A resolution to authorize The City University of New York to adopt a revised schedule of tuition charges for students in the Doctor of Nursing Practice Program at Hunter College effective the Fall 2011 semester.

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<u>Current Rates</u>	<u>Effective Fall 2011 Semester</u>
Resident	Resident
Level One:	Level One:
Full-Time: \$3,455 per semester	Full-Time: \$5,110 per semester
Part-Time: \$390 per credit	Part-Time: \$435 per credit
Level Two: \$2,165 per semester	Level Two: \$5,110 per semester
Level Three: \$855 per semester	Level Three: \$5,110 per semester
Non-Resident	Non-Resident
Level One: \$675 per credit	Level One: \$685 per credit
Level Two: \$4,810 per semester	Level Two: \$685 per credit
Level Three: \$1,715 per semester	Level Three: \$685 per credit

In response to several questions, Associate Vice Chancellor Sapienza stated that state law currently stipulates that the tuition rate has to be the same for like degrees. So for a Master of Science in Financial Engineering--the item previously reviewed for Baruch--the University has to charge the same Master of Science tuition rate charged across the University for all Master of Science degrees. The same is true with doctoral programs. Doctoral rates have to be the same. The University cannot charge differential tuition unless it is for a different degree. The Master of Public Administration is a unique degree at the University, so it is possible to charge a different rate. The University does not have the flexibility to charge rates based on what the cost of the programs are, what the outcomes of those programs are, or what the demand is. It is based on the state law that stipulates charging the same rate for like degrees. That statute has been in effect since tuition has been charged at the University in the last thirty-five years.

In response to several questions, Chancellor Goldstein stated that a number of graduates of the Doctor of Nursing Practice Program would likely seek academic positions, but that there are no immediately available figures on the standard salary they would make. There is a paucity of nursing faculty across the United States and many universities would require that somebody has a doctoral degree.

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

4. A resolution authorizing the General Counsel to execute a contract on behalf of the University to purchase enterprise library membership and various electronic resource aggregation services from the Westchester Academic Library Directors Organization ("WALDO").

In response to several questions, Associate Vice Chancellor Sapienza stated that the enterprise library membership and electronic resource aggregation services from the

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Westchester Academic Library Directors Organization ("WALDO") provides electronic database services to our libraries. NY Link used to provide these services but they are no longer doing so. This product is fairly similar in terms of the costs, a one percent increase over what NY Link was charging the University. There are other vendors of these services, but OCLS and WALDO were the two selected. At its last meeting the committee approved a contract with OCLC to provide most of the needed services, but WALDO provides some other services.

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

5. A resolution authorizing the General Counsel to execute a contract on behalf of the University to license and implement a Time and Leave Software System.

In response to several questions, Associate Vice Chancellor Sapienza stated that the CUNY First system is not capable of providing timekeeping functionality for the University. The CUNY First system is essentially a payroll system. This is a timekeeping system. Right now all the timekeeping at the University is done on paper. Employees fill out their monthly timesheet and give it to the officer who does the timekeeping. That person goes into the state or city system depending on whether they are entering time sheet information for a state employee or city employee, and enters the information so a paycheck can be generated. This system will automate the process so that employees can enter their time into an online system. The timekeeper or their manager can check it online. There will not be any paper and the system will interface with CUNY First to generate the payroll.

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

II. INFORMATION ITEMS:

A. Report by Associate Vice Chancellor Matthew Sapienza

- Update on State and City Budgets

PRESENTATION BY ASSOCIATE VICE CHANCELLOR SAPIENZA

In response to a question regarding the rational tuition policy, Associate Vice Chancellor Sapienza stated that no legislation on that issue has been voted on.

Chancellor Goldstein noted that two recent meetings regarding tuition at SUNY were about an enhanced tuition schedule for the four SUNY university centers above a base that would apply to both CUNY and SUNY.

In response to a question, Associate Vice Chancellor Sapienza stated that if the issue concerning the \$40 million in unrecognized tuition revenue is not resolved by the end of the legislative session, the State Legislature will be back in session in September. If the issue is resolved in early fall, that will be sufficient for the University. The administration's assumption in distributing funds to the colleges for the year is that the \$40 million will be recognized.

Chancellor Goldstein noted that, even assuming that the \$40 million will be recognized, there are still going to be cuts. There are going to be cuts in the central administration,

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there are going to be cuts in release time throughout the University. There are going to be cuts in off balance sheet items, there are going to be cuts to the campuses' operating budgets. Independent of that \$40 million, the University still faces a \$135 million problem. About \$95 million of that is the latest cut, but there are cuts that need to be dealt with from previous years. The University will be able to manage the \$135 million in cuts because the administration started planning for this in early 2008 when it saw the potential for the deep recession that the economy is slowly climbing out of. But having another cut on top of what the University has already sustained would necessitate that very different decisions be made. Instrumental here is the ability to generate revenue through tuition. One cannot have an organization that continues to grow, has expenses as a result of that growth, and not have revenue to offset some of those expenses. The University is caught in a vice here. That is why the administration is pressing so hard to get the Legislature finally to advance a policy of tuition that will result in small incremental changes, not the large swings that have been seen in the past.

In response to a question regarding public relations efforts to communicate the difficulties the University faces, Senior Vice Chancellor Hershenson stated that at last Friday's City Council hearing there was a significant number of students and faculty in attendance. The Chancellor testified, and almost all of the presidents were there as well. In this environment with layoffs of teachers and closings of fire houses one has to keep one's focus more on the City Council members directly. The University's strategy has been to be number one in terms of communications with Council members during this process. The University is holding strong in the number one position, and that has to continue through the conclusion of the budgetary process.

Trustee Cooper noted that a 6 percent increase in enrollment is expected, particularly in the comprehensive and community colleges. In several of the colleges the department chairs have been told they are getting a cut in their budget for next year and that they are to let go adjuncts and college assistants, which seem to be the first group, since they are not full time faculty. The result, if you take these two sets of factors, is that the size of classes is going to go up. Given the problems our students have, graduation will become even more difficult for them, because as a faculty member there are still only twenty-four hours in a day even if half of the work one does is online at night around the clock. I do not know how one can expect increased graduation rates under these circumstances.

B. Report by Chief Investment Office Janet Krone

- Market and Performance Update

PRESENTATION BY CHIEF INVESTMENT OFFICER JANET KRONE

- Asset Allocation Implementation
 - Proposal for portfolio action to broaden the U. S. equity exposure
 - Discussion of next steps

The meeting was adjourned at 5:49 p.m.