

BOARD OF TRUSTEES
THE CITY UNIVERSITY OF NEW YORK

COMMITTEE ON
FISCAL AFFAIRS

MINUTES OF THE MEETING
NOVEMBER 4, 2013

The meeting was called to order at 5:07 p.m. Committee Vice Chair Peter S. Pantaleo chaired this meeting in absence of Committee Chair Joseph J. Lhota.

There were present:

Committee Members:

Hon. Peter S. Pantaleo, Vice Chair
Hon. Valerie L. Beal
Hon. Judah Gribetz
Hon. Kathleen M. Pesile
Hon Terrence F. Martell, faculty member
Mr. David Rosenberg, student member
President James Muyskens, COP liaison

University Staff:

Executive Vice Chancellor and Chief Operating
Officer Allan H. Dobrin
Senior Vice Chancellor Marc V. Shaw
Associate Vice Chancellor Matthew Sapienza
Chief Investment Officer Janet Krone
University Controller Leonard Zinnanti

Ex-officio:

Vice Chairperson Philip A. Berry

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

Cal. No.	DISPOSITION
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Committee Vice Chair Pantaleo stated that he would like to introduce and welcome Mr. David Rosenberg who is the new student representative 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 9, 2013.** The minutes were approved as submitted.

- B. Consideration of the FY 2014-2015 Operating University Budget Request. Committee Vice Chair Peter Pantaleo stated that the University is proposing the continuation of its approach for the financing of its Master Plan through the CUNY Compact. The University seeks to finance its ongoing obligations with state and city funds and its investment program through a modest increase in public funding, continuing budget restructuring, efficiencies, philanthropy and tuition revenue.

PRESENTATION BY ASSOCIATE VICE CHANCELLOR MATTHEW SAPIENZA

In response to a question from Committee Vice Chair Pantaleo, Associate Vice Chancellor Matthew Sapienza stated that even when the collective bargaining agreement has expired, historically contractual salary increments will still continue. Across the board increases are

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not built into the budget. Historically the state and the city have picked up the costs for any collective bargaining increases.

In response to a question from University Faculty Senate Chair and Trustee Terrence Martell, Associate Vice Chancellor Sapienza stated that the \$15.4 million for the Advanced Science Research Center comes from the operating budget. It includes the costs for the hiring of the faculty who are going to work in the building, for the hiring of the support staff, stationary engineers and safety officers, and for any other ongoing operating costs. Equipment costs will be covered through the capital budget for all the high end instrumentation that will be purchased for the building.

General Counsel and Senior Vice Chancellor Frederick Schaffer added that some of the capital costs are going to be funded by the selling of 535 East 80th Street.

In response to another question from UFS Chair and Trustee Martell, AVC Sapienza stated that historically the state has picked up 100% of the University's mandatory needs. For the last two years, fringe benefits—the largest component of CUNY's mandatory needs—have been funded. Other components like utilities and building rentals have not been funded by the state in the last two years. The University has been able to provide funding within the budget, and find savings and accruals within the budget to cover these costs for the campuses. CUNY certainly has concerns and will continue to talk to the state about it. The University will also continue its lobbying efforts for FY 2015 going forward.

In response to another question from UFS Chair and Trustee Martell, AVC Sapienza stated that the total mandatory needs are \$118 million. \$108 million will come directly from the state and the city. The other \$9.5 million will come from the base state increase for the community colleges.

In response to another question from UFS Chair and Trustee Martell, AVC Sapienza stated that CUNY has a commitment from the city that it will be a permanent funding source for the Black Male Initiative. It has had to lobby every single year to put the \$2.5 million back in the budget from the City Council. It has been funded on a one time basis, and that is something CUNY is going to be looking for in the November financial plan that the city is going to be issuing later this month. The decision on whether something is a mandatory need or not has to do with the fact that costs will go up no matter what CUNY does in terms of adding additional faculty or students. Opening of new buildings on campuses is considered to be a mandatory need—with the exception of the ASRC.

In response to a question from Trustee Valerie Beal, AVC Sapienza stated that there are a lot of different measurements of success for a program. For example, full-time faculty can be used as one measurement. The challenge that CUNY has with full-time faculty is that the campuses have done an outstanding job of adding new full-time faculty lines over the last ten years. Not only have the campuses added over 1,000 new lines, but included in this ten year period was an early retirement incentive whereby CUNY lost about 350 faculty. The University has added about 20% in terms of the total number of faculty in the last ten years, which is unprecedented in public higher education throughout the country. However, enrollment has gone up by 27% over that same time period so that CUNY has lagged in terms of enrollment growth against faculty growth. Another measurement that one can use is the percentage of instruction taught by full-time faculty. This has gone down over the same time period. Other things like retention rates or graduation rates are other measurements that could also be used. The performance management process with which the presidents are

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measured every year includes all of these measurements. Not only CUNY data, but research from throughout the country in public higher education shows that full-time faculty is one of the main ingredients needed to help students in their climb to a degree. As for the Black Male Initiative, from what CUNY has heard from the campuses, it is very successful, but it is good practice to do a measurement on this program. All of the data show that the ASAP program has been a tremendously successful program as well. The target graduation rate after three years for that program is 50% and CUNY is doing well over 50%—about a 55% graduation rate of three years in that program. All of these programs are measured, as CUNY would like to ensure a good return on programs that are working.

In response to a question from Mr. David Rosenberg, AVC Sapienza stated that the entirety of the \$3.9 million would not equate to additional lines. If CUNY is fortunate enough to have enough funding in the budget for next year to give out the \$3.9 million to the campuses, these decisions would be made at campus level and some of it will be for additional advisors and some for enhancing technology to help the students in terms of their academic record.

In response to a question from Trustee Beal, Executive Vice Chancellor and Chief Operating Officer Allan Dobrin stated that the CUNYFirst enterprise system is two-thirds completed and is now the largest enterprise instance of PeopleSoft in the United States. It is on budget and will be finished probably in about a year and a half.

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

- C. Tuition Differential for the Masters of Professional Studies in Branding and Integrated Communications at The City College of New York. Committee Vice Chair Pantaleo asked that the Committee approve a resolution proposing the adoption of a revised schedule of tuition charges in the form of a tuition differential for the Masters of Professional Studies in Branding and Integrated Communications at The City College of New York for first-time students effective with the Spring 2014 semester. The proposed tuition increase of \$1,800 per semester for full-time and \$365 per credit for part-time resident students, and \$205 per credit for full- and part-time non-resident students is necessary to strength the services to students and improve the general quality of the Masters of Professional Studies in Branding and Integrated Communications at the College. The increased tuition revenue will be solely used for the support of the MPS in Branding and Integrated Communications program. The New York State Educational Law § 6206 allows CUNY to charge differential tuition rates as long as there is no differential among similar degree programs. The college will continue to provide financial aid funding to assist eligible New York State residents to afford the increase in tuition. This City College program is the only one of its kind.

In response to a question from Committee Vice Chair Pantaleo, AVC Sapienza stated that the current per credit rate for resident part-time students is \$365.

Committee Vice Chair Pantaleo noted that it is still less for resident students even with the increase, and added that this gives the increase number, not the total number.

In response to several questions, AVC Sapienza stated that every time CUNY has introduced differential tuition at one of its Masters programs it has always required that 100% of the additional revenue go to and be reinvested in that program. That is what City College is committed to doing for this program as well. This is a brand new program that just opened up this fall with thirty students. Ninety students had applied for the program, so there is good interest in the program. When one compares the costs of faculty and equipment needed for this program with some of the other masters degree programs at CUNY, this is an expensive

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program, and investments are needed in order to provide the type of program that is required for a degree like this.

In response to a question from Mr. Rosenberg, AVC Sapienza stated that the College has had on-campus consultations with the students, and the students in the program were informed of the proposed increase.

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

The public meeting was adjourned at 5:52 p.m.