The meeting was called to order at 4:36 p.m.

There were present:

Committee Members:
- Hon. Barry F. Schwartz, Chair
- Hon. Peter S. Pantaleo, Vice Chair
- Hon. Valerie L. Beal
- Hon. Una S. T-Clarke
- 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 University Provost Vita Rabinowitz
- Executive Vice Chancellor and Chief Operating Officer Allan H. Dobrin
- Vice Chancellor Matthew Sapienza
- Senior Advisor Marc V. Shaw

Ex-officio:
- Hon. Benno Schmidt
- Hon. Philip A. Berry

Trustee Observer:
- Hon. Joseph Awadjie

Observer:
- Prof. Kay Conway

Trustee Staff:
- Senior Vice Chancellor and Secretary of the Board Jay Hershenson
- Ms. Towanda Lewis
- Ms. Fenella Ramsami
- Mr. Anthony Vargas

Cal. No. DISPOSITION

Committee Chair Barry Schwartz welcomed Trustee Una S. T-Clarke—a new member of the Committee, as well as Ms. Cecilia Salvi, the new student representative.

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

I. ACTION ITEMS:

A. APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 1, 2015. The minutes were approved as submitted.

B. POLICY CALENDAR

1. Hunter College – Academic Excellence Fee for the School of Education. Committee Chair Barry Schwartz asked for the Committee’s approval to adopt a schedule of Academic Excellence Fees for students in certain graduate programs in the School of Education at Hunter College, effective with the Spring 2016 semester. The Academic Excellence Fee will provide support for the following clinically-rich programs: General Education across Adolescent, Childhood, and Early Childhood levels; Special Education across Adolescent, Childhood, and Early Childhood levels; Creative Arts Education and TESOL across K-12 levels; and School Counseling and Mental Health Counseling. The additional cost for a student earning a degree in the initial teacher certification program is $2,000, and for the
counseling degree, a total of $3,000. Hunter College anticipates revenues of $1.4 million a year.

In response to a question from Ms. Cecilia Salvi, President Jennifer Raab stated that Hunter College has raised fair amounts of money for the School of Education over the last ten years. The magnitude, though, of what the College is doing in the School of Education with the new programs and keeping up with the new teacher training requirements has led the College to believe that an academic excellence fee is the most effective way to raise the money necessary for these particular programs. Student teachers in the program, who have not been previously certified, are getting all of their clinical training and their certification, as well as their master's degrees, so it is extremely faculty intensive. It is for that reason that the College has the understanding and support of the faculty and students with the caveat that people would prefer not to pay more fees, but understanding that it was going into the new standards and requirements for teachers' training.

In response to a question from University Faculty Senate (UFS) Chair and Trustee Terrence Martell, Chancellor James Milliken stated that the Committee should receive a periodic report.

Following discussion, the item was approved for submission to the Board. Ms. Cecilia Salvi voted NO.

2. **CUNY Graduate School of Journalism – Fee Changes.** Committee Chair Schwartz asked for the Committee's approval to adopt the following fees for students at the CUNY Graduate School of Journalism: the non-refundable application fee of $125; and the non-refundable commitment deposit for accepted students of $250 that are consistent with similar fees and at the same rates CUNY-wide. The funds for the increase of the fee at the January Academy will provide critical support to enable the program to maintain its high level of services and professionalism. The increase will raise an additional $31,000 annually.

Following discussion, the item was approved for submission to the Board. Ms. Cecilia Salvi voted NO.

3. **The City University of New York – Agreements for Virtual Reality Training Program with EON Realty, Inc.** Committee Chair Schwartz asked for the Committee’s approval to request the General Counsel to execute an agreement on behalf of Lehman College with EON Reality, Inc., to allow Lehman College and EON to move forward with a Virtual Reality Training Program.

President Ricardo Fernandez stated that the goal of the proposed agreement is to develop a hub for the iTech industry in the Bronx specializing in virtual reality and augmented reality. This is one of the newest areas in IT that is developing rapidly, and it has multiple applications in industry, entertainment and education. Technology is one of the fastest-growing fields in New York City; however, the Bronx has not participated in this tech boom. Lehman College sees great potential in offering CUNY students the opportunity to become acquainted with and to use the latest technologies by being taught by professionals in coding, specializing in VR and AR. It will also allow students to put to use the knowledge and the skills they acquire by working on real projects as part of teams, earning a salary while they acquire the experience needed to then go on to work in a growing field in the IT industry. This hub will be available to CUNY’s two-year, four-year, and graduate students. Another benefit is that this hub will enable faculty in computer science and in related fields, to learn about the needs of employers in IT and related industries, enabling them to adapt the curriculum of current courses of study so that they will make them more relevant to a rapidly-evolving workforce nationally and, indeed, worldwide. This is a private-public partnership with EON.
Reality, Inc., which is a California-based, privately-held IT company that has been involved in the field of virtual reality and augmented reality development, and they have projects in many countries around the world. VR and AR have incredible potential for teaching and learning at all levels, not just K-12 and college. Research has shown that information learned by students via this medium is retained better and longer, and that students actually test better through this approach.

In response to a question from UFS Chair and Trustee Martell, President Fernandez stated that initially the agreement calls for EON Realty, Inc. to take three students on a permanent basis; however, Lehman College expects to train between 30 and 60 students. The training will be an intensive period of about three months, followed by nine months when the students will be paid to work on actual projects. The company does not have enough people trained to carry out this work, so this is on-the-job training.

Committee Chair Schwartz stated that he shares the enthusiasm of Chairperson Schmidt for this program, both from the point of view of enhancement to teaching and learning, and also the opportunities it is going to give to the students who are engaged with EON Reality, Inc.

In response to a question from Trustee Valerie Beal, President Fernandez stated that an annual report would be provided to the Committee in September 2016.

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

II. INFORMATION ITEMS:

A. Community and Senior College Allocations

Vice Chancellor Matthew Sapienza stated that he would like to update the Committee on what has been happening since its last meeting in June. The biggest item is the allocation of resources to the senior and community colleges, which took place over the summer. The senior colleges, as reported several months ago, had an increase to their budget of about $78 million, comparing FY2016 to FY2015. However, about $61 million of that was generated from additional tuition dollars from the Fall 2015 increase of $300. About $12 million of that amount was for performance incentive funding, a new initiative that Governor Andrew Cuomo put into the budget approved by the Legislature. There were some other increases for programs like SEEK and CUNY LEADS, as well for the Murphy Institute. However, not all of the $61 million from tuition is available to the University as some of those funds have to be used to cover the difference between the tuition rate and the top maximum award. The colleges have been asked to set aside these dollars in anticipation of potential collective bargaining increases, so those dollars are not available for new initiatives at the campuses or to fund any budget shortfalls. In addition, the State budget did not include any funding for mandatory cost increases—fringe benefits, energy costs, and building rentals—totaling $51 million. Because of the $51 million mandatory cost shortfall, it was necessary for the University to do a three percent across the board budget reallocation for the senior colleges. CUNY is also targeting reductions at twice the amount of the senior college reductions for the System Office and other centrally-managed accounts so the funds that are being redirected from the colleges are about $38 million and the rest will be backfilled from centrally-managed accounts. The senior colleges are working on their financial plans, determining funds allocations, and what adjustments they need to make to their financial plans going forward.

The community colleges’ total year-to-year has about $49.5 million in additional resources in FY2016 than they had in FY2015—a 5.8 percent increase. About $6 million is coming from additional State aid that was included in the State Enacted Budget this year and $24 million is coming from the $300 tuition increase that was effective this past Fall. $16 million is coming
from the City of New York and the amounts that were included in the city's Adopted Budget are for a host of things this year, but mostly for the Mayor's STEM Initiative: increasing the ASAP Initiative; and, the CUNY Start expansion for math remediation. The $24 million in additional tuition revenue is going back to the community colleges for the Compact Investment Plan. It is the fifth year in a row that CUNY had additional tuition dollars for the community colleges. That is going totally for new investments. The colleges have flexibility in how they want to use those dollars and they will report back to the Office of Budget and Finance as part of their financial planning process, in consultation with elected student and faculty leaders. Additionally, the University is setting aside $6 million from the total community college allocation for performance improvement funds to be discussed shortly.

At this point, the community colleges are in a much better position fiscally than the senior colleges. Each of the senior colleges are in different situations. Some of them will be able to manage the three percent reallocation much better than others, but the Office of Budget and Finance will continue to work with the colleges throughout the year to ensure that the University ends up in a strong place by the end of the fiscal year.

Chairperson Schmidt stated that as a matter of information for Trustee Una Clarke, the ASAP program is the University's effort to drastically improve the graduation rate at the community colleges, and it is a variety of student-support services and curricular focus efforts that have had the effect of almost tripling the graduation rate, but requiring a greater investment in the students before they graduate.

In response to a question from Chairperson Schmidt, Vice Chancellor Sapienza stated that Mayor Bill de Blasio, in his Executive Budget, and in the final Adopted Budget, included a total increase of $42 million to the University—a historic addition to the University's budget in any one year. However, that $42 million is spread out over four years, and the bulk of it is going for ASAP's aggressive expansion. By Fall 2018, the projected participation of ASAP students will be around 25,000. Last year, there were about 7,300 students in the program, and this year there are about 13,000 students.

Chairperson Schmidt stated that ASAP is one of the most successful academic reform efforts. It is a huge improvement to CUNY's overall productivity in terms of graduation rates. He added that he would like to thank Mayor de Blasio for his recognition that this program is so effective and worth expanding.

In response to a question from UFS Chair and Trustee Martell, Vice Chancellor Sapienza stated that the enrollment rate overall for Fall 2015 is up for the University. At both senior and community colleges, it is a mixed bag in terms of enrollment. Some colleges are up significantly and some colleges fall short of their enrollment goals, but not many. One of the encouraging things about this Fall's enrollment is that not only are rates up overall and at the highest level in CUNY's history, but graduate enrollment, which had been down the last several years, is now up.

In response to another question from UFS Chair and Trustee Martell, Vice Chancellor Sapienza stated that it will be a challenge for the colleges that fail to meet their enrollment targets to take a three percent reallocation.

Chairperson Schmidt stated that in regards to enrollment trends, actual enrollment is much more important than where a college is vis-à-vis some target.

In response to a question from Ms. Salvi, Vice Chancellor Sapienza stated that the three percent is a baseline reduction. The University is certainly hopeful that going forward its mandatory needs will be funded by the State. Historically, they have been. This year none of
CUNY’s mandatory needs were funded, but it is hoped that this is not a continuing situation. The Office of Budget and Finance always wants the colleges to make sure that they plan for the worst-case scenario, and will be working with them to ensure that they are protecting CUNY’s core mission as much as possible.

In response to another question from Ms. Salvi, Vice Chancellor Sapienza stated that in 2011 the State passed legislation that enabled CUNY and SUNY to raise tuition by $300 a year for five years. That legislation expires in June 2016, so going forward, there is no authorization from the State or appropriation of dollars for additional tuition increases. However, there could be an extension, or a new law put in place before Fall 2016.

In response to a question from Trustee Valerie Beal, Vice Chancellor Sapienza stated that the three percent reallocation does not include any adjustment for faculty raises. He added that the contracts expired in 2010 and the last increase was effective in October 2009. As mentioned earlier, the senior colleges are required to set aside additional tuition revenue in reserve to cover any potential collective bargaining increases.

In response to a question from Chairperson Schmidt, Senior Vice Chancellor and Secretary Jay Hershenson stated that the maintenance of effort legislation has not been sent to Governor Cuomo as of yet. He added that even if it was approved by Governor Cuomo it would not retroactively cover collective bargaining costs for CUNY and SUNY.

Chancellor Milliken stated that CUNY is working with the City and the State leadership on finding a resolution in regards to collective bargaining, which includes some level of funding that will allow the University to ultimately address this as well.

B. The Twenty-First Century Investment and Performance Proposal

Chancellor Milliken stated that he has requested Vice Chancellor Sapienza as well as Executive Vice Chancellor and University Provost Vita Rabinowitz to head up CUNY’s Investment and Performance proposal. This is an initiative that came from Governor Cuomo in the last legislative session to provide for a one-time performance funding for both CUNY and SUNY. As Vice Chancellor Sapienza mentioned earlier, $12 million will go to the senior colleges, but the University is using a strategy to increase that amount to provide for community college participation as well. The six areas identified for investment are all central to CUNY’s mission. Some funding will come from private money but some will be raised to increase the impact. This is a great opportunity for CUNY to encourage and reward innovation at the campus level in a variety of ways based on its longstanding performance management system, which gives the University a head start, based on the priorities identified in the Master Plan and based in the future on the strategic plan. The proposal gives the Board the opportunity to invest in the priorities that have been set for the University. If CUNY demonstrates success, there may be recurring funding in the future. So the University’s goal is to have a process that moves with some alacrity so that it can distribute these funds to be spent on good purposes across the University. Because of the tight time frame, the Committee will be moving ahead, refining the proposal before the Board meeting on October 1st, so that the campuses can take advantage of it.

***REPORT FROM CHANCELLOR J. B. MILLIKEN, EXECUTIVE VICE CHANCELLOR AND UNIVERSITY PROVOST V. RABINOWITZ, AND VICE CHANCELLOR M. SAPIENZA***

In response to a question from Chairperson Schmidt, Dr. Vita Rabinowitz stated that CUNY will not wait until October 1st to start working with the colleges as the RFP process is already underway. The initial review should be completed by October 23rd by getting back to the colleges with requests for changes, modifications, and receiving the final proposals from the
colleges on November 6th to present a slate for the Board's approval at its November 23rd meeting. The idea is to get the money out the door, getting the best proposals funded as soon as November 23rd so that the funding can make a difference this year. She noted that while the Board will make the final decision about allocations, there will be a review committee that will make the recommendations.

Chancellor Milliken added that due to academic priorities and fiscal implications, it is beneficial for the performance funding to be discussed at both the Committee on Fiscal Affairs, as well as the Committee on Academic Policy, Program, and Research.

In response to a question from Trustee Clarke, Dr. Rabinowitz stated that even in this tight time frame, the University will work closely with the colleges on their proposals.

In response to UFS Chair and Trustee Martell, Vice Chancellor Sapienza stated that the one-time performance funding is entirely based on operating dollars.

In response to a question from Prof. Kay Conway, Vice Chancellor Sapienza stated that while the $6 million will all be used for community colleges, it may not go back to the individual campuses dollar for dollar. This will depend on the RFP process.

Chancellor Milliken stated that $12 million will go for senior colleges, $6 would go for community colleges, and $2 million would be additionally applied to the best proposals throughout CUNY.

Committee Chair Schwartz stated that as Trustee Clarke mentioned, the Committee shares this goal with New York State: the priority of student success as it goes hand-in-hand with faculty satisfaction.

In response to a question from Trustee Beal, Dr. Rabinowitz stated that every proposal will have associated metrics.

Chancellor Milliken stated that CUNY did not create this but it is a great opportunity for the University. He noted that states across the country are increasingly investing in performance funding.

The public meeting was adjourned at 5:31 p.m.