

Faculty Senate Minutes \$192
John Jay College of Criminal Justice

November 17, 1999

3:15 PM

Room 630 T

Present (26): Luis Barrios, James Cauthen, Marsha Clowers, Edward Davenport, Janice Dunham, P.J. Gibson, Marlene Goldstein, Amy Green, Edward Green, Lou Guinta, ~~Karen~~ Kaplowitz, Kwando Kinshasa, Maria Kiriakova, ~~Stuart~~ Kirschner, Sandra Lanzone, Gavin Lewis, Patricia Licklider, Tom Litwack, Amie Macdonald, James Malone, Patrick O'Hara, Jacqueline Polanco, Rick Richardson, Carmen Solis, Katherine Stavrianopoulos, Agnes Wieschenberg

Absent (9): Erica Abeel, C. Jama Adams, Shevaletta Alford, Anthony Carpi, Kirk Dombrowski, Andrew Karmen, Leona Lee, Emerson Miller, Lydia Segal

Guests: Professors Michael Blitz, Robert Crozier, Kojo Dei, Charles Piltch

Invited Guest: CUNY Budget Director Ernesto Malave

AGENDA

1. Announcements ~~from~~ the chair
2. Adoption of Minutes #191
3. Invited Guest: *CUNY* Budget Director Ernesto Malave

1. Announcements from the chair [Attachment A]

2. Adoption of Minutes #191

By a motion duly made and carried, Minutes #191 of the November 9, 1999, meeting were adopted.

3. Invited Guest: CUNY Budget Director Ernesto Malave [Attachment B, C, D, E]

Mr. Ernesto Malave, the CUNY Budget Director, was introduced and warmly welcomed and thanked for graciously and enthusiastically accepting the Senate's invitation. Also welcomed and introduced was **Mr.** Jon McCabe, a researcher in the Central CUNY Budget Office.

President Karen Kaplowitz said she would like to begin by expressing on behalf of the Faculty Senate and on behalf of the entire faculty, of which the Senate is the official voice, our collective gratitude for Mr. Malave's responsiveness to our many letters and meetings with him about John Jay's budget issues and for his responsiveness in the form of concrete actions to help John Jay with regard to issues of budgetary fairness and equity. She added that, as someone who is on the University Faculty Senate's Executive Committee and on its Budget Committee, she can report how wonderful he is in providing invaluable information, data, and reports – not only in response to requests but often before requests are even made – and how impressive he is at the Board of Trustees meetings and at the meetings of the Fiscal Affairs Committee of the Board of Trustees.

Mr. Malave thanked the Senate for inviting him, saying he always enjoys opportunities to meet and speak with CUNY faculty. He said he appreciates the monthly meetings he has with the University Faculty Senate's Budget Advisory Committee, on which Karen serves, noting that Karen is also, of course, the faculty representative to the CUNY Board of Trustees Fiscal Committee. He is very glad to be here meeting with the Senate of John Jay. He called John Jay a special college to any Budget Director of CUNY because of the many, many fiscal concern that John Jay identifies for the University to address, because there are many, many fiscal matters that are always at the top of the agenda when it comes to John Jay. So to be the CUNY Budget Director is to know John Jay and to know it well. (The Senate responded with appreciative laughter.) To be Budget Director is also, he added, to be effectively in the belly of the beast.

Invited by President Kaplowitz to provide background information about himself, he explained that he was drawn to finance in a rather round about way because he began at CUNY in the Office of Admissions Services at 31st Street. About 18 months later, Jay Hershenson, Vice Chancellor for University Relations, asked him to be the assistant director for governmental relations at CUNY. So in his first work at CUNY, after his stint at CUNY Admissions, he was a lobbyist, working with public officials, for five years, primarily during the Koch administration, during which time there was a Board of Estimate. That is how he effectively came to appreciate finance issues. In trying to understand how CUNY spends a billion dollars a year and in understanding how small an amount of money for CUNY that really is, he decided the best way to achieve that understanding was to move from the political realm to the world of budget and finance. About ten years ago, therefore, he requested a transfer from governmental relations to the budget office and the request was granted. He spent four years as a budget analyst and then became the assistant to the Vice Chancellor for Budget, Finance and Information Services, which effectively broadened his administrative experiences to accounting, audit, and technology matters.

Four years ago, when the then CUNY Budget Director, Sherry Brabham, became acting vice president of Queens College, he was tapped to be the CUNY Budget Director, the position he currently holds. But, he noted, his real beginning at CUNY was as a student at BMCC and his real beginning at 80th Street was as a student leader who in 1979 visited 80th Street in search of data for a paper he was writing for a speech class on the meaning of open admissions for CUNY. At 80th Street he was introduced to a number of people and then, even before becoming a professional at CUNY, he became the student representative to the Board of Trustees Committee on Faculty, Staff, and Administration in 1979. At that time, in 1979, he met Herman Badillo who was interviewing then Chancellor Kibbee for his program, the "Herman Badillo News Hour." Thus, he has been at CUNY for 20 years and he would like to talk about not just budget numbers but about his perspective based on 20 years at the University.

Mr. Malave introduced Jon McCabe, explaining that upon becoming Budget Director almost four years ago, he had wanted to establish a greater research capacity in the Budget Office, particularly a greater understanding about how budgets in other institutions of higher education around the country

operate so that we at CUNY can effectively stay on the cutting edge. Jon McCabe, who is a graduate of City College and an **ABD** at the *CUNY* Graduate School, joined the Budget Office two years ago. He asked Mr. McCabe to provide information about his background.

Mr. McCabe explained he was a CCNY student, having started college at the age of 25 and, after obtaining his baccalaureate, enrolled at the Graduate Center. Toward the end of his political science studies at the Graduate Center, he became interested in administration and first worked in the cooperative education program for a year at LaGuardia Community College. At that point then Chancellor Reynolds was very interested in comparative work in terms of comparing CUNY with other institutions of higher education throughout the country. Since he was working on this subject for his doctoral dissertation, Ernesto Malave invited him to join the Budget Office to work with him. He has been doing this for three years and said it is a wonderful experience. Mr. Malave noted that John has also been in the classroom at Brooklyn College, teaching as an adjunct for the past three or four years.

The Budget Director explained that the packet of materials he prepared and which he is distributing to everyone contains many documents, not all of which we will be discussed because of time constraints. He asked whether the Faculty Senate has reviewed University-wide budget materials in the past or whether he should present a basic overview. President Kaplowitz explained that those who have been on the Senate in past years have had the opportunity to review budget issues but because this is the beginning of a new Senate session and we have not yet done so and because there are quite a few new members on the Senate, a basic overview would be useful.

Mr. Malave explained that the packets he is distributing comprise five documents: first, the University's 2000-2001 budget request that is under consideration by the Board of Trustees and that will, it is hoped, be voted on by the Trustees next week; second, a document created by Jon McCabe on performance-based budgeting and performance-based finance issues: given the prominent emphasis currently on performance based budgeting and the rhetoric that is coming from many sources on financing and administration issues, Mr. Malave said he believes it is important and perhaps useful for the Senate to have material that reviews the issue of performance-based budgeting over the past ten years around the country and gives **an** overview of what is happening in about 10 states so that the Senate members are aware of the issues and can begin to speak with some authority about this issue particularly as it becomes much more prominent in the future – whether what is involved is a budget allocation that the President is proffering on campus or whether it is something emanating from the University; third, a report on enrollment over the past ten years throughout the University; fourth, the preliminary analysis of the City and State recommended budgets for *CUNY*; and fifth, a much more complex and difficult document, which is on the entire University budget in all of its dimensions that tie into the University's audited financial statements: this document also has very useful charts and graphs about each CUNY college so one can see how dollars are **spent** and this is the one document that compares University expenditures college by college and for those who think they really know what the other colleges spend, for those who think they really know what John Jay spends, this is the document that will deliver the information. [N.B. All five documents are available from the Faculty Senate Office.]

Turning to the last page of the fourth document in the packet, the "Preliminary Analysis of the 1999-2000 State and City Adopted Operating Budgets," [Attachment B] to give a quick overview of how the senior colleges are financed and, to a somewhat briefer extent, how the community colleges are financed, Mr. Malave explained that the pie chart to the left is the effective condition last year which comprises two large slices: \$563.5 million or 57.6% in State aid that *CUNY* receives for the senior colleges and \$383.2 million or 39% of the budget which is generated through tuition. A third slice of \$32.3 million (3.3%) is City support. The senior colleges of CUNY are basically financed by the State and by tuition. The City of New York (the City aid component) is for a portion of the Central Administration costs that the City of New York provides and, for schools like John Jay, a portion of the

cost of funding associate degree programs at the senior colleges: that breaks down into \$10 million for Central Administration and the other \$20 million is divided between John Jay, New York City Tech, Medgar Evers, and the College of Staten Island, which are all senior colleges that have both associate and baccalaureate degree programs.

The funding streams for the community colleges, as can be seen, are a bit more diverse: City support for the community colleges, obviously as the principle local sponsor, is larger but one can see it is more evenly divided between the three sectors. State aid is not, however, the largest sector, Mr. Malave noted. The largest contributor to the community college budget is tuition dollars paid by students, generating a \$140 million or almost 42% of the entire budget. The State aid component is slightly less, about \$118 million or 35%, and the City support is roughly \$80 million or slightly less than 24%. There were some more dramatic changes from year to year with regard to the community college budget in part because additional aid of \$75 per FTE came from the State of New York and there were additional commitments and contributions from the City of New York for the community colleges.

Mr. Malave next turned to the first page of the same document and explained each of the “Senior College Highlights” in the “Preliminary Analysis of the 1999-2000 State and City Adopted Operating Budgets.” The total appropriation for the senior colleges, as indicated, was \$983.8 million but that includes almost \$400 million in tuition revenues and that was \$4.8 million more than the 1998-1999 budget. You will recall, he said, there was finally some additional recognition of additional needs at the senior colleges last year by the Legislature that was not vetoed by the Governor and that included nearly \$2 million in additional funds for full-time faculty, child care funds of \$800,000 that had not been seen in 10 years, and a \$2 million increase in the SEEK appropriation which effectively was the State effort to restore a substantial budget cut that was levied in 1995. For those who have collaborative programs [with NYC public high schools], which does not include John Jay except perhaps in a small component, there was a very significant controversy this year when the Governor sought to transfer the collaborative program budget to the Board of Education. The *NY S* Legislature restored that funding into the *CUNY* budget for the collaborative programs, which are largely community college programs, although the Middle College School at Brooklyn College is financed in that manner, as well.

There was a nasty brawl in Albany this past year regarding the financing of collective bargaining for both *CUNY* and *SUNY*, he explained. Those who have been reading the newspapers know about the fiscal crisis at *SUNY*. At *CUNY* we had a \$10 million problem in the new collective bargaining costs which were not funded in the Executive Budget [i.e., the budget proposed by the Governor]. The Legislature spent a lot of time trying to solve this problem but the solution fell apart and nothing was done for *CUNY* or for *SUNY*; however, there was an agreement that the City University could use \$10 million that was in an account that only a couple of people knew existed and the reason for that is that the account had not been permitted to be used (otherwise a lot of people would have known about it). So we were able to finance the \$10 million for collective bargaining increases from an account called the Stabilization Account but this is a one-shot, non-recurring revenue that needs to be sought again and, he said, when he reviews the budget request, you will see how we asked for that money. But we were, nevertheless, able to at least go into the beginning of the year without having to declare any overt retrenchment declarations: not that there aren't any significant budget pressures that are being faced by the colleges – because there are – but there are none, he said, that in his estimation require the discontinuation of tenured faculty. As he indicated before, tuition revenues of \$383.2 million is the amount of money we were expected to raise in tuition and that remains the same and that means there is effectively no increase in tuition being proposed.

The next item has particular meaning for John Jay. *CUNY* was permitted to establish an account to deposit revenues in excess of the \$383 millions that was called for by the State to fund the appropriation and those excess revenues are deposited into what we call a CUTRA account [City

University Tuition Reimbursable Account], which can roll those excess revenues over into subsequent years. And so if John Jay had a revenue target of \$30 million and came in at \$32 million, that excess \$2 million, theoretically, if John Jay did not spend it, could be deposited into an account for future needs. And, in fact, when we go over some of the John Jay history, he said, you will note that one of the reasons that John Jay was able to finance most of its obligations in the past years has been because it deposited those excess revenues for future use. What this item indicates is that we received authority by the State of New York to spend up to \$10 million, up from \$5 million, of that excess revenue.

The Income Fund Reimbursable (IFR) is something also relevant to John Jay's experiences, especially with its Puerto Rico program: this is an account that is set up by the State that permits a college to spend that which a college raises. A college may raise funds but if the State does not give the appropriation authority, the college can not spend it. And so CUNY sought to have this account increased in part because of either adult and continuing education programs that are expanding in CUNY or because of grants and contracts that were coming to CUNY and thus we needed to raise the ability of CUNY to spend that money: the State did recognize that and allowed for an increase to \$35 million.

The Stabilization Account is very similar to the tuition revenues that can be rolled over. Colleges used to get a call saying there is \$100,000 in this year's appropriation to the college that has not been spent and if it is not spent by tomorrow it will be taken back by 80* Street. And so the people in Albany created the Stabilization Account so that will no longer necessarily be the case. If a college has a \$100,000 or a million dollars sitting around unspent, the college does not have to worry that the money will be swept up by the State: rather the college can deposit the money into an account for use by the college, not by the University. That ability to save unspent money has not been the case at John Jay and, frankly, has not been the case at a number of campuses although there are a few campuses that end the year not having spent a few hundred thousand dollars and so they get to spend it in the future.

One of the biggest disappointments in the budget that continues to be a big drain on the budget is the fact that the State of New York ignored the fact that CUNY has a new building for the Graduate School. Notwithstanding the fact that the State spent \$200 million on the new building, it did not give the University the resources necessary to operate the building. This is a struggle we will continue to fight. That is basically the senior college overview. He said he would not go over the community college overview except to say that most of the same things that were granted for the senior colleges, such as additional funds for full-time faculty, for child care, were also provided for the community colleges. And a program that does perhaps benefit some students at John Jay is a program that was established principally by City Council Speaker Peter Vallone – a merit scholarship program – which is largely a senior college program because it is for students who graduate from high school with a B average who enter CUNY and maintain a B average at CUNY: those students would receive 50% off their tuition: that was a \$7 million program that was restored by the City.

The adopted budget analysis includes provisions related to the appropriation of funds to CUNY: **Mr. Malave** noted that the adopted budget is one that has been agreed to by both the Mayor and the City Council and they both, together, included a provision that CUNY not be allowed to spend or receive \$20 million unless the CUNY Board passed a resolution imposing the establishment of **an** exit-from-remediation examination. That provision ultimately became moot in part because the Trustees were prepared to do this anyway and, indeed, have done so, and secondly, because a judge ruled that the City could not do this. But it was the Mayor and the City Council who had agreed to that provision. Another provision that was contained in the Executive Budget Recommendation which was announced when the Mayor released his budget called for vouchers for remediation and this provision was one that the City Council declined to accept and it did not become a condition for the use of community college funds.

Another matter, which was the same for *SUNY*, called for **an** examination of the Research

Foundation, although this was not particularly earmarked for CUNY: there was interest in what was happening at the *SUNY* Research Foundation and the politics of New York being what they are, something can not be done to *SUNY* that is not also done to *CUNY*. So the CUNY Research Foundation is undergoing some examination.

On the financial aid front, tucked away in the budget, was the establishment of a program of potentially significant importance: a part-time TAP program [Tuition Assistance Program]. This wasn't funded because it did not need any real cash in the first year because it wasn't effective until the subsequent year. But it is an acknowledgment for the first time from the State that part-time students engaged in part-time study is something to look at very seriously and there is a tremendous need in that area and so the State authorized the University to establish a part-time program for TAP. The big story in terms of financial aid is that the cuts to TAP that were being considered in the Executive Budget Recommendation were restored.

The last significant item is an effort by the State of New York to consolidate all of its economic development activities into one agency, an agency created and called NYSTAR, the New York Office of Science, Technology and Academic Research. This is a really exciting program: the State of New York appears to be getting its act together when it comes to economic development and it put serious resources on the table: \$95 million for capital facilities, \$7.5 million for faculty hires, support of advanced technology programs, and so forth. This is a very interesting effort by the State, which he said he hopes succeeds and that perhaps *CUNY*, in addition to getting whatever budget we get in our regular appropriation, will be able to compete for dollars that are managed **through** that agency.

Senator Tom Litwack asked whether he is accurately reading the item in the financial aid section about a part-time TAP program: is his understanding correct that only first-time freshmen would be eligible but not transfer students. Mr. Malave said that is correct but noted it is a pilot program.

Senator James Malone asked the Budget Director whether as someone who has been at CUNY for a long time, does not Mr. Malave agree that the budgets of the various campuses of CUNY are political documents and that per capita funding is a fairer approach, that is, finding campuses according to the number of students each has rather than funding each college without regard to the number of its students. He asked whether we should and could move to per capita funding and what is it that keeps us from moving to that approach, which would be more equitable because it would ensure that all students at *CUNY* are provided with equal support for their education. Mr. Malave agreed that it would be more equitable to fund on a per student basis. That model has a certain elegance to it, he said, explaining that in other words, the State of New York would recognize that the dollars effectively follow the students or that, if the students are attending School A, the State in some manner would acknowledge that fact by funding School A accordingly.

Mr. Malave explained that in the late 1970s and early 1980s the State of New York did, indeed, have a finding system in place that was on a per FTE basis but that was abandoned in the mid-1980s and instead the State effectively fixed the appropriation levels and basically told *CUNY* and *SUNY* that each university has been authorized under the statute of management flexibility to do whatever each wants to do: *CUNY* could move money from one account to another without worrying about how the money was appropriated. Effectively, the State transferred that burden of seeking equity and some rationality in the way in which allocations are made to the University. Enrollment management policies or the absence, perhaps, of enrollment management policies at *CUNY* has resulted in a number of *CUNY* campuses effectively exploding in terms of enrollment and, principally, if one looks at the charts, we are looking at Medgar Evers and John Jay College, which over a period of 10 years effectively doubled in size. And somehow the University managed to let that happen without figuring out a way of transfemng the

resources necessary to meet the needs of those colleges that were receiving those students, he explained.

The University made a modest effort, called Base Level Equity, because some at the University realized that some of the patterns were clearly going in the wrong direction and this effort was designed to clearly temper that and do something about that, Mr. Malave recalled. That relatively minor activity at the time generated incredible passions given that there were very few dollars involved; but, nevertheless, a committee was established, chaired by the then president of Baruch and now Chancellor of CUNY, Matthew Goldstein, to examine the policy. The notion of taking from College A to give to College B is a non-starter principally because of the proposition that everybody is poor. So if everybody is poor, how could money be taken from College A, which is not terribly well funded in the first instance to give to College B. President Kaplowitz explained, in response to reactions of Senators, that Mr. Malave is not necessarily advocating this stance but is reporting what the situation was. Mr. Malave agreed but said also that it was not necessary for presidents to come to the conclusion that there are no colleges in CUNY that are well-funded institutions – for example, he does not need President Lattin to say that Brooklyn College needs money – he knows that Brooklyn needs money as well. Everybody needs resources: that is not the issue. The issue is what to do about the situation.

Mr. Malave said that what CUNY has done over the past few years, comments from college presidents notwithstanding, is nevertheless try to adjust base level budgets to achieve part of what those objectives were in the first instance. In the case of John Jay, for example, he can count \$4.5 million to \$5 million over the past four to five years that was transferred directly to John Jay College from other sources – the money did not come from anyone else's hide – rather, it was done through creative budgeting – but there was a \$4 million to \$5 million transfer, the most dramatic of which was the \$2.8 million transfers over the past two and a half years. But that is only what he did in the past two years, he said. Between 1994 and 1997 there was a lot of action, as well. So the fact of the matter is that John Jay's budget has probably grown more than anybody else's at the University. No other college in the system has received anywhere near what John Jay has received in additional resources, with the exception of the College of Staten Island, because that college happened to move into a 200-acre site and he suspects that when the monument is built for John Jay, his Office will have to figure out how to finance the operating needs of John Jay, just as we're struggling to finance the needs of the new Graduate School right now even though we don't have any money. While providing \$3 million to \$4 million to John Jay, 80th Street had to figure out how to provide \$3 million dollars to the College of Staten Island because the State of New York said the new campus is beautiful but they were not giving any more money for it. So \$3 million was provided to Staten Island, money which did not come from any other college – again, through creative budgeting – but, having said that, those are just some ways in which we have struggled to deal with a problem that requires a more systematic approach, he said.

The Budget Director said that one of the things he is terribly excited about – and he thinks Karen will tell the Senate this – is that our new Chancellor just announced at the Committee on Fiscal Affairs of the Board of Trustees that it is now time to model the senior college appropriation. That effectively means that base budgets are effectively liquidated: whatever someone in Albany suggested that each college ought to have as its base budget condition now goes away. Hopefully we will create a model that actually provides additional resources. But, he cautioned, you have to be careful with models. Be careful what one wishes for because the question will be how we will now construct this model and, obviously, it will be like most models in higher education, like CUNY's model for our community colleges: at its core is an enrollment driven algorithm that has dollars which follow students. But more importantly, like the State University of New York, CUNY is beginning to look first at the way it allocates revenue. So before anything happens, before we even toy around with \$563 million in State aid, let's take the \$383 million that we have and give it to the colleges in the way in which they have generated it. For a school like John Jay that is 80 percent of John Jay's budget – that's a figure that you know but that's because you don't count fringe benefits – most people think it's 110% of the budget but

when you count fringe benefits and energy, which is never in your budget in the first place, it really is about 80% of your budget.

There may be strong efforts to move, as **SUNY** has, to a revenue-based allocation but then the question is what do we do with \$563 million in State aid and, unless John Jay is just going to get a piece of that, I can't see how we begin to fix that budget, he said. However, he added, let's assume that we all collectively put together a model that says this level of instruction ought to be funded at this level and that level of instruction out to be funded at that level and let's assume we come up with a system that says that what that means is that John Jay has to be allocated \$15 million more. Where is he going to get \$15 million more, he asked. Is he going to cut other colleges by \$15 million? Now, that may be theoretically an interesting discussion but it effectively would be declaring retrenchment conditions at other colleges. Effectively it is unworkable if the dollars stay the same. It is entirely unworkable if it means we should even proffer something that effectively turns a college into receivership and a declaration of retrenchment or maybe even requires our thinking about eliminating the college because then we are not having a discussion, then we are back to square one.

Senator James Malone said this is a discussion that has to focus on the future not on the past. Mr. Malave said it is important to review the history, as well. Senator Malone said one ought not try to make up the deficits in one fell swoop. Mr. Malave agreed. Senator Malone said that although deficits should be made up over time, there should be some clear and fair method so that we do come up with some equitable way of providing funding for colleges and it seems very difficult to have equal budgeting unless we use student enrollment **as** the base. **Mr.** Malave said he is a strong proponent – he said he is in the amen corner on this issue. And so there is not an issue as to whether or not anyone at the University believes that there ought to be a greater level of rationality but, I must **warn** you, he said, it is easy in the abstract to say all the colleges are the same and that all the colleges do the same things but the fact of the matter is that they do not. There is a high degree of differentiation in mission that will make **an** effort to model **CUNY** extraordinarily difficult and it is going to be a real struggle to do that. He said he is committed to do that and the Chancellor is committed **as** well. At the last Fiscal Affairs Committee of the Board, the Chancellor outlined a fairly ambitious agenda for us to get there and, he said, he thinks we need to get there but he wants to indicate very strongly that unless it is accompanied by significant resources, all we are going to be able to do is what we've done.

Because, Mr. Malave said, I tell you we have provided John Jay **\$4** million to \$5 million **extra** in base level adjustments in an environment in which our budget has not gone up. He asked not to be asked here how he did that but since 1995 the budget has been flat (we did get money for collective bargaining last year but it's been flat). But the flat budget has not prevented things from happening. But that's fairly incremental and we're still in the midst of a budget crisis in part because it's only incremental. Until such time **as** the State of New York makes a real commitment to higher education in the form of increased funding, we are still going to be in that predicament.

Senator Tom Litwack said that first of all he would like to say that we are, of course, very grateful for the increments to John Jay's base budget that **Mr.** Malave and CUNY have provided to us because he said, he cannot imagine how our College would be surviving without it. **Mr.** Malave said John Jay **would not have survived** without those additional base budget funds. But, Senator Litwack said, of course Mr. Malave knows that even with those increments, John Jay is still the worse funded college in CUNY. And just so everybody knows these figures, he is distributing two charts [Attachment C-1 & C-2]. Mr. Malave said that before looking at Professor Litwack's charts, he would like to present his own numbers first.

He said he first would like to review the enrollment figures just so one can actually see the trend at John Jay and elsewhere. On page 9 [Attachment D-1] of his 27-page document entitled "Enrollment"

we see the average headcount enrollment from Fiscal Year 1994-95 to FY 1998-99 and what is seen is the year to year change. Looking at John Jay, we see a growth of 5.5 percent in FY 1996 and of 5 percent in FY 1997 and then we see that growth evaporate very quickly to 1.3 percent and then move into the negative so that over the last half of the 1990s there has obviously been growth but the recent numbers are not unimportant and should be noted. He said that one notes, however, that every other college, with the exception of New York City Tech, is clearly in the negative, with some schools in very, very serious trouble, most of the trouble occurring at City College, at Lehman College, at Queens College, and at York, which has lost, like City, a fifth of its student body in the latter half of the 1990s.

With regard to the community colleges, a third of the students at Hostos are not there any more, and Queensborough and Bronx CC are struggling mightily as well. *So* there is lots going on and we have to be mindful what it must feel like for those at a college that has suffered a 20 percent enrollment loss in five years or, if one is at Hostos, a double-digit loss in one year. What he means for everyone to be mindful of, Mr. Malave explained, is that when he reviews financial plans he reviews 18 such plans, not just one, and there is extraordinary stress out there. It is not as though CUNY is making decisions to not do what it believes to be the right thing to do by colleges whose enrollments are growing. He explained that CUNY has been faced with extraordinary situations in recent years which frankly under that environment he wonders just how we have been able to do what we have been able to do in the case of John Jay and in some other cases, given these enrollment numbers and given the real meaning of these enrollment numbers to the budgets of some of these institutions since he thinks all the Faculty Senate members are familiar with the relationship between budgets and enrollment.

Mr. Malave turned to page 11 [Attachment D-2] of the “Enrollment” document to see how the numbers play out between graduate and undergraduate enrollment and full-time and part-time enrollment. He said that certainly in percentage terms, when one looks at the overall numbers, the activity at John Jay is at the graduate level: growth from 1995 to 1999 at the undergraduate level is 6.4 percent but at the graduate level, enrollment has exploded 44.1 percent overall, with full-time enrollment growing more than part-time enrollment at both the undergraduate and graduate levels. He said it is always important to see, between full-time and part-time, where the students are because it speaks to the issue of cost, it speaks to the issue of the kinds of infrastructure a college has to have in place in order to deal with the needs of the students. From 1995 to 1999, in terms of both head count and full-time equivalency, it is the story of John Jay. He did note, however, that although Queens College’s undergraduate enrollment is eroding its graduate enrollment is fairly strong.

But looking over a ten-year period, the story in terms of enrollment growth is no longer John Jay but rather Medgar Evers College, whose enrollment has exploded. But, he added, there has not been a \$5 million base level adjustment at Medgar Evers – perhaps there should be a \$5 million base level adjustment at Medgar Evers but there has not been. 80” Street has done something, but nowhere near what 80th Street has done at John Jay, which means, of course, that Medgar Evers is next. The next page [Attachment D-3], he explained, is a breakout between full-time freshmen and advanced standing transfers and, as one can see, were it not for transfer students we’d be in deeper trouble than we currently are in, at least over the past 10 years because first-time freshmen enrollments are not keeping up.

The CUNY Annual University Fiscal Report Highlights is the next document **Mr. Malave** reviewed and turned to the page of the document that he said everyone wants to see: the funding per FTE student [Attachment E-1]. He said the Senate may not recognize some of the overall budget numbers because the dollars are total expenditures, which include expenditures that one does not see. He said that it is appropriate for John Jay to compare itself only to comparable colleges, that is, to other colleges that have both associate and baccalaureate degree programs but it is not, he said, appropriate for John Jay to compare itself to City College or to Lehman. Senator James Malone asked why that is. **Mr. Malave** said that running expensive Ph.D. programs in engineering and architecture and not running

associate degree programs such as is the case at City is different and much more costly than running straight liberal arts programs. Senator Litwack asked whether the doctoral programs at City are not, in fact, paid for by the Graduate Center. Mr. Malave said there are costs at City College for the running of those programs that are included in the total infrastructure of City College, in its faculty infrastructure, in its administrative infrastructure.

But, Mr. Malave acknowledged, there are wide variations between colleges, even between those that are baccalaureate only. It is true that John Jay receives only \$6,288 per FTE or \$6,992 when one includes activity that is not purely appropriation activity but when one also includes **funds** from student activities, from endowment income that the college uses, and from IFR income. The other end of the scale is City College at \$12,463 per FTE or \$12,696 when all monies are included. But, he added, you also see that if you were Hunter College you would have to wonder why Hunter is at \$7,600 and if you were Brooklyn College why Brooklyn is at \$9,300. And so the issue of variability of financing and cost per FTE is wide-ranging and is throughout the system: it is not something that is peculiar to John Jay. Professor Malone's opening question about the rational system of appropriation is very, very important, Mr. Malave explained. First of all, one couldn't create a system that says that these numbers should be the same: there may be numbers that should be the same within the same component of that larger model but when looking at big numbers and overall numbers, one will find some of these variations and some of these things are easily explained and some are not so easily explained.

But, Mr. Malave said, what does explain these things is found on the next page of the document [Attachment E-21. This document shows how we break up those expenditures by major purpose: one sees where it is that John Jay spends its dollars in relation to I&DR (which is all the instructional activity), Organized Research, Public Service, Student Services, General Administration, Institutional Support, Maintenance and Operation of Plant, Institutional Scholarship Activity, and Auxiliary Enterprise Activities. And, he said, you'll see that in some cases, in some categories, John Jay exceeds the average expenditure, in other cases it is below the average expenditure.

On the instructional side, in the I&DR category, John Jay in spending \$3,790 is clearly below the average in terms of the amount of money it expends on instruction but if you are Hunter College you're wondering why you are spending only \$4,439 in instructional activities. In Student Services, John Jay is a little bit closer to the average expenditure but is still beneath the average, but it spends \$5.7 million in Student Services. Lehman College, a school that John Jay likes to compare itself to, spends \$4.7 million in Student Services. That's a million dollars less spent at Lehman College. As for General Administration, Lehman spends \$2.9 million whereas John Jay spends \$4.3 million. City College spends \$4.7 million for General Administration: City College, a school that is a very big school, certainly from a managerial and administrative point of view, spends only slightly more than John Jay does for General Administration. President Kaplowitz asked **Mr.** Malave to explain what the category of General Administration includes and whether it includes everyone on the Executive Compensation Plan (ECP). Mr. Malave said that not everyone on Executive Compensation is included in General Administration because some ECP people in elements of instruction that are administration, such **as** provosts, are not included in that category but most of the ECP and management activity is divided between what we call General Administration and Institutional Support. Institutional Support is always broken up because it is more variable and is driven by the cost of Security and by the cost of the Computer Center, which is not necessarily purely administration but is more service oriented. But, he added, the numbers are not insubstantial. The operation of the plant is always an interesting number, he said, because that is something that one can't do anything about: sometimes it's the fuel that is used on campus, sometimes it's the plant that a campus has and the number of engineers that are required for that plant and so if a school needs 11, 12, 13, or 14 stationary engineers, that large cost is included in the total expenditure per student FTE. Some colleges spend very, very little on energy costs and others spend \$3 or \$4 million just on energy, which is the case at CCNY, because it has energy needs that are

not comparable to any of the others.

Mr. Malave said his Office is preparing another book – a 50-page executive summary of which has been already provided to the University Faculty Senate – that will be about 700 pages in three volumes and will include all these details, in other words, exactly how much each school spends on every cost: in other words, if you look at the M&O (Maintenance and Operation) number, you will be able to see how much of that expenditure went for energy, how much went to building rental, and so forth. He said one can always debate why the numbers are what they are: remember that City College lost a fifth of its student body over the past two or three years alone so it is hard for City College, or for any other institution, for that matter, to adjust downward to a fifth fewer students. Similarly it is not easy to jump, to suddenly have 20 percent more students, and to factor that in an environment in which the budget is not growing. But it is important to see that. The Budget Director said he would be happy to send the Senate additional information and data.

Mr. Malave said that when looking at the Instructional expenditure number, it is always important to recognize that some of the older schools have an older faculty that would, therefore, cost 20 percent more: if a college has a highly tenured full-time faculty that, for whatever reasons, have not taken the Early Retirement Incentive because their college is such a wonderful place to work, and that does exist, and then if a new school never ever got to the point of even hiring all its faculty the two schools may have exactly the same number of faculty and that is why numbers that are devoid of staffing numbers do not tell the full story. He said he doesn't want to be told that because it costs 20 percent more at a certain college that college is able to deliver anything more than John Jay can because John Jay probably has as many faculty as some of the other colleges do but their faculty cost **20** percent more than John Jay's does. That's why it is important that you have these numbers. It is important to know how many full-time faculty are on staff at each college in relation to the total number of that college's students and it is those ratios that are meaningful. It is easy to have the picture distorted when one does not look at who and what is behind those numbers.

Senator James Cauthen asked about the first column "Instruction & Department Research" [Attachment E-21: he asked whether that column represents the main component of the differences between the colleges or whether other components do. Mr. Malave said the other component would be the ratio of full-time to adjunct faculty: if a college has a large number of adjunct faculty that is, of course, going to diminish the cost but the question is the value of an adjunct. A full professor in the classroom and an adjunct in the classroom may have similar student/faculty ratios but the adjunct costs 50 percent or less than the full professor. So the question, then, is not only do you count the ratios but what is the value one puts on an adjunct: is an adjunct a good or bad component? But clearly an adjunct is a less costly component. That doesn't mean the classroom is not filled with a bonafide instructor, which is an important consideration: it just means that it costs 40 percent less to deliver that instruction. So the numbers will appear in that column and so it may cost \$1,000 less per student FTE at John Jay but it may be completely meaningless when it comes to how many teachers, what is the class size, and those are the indices you have to look at.

Senator **Amie** Macdonald asked whether we will have access to those ratios. **Mr.** Malave said that clearly the Senate can obtain information about those ratios and class sizes for John Jay but one of the things his Office is publishing is the entire teaching load report for all the colleges of the entire University so that everyone can see exactly by discipline the number of full-time faculty, the number of adjunct faculty, the class size. The struggle with a report like this, which is extraordinarily complicated, is to be able to issue it with the right kinds of instructions for those who are reading it so they can understand it and not misinterpret the data. He said he hopes that his Office will be able to release that report in a few weeks University-wide.

Senator Tom Litwack said that he agrees with Mr. Malave's decision to go though the numbers with us not only because it is very important to understand the numbers but because doing so helps point out the fact that clearly John Jay remains the least well-funded college in CUNY in terms of base budget and grand total budget even with the additions given to us by SO" Street. Mr. Malave agreed. Senator Litwack pointed out that these figures for John Jay all include the additional funding we received from SO" Street. He concurred with the Budget Director that we can't just look at total numbers because we are looking at different institutions, which is very important to keep in mind, and that is why he is really, really glad to hear that CUNY is planning to come up with a model because our position all along at John Jay is that all we want is that a model be applied. That has always been our position. Our position has not been that a particular model should be applied: we have not even taken the position that a model should be purely enrollment driven. Our position has been that there should be an objective model fairly applied and we will be happy to live with those consequences.

Mr. Malave thanked him for his comments and said that he hopes that Karen and her colleagues on the Budget Committee of the University Faculty Senate will play the kind of role that they play now but perhaps a bit more aggressively in the future and that is so that he and his colleagues at 80" Street can have all the considerations placed on the table. He said that Ned Benton has been one of his favorites for years because he has been able to articulate the needs very forcefully but beyond articulation we have to roll up our sleeves and construct a model. In the construction of a model, faculty are critical to that exercise, he said, and added that he is looking forward to that. President Kaplowitz conveyed Professor Ned Benton's regrets that a longstanding prior commitment prevented him from being here today.

Senator Litwack said that if there will be a model, the model will show that John Jay is very underfunded compared to the average by any model. But one thing that we already **know** is that in terms of full-time faculty in relation to CUNY's own Instructional Staff Model (ISM) -derived faculty needs, John Jay has the lowest numbers of full-time faculty. So we already know that – that has already been modeled. So we know that any model would indicate that John Jay should have more full-time faculty than it already has. Senator Litwack noted that Mr. Malave has raised a very important issue and a very difficult issue, and he said he appreciates how difficult it must be for the Budget Director and for anyone in his situation given the demands that are placed on him by the other colleges in CUNY: but that issue that he raised is the question of how can a college that is underfunded or under-facultied be given more faculty, given the limitations of the budget. Senator Litwack said he would like to make two recommendations and would be happy to hear the Budget Director's reactions to them.

Senator Litwack said that, to him, the easiest way would be to go directly to the State and say very specifically that we have a situation in CUNY in which one college is underfunded beyond any other and that is John Jay. Mr. Malave said he thought Professor Litwack was about to say New York City Tech, because that is what he keeps hearing President Beaufait say about his college. Senator Litwack said that we will see what the model shows but at least right now it seems to be John Jay that is the most underfunded but even if it is two colleges – and it doesn't have to be only two colleges – there has to be a recognition that certain colleges, whether one or two or three, are particularly underfunded and, therefore, a special request should be made to the State for extra funding above and beyond the normal funding for **CUNY** specifically for those colleges, not just John Jay, but certainly including John Jay. That is the easiest way to go and that, of course, is what, in a way, the Base Level Equity Committee of Presidents chaired by then President of Baruch Matthew Goldstein suggested, that is, going to the State for additional funds. But if that doesn't work, there is another way without requiring colleges to lose active faculty and that is by transfemng vacant funded lines: there are hundreds of lines in CUNY that are vacant of people but are supported by the State. And colleges that have these lines have far, far, far greater budgets than John Jay and even though, he said, he is certain that every dollar of that money is spent for a good purpose he still has to feel and say that it is inequitable that that money be

spent by colleges that have so much more money than we do given the situation we are in. And if worse came to worse, vacant funded lines should be transferred from the better funded colleges to the less well funded colleges.

Mr. Malave said that with reference to the first suggestion, CUNY has done just that except that the dollars have not been all that significant. By the way, the only currency that matters is dollars. When one says funded vacant lines, at the end of the day the only real currency that matters is dollars and it is important to get away from the idea that there are lines that sit there that once had bodies on them and no longer do – dollars are the only thing that matter. President Kaplowitz said that Professor Litwack meant that the dollars should go with the lines.

Mr. Malave said things have changed over the past five years in the way that the State of New York funds us. About four or five years ago the State abandoned the notion of funding vacant positions. Instead they now just give us what they gave us the previous year. In other words, they operate in a kind of high order analysis in terms of the budget that they are going to give: the Governor's Office and the State Budget Division say, "What are we going to do for *CUNY* and *SUNY* this year?" and their answer is, "We'll give them what we gave them last year." And this is notwithstanding what the base level needs are of the school, what the mandatory cost increases are of the school, what the calculus ~~was~~ that went into the number for the school: they just say they will give CUNY \$924 million dollars and that's it and that's what they've done for four straight years. So it used to be the case where the State used to give consideration to the number of positions but that's all gone and not only that but the new payroll system eliminated positions so we don't even have positions to follow: we just have faculty who we hire. The State Budget system has also changed somewhat and thus it is not ~~as~~ simple ~~as~~ Professor Litwack suggested in terms of State funding of vacant lines at College A: it is just a dollar level that is provided and if the people are there, they are there, and if they are not there that's fine too.

Senator Litwack asked: is it not true that in the past, colleges had vacant funded lines with dollars attached to those lines, 82% of the dollar worth of each line. Mr. Malave concurred. Professor Litwack questioned whether the colleges once had that money but now that there are no longer monies attached to those lines when they are vacant? Mr. Malave explained that there is no longer a consideration of the lines that are on a campus. Senator Litwack asked whether the money was lost by those campuses. Mr. Malave replied that the money had not been lost. Rather, over the past four years when there was a consideration of lines, the issue of whether the lines were "filled" or "unfilled" has been absent from the calculation by the State in determining what the overall funding level is for CUNY. The State has given *CUNY* what it gave *CUNY* the previous year. Senator Litwack said that means the colleges kept the money that each had been receiving for vacant funded lines. Mr. Malave said he is not suggesting that the "contaminant" that Chancellor Goldstein likes to refer to is not still imbedded there, somewhere, but the point is that 80th Street has tried, whenever it has tried to allocate new resources, just ~~as~~ they allocated faculty lines in 1997-98, to create an algorithm that allocated a significant portion of those lines to colleges that have the greatest adjunct reliance. *So* whether one wants to call it base level equity or not, by considering adjunct reliance, his Office necessarily and implicitly funded those colleges with the greatest need.

Senator Litwack responded that this funding, however, ~~was~~ with additional **adjunct** funds rather than full-time lines. Mr. Malave agreed and added that the other factor taken into consideration was graduation rates which, he suspects, we will not ever be doing again, at least not the way it was done the last time. But, he said, if all else fails, he suspects we are moving toward a model system of resource allocation effectively independent of whether or not the State of New York provides any additional largess to the University and, so, if at the end of the day, Herman Badillo and Matthew Goldstein go to Albany and get nothing, which is unlikely, then CUNY can not ignore the situation.

What will happen is what always happens and what has happened before: *CUNY*, like any other institution, will avoid that massive decision until it can't avoid it any longer. We are almost at the point, we're not quite there, but we're close, but we can't and won't be able to avoid it any longer. Where you have a condition on Campus A that they are actually considering retrenchment, even if they are not doing retrenchment, or they're not reappointing people or they are not hiring people notwithstanding any other needs that are going on and you have another campus, Campus B, which is able to move along **as** though things are pretty much all right, that's a system that ultimately can not sustain itself. It can be sustained for a year or two but after a while even that breaks down and, so, he said, his sense is that one way or another *CUNY* will deal with the situation and find ways of dealing with it while it is imploding. He said that the new leadership of the University, namely, Herman Badillo, Matthew Goldstein, and Benno Schmidt, are very, very interested in correcting and overhauling the budget structure of the University to enable it to be more performance based but one cannot talk about performance without in the first instance giving an institution a budget that it can then be measured by. Senator Litwack agreed.

So, Mr. Malave said, the issue will force itself. Once we begin talking about this as we are, we will get to that point. He said the Chancellor's meeting with the Board's Fiscal Affairs Committee indicated that clearly an agenda is moving forward and if, come February or March, nothing has happened then John Jay's Faculty Senate might want to raise the flag.

Senator Patrick O'Hara noted that one-fifth of the weighty packet Mr. Malave distributed to everyone is about performance based budgeting and he asked in which direction the Budget Director sees this aspect moving. Mr. Malave said that a number of years ago, at the encouragement of some trustees, *CUNY* allocated some dollars using performance and the performance factor that **was** used was graduation rates. The method was very crude and everyone committed themselves to not doing that again and instead committed themselves to developing a more systematic and analytic approach to defining what is important and what is not and what we value. **A** group of presidents got together and developed a number of performance measures to consider and the University Faculty Senate's Budget Committee has been very involved in evaluating that. But then nothing happened because we were all caught up in what we all know the University has been caught up in during the past few years and the whole thing effectively died.

Now, as a consequence of the activity of the Board at the leadership level, and the Mayor's Task Force Report, which he said he had hoped to be able to bring with him – he invited anyone who would like a copy of the Report to contact his Office – the Mayor's Task Force Report (the Benno Schmidt Report) called for – and he said he thinks this is important – a performance based budgeting system which is a little more complex and involved than what we were doing previously, which was how do we allocate a few million dollars by considering some measure of performance in the algorithm. He said he thinks we are looking now at something a bit broader that includes not merely the performance of how many students a college is graduating but institutional performance: does, for example, Student Affairs at John Jay work. To him, a student who walks in and pays \$3200 a year at John Jay is entitled to a certain level of service, a level below which the system can not be allowed to go. The college may decide to provide additional services if it likes but it will not be permitted to provide less than a minimum standard of services. To him, he said, that is a performance measure. To him, whether an institution has a planning process in place is a performance measure. Whether the institution has a faculty group that consults and is part of governance is a performance measure that is **part** of institutional leadership and the organization of a school. Whether the business office needs five accountants to do what it takes three accountants at another school to do is a performance measure.

Senator Kwando Kinshasa said he had watched Benno Schmidt on television discussing his Edison Project and he asked how Schmidt's ideas about the Edison projected would now be implemented in *CUNY*. Mr. Malave said there is no directive at this time to impose this model on the

University. Senator Kinshasa questioned whether there is a move toward contracting out instructional services that are currently being delivered by CUNY. The Budget Director said he does not think so because he believes that CUNY operates very efficiently and very productively and he doubts whether any outside agency could operate as well as CUNY.

Senator Litwack, noting Mr. Malave's comment that there is no likelihood of retrenchment of tenured faculty, asked whether this is some likelihood of retrenchment of non-tenured faculty. The Budget Director said that if colleges do not have enough money to fulfill their mandated tasks they will have to find the money somewhere. For some schools the money will come out of OTPS [Other Than Personal Services] and at other schools it may mean that in 2000-2001 – if Governor Pataki says there is no more money available for CUNY – some colleges may have to turn to non-reappointment.

Senator Litwack noted that with the current Early Retirement Initiative, a number of faculty will be retiring and at one of the colleges, which he does not want to name, there is a very high ratio of full-time to adjunct faculty and, furthermore, quite a number of full-time faculty at that college are likely to retire. Mr. Malave said that there are four colleges that Professor Litwack is describing: Brooklyn, City, Queens, and Hunter. Senator Litwack said he does not want to name a particular college and so Mr. Malave suggested he name all four. Senator Litwack concurred and said that at those four colleges when faculty retire, some of those lines have to be replaced because they are particularly important but presumably not all of them, especially at a place like Brooklyn or City which have enough full-time faculty to give 95% of its courses with full-time faculty. One way, he said, for the University to meet its budget problems without requiring John Jay, which is so underfunded, to try skimp by with even less, is to simply not let the better funded colleges replace retiring faculty and save those monies – he is not speaking of firing anyone – but of not replacing faculty who retire and transfer the money that is thus saved to John Jay.

Mr. Malave said that is always an option for the University like other options: CUNY could also say we want to retrench administration by 20 percent and that is how we will fund full-time faculty hires: that's another option. CUNY could consider lots of options. He called Professor Litwack's proposal arguably easy unless you are the chair of the political science department at Brooklyn College who is saying that he needs to replace retiring faculty in order to maintain a quality institution otherwise down the line Brooklyn will face serious problems. Senator Litwack said he recognizes how difficult the situation is but that John Jay is seriously underfunded.

Mr. Malave agreed but said that the same is true of New York City Tech and some of the other schools, including Baruch, which he characterized as being funded at about the same level as John Jay. Senator Litwack noted that at least Baruch has a huge endowment which it can use to fund fundamental services. Mr. Malave said that is true unless the endowment is restricted to, for example, scholarships or specifically to its business school, and so forth. He said the fact of the matter is that when it comes to the percent of instruction that is taught by full-time faculty, Hunter is almost exactly where John Jay is: 50 percent of the instruction at Hunter is taught by adjuncts. President Kaplowitz asked what is the average teaching load of the faculty at Hunter. Mr. Malave said he doesn't know but the point is that notwithstanding the "riches" at Hunter College, somehow they can't manage to teach more than 50 percent of their instruction by full-time faculty. That's a significant budget pressure. Baruch, although it has its new campus – as John Jay will surely as well – and it has all the money that is contributed to it, is not far in its FTE funding from John Jay's. He said that is rather counterintuitive because if Baruch is not far different from John Jay's funding, then Baruch is almost where John Jay is vis-a-vis Brooklyn College. So, he asked, what should we do?

Mr. Malave said the only point he wants to make here is that he recognizes what Professor Litwack indicated as a potential solution and, perhaps, it is one of those solutions that is easier to deal

with because it would involve people who are retiring but it is not that easy when one has to consider whether or not to send a college down a path that will really, really hurt its instructional program in an effort to help other colleges. He said he would much rather find the resources to fix the situation: we have a new system, a new Chancellor, a new Chairman. Everything, he said, is on the table until they take it off the table and they haven't taken anything off the table yet. That debate will be in full bloom in the spring. In December or January we will know what the Governor has in store for CUNY and we will know the parameters of our problem but we won't know until the Governor issues his Executive Budget.

Senator Litwack asked about the idea he raised earlier: that in the future, once models are put into place, assuming that some colleges even under the new model are really underfunded, that CUNY ask the State for special additions in the budget specifically for those underfunded colleges. Mr. Malave said that somewhat gets away from the idea of a model. Either you want to give to the Governor and the Legislature the authority to establish budget levels or you want to be able to have the flexibility to do that ourselves. He said he would not rush to a political leader to ask that leader to fix our budget situation and in doing so give that leader the authority to do so because the other side of that approach would have to be accepted as well, which is that the response could be to simply cut the budget of John Jay, because we would also be giving the State Budget Division the authority and ability to do that. And so he wouldn't suggest or take that approach. He would simply indicate that the University is requesting X dollars to deal with issues of equity, issues that are longstanding at the University, and that we at the University know how to then deal with those issues. He said he suspects that if we get any real resources and once we follow a model – the agenda has been set – the question will be just how the issues will be addressed and who is going to do it. As expressed in discussions, hopefully we will construct an allocation model this spring that we can begin applying in some phase and fashion over the next three years. But, Mr. Malave said, at this point it is all rhetoric. It needs to translate into real, hard proposals that take active consideration by the Trustees and others in order to become a reality and, that, he added, is what those in his Office do all the time. Senator Litwack said he understands this reasoning and, as he said earlier, all we've asked for at John Jay to begin with, at least, is a model that fairly allocates resources and we've always recognized that there will be differences in colleges.

Mr. Malave said that there is something he really has to say even though he does not want to pick on administration since he, himself, is, after all, an administrator: the administration of John Jay likes to compare John Jay to Lehman College and yet John Jay has probably **twice as** many senior administrators as Lehman College and if this were not the case at John Jay then the administration of John Jay could probably hire another 25 full-time faculty. Lehman College has chosen to have a very lean senior administration: they have even fewer senior administrators than Medgar Evers. He said when you at John Jay look at the numbers, you can't just say that you are underfunded and can't operate properly: you have to look at the total budget. For many, many years CUNY has not micromanaged college budgets. CUNY pays college presidents fairly handsomely, or at least we used to, and we give them the ability to manage their budgets. Presidents manage their budgets differently. For example, no college has devoted more of its budget to instruction than Queensborough, bar none. Queensborough is the leanest operation and ~~Kurt~~ Schmeller and that administration tries to push as much of the budget **as** they can into the instructional program. Other schools emphasize student services more than administration, more than additional faculty. And the colleges have grown up that way because why would you, at John Jay, want someone at 80* Street determining the needs of John Jay? He said he wants Gerry Lynch to have that responsibility and deal with the responsibility of the decision that he makes about what the size of the administration should be and what price one pays for that.

Senator Litwack said he hears clearly what Mr. Malave is saying but he would like to respond that if CUNY comes up with a model that is a fair model and under that model John Jay is receiving an equitable amount of total resources and we don't have enough full-time faculty lines because there are too many administrative lines, we, the faculty, are not going to be arguing with 80* Street but rather the

faculty will be arguing with Gerry Lynch: he said he can promise that. **Mr. Malave** said that his own personal view is that it should not be left to whether or not a faculty leader is going to argue or not argue with a President but that, instead, some standard should be set that a faculty and a college **must** meet: period. It should not be the function of a faculty group to do this because, he said, **as** you know, faculty do not always have the leverage that they wish they have: the faculty at some campuses may have leverage but faculty at other campuses may not have leverage; some campuses may have a heavy-handed administration and other campuses may not. And, thus, CUNY, as a system, must finally make a decision about what is the appropriate level for instruction and what is the appropriate level for student support and CUNY must enforce that standard so that it is not left to the nature of the organization on campus to be the instrument by which performance is measured.

Mr. Malave added that he understands that there remains the question of centralization, which is not an easy question to deal with: that is, whether or not one wants to even give 80th Street that centralized power and authority to interfere. **Part** of the big debate that will ensue is the question of whether *CUNY* should have that power and authority or whether we should simply leave it to the device of the college administrations and faculties to figure out how to run the college. But, he said, 80th Street has done that until now and in some cases it has worked marvelously and in other cases it has not and so the question is whether at those places where it has not worked is it something systemic that has caused it and, thus, requires some systematic solution or whether it is simply something that can be handled on an ad hoc basis. He added that he doesn't think we know the answer to that question.

Senator Litwack said that if the same standards are going to be put into place for administrators then the resources they have to deal with in toto, not just for faculty but for all kinds of administrative staff, also have to be equal for them to be judged. **Mr. Malave** said that he is not saying that equal has to be the standard but what he is saying is that there are certain standards below which a college can not go: if College X is creative enough to raise funds for institutional advancement or planning, that's great, and if that then leads to greater levels of administration or student support services or institutional advancement infrastructure or technology, that is great. What he is saying, he explained, is that there should be a standard that a college can not go below.

President Kaplowitz said that John Jay has increased student enrollment dramatically over the past ten years, as Mr. Malave noted when we went over the documents he shared with us. **A** number of John Jay faculty have felt that we increased our enrollment to too great a degree, given our resources, given the number of full-time faculty we have, given the amount of **OTPS** dollars we receive. Notwithstanding the recent budgetary help from 80th Street – for which she, too, wishes to thank Mr. Malave for being so influential in bringing about – our enrollment increases have been responded to by 80th Street with a bigger and bigger adjunct budget which only makes the full-time to adjunct ratio more imbalanced. She asked what would happen if John Jay chose to reduce its enrollment so **as** to provide more full-time faculty and other academic and student support services. If we decided to limit enrollment would we be held fiscally harmless or would we have a fiscal negative consequence, given our history of supporting the University in the past decade by being the major source of the University's enrollment growth.

Mr. Malave said if the question is whether 80th Street would reverse the base level adjustments 80* Street has made to John Jay's budget in the past few years, the answer is no: he does not think he would reverse anything. However, he added, he knows that Karen knows the role that revenue plays in the college budget. He explained that John Jay has chosen to do this already [by raising admission requirements], notwithstanding the fact that it has no assurances that there is any protection that is being offered, to limit its enrollment and, thus, John Jay is on a sliding scale which is going to have a revenue impact on the College. John Jay has chosen to do that and will have to deal with the fact that it has a revenue target that it has to maintain and, one way or the other, it will be held to it. He said that he

suspects that when we finally get this model out of the way we will also have an enrollment management strategy at the University that perhaps will conclude that John Jay should retrench in terms of its enrollment to a particular level and stay there and that would stand over time and that we want Hunter to stop growing, we want **NYC** Tech to stop growing, and we want to reshuffle some programs and maybe, then, we'll have some rationality in the system, but we're not there yet. **So** any college that goes ahead and reduces its enrollment without any commitments to revenue protections is doing it on its own and will have to pay for it.

President Kaplowitz told Budget Director Ernesto Malave that she knows she speaks not only for the Faculty Senate but for the entire John Jay faculty in thanking him not only for his excellent presentation and the generosity of the time he has devoted to meeting with us today but for all he has done for John Jay over the years. [The Faculty Senate applauded Budget Director Malave.] **Mr.** Malave thanked Karen and the Senate for inviting him and said he would be happy to come back if invited again. [The Senate again applauded him.]

My a motion made and carried, the meeting was adjourned at 5:15 PM.

Respectfully submitted,

Edward Davenport
Recording Secretary

and

Amy Green
Vice President



5 November 1999

Dear Karen,

The Faculty Senate resolution has assumed a special place in my study at home ... pending its transfer to an equally special place at Brooklyn College. I am moved by the sentiments, so eloquently expressed, and honored by the Senate's decision to mark my tenure at the Chancellery in this fashion. My thanks to you and to your colleagues.

You will know how much I valued our association over these nearly two years. You represent what is best not only among the faculty but, more particularly, at John Jay College.

With best regards and, again, my thanks.

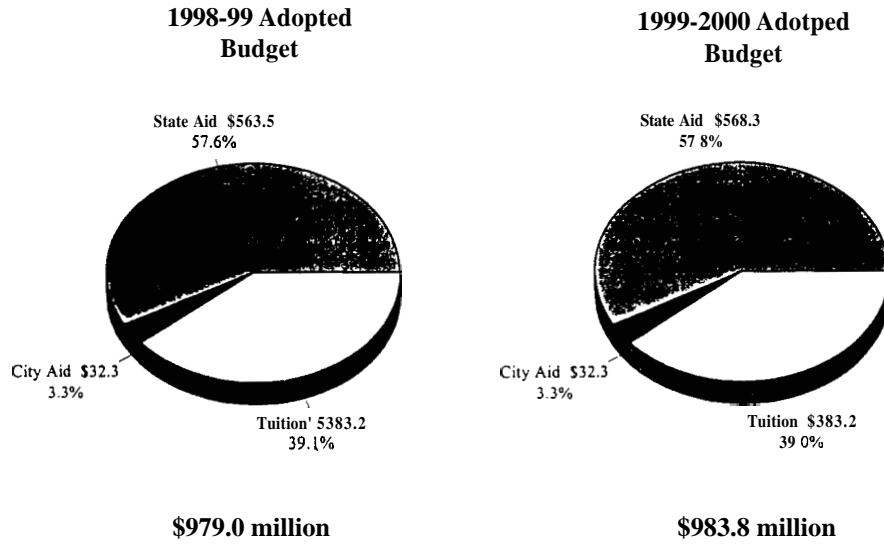
Sincerely,

Christoph M. Kimmich
President-Designate

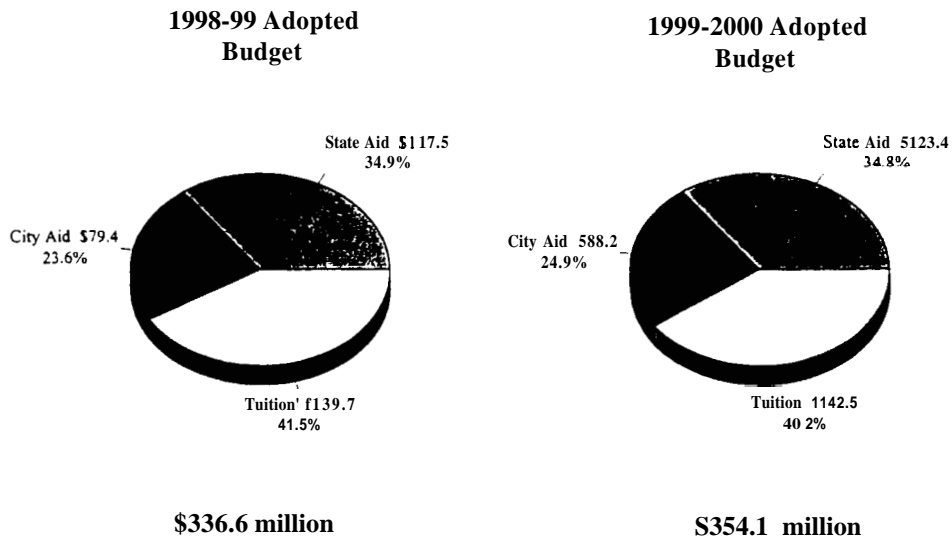
Professor Karen Kaplowitz
President, Faculty Senate
John Jay College of Criminal Justice
445 West 59th Street
New York, New York 10019

ATTACHMENT B
THE CITY UNIVERSITY OF NEW YORK
1999-2000 STATE AND CITY ADOPTED OPERATING BUDGETS
 PRELIMINARY ANALYSIS – AUGUST 12, 1999

1999-2000 Adotped Budget
Senior College Funding



1999-2000 Adopted Budget
Community College Funding



2000-01 Operating Budget Request (Draft)
Per Current Year FTEs per Senior College

College	FTE		Request		Request \$ Per FTE
	1999/2000	2000/2001	1999/2000	2000/2001	
City	7,473		70,550,500		9,441
Brooklyn	9,540		72,517,300		7,601
Lehman	5,910		42,872,500		7,254
Medgar Evers	3,308		22,900,000		6,942
Queens	10,670		69,533,300		6,517
York	3,976		28,815,400		7,243
Staten Island	6,223		46,842,100		7,540
Hunter	13,184		75,244,900		5,707
Baruch	1,178		57,166,300		48,614
NYC Technica	6,510		42,166,400		6,495
John Jay	7,974		35,036,500		4,403
Average College	8.177		51,210,200		6,263

Dollars Per FTE per Senior College 1999/2000 Year
(Indicating Which Colleges Fell Above or Below the Senior College Average*)

College	FTE*	Base Budget*	Base \$ Per FTE	Grand Total Budget*	Grand Total \$ Per FTE
City	7,473.0	69,719.1	9,329.5	71,865.1	9,616.6
Brooklyn	9,540.0	70,161.3	7,354.4	74,242.5	7,782.2
Lehman	5,910.0	41,939.4	7,096.3	45,285.3	7,662.5
Medgar Evers	3,308.0	22,015.3	6,655.2	24,506.2	7,408.2
Queens	10,670.0	67,333.1	6,321.7	73,104.9	6,851.4
York	3,976.0	25,135.0	6,321.7	27,895.4	7,015.9
Average College	8,176.9	49,786.1	6,088.6	54,706.9	6,690.4
Staten Island	8,223.0	47,289.6	5,750.9	53,051.5	6,451.6
Hunter	13,184.0	72,598.4	5,506.6	80,857.2	6,133.0
Baruch	11,178.0	55,669.8	4,980.3	61,789.8	5,527.8
NYC Technical	8,510.0	40,931.3	4,809.8	48,384.2	5,685.6
Inho Jay	7,274.0	34,619.3	4,341.5	40,793.6	5,515.8

* Per VC Brabham Memo- 8/12/99 with Dollars in 000's

The City University of New York
Senior/Community College Annual Average Headcount Enrollment Trends and Year to Year Percent Changes

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	9
Senior Colleges						
Baruch	15,230	15,386 1.0%	15,159 -1.5%	15,008 -1.0%	15,161 1.0%	-69 -0.5%
Brooklyn	15,788	15,591 -1.2%	14,975 -4.0%	14,604 -2.5%	14,426 -1.2%	-1,362 -8.6%
City	14,620	13,786 -5.7%	12,285 -10.9%	11,834 -3.7%	11,656 -1.5%	-2,964 -20.3%
Hunter	19,084	17,954 -5.9%	18,523 3.2%	19,331 4.4%	19,455 0.6%	371 1.9%
John Jay	9,672	10,200 5.5%	10,707 5.0%	10,846 1.3%	10,583 -2.4%	911 9.4%
Lehman	10,592	9,648 -8.9%	9,453 -2.0%	9,395 -0.6%	9,030 -3.9%	-1,562 -14.7%
Medgar Evers	5,240	5,314 1.4%	5,306 -0.2%	5,007 -5.6%	4,831 -3.5%	-409 -7.8%
NYCTC	10,692	10,518 -1.6%	10,858 3.2%	11,005 1.4%	10,949 -0.5%	257 2.4%
Queens	17,843	17,120 -4.1%	16,389 -4.3%	16,078 -1.9%	15,980 -0.6%	-1,863 -10.4%
Staten Island	12,485	11,965 -4.2%	12,001 0.3%	11,872 -1.1%	11,782 -0.8%	-703 -5.6%
York	6,910	6,402 -7.4%	6,210 -3.0%	5,881 -5.3%	5,561 -5.4%	-1,349 -19.5%
Graduate School	4,206	3,957 -5.9%	3,864 -2.4%	3,723 -3.6%	3,694 -0.8%	-512 -12.2%
Law School	436	451 3.4%	456 1.1%	449 -1.5%	369 -17.8%	-67 -15.4%
Total Senior	142,798	138,292 -3.2%	136,186 -1.5%	135,033 -0.8%	133,477 -1.2%	-9,321 -6.5%
Community Colleges						
BMCC	16,452	16,311 -0.9%	16,563 1.5%	16,194 -2.2%	15,719 -2.9%	-733 -4.5%
Bronx	8,502	8,289 -2.5%	7,952 -4.1%	7,627 -4.1%	7,242 -5.0%	-1,260 -14.8%
Hostos	5,290	4,880 -7.8%	4,701 -3.7%	4,127 -12.2%	3,573 -13.4%	-1,717 -32.5%
Kingsborough	14,610	14,021 -4.0%	14,313 2.1%	14,649 2.3%	14,312 -2.3%	-298 -2.0%
LaGuardia	11,020	11,071 0.5%	11,190 1.1%	11,236 0.4%	11,279 0.4%	259 2.4%
Queensborough	11,792	11,093 -5.9%	10,481 -5.5%	10,090 -3.7%	10,124 0.3%	-1,668 -14.1%
Total Community	67,666	65,665 -3.0%	65,200 -0.7%	63,923 -2.0%	62,249 -2.6%	-5,417 -8.0%
Total University	210,464	203,957 -3.1%	201,386 -1.3%	198,956 -1.2%	195,726 -1.6%	-14,738 -7.0%

The City University of New York
 Percent Change in Annual Average Headcount Enrollment from 1995 to 1999

	Undergraduate			Graduate			Total		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Senior Colleges									
Baruch	-3.4%	-2.6%	-3.1%	44.5%	2.3%	14.5%	0.2%	-1.3%	-0.5%
Brooklyn	-12.7%	-6.3%	-10.7%	3.8%	-3.9%	-3.4%	-12.1%	-5.0%	-8.6%
City	-26.4%	-15.7%	-23.0%	-17.7%	-10.2%	-11.0%	-26.0%	-13.3%	-20.3%
Hunter	9.9%	-1.9%	5.1%	-11.9%	-6.9%	-7.8%	8.0%	-3.9%	1.9%
John Jay	9.0%	0.2%	6.4%	119.5%	31.5%	44.1%	10.9%	6.5%	9.4%
Lehman	-11.3%	-22.5%	-16.4%	-4.3%	-7.0%	-6.9%	-11.2%	-17.8%	-14.8%
Medgar Evers	-12.0%	-2.1%	-7.8%	NA	NA	NA	-12.0%	-2.1%	-7.8%
New York City Technical	3.4%	0.2%	2.4%	NA	NA	NA	3.4%	0.2%	2.4%
Queens	-15.5%	-22.2%	-18.1%	23.7%	21.9%	22.0%	-14.2%	-6.5%	-10.4%
Staten Island	1.1%	-12.6%	-4.6%	23.6%	-15.0%	-13.1%	1.4%	-13.1%	-5.6%
York	-20.6%	-18.1%	-19.5%	NA	NA	NA	-20.6%	-18.1%	-19.5%
Graduate School	NA	NA	NA	-13.9%	0.8%	-12.2%	-13.9%	0.8%	-12.2%
Law School	NA	NA	NA	-15.5%	0.0%	-15.4%	-15.5%	0.0%	-15.4%
Total Senior Colleges	-6.4%	-10.0%	-7.7%	-3.2%	-0.7%	-1.3%	-6.1%	-7.1%	-6.5%
Community Colleges									
BMCC	2.6%	-14.2%	-4.5%				2.6%	-14.2%	-4.5%
Bronx	-16.3%	-11.3%	-14.8%				-16.3%	-11.3%	-14.8%
Hostos	-37.2%	-6.0%	-32.4%				-37.2%	-6.0%	-32.4%
Kingsborough	-10.3%	7.0%	-2.0%				-10.3%	7.0%	-2.0%
LaGuardia	-6.1%	20.9%	2.4%				-6.1%	20.9%	2.4%
Queensborough	-3.7%	-23.0%	-14.1%				-3.7%	-23.0%	-14.1%
Total Community Colleges	-9.5%	-5.8%	-8.0%	-3.2%	-0.7%	-1.3%	-9.5%	-5.8%	-8.0%
Total University	-7.5%	-8.4%	-7.8%	-3.2%	-0.7%	-1.3%	-7.2%	-6.7%	-7.0%

ATTACHMENT E - 1

The City University of New York
1997-98 Unrestricted Tax Levy and Unrestricted Total Operating Expenditures

	Tax Levy		Total	
	(\$000)	\$ Per FTE	(\$000)	\$ Per FTE
Senior Colleges				
Baruch	97,124	8,835	103,340	9,401
Brooklyn	94,270	9,262	102,604	10,081
City	103,343	12,463	105,279	12,606
Hunter	100,212	7,609	111,445	8,482
John Jay	51,727	6,288	57,518	6,992
lehman	58,485	9,337	63,087	10,071
Medgar Evers	31,478	8,907	32,583	9,220
NYC Technical	62,125	7,291	64,545	7,575
Queens	96,663	8,732	114,924	10,382
Staten Island	65,012	7,842	70,523	8,507
York	34,743	8,099	36,322	8,467
Total Senior Colleges	795,182	8,566	862,170	9,288
CUNY Law School	10,046	17,875	11,099	19,749
Graduate School	68,072	23,384	69,684	23,938
Community Colleges				
BMCC	65,038	5,290	69,689	5,668
Bronx	45,299	7,241	48,653	7,771
Hostos	33,858	8,116	35,155	8,426
Kingsborough	57,619	5,721	63,984	6,351
LaGuardia	64,339	6,733	71,066	7,431
Queensborough	50,413	6,936	54,741	7,532
Total Community Colleges	316,566	6,380	343,288	6,919
Central Administration and Program	51,102	350	54,820	376
Construction Fund	0	NA	1,516	NA
Research Foundation	0	NA	25,007	NA
Hunter Campus Schools	10,011	NA	11,048	NA

The City University of New York
1997-98 Operating Expenditures by Function / DRAFT
Senior Colleges

(Dollars in Thousands Except Per FTE Figure - Components May Not Always Add Because of Rounding)

Instruction & Dept. Res.	Organized Research	Public Services	Library/ Acad. Supp.	Student Services	General Admin.	Institutional Support	Operation/ Maintenance of Plant	Scholar- Ships	Auxiliary Enterprises	Total
Borough	47,815	4,383	3,532	5,834	5,548	8,412	25,388	1,477	873	103,340
Per FTE	4,350	399	321	531	505	785	2,309	134	79	9,401
% of college total	48.3%	4.2%	3.4%	5.8%	5.4%	8.1%	24.8%	1.4%	0.8%	100.0%
Brooklyn	52,812	1,888	4,861	7,538	8,025	11,667	12,382	3,848	1,156	102,604
Per FTE	5,188	186	487	740	592	1,146	1,217	378	114	10,081
% of college total	51.3%	1.8%	4.8%	7.3%	5.9%	11.4%	12.1%	3.8%	1.1%	100.0%
City	84,508	205	3,785	5,353	4,681	8,327	16,713	1,405	350	105,278
Per FTE	7,778	25	458	648	565	1,004	1,885	168	42	12,896
% of college total	61.3%	0.2%	3.6%	5.1%	4.4%	7.9%	14.9%	1.3%	0.3%	100.0%
CUNY Law School	10,003	0	1	28	0	1,063	3	0	0	11,089
Per FTE	17,789	0	2	52	0	1,891	5	0	0	18,749
% of college total	90.1%	0.0%	0.0%	0.3%	0.0%	8.6%	0.0%	0.0%	0.0%	100.0%
Graduate School	38,273	327	1,857	9,280	2,684	5,478	8,398	229	1,022	69,684
Per FTE	13,481	112	638	3,188	922	1,882	2,885	79	351	23,938
% of college total	58.4%	0.5%	2.7%	13.3%	3.9%	7.9%	12.1%	0.3%	1.5%	100.0%
Hunter	58,463	2,683	3,718	8,382	5,926	10,350	17,856	1,468	1,590	111,445
Per FTE	4,439	204	282	638	450	786	1,356	111	121	8,462
% of college total	52.5%	2.4%	3.3%	7.5%	5.3%	9.3%	16.0%	1.3%	1.4%	100.0%
John Jay	31,178	1,485	1,724	5,732	4,322	5,697	5,878	1,337	193	57,518
Per FTE	3,790	181	210	687	525	683	690	163	23	6,992
% of college total	54.2%	2.6%	3.0%	10.0%	7.5%	8.9%	9.9%	2.3%	0.3%	100.0%
Lehman	33,024	1,328	2,877	4,711	2,886	5,664	9,476	2,507	349	63,087
Per FTE	5,272	212	475	752	462	904	1,513	400	58	10,071
% of college total	52.3%	2.1%	4.7%	7.5%	4.0%	9.0%	15.0%	4.0%	0.8%	100.0%
Medgar Evers	16,789	98	1,863	2,743	3,710	3,288	3,865	344	111	32,583
Per FTE	4,764	28	471	778	1,050	934	1,037	97	31	9,220
% of college total	51.6%	0.3%	5.1%	8.4%	11.4%	10.1%	11.2%	1.1%	0.3%	100.0%
NYC Technical	34,817	1,545	3,193	5,503	6,141	4,481	8,863	1,387	605	64,545
Per FTE	4,088	181	375	648	721	527	805	163	71	7,575
% of college total	53.8%	2.4%	4.8%	8.5%	8.5%	7.0%	10.6%	2.1%	0.9%	100.0%
Queens	57,888	2,865	4,677	12,734	4,963	11,421	14,822	3,741	1,872	114,924
Per FTE	5,211	281	422	1,150	448	1,032	1,321	338	168	10,382
% of college total	50.2%	2.5%	4.1%	11.1%	4.3%	9.9%	12.7%	3.3%	1.8%	100.0%
Staten Island	34,817	484	2,256	8,065	3,588	8,833	12,760	2,345	1,498	70,523
Per FTE	4,178	58	272	732	433	838	1,539	263	181	8,507
% of college total	48.1%	0.7%	3.2%	8.6%	5.1%	9.8%	18.1%	3.3%	2.1%	100.0%
Yeshiva	17,361	134	1,514	3,204	2,552	3,737	8,748	558	524	38,322
Per FTE	4,045	31	353	747	595	871	1,573	130	122	8,467
% of college total	47.8%	0.4%	4.2%	8.8%	7.0%	10.3%	18.6%	1.5%	1.4%	100.0%
Total Senior Colleges	498,146	17,234	35,867	77,108	53,032	86,540	139,550	20,646	10,143	942,953
Per FTE	5,173	178	372	801	551	899	1,448	214	105	9,782
% of tot.	52.6%	1.8%	3.8%	8.2%	5.8%	9.2%	14.8%	2.2%	1.1%	100.0%

Faculty Senate Minutes #192

John Jay College of Criminal Justice

November 17, 1999

3:15 PM

Room 630 T

Present (26): Luis Barrios, James Cauthen, Marsha Clowers, Edward Davenport, Janice Dunham, P.J. Gibson, Marlene Goldstein, Amy Green, Edward Green, Lou Guinta, Karen Kaplowitz, Kwando Kinshasa, Maria Kiriakova, ~~Stuart~~ Kirschner, Sandra Lanzone, Gavin Lewis, Patricia Licklider, Tom Litwack, Amie Macdonald, James Malone, Patrick O'Hara, Jacqueline Polanco, Rick Richardson, Carmen Solis, Katherine Stavrianopoulos, Agnes Wieschenberg

Absent (9): Erica Abeel, C. Jama Adams, Shevaletta Alford, Anthony Carpi, Kirk Dombrowski, Andrew Karmen, Leona Lee, Emerson Miller, Lydia Segal

Guests: Professors Michael Blitz, Robert Crozier, Kojo Dei, Charles Piltch

Invited Guest: CUNY Budget Director Ernesto Malave

AGENDA

1. Announcements from the chair
2. Adoption of Minutes #191
3. Invited Guest: CUNY Budget Director Ernesto Malave

1. Announcements from the chair [Attachment A]

2. Adoption of Minutes #191

By a motion duly made and carried, Minutes #191 of the November 9, 1999, meeting were adopted.

3. Invited Guest: CUNY Budget Director Ernesto Malave [Attachment B, C, D, E]

Mr. Ernesto Malave, the CUNY Budget Director, was introduced and warmly welcomed and thanked for graciously and enthusiastically accepting the Senate's invitation. Also welcomed and introduced was Mr. Jon McCabe, a researcher in the Central CUNY Budget Office.

President Karen Kaplowitz said she would like to begin by expressing on behalf of the Faculty Senate **and** on behalf of the entire faculty, of which the Senate is the official voice, our collective **gratitude** for Mr. Malave's responsiveness to our many letters and meetings with **him** about John Jay's budget issues and for **his** responsiveness **in** the form of concrete **actions** to help John Jay with regard to issues of budgetary fairness and equity. She added that, **as** someone who is on the University Faculty **Senate's** Executive Committee and on its Budget Committee, she can report how wonderful he is in providing **invaluable** information, data, and reports – not only in response to requests but often before requests are even made – and how impressive he is **at** the Board of Trustees meetings and at the meetings of the Fiscal Affairs Committee of the Board of **Trustees**.

Mr. Malave thanked the Senate for inviting **him**, saying he always enjoys opportunities to meet and speak with CUNY faculty. He said he appreciates the monthly meetings he has with the University Faculty Senate's Budget Advisory Committee, on which Karen serves, noting that Karen is also, of course, the faculty representative to the CUNY Board of Trustees Fiscal Committee. He is very glad to be here meeting with the Senate of John Jay. He called John Jay a special college to any Budget Director of CUNY because of the many, many fiscal **concerns** that John Jay identifies for the University to **address**, because there are many, many fiscal matters that are always at the top of the agenda when it comes to John Jay. So to be the *CUNY* Budget Director is to know John Jay and **to** know it well. [The Senate responded with appreciative laughter.] To be Budget Director is also, he added, to be effectively in the belly of the beast.

Invited by President Kaplowitz to provide background information about himself, he explained that he was drawn to finance in a rather round about way because he began at CUNY in the Office of Admissions Services at 31st Street. About 18 months later, Jay Hershenson, Vice Chancellor for University Relations, asked **him** to be the assistant director for governmental relations at CUNY. So in **his** first work at *CUNY*, after his stint at CUNY Admissions, he was a lobbyist, working with public officials, for five years, primarily during the Koch administration, during which time there was a Board of Estimate. That is how he effectively came to appreciate finance issues. In trying to understand how CUNY spends a billion dollars a year and in understanding how small an amount of money for CUNY that really is, he decided the best way to achieve that understanding was to move from the political **realm** to the world of budget and finance. About ten years ago, therefore, he requested a transfer from governmental relations to the budget office and the request was granted. He spent four years as a budget analyst and then became the assistant to the Vice Chancellor for Budget, Finance and Information Services, which effectively broadened his administrative experiences to accounting, audit, and technology matters.

Four years ago, when the then CUNY Budget Director, Sherry Brabham, became acting vice president of Queens College, he was tapped to be the CUNY Budget Director, the position he currently holds. But, he noted, his real beginning at CUNY was as a student at BMCC and his real beginning at 80th Street was as a student leader who in 1979 visited 80th Street in search of data for a paper he was writing for a speech class on the meaning of open admissions for CUNY. At 80th Street he was introduced to a number of people and then, even before becoming a professional at CUNY, he became the student representative to the Board of Trustees Committee on Faculty, Staff, and Administration in 1979. At that time, in 1979, he met Herman Badillo who was interviewing then Chancellor Kibbee for his program, the "Herman Badillo News Hour." Thus, he has been at CUNY for 20 years and he would like to talk about not just budget numbers but about his perspective based on 20 years at the Universit

Mr. Malave introduced Jon McCabe, explaining that upon becoming Budget Director almost four years ago, he had wanted to establish a greater research capacity in the Budget Office, particularly a **greater** understanding about how budgets in other institutions of **higher** education around the country

operate so that we at CUNY can effectively stay on the cutting edge. Jon McCabe, who is a graduate of City College and an **ABD** at the CUNY Graduate School, joined the Budget Office two years ago. He asked Mr. McCabe to provide information about his background.

Mr. McCabe explained he was a CCNY student, having started college at the age of 25 and, after obtaining his baccalaureate, enrolled at the Graduate Center. Toward the end of his political science studies at the Graduate Center, he became interested in administration and first worked in the cooperative education program for a year at LaGuardia Community College. At that point then Chancellor Reynolds was very interested in comparative work in terms of comparing **CUNY** with other institutions of higher education throughout the country. Since he was working on this subject for his doctoral dissertation, Ernesto Malave invited him to join the Budget Office to work with him. He has been doing this for three years and said it is a wonderful experience. **Mr.** Malave noted that John has also been in the classroom at Brooklyn College, teaching as an adjunct for the past three or four years.

The Budget Director explained that the packet of materials he prepared and which he is distributing to everyone contains many documents, not all of which we will be discussed because of time constraints. He asked whether the Faculty Senate has reviewed University-wide budget materials in the past or whether he should present a basic overview. President Kaplowitz explained that those who have been on the Senate in past years have had the opportunity to review budget issues but because this is the beginning of a new Senate session and we have not yet done so and because there are quite a few new members on the Senate, a basic overview would be useful.

Mr. Malave explained that the packets he is distributing comprise five documents: first, the University's 2000-2001 budget request that is under consideration by the Board of Trustees and that will, it is hoped, be voted on by the Trustees next week; second, a document created by Jon McCabe on performance-based budgeting and performance-based finance issues: given the prominent emphasis currently on performance based budgeting and the rhetoric that is coming from many sources on financing and administration issues, Mr. Malave said he believes it is important and perhaps useful for the Senate to have material that reviews the issue of performance-based budgeting over the past ten years around the country and gives an overview of what is happening in about 10 states so that the Senate members are aware of the issues and can begin to speak with some authority about this issue particularly as it becomes much more prominent in the future – whether what is involved is a budget allocation that the President is proffering on campus or whether it is something emanating from the University; third, a report on enrollment over the past ten years throughout the University; fourth, the preliminary analysis of the City and State recommended budgets for CUNY; and fifth, a much more complex and difficult document, which is on the entire University budget in all of its dimensions that tie into the University's audited financial statements: this document also has very useful charts and graphs about each CUNY college so one can see how dollars are **spent** and this is the one document that compares University expenditures college by college and for those who think they really know what the other colleges spend, for those who think they really know what John Jay spends, this is the document that will deliver the information. [N.B. All five documents are available from the Faculty Senate Office.]

Turning to the last page of the fourth document in the packet, the "Preliminary Analysis of the 1999-2000 State and City Adopted Operating Budgets," [Attachment B] to give a quick overview of how the senior colleges are financed and, to a somewhat briefer extent, how the community colleges are financed, Mr. Malave explained that the pie chart to the left is the effective condition last year which comprises two large slices: \$563.5 million or 57.6% in State aid that **CUNY** receives for the senior colleges and \$383.2 million or 39% of the budget which is generated through tuition. A third slice of \$32.3 million (3.3%) is City support. The senior colleges of CUNY are basically financed by the State and by tuition. The City of New York (the City aid component) is for a portion of the Central Administration costs that the City of New York provides and, for schools like John Jay, a portion of the

cost of funding associate degree programs at the senior colleges: that breaks down into \$10 million for Central Administration and the other \$20 million is divided between John Jay, New York City Tech, Medgar Evers, and the College of Staten Island, which are all senior colleges that have both associate and baccalaureate degree programs.

The funding streams for the community colleges, as can be seen, are a bit more diverse: City support for the community colleges, obviously as the principle local sponsor, is larger but one can see it is more evenly divided between the three sectors. State aid is not, however, the largest sector, Mr. Malave noted. The largest contributor to the community college budget is tuition dollars paid by students, generating a \$140 million or almost 42% of the entire budget. The State aid component is slightly less, about \$118 million or 35%, and the City support is roughly \$80 million or slightly less than 24%. There were some more dramatic changes from year to year with regard to the community college budget in part because additional aid of \$75 per FTE came from the State of New York and there were additional commitments and contributions from the City of New York for the community colleges.

Mr. Malave next turned to the first page of the same document and explained each of the “Senior College Highlights” in the “Preliminary Analysis of the 1999-2000 State and City Adopted Operating Budgets.” The total appropriation for the senior colleges, as indicated, was \$983.8 million but that includes almost \$400 million in tuition revenues and that was \$4.8 million more than the 1998-1999 budget. You will recall, he said, there was finally some additional recognition of additional needs at the senior colleges last year by the Legislature that was not vetoed by the Governor and that included nearly \$2 million in additional funds for full-time faculty, child care funds of \$800,000 that had not been seen in 10 years, and a \$2 million increase in the SEEK appropriation which effectively was the State effort to restore a substantial budget cut that was levied in 1995. For those who have collaborative programs [with NYC public high schools], which does not include John Jay except perhaps in a small component, there was a very significant controversy this year when the Governor sought to transfer the collaborative program budget to the Board of Education. The *NYS* Legislature restored that funding into the CUNY budget for the collaborative programs, which are largely community college programs, although the Middle College School at Brooklyn College is financed in that manner, as well.

There was a nasty brawl in Albany this past year regarding the financing of collective bargaining for both CUNY and *SUNY*, he explained. Those who have been reading the newspapers know about the fiscal crisis at *SUNY*. At CUNY we had a \$10 million problem in the new collective bargaining costs which were not funded in the Executive Budget [i.e., the budget proposed by the Governor]. The Legislature spent a lot of time trying to solve this problem but the solution fell apart and nothing was done for CUNY or for *SUNY*; however, there was an agreement that the City University could use \$10 million that was in an account that only a couple of people knew existed and the reason for that is that the account had not been permitted to be used (otherwise a lot of people would have known about it). So we were able to finance the \$10 million for collective bargaining increases from an account called the Stabilization Account but this is a one-shot, non-recurring revenue that needs to be sought again and, he said, when he reviews the budget request, you will see how we asked for that money. But we were, nevertheless, able to at least go into the beginning of the year without having to declare any overt retrenchment declarations: not that there aren't any significant budget pressures that are being faced by the colleges – because there are – but there are none, he said, that in his estimation require the discontinuation of tenured faculty. As he indicated before, tuition revenues of \$383.2 million is the amount of money we were expected to raise in tuition and that remains the same and that means there is effectively no increase in tuition being proposed.

The next item has particular meaning for John Jay. CUNY was permitted to establish an account to deposit revenues in excess of the \$383 millions that was called for by the State to fund the appropriation and those excess revenues are deposited into what we call a CUTRA account [City

University Tuition Reimbursable Account], which can roll those excess revenues over into subsequent years. And so if John Jay had a revenue target of \$30 million and came in at \$32 million, that excess \$2 million, theoretically, if John Jay did not spend it, could be deposited into an account for future needs. And, in fact, when we go over some of the John Jay history, he said, you will note that one of the reasons that John Jay was able to finance most of its obligations in the past years has been because it deposited those excess revenues for future use. What this item indicates is that we received authority by the State of New York to spend up to \$10 million, up from \$5 million, of that excess revenue.

The Income Fund Reimbursable (IFR) is something also relevant to John Jay's experiences, especially with its Puerto Rico program: this is an account that is set up by the State that permits a college to spend that which a college raises. A college may raise funds but if the State does not give the appropriation authority, the college can not spend it. And so CUNY sought to have this account increased in part because of either adult and continuing education programs that are expanding in CUNY or because of grants and contracts that were coming to CUNY and thus we needed to raise the ability of CUNY to spend that money: the State did recognize that and allowed for an increase to \$35 million.

The Stabilization Account is very similar to the tuition revenues that can be rolled over. Colleges used to get a call saying there is \$100,000 in this year's appropriation to the college that has not been spent and if it is not spent by tomorrow it will be taken back by 80th Street. And so the people in Albany created the Stabilization Account so that will no longer necessarily be the case. If a college has a \$100,000 or a million dollars sitting around unspent, the college does not have to worry that the money will be swept up by the State: rather the college can deposit the money into an account for use by the college, not by the University. That ability to save unspent money has not been the case at John Jay and, frankly, has not been the case at a number of campuses although there are a few campuses that end the year not having spent a few hundred thousand dollars and so they get to spend it in the future.

One of the biggest disappointments in the budget that continues to be a big drain on the budget is the fact that the State of New York ignored the fact that CUNY has a new building for the Graduate School. Notwithstanding the fact that the State spent \$200 million on the new building, it did not give the University the resources necessary to operate the building. This is a struggle we will continue to fight. That is basically the senior college overview. He said he would not go over the community college overview except to say that most of the same things that were granted for the senior colleges, such as additional funds for full-time faculty, for child care, were also provided for the community colleges. And a program that does perhaps benefit some students at John Jay is a program that was established principally by City Council Speaker Peter Vallone – a merit scholarship program – which is largely a senior college program because it is for students who graduate from high school with a B average who enter CUNY and maintain a B average at CUNY: those students would receive 50% off their tuition: that was a \$7 million program that was restored by the City.

The adopted budget analysis includes provisions related to the appropriation of funds to CUNY: Mr. Malave noted that the adopted budget is one that has been agreed to by both the Mayor and the City Council and they both, together, included a provision that CUNY not be allowed to spend or receive \$20 million unless the CUNY Board passed a resolution imposing the establishment of an exit-from-remediation examination. That provision ultimately became moot in part because the Trustees were prepared to do this anyway and, indeed, have done so, and secondly, because a judge ruled that the City could not do this. But it was the Mayor and the City Council who had agreed to that provision. Another provision that was contained in the Executive Budget Recommendation which was announced when the Mayor released his budget called for vouchers for remediation and this provision was one that the City Council declined to accept and it did not become a condition for the use of community college funds.

Another matter, which was the same for *SUNY*, called for an examination of the Research

Foundation, although this was not particularly earmarked for *CUNY*: there was interest in what was happening at the SUNY Research Foundation and the politics of New York being what they are, something can not be done to SUNY that is not also done to *CUNY*. So the *CUNY* Research Foundation is undergoing some examination.

On the financial aid front, tucked away in the budget, was the establishment of a program of potentially significant importance: a part-time TAP program [Tuition Assistance Program]. This wasn't funded because it did not need any real cash in the first year because it wasn't effective until the subsequent year. But it is an acknowledgment for the first time from the State that part-time students engaged in part-time study is something to look at very seriously and there is a tremendous need in that area and so the State authorized the University to establish a part-time program for TAP. The big story in terms of financial aid is that the cuts to TAP that were being considered in the Executive Budget Recommendation were restored.

The last significant item is an effort by the State of New York to consolidate all of its economic development activities into one agency, an agency created and called NYSTAR, the New York Office of Science, Technology and Academic Research. This is a really exciting program: the State of New York appears to be getting its act together when it comes to economic development and it put serious resources on the table: \$95 million for capital facilities, \$7.5 million for faculty hires, support of advanced technology programs, and so forth. This is a very interesting effort by the State, which he said he hopes succeeds and that perhaps CUNY, in addition to getting whatever budget we get in our regular appropriation, will be able to compete for dollars that are managed through that agency.

Senator Tom Litwack asked whether he is accurately reading the item in the financial aid section about a part-time TAP program: is his understanding correct that only first-time freshmen would be eligible but not transfer students. Mr. Malave said that is correct but noted it is a pilot program.

Senator James Malone asked the Budget Director whether as someone who has been at CUNY for a long time, does not Mr. Malave agree that the budgets of the various campuses of CUNY are political documents and that per capita funding is a fairer approach, that is, funding campuses according to the number of students each has rather than funding each college without regard to the number of its students. He asked whether we should and could move to per capita funding and what is it that keeps us from moving to that approach, which would be more equitable because it would ensure that all students at CUNY are provided with equal support for their education. Mr. Malave agreed that it would be more equitable to fund on a per student basis. That model has a certain elegance to it, he said, explaining that in other words, the State of New York would recognize that the dollars effectively follow the students or that, if the students are attending School A, the State in some manner would acknowledge that fact by funding School A accordingly.

Mr. Malave explained that in the late 1970s and early 1980s the State of New York did, indeed, have a funding system in place that was on a per FTE basis but that was abandoned in the mid-1980s and instead the State effectively fixed the appropriation levels and basically told *CUNY* and *SUNY* that each university has been authorized under the statute of management flexibility to do whatever each wants to do: *CUNY* could move money from one account to another without worrying about how the money was appropriated. Effectively, the State transferred that burden of seeking equity and some rationality in the way in which allocations are made to the University. Enrollment management policies or the absence, perhaps, of enrollment management policies at CUNY has resulted in a number of *CUNY* campuses effectively exploding in terms of enrollment and, principally, if one looks at the charts, we are looking at Medgar Evers and John Jay College, which over a period of 10 years effectively doubled in size. And somehow the University managed to let that happen without figuring out a way of transferring the

resources necessary to meet the needs of those colleges that were receiving those students, he explained.

The University made a modest effort, called Base Level Equity, because some at the University realized that some of the patterns were clearly going in the wrong direction and this effort was designed to clearly temper that and do something about that, Mr. Malave recalled. That relatively minor activity at the time generated incredible passions given that there were very few dollars involved; but, nevertheless, a committee was established, chaired by the then president of Baruch and now Chancellor of CUNY, Matthew Goldstein, to examine the policy. The notion of taking from College **A** to give to College **B** is a non-starter principally because of the proposition that everybody is poor. *So* if everybody is poor, how could money be taken from College **A**, which is not terribly well funded in the first instance to give to College **B**. President Kaplowitz explained, in response to reactions of Senators, that Mr. Malave is not necessarily advocating this stance but is reporting what the situation was. Mr. Malave agreed but said also that it was not necessary for presidents to come to the conclusion that there are no colleges in CUNY that are well-funded institutions – for example, he does not need President Lattin to say that Brooklyn College needs money – he knows that Brooklyn needs money as well. Everybody needs resources: that is not the issue. The issue is what to do about the situation.

Mr. Malave said that what CUNY has done over the past few years, comments from college presidents notwithstanding, is nevertheless try to adjust base level budgets to achieve part of what those objectives were in the first instance. In the case of John Jay, for example, he can count \$4.5 million to **\$5** million over the past four to five years that was transferred directly to John Jay College from other sources – the money did not come from anyone else's hide – rather, it was done through creative budgeting – but there was a **\$4** million to \$5 million transfer, the most dramatic of which was the \$2.8 million transfers over the past two and a half years. But that is only what he did in the past two years, he said. Between 1994 and 1997 there was a lot of action, as well. So the fact of the matter is that John Jay's budget has probably grown more than anybody else's at the University. No other college in the system has received anywhere near what John Jay has received in additional resources, with the exception of the College of Staten Island, because that college happened to move into a 200-acre site and he suspects that when the monument is built for John Jay, his Office will have to figure out how to finance the operating needs of John Jay, just as we're struggling to finance the needs of the new Graduate School right now even though we don't have any money. While providing \$3 million to **\$4** million to John Jay, 80th Street had to figure out how to provide \$3 million dollars to the College of Staten Island because the State of New York said the new campus is beautiful but they were not giving any more money for it. So \$3 million was provided to Staten Island, money which did not come from any other college – again, through creative budgeting – but, having said that, those are just some ways in which we have struggled to deal with a problem that requires a more systematic approach, he said.

The Budget Director said that one of the things he is terribly excited about – and he thinks Karen will tell the Senate this – is that our new Chancellor just announced at the Committee on Fiscal Affairs of the Board of Trustees that it is now time to model the senior college appropriation. That effectively means that base budgets are effectively liquidated: whatever someone in Albany suggested that each college ought to have as its base budget condition now goes away. Hopefully we will create a model that actually provides additional resources. But, he cautioned, you have to be careful with models. Be careful what one wishes for because the question will be how we will now construct this model and, obviously, it will be like most models in higher education, like CUNY's model for our community colleges: at its core is an enrollment driven algorithm that has dollars which follow students. But more importantly, like the State University of New York, CUNY is beginning to look first at the way it allocates revenue. *So* before anything happens, before we even toy around with \$563 million in State aid, let's take the \$383 million that we have and give it to the colleges in the way in which they have generated it. For a school like John Jay that is 80 percent of John Jay's budget – that's a figure that you know but that's because you don't count fringe benefits – most people think it's 110% of the budget but

when you count fringe benefits and energy, which is never in your budget in the first place, it really is about 80% of your budget.

There may be strong efforts to move, as SUNY has, to a revenue-based allocation but then the question is what do we do with \$563 million in State aid and, unless John Jay is just going to get a piece of that, I can't see how we begin to fix that budget, he said. However, he added, let's assume that we all collectively put together a model that says this level of instruction ought to be funded at this level and that level of instruction out to be funded at that level and let's assume we come up with a system that says that what that means is that John Jay has to be allocated \$15 million more. Where is he going to get \$15 million more, he asked. Is he going to cut other colleges by \$15 million? Now, that may be theoretically an interesting discussion but it effectively would be declaring retrenchment conditions at other colleges. Effectively it is unworkable if the dollars stay the same. It is entirely unworkable if it means we should even proffer something that effectively turns a college into receivership and a declaration of retrenchment or maybe even requires our thinking about eliminating the college because then we are not having a discussion, then we are back to square one.

Senator James Malone said this is a discussion that has to focus on the future not on the past. Mr. Malave said it is important to review the history, as well. Senator Malone said one ought not try to make up the deficits in one fell swoop. Mr. Malave agreed. Senator Malone said that although deficits should be made up over time, there should be some clear and fair method so that we do come up with some equitable way of providing funding for colleges and it seems very difficult to have equal budgeting unless we use student enrollment **as** the base. **Mr.** Malave said he is a strong proponent – he said he is in the amen corner on this issue. And so there is not an issue as to whether **or** not anyone at the University believes that there ought to be a greater level of rationality **but**, I must warn you, he said, it is easy in the abstract to say all the colleges are the same and that all the colleges do the same things but the fact of the matter is that they do not. There is a high degree of differentiation in mission that will make an effort to model CUNY extraordinarily difficult and it is going to be a real struggle to do that. He said he is committed to do that and the Chancellor is committed as well. At the last Fiscal Affairs Committee of the Board, the Chancellor outlined a fairly ambitious agenda for us to get there and, he said, he thinks we need to get there but he wants to indicate very strongly that unless it is accompanied by significant resources, all we are going to be able to do is what we've done.

Because, Mr. Malave said, I tell you we have provided John Jay **\$4** million to \$5 million **extra** in base level adjustments in an environment in which our budget has not gone up. He asked not to be asked here how he did that but since 1995 the budget has been flat (we did get money for collective bargaining last year but it's been flat). But the flat budget has not prevented things from happening. But that's fairly incremental and we're still in the midst of a budget crisis in part because it's only incremental. Until such time **as** the State of New York makes a real commitment to higher education in the form of increased funding, we are still going to be in that predicament.

Senator Tom Litwack said that first of all he would like to say that we are, of course, very grateful for the increments to John Jay's base budget that **Mr.** Malave and CUNY have provided to us because he said, he cannot imagine how our College would be surviving without it. Mr. Malave said John Jay **would not have survived** without those additional base budget funds. But, Senator Litwack said, of course Mr. Malave knows that even with those increments, John Jay is still the worse funded college in CUNY. And just so everybody knows these figures, he is distributing two charts [Attachment C-1 & C-2]. Mr. Malave said that before looking at Professor Litwack's charts, he would like to present his own numbers first.

He said he first would like to review the enrollment figures just so one can actually see the trend at John Jay and elsewhere. On page 9 [Attachment D-1] of his 27-page document entitled "Enrollment"

we see the average headcount enrollment from Fiscal Year 1994-95 to FY 1998-99 and what is seen is the year to year change. Looking at John Jay, we see a growth of **5.5** percent in FY 1996 and of **5** percent in FY 1997 and then we see that growth evaporate very quickly to 1.3 percent and then move into the negative so that over the last half of the 1990s there has obviously been growth but the recent numbers are not unimportant and should be noted. He said that one notes, however, that every other college, with the exception of New York City Tech, is clearly in the negative, with some schools in very, very serious trouble, most of the trouble occurring at City College, at Lehman College, at Queens College, and at York, which has lost, like City, a fifth of its student body in the latter half of the 1990s.

With regard to the community colleges, a third of the students at Hostos are not there any more, and Queensborough and Bronx CC are struggling mightily as well. So there is lots going on and we have to be mindful what it must feel like for those at a college that has suffered a **20** percent enrollment loss in five years or, if one is at Hostos, a double-digit loss in one year. What he means for everyone to be mindful of, Mr. Malave explained, is that when he reviews financial plans he reviews 18 such plans, not just one, and there is extraordinary stress out there. It is not as though CUNY is making decisions to not do what it believes to be the right thing to do by colleges whose enrollments are growing. He explained that CUNY has been faced with extraordinary situations in recent years which frankly under that environment he wonders just how we have been able to do what we have been able to do in the case of John Jay and in some other cases, given these enrollment numbers and given the real meaning of these enrollment numbers to the budgets of some of these institutions since he thinks all the Faculty Senate members are familiar with the relationship between budgets and enrollment.

Mr. Malave turned to page 11 [Attachment D-2] of the “Enrollment” document to see how the numbers play out between graduate and undergraduate enrollment and full-time and **part-time** enrollment. He said that certainly in percentage terms, when one looks at the overall numbers, the activity at John Jay is at the graduate level: growth from 1995 to 1999 at the undergraduate level is 6.4 percent but at the graduate level, enrollment has exploded 44.1 percent overall, with full-time enrollment growing more than part-time enrollment at both the undergraduate and graduate levels. He said it is always important to see, between full-time and part-time, where the students are because it speaks to the issue of cost, it speaks to the issue of the kinds of infrastructure a college **has** to have in place in order to deal with the needs of the students. From 1995 to 1999, in terms of both head count and full-time equivalency, it is the story of John Jay. He did note, however, that although Queens College’s undergraduate enrollment is eroding its graduate enrollment is fairly strong.

But looking over a ten-year period, the story in terms of enrollment growth is no longer John Jay but rather Medgar Evers College, whose enrollment has exploded. But, he added, there has not been a \$5 million base level adjustment at Medgar Evers – perhaps there should be a \$5 million base level adjustment at Medgar Evers but there has not been. **80”** Street has done something, but nowhere near what **80th** Street has done at John Jay, which means, of course, that Medgar Evers is next. The next page [Attachment D-3], he explained, is a breakout between full-time freshmen and advanced standing transfers and, as one can see, were it not for transfer students we’d be in deeper trouble than we currently are in, at least over the past 10 years because first-time freshmen enrollments are not keeping up.

The CUNY Annual University Fiscal Report Highlights is the next document Mr. Malave reviewed and turned to the page of the document that he said everyone wants to see: the funding per FTE student [Attachment E-1]. He said the Senate may not recognize some of the overall budget numbers because the dollars are total expenditures, which include expenditures that one does not see. He said that it is appropriate for John Jay to compare itself only to comparable colleges, that is, to other colleges that have both associate and baccalaureate degree programs but it is not, he said, appropriate for John Jay to compare itself to City College or to Lehman. Senator James Malone asked why that is. Mr. Malave said that running expensive Ph.D. programs in engineering and architecture and not running

associate degree programs such as is the case at City is different and much more costly than running straight liberal arts programs. Senator Litwack asked whether the doctoral programs at City are not, in fact, paid for by the Graduate Center. Mr. Malave said there are costs at City College for the running of those programs that are included in the total infrastructure of City College, in its faculty infrastructure, in its administrative infrastructure.

But, Mr. Malave acknowledged, there are wide variations between colleges, even between those that are baccalaureate only. It is true that John Jay receives only \$6,288 per FTE or \$6,992 when one includes activity that is not purely appropriation activity but when one also includes funds from student activities, from endowment income that the college uses, and from IFR income. The other end of the scale is City College at \$12,463 per FTE or \$12,696 when all monies are included. But, he added, you also see that if you were Hunter College you would have to wonder why Hunter is at \$7,600 and if you were Brooklyn College why Brooklyn is at \$9,300. And so the issue of variability of financing and cost per FTE is wide-ranging and is throughout the system: it is not something that is peculiar to John Jay. Professor Malone's opening question about the rational system of appropriation is very, very important, Mr. Malave explained. First of all, one couldn't create a system that says that these numbers should be the same: there may be numbers that should be the same within the same component of that larger model but when looking at big numbers and overall numbers, one will find some of these variations and some of these things are easily explained and some are not so easily explained.

But, Mr. Malave said, what does explain these things is found on the next page of the document [Attachment E-21. This document shows how we break up those expenditures by major purpose: one sees where it is that John Jay spends its dollars in relation to I&DR (which is all the instructional activity), Organized Research, Public Service, Student Services, General Administration, Institutional Support, Maintenance and Operation of Plant, Institutional Scholarship Activity, and Auxiliary Enterprise Activities. And, he said, you'll see that in some cases, in some categories, John Jay exceeds the average expenditure, in other cases it is below the average expenditure.

On the instructional side, in the I&DR category, John Jay in spending \$3,790 is clearly below the average in terms of the amount of money it expends on instruction but if you are Hunter College you're wondering why you are spending only \$4,439 in instructional activities. In Student Services, John Jay is a little bit closer to the average expenditure but is still beneath the average, but it spends \$5.7 million in Student Services. Lehman College, a school that John Jay likes to compare itself to, spends \$4.7 million in Student Services. That's a million dollars less spent at Lehman College. As for General Administration, Lehman spends \$2.9 million whereas John Jay spends \$4.3 million. City College spends \$4.7 million for General Administration: City College, a school that is a very big school, certainly from a managerial and administrative point of view, spends only slightly more than John Jay does for General Administration. President Kaplowitz asked Mr. Malave to explain what the category of General Administration includes and whether it includes everyone on the Executive Compensation Plan (ECP). Mr. Malave said that not everyone on Executive Compensation is included in General Administration because some ECP people in elements of instruction that are administration, such as provosts, are not included in that category but most of the ECP and management activity is divided between what we call General Administration and Institutional Support. Institutional Support is always broken up because it is more variable and is driven by the cost of Security and by the cost of the Computer Center, which is not necessarily purely administration but is more service oriented. But, he added, the numbers are not insubstantial. The operation of the plant is always an interesting number, he said, because that is something that one can't do anything about: sometimes it's the fuel that is used on campus, sometimes it's the plant that a campus has and the number of engineers that are required for that plant and so if a school needs 11, 12, 13, or 14 stationary engineers, that large cost is included in the total expenditure per student FTE. Some colleges spend very, very little on energy costs and others spend \$3 or \$4 million just on energy, which is the case at CCNY, because it has energy needs that are

not comparable to any of the others.

Mr. Malave said his Office is preparing another book – a 50-page executive summary of which has been already provided to the University Faculty Senate – that will be about 700 pages in three volumes and will include all these details, in other words, exactly how much each school spends on every cost: in other words, if you look at the M&O (Maintenance and Operation) number, you will be able to see how much of that expenditure went for energy, how much went to building rental, and so forth. He said one can always debate why the numbers are what they are: remember that City College lost a fifth of its student body over the past two or three years alone so it is hard for City College, or for any other institution, for that matter, to adjust downward to a fifth fewer students. Similarly it is not easy to jump, to suddenly have 20 percent more students, and to factor that in an environment in which the budget is not growing. But it is important to see that. The Budget Director said he would be happy to send the Senate additional information and data.

Mr. Malave said that when looking at the Instructional expenditure number, it is always important to recognize that some of the older schools have an older faculty that would, therefore, cost 20 percent more: if a college has a highly tenured full-time faculty that, for whatever reasons, have not taken the Early Retirement Incentive because their college is such a wonderful place to work, and that does exist, and then if a new school never ever got to the point of even hiring all its faculty the two schools may have exactly the same number of faculty and that is why numbers that are devoid of staffing numbers do not tell the full story. He said he doesn't want to be told that because it costs 20 percent more at a certain college that college is able to deliver anything more than John Jay can because John Jay probably has ~~as~~ many faculty ~~as~~ some of the other colleges do but their faculty cost **20** percent more than John Jay's does. That's why it is important that you have these numbers. It is important to know how many full-time faculty are on staff at each college in relation to the total number of that college's students and it is those ratios that are meaningful. It is easy to have the picture distorted when one does not look at who and what is behind those numbers.

Senator James Cauthen asked about the first column "Instruction & Department Research" [Attachment E-21: he asked whether that column represents the main component of the differences between the colleges or whether other components do. Mr. Malave said the other component would be the ratio of full-time to adjunct faculty: if a college has a large number of adjunct faculty that is, of course, going to diminish the cost but the question is the value of an adjunct. A full professor in the classroom **and** an adjunct in the classroom may have similar student/faculty ratios but the adjunct costs 50 percent or less than the full professor. So the question, then, is not only do you count the ratios but what is the value one puts on an adjunct: is an adjunct a good or bad component? But clearly an adjunct is a less costly component. That doesn't mean the classroom is not filled with a bonafide instructor, which is an important consideration: it just means that it costs 40 percent less to deliver that instruction. So the numbers will appear in that column and so it may cost \$1,000 less per student FTE at John Jay but it may be completely meaningless when it comes to how many teachers, what is the class size, and those are the indices you have to look at.

Senator Amie Macdonald asked whether we will have access to those ratios. **Mr. Malave** said that clearly the Senate can obtain information about those ratios and class sizes for John Jay but one of the things his Office is publishing is the entire teaching load report for all the colleges of the entire University so that everyone can see exactly by discipline the number of full-time faculty, the number of adjunct faculty, the class size. The struggle with a report like this, which is extraordinarily complicated, is to be able to issue it with the right kinds of instructions for those who are reading it so they can understand it and not misinterpret the data. He said he hopes that his Office will be able to release that report in a few weeks University-wide.

Senator Tom Litwack said that he agrees with Mr. Malave's decision to go though the numbers with us not only because it is very important to understand the numbers but because doing so helps point out the fact that clearly John Jay remains the least well-funded college in *CUNY* in terms of base budget and grand total budget even with the additions given to us by 80" Street. Mr. Malave agreed. Senator Litwack pointed out that these figures for John Jay all include the additional funding we received from 80" Street. He concurred with the Budget Director that we can't just look at total numbers because we are looking at different institutions, which is very important to keep in mind, and that is why he is really, really glad to hear that *CUNY* is planning to come up with a model because our position all along at John Jay is that all we want is that a model be applied. That has always been our position. Our position has not been that a particular model should be applied: we have not even taken the position that a model should be purely enrollment driven. Our position has been that there should be an objective model fairly applied and we will be happy to live with those consequences.

Mr. Malave thanked him for his comments and said that he hopes that Karen and her colleagues on the Budget Committee of the University Faculty Senate will play the kind of role that they play now but perhaps a bit more aggressively in the future and that is so that he and his colleagues at 80" Street can have all the considerations placed on the table. He said that Ned Benton has been one of his favorites for years because he has been able to articulate the needs very forcefully but beyond articulation we have to roll up our sleeves and construct a model. In the construction of a model, faculty are critical to that exercise, he said, and added that he is looking forward to that. President Kaplowitz conveyed Professor Ned Benton's regrets that a longstanding prior commitment prevented him from being here today.

Senator Litwack said that if there will be a model, the model will show that John Jay is very underfunded compared to the average by any model. But one thing that we already know is that in terms of full-time faculty in relation to *CUNY*'s own Instructional Staff Model (ISM) -derived faculty needs, John Jay has the lowest numbers of full-time faculty. So we already know that – that has already been modeled. So we know that any model would indicate that John Jay should have more full-time faculty than it already has. Senator Litwack noted that Mr. Malave has raised a very important issue and a very difficult issue, and he said he appreciates how difficult it must be for the Budget Director and for anyone in his situation given the demands that are placed on him by the other colleges in *CUNY*: but that issue that he raised is the question of how can a college that is underfunded or under-facultied be given more faculty, given the limitations of the budget. Senator Litwack said he would like to make two recommendations and would be happy to hear the Budget Director's reactions to them.

Senator Litwack said that, to him, the easiest way would be to go directly to the State and say very specifically that we have a situation in *CUNY* in which one college is underfunded beyond any other and that is John Jay. Mr. Malave said he thought Professor Litwack was about to say New York City Tech, because that is what he keeps hearing President Beaufait say about his college. Senator Litwack said that we will see what the model shows but at least right now it seems to be John Jay that is the most underfunded but even if it is two colleges – and it doesn't have to be only two colleges – there has to be a recognition that certain colleges, whether one or two or three, are particularly underfunded and, therefore, a special request should be made to the State for extra funding above and beyond the normal funding for *CUNY* specifically for those colleges, not just John Jay, but certainly including John Jay. That is the easiest way to go and that, of course, is what, in a way, the Base Level Equity Committee of Presidents chaired by then President of Baruch Matthew Goldstein suggested, that is, going to the State for additional funds. But if that doesn't work, there is another way without requiring colleges to lose active faculty and that is by transferring vacant funded lines: there are hundreds of lines in *CUNY* that are vacant of people but are supported by the State. And colleges that have these lines have far, far, far greater budgets than John Jay and even though, he said, he is certain that every dollar of that money is spent for a good purpose he still has to feel and say that it is inequitable that that money be

spent by colleges that have so much more money than we do given the situation we are in. And if worse came to worse, vacant funded lines should be transferred from the better funded colleges to the less well funded colleges.

Mr. Malave said that with reference to the first suggestion, CUNY has done just that except that the dollars have not been all that significant. By the way, the only currency that matters is dollars . When one says funded vacant lines, at the end of the day the only real currency that matters is dollars and it is important to get away from the idea that there are lines that sit there that once had bodies on them and no longer do – dollars are the only thing that matter. President Kaplowitz said that Professor Litwack meant that the dollars should go with the lines.

Mr. Malave said things have changed over the past five years in the way that the State of New York funds us. About four or five years ago the State abandoned the notion of funding vacant positions. Instead they now just give us what they gave us the previous year. In other words, they operate in a kind of high order analysis in terms of the budget that they are going to give: the Governor's Office and the State Budget Division say, "What are we going to do for CUNY and SUNY this year?" and their answer is, "We'll give them what we gave them last year." And this is notwithstanding what the base level needs are of the school, what the mandatory cost increases are of the school, what the calculus was that went into the number for the school: they just say they will give CUNY \$924 million dollars and that's it and that's what they've done for four straight years. So it used to be the case where the State used to give consideration to the number of positions but that's all gone and not only that but the new payroll system eliminated positions so we don't even have positions to follow: we just have faculty who we hire. The State Budget system has also changed somewhat and thus it is not as simple as Professor Litwack suggested in terms of State funding of vacant lines at College A: it is just a dollar level that is provided and if the people are there, they are there, and if they are not there that's fine too.

Senator Litwack asked: is it not true that in the past, colleges had vacant funded lines with dollars attached to those lines, 82% of the dollar worth of each line. Mr. Malave concurred. Professor Litwack questioned whether the colleges once had that money but now that there are no longer monies attached to those lines when they are vacant? Mr. Malave explained that there is no longer a consideration of the lines that are on a campus. Senator Litwack asked whether the money was lost by those campuses. Mr. Malave replied that the money had not been lost. Rather, over the past four years when there was a consideration of lines, the issue of whether the lines were "filled" or "unfilled" has been absent **from** the calculation by the State in determining what the overall funding level is for CUNY. The State has given CUNY what it gave CUNY the previous year. Senator Litwack said that means the colleges kept the money that each had been receiving for vacant funded lines. Mr. Malave said he is not suggesting that the "contaminant" that Chancellor Goldstein likes to refer to is not still imbedded there, somewhere, but the point is that 80th Street has tried, whenever it has tried to allocate new resources, just as they allocated faculty lines in 1997-98, to create an algorithm that allocated a significant portion of those lines to colleges that have the greatest adjunct reliance. So whether one wants to call it base level equity or not, by considering adjunct reliance, his Office necessarily and implicitly funded those colleges with the greatest need.

Senator Litwack responded that this funding, however, was with additional **adjunct** funds rather than full-time lines. Mr. Malave agreed and added that the other factor taken into consideration was graduation rates which, he suspects, we will not ever be doing again, at least not the way it was done the last time. But, he said, if all else fails, he suspects we are moving toward a model system of resource allocation effectively independent of whether or not the State of New York provides any additional largess to the University and, so, if at the end of the day, Herman Badillo and Matthew Goldstein go to Albany and get nothing, which is unlikely, then CUNY can not ignore the situation.

What will happen is what always happens and what has happened before: CUNY, like any other institution, will avoid that massive decision until it can't avoid it any longer. We are almost at the point, we're not quite there, but we're close, but we can't and won't be able to avoid it any longer. Where you have a condition on Campus A that they are actually considering retrenchment, even if they are not doing retrenchment, or they're not reappointing people or they are not hiring people notwithstanding any other needs that are going on and you have another campus, Campus B, which is able to move along as though things are pretty much all right, that's a system that ultimately can not sustain itself. It can be sustained for a year or two but after a while even that breaks down and, so, he said, his sense is that one way or another *CUNY* will deal with the situation and find ways of dealing with it while it is imploding. He said that the new leadership of the University, namely, Herman Badillo, Matthew Goldstein, and Benno Schmidt, are very, very interested in correcting and overhauling the budget structure of the University to enable it to be more performance based but one cannot talk about performance without in the first instance giving an institution a budget that it can then be measured by. Senator Litwack agreed.

So, Mr. Malave said, the issue will force itself. Once we begin talking about this as we are, we will get to that point. He said the Chancellor's meeting with the Board's Fiscal Affairs Committee indicated that clearly an agenda is moving forward and if, come February or March, nothing has happened then John Jay's Faculty Senate might want to raise the flag.

Senator Patrick O'Hara noted that one-fifth of the weighty packet Mr. Malave distributed to everyone is about performance based budgeting and he asked in which direction the Budget Director sees this aspect moving. Mr. Malave said that a number of years ago, at the encouragement of some trustees, *CUNY* allocated some dollars using performance and the performance factor that **was** used was graduation rates. The method was very crude and everyone committed themselves to not doing that again and instead committed themselves to developing a more systematic and analytic approach to defining what is important and what is not and what we value. A group of presidents got together and developed a number of performance measures to consider and the University Faculty Senate's Budget Committee has been very involved in evaluating that. But then nothing happened because we were all caught up in what we all know the University has been caught up in during the past few years and the whole thing effectively died.

Now, as a consequence of the activity of the Board at the leadership level, and the Mayor's Task Force Report, which he said he had hoped to be able to bring with him – he invited anyone who would like a copy of the Report to contact his Office – the Mayor's Task Force Report (the Benno Schmidt Report) called for – and he said he thinks this is important – a performance based budgeting system which is a little more complex and involved than what we were doing previously, which was how do we allocate a few million dollars by considering some measure of performance in the algorithm. He said he thinks we are looking now at something a bit broader that includes not merely the performance of how many students a college is graduating but institutional performance: does, for example, Student Affairs at John Jay work. To him, a student who walks in and pays **\$3200** a year at John Jay is entitled to a certain level of service, a level below which the system can not be allowed to go. The college may decide to provide additional services if it likes but it will not be permitted to provide less than a minimum standard of services. To him, he said, that is a performance measure. To him, whether an institution has a planning process in place is a performance measure. Whether the institution has a faculty group that consults and is part of governance is a performance measure that is part of institutional leadership and the organization of a school. Whether the business office needs five accountants to do what it takes three accountants at another school to do is a performance measure.

Senator Kwando Kinshasa said he had watched Benno Schmidt on television discussing his Edison Project and he asked how Schmidt's ideas about the Edison projected would now be implemented in CUNY. Mr. Malave said there is no directive at this time to impose this model on the

University. Senator Kinshasa questioned whether there is a move toward contracting out instructional services that are currently being delivered by CUNY. The Budget Director said he does not think so because he believes that CUNY operates very efficiently and very productively and he doubts whether any outside agency could operate as well as *CUNY*.

Senator Litwack, noting Mr. Malave's comment that there is no likelihood of retrenchment of tenured faculty, asked whether this is some likelihood of retrenchment of non-tenured faculty. The Budget Director said that if colleges do not have enough money to fulfill their mandated tasks they will have to find the money somewhere. For some schools the money will come out of OTPS [Other Than Personal Services] and at other schools it may mean that in 2000-2001 – if Governor Pataki says there is no more money available for CUNY – some colleges may have to turn to non-reappointment.

Senator Litwack noted that with the current Early Retirement Initiative, a number of faculty will be retiring and at one of the colleges, which he does not want to name, there is a very **high** ratio of full-time to adjunct faculty and, furthermore, quite a number of full-time faculty at that college are likely to retire. Mr. Malave said that there are four colleges that Professor Litwack is describing: Brooklyn, City, Queens, and Hunter. Senator Litwack said he does not want to name a particular college and so **Mr.** Malave suggested he name all four. Senator Litwack concurred and said that at those four colleges when faculty retire, some of those lines have to be replaced because they are particularly important but presumably not all of them, especially at a place like Brooklyn or City which have enough full-time faculty to give 95% of its courses with full-time faculty. One way, he said, for the University to meet its budget problems without requiring John Jay, which is so underfunded, to try skimp by with even less, is to simply not let the better funded colleges replace retiring faculty and save those monies – he is **not** speaking of firing anyone – but of not replacing faculty who retire and transfer the money that is thus saved to John Jay.

Mr. Malave said that is always an option for the University like other options: CUNY could also say we want to retrench administration by 20 percent and that is how we will fund full-time faculty hires: that's another option. CUNY could consider lots of options. He called Professor Litwack's proposal arguably easy unless you are the chair of the political science department at Brooklyn College who is saying that he needs to replace retiring faculty in order to maintain a quality institution otherwise down the line Brooklyn will face serious problems. Senator Litwack said he recognizes how difficult the situation is but that John Jay is seriously underfunded.

Mr. Malave agreed but said that the same is true of New York City Tech and some of the other schools, including Baruch, which he characterized as being funded at about the same level **as** John Jay. Senator Litwack noted that at least Baruch has a huge endowment which it can use to fund fundamental services. Mr. Malave said that is true unless the endowment is restricted to, for example, scholarships or specifically to its business school, and so forth. He said the fact of the matter is that when it comes to the percent of instruction that is taught by full-time faculty, Hunter is almost exactly where John Jay is: 50 percent of the instruction at Hunter is taught by adjuncts. President Kaplowitz asked what is the average teaching load of the faculty at Hunter. Mr. Malave said he doesn't know but the point is that notwithstanding the "riches" at Hunter College, somehow they can't manage to teach more than 50 percent of their instruction by full-time faculty. That's a significant budget pressure. Baruch, although it has its new campus – as John Jay will surely as well – and it has all the money that is contributed to it, is not far in its FTE funding from John Jay's. He said that is rather counterintuitive because if Baruch is not far different from John Jay's funding, then Baruch is almost where John Jay is vis-a-vis Brooklyn College. So, he asked, what should we do?

Mr. Malave said the only point he wants to make here is that he recognizes what Professor Litwack indicated as a potential solution and, perhaps, it is one of those solutions that is easier to deal

with because it would involve people who are retiring but it is not that easy when one has to consider whether or not to send a college down a path that will really, really hurt its instructional program in an effort to help other colleges. He said he would much rather find the resources to fix the situation: we have a new system, a new Chancellor, a new Chairman. Everything, he said, is on the table until they take it off the table and they haven't taken anything off the table yet. That debate will be in full bloom in the spring. In December or January we will know what the Governor has in store for CUNY and we will know the parameters of our problem but we won't know until the Governor issues his Executive Budget.

Senator Litwack asked about the idea he raised earlier: that in the future, once models are put into place, assuming that some colleges even under the new model are really underfunded, that CUNY ask the State for special additions in the budget specifically for those underfunded colleges. Mr. Malave said that somewhat gets away from the idea of a model. Either you want to give to the Governor and the Legislature the authority to establish budget levels or you want to be able to have the flexibility to do that ourselves. He said he would not rush to a political leader to ask that leader to fix our budget situation and in doing so give that leader the authority to do so because the other side of that approach would have to be accepted **as** well, which is that the response could be to simply cut the budget of John Jay, because we would also be giving the State Budget Division the authority and ability to do that. And so he wouldn't suggest or take that approach. He would simply indicate that the University is requesting **X** dollars to deal with issues of equity, issues that are longstanding at the University, and that we at the University know how to then deal with those issues. He said he suspects that if we get any real resources and once we follow a model – the agenda has been set – the question will be just how the issues will be addressed and who is going to do it. **As** expressed in discussions, hopefully we will construct an allocation model this spring that we can begin applying in some phase and fashion over the next three years. But, Mr. Malave said, at this point it is all rhetoric. It needs to translate into real, hard proposals that take active consideration by the Trustees and others in order to become a reality and, that, he added, is what those in his Office do all the time. Senator Litwack said he understands this reasoning and, **as** he said earlier, all we've asked for at John Jay to begin with, at least, is a model that fairly allocates resources and we've always recognized that there will be differences in colleges.

Mr. Malave said that there is something he really has to say even though he does not want to pick on administration since he, himself, is, after all, an administrator: the administration of John Jay likes to compare John Jay to Lehman College and yet John Jay has probably **twice** as many senior administrators as Lehman College and if this were not the case at John Jay then the administration of John Jay could probably hire another 25 full-time faculty. Lehman College has chosen to have a very lean senior administration: they have even fewer senior administrators than Medgar Evers. He said when you at John Jay look at the numbers, you can't just say that you are underfunded and can't operate properly: you have to look at the total budget. For many, many years CUNY has **not** micromanaged college budgets. CUNY pays college presidents fairly handsomely, or at least we used to, and we give them the ability to manage their budgets. Presidents manage their budgets differently. For example, no college has devoted more of its budget to instruction than Queensborough, bar none. Queensborough is the leanest operation and ~~Kurt~~ Schmeller and that administration tries to push **as** much of the budget **as** they can into the instructional program. Other schools emphasize student services more than administration, more than additional faculty. And the colleges have grown up that way because why would you, at John Jay, want someone at 80th Street determining the needs of John Jay? He said he wants Gerry Lynch to have that responsibility and deal with the responsibility of the decision that he makes about what the size of the administration should be and what price one pays for that.

Senator Litwack said he hears clearly what Mr. Malave is saying but he would like to respond that if CUNY comes up with a model that is a fair model and under that model John Jay is receiving an equitable amount of total resources and we don't have enough full-time faculty lines because there are too many administrative lines, we, the faculty, are not going to be arguing with 80th Street but rather the

faculty will be arguing with Gerry Lynch: he said he can promise that. **Mr. Malave** said that his own personal view is that it should not be left to whether or not a faculty leader is going to argue or not argue with a President but that, instead, some standard should be set that a faculty and a college **must** meet: period. It should **not** be the function of a faculty group to do this because, he said, as you know, faculty do not always have the leverage that they wish they have: the faculty at some campuses may have leverage but faculty at other campuses may not have leverage; some campuses may have a heavy-handed administration and other campuses may not. And, thus, *CUNY*, as a system, must finally make a decision about what is the appropriate level for instruction and what is the appropriate level for student support and *CUNY* must enforce that standard so that it is not left to the nature of the organization on campus to be the instrument by which performance is measured.

Mr. Malave added that he understands that there remains the question of centralization, which is not an easy question to deal with: that is, whether or not one wants to even give 80th Street that centralized power and authority to interfere. **Part** of the big debate that will ensue is the question of whether *CUNY* should have that power and authority or whether we should simply leave it to the device of the college administrations and faculties to figure out how to run the college. But, he said, 80th Street has done that until now and in some cases it has worked marvelously and in other cases it has not and so the question is whether at those places where it has not worked is it something systemic that has caused it and, thus, requires some systematic solution or whether it is simply something that can be handled on an ad hoc basis. He added that he doesn't think we know the answer to that question.

Senator Litwack said that if the same standards are going to be put into place for administrators then the resources they have to deal with in toto, not just for faculty but for all kinds of administrative staff, also have to be equal for them to be judged. **Mr. Malave** said that he is not saying that equal **has** to be the standard but what he is saying is that there are certain standards below which a college can not go: if College X is creative enough to raise funds for institutional advancement or planning, that's great, and if that then leads to greater levels of administration or student support services or institutional advancement infrastructure or technology, that is great. What he is saying, he explained, is that there should be a standard that a college can not go below.

President Kaplowitz said that John Jay has increased student enrollment dramatically over the past ten years, as Mr. Malave noted when we went over the documents he shared with us. A number of John Jay faculty have felt that we increased our enrollment to too great a degree, given our resources, given the number of full-time faculty we have, given the amount of **OTPS** dollars we receive. Notwithstanding the recent budgetary help from 80* Street – for which she, too, wishes to thank Mr. Malave for being so influential in bringing about – our enrollment increases have been responded to by 80th Street with a bigger and bigger adjunct budget which only makes the full-time to adjunct ratio more imbalanced. She asked what would happen if John Jay chose to reduce its enrollment **so as** to provide more full-time faculty and other academic and student support services. If we decided to limit enrollment would we be held fiscally harmless or would we have a fiscal negative consequence, given our history of supporting the University in the past decade by being the major source of the University's enrollment growth.

Mr. Malave said if the question is whether 80* Street would reverse the base level adjustments 80* Street has made to John Jay's budget in the past few years, the answer is no: he does not **think** he would reverse anything. However, he added, he knows that Karen knows the role that revenue plays in the college budget. He explained that John Jay has chosen to do this already [by raising admission requirements], notwithstanding the fact that it has no assurances that there is any protection that is being offered, to limit its enrollment and, thus, John Jay is on a sliding scale which is going to have a revenue impact on the College. John Jay has chosen to do that and will have to deal with the fact that it has a revenue target that it has to maintain and, one way or the other, it will be held to it. He said that he

suspects that when we finally get this model out of the way we will also have an enrollment management strategy at the University that perhaps will conclude that John Jay should retrench in terms of its enrollment to a particular level and stay there and that would stand over time and that we want Hunter to stop growing, we want *NYC* Tech to stop growing, and we want to reshuffle some programs and maybe, then, we'll have some rationality in the system, but we're not there yet. **So** any college that goes ahead and reduces its enrollment without **any** commitments to revenue protections is doing it on its own and will have to pay for it.

President Kaplowitz told Budget Director Ernesto Malave that she knows she speaks not only for the Faculty Senate but for the entire John Jay faculty in thanking him not only for his excellent presentation and the generosity of the time he has devoted to meeting with us today but for all he has done for John Jay over the years. [The Faculty Senate applauded Budget Director Malave.] Mr. Malave thanked Karen and the Senate for inviting him and said he would be happy to come back if invited again. [The Senate again applauded him.]

My a motion made and carried, the meeting was adjourned at 5:15 PM.

Respectfully submitted,

Edward Davenport
Recording Secretary

and

Amy Green
Vice President



5 November 1999

Dear Karen,

The Faculty Senate resolution has assumed a special place in my study at home ... pending its transfer to an equally special place at Brooklyn College. I am moved by the sentiments, so eloquently expressed, and honored by the Senate's decision to mark my tenure at the Chancellery in this fashion. My thanks to you and to your colleagues.

You will know how much I valued our association over these nearly two years. You represent what is best not only among the faculty but, more particularly, at John Jay College.

With best regards and, again, my thanks.

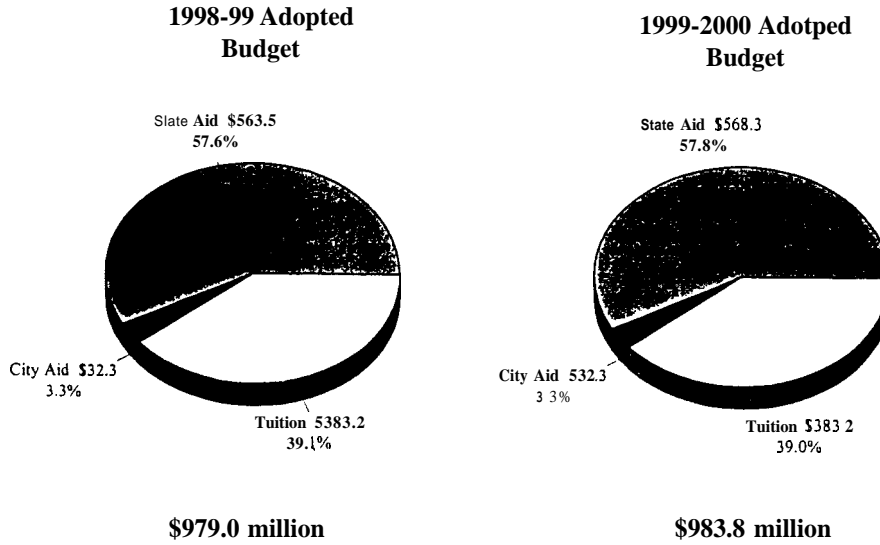
Sincerely,

Christoph M. Kimmich
President-Designate

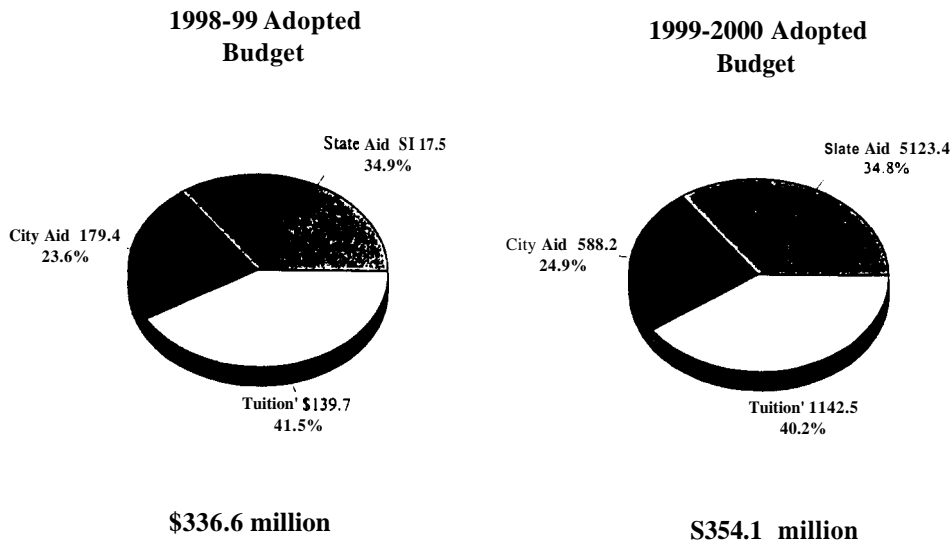
Professor Karen Kaplowitz
President, Faculty Senate
John Jay College of Criminal Justice
445 West 59th Street
New York, New York 10019

ATTACHMENT B
THE CITY UNIVERSITY OF NEW YORK
1999-2000 STATE AND CITY ADOPTED OPERATING BUDGETS
PRELIMINARY ANALYSIS – AUGUST 12, 1999

1999-2000 Adotped Budget
Senior College Funding



1999-2000 Adopted Budget
Community College Funding



2000-01 Operating Budget Request (Draft)
Per Current Year FTEs per Senior College

College	FTE 1999/2000	Request 2000/2001	Request \$ Per FTE
City	7,473	70,550,500	9,441
Brooklyn	9,540	72,517,300	7,601
Lehman	3,010	42,072,500	7,254
Medgar Evers	3,300	22,964,000	6,942
Queens	10,670	60,533,300	6,517
York	3,976	25,815,100	6,493
Staten Island	8,223	48,842,100	5,940
Hunter	13,184	75,244,900	5,707
Baruch	11,178	57,166,300	5,114
NYC Technical	8,510	42,167,400	4,955
John Jay	7,074	35,630,300	4,969
Average College	8.177	51,210,200	6.263

Dollars Per FTE per Senior College 1999/2000 Year
(Indicating Which Colleges Fell Above or Below the Senior College Average)

College	FTE*	Base Budget*	Base \$ Per FTE	Grand Total Budget*	Grand Total \$ Per FTE
City	7,473.0	69,719.1	9,329.5	71,865.1	9,616.6
Brooklyn	9,540.0	70,161.3	7,354.4	74,242.5	7,782.2
Lehman	5,910.0	41,939.4	7,096.3	45,285.3	7,662.5
Medgar Evers	3,308.0	22,015.3	6,655.2	24,506.2	7,408.2
Queens	10,670.0	67,500.1	6,321.7	73,104.9	6,851.4
York	3,976.0	25,135.0	6,321.7	27,895.4	7,015.9
Average College	8,176.9	49,786.1	6,088.6	54,706.9	6,690.4
Staten Island	8,223.0	47,289.6	5,750.9	53,051.5	6,451.6
Hunter	13,184.0	72,598.4	5,506.6	80,857.2	6,133.0
Baruch	11,178.0	55,669.8	4,980.3	61,789.8	5,527.8
NYC Technical	8,510.0	40,931.3	4,809.8	48,384.2	5,685.6
John Jay	7,974.0	34,619.3	4,341.5	40,793.6	5,115.8

* Per VC Brabham Memo- 8/12/99 with Dollars in 000's

Provided by Professor Tom Litwack, Chair, Faculty Senate Budget Committee

The City University of New York
Senior/Community College Annual Average Headcount Enrollment Trends and Year to Year Percent Changes

	FY 1995	FY 1996	FY 1997	FY 1998	FY 99	FY 1995 - FY 1999
Senior Colleges						
Baruch	15,230	15,386	15,159	15,008	15,161	-69 -0.5%
Brooklyn	15,788	15,591	14,975	14,604	14,426	-1,362 -8.6%
City	14,620	13,786	12,285	11,834	11,656	-2,964 -20.3%
Hunter	19,084	17,954	18,523	19,331	19,455	371 1.9%
John Jay	9,672	10,200	10,707	10,846	10,583	911 9.4%
Lehman	10,592	9,648	9,453	9,395	9,030	-1,562 -14.7%
Medgar Evers	5,240	5,314	5,306	5,007	4,831	-409 -7.8%
NYCTC	10,692	10,518	10,858	11,005	10,949	257 2.4%
Queens	17,843	17,120	16,389	16,078	15,980	-1,863 -10.4%
Staten Island	12,485	11,965	12,001	11,872	11,782	-703 -5.6%
York	6,910	6,402	6,210	5,881	5,561	-1,349 -19.5%
Graduate School	4,206	3,957	3,864	3,723	3,694	-512 -12.2%
Law School	436	451	456	449	369	-67 -15.4%
Total Senior	142,798	138,292	136,186	135,033	133,477	-9,321 -6.5%
Community Colleges						
BMCC	16,452	16,311	16,563	16,194	15,719	-733 -4.5%
Bronx	8,502	8,289	7,952	7,627	7,242	-1,260 -14.8%
Hostos	5,290	4,880	4,701	4,127	3,573	-1,717 -32.5%
Kingsborough	14,610	14,021	14,313	14,649	14,312	-298 -2.0%
LaGuardia	11,020	11,071	11,190	11,236	11,279	259 2.4%
Queensborough	11,792	11,093	10,481	10,090	10,124	-1,668 -14.1%
Total Community	67,666	65,665	65,200	63,923	62,249	-5,417 -8.0%
Total University	210,464	203,957	201,386	198,956	195,726	-14,738 -7.0%

The City University of New York
 Percent Change in Annual Average Headcount Enrollment from 1995 to 1999

	Undergraduate			Graduate			Total		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Senior Colleges									
Baruch	-3.4%	-2.6%	-3.1%	44.5%	2.3%	14.5%	0.2%	-1.3%	-0.5%
Brooklyn City	-12.7%	-6.3%	-10.7%	3.8%	-3.9%	-3.4%	-12.1%	-5.0%	-8.6%
Hunter	-26.4%	-15.7%	-23.0%	-17.7%	-10.2%	-11.0%	-26.0%	-13.3%	-20.3%
John Jay	9.9%	-1.9%	5.1%	-11.9%	-6.9%	-7.8%	8.0%	-3.9%	1.9%
Lehman	9.0%	0.2%	6.4%	119.5%	31.5%	44.1%	10.9%	6.5%	9.4%
Medgar Evers	-11.3%	-22.5%	-16.4%	-4.3%	-7.0%	-6.9%	-11.2%	-17.8%	-14.8%
New York City Technical	-12.0%	-2.1%	-7.8%	NA	NA	NA	-12.0%	-2.1%	-7.8%
Queens	3.4%	0.2%	2.4%	NA	NA	NA	3.4%	0.2%	2.4%
Staten Island	-15.5%	-22.2%	-18.1%	23.7%	21.9%	22.0%	-14.2%	-6.5%	-10.4%
York	1.1%	-12.6%	-4.6%	23.6%	-15.0%	-13.1%	1.4%	-13.1%	-5.6%
Graduate School	-20.6%	-18.1%	-19.5%	NA	NA	NA	-20.6%	-18.1%	-19.5%
Law School	NA	NA	NA	-13.9%	0.8%	-12.2%	-13.9%	0.8%	-12.2%
	NA	NA	NA	-15.5%	0.0%	-15.4%	-15.5%	0.0%	-15.4%
Total Senior Colleges	-6.4%	-10.0%	-7.7%	-3.2%	-0.7%	-1.3%	-6.1%	-7.1%	-6.5%
Community Colleges									
BMCC	2.6%	-14.2%	-4.5%				2.6%	-14.2%	-4.5%
Bronx	-16.3%	-11.3%	-14.8%				-16.3%	-11.3%	-14.8%
Hostos	-37.2%	-6.0%	-32.4%				-37.2%	-6.0%	-32.4%
Kingsborough	-10.3%	7.0%	-2.0%				-10.3%	7.0%	-2.0%
LaGuardia	-6.1%	20.9%	2.4%				-6.1%	20.9%	2.4%
Queensborough	-3.7%	-23.0%	-14.1%				-3.7%	-23.0%	-14.1%
Total Community Colleges	-9.5%	-5.8%	-8.0%				-9.5%	-5.8%	-8.0%
Total University	-7.5%	-8.4%	-7.8%	-3.2%	-0.7%	-1.3%	-7.2%	-6.7%	-7.0%

ATTACHMENT E - 1

The City University of New York
1997-98 Unrestricted Tax Levy and Unrestricted Total Operating Expenditures

	Tax-levy		Total	
	(\$000)	\$ Per FTE	(\$000)	\$ Per FTE
Senior Colleges				
Baruch	97,124	8,835	103,340	9,401
Brooklyn	94,270	9,262	102,604	10,081
City	103,343	12,463	105,279	12,696
Hunter	100,212	7,609	111,445	8,462
John Jay	51,727	6,288	57,518	6,992
Lehman	58,485	9,337	63,087	10,071
Medgar Evers	31,478	8,907	32,583	9,220
NYC Technical	62,125	7,291	64,545	7,575
Queens	96,663	8,732	114,924	10,382
Staten Island	65,012	7,842	70,523	8,507
York	34,743	8,099	36,322	8,467
Total Senior Colleges	795,182	8,566	862,170	9,288
CUNY Law School	10,046	17,875	11,099	19,749
Graduate School	68,072	23,384	69,684	23,938
Community Collages				
BMCC	65,038	5,290	69,689	5,669
Bronx	45,299	7,241	48,653	7,777
Hostos	33,858	8,116	35,155	8,428
Kingsborough	57,619	5,721	63,984	6,352
LaGuardia	64,339	6,733	71,066	7,433
Queensborough	50,413	6,936	54,741	7,531
Total Community Collages	316,566	6,380	343,288	6,911
Central Administration and Program	51,102	350	54,820	378
Construction Fund	0	NA	1,516	NP
Research Foundation	0	NA	25,007	NP
Hunter Campus Schools	10,011	NA	11,048	NA

The City University of New York
1997-98 Operating Expenditures by Function / DRAFT
SUNY Colleges

Unrestricted Funds

(Dollars in Thousands Except Per FTE Figures—Comments May Not Always Add Because of Rounding)

	Instruction & Dept. Res.	Organized Research	Public Services	Library/ Acad. Supp.	Student Services	General Admin.	Institutional Support	Maintenance of Plant	Scholar- Ships	Auxiliary Enterprises	Total
Borough	47,815	80	4,383	3,532	5,834	5,546	8,412	25,388	1,477	873	103,340
Per FTE	4,350	7	399	321	531	506	785	2,309	134	79	9,401
% of college total	48.3%	0.1%	4.2%	3.4%	5.6%	5.4%	8.1%	24.6%	1.4%	0.8%	100.0%
Brooklyn	52,812	731	1,688	4,981	7,536	6,025	11,687	12,382	3,848	1,156	102,604
Per FTE	5,169	72	166	487	740	582	1,148	1,217	378	114	10,081
% of college total	51.3%	0.7%	1.6%	4.8%	7.3%	5.8%	11.4%	12.1%	3.8%	1.1%	100.0%
City	64,508	944	205	3,795	5,353	4,681	8,327	16,713	1,405	350	105,278
Per FTE	7,778	114	25	458	648	565	1,004	1,885	169	42	12,696
% of college total	61.3%	0.8%	0.2%	3.6%	5.1%	4.4%	7.9%	14.9%	1.3%	0.3%	100.0%
CUNY Law School	10,003	0	0	1	29	0	1,063	3	0	0	11,099
Per FTE	17,789	0	0	2	52	0	1,891	5	0	0	18,749
% of college total	90.1%	0.0%	0.0%	0.0%	0.3%	0.0%	9.6%	0.0%	0.0%	0.0%	100.0%
Graduate School	38,273	1,135	327	1,857	9,280	2,684	5,478	8,398	229	1,022	69,684
Per FTE	13,481	390	112	638	3,188	822	1,882	2,885	79	351	23,938
% of college total	56.4%	1.6%	0.5%	2.7%	13.3%	3.9%	7.9%	12.1%	0.3%	1.5%	100.0%
Hunter	58,463	998	2,683	3,718	8,382	5,926	10,350	17,856	1,468	1,590	111,445
Per FTE	4,439	76	204	282	638	450	788	1,356	111	121	8,462
% of college total	52.5%	0.8%	2.4%	3.3%	7.5%	5.3%	9.3%	16.0%	1.3%	1.4%	100.0%
John Jay	31,178	174	1,485	1,724	5,732	4,322	5,897	5,878	1,337	193	57,518
Per FTE	3,790	21	181	210	687	525	693	690	163	23	6,992
% of college total	54.2%	0.3%	2.6%	3.0%	10.0%	7.5%	9.9%	9.9%	2.3%	0.3%	100.0%
Lehman	33,024	155	1,328	2,877	4,711	2,886	5,684	9,476	2,507	349	63,087
Per FTE	5,272	25	212	475	752	462	904	1,513	400	56	10,071
% of college total	52.3%	0.2%	2.1%	4.7%	7.5%	4.8%	10.1%	15.0%	4.0%	0.6%	100.0%
Medgar Evers	16,789	150	98	1,863	2,743	3,710	3,298	3,665	344	111	37,583
Per FTE	4,764	42	28	471	778	1,050	934	1,037	97	31	9,220
% of college total	51.8%	0.5%	0.3%	5.1%	8.4%	11.4%	10.1%	11.2%	1.1%	0.3%	100.0%
NYC Technical	34,817	0	1,545	3,193	5,503	6,141	4,491	6,863	1,387	605	64,545
Per FTE	4,088	0	181	375	646	721	527	805	163	71	7,575
% of college total	53.8%	0.0%	2.4%	4.9%	8.5%	8.5%	7.0%	10.6%	2.1%	0.9%	100.0%
Queens	57,888	321	2,885	4,677	12,734	4,963	11,421	14,822	3,741	1,872	114,924
Per FTE	5,211	29	281	422	1,150	448	1,032	1,321	338	169	10,382
% of college total	50.2%	0.3%	2.5%	4.1%	11.1%	4.3%	9.9%	12.7%	3.3%	1.8%	100.0%
Staten Island	34,817	0	484	2,266	8,086	3,588	8,833	12,760	2,345	1,498	70,523
Per FTE	4,178	0	58	272	732	433	838	1,538	283	181	8,507
% of college total	48.1%	0.0%	0.7%	3.2%	8.6%	5.1%	9.8%	18.1%	3.3%	2.1%	100.0%
Yesh	17,351	0	134	1,514	3,204	2,552	3,737	8,748	558	524	36,322
Per FTE	4,045	0	31	353	747	595	871	1,573	130	122	8,467
% of college total	47.8%	0.0%	0.4%	4.2%	8.8%	7.0%	10.3%	18.6%	1.5%	1.4%	100.0%
Total Senior Colleges	498,148	4,889	17,234	35,867	77,106	53,032	86,540	139,550	20,846	10,143	942,953
Per FTE	5,173	48	178	372	801	551	889	1,448	214	105	9,782
% of total	52.8%	0.5%	1.8%	3.8%	8.2%	5.6%	9.2%	14.8%	2.2%	1.1%	100.0%