



CENTER FOR EDUCATIONAL INNOVATION-
PUBLIC EDUCATION ASSOCIATION

**INVESTING IN FUTURES:
A NEW COMPACT FOR
PUBLIC HIGHER EDUCATION**

SPEAKER:

MATTHEW GOLDSTEIN

**CHANCELLOR
THE CITY UNIVERSITY OF NEW YORK**

NOVEMBER 17, 2005

Luncheon Series

ABOUT CEI-PEA

The Center for Educational Innovation – Public Education Association (CEI-PEA) is a New York-based nonprofit organization that creates successful public schools and educational programs. Our staff of experienced leaders in public education provides hands-on support to improve the skills of teachers and school leaders, increase parent involvement, and channel cultural and academic enrichment programs into schools. The benefits of this hands-on support are multiplied through a network of more than 170 public schools in New York as well as work in other major urban school systems across the country and around the world. We operate in cooperation with, but independently of, public school systems, providing private citizens the opportunity to make wise investments in the public schools.

ABOUT THE LUNCHEON SERIES

CEI-PEA's luncheon series provides one of the only forums in which the full range of stakeholders—parents, principals, teachers, policy makers, leaders of nonprofit organizations, funders, newspaper reporters—are able to meet and discuss critical issues affecting public education. Topics of the luncheons range from educational research on innovative instructional models, to analyses of educational policies, to practitioner models for effective school leadership.

SPECIAL THANKS

Special thanks to Bob Isaacson, Executive Director of CUNY TV, for broadcasting the CEI-PEA luncheons to the public. CUNY TV's educational, cultural and public affairs programming is an invaluable resource for our city, and we are proud to be a part of it.

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NOTE FROM THE CEI-PEA PRESIDENT

On November 17, 2005, CEI-PEA had the honor of hosting Matthew Goldstein, Chancellor of the City University of New York, as speaker at our luncheon series. Matt has spoken at a number of our luncheons since he took leadership of CUNY approximately six years ago and began what can only be described as a radical transformation of CUNY from an “institution adrift” to one that is charting the future of both CUNY and other urban institutions of higher education around the country. On those occasions, he has introduced a number of the initiatives that have led to CUNY’s transformation.

This time, Matt discussed new initiatives again, but he did so with a concerted focus on the future funding patterns for CUNY. It seems that CUNY, along with public universities around the country, is at a major crossroads. State funding for public universities has declined precipitously over the past decade, and if public universities do not address this change now, they may become obsolete.

The challenge, it seems, is to meet the growing demand for a more “diversified” funding base for public universities while still meeting the mission of serving students who are not capable of paying high tuition rates. CUNY must find a way to meet this challenge because if CUNY, the largest urban university in the country, cannot meet this challenge, it is highly unlikely that other public universities will be able to meet the challenge. I am confident that Matt Goldstein will meet this challenge with the same mix of optimism, pragmatics and fortitude that he has used to bring CUNY into its current renaissance.

During his remarks, Matt called upon those of us who were so fortunate to benefit from a CUNY education, particularly during the era when it was tuition free, to now lend our support. He requested that all of us—alumni and employers of alumni—support his proposed “compact” for higher education by providing financial and political support for CUNY. The goal of his compact is to ensure that this incredible institution continues to serve a mission that was first established in 1847 with the formation of the Free Academy, which was founded to serve the “whole student.”

Following is an edited transcript of Matt’s remarks. I hope you find them inspiring to the point of supporting CUNY.

[SIGNATURE]

Sy Fliegel

INTRODUCTION

Sy Fliegel: Welcome. It's good to see you all here. I have some official things to do. This ensures that CUNY Vice Chancellor for University Relations Jay Hershenson maintains his position at the University, because he wants me to recognize Herman Badillo, former Chair of the CUNY Board of Trustees, and Edith Everett, former Vice-Chair, and current CUNY trustees Jeffrey Wiesenfeld, Wellington Chen, and Nilda Soto Ruiz. [Applause.] I can tell by your response that there are many people from the City University here today.

“He’s one of New York City’s real heroes for what is happening at CUNY.” I’ve taken the liberty to give you Matt Goldstein’s bio so that you can read it for yourself. It’s very impressive, but I will only comment on several items that I find most interesting.

First, I always like the idea that he’s the first CUNY graduate to lead the nation’s most prominent urban, public university. [Applause.] Second, Matt is a well-regarded scholar of math. I think the last time I introduced him, I took the liberty to recommend one of the books that he wrote. Since then, I re-read the book, and as much as I like *Discrete Discriminant Analysis*, I find *Multivariate Analysis* a much better book, so I’d like to recommend that book for you to read as well. [Laughter.] He’s a busy man, and you can see in his bio all of the boards of directors on which he serves. Those of you who know what it is to be on a board, know that it takes up a lot of time. The fact that Matt dedicates himself fully to serve on some very significant boards despite the fact that he is one of the busiest people in public education is very impressive.

Among his honors are the Jewish National Fund Tree of Life Award, the Townsend Harris Medal, the Lower East Side Multicultural Festival 2001 Liberty Award for distinguished accomplishments in the Field of Education, the Italo-American Associations’ Leadership in Education and Public Service Award, the 2002 Ellis Island Medal of Honor, the 2003 Max Rowe Educational Leadership Award of the American Friends of The Open University of Israel, and the 2004 New York Foundation for Architecture President’s Award. Matt’s not just a good guy, he’s smart too. [Laughter.] He’s a member of Beta Gamma Sigma and the Golden Key Honor Society, and a Fellow of the New York Academy of Sciences.

What he doesn’t have in his bio is that he received an award from the Sharp Foundation, who we honored just the other night. It was a personal award of \$100,000 for leadership. Up until then, I thought he was brilliant,

but when he told me he donated the \$100,000 to the City University, I had second thoughts. [Laughter.]

Now my father, who was a very simple guy—he didn't speak much and so on—when he liked and respected someone, he always said, "He is a prince of a man." Now you don't hear that anymore, "He is a prince of a man." And that, in my view, describes Matthew perfectly. He's one of New York City's real heroes for what is happening at CUNY, so it's my pleasure to introduce my dear friend, Matt Goldstein.

[Applause.]

GUEST SPEAKER

Matthew Goldstein: Thank you, Sy. And many thanks to the chair of the CEI-PEA Board of Directors, Judy Berkowitz. We were pleased to be at your gala the other night and to honor the Peter J. Sharp Foundation. Congratulations on a very successful evening.

I did want to mention that Jay Kriegel is in the audience today. Jay, I want to thank you for what you, Dan and so many others did so tirelessly for ten years of your life. We are so deeply appreciative for the energy and direction that you put in.

Sy, I'm very pleased and honored to be with you this afternoon. When I spoke to this group, in a somewhat different configuration, earlier this year, I talked a bit about private investment in higher education, but today I'd like to focus more on the public side of higher education funding.

As most of you know, across the country, the funding of public higher education has changed dramatically. Jim Duderstadt, a friend and former president of the University of Michigan, said it this way: "We used to be state-supported, then state-assisted, and now we are state-located." And, as time goes on, we are in danger of becoming "state-molested." Over the last several years, the proportion of college budgets covered by public funding has decreased, while the share covered by tuition has increased. Nationwide, between 1980 and 2000, the share of universities' operating expenses paid for by state tax dollars was cut by 30 percent.

At CUNY, we, too, have seen a dramatic drop in state aid over the last couple of decades. When adjusted for inflation, state appropriations to the University have declined by almost 34 percent since 1991. Last year, state aid constituted only 46 percent of the University's operating budget. The result, at CUNY and nationwide, is that colleges and universities are struggling to meet their operating costs, and students are bearing a greater share of that burden as we increasingly rely on tuition to meet operating expenses. This has enormous consequences for the future of public higher education.

We know that this is a major concern in New York State, and across the country. Just last month, The New York Times ran an article called, "At Public Universities, Warnings of Privatization," which stated the problem clearly: "Taxpayer support for public universities, measured per student, has plunged more precipitously since 2001 than at any time in two dec-

ades....” I found it particularly interesting that this story ended up as one of the Times’ most e-mailed articles at that time. People across the country—parents, especially, as well as the millions of us who have benefited from public higher education—are very worried about this trend.

And more and more people are also taking note of the growing divide between those with a college degree and those without—because that divide usually splits across economic lines. Earlier this year, it was reported that only about one in 17 young people from this country’s poorest families will earn a bachelor’s degree by age 24—but better than one in two from the wealthiest families will earn that degree.

The main reason for the divide is obvious: money. Over the last decade, the actual cost of a college education as a percentage of income has increased substantially more for poorer families than for the wealthiest families. That financial reality, along with the complexity of life for low-income students, can dissuade good students from even pursuing a college education.

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I don’t have to tell you that this divide has serious economic and social impacts. For example, one of CUNY’s major concerns has been the disproportionately low participation of black and Hispanic men in higher education. Despite increases in minority enrollment across the country, the gap in participation rates for white, African American, and Hispanic high school graduates has widened. When I spoke to this group in February, I described our initiative to address the serious challenges facing black men—including, but certainly not limited to, the financial barriers I’ve just mentioned. After months of intense work, a University task force has submitted its final report, and we will proceed with several of its recommendations, as detailed on CUNY’s website.

But there is much more to be done to reach every student—at both the national and state levels. Unless we take steps to increase public support, keep tuition manageable, create new revenue sources within our universities, and aggressively seek external partnerships, the promise of equal opportunity that is at the heart of public higher education will continue to erode.

And it does so at a time when higher education is, more than ever, a necessity. A fast-moving global economy demands highly skilled and adaptable workers. Quite simply, the United States is failing to meet that need. In his book, *The World Is Flat*, Thomas Friedman tells an anecdote that perfectly illustrates how global connectedness and new technologies have changed economic competition. When he was a child, he says, his parents used to tell him to finish his dinner because people in China and India were starving. Today, he tells his children to finish their homework because people in China and India are starving for their jobs.

“This country must keep pace with this flatter, faster world, particularly in the areas of science, math, and engineering.”

This country must keep pace with this flatter, faster world, particularly in the areas of science, math, and engineering. In 2000, the proportion of the college-age population earning degrees in science and engineering fields was substantially larger in more than 16 countries in Asia and Europe than in the United States. The business and research communities have taken notice of this fact. Earlier this year, the Business Roundtable led a call to double the number of science, technology, engineering, and mathematics graduates by 2015. The group pointed out that the percentage of students planning to pursue engineering degrees decreased by one-third between 1992 and 2002. And the National Academies just convened a panel of experts that made an urgent plea to increase this country’s scientific competitiveness. Among other things, the panel noted that 12th graders in the United States performed below the international average for 21 countries on general knowledge in math and science. Bill Gates would agree with the panel. The chairman of Microsoft recently said, “When I compare our high schools to what I see when I’m traveling abroad, I am terrified for our workforce of tomorrow.”

Here in New York City, test scores reported just last week showed that eighth grade science test scores dropped eight percentage points in the past two years. Among high school students, only 7 percent passed the physics Regents exams and just 18 percent passed the chemistry Regents exams.

In sum, public higher education is facing its most serious challenges in decades. All of you—my colleagues in the educational community—know this to be true. And it can only be addressed by fundamental change.

At CUNY, we have already begun to address these challenges. In February, I told you that this would be the “decade of science” at the University.

New work in four major areas is helping to ensure a healthy pipeline to the science, math, technology, and engineering fields.

First, we will see a dramatic increase in the construction and modernization of science facilities around the University, including a new science building at City College, the total refurbishment of another, and a CUNY-wide advanced science research facility concentrating on emerging disciplines, such as photonics, nanotechnology, biosensing and remote sensing, structural biology and macromolecular assemblies, and neuroscience. Over the next decade, we will be expending about \$1 billion across the University on science projects alone.

To ensure that students are ready for the rigorous college curriculum in science and math, we will also introduce a "Science Now" program for high school students, modeled after the University's highly successful College Now program. Chancellor Joel Klein and I have agreed that CUNY will work collaboratively with the Department of Education to create awareness and interest in science disciplines, work with struggling students, and give promising students opportunities to take University classes and participate in hands-on experiments in our many active laboratories.

We will also offer full tuition scholarships to a select group of students coming to our Teacher Academy: specifically, to those who become math and science middle and high school teachers and who agree to a minimum two-year commitment to teach in a New York City public school while pursuing a subsidized master's program at a CUNY campus.

Finally, we have begun an operational review of our Ph.D. programs in the laboratory sciences, leading to new investments in graduate student support for highly competitive students, Ph.D. degree-granting authority for some of our flagship environment campuses, expansion of master's programs as feeders to the Ph.D., and a commitment to hire a new generation of scholar/teachers in emerging disciplines in science.

I am pleased that over the next decade, we will pursue these and other ways to support the excellent and wide-ranging work in the sciences already undertaken by our faculty.

But we must also address higher education's urgent funding dilemma. Obviously, students cannot be asked to carry a continually increasing share of our operating costs. Likewise, it is unrealistic to expect the State of New York to be the only provider of our escalating needs, given the runaway

costs associated with the social and health-care requirements of growing segments of our society. History demonstrates the results of this formula for CUNY: tuition spikes of 25 percent or more in 1992, 1993, 1996, and 2004. Since 1991, public support per full-time equivalent student at CUNY has increased by 6.8 percent—but tuition revenue per full-time equivalent student has grown by 177 percent.

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It is particularly distressing to me that this funding disparity comes just when CUNY’s performance has greatly improved. The University has recorded its highest enrollment in 30 years while significantly raising academic standards, admitting better-prepared students, and enrolling more students from select public high schools. At least 97 percent of CUNY graduates who take the state’s rigorous teacher qualification tests pass them, up from 62 percent during the 1990s. Our new comprehensive performance management system ensures accountability throughout the University in part by tying attainment of goals to compensation. And our award-winning students are competing successfully in state and national arenas.

We owe it to our students to give them the most enlightened intellectual experience we are capable of providing. Public higher education must be a public priority, just as it is a public good. It’s clear that we must re-envision our partnership with the state in order to ensure that every student is encouraged and enabled to pursue a college degree.

That is why I’m proposing that we make a compact—a new approach of true investment in the University, one that focuses on a shared investment in the future, rather than on pieced responses to economic fluctuations. Without a very different approach, our public university systems simply will not be in a position to provide the academic experiences our students expect and deserve.

SUNY and CUNY already plan extensively for the future, developing Master Plans every four years to create a blueprint for new faculty, academic initiatives, and student services. The plans are the result of a long and thoughtful process, with the consultation of the campuses, the faculty, and the students. However, while CUNY and SUNY are required to adopt Master Plans, subject to the approval of the regents and forwarded to the governor, there has been little or no funding to support the initiatives in the Master Plans.

CUNY will require more than a half a billion dollars in additional resources over the next four years to fund its Master Plan. Of that, about 60 percent—or over \$300 million—will be needed just to cover the costs of maintaining current services. The remaining \$200 million will fund the new investments in the Master Plan.

The top investment priority of our Master Plan is the hiring of full-time faculty. Over the next four years, the University plans to invest in 800 new full-time faculty, in order to bring the percentage of instruction taught by full-time faculty to 70 percent. The Master Plan also calls for the enhancement of our research capabilities; improvements to undergraduate and graduate education, and to academic support programs, such as our collaborations with the New York City Department of Education; and investments in student services, such as advising and child care.

In other words, we carefully and deliberately plan for the University's future, but, up to now, we have not had a way to pay for it. I'm calling for a brand-new approach—a multi-year compact to share financing among partners. By asking the state and the city, the University, its friends and alumni, and its students to make a compact to support the University in a shared partnership—in essence, each stakeholder leveraging their support from one another—I believe we can ensure our continued progress and give our students better tuition stability and a greater voice.

Specifically, the plan would ask for the following:

1. The state and the city would commit to fully funding the University's mandatory costs—things like energy and labor contracts—and to funding 20 percent of the programmatic initiatives in the Master Plan.
2. The University would make an unprecedented commitment to philanthropic funding, in order to enhance the investment initiatives. Last year at this time, we officially launched our “Invest in CUNY, Invest in New York” campaign. Today, I can tell you that we have raised more than \$650 million toward our \$1.2 billion goal. I have been deeply gratified by the generosity of our friends and alumni—including last month's \$26 million gift, the largest in City College history, from Dr. Andrew Grove to the School of Engineering (which I am recommending be renamed the Grove School of Engineering); a \$4 million scholarship endowment to our new Graduate School of Journalism from Marian Heiskell, Ruth Holmberg, and Judith Sulzberger, the sisters of Arthur “Punch” Sulzberger, the former publisher of the New York Times; and over \$40 million to Baruch College from William and Anita Newman, leading to the

naming of the college's vertical campus for them.

3. The University commits to an internal reshaping of its budget in order to direct more resources to the classroom. Through redeployment and efficiency measures, as well as changes to personnel practices, our college presidents will be given the tools they need to reshape their budgets, and we will redirect resources to meet our Master Plan priorities.
4. The University plans for managed enrollment growth, through more integrative programming among our colleges. Right now, we have recorded our highest enrollment in three decades, and we expect to continue to attract new students, including increasing numbers of students of high academic achievement.
5. Finally, the plan calls for modest tuition increases, not to exceed the Higher Education Price Index over the life of the plan. The increases would have two major differences from those we have seen in the past. First, the revenue from the increased tuition would go exclusively toward funding aspects of the programmatic component of the CUNY Master Plan—with recommendations from students and faculty, including elected representatives, about how the money should be invested. It's the students' money; they should get a voice in how it is spent. Second, the increases in the proposed plan would not be large or unexpected. The last four senior college tuition increases have averaged more than 31 percent. Under the proposed plan, the average increase would be modest. And, of course, those increases would go toward improvements in program quality.

I should note, too, that well over 90 percent of students with family incomes under \$55,000 and covered by the state's Tuition Assistance Program (TAP) would see no increase in tuition payments. For these students, essentially all of the additional tuition charged would be paid for. Much of the increase for other students would be covered by increasing TAP and other financial aid.

Financial aid programs are particularly important to our consideration of public education funding. In order for parents and students to plan for the financing of a college education, student financial aid has to be protected from the annual budget battles. The state's public policies on student aid should include safeguards that take into account the years needed for students to graduate so that the available funds are assured and families can take the necessary steps to fill in the gaps.

Like any compact, our plan will work only with cooperation and agreement among the partners. It is self-leveraging; if each agrees to put in a share, each gets the benefits of the whole. The plan requires a shift in thinking, from a year-to-year model to a multi-year model—just as our Master Plan covers multiple years. The result is that, over time, the share of our operating expenses paid for through public funding would grow, while the share covered by tuition would shrink.

Given the outstanding work being done by CUNY students, I believe we have an obligation as a public institution to make this compact. We must ensure manageable tuition and fund the initiatives that will move the University forward. A few examples will make that clear: let me introduce some of the outstanding students I've been referring to.

- Claudio Simpkins, of City College, was one of only 75 students nationally—and the only student in New York City—to win a prestigious \$30,000 Truman Scholarship, which recognizes students with exceptional leadership skills who are committed to public service;
- April Mojica, an English major from Medgar Evers College, was chosen as a Thurgood Marshall Scholar, one of a select group of students from across the nation recognized for their exceptional academic and creative performance;
- Jeff Carnell of City College won first prize for architectural design—the highest individual design award—and led the team for the highest group recognition award in the prestigious American Institute of Architects 2005 National Student Awards; and
- Nicholas Pitsirikos, a philosophy and classics major from Brooklyn College, received the competitive Beinecke Scholarship, a \$32,000 graduate scholarship awarded for superior scholastic achievement and great academic promise.

Please join me in congratulating Claudio, April, Jeff, and Nicholas, and in thanking the faculty who mentor our students. Of course, these students are not alone. David Bauer, the student who beat out 1,600 entrants to win the \$100,000 Intel Science Talent Search contest and is now a student in the Honors College at City College, couldn't join us today because, at this moment, he is accepting yet another award. Our two Rhodes Scholars, Lev Sviridov and Eugene Shenderov, are hard at work on their graduate studies in England. When I think about how all of these students flourished at CUNY, and what they will contribute to this city, I know that we must do

everything we can to ensure that generations to come will find the same opportunities that they, and their thousands of predecessors, have found at the University.

Thank you.

[Applause.]

QUESTION & ANSWER

Stanley Goldstein: I am all for keeping tuition manageable. Many of us in this room paid no tuition. I am concerned, however, when you are laying the bulk of the obligation on the taxpayers of the city and state—people making \$45,000 a year who have a tough time doing it. If I were a state senator from Gloversville or Binghamton, I would ask, “How big a share of that burden are your alumni carrying?”—those one million people, many of whom are earning very good salaries.

Goldstein: Stanley, I hope you were listening to what I was saying. What I’m proposing is just the counter to your statement. I am concerned about the great burden that had been placed on our students for several decades now. When I talked about 25% increases in tuition, when I talked about a 31% average tuition increase over the past several years, I am concerned about the great burden that the operating budgets have reflected on our students. The compact is basically saying two things.

We have asked the state for investment and the state has not given us that investment, and we had to go to our students because we had no other way to generate the revenue, not only for the investment but just to keep the mandatory costs in place: to keep the faculty, to keep the support personnel in place or else we would have to get rid of them. We just didn’t have the revenue.

This compact is basically saying, “Let’s take the burden off of the students, not on to the students.” Let’s say to our alumni, who went here like myself—I went to CCNY, I was there for four years and I didn’t pay a dollar in tuition, but I feel a sense of obligation. I should feel a sense of obligation. My life was changed for the better. There are people in this city who are titans, who have made an extraordinary amount of money in part because

of the foundation that they received at the colleges of the City University of New York.

One of the reasons that we are seeing this enormous amount of money that is coming in to the University from private sources is that people are believing in the University and are responding. What we are saying is that if they do not want to give money to the operation of the University, they shouldn't. That should not be their burden. But they should consider giving money to invest in the University so that we can move the University forward. The whole point of the compact is the leverage from each of the constituencies—there are four basic constituencies: the state and the city, the University, alumni (which you just referred to) and our students. None of them should carry the burden by themselves, but by self-leveraging from each other. If everybody comes to the table, we can get the job done and not place any particular constituency in an uncomfortable or unreasonable position.

Josh Weston: Matt, you sound mostly like you are lumping city and state in one sentence. It would seem to me—this is a question, although it sounds like a statement—that the city is more the obligated party and also the one that would be more appropriately taxed, if that's the right word, because the beneficiaries are in the city and it's a wealthy city with a lot of income, particularly in certain parts south of here. Why do you lump city and state in one and not lean even more on our wealthy municipality with all of the income and wealth, particularly south of 72nd street.

Goldstein: Josh, when New York City found itself 30 years ago near not being able to pay off its debt owners and, essentially, was at the point where if it were a corporation it would declare bankruptcy, it would be in receivership, the state of New York took over much of the funding for the University. So with the operating budget that we have now, the state of New York essentially pays for the senior colleges and our professional schools and pays about a third of the operating support for our community colleges. The city of New York is, relative to the state, a very small player, and in part it goes back to why the funding requirements were changed—when tuition was imposed and the status of the university was altered to give the state a much higher obligation.

But you are absolutely right. One of the things that I didn't say in this talk is that most of our graduates stay in New York, and in particular they stay in New York City. And when we look at our alumni, many of whom are very well-heeled, we find that many have chosen to live and work in the city and remain after they retire here in New York City. When I look at the list of

people who are showing their largesse in very significant ways, they are people who are living in New York City, paying the various taxes levied in New York City, and that probably will continue. But the University's operating budget, which is now approaching about \$2 billion yearly, is dominated by the state.

Tibbi Duboys: Hi, I'm Tibbi Duboys, the PSC chapter chair of Brooklyn College, and of course we appreciate Mr. Goldstein's contributions anytime. My question is in light of the difference involved, and that you alluded to, of faculty and students determining how monies would be spent at the individual colleges. I'm wondering if there is a process that you have determined by which that would take place. The second part of my question is where one can read the entire compact so that people on campuses who are inquiring would have a way to do that.

Goldstein: Let me start with the first part of your question; let's put the numbers into perspective. We're talking about an investment to support programmatic new initiatives that, over the course of four years, would be a total of about \$200 million. So just to make the arithmetic easy, about \$50 million a year. That's what this compact is. That is a relatively small amount of money relative to the ongoing operations, so what we want to say is if people are stakeholders in this new revenue stream that is coming into the University, that one could say is off balance sheet, but will become part of the balance sheet once it's instituted, then they should have a say in how those dollars would be spent. And so we have instructed our presidents that if indeed those dollars were to come, that we would not release those dollars—for each campus is part of that windfall of \$50 million—without a plan that would indicate that it was participated in by the various stakeholders on the campus. And that would certainly refer to our faculty, our administrators, and our students, and we have asked the presidents—we're not going to be heavy-handed about this—to devise a strategy appropriate to the traditions of how those campuses operate. And from what I have heard and have read, I think in most cases, most of our presidents have addressed that.

With respect to the compact, the compact is available on the CUNY home-page, which is the easiest way for us to communicate.

Henry Stern: When I was an undergraduate at City College in the early 1950s and the editor of the now-defunct *Observation-Post*, we ran a story about the budget for, at the time, the City Colleges, and it amounted to a \$22 million operating budget, and now it's approaching \$2 billion, which

means in 50 years, the budget has multiplied by 80 times. Now I know that we've had inflation and expansion and all kinds of things justifying substantially increased funds, but in reaching out to all the people for new support and commitments, how can they be assured that the \$2 billion is being spent in the most efficient and practical way, and not simply, you know, maintaining sinecures for some people who have a good thing going and don't want to leave it? In other words, under the law, is there anything you can do about some of the inefficiency, waste and redundancy that's inevitable in any operation of this size?

Goldstein: Part of the compact which I did not spend much time talking about is that the University's obligation in the compact is to develop efficiencies and productivities. I don't know of another institution in the state of New York that actually builds in to its operating budget request that we will generate X millions of dollars in productivities and efficiencies, and I'm really very proud of it. And the fellow who's really taken the lead in the University is Allan Dobrin, our Chief Operating Officer and Senior Vice Chancellor. So that's the first thing.

The second thing that I would say is that I would just correct your arithmetic. That \$22 million was associated with City College, and you are absolutely right, but we now have 20 campuses of the University, and City College's operating budget is probably around \$80 million, so there is a big order of magnitude of difference between \$80 million and \$2 billion.

With respect to the third part of your question, we now have built into the University's oeuvre a management accountability process that we call a performance management system. We drill down deep into each campus's goals and objectives, and presidents and administrators are compensated when we give them raises—and it's been a while—on the basis of the kinds of targets that we have set for those campuses, and whether indeed they have met those targets. So, it's all performance driven. In fact, when we started this in 2002-2003, it was heralded by the American Council on Education, which is the umbrella of all of public and private universities in the United States, as really path-breaking. There is no university that has a performance management system that is taken as seriously or as all-encompassing. So, I am very confident to tell you that you could audit our books, you could look at what we say we spend our money on, and I think we are doing a damn good job at doing that. And let me just conclude by saying \$2 billion sounds like a lot of money, but I was just with my friend Mark Yudof, who is the president of the University of Texas System, which unlike CUNY has 163,000 students—we have 225,000 and another

200,000+ in continuing education. His budget is \$7.5 billion. So, when you talk about \$2 billion, it sounds like an awful lot of money, but we are a very poorly funded place, and one of the reasons that I, as a pragmatist among other things, know is that I have to generate some money to invest in this University. And I know that it is not come by through the usual strategies and the usual ways in which state agencies try to address the problem. I think the way that we are attempting to do it now not only has accountability built into it, but has a chance of really raising serious money.

Michael Myers: Let me be Devil's Advocate. I want to ask you about the compact you have—whether it's official or unofficial—with the high schools. One way of improving the high school conditions and the sorry state of our high schools is to make it more difficult to get into the City Colleges, and more competitive to get into the City Colleges. And you have in fact raised your standards in some ways, but the problem may very well be that you do have 20 campuses. The problem is that you may have campuses with special missions and different missions, some of which are paternalistic, such as Hostos and Medgar Evers College and all the other special needs and special interest missions. Why not, in the interest of increasing high school standards and making the City University of New York itself a better system, make it an elitist system and thereby shrink the University and make it difficult to get into City University of New York and less expensive for the taxpayers?

Goldstein: You are asking a series of questions, Michael. Let me say the basic mission of all state universities is to educate the whole people. [Applause.]

All state universities, by virtue of that very basic principle, are obligated and should be obligated to educate the full spectrum of ability. We have open admissions institutions only at our two-year institutions. That was not the case a few years ago. Our highly selective institutions, places like Brooklyn, City College, Baruch College, Queens College, Hunter College, have profiles of students today that are comparable to the best state universities for in-state students. Our Honors College that we started just a few years ago, and which now includes about 1,300 students, has a profile of students that is indistinguishable from the most elite institutions. So certainly the University has moved in that direction. Our colleges, of which there are 19, and now a new graduate school of journalism, are bursting at the seams. There is high demand for those seats in all of those campuses.

Secondly, my point in the beginning of this talk is that we must educate more and more people in this city if we are going to have any chance of

competing in an economy that is going to be unforgiving of people that don't have skills. So, I am firmly committed to the kind of things that we've done in accountability and in raising high standards, but I understand as a public institution, and we should do this, educate the whole people. [Applause.]

Carol Gresser: Thank you for your wonderful remarks, Matt. I'm very excited about your plans to grow science teachers, because when I sat on the Board of Education that was a big concern of ours. Do you have any plans to work with Joel Klein to create the science labs that those teachers will need? Because when I was on that Board, teachers were using science kits because they lacked the science labs. The second part of my question is: do you think that science teachers should be paid more in order to attract them into our system and keep them in our system?

Goldstein: I think you cannot fake teaching mathematics. You might be able to fake it in some of the humanities, and certainly in the high schools. And I don't mean to cast dispersions on any of you [Laughter], but you can't fake it in science or math. So for me the job first is to make sure that the teachers that go out and teach biology and chemistry and physics and geology and mathematics know their discipline, and that is how we have reformed out teacher education programs and it's done at the state level as well.

You're right that the laboratories are in deplorable condition at most of the schools in the city of New York, and I can't really impact that much, but we are, as I said in my remarks, going to invest about \$1 billion over the next several years, and that's going to be not only new infrastructure in terms of new buildings, and very advanced science facilities, but across the University there are going to be all refurbished laboratories to the degree that those dollars can support it. Part of the announcement that I made today in the first part of my talk about science is the Science Now program where we are going to work with Joel Klein and the others at the Department of Education, knowing that those laboratories are not available and finding groups of students to come in and use some of the facilities. It's going to be tough, but it's a way for me to invest in our future, a way to secure this University to address the challenges and invest in K-12. I mean, the best way for us to do what we want to do with the University is to get students coming in who are ready to do the rigorous work that our faculty demands. So, that's what we are planning to do.

David Seeley: I have a question, but I first wanted to give a further reply to the question of why we should be getting money from the state and that

is—a lot of that wealth in New York City contributes to the revenues of the state, and the last time the Public Education Association looked into that, New York City taxpayers were paying not only their state taxes, but their city taxes for city colleges, and not getting the benefit from the state university system, because our funding wasn't coming back, so I wanted to comment on that.

But I have a more particular question that is a very timely question but it does relate to this overall question of getting the public to support City University, and that is there was a plan—I guess there still is a plan, they say the mayor is still working on it—for turning Governor's Island into some very visible educational institution connected with CUNY that would be demonstrating visibly how the University is contributing to the city, not just in all the ways we know secretly in the classrooms and whatnot. And I am just wondering if you could give us an update on where those plans are. I hear the mayor is still working on them. What's happening with that?

Goldstein: Mayor Bloomberg has now started to talk about Governor's Island in a much more active way than we've heard in the past. We have been involved right from day one when President Bush handed over the Island to Governor Pataki, and I was there as the boat came, and when Governor Pataki and Mayor Bloomberg got off the boat. I said to the mayor and the governor, "Welcome to CUNY." [Laughter.] A little glib, but you know, I can be a little glib sometimes.

Anyway, we have some very serious proposals that are under review now. One having to do with simulation studies, where I think this University has some particular strengths, and I'm hoping that we will still get embracement of that principle. We have ideas for our Honors College to have a physical facility on Governor's Island that will incorporate all of the students that now are participating at the Honors College at five of our flagship campuses. So we have real, substantive, well-thought-out ideas and proposals, and at the end of the day, it's going to be about balancing the various components of plans that have been submitted and how much money there is. I just made it very clear that we are not going to take money out of our sparse budgets to support these activities on Governor's Island. If there is real incremental addition to our budget, we're there, and hopefully it will happen.

Fliegel: Let me thank Matthew Goldstein and thank you all for coming.

[Applause.]

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