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Cuomo Seizes On City College Scandal to Revive Push to Revamp CUNY

By DAVID W. CHEN NOV. 23, 2016

When Catherine Leahy Scott, the New York State inspector general, criticized the financial and management practices at the City University of New York in a report last week as “ripe for abuse,” she urged that “significant steps are immediately taken.”

It took Gov. Andrew M. Cuomo less than 24 hours to respond.

In an unusually personal manifesto on the topic of ethics that, at 1,558 words, read more like a policy speech than a news release, Mr. Cuomo vowed to appoint inspectors general for both CUNY and the State University of New York, which has been reeling from a scandal of its own. Saying it was “time for new leadership,” he also directed the CUNY board to review the university’s “entire senior management” and the inspector general’s recommendations within 30 days.

“The governor penned that statement himself,” Alphonso David, Mr. Cuomo’s counsel, said in an interview. “He was extremely alarmed and disappointed that there was this amount of abuse and mismanagement.”

Mr. Cuomo’s directive seemed like a resumption of the battle he waged during the budget process this year, when he proposed shifting some \$485 million in CUNY’s costs to New York City from the state, which has paid the largest part of the university’s costs since the city’s fiscal crisis in the 1970s. That created a backlash amid a continuing tug-of-war with Mayor Bill de Blasio. While Mr. Cuomo

eventually backed off, he insisted on bringing in a management consultant to help reduce what state officials called CUNY's high administrative costs.

Since then, an unfolding scandal at the City College of New York, and a new bloc of politically prominent trustees that Mr. Cuomo, a Democrat, recently appointed, have given him new leverage.

And as he prepares to unveil a new budget early next year, the governor may be further emboldened by yet another development: a letter, obtained this week by The New York Times, in which a lawyer for Lisa S. Coico, the former City College president who resigned amid investigations of her use of university funds to pay personal expenses, blames top CUNY administrators for her woes. The letter was addressed to James B. Milliken, the CUNY chancellor who, along with Frederick P. Schaffer, CUNY's general counsel and senior vice chancellor for legal affairs, was criticized in the inspector general's report.

Mr. Cuomo "plays a long-term game, and what he does, in case after case, is use scandal to centralize power in the name of good government," Kenneth Sherrill, a professor emeritus of political science at CUNY's Hunter College, said. "So I could almost see his reaction to CUNY being, 'Ah, this was what I was waiting for.'"

It does not hurt, Professor Sherrill added, that CUNY's problems could help divert attention from the scandal at the SUNY Polytechnic Institute, part of what federal prosecutors say was a broader corruption scheme — one that hits Mr. Cuomo much closer to home.

In many ways, the crisis at CUNY, the largest public urban university in the country, dovetails with Mr. Cuomo's larger goal of streamlining government, said Gerald Benjamin, a professor of political science at SUNY New Paltz. In 2012, for instance, the state established a Business Services Center to centralize human resources and finance operations for its agencies; in 2015, Mr. Cuomo sought to consolidate back-office operations at CUNY and SUNY, but got little support from the State Legislature.

The budget fight this year should be viewed as one of numerous "tactical moves within a larger strategy" of Mr. Cuomo wanting to revamp CUNY, Professor Sherrill

said.

Just as significantly, Mr. Cuomo named new members — including several to whom he has long been close — to the CUNY board, including a new chairman, William C. Thompson Jr., the former New York City comptroller. Other new appointees include Fernando Ferrer, the former Bronx borough president; Robert F. Mujica, Mr. Cuomo’s budget director; Ken Sunshine, a public relations consultant; and Mayra Linares-Garcia, Mr. Cuomo’s former director of Latino affairs.

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But what really accelerated Mr. Cuomo’s engagement was the scandal at City College, which began when The Times questioned the use of college funds by Ms. Coico to cover personal expenses. Weeks later, a federal subpoena was issued by the office of Robert L. Capers, the United States attorney for the Eastern District of New York.

Ms. Coico resigned abruptly last month, a day after The Times presented evidence to the school that a memo related to her expenses had been fabricated, possibly to deceive prosecutors.

“That became a key central point in the governor’s thinking in whether the organization was being effectively run,” said Mr. David, Mr. Cuomo’s counsel.

In the letter addressed to Dr. Milliken on Nov. 18, Elkan Abramovitz, Ms. Coico’s lawyer, refuted the idea that Ms. Coico had done anything unauthorized: “Rather than accept responsibility for its own faulty record-keeping and accounting practices, CUNY has chosen to use Dr. Coico as its scapegoat, trying to shift the blame to her for its own mistakes.”

He said that Ms. Coico “had relied on representations made to her by CUNY and acted accordingly.”

On Wednesday, Mr. Schaffer responded, saying that “CUNY has issued no statement about Dr. Coico since her resignation and certainly has not defamed her in any way.”

Later in the day, the university announced that Mr. Schaffer would be retiring at year's end, after 16 years at CUNY.

Regardless of what happens with the investigations or top administrators, people on CUNY campuses hope that Mr. Cuomo will not use the turmoil as an excuse to slash financing to a university that has already struggled with overcrowded classes and shrinking course options.

“Whatever steps are taken next must include a plan to restore CUNY to full public funding,” said Barbara Bowen, president of the Professional Staff Congress, the university's largest union. “Otherwise it's the students who will suffer.”

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