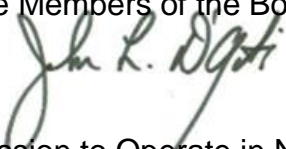





THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

To: The Honorable the Members of the Board of Regents
From: John L. D'Agati 
Subject: Renewal of Permission to Operate in New York State:
Carnegie Mellon University
Date: June 6, 2016
Authorizations: 

SUMMARY

Issue for Decision (Consent Agenda)

Should the Board of Regents renew permission for Carnegie Mellon University (Pittsburgh, PA) to offer its Master of Science degree program in Computational Finance in New York?

Reason(s) for Consideration

Required by State regulation.

Proposed Handling

This question will come before the full Board at its June 2016 meeting where it will be voted on and action taken.

Procedural History

The Board of Regents first granted Carnegie Mellon University permission to operate in 1995 to offer its Master of Science degree program in Computational Finance in New York City. This permission was last renewed in 2011 for a five-year period.

Background Information

Carnegie Mellon University's Master of Science degree program in Computational Finance continues to be conducted primarily by broadcast of classes (taught at the University's Tepper School of Business in Pittsburgh, PA) to students at

55 Broad Street in Manhattan, NY. The program integrates instruction in probability, statistical analysis, numerical methods, computation and simulation methods, stochastic processes, economics, and their application in quantitative financial markets. Students are taught to create relevant software, and proprietary university software enables students to experience trading in markets ranging from stocks and bonds to options and currency swaps. The University describes the program as a niche degree centered on the needs of the quantitative desks at the big investment banks and mutual funds, hedge funds, proprietary trading firms, rating agencies, and insurance companies. According to the University, Carnegie Mellon was the first to offer a degree of this kind. It represents a joint venture between four University colleges that provide finance, math, statistics, and programming content. All courses, however, are formulated within the context of the financial services industry.

The 25-course program totals 150 units, or 50 semester hours. The full-time program consists of a 17-month schedule that begins in the fall, continues to the spring semester and summer internship, and concludes the following fall semester. Each semester consists of two “mini semesters” of seven weeks each. The part-time (half load) program requires 32 months to complete.

Twenty well-qualified, full-time faculty (all 20 faculty members are from the University’s main campus in Pittsburgh, PA) instruct program students. In addition, the New York facility is run by a program director who serves as the academic advisor for all New York students and handles the program’s day-to-day operations along with support staff. The New York location includes three well-equipped classrooms, offices and conference rooms, and other facilities for students. New York students access the same library and placement services that are available to Pittsburgh students.

Admission to the program requires a bachelor’s degree in a technical discipline, such as computer science, engineering, mathematics, or business. Applicants typically intend to work in, or already work in, the financial industry. There are 114 students enrolled at the New York facility, while the University as a whole has 13,155 students. Since it last received permission to operate, the institution has conferred the following number of degrees on graduates from the New York facility:

Year	Number of Graduates from NYC Facility
2011	48
2012	43
2013	36
2014	46
2015	47

The University reports that employers value students' strong quantitative and programming skills. Eighty-five percent of the students in the class of 2016 (graduating December 2015) were employed within three months of graduation. This is consistent with prior years as this rate has ranged from 83 percent to 96 percent since the class of 2008.

Recommendation

VOTED: That the Board of Regents grant permission to Carnegie Mellon University to continue to offer its Master of Science degree program in Computational Finance in Manhattan, New York. This approval will be effective for a five-year period, beginning June 15, 2016 and ending on June 14, 2021.