



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

TO: Higher Education Committee

FROM: John L. D'Agati *John L. D'Agati*

SUBJECT: Glasgow Caledonian New York College: Master Plan Amendment and Provisional Charter

DATE: June 8, 2017

AUTHORIZATION(S): *Margaret Elin*

SUMMARY

Issue for Decision

Should the Board of Regents approve a Master Plan Amendment and grant Glasgow Caledonian New York College a provisional charter, with the authority to offer programs within the discipline of Business, leading to the Master of Science (M.S.) degree?

Reason(s) for Consideration

Review of policy.

Proposed Handling

This question will come before the Higher Education Committee at its June 2017 meeting, where it will be voted on and action taken. It will then come before the full Board at its June 2017 meeting for final action.

Background Information

Glasgow Caledonian University (GCU), based in Glasgow, Scotland, dates to 1875 through its founding institutions. It is the fifth largest university in Scotland, serves approximately 20,000 students in 400 degree programs at home and overseas, and under UK Statutory Regulation, is empowered to confer degrees at the Bachelor's, Master's and Doctoral level. GCU is accredited by the United Kingdom Quality Assurance Agency (QAA), the accrediting agency for all UK Higher Education Institutions.

GCU has submitted a petition for a provisional charter from the Board of Regents and an application for a Master Plan Amendment to authorize Glasgow Caledonian New York College (GCNYC), to become a New York State higher education institution. GCNYC would initially offer the following four degree programs within the academic discipline of business:

- Master of Science (M.S.) in Social Business and Microfinance
- Master of Science (M.S.) in International Fashion Marketing
- Master of Science (M.S.) in Luxury Brand Management
- Master of Science (M.S.) in Risk Management

GCNYC has indicated that, if chartered, it may also seek to offer a Master of Arts program in Television Fiction Writing within its first five years of operation.

The M.S. in Social Business and Microfinance would be GCNYC's flagship program and would provide a knowledge and understanding of contemporary issues in social business and microfinance including the origins of emerging concepts and the reasons for interest in their potential to alleviate social problems and create social change; global and local differences in interpretation; and the development of a supportive environment for social entrepreneurship.

The M.S. in International Fashion Marketing would provide a comprehensive understanding of the challenges faced by fashion marketers operating in an international environment and the strategies, policies and practices key to managing these challenges. The program has been shaped by GCU London's British School of Fashion.

The M.S. in Luxury Brand Management program would provide a broad treatment of contemporary issues in luxury brand management, including critical insights into luxury consumer behavior, luxury supply chain management, digital marketing, globalization and sustainable growth, international luxury retail branding, buying and merchandising, building desirable luxury brands, and the legislative factors relevant to brand management.

The M.S. in Risk Management would provide the application of knowledge and practice in corporate governance, compliance and business risk management using a well-developed contextual framework as seen through the lens of social conscience. Curricular coverage will include risk policy and structures for business units, design and review processes for risk management, developing risk response processes including contingency and business continuity programs.

GCU has a 15 year lease at 64 Wooster Street in the SoHo neighborhood of New York City. The University has refurbished the physical space and technology to support its curricular objectives. The facility is 8,345 square feet on two floors of the building. This includes: two formal classrooms (405 sq ft, and 297 sq ft), a multipurpose room (287 sq ft), a library (439 sq ft), an open area which includes student technology access stations (1,359 sq ft), an open area designed for lectures and events (1,579 sq ft), and necessary administrative areas including offices, reception, and ancillaries. GCU also has a Service Level Agreement in place with Pace University for the provision of student services.

GCNYC expects its year one enrollment across programs to be 40 students, split evenly between full-time and part-time students, and for enrollment to grow steadily each year. GCNYC's expected year five enrollment is 118 full-time and 98 part-time students across all programs. However, the Department has recently been advised that, given some of the concerns expressed at the hearing, GCNYC would agree to an annual enrollment limit of 270 full-time equivalent (FTE) students across all accredited masters programs at its Wooster Street premises.

Academic Review

The Department completed its initial review of GCNYC's submitted proposals and has determined that the proposed programs meet the standards for registration (including those related to financial resources, faculty qualifications, curricula and awards) should the Board decide to grant a provisional charter. The Department's academic review is further supported by positive program reviews from external peer reviewers. In addition, GCU provided the Department with a draft Memorandum of Understanding (MOU) that would be signed by GCU and GCNYC. The MOU outlines the governance arrangement between GCU and GCNYC including the role and responsibilities of the GCNYC Board (which would include members from both Scotland and New York State) concerning oversight of the proposed New York State institution. The terms of the MOU also includes oversight in areas such as academic governance, academic support services, professional support services, student support services, information sharing, and intellectual property.

Master Plan Amendment

Consistent with the master planning process described in Education Law §237 and Section 137 of Chapter 82 of the Laws of 1995, the Department solicited input from existing degree-granting institutions concerning the need for a new college in New York State and its impact on existing institutions and programs.

The result of the Department's canvass included several objections to the GCNYC proposal. Formal objections and/or concerns were initially lodged by Fordham University, LIM College, SUNY Fashion Institute of Technology (FIT), and CUNY on behalf of CUNY Baruch College and Queens College. Consistent with past practice, the Department requested that GCU address and resolve these objections and/or concerns directly with the New York State institutions that initially lodged them. As a result of GCNYC's efforts with these institutions, SUNY FIT and CUNY withdrew their objections and concerns. However, Fordham University and LIM College have continued to maintain strong objections. The general areas under which these objections fall include:

1. GCNYC does not demonstrate actual need for a new degree-granting institution. GCNYC seeks to offer programs in a marketplace that is demonstrated to be already saturated with similar programs. (NYS institutions posit that GCU's claims of need are not valid or remain unsubstantiated).

2. GCNYC as an institution, and its proposed programs, are duplicative and in direct competition with several existing New York State institutions and their programs. The presence of a new institution would drain or diminish resources available for existing IHEs and negatively impact their operation.
3. Granting a foreign institution degree-conferring authority as a NYS college which could ultimately allow it to access state and federal taxpayer monies would be precedent-setting, and could potentially open a floodgate of similar applications.

New York State Law (Section 137 of Chapter 82 of the Laws of 1995) also gives institutions, affected by an application for a Master Plan Amendment, the right to request that the Regents hold a public hearing on the application:

Prior to considering an application for a master plan amendment, the regents shall ensure regional consultation and solicit comment from institutions and other interested parties in the region in which an institution making application for a master plan amendment is located. The regents shall conduct a public hearing in the region if such a request is made by an affected institution.

LIM College requested that the Regents conduct a public hearing concerning the GCNYC application.

On May 22, 2017, a three-member panel of the Board of Regents (Vice Chancellor Brown, Regent Collins and Regent Cottrell), appointed by Chancellor Rosa, convened a public hearing at the State Education Department’s offices at 1411 Broadway, New York, N.Y. The table below identifies the people and organizations that provided oral testimony and provides a high-level summary of their main points.

An audio recording of the public hearing and copies of the written testimony submitted at the hearing were made available to the Board, electronically and in hard copy, through the Board Secretary.

Organizations / Speakers	High-level summary
<p><u>Glasgow Caledonian New York College</u></p> <p>Cara Smyth, Vice President, Glasgow Caledonian New York College</p> <p>Robert Clougherty, Dean, Glasgow Caledonian New York College</p>	<p>GCNYC has a unique mission, with unique programs and approach that is small enough in scope so as not to disrupt or harm existing NYS institutions.</p>
<p><u>PVH Corp. - Global Apparel Company</u></p> <p>Melanie Steiner, Senior Vice President, Chief Risk Officer</p>	<p>Support for GCNYC as an industry partner, with the belief that GCNYC will widen academic opportunities and bring</p>

Organizations / Speakers	High-level summary
	an international perspective to an international business.
<p><u>NYC Economic Development Corporation</u></p> <p>Ed Hogikyan, Senior Vice President of Marketing</p>	Support for GCNYC as an NYC economic development partner, to support the development of emerging talent and future leaders in the fashion industry.
<p><u>Dalberg Global Development Advisors</u></p> <p>Afua Sarkodie, Associate Partner</p>	Support for GCNYC from a market-research firm, sharing the findings which they believe suggest there is both a need and demand for GCNYC in New York.
<p><u>Dress for Success</u></p> <p>Amy Tashjian, Senior Director of Worldwide Programs</p>	Support for GCNYC as a global non-profit partner, with the belief that GCNYC will widen access and offer meaningful, socially conscious programming to NYC.
<p><u>Cormac Advisory Services LLC</u></p> <p>Michael Gilson, Chief Executive Officer</p>	Opposed to GCNYC, as an industry professional and member of LIM's Fashion Industry Advisory Board, on the basis that GCNYC's programming is too research-based and not grounded in the practical real-world needs of the fashion industry.
<p><u>The New School</u></p> <p>Tim Marshall, Provost and Chief Academic Officer, The New School</p> <p>Joel Towers, Executive Dean, Parsons School for Design, The New School</p> <p>Mary Watson, Executive Dean, Schools of Public Engagement.</p>	Opposed to GCNYC, as The New School administration believes GCNYC would be a duplication of programming that already exists at NYS institutions, in a market that is already saturated. Authorizing GCNYC may dilute the offerings at existing institutions and may result in the loss of jobs.
<p><u>Fordham University</u></p> <p>Mr. Thomas A. Dunne, Vice President for Administration</p>	Opposed to GCNYC, the Fordham University administration believes 1) There is already a sufficient number of degree-granting institutions in New

Organizations / Speakers	High-level summary
<p>Mr. Joseph P. Muriana, Associate Vice-President for Government & Urban Affairs</p> <p>Dr. Ariel Fishman, Assistant Vice-President for Program Planning, Development and Approval</p>	<p>York; 2) GCNYC’s proposed programs conflict with those already offered by existing NYS institutions; and 3) If the Regents grant a foreign institution degree-conferral authority, despite other pathways to allow them to operate such as “permission to operate”, it will create a slippery slope “potentially opening a floodgate” for other non-NYS institutions.</p>
<p><u>School of Visual Arts</u></p> <p>David Rhodes, President, School of Visual Arts</p>	<p>Opposed to GCNYC, President Rhodes, believes there are uncertainties about GCNYC’s financial stability and governance structure. In addition, he believes that granting degree-conferring authority to a foreign institution is highly unorthodox and may give a foreign entity access to State and Federal funding, which he believes is desired by the applicant so that its foreign parent (GCU-Scotland) can close its budget deficits with U.S. taxpayer monies.</p>
<p><u>LIM College</u></p> <p>Dr. Christopher Cyphers, Provost</p> <p>Christopher E. Barto, Vice President for Student Finance & Chief Compliance Officer</p>	<p>Opposed to GCNYC, the LIM College administration believes that Regents authorization to grant degree-conferral authority could give a publicly- funded foreign organization access to State and federal taxpayer monies to operate. LIM believes this will set a bad precedent and create a slippery slope. LIM believes that the proposed GCNYC programs will have a negative impact on LIM’s graduate job placement rate.</p>

The members of the Regents Hearing Panel will share their views on the issues and considerations that emerged from the hearing with the members of the Higher Education Committee, who will ultimately make a recommendation to the Full Board on this application.

Related Regents Items

N/A

Recommendation

The Department recommends that the Board of Regents approve one of the following options:

Option 1

VOTED: That the Board of Regents does not approve a Master Plan Amendment or a provisional charter for Glasgow Caledonian New York College; or

Option 2

VOTED: That the Board of Regents approve a Master Plan Amendment and grant Glasgow Caledonian New York College a five-year provisional charter, with the authority to offer programs in the discipline of Business, leading to the Master of Science (M.S.) degree.

Timetable for Implementation

If the Board of Regents votes to adopt Option 1, GCNYC's applications for a provisional charter and a master plan amendment will be permanently closed.

If the Board of Regents adopts Option 2, the Department will issue it a provisional charter for five years and will register GCNYC's programs. Pursuant to §3.22 of the Rules of the Board of Regents, during the term of a provisional charter, GCNYC would not have the authority to confer degrees and the Board of Regents would confer degrees to students who complete registered programs at GCNYC. GCNYC must apply to the Department for an absolute charter and authority to confer degrees at least 18-months prior to the expiration of the provisional period. At that point, the Board of Regents will make a determination on whether to grant GCNYC an absolute charter and authorize GCNYC to confer degrees or extend the provisional charter, or deny GCNYC any charter authority past the term of provisional authorization. If GCNYC does not apply for an absolute charter with the authority to confer degrees at least 18-months prior to the expiration of the provisional period, the provisional charter will expire at the end of its term.