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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

February 17, 2016

James B. Milliken
Chancellor
The City University of New York
535 East 80th Street
New York, NY 10021

Re: Administration of Fellowship Leaves
Report 2015-F-5

Dear Chancellor Milliken:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III, Section 33 of the General Municipal Law, we have followed up on the actions taken by City University of New York (CUNY) officials to implement the recommendations contained in our audit report, *Administration of Fellowship Leaves* (2011-S-20).

Background, Scope and Objectives

Paid fellowship leave (fellowship), formerly known as sabbatical leave, is a fringe benefit available to tenured faculty (instructional staff) with at least six years of continuous paid full-time service. CUNY's fellowship policy is set forth in CUNY's bylaws and in the agreement between CUNY and the Professional Staff Congress (PSC), the labor organization that represents CUNY's instructional staff. Fellowship applicants can apply for either a full-year fellowship, at 80 percent of their annual compensation (salary and fringe benefits), or a half-year fellowship, at 100 percent of their annual compensation. Fellowships are to be used to improve the recipient's teaching skills, perform research in the recipient's respective field of study, or to conduct creative works in literature or the arts. Fellowship recipients are required to submit written summaries of their activities within 30 days of completion of their leave, and must serve in the employ of CUNY for at least one year upon their return. According to available data, 1,517 fellowships were granted by CUNY's 11 senior colleges during the period August 2011 through March 2015.

Our initial audit report, which was issued October 9, 2013, found that although most of the fellowship recipients we reviewed complied with CUNY policy, improvements were needed to protect taxpayer dollars and the integrity of CUNY's fellowship program. For example, there was no single comprehensive record maintained by CUNY listing all fellowships granted during our audit period. In addition, we found instances where fellowships were granted to ineligible employees and where no supporting paperwork was available. Further, required activity summaries were

not submitted by many fellowship recipients upon their return. Lastly, CUNY guidelines did not provide for any potential measures to be taken when recipients did not comply with fellowship requirements. The objective of our follow-up was to assess the extent of implementation, as of May 31, 2015, of the six recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that CUNY officials have made progress in addressing the issues identified in our initial report. Of the report's six recommendations, four were implemented, one was partially implemented, and the remaining recommendation was not implemented.

Follow-up Observations

Recommendation 1

Reconcile CUNY Central's listing of fellowship grantees to the listings maintained by the individual colleges and prepare a comprehensive centralized listing. Periodically reconcile the two records to maintain an up-to-date and accurate listing.

Status - Implemented

Agency Action - CUNY officials reconciled the central listing of fellowship grantees with the listings maintained by the individual colleges. The new reconciled listing was then included in CUNYFirst (Fully Integrated Resources and Services Tool), a system put in place by CUNY's Office of Computing and Information Services to replace CUNY's legacy systems.

Recommendation 2

Enhance internal controls to prevent ineligible CUNY Staff from obtaining fellowships.

Status - Implemented

Agency Action - To enhance controls to prevent ineligible staff from obtaining fellowships, CUNY implemented a Fellowship Leave Application Checklist, which is to be completed by each college's Human Resources Department and submitted to CUNY Central Administration. It contains the applicant's information, proposed leave information, and whether the leave was approved or rejected.

We visited three colleges (Baruch College, John Jay College of Criminal Justice, and The City College of New York) and found that each had its own process for managing fellowships. We selected a sample of ten leaves at each of these colleges to determine whether the employees met the fellowship leave eligibility requirements. We found that all 30 leaves were reviewed for eligibility and approved by CUNY officials. However, while all 30 employees met the eligibility requirements, at least one of the required approval signatures from either a CUNY Central or school official attesting to the staff member's

eligibility for the fellowship was missing from the fellowship authorization applications. CUNY officials should ensure that all applications have all of the required approval signatures in the future.

Recommendation 3

Investigate the circumstances surrounding the fellowship leaves granted to the three John Jay College instructors for which no supporting paperwork was available. Institute controls to prevent similar occurrences from happening in the future.

Status - Implemented

Agency Action - CUNY officials provided us with the case files we sought during our prior audit for the three John Jay employees. These files contained the paperwork needed to support their eligibility for the fellowship leaves that were granted. Also, as previously noted, CUNY implemented the Fellowship Leave Application Checklist, which helps ensure that the appropriate records are completed by each college's Human Resources Department and submitted to CUNY Central Administration for faculty applying for fellowship leave.

Recommendation 4

Follow up on all returning fellowship leave grantees in a timely manner to ensure they prepare and submit the required activity summaries to evidence the activities performed while on leave, and to provide accountability as to the benefits that are to be obtained from such. Provide guidance on the proper preparation of activity summaries.

Status - Partially Implemented

Agency Action - Our review of the 30 sampled files found no evidence of follow-up or tests by the CUNY Central Administration to determine if employees returning from fellowships had prepared and submitted the required activity summaries to evidence the activities performed while on leave. We were told that such reviews were conducted by the department heads, but no supporting evidence was produced. In addition, we found that 9 of the 30 activity summaries were not dated, and 8 were not submitted timely (within 30 days of return from leave). One of the activity summaries was submitted more than eight months late. We were, however, provided with documents that evidence follow-up conducted by both Baruch College and John Jay, as well as information from City College on its process to follow up on returning fellowship leave grantees to ensure they prepare and submit the required activity summaries. We were also provided with the agenda of a training course offered by CUNY for the Human Resources Directors of the colleges, which indicates that the subject of fellowship leaves was discussed, including the requirement for the submission of activity summaries within 30 days of the expiration of the leave.

Recommendation 5

Enforce the “one year of service upon return” requirement. Determine why the Brooklyn College instructor noted in this report was able to leave CUNY service prematurely without the required waiver.

Status - Implemented

Agency Action - CUNY officials reviewed the circumstances regarding the Brooklyn College instructor and determined that the situation involved an early-retirement incentive, which is a very rare occurrence. We also noted, during our sample review, that there were no violations of this requirement.

Recommendation 6

Enhance CUNY policies to address potential measures to be taken by CUNY when fellowship grantees do not comply with fellowship requirements, such as the possible recovery of salaries paid while on fellowship, and non-CUNY income earned by grantees while on fellowship.

Status - Not Implemented

Agency Action - CUNY officials told us that they would consider actions, including sanctions, for non-compliance with prescribed fellowship leave requirements. However, they did not document how they enhanced their policies to ensure full compliance with requirements and how such compliance would be enforced.

Major contributors to this report were Keith Dickter, Kamal Elsayed, and Amitai Mario Uriarte

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the City University of New York for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Michael Solomon
Audit Manager

cc: Gordon Taylor
Michael D’Amico