

**TO:** Senate Financial Affairs Committee  
**FROM:** Administrative Management Council  
**RE:** Recommendations for the 2004-05 Academic Year

The Administrative Management Council (AMC) realizes that both New York University and its employees live in sobering economic times. Our constituents sacrificed base salary pay increases for the 2003-04 academic year in order to support needed long-term rewards and benefits for the University. As President Sexton noted in his fall 2003 memo to the University community, the sacrifices and decisions made last year and the significant savings and efficiencies that resulted have made available essential resources for strategic investment in our academic enterprise, an enterprise to which administrators are a vital entity.

We continue to embrace the importance of maintaining and enhancing the strengths of NYU that have been established over the last two decades, and we are committed to continuing the University's forward momentum toward transforming itself into a premier leadership university. To this end, we make the following recommendations for the 2004-05 academic year:

### **Compensation**

While understanding the constraints the University continues to face, compensation for administrators must be addressed as an important investment in academic excellence.

Our recommendation for the 2004-05 academic year departs from the historical practice of proposing a one year percentage increase. Instead, to assist the University management team in meeting the changing economic condition while assuring our constituency of our mutual commitment to their well-being, the AMC recommends a multi year strategy in which compensation would increase by 12% over a period of three years. We propose that:

- 1) An increase of at least 4% in the first year and the increase in each of the remaining two years to exceed 0%.
- 2) The annual amount of increase for the three year period, which is to total 12%, be set as it has been historically by the establishment of a University Annual Merit Increase (AMI) pool.
- 3) Units provide written explanation to administrators whose annual merit increase falls below the approved AMI for the year.

When making this recommendation, the AMC considered that the cost of living in the New York City area continues to be among the highest in the country (increases in state and local taxes, housing costs, commutation expenses, etc.), and the cost of health insurance continues to rise. The cumulative impact of the 2003-04 academic year salary freeze on net income and retirement benefits was also considered when developing our proposal.

In summary, we believe that the University must ensure that salaries remain competitive to enable the University to retain and hire the very best administrators in all areas.

## **Severance Policy**

We propose the following addition to the Severance Policy:

If an eligible employee whose position has been eliminated is subsequently offered another position with a salary of 10% or more below their former position, and the employee declines that position, the employee will be considered a layoff and not a resignation. In the case that the employee is eligible to retire, s/he will still be considered a layoff for the purposes of severance and notice.

## **Registration Fees**

The University's tuition remission program has an enormously valuable three-fold benefit: First, it allows the University to attract top quality candidates for lower paying positions; secondly, it enhances the professional skills and knowledge of University employees; and thirdly, it provides an opportunity for all administrators to interact with faculty and students from the unique perspective of "fellow-student", thereby enhancing our ability to provide better service as well as our on-going commitment to the University.

However, each year we run the risk of having fewer NYU administrators able to realize this benefit due to the rising cost of registration fees (fees charged to administrators using tuition remission). This problem is compounded as these costs are difficult to explain given that these fees appear to be allocated to benefits prohibited or redundant for our members. For example:

- Administrators utilizing tuition remission currently pay Coles Membership and Palladium Support fees for a facility they can only access through payment of an additional membership fee.
- Most, if not all, of the others fees, such as Emergency Insurance, Health Facility Charges, and Health Service Fees are redundant for administrators.

In an effort to continue to expand professional development at the University and in light of ever increasing costs associated with utilizing tuition remission, we request that Registration Fees be waived for administrators.

## **We also ask for the status of the following requests which were previously submitted:**

- 1) Status of the supplemental salary pool item. This proposal called for increasing the supplemental salary pool funding to enable units to bring designated employees to the midpoint of their grade level within three to five years of service, with particular emphasis on those employees who are at the lower end of their salary range.
- 2) Expand tuition remission eligibility to include academic year courses, not to exceed 32 credits (summer and academic year courses combined), for dependent children matriculated at another institution, provided the courses be counted toward an undergraduate degree at the other institution.
- 3) Expand 100% tuition remission eligibility to include noncredit certificate programs at the School of Continuing and Professional Studies taken by full-time, permanent administrators.

Thank you for your attention to these matters and we welcome the opportunity for future discussion.

AMC/acm