TO: Martin Dorph, Executive Vice President for Finance and Information Technology  
FROM: Administrative Management Council  
RE: Recommendation for the 2016-17 Fiscal Year  
DATE: February 2016

As in years past, the AMC is submitting this letter per your request. In our 2015 letter, we highlighted important issues which we asked the Senate Financial Affairs Committee to address. These issues remain priorities that we ask you to consider again.

A. Merit Increase and Process. The fiscal AMI pool that was approved by the Board of Trustees for administrative employees in 2015 was 2.5%, with a bonus pool of 0.5%. However, some schools reserved .25% of these funds for special allocations (e.g. extraordinary merit), leaving only a 2.25% increase for those employees performing all of their job responsibilities satisfactorily. Those employees of occasional extraordinary merit who on average have received the full AMI pool increases over the years have now earned back what was lost in the zero-raise years earlier in the century, as illustrated by the attached wage gap spreadsheet. Of course, there are many employees of significant merit who have not recovered personal wages over this window of time. Therefore, we respectfully ask that we return to a 3.0% increase, with a bonus pool of 0.5%. We last saw a 3.0% increase in academic year 2012-13. We are concerned about possible salary compression, as there is a small difference (sometimes overlapping) between administrative and staff salaries due to lower AMI than BUI (bargaining unit increase), e.g.-2015 BUI was 2.75%, 2016 will be 3.0%. We strongly feel that our increase should at least be in line with, and definitely not lower than, the staff we manage. Also, in reviewing survey data published by the Society for Human Resource Management, U.S. employers can expect an average base salary increase of 3.1% in 2016. In order to keep up with our academic and corporate competitors, and our own staff at NYU, we feel this increase is fair and will boost morale while both attracting new administrators and retaining current administrators.

B. Tuition Remission. We were pleased to learn that the Executive Vice President for Operations would be organizing a balanced committee of faculty and administrators to meet in September 2015 to review the current tuition remission policy. We learned from Alison Leary in December 2015 that “…it was determined that this committee should wait until our new president arrives so we can be sure to be aligned with his priorities and directives. We expect to get something started in the spring semester.” This is very disappointing as we feel the committee could have accomplished a great deal in preparation for President Hamilton’s arrival, and we could come prepared with recommendations. Now that President Hamilton has arrived, and our new Vice President for Human Resources will arrive in March, we expect this committee to be formed as soon as possible. Over the course of the past few years, the AMC has assessed current tuition remission policies, studied our peer institutions and surveyed our members. We will be happy to share these data with this newly formed committee. We remain committed to review the following policies:

1. to eliminate or lower the 10% tuition remission cost share for employees earning more than $50,000;
2. to provide more consistency to the job relatedness determinations;
3. to review tuition remission benefits for family members (code 106 employees have 100% remission for spouses/domestic partners, whereas administrators, regardless of salary, receive only 50% coverage which can be a significant expense);
4. to improve and clarify the policy for non-degree/special-student status;
5. to review our portable tuition remission policy.

C. **Thresholds Used to Tier Administrator Benefits.** Many benefits are tied to income thresholds that were set years ago with no long term plan to adjust them to keep pace with either inflation or changes in federal tax brackets. NYU’s failure to adjust these brackets is similar to a slight cut in benefits each year. Now, these reduced benefits make it more difficult to recruit quality administrators, particularly at junior levels. As requested for the last two years, we ask NYU to move the tiers each upward by $25,000 to ensure that benefits at our lowest tier are not materially less than those awarded to the unionized employees we manage. One of many positive outcomes from this change would allow employees earning up to $75,000 (currently set at $50,000) to receive 100% tuition remission. As we suggested last year, any new expense triggered by a correction of the benefits tiers can possibly be funded via an increase in operational fringe budgeting rates from the current rate of 30.0% to be closer to rates used by some of our peers. Your response last year was that it is not feasible to increase at this time as doing so would mean that other expense areas would need to be reduced. However, we would like to keep this proposal on the table for discussion, and we have researched some of our local peer institutions, in addition to Harvard (32.2%), Penn (35.1%), Johns Hopkins (34.5%), Georgetown (31.9%) and Yale (32.6%). For example, Columbia uses a current non-sponsored fringe rate of 32.5%, Pace uses 38.3%, Hunter uses 38.34%, Weill Cornell Medical College uses 32.2%, New Jersey Institute of Technology uses 39.5%, and Yeshiva uses 34.5%. Attached is the fringe rate table of our peer institutions.

D. **Family Care and Bonding Leave.** The AMC is pleased to learn that The Family and Medical Leave policy is currently under review. We were informed that Employee Relations is working with the Office of General Counsel to finalize the policy. We have been bringing discrepancies with FMLA and bonding leave policy to the attention of Human Resources through the years and we expect to be included in these discussions. The AMC submitted a resolution to the University Senate to explore issues related to student, faculty, and staff work-life balance. The Senate Executive Committee approved the resolution to establish an ad hoc Senate committee that includes representation from each Council comprising the University Senate to explore NYU’s Work-Life Services, including in the areas of childcare, benefits, adoption, and elder care. We take pride in leading this initiative and look forward to the future accomplishments from the committee that will be co-chaired by two AMC members. We have attached our resolution and proposal for your reference.

E. **Impact of the Affordable Care Act.** The AMC Health Benefits Working Group published its findings in April 2015 (attached). We understand that the University Human Resources Office continues to study this matter, and we hope our document can be used as a tool when making these important decisions.

As the AMC has done in years past, we will continue to follow up with the relevant offices directly to help update these benefits and shape policies in a way that is both appropriate to our collective needs
and to the fiscally responsible management of New York University. We look forward to working with your committee and collaborating with our new President, Andrew Hamilton, as well as the new Provost, in the coming years.

Thank you.