

December 7, 2009

Michael C. Alfano
Executive Vice President
12th Floor
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Dear Dr. Alfano,

Thank you for taking the time to speak with the AMC last week, even if that talk suggested that we can not only expect a second year with no salary increase, but also face a likely reduction in total compensation as our benefits are re-engineered away.

You must have quite a collection of letters from administrators containing some variation of “please increase our salaries” or “please don’t reduce our benefits.” Here is another one for the stack, from the AMC constituents at (REDACTED).

There were a few comments at the AMC meeting that deserve to be repeated. First, unlike union employees and tenured faculty, administrators have no contractual guarantees of any increases or benefits. This puts us in a very vulnerable position relative to our peers and because of this we have borne more than our share of the cuts. While we have been content to trust the administration to treat us fairly, the past year and the prospect of coming changes suggest that because we are vulnerable to further cuts, we will see further cuts.

Second, you spoke of the importance of maintaining NYU’s momentum. There is no question that NYU is growing quickly and that this is essential to becoming the model of the future global university. However, the need to retain quality administrators with competitive staff salaries should be considered a part of this growth, not a source of funding for this growth. The choice to expand the number of staff is an institutional, strategic decision. We should not be asked to individually shoulder the cost of those choices, particularly when not all classes of employees carry an equal burden.

Third, we object both to the classification of administrative staff as part of the bureaucratic mob that has driven up tuition costs and to the “two-percent” rule linking salary and tuition increases. Both of these points serve to connect employee salary to tuition outrage, as though salary, and not number of employees or amount of infrastructure (or huge projects like Poly), is the driving force behind tuition increases. There may be historic correlation between tuition and salary, but there is not causation. This again imposes discipline on employees for what may be institutional excesses. As a budget item, the salary increase AMC has requested amounts to \$25 million. This is not the driving force behind the public anger over education costs.

While the financial situation of the University may – or may not – preclude a salary increase this year, we have a number of suggestions that may give administrators confidence that the higher administration is acting on our behalf:

- 1) We’d like to see better balance among, and more transparency across, the sectors of employees. We’re currently operating under the assumption that administrators are the only group facing a zero increase paired with benefit erosion as the faculty has AAUP representation and the union has their contracts. If this is not the case, more transparency, including representative presence

across governing bodies (AMC and Faculty Senate) would help ease these worries. Further, it might be beneficial to approach the unions now to reopen contract negotiations. Whether these negotiations are possible or whether this positions the university for future negotiations, it would at the least present the appearance that the university is not rolling over administrators without working to spread the cuts fairly among all employees.

2) We'd like to see the cuts being shared vertically as well as laterally. You mentioned how the public must react when they hear Dr. Biden on CNN talking about being a full-time professor by teaching two days a week. Please consider how similarly it affects us in the AMC when we see university leadership salaries in the Chronicle of Higher Ed. This is a time to lead by example, not just by asking for voluntary salary reductions at the top levels, but also when looking at benefits re-engineering. A \$20 copay is not equivalent between employees earning \$40,000 and those earning \$200,000. Similarly, when it comes time to look at the RAC recommendation to reduce 403(b) matching by a percent or more, it might make sense to tier that reduction so that the lowest paid administrators do not see their contributions wither to levels that will not sustain them in retirement, whereas top paid employees are able to contribute up to federal limits. These sorts of adjustments may not result in a salary increase, but they will certainly make the point that these are hard times, not hard times for some.

3) If no other salary increase is forthcoming, we'd like to see the spot bonus pool distributed equally among administrators in the form of a salary increase. If the bonus pool were larger, bonuses might be a meaningful part of compensation. However, we are not Goldman, and accordingly the one-off bonuses provide the illusion of rewarding employees more than they actually provide employees with a meaningful reward. We understand the spot bonus pool is around 0.5% of salary and believe half a percent salary increase across the board is more meaningful than isolated one-off bonuses.

Thank you again for taking the time to speak with the AMC.

Sincerely, the AMC constituency at (REDACTED),