Minutes  
Meeting of the NYU Financial Task Force  
August 13, 2008

The meeting took place at 4:00 in the Dean’s Conference Room on the 11th floor of the Henry Kaufman Management Center, 44 west 4th Street.

Task Force members attending were: Thomas Cooley, Marie Gayle, Dall Forsythe, Ellen Axelrod, Gerald Rosenfeld, Chandrika Tandon, Leslie Brown, Randall Say, Joseph Giovannelli. Attending as staff to the Task Force were Marty Dorph and Samantha Green, and attending as special guests were Anastasia Crosswhite and Carolyn Sargent.

Anastasia Crosswhite and Carolyn Sargent presented handouts and walked the group through a slide presentation on faculty housing. A discussion of issues and ideas followed, including:

- Currently, Faculty Housing operates at a loss of $1.5 – $10 million per year. NYU goal is to break even
- Given recent efforts by Congress related to higher ed, is the tax benefit under IRC section 119d (which allows universities to NOT impute taxable income to recipients of under-market housing) likely to survive?
- Available housing inventory is low, however it would be too costly to purchase more
- The true revenue side of the income/expense equation is immeasurable given the intangible benefits of the asset (NYC below-market housing)
- Should the schools be charged directly for the cost of specific housing used by their faculty? Currently, it is charged indirectly to all schools
- Is ownership of faculty housing stock the right position? What about a sale-leaseback arrangement?
- What about selling off the property and using earnings on the funds to pay out cash housing allowances?
- We should consider what the Deans would be willing to do
- We could create new rules or higher rents, and grandfather the old rules
- Should there be a greater incentive created for loan programs? Currently, housing is preferred over loans

The fall meeting dates were announced and will be Wednesday 9/10/08, then every other Wednesday following.

Marty Dorph’s group has been working on a report of historical overhead costs and he expects to present this at the next meeting. Also, Tom Cooley has been interviewing Deans and expects to report on their issues/concerns relevant to the task force at the next meeting.