

To: Stephanie Pianka & Members of the Senate Financial Affairs Committee
From: Finance and Planning Committee of the Tenured and Tenure-Track Faculty Senators Council
Re: Budget Planning Parameters for 2019-2020

This request builds on efforts of this Committee in recent years that have sought to: i) enhance the degree of transparency of the University's finances and financial planning to the faculty, toward a, sustainable shared vision of excellence for NYU, and ii) create a more equitable environment for the faculty, which alleviates financial stress that may take away from teaching, research, and service to the University.

We are delighted that these efforts have been recognized by the University, prompting the adoption of a standardized budget template by several Deans across NYU and the creation of a Salary Study Committee with faculty participation. With respect to the first item, we would appreciate if every School of the University adopted the proposed budget template, and we encourage the University to facilitate this transition. With respect to the latter item, we very much look forward to a report by the Salary Study Committee, which we hope will facilitate setting up guidelines for Schools to create a more equitable environment, where raises of a faculty member are disentangled from the availability of external offers and "pay inversion" is mitigated.

With this in mind, we would like to focus once more on salary/AMI/equity. Because tenured and tenure track faculty are the engine of the University through their commitment to research, teaching, and service, we underscore the importance of maintaining levels of compensation that make NYU an attractive employer for talented scholars and teachers. We recognize that the University provides significant non-monetary compensation to faculty that comes from outside the official salary pool, including healthcare benefits, tuition remission benefits, and housing for some of them. But, without discounting the value of such non-monetary compensation, we bring your attention to the following recent trends and historic data:

-This year, the cost of health insurance has increased dramatically, reaching above 30% for some of the faculty plans;

-The cost of NYU housing is now 9.5% higher than last year for any new three-year lease, which corresponds to a 3.1% annual increase.

-Not all faculty live in NYU faculty housing, which is, in fact, not treated as a benefit by the University. These faculty members have experienced rent increases at an annual rate of 3.9% (<https://streeteasy.com/blog/nyc-rent-affordability-2017/>) over the last several years, and no subsidy is offered to them to cover their rent or potentially attempt to buy a home.

-AMI for last year was not aligned with private industry workers in the New York-Newark, NY-NJ-CT-PA metropolitan area, which increased 3.7 percent for the year ended December 2018 (https://www.bls.gov/regions/new-york-new-jersey/news-release/employmentcostindex_newyorkarea.htm)

-Faculty salary at NYU is not aligned with other major research Universities, which are in considerably less expensive Cities. For example, Chicago, Illinois is 43.7% cheaper than New York, New York (<https://www.bestplaces.net/cost-of-living/new-york-ny/chicago-il/115000>), but both University of Chicago and Northwestern University offer higher compensation to their faculty (<https://data.chronicle.com/category/sector/2/faculty-salaries/>).

To support an equitable environment for faculty, we recommend an AMI pool increase of 3.5% and guidelines on how to distribute it based on the number of years of tenure in the School be given to Deans. This should be part of a multi-year endeavor that should seek to retain and reward our faculty.