

C-FSC Finance & Policy Planning Committee Report
Submitted November 8, 2021

The undersigned chair submits this report of the C-FSC Finance & Policy Planning Committee, which last met on Oct. 5 and will meet on Nov. 11 immediately prior to the CFSC meeting. Committee members are Joe Foudy, Leila Jahangiri, Noelle Molé Liston, Sylvia Maier, Marlene McCarty, Aaron Primm, and Scott Taitel.

There was an oral report of the Oct. 5 meeting at the Oct. 5 CFSC meeting. To briefly summarize, the FPP discussed the need for further examination and questions of the salary inversion and compression study, to clarify goals regarding salaries for long serving faculty, and to develop strategies to meet those goals. The plan for the Nov. 11 meeting is to define those questions, goals, and strategies. We will orally report to the CFSC on what we have concluded.

Members of the FPP who serve on the Senate Financial Affairs Committee reported via email to the full FPP information that was presented at the Oct. 26 SFAC meeting when Stephanie Pianka, SVP for Finance & Budget and CFO, reported on NYU's receipt and distribution of government funds provided for COVID relief, and Kathleen Jacobs, NYU's Chief Investment Officer, gave a report on the endowment.

Regarding COVID support, NYU has been awarded a total of almost \$130 million from three programs. The bulk of the funds went or will go to students, either as direct aid (mostly) or as additional financial aid, significantly more than required under the law. In addition, NYU used its own or donor funds to provide an additional \$4 million in direct aid to students. NYU could not award the direct aid at its discretion; instead, the programs provided a list of reasons for which a school can award aid. About \$20 million of the funds awarded under the American Rescue Plan is reserved for NYU's COVID related costs or capital projects that were stopped in 2020. NYU has applied to FEMA for disaster relief of \$160 million, but those funds have not been used in projections so there is only upside if the funds are awarded.

Some endowment information is available at: <https://www.nyu.edu/about/leadership-university-administration/office-of-the-president/office-of-the-executivevicepresident/investment-office.html#:~:text=How%20large%20is%20NYU's%20endowment,of%20the%20annual%20operating%20budget>. NYU's endowment of \$5.8 billion is small on a per student basis, about \$82,000 and only about \$50,000 if the medical school is removed. Roughly 35% of the endowment is "quasi-endowment" funds that are restricted by the donor or earmarked for certain schools that have chosen to hold their funds in the endowment rather than in a separate reserve account pending, for example, a special capital project. The only mandate from the trustees regarding specific investments is that the endowment cannot be invest in anything related to Sudan. Kathleen tries to consider ESG (environmental, social, governance) factors in investing because she thinks they correlate with long term value.

Maria Patterson /s/
Maria Patterson, Chair