

To: Martin Dorph
Cc: Members of the Senate Financial Affairs Committee, Anthony Jiga
From: Finance and Planning Committee of the Faculty Senators Council
Re: Budget Planning Parameters for Fiscal 2015
Date: February 13, 2014

This draft was developed by the FSC Finance Committee for discussion by the FSC. It does not at this point have the endorsement of the FSC.

The Faculty Senators Council would like to continue its participation in the budget process of the University. We would also like to explore ways in which we can play a more active role this year and in the future. Some thoughts follow, which we hope will serve as a basis for further discussion.

First, we think it's important to the University's future that faculty receive competitive salaries. Over the past decade, the University's Annual Merit Increase pool has barely kept pace with inflation. See Table 1 below. We understand that the University provides both other raises and non-monetary compensation, including housing and healthcare benefits. But we want to reiterate the key role played by faculty in the education of our students and the importance of maintaining levels of compensation that make NYU an attractive employer for talented scholars and teachers. We therefore recommend that the AMI pool rise to 3.5%, rather than fall to 2.5% as proposed in the "Preliminary Budget Planning Parameters for Fiscal 2015."

Second, with changes in the landscape for healthcare, we're concerned that total compensation, including fringe benefits, may decline. We welcome opportunities to discuss how the University might best provide benefits, including healthcare, that reconcile NYU's budget, the needs of NYU's employees and their families, and the changes taking place in the healthcare industry and in government policy toward fringe benefits. We have among our members people who are willing and able to provide relevant expertise on all of these issues.

Third, we also welcome discussions of ways in which the faculty, as a whole or by school or department, can share in the financial benefits of increased efficiency: to explore ways in which the University can save money that might go toward higher salaries for faculty. We hold no fixed view of what approaches might lead to such saving, but welcome an open sharing of ideas. Looking to the future, this might be one step toward a process in which representatives of the Faculty Senators Council work together with the administration on a wide range of budget and planning issues facing the University. We think such a process would benefit not only the faculty but NYU as a whole.

Table 1. Faculty Annual Merit Increases and Other Indicators, 2002 to Present

Academic Year	AMI Pool	Salary Index	CPI	CPI (NY area)
2002-03		100.00	100.00	100.00
2003-04	0.00	100.00	102.22	103.11
2004-05	3.00	103.00	104.82	106.53
2005-06	3.00	106.09	108.64	110.88
2006-07	3.00	109.27	112.91	116.05
2007-08	5.00	114.74	115.05	118.24
2008-09	3.50	118.75	121.16	124.57
2009-10	0.00	118.75	119.36	123.40
2010-11	1.50	120.53	120.79	125.10
2011-12	2.50	123.55	125.31	129.50
2012-13	3.00	127.25	127.44	131.26
2013-14	3.00	131.07	129.38	133.43
2014-15	3.50	134.35		

Notes. The numbers follow from earlier proposals. The AMI number for next year is our proposal. The next column is the same data expressed as an index. Consumer Price Indexes (CPI) are from Federal Reserve Economic Data (FRED), variables CPIAUCSL (all urban consumers) and CUURA101SA0 (New York Area), the August numbers in each case.