

To: Anthony Jiga & 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 2017-2018

This request builds on efforts of this Committee during the last three years, which have sought to go beyond the traditional call for a higher salary pool and suggest that we “explore ways in which the University can save money that might go toward higher salaries for faculty.” We would like to continue along the same path and have some concrete proposals for moving forward. With this in mind, we make these recommendations:

1. **Salary/AMI.** Because 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 nonmonetary 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 nonmonetary compensation, we again bring to your attention that, since the early 2000s, salaries of continuing (tenure/tenure-track) faculty have not kept up with inflation. In line with the recent AAUP’s Annual Report on the Economic Status of the Profession regarding continuing full-time faculty, and as a way to begin to offset the loss in our faculty’s earning power over the past fifteen years, we recommend an AMI pool increase of 3.5% for continuing faculty. We believe that this increase will be useful in bolstering faculty engagement in sponsored research, resulting in a more aggressive extramural funding effort, which is especially critical at this time of uncertainty.

2. **Mission of NYU and level of administrative overhead.** While we are proud of the several transformational changes which our University has seen during the last fifteen years, we believe that it is now time to refocus on its singular mission (teaching, research, and service). These changes have been accompanied by very significant increases in administrative staffing and overhead, which we believe should be reexamined now. An adverse revenue environment together with an ambitious large investment and building program as well as higher interest rates increase financial risks and make this re-examination imperative. In particular, we encourage the new administration to examine carefully the existing organization chart and to identify possibilities for a leaner, less costly administrative structure. In parallel, we should explore new revenue avenues, such as certificate programs, which could mitigate reduction in revenue streams. The administration should consider clarifying and increasing the incentives for faculty and/or departments to initiate new teaching and sponsored research programs. We call for faculty input to be sought for these undertakings, which we believe to be critical for NYU to succeed in attracting and retaining top faculty in the increasingly competitive environment against well-endowed Universities.

3. **Budget framework.** We applaud the creation of the affordability website, which has sparked an outpouring of compelling ideas for budget savings and increased revenue. We hope the University takes these ideas seriously and implements as many of them as feasible. We call upon

the University to embark on such implementation endorse the idea that NYU and its component parts will entertain constructive proposals from faculty to reduce costs or increase revenue, with the understanding that a significant part of any accrued financial benefit be used to increase faculty salaries.

4. **Supporting data.** The efforts envisioned in numbered paragraphs 2 and 3 will work best in an environment of transparency, if faculty groups have access to University (Central Administration), school, and department budgets along with related information about resource allocation. Toward that end, this Committee with endorsement from the TFSC has prepared and shared a budget template last year, which we shall act upon at a University-level to help faculty active involvement.