



NEW YORK UNIVERSITY

Memorandum

Date: Friday, May 13, 2016

To: The NYU Community

From: David McLaughlin, Provost, and Martin Dorph, Executive Vice President for Finance and Information Technology

Re: The Budget for Academic Year 2016-17

NYU's overall financial situation remains steady and strong. For Academic Year 2016-17, NYU's total proposed budget is \$3.1 billion.

Priorities

The budget takes account of a number of priorities for next year.

- **Affordability:** NYU President Andrew Hamilton has made addressing **affordability** a key priority. For 2016-17, NYU will have the lowest year-to-year increase in the total cost-of-attendance in 20 years, among other cost-savings measures (please see the "**Tuition, Fees, Room and Board**" section below for more details). In addition, we will begin the three-year process to raise the **minimum pay for student workers to \$15/hr**; as of Sept. 1, 2016, all students will be paid at least \$12/hr. And the **Affordability Steering Committee** and Working Group are continuing to solicit ideas and opinions from the NYU community on how to make NYU more affordable for more students over the long run.
- **Diversity:** Diversity will be another area of sustained focus in the coming year. Even as the **Ad Hoc Task Force** continues its evaluation of NYU's diversity efforts and develops recommendations, there is already **agreement** on the importance of making new hires to support diversity, inclusion, and equity, as well as on the value of expanding the Center for Multicultural Education and Programming, among other steps.
- **Academic Program Space:** NYU will be opening or moving ahead with a number of important academic space projects in 2016-17, including the 181 Mercer St. project, which will provide new classrooms, space for performing arts education and performance, student and faculty housing, and a new gym; 370 Jay St. in Brooklyn, which will be the home for tech in engineering and the arts, CUSP (urban informatics), and entrepreneurial space; the Forbes building, which will be the new home for data science and related computer science research, and the Marron Institute of Urban Management; and new and expanded spaces for physics, neural science, and the College of Global Public Health.

Tuition, Fees, Room and Board

As noted above, the increase in total undergraduate cost-of-attendance for next year is 2.0%. Specific elements include:

- An increase in tuition and fees of 2.7%* on all campuses; this is lower than the typical annual increases (usually in the mid-3% range) and is the lowest increase in tuition and fees in 20 years.
- Freezing undergraduate housing and meal plan costs on our New York campus for 2016-17 at the current year's rates.
- Freezing the University registration and services fee for undergraduates.
- Convert an additional 600–700 student rooms to lower-cost housing, increasing the pool of lower-cost housing on our New York campus by almost 50%.

Compared to our competitor institutions, NYU's increase in cost of attendance for next year will be about half of their median increase of 3.8% and one-third less than that of the school with the next smallest percentage increase.

Financial Aid

Total undergraduate financial aid for 2016-17 will increase to \$410 million from \$355 million this year. The total financial aid budget – undergraduate and graduate – will increase from \$560 million to \$628 million. Fully funded doctoral students will continue to receive full tuition remission; have premiums for their graduate health care plan paid by the University at 100%; and have their minimum stipend increased by 2.25%.

Student Health Insurance

For 2016-17, the student health insurance carrier has indicated that it expects to increase premiums by 24.3%** , pending New York State approval. This increase reflects actual increases in the amount and cost of healthcare services used by NYU students. While this contrasts with the last couple of years – which included an increase of 3.6% and a decrease of 5.7% – NYU's plan nonetheless remains less costly than a number of peer schools' plans.

Salary Actions for Faculty, Administrators, and Staff

The overall Annual Merit Increase (AMI) pool is budgeted to increase by 2.5% for faculty and administrators for 2016-17. Deans and SVPs may, at their discretion, reserve some portion of the AMI pool, as appropriate, to address school or unit needs for promotions and/or retention. As in the past, these will be determined by proper review in each unit.

Other Than Personal Services

In order to achieve some of the affordability-related savings, there will correspondingly be a very small increase in the other-than-personal-services (OTPS) portion of the budget for the next two years – less than 0.5% each year.

Capital Budget

For 2016-17, the capital budget is expected to be \$502 million. This reflects – in addition to the academic space projects cited above – expansions for the office serving students with disabilities and for the Wellness Exchange; the opening of the Student Link walk-in student services center; and ongoing capital replacement investments in the University's physical and IT infrastructure, among other projects.

Endowment and Fundraising

NYU fundraising totaled \$618 million in 2014-15, marking the second most successful year for fundraising in NYU's history. We are on track to meet our fundraising goal for 2015-16. Recent major gifts include \$100 million for the Tandon School of Engineering and \$30 million for the Rory Meyers College of Nursing. Three-quarters of the Meyers gift was for scholarship aid, a fundraising priority. The Momentum Campaign – our campaign to raise \$1 billion for scholarship aid – has raised \$577 million to date.

As of Aug. 31, 2015, the **endowment's** value was \$3.475 billion. In 2015-16, it contributed about \$119 million to the University's annual budget; it is expected to provide \$125 million next year.

NYU was one of several dozen major universities and colleges asked to write to Congress about their endowments this year. Our letter – which contains substantial information about the role and nature of NYU's endowment, and in particular emphasizes the issue of per student endowment – can be found [here](#).

** Tuition for the Tandon School of Engineering will increase by 3.5%, but this reflects the same proportionate reduction from plan as all other schools.*

*** 18.5% at Tandon, which continues to have a separate pool for student health insurance.*