NYU’s Global Strategy: Financial Overview

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Executive Vice President
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Global Network – Overview

- NYU’s global network consists of 3 degree-granting campuses plus 12 global sites that support UG and G study away programs, research and scholarly work, and a small number of low-residency degree programs (e.g., Exec MBA in DC, Creative Writing MFA in Paris).

- Degree-granting home campuses:
  - New York
  - Abu Dhabi
  - Shanghai

- Other locations operated by the Office of Global Programs (OGP):
  - Accra
  - Berlin
  - Buenos Aires
  - Florence
  - London
  - Los Angeles
  - Madrid
  - Paris
  - Prague
  - Sydney
  - Tel Aviv
  - Washington, DC
Overall, the global network generates more revenue than expense.

OGP’s locations are budgeted as part of the New York campus, and the academic programs generate tuition revenue equal to or greater than expenses. OGP and schools share this tuition revenue on a “balance of trade” basis.

NYU Abu Dhabi operates with a break-even budget based on our arrangement with our funding partners.

NYU Shanghai receives a lump sum payment from our funding partners, and it is NYU’s responsibility to develop a budget that meets our financial objectives.

Cross-campus financial benefits from the global network model include:

- New York faculty receive approximately $19 million per year in research funding from the NYU Abu Dhabi Institute.
- New York units receive direct reimbursement from NYU Abu Dhabi and NYU Shanghai for faculty expenses and management fees, totaling approximately $21 million per year.
- Study away at the New York campus helps balance occupancy in student housing across Fall and Spring semesters.
OGP works closely with schools and departments both on academic programs and enrollment planning. Each year, schools develop study away enrollment projections through a collaborative “horizon planning” process, and these projections are incorporated into the annual budget and Financial Plan.

Global site budgets are calibrated each year to reflect enrollment patterns and projections, and they are managed both from a site-specific and a consolidated perspective.

Management and oversight of student housing at the global sites are managed by the Office of Residential Life and Housing Services (ORL&HS).

In FY 2019, 3,336 individual undergraduates spent a Fall or Spring studying away in the global network. With some spending a full year away, the network supported 4,043 semester away enrollments.

- These totals include 169 students from other universities who spent a semester studying away at an NYU global site.
- The network also supported 500+ UG study away enrollments in January Term, and 900+ in Summer.
- 48% of bachelor’s degree recipients in the Class of 2019 spent at least one term studying away.
Study Away Enrollments – Semester Programs

Study Away Enrollments in the Global Network

- **Global Sites**
- **Portal Campuses**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fall 2015</th>
<th>Spring 2016</th>
<th>Fall 2016</th>
<th>Spring 2017</th>
<th>Fall 2017</th>
<th>Spring 2018</th>
<th>Fall 2018</th>
<th>Spring 2019</th>
<th>Fall 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1668</td>
<td>2256</td>
<td>1841</td>
<td>2190</td>
<td>1783</td>
<td>2296</td>
<td>1789</td>
<td>2254</td>
<td>1858</td>
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<tr>
<td>2016</td>
<td></td>
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<td>2017</td>
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<td>2018</td>
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<td>2019</td>
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</table>
## Global Programs Finances

### Global Revenue and Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2019 Actuals</th>
<th>FY2020 Budget</th>
</tr>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Tuition &amp; Fees at 100%</td>
<td>79,867</td>
<td>89,211</td>
</tr>
<tr>
<td>2 Financial Aid at 23%</td>
<td>(18,369)</td>
<td>(20,519)</td>
</tr>
<tr>
<td>3 Other Revenue</td>
<td>5,959</td>
<td>5,696</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>67,457</td>
<td>74,389</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Administrative Staff</td>
<td>11,537</td>
<td>11,726</td>
</tr>
<tr>
<td>6 Faculty</td>
<td>8,391</td>
<td>8,578</td>
</tr>
<tr>
<td>7 Fringe</td>
<td>8,191</td>
<td>8,427</td>
</tr>
<tr>
<td><strong>Total Personnel Costs</strong></td>
<td>28,119</td>
<td>28,730</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Controllable OTPS</td>
<td>19,125</td>
<td>20,020</td>
</tr>
<tr>
<td>10 Facility Expenses</td>
<td>7,266</td>
<td>9,761</td>
</tr>
<tr>
<td>11 Taxes &amp; Fees</td>
<td>1,494</td>
<td>1,737</td>
</tr>
<tr>
<td>12 Other Expenses</td>
<td>12,942</td>
<td>13,195</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>40,826</td>
<td>44,713</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>68,945</td>
<td>73,443</td>
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<tr>
<td><strong>Global Programs Gross Margin</strong></td>
<td>(1,488)</td>
<td>945</td>
</tr>
</tbody>
</table>

**Notes:**
1) FY20 includes NYU Los Angeles which opened in Fall 2019
2) During FY19, NYU Madrid moved to a new academic center which resulted in increased expenses

### NYU Global Programs Expenses

![Chart showing breakdown of expenses]
NYU Abu Dhabi enrollment in Fall 2019 is approximately 1,475 undergraduates. Ph.D. candidates in several fields are also resident in Abu Dhabi to complete their doctoral degrees. The long-term plan is for enrollment of approximately 2,200 undergraduates and 400 graduate students.

NYU’s agreement to operate NYUAD is with the Government of Abu Dhabi’s Executive Affairs Authority (EAA) and a subordinate entity called Tamkeen. The costs of constructing and operating the NYUAD campus facilities are borne by these funding partners.

NYUAD operates with a break-even budget based on our agreement. Built into that budget are a number of items that benefit NYU as a whole, as well as New York schools and departments, including:

- Reimbursement to New York schools and departments for faculty teaching in Abu Dhabi.
- Tuition revenue that travels with NYUAD students when they study away via balance of trade.
- Substantial funding for faculty research projects through the NYUAD Institute.
- Support for faculty participating in search and curriculum development committees.
- Management fee, reflecting value of administrative services provided to support NYUAD.

NYU’s agreement with our funding partners provides for a fund to cover costs in the event of a closing or suspension of activities at the campus.
NYU Shanghai Finances

• NYUSH enrollment in Fall 2019 is approximately 1,450 undergraduates. Ph.D. candidates in several fields are also resident in Shanghai to complete their doctoral degrees. The long-term plan is for enrollment of approximately 2,000 undergraduates and 900 graduate students.

• NYU’s agreement to operate NYUSH is with the cities of Pudong and Shanghai and East China Normal University.

• The costs of constructing the NYUSH campus facilities are borne by our funding partners. A new campus is under construction.

• NYUSH’s budget is comprised of two entities:
  o NYU Shanghai (New York) is the budget for costs incurred by NYU in its operation of NYUSH and is included in the NYU budget.
  o NYU Shanghai (Shanghai) is the budget for costs incurred by the NYU Shanghai corporation. That entity is not a subsidiary of NYU and is not included in the NYU Budget.

• Costs incurred by NYU Shanghai (New York) are reimbursed by NYU Shanghai (Shanghai).

(continued on next slide)
Built into the NYUSH budget are a number of items that benefit NYU as a whole, as well as New York schools and departments, including:

- Reimbursement to New York schools and departments for faculty teaching in Shanghai.
- Tuition revenue that travels with NYUSH students when they study away via balance of trade.
- Funding for faculty research projects.
- Support for faculty participating in search and curriculum development committees.
- Management fee, reflecting value of administrative services provided to support NYUSH.

NYUSH’s financial plan provides for a fund to cover costs in the event of a closing or suspension of activities at the campus.
Global Network Risk Management

• **Insurance.** NYU property and liability risks are included in NYU’s overall insurance program. All facilities have been inspected by NYU’s Facilities Management team.

• **Currency Risk.** Sites may have both a local-currency and a U.S. dollar budget, as some expenses are paid in each currency (e.g., lease payments are typically large amounts and paid in $US). Some years currency risk results in a gain, some years a loss. A reserve has been established to pay/receive currency fluctuations and is managed separately from the OGP operating budget.

• **Audit.** The financial activities of NYUAD, NYUSH, and all global locations are audited and meet local tax and payroll requirements.
Global Network Risk Management

- **Emergency Planning.** NYU Campus Safety now operates a 24/7 global command center monitoring activities and risks around the globe:
  
  - Emergency planning exercises have been conducted in the last twelve months in: Shanghai, Paris, Berlin, Tel Aviv, London, Abu Dhabi, Shanghai (again)
  
  - With more exercises scheduled in the next few months in: Abu Dhabi (again), Accra, Buenos Aires