

## Part 2: Billions spent on real estate while students sleep on benches

Having long since waved away the faculty's concerns about the grave financial dangers of the Sexton Plan, NYU's commanders hope to beat the legal challenge to their project, and blast off this July, with the demolition of Coles Sports Center, followed by several years' construction of the billion-dollar Zipper Building, the biggest, *most expensive* building ever to be built in Greenwich Village.

To our colleagues in both Stern and Economics—who should know—that prospect is alarming: "We are concerned about financial risks and the possibility of default," both noted in the resolutions that they passed against the Sexton Plan. In light of that concern, we note again that many further tens of millions—we don't know how many—have been spent already on, or earmarked for, real estate developments related to "NYU 2031."

### ***NYU buys property in NoHo after all***

Thus, in late October, the Board (to quote the *Daily News*) abruptly "snagged" two NoHo buildings—404 Lafayette and 708 Broadway—for "a whopping **\$157 million**." This was "an attractive offer we could not refuse," exulted Walter "Ed" Scheetz, the former owner (those buildings having cost him \$96.6 million one year earlier). Following extensive renovations, that steep purchase, claimed John Beckman, would provide "convenient" space for "fitness and recreation" (there was a Crunch Gym there some time ago) "during the period Coles is closed to NYU students, faculty, staff and administrators."

The move surprised not only Mr. Scheetz, but also FASP's steering committee, as we had long been urging NYU to do precisely that—meet our need for academic space by buying sites available in NoHo—only to be told that it's impossible: "Zoning restrictions exist in areas (e.g., NoHo) proximate to the Core that prohibit University uses such as general classrooms," claims the Working Group on Space Priorities in their final report, released last March. Eight months later, although NoHo's zoning hadn't changed, it was no longer a

concern for NYU: "In both the near and long term," said Mr. Beckman, "this building will be important for meeting NYU's space needs."

Clearly, they rejected the idea of buying properties in NoHo, not because they couldn't get those "zoning restrictions" lifted (as they did to make way for the Sexton Plan), but because they had to shoot down that idea: FASP having urged such purchases *instead of* a protracted building spree. Since those new purchases do not preclude the Sexton Plan—or even mandate a reduction of its scale—there is, apparently, *no* zoning problem now, or any reason not to spend the money.

Indeed, "to spend the money" seems to be the Board's main goal, and, therefore, the true purpose of the Sexton Plan, which they have variously used to justify one gross extravagance after another. Although Mr. Lipton has assured us that the Board, "filled with people at the top of their profession," never loses sight of its fiduciary obligation "to ensure NYU's financial health," that prudent body seems remarkably averse to saving money when it comes to real estate.

Thus they readily paid over **\$60 million** more for those two NoHo properties than Mr. Scheetz had lately paid for them—a boost of 41%, to buy a large site *in addition to* the four towers in the Sexton Plan. With 151,000 square feet, that fifth site could easily accommodate the 80 classrooms (132,000 square feet) slated for the Zipper Building on the site of Coles. To scale the Zipper down accordingly—i.e., by roughly 23%—would save the university at least **\$170 million**; and yet NYU will not propose it, because the Board will not consider it.

In any case, the NoHo site will end up costing millions more than what the Board so generously paid its owner, since it requires extensive renovations (which, as of this writing—three months before Coles' demolition—NYU hasn't started). Nor is that the only NoHo property on which the Board is spending tens of millions, with no thought of using that additional space to make the Sexton Plan less huge, and therefore less expensive.

### ***NYU's money pit at Lafayette and West 4th Street***

According to the Working Group on Space Priorities, NYU has devoted **\$74 million** to the "acquisition and renovations" of 383 Lafayette — the former Records building — which NYU bought last year for **\$16 million** (in lease payments since 2003). Despite NYU's "urgent need for academic space," the cavernous first floor of that four-story building—roughly 12,000 square feet—was lately used to house the "NYU ID Center," and little else, although it takes a cubby to produce ID cards. (Now at 7 Washington Place, the "Card Center" takes up roughly 25 square feet.)

Last fall, NYU began its "renovations" of 383 Lafayette: "The existing building," *Curbed* reported last July, "will have its brick rebuilt, parapet reconstructed, masonry and windows replaced, and receive reconfigured storefronts, a new entrance canopy, and a new marquee," as well as "new utility structures" on the roof. At a cost (according to the Working Group) of **\$58 million**, that huge facelift seems a bit excessive for an "academic" building with *no* teaching space (as *NoHo News* reported): "Upon completion, the building will be home to various administrative offices."

And, in fact, that new administrative hive is costing more than we've been told. Beyond the tens of millions poured into the "acquisition and renovations" of 383 Lafayette per se, NYU is spending further millions on a new construction right next door—a luminous four-story annex on W. 4th St. (where the outdoor lot for PlantWorks used to be). Although it won't have its own entrance, *Curbed* reports, "from the outside, it will look like a new four-story building has been constructed," with a glittering exterior of "aluminum, zinc, and glass"—and 56,000 *more* square feet of "academic space" that won't be used for teaching.

That project must absorb more millions than its backers want the rest of us to know, since they took pains to deny that they were doing it: "The vacant adjacent parcel is leased to a private business for storage of plants and nursery equipment. *No change to uses on the site or new construction is proposed under this application*" (emphasis added). Thus the New York State Dormitory Authority (DASNY) wrote in its environmental clearance of NYU's building plans, dated Sept. 10, 2013. Six months later, the Working Group released its Final Report, with its pointed reference *only* to the "acquisition and renovations" of 383 Lafayette.

That this new construction was already in the works *before* those two attempts to black it out is clear enough from *NoHo News*, which, on Aug. 5, 2013, reported that NYU's upgrade of 383 Lafayette "will include ... a building addition in the parking lot [*sic*] behind it for as-of-right office use."

So how much more will that "addition" cost, beyond the **\$74 million** spent by NYU to buy and renovate "the existing building"? The Working Group can't say, as it dispersed over a year ago, upon completion of its presidential task; and NYU's administration isn't saying.\*

Beyond those ventures near the Core, NYU has spent, or plans to spend, many further hundred millions (we don't know how many) on an ever-growing archipelago of mammoth "academic projects" and medical facilities.

\* Martin Dorph, NYU's Chief Financial Officer, claims (a) that the \$74 million spent on "acquisition and renovations" of 383 Lafayette includes "*construction cost* of \$57 million" (emphasis added); and (b) that "the addition will add 14,935 [square feet]"—a baffling figure, since that's how big the *lot* is, and the "addition" is four stories high. We await his answer to a follow-up request for clarification.

## ***NYU grows (and grows) in Brooklyn***

> **\$499 million\*** to renovate **370 Jay St.**, a 14-story, 460,000-square-foot building (formerly MTA headquarters) that will house NYU's new Center for Urban Science and Progress (CUSP): "an applied science institute" devised to meet the "challenges"—"infrastructure, the integration of technologies, public health, transportation, public safety, and environmental sustainability," among others—confronting the world's cities.

"Inherently," claims the website, "NYU's community of scholars and learners believes in the complexity, diversity, density, and vitality of cities." Whatever that means, "NYU's community of scholars" was—as usual—not involved in the creation of this Center, which NYU will run with six other booming urban universities, along with IBM and Cisco. Such sponsorship befits a think tank that will justify, and help design, more overbuilding projects like the Sexton Plan—with which Team Sexton justifies *this* costly project: "[I]t is entirely consistent with the city-wide growth strategy in our NYU 2031 space plan."

(We note that CUSP will occupy that 14-story building's top three floors, providing them with roughly 100,000 square feet. Since CUSP's personnel comprise eight faculty, and ten research scientists and postdocs, apparently each one of them will have roughly 5,000 square feet to work in—quite a gift, considering NYU's "urgent need for academic space.")

\*This includes two expenses: \$60 million paid by NYU to defray the moving costs for both the MTA and NYPD (as reported by NYU Local); and \$439 million for renovations proper, noted by the Working Group on Space Priorities in their Final Report.

### **> Untold millions spent on renovations at NYU Poly**

"As some spaces have been transformed, and others are being readied for extensive renovations, a number of School of Engineering departments are on the move," wrote Danny Aiello, Poly's Director of Administration, in a memo of March 25. He noted "the newly refurbished Wunsch Hall," renovations starting in the Dibner Building, and those ongoing throughout the Jacobs Administration Building.

The largest renovation project at NYU Poly—"120,000 square feet of newly leased space in 2 MetroTech Center and 15 MetroTech Center" (to quote NYU's press release)—was completed in 2012, at a price not yet reported. (Just to *lease* one-quarter of that property—30,000 square feet—cost NYU **\$19 million**, according to the Working Group, who don't report what NYU paid to lease it all.)

According to the Working Group's Final Report, the price of all that renovation is, or will be, **\$21 million**: a modest sum, considering the scale—and seeming

endlessness—of such improvement. (In its Interim Report, released eight months earlier, the Working Group had priced that work at **\$44 million.**)

Whatever all those renovations cost, some at Poly question their necessity. "There is always some construction going on over the last year," notes one engineer. "Worst of all, they are completely rebuilding the second floor of the Dibner Building, even though they rebuilt it just a year or two ago. Complete waste of resources."

That view is understandable, in light of the notorious financial squeeze on Poly's international students, as the New York Post (among other media) reported last November: "Some foreign pupils claim they're so poor that they're forced to choose between medication and food—and even sleep on park benches or in student lounges because their apartments are far away."

**> \$180 million to construct "NYU Langone/Cobble Hill,"** a 160,000-square-foot ER, to be constructed on the site of Long Island College Hospital (LICH)—a venerable teaching hospital that was allowed to die for lack of funds, and then sold off to Fortis Property Group, despite fierce protest, and a protracted legal fight, by seven community groups, along with LICH physicians and nurses. Offering that neighborhood a cheap alternative to that full-service hospital, NYU is partnering with Fortis, which will develop condos there.

*NYU's medical-industrial complex on First Avenue*

**> \$137 million (?) to construct the Dental/Nursing/Bioengineering building at 433 First Avenue,** a 171,000-square-foot complex 162 feet tall, with eleven stories ("allowing generous ceiling heights," according to New York YIMBY).

Designed by Kohn Pedersen Fox—whose other works include the Shanghai World Financial Center, NYU Shanghai, the Hudson Yards Master Plan, the International Commerce Centre (the tallest tower in Hong Kong), the World Bank headquarters in Washington, the Northeast Asia Trade Tower (the tallest tower in Korea), the expanded MOMA, the Midfield Terminal Complex at the Abu Dhabi International Airport, Tour First (the tallest tower in France), South Bank Tower in London, the Abu Dhabi Investment Authority Tower, and (not least) NYU's half-billion-dollar CUSP complex in downtown Brooklyn—this is "an important step to fulfill NYU's core academic mission through its city-wide strategic vision expansion." (The project was supervised by a second firm, EYP Architecture & Engineering.)

This building may have cost more than the \$137 million noted in the Working Group's Final Report—which puts the building's size at only 70,000 square feet. (It could be a typo, although it's also in the Working Group's Interim Report.

The NYU web page with the building's actual square footage has been taken down.) Since that figure understates the building's size by over 40%, did NYU spend that much more on the construction? (The city building permit gives an estimated total cost of **\$0.00.**)

> **\$145 million for the ground lease at 333 E. 38th St.**, a 476,227-square-foot office building "which anchors the [NYU] medical center's burgeoning ambulatory corridor" (according to Real Estate Weekly). ("We believe this is the ideal time to monetize our position and redeploy the proceeds into another value-generating asset," said Isaac Zion, Co-Chief Investment Officer of SL Green Realty, from whom NYU bought the leasehold. "We've built a solid relationship with NYU Langone Medical Center and are happy to see them take control of this asset.")

The sale occurred last June, two months after the Working Group dispersed. Press reports did not include an estimate of how much it will cost to renovate "this asset."

Those ventures are just two of "well over 100 projects under way in various stages of progress," according to the Real Estate Development and Facilities Department (RED+F) at NYU/Langone. Those projects are ongoing throughout the city and beyond:

*This ever-changing, **and expanding**, portfolio of ongoing projects ranges from small gut renovations of administrative, clinical, education or research spaces to complex infrastructure upgrades and even the major construction of new buildings (emphasis added).*

<http://redaf.med.nyu.edu/project-planning-design/featured-projects>

Other "major" buildings planned for NYU's "health corridor": a 385,000-square-foot Science Building ("the centerpiece of NYU Langone's transformation at the southernmost end of the main campus"); the 22,000-square-foot Ronald O. Perelman Center for Emergency Services ("more than triple the size of the former emergency facility"); "the state-of-the-art, 830,000-square-foot Helen L. and Martin S. Kimmel Pavilion, alongside the current flagship Tisch Hospital, *which will be fully refurbished*" (emphasis added); and, to keep all those gigantic buildings cool and bright, a 71,000-square-foot Energy Building, "designed to be incredibly environmentally friendly" [*sic*], making NYU Langone "a leader in sustainability."\*

Such plans have pushed NYU Langone's debt to "near peak" levels, Crain's Health Pulse reported in December. While Moody's gave the institution's bond issue a top rating, they did so with a cautionary note: "The medical center's growth strategy over the next few years 'will require significant cash flow, carry incremental costs and potentially distract management's focus,' Moody's said."

\* These promotional effusions come from an elaborate website hailing NYU Langone's expansion: [https://nyuremote.nyumc.org/f5-w-687474703a2f2f63656e7472616c2e6e79756d632e6f7267\\$\\$/shared/redf/Pages/Campus-Transformation.aspx](https://nyuremote.nyumc.org/f5-w-687474703a2f2f63656e7472616c2e6e79756d632e6f7267$$/shared/redf/Pages/Campus-Transformation.aspx).

### ***In NYU's portfolio are many mansions***

While spending billions on such projects, NYU's top brass have also lavished further millions on residential properties (we don't know how many):

- > **\$3.6 million for a luxury condo at 845 West End Ave.**, for housing Law School faculty. "The four bedrooms have ensuite baths with Calacatta gold marble, as well as radiant heat floors" (according to *International Business Times*).
- > **\$3.5 million for a luxury condo at 166 Perry St.**, for housing Law School faculty. "The 1,875 s/f corner apartment ... has a glass curtain wall and views of the Hudson River. It has two bedrooms, two bathrooms, a powder room and home office, along with 10-foot ceilings and a five-fixture master bath" (according to Real Estate Weekly).
- > **\$5.2 million for a luxury condo at 455 Central Park West** ("a 26-story tower attached to the French Renaissance chateau at W. 206th St."), for housing Law School faculty. "The duplex apartment has a round living and dining room with 37-foot-high ceilings and Central Park views, along with three more conventional bedrooms" (according to Above the Law).

While housing some few colleagues in such luxury, NYU appears to have no room for all too many of the students who are paying for those (literally) countless leaseholds, acquisitions, renovations and construction projects pushed by Messrs. Lipton and Langone.

"For the last three months I have been homeless, sleeping wherever I find shelter," writes one graduate student in GSAS.

Sometimes that comes after studying at the apartments of my colleagues, some of whom suspect this is happening. Other times I slept in parks or on trains.

**Where the money flows at NYU (2):  
Millions spent on NYU execs while students scrounge for food**

While buying luxury apartments citywide to house a few illustrious professors, NYU's Board also has approved millions more in "loans" to scores of top administrators (we don't know how many) for mortgages on sumptuous vacation homes—including, as the *New York Times* reported, **\$1 million to Pres. Sexton** for "an elegant modern beach house [on Fire Island] that extends across three lots," and **\$5.2 million (now over \$6.4 million) to Richard Revesz, former Dean of the Law School**, for "a home on more than 65 acres near the Housatonic River in Litchfield County." (When in town, Prof. Revesz and his wife, NYU Law professor Vicki Been\*, live "in a handsome West Village town house that was financed by N.Y.U.," for how much we don't know.)

Those perks are so egregious that they startled even some stout champions of high pay for academic officers. "That's getting to be a little too sexy even for me, and I have a good sense of humor about these things," Stephen Joel Trachtenberg, former president of George Washington University, told the *Times*. "That is entertaining, actually. I don't think that's prudent. I don't mind paying someone a robust salary, but I think you have to be able to pass a red-face test."

To understand what's happening at NYU, we should contrast the chuckling disapproval of Dr. Trachtenberg with the aggressive plutocratic zeal of Messrs. Lipton and Langone, who, apparently, don't think that top corporate officers can ever make too much.

In 2004, as chair of the compensation committee of the New York Stock Exchange—a nonprofit at the time—Mr. Langone, in an interview with *Fortune*, vigorously defended his approval of a **\$140 million payout** for Richard Grasso, former NYSE chair and chief executive, and in so doing shared his thoughts on the Board members who were suing Grasso (and himself) to block it:

"They got the wrong fucking guy. I'm nuts, I'm rich, and boy, do I love a fight. I'm going to make them shit in their pants. When I get through with these fucking captains of industry, they're going to wish they were in a Cusinart—at high speed. If Grasso gives back a fucking nickel, I'll never talk to him again."

Although not as openly belligerent as Mr. Langone (who is also a trustee of the Robin Hood Foundation and Ronald McDonald House), Mr. Lipton has been no less adamant in his defense of sky-high pay for the top manager of *this* nonprofit. Following the scandal of NYU's "summer homes program," Mr. Lipton, interviewed by the *Chronicle of Higher Education*, said of Pres. Sexton: "We all feel that he is grossly under-compensated for what he has accomplished."

\*Prof. Been now heads the city's Department of Housing Preservation and Development.

***How Pres. Sexton has been "grossly under-compensated"***

Whatever Pres. Sexton "has accomplished" here, one wonders how much *more* the Board believes he *should* be "compensated" for it, since he's reportedly the eighth-most-generously-rewarded CEO in US higher education; and he may *actually* rank even higher than that, what with his **\$1,404,484** base salary (and **\$88,000** expense account); **lifetime annuity of \$800,000** ("an unusually structured retirement plan," according to the *Chronicle of Higher Education*); **\$2.6 million** "length of service" bonus; **\$1 million** "loan" to buy his summer home (on its three lots) on Fire Island; **100% healthcare coverage**; car and driver; and his apartment at 29 Washington Place (whence, reportedly, the car and driver take him back and forth to work at Bobst, across the Square).

(Aside from such contractual rewards, NYU also has allowed the president to hand out valuable favors unofficially. For his son Jed and family, NYU provided *two* faculty apartments at 240 Mercer, combined into a duplex, although Jed Sexton had no NYU affiliation, and NYU was in the midst of a "severe housing shortage, especially of larger units"; and, for Pres. Sexton's good friend Henry Louis "Skip" Gates, NYU provides a luxurious two-bedroom faculty apartment at 120 W. 15th St., even though Prof. Gates is on the faculty at Harvard, with no affiliation here. Both stories were reported by the *New York Post*, which noted that the lucky tenants paid, or pay, discounted rent, as if they were NYU faculty.

(Meanwhile, NYU also has provided Pres. Sexton with a further opportunity for profit—one so far unreported by the press: a "business relationship" with Jay Furman, real estate developer and NYU trustee, lasting from 2008 through 2013, and, presumably, until Mr. Furman's passing earlier this year. NYU's 990s offer no details of that "relationship," nor has the Board been asked to justify it, as it would seem to be a stark conflict of interest.)

### ***Still more millions draining upward***

That, with all this (and maybe more), Pres. Sexton has been "grossly under-compensated," in the eyes of Messrs. Lipton and Langone, and, evidently, many others on the Board, helps explain why NYU today stands at the forefront of the academic trend toward ever larger managerial elites: a trend that has corrupted universities throughout the nation and beyond, making them increasingly top-heavy, bureaucratic, anti-intellectual (if not downright repressive)—and unaffordable. "A major factor driving increasing costs," the *New York Times* reported on April 4, "is the constant expansion of university administration."

While such "administrative elephantiasis" is now a global epidemic, striking universities on several continents, NYU stands out as an extraordinary case—perhaps because no other university is so completely dominated by high rollers used to the expansive hierarchies of corporate management. Since Mr. Lipton took the helm in 1998, he has forged NYU's Board into a group of overseers

exceptional in Academia not only for its size—95 members, including Life Trustees and Trustee Associates—but for its total lack of academic members, and, therefore, unimpeded dominance by Wall Street bankers, corporate lawyers, hedge fund managers, construction barons and real estate developers: i.e., the power elite of New York City (along with certain mighty players from Abu Dhabi and Shanghai).

Such a group is likely to agree with Messrs. Lipton and Langone in seeing no wrong in Pres. Sexton's regal "compensation"—or in "the constant expansion" of NYU's managerial apparatus, despite its ever-higher cost. Indeed, considering their business interests, many trustees surely see a benefit in overpaying NYU's upper managers (including deans), whose six- and seven-figure salaries naturally incline them not to join the faculty in questioning the Board's designs, but to help the Board impose those plans no matter what the faculty may think of them, or do to stop them, for the welfare of the university.

Whether it's an automatic feature of bureaucracy itself, or the upshot of reflexive efforts to buy off NYU's "leadership," or an expensive combination of the two, NYU's upper management continues to metastasize—at ever greater cost to NYU itself, especially our students (and their families).

From 2011 through 2013, according to NYU's 990s (the latest publicly available), the 21 administrators deemed "essential personnel" saw their total salary jump from **\$20,496,794** to **\$23,590,458**. That increase represents an average raise of 23.3% among those at the university, and 15.2% among those at NYU Langone; or, to put it more concretely, a gross increase of **\$3,093,664**.

If it were put toward financial aid instead of further swelling those few salaries, that money would have covered tuition and fees (\$46,170) for 67 students for one year. Nor would the benefit have ended there, since any student needing such assistance, and/or that

#### SALARIES: NYU LEADERSHIP (NON School of Medicine)

EMPLOYEE	COMPENSATION		% CHANGE
	2011-2012	2012-2013	
John E. Sexton	\$1,473,753	\$1,506,684	+2.2
Robert Berne	\$1,238,387	\$1,292,797	+4.3
Bonnie Brier	\$ 607,378	\$728,218	+19.8
Martin Dorph	\$ 562,713	\$710,266	+26.2
David W. McLaughlin	\$ 629,330	\$636,220	+1.0
Jess Benhabib	\$ 460,325	\$474,107	+2.9
Alison Leary	\$ 344,399	\$465,813	+35.2
Tina Surh	\$ 857,086	\$1,673,598	+95.2
Debra LaMorte	\$ 536,189	\$641,997	+19.7
Marilyn McMillan	\$ 338,759	\$379,913	+12.1
Linda Mills	\$ 482,491	\$662,299	+37.2

AVERAGE INCREASE = 23.3%

#### SALARIES: SCHOOL OF MEDICINE LEADERSHIP

EMPLOYEE	COMPENSATION		% CHANGE
	2011-2012	2012-2013	
Andrew Brotman	\$1,362,534	\$1,469,262	+7.8
Robert Grossman	\$4,147,168	\$4,397,710	+6.0
Steven B. Abramson	\$ 898,334	\$999,303	+11.2
Dafna Bar-Sagi	\$ 697,260	\$906,851	+30.0
Vicki Match Suna	\$ 814,378	\$922,122	+13.2
Michael T. Burke	\$1,191,876	\$1,311,158	+10.0
Annette Johnson	\$ 838,129	\$929,009	+10.8
Bernard Birnbaum	\$1,475,573	\$1,587,131	+7.5
Nader Mherabi	\$ 627,440	\$969,486	+54.5
Nancy Sanchez	\$ 913,292	\$926,514	+1.4

AVERAGE INCREASE = 15.2%

student's family, would, of course, be going into debt to fund that year, at rates of anywhere from 4.66% to 18%.

And so, if that **\$3,093,664** had relieved those 67 students of their debt, instead of overflowing the coffers of those 21 administrators, it would have saved the students between **\$4,305,152** and (worst case) **\$8,966,946** in interest, over 15 years.

### ***Millions blown on management—for what?***

Thus such redistribution would have been a sound investment, by any proper *academic* standard. On the other hand, one wonders what the rationale might be for all those millions squandered at the top.

For example, the second-largest of those raises—54.5%—went to Nader Mherabi, "senior vice president and vice dean, chief information officer, [who] is responsible for all information technology (IT) activities for NYU Langone Medical Center," according to NYU Langone's website.

Whatever justified VP Mherabi's boost in pay for those two years (from **\$627,440** to **\$969,486**), it evidently wasn't the "IT activities" at NYU Langone, whose faculty report a world of problems in the system there, despite its (typically) exorbitant expense: "They spent **\$250,000,000** to install EPIC,\* a hospital-based program, and the clinicians all hate it. It's not user-friendly and adds significantly to the time it takes to do their jobs." "The EPIC system has generally been an 'epic' disappointment," reports another member of the faculty.

Colleagues point to flaws in several other IT programs at Langone, one professor noting "problems with the PACS system [for medical imaging], and the dictation system that we use for looking at and dictating reports on Radiology images." Another comments that the finance program, "which is supposed to let you track your grants and discretionary funds, is impossible to navigate and also full of bugs. The last time I used it, it gave me access to someone else's grants."

"Complaints about IT at Langone have been continuous for the last 7 years." That consensus leads us to ask why NYU has so generously rewarded the executive in charge of Langone's IT system (while underpaying the staffers who maintain it).

There's also a certain mystery to the largest of the whopping raises handed out in those two years: for Tina Suhr, NYU's Chief Investment Officer, whose salary skyrocketed from **\$857,086** to **\$1,673,598**: an

awesome boost of **95.5%**, or **\$816,512**—enough to pay one year's tuition and fees for 17 students.

What makes that raise mysterious is not that Ms. Suhr seemed incapable: on the contrary. Noted as a savvy financier since starting her career at Bain & Co., Ms. Suhr did a brilliant job as CIO, swelling NYU's endowment by committing nearly half the funds at hand to "hedge fund vehicles" (according to Risk.net). "She has been credited with modernizing [NYU's] investment portfolio, which has grown from \$1.5 billion to \$3.5 billion, improving returns and reducing risk, reports *Institutional Investor*.

The mystery here arises from Ms. Suhr's abrupt "decision," on Dec. 2, "that it was the right time for her to leave," as she did a few weeks later. The Board is seeking her replacement. (Now a "private investor," Ms. Suhr recently took part in the Cayman Alternative Investment Summit.)

\* \$250,000,000 was the figure reportedly announced by the administration. According to *Crain's Health Pulse*, NYU paid Epic Systems Corp. **\$186.4 million** just for the equipment and installation, not the service contract. (NYU Langone also spent **\$30 million** on Click, a program for doing grant proposals, also much-criticized by those who try to use it.)

### ***And that's not all...***

By 2013, those 21 administrators were making **\$23,590,458** (or **\$1,123,355** per person). That sum would put 127 students through *four years* at NYU, or cover *one year's* tuition/fees for 510 undergraduates. On the other hand, student loans to cover those expenses would incur a total debt, over 15 years, of somewhere from **\$32,770,560** to **\$68,026,350**.

Excessive as it is, moreover, that year's total salary for those 21 "essential personnel" actually *under-represents* NYU's overpayment at the top, as it does not include the compensation of four others who had recently departed. (NYU ordinarily reports the salaries of its 25 top officers.) For the period 2010-2012, those four were paid as follows:

> *Vivian Lee, Senior Vice President and Chief Scientific Officer at NYU Langone, was paid **\$534,000** for half of her last year in that position. (She went on to serve as CEO of University of Utah Health Care.) Thus NYU reported a 54.4% decrease in her salary of \$1,165,751 for 2010-2011. (The year before, VP Lee's salary had jumped **\$187,005**, or 19% from **\$978,746**.)*

> *Rosemarie Loffredo, NYU's Treasurer and Vice President for Financial Operations, was paid **\$447,353** for nine months of her last year in that position (before moving on to serve as Interim CFO at Pro Mujer, a women's development organization). Thus NYU reported an increase of **\$94,861**, or **27%**, in her prior salary of **\$352,492**.*

> *Michael Alfano, Jacob Lew's successor as Executive Vice President (tasked with managing "the University's budget and finance operations, the human relations division, and the real estate, planning, and construction operations"), made **\$1,168,040** in his final year at NYU—a jump of **\$560,180**, or **92%**, from his prior salary of \$607,860.\**

> *Anthony Shorris, Vice Dean, Senior Vice President and Chief of Staff at NYU Langone, saw his salary jump from **\$491,088** (he had been hired in the middle of 2012) to **\$1,039,998**—an increase of **\$548,910**, or **112%**.*

*(Mr. Shorris left NYU Langone to serve as First Deputy Mayor of New York City. On his departure, Ken Langone replaced him with Joe Lhota, Republican mayoral candidate in 2013.)*

For the period 2010-2012, NYU paid those last three officers, *in raises alone*, **\$1,203,951**—enough to pay one year's tuition/fees for 26 undergraduates, saving them, in interest over 15 years, from **\$1,670,656** to **\$3,479,710**.

\*That boost may have included a length of service bonus, as EVP Alfano retired, at 66, on Sept. 1, 2014, "to spend more time with my six grandchildren." Since then, however, Dr. Alfano—former Dean of NYU's College of Dentistry—has continued on the Board of Dentsply International, "a leader in consumable dental products," and as a paid consultant to the Academy for Academic Leadership (AAL), "the preeminent consultancy for individual and organizational leadership development in the academic health professions." ("I advise clients on curriculum design, finance, budget and clinical operations," reports Dr. Alfano on his LinkedIn page.)

Dr. Alfano's recent stock transactions are online at [inance.galioninquirer.com/what-are-the-latest-stock-transactions-by-michael-c-alfano/xray/executive/michael-c-alfano/michael-c-alfano.htm#privatesale](https://finance.galioninquirer.com/what-are-the-latest-stock-transactions-by-michael-c-alfano/xray/executive/michael-c-alfano/michael-c-alfano.htm#privatesale)

### ***What lies beneath***

Excessive on its face, such largesse at the top is all the more appalling for the widespread poverty and debt enabling it. Our students have paid dearly for it, not just in money but in common hardships that NYU's Board and managers shrug off, and that the faculty has tolerated far too long.

Our students pay in homelessness and hunger, bone-weariness, and/or severe emotional distress brought on by overwork and the inordinate

financial pressure. Among our female students, hundreds—more than at any other university—pay by having to resort to prostitution, through online "dating" services that cater to affluent older men. (We have been compiling student narratives of such ordeals, which we will publish next semester.)

Less dramatically, but often no less painfully, our students also pay through deprivation of essential services such as the Wellness Center, Writing Center and the Moses Center (for disabled students)—resources which NYU underfunds while squandering billions on top management and real estate. They also pay who run afoul of a bureaucracy dysfunctional because of ruthless budget-cutting at its lower levels, leaving countless students often struggling over billing errors, late paychecks, snafus in financial aid and other time-consuming glitches. And while NYU's top brass live in luxury, our students' dorms are often crumbling, cramped, under-heated, without air conditioning or otherwise neglected.

These are chronic problems that the Sexton Plan won't solve, however much it costs: on the contrary.

***Conclusion: What NYU owes our students (and their families)***

In light of NYU's astonishing financial practices, we hope that you will join us in demanding that the Board give comprehensive and specific public answers to these questions:

**> How much does the Board pay NYU's administration altogether, and how much has that sum increased since 2002?**

**> How many administrators are there, and what are their respective titles and responsibilities?**

**> How much does NYU spend on advertising, PR, lobbying, legal fees, management consultants and recruitment practices**

**abroad, and how much has the total sum increased since 2002?**

**> What buildings does NYU own, rent or control throughout New York City, the US and abroad? Of those NYU owns, what did they cost, and how much has NYU spent on renovations?**

We believe the Board is obligated to provide this information, because of NYU's non-profit status, and as a consumer service to our students and their families, who have given NYU so much, with no idea where all that money goes.