

OFFICE OF THE PRESIDENT

MEMORANDUM

TO: LIU Community
FROM: David J. Steinberg
DATE: October 25, 2012
SUBJECT: University Update

At the beginning of the semester, I announced my intention to retire at the end of this academic year. In close consultation with Chairman Travaglianti, I have been planning this transition for nearly five years. It has been an honor beyond compare to serve as your President for more than a quarter of a century. Over the past weeks the Board of Trustees has created a search committee, retained experienced professionals to manage the search process, and invited faculty leadership and other stakeholders to become actively engaged in the process. Public forums on both residential campuses have helped the search firm to take the University's pulse and to learn more about our unique place in the higher education firmament. The Board's goal is to select my successor by some point in the spring of 2013. I look forward to working with her or him towards a seamless transition.

In the meantime, it is my task and yours to keep our University on a steady course moving forward, even as it continues to sail in the rough seas of a bad economy. Education nationally is under assault. Technology is up-ending the economic and educational models of higher education institutions. A recent article in the Wall Street Journal began by noting, "Higher education is at a crossroads not seen since the introduction of the printing press." Not surprisingly, these were among the topics on which the Board focused at its recent Annual Meeting and Retreat.

LIU's next President will inherit an institution with a proud history of resilience, nimbleness and creativity. I fervently hope that among her or his opportunities to advance the University will be a fully reconstituted institution-wide structure of shared governance, one that properly represents its key stakeholders. LIU needs this. Undoubtedly, among the challenges to be addressed is the development of LIU in the online marketplace, a critical initiative that cannot wait until a new President arrives. We must continue to build the foundation for this effort. Thus, the trustees have established an ad hoc sub-committee of the Board's Planning Committee, which is being chaired by LIU Post alumnus, Richard Nespola. To sustain momentum, a timetable has been established, a set of tasks defined and a business plan to ensure financial viability begun. Ultimately, this new endeavor, with intensive faculty input, must identify and articulate a vision if the University is to find a successful niche in this new era of delivering education.

The Board elected four new trustees at its meeting, men and women whose skills will be vital to sustain LIU in the decades to come. Joining the Board are: Rossana Rosado, publisher and editor-in-chief of *El Diario / La Prensa*; Rao Anumolu, founder and CEO of ASR International Corporation, a global services supplier of compliance and quality control to some of the world's biggest corporations; Danny Simmons '85, a Brooklyn alumnus and a leader in the arts revival of downtown Brooklyn; and Charles Zegar '71, also a Brooklyn

alumnus, who recently retired from his executive position as Chief Information Officer for Bloomberg LLP. At the same time the Board accepted with regret the resignation of David Lipka, George Engelke and Roland DeSilva P'62, each of whose service has been much appreciated.

The Board continues to monitor the progress of and preparations for the Middle States accreditation visit next spring. The Evaluation Team Chair, Dr. Jack Varsalona, has reviewed an early draft of our Self-Study Report. (That draft has also been shared with the entire University community for review and feedback.) President Varsalona has just completed a preliminary visit to LIU to get a first-hand sense of our institutional reality. In December the final Self-Study Report will be shared with the Board for review and approval before it is sent to Middle States early in 2013. As many of you know through your own participation, this acceleration of activity will continue throughout this academic year.

The Trustees remain concerned about both enrollment of new students and retention of continuing students. The preliminary two-week enrollment report showed that total enrollment for 2012-2013 was down by 1.3%, whereas the budget for the current year anticipated modest increases. Every 1% change in enrollment levels equals slightly more than \$4 million of tuition revenue. Thus, even this slight decline puts substantial pressure on the institution's budget and many of its activities. The University has been forced to take a series of actions, including a hard freeze on new hires, deep cuts in non-mandatory general expense lines and other expense reduction measures to ensure a balanced budget. Collectively our task remains to sustain our educational offerings and the quality of student experience while managing leanly. Alas, there are no easy solutions and no evidence of rapid recovery in the larger economy. Our mettle is being tested in ways we have never seen before.

In an encouraging presentation to the Board, several LIU Post faculty members described a set of initiatives underway at that campus to improve student learning outcomes and enhance engagement. This and similar LIU Brooklyn efforts, especially around learning communities, are noteworthy examples of our institutional creativity. Another such example is the Treasurer's success in restructuring three issues of fixed rate bonds (1999, 2003A and 2003B) so that instead of paying just under \$92 million of debt service for the life of the bonds we will pay only \$82 million, saving nearly \$10 million over twenty years, or \$500,000 a year. I am delighted to note that among the institutional purchasers of our bonds are Goldman Sachs, Vanguard, Oppenheimer, Putnam and USAA insurance. As of August 31, 2012, the University's endowment stood at \$82.4 million, including pledges receivable of \$2.9 million.

The apocryphal Chinese curse is "May you live in interesting times." We certainly do! There are rocks and shoals making it difficult to reach safe harbor easily and fierce cross currents yet to be navigated. I have learned a lot about this University – the place and the people – in my quarter century of service and I have limitless faith in both. But to succeed we cannot be oblivious to those risks or naïve about our vulnerabilities. We have a noble mission: to provide a quality higher education opportunity to men and women who otherwise might not have a chance. In our own modest way, we are defenders of the American dream. We add enormous value to our students' lives, helping them to acquire proficiency in critical thinking, to gain an aesthetic appreciation, to enhance communication skills, and to alter the trajectories of their lives. Our covenant with these men and women has been, is, and will continue to be our sacred priority.