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David J. Steinberg, President

Memorandum

TO: Long Island University Community
FROM: David J. Steinberg
DATE: February 25, 2010
SUBJECT: The National Economic Crisis and Long Island University, VIII

The Board of Trustees held its winter meeting on February 2nd, and in keeping with my commitment to use these meetings as mileposts to update the University community on our current situation, let me detail some of the highlights of that meeting and other recent activities.

On January 28th, Michael Devine, a graduate of the Brooklyn class of 1968 and a University Trustee, attended a Brooklyn Campus Faculty Senate meeting for the first time. A few days later, Professor John Ehrenberg, the President of the Brooklyn Campus Faculty Senate, came for the first time to a meeting of the Board of Trustees. With this exchange, the governance agreement with the Brooklyn faculty was consummated. When Professor Ehrenberg joined the Trustees at the Board table, he joined Professor John Lonie, the current faculty representative of the Arnold & Marie Schwartz College of Pharmacy and Health Sciences. Professor Lonie has been attending Board meetings for several years. Both the Administration and the Board were delighted to welcome both faculty representatives. These times are too perilous not to have the faculty voice heard by the Trustees and the Trustee viewpoint articulated to the faculty. The invitation to the C.W. Post faculty remains open, and, hopefully, it too, will enter into this reciprocal governance arrangement. A candid dialogue between the senior officers and the full faculty began a few days after the Board meeting with the joint commitment to continue these productive discussions later this spring. It is a promising beginning.

The Administration reported to the Trustees on enrollment, clearly one of the vital indicators of the health of our institution. As of February 1, 2010, overall enrollment was virtually flat compared to the previous year. Within that total number, graduate enrollment was up 2.96 percent. Unfortunately, undergraduate enrollment, by far the larger cohort, was down in enrollment 2.7 percent. The decrease in matriculated undergraduates, both newly admitted and returning, reflects the financial stress felt by virtually all of our students and their families. Both campuses have witnessed a sharp spike in appeals from parents and students for emergency financial support, including loans.

Retention must be a vital concern for every employee of this institution. We fail in our mission every time a student withdraws for any reason, and our University can ill afford to lose net tuition revenue when a student chooses to go elsewhere or is forced to drop out for financial reasons. As the newspapers have reported frequently, students, both new and returning, have rushed toward public sector institutions because of the apparent disparity in price. In reality, the actual cost of attendance to the student, after financial aid, is often the same as or less than the sticker price of many publicly supported four-year Universities. As many of you already know, financial aid was increased for this current year by more than \$7.6 million. But even that sum did not begin to address our students' needs. Retaining freshmen is of paramount importance. If we could match the fall retention levels of many of our peers, we could generate an additional \$3 to \$4 million annually from both residential campuses for use in the general fund.

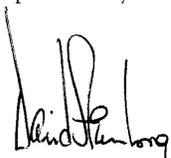
The Board and, in particular its Budget and Finance Committee, continues to monitor the 2009-2010 budget very closely, assessing where we stand now that the second academic term has opened. Through the efforts of many of you, the actual enrollment results were stronger than those projections made almost exactly one year ago. At this moment, therefore, the University projects a very modest surplus of \$921,000, although summer revenue remains opaque and such a tiny surplus can disappear after several major snowstorms or a sudden spike in utility costs or any number of other possible events. Obviously, we are in a better place than if we still had to continue shrinking expenses to align with revenues. But only after we have successfully rebuilt total enrollment to 2007-2008 levels – new students and retained – can we hope to recover our institutional health and muscularity. If metaphorically we are no longer in an emergency care unit, we are certainly not yet strong enough to be discharged.

The Board of Trustees is acutely aware of its fiduciary obligations in managing the endowment. Those Trustees who serve on the Investment Committee are knowledgeable and skilled professionals. They take very seriously the obligation of nurturing the University's precious resources. As of December 31, 2009, the market value of the endowment was \$77.1 million compared to a year earlier of \$68.7 million. At its peak, the University's endowment reached approximately \$93 million. The sustaining challenge for our Trustees, therefore, is to minimize risk while still investing for growth.

Fundraising efforts remain in high gear. There are four, separately focused “mini” campaigns – Brooklyn, C.W. Post, the Arnold & Marie Schwartz College of Pharmacy and Health Sciences, and Tilles Center – with a shared emphasis on deferred gifts. At the same time, there is also a heightened effort to increase the flow of cash for current operations through alumni appeals, phone-a-thons, and increasingly, web-based fundraising. The new PeopleSoft platform will allow our University to use digital techniques to stratify our appeal and to reach particular cohorts of the 181,000 living alumni. The University has met annual goals of \$10 million in fundraising for the past three years and beyond and expects to achieve that goal this fiscal year.

The new University website will be launched in early March. The Board has been closely monitoring this project for several years and has seen a demonstration of the new University and Campus homepages. Technically this has been an enormous task. Already tens of thousands of pages of text have been written in conformity with new business practices and current course offerings and uploaded with many thousands still to come. The initial roll-out will not include all academic units or discrete campuses of the University, but it will dramatically change our marketing for new students to enroll on each campus. And it will provide a template by which the University can sharpen its brand going forward. Meanwhile the University is sustaining its commitment to market itself through traditional media, spending just under \$5 million this year to advertise and market its programs.

In sum, the Great Recession has not prevented the University’s growth and development. New programs are being established, new ways of delivering education are being introduced, and thirty searches for new faculty have been authorized. A University is its people, especially its faculty, and based on the response we have seen this past year, I speak for my colleagues and for the Trustees in predicting that our future remains a very positive one.

A handwritten signature in black ink, appearing to read "David J. Steinberg". The signature is stylized and cursive, with a large initial "D" and "S".

David J. Steinberg