



UNIVERSITY CENTER
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David J. Steinberg, President

Memorandum

TO: Long Island University Community
FROM: David J. Steinberg, President
DATE: November 19, 2008

The contours of our fiscal realities are now clearer than when I wrote to the University Community on October 14, 2008. As I promised then, I will continue to share with you our current situation. Let me outline the initial steps the University Officers and I have authorized to address our budgetary challenges. The situation remains fluid, of course, including enrollment levels for the spring and summer semesters of 2009. Will they be similar to years past or not? No one can predict how deep this recession will be or how long it will last, but all of us must do everything within our power to sustain our University's momentum and to ensure that each and every one of our students gets the superb education he or she seeks. We have a covenant to deliver on our mission in good times and bad.

At the core of our problem is the economic crisis now spreading into the homes of many of our students and their families. Enrollment is down this fall about 3%, spread equally across our several campuses. There have been many layoffs both in the City and on Long Island that have upended the economic lives of many families. There are too many students whose parents have suddenly discovered they cannot get a second mortgage, as they anticipated, to pay for college tuition. If General Electric could not get credit from its banks, our students, many still underage, have found the loan window at their local banks closed to them. We must recognize the severity of the squeeze our students are experiencing financially.

Lacking a large endowment we, a tuition-dependent, private sector institution, can discount tuition only so much. There is a shortfall, not easily filled, especially since there are other budgetary constraints, including a drop-off in fundraising, slippage in ancillary income, and normal budgetary assumptions of savings from unfilled positions and general expenses (approximately \$6 million). Like every other endowment in the nation, our investments are down. We have a shortfall in tuition and fee revenue of approximately \$6 million for the fall term alone. Though it is premature at this time to measure precisely what will happen to enrollment later in the year we need to be realistic and assume shortfalls will persist in the spring and summer terms. We are doing what is necessary to keep the University in balance based upon what we now know and what we can reasonably estimate with the understanding that we may have to take additional steps as circumstances warrant.

At the Board meeting held yesterday, November 18, 2008, the Trustees approved the first phase of what may eventually become a multi-phase action plan. It is based on several bedrock assumptions. First, our students and their needs must remain paramount. We must do everything within our power to protect the quality of their education and to ensure that they can complete their degrees in a timely manner. Second, as a caring community, we must do our best to protect our work force by searching elsewhere for the necessary savings. These assumptions will require sacrifices from us all but it is in the soul of this institution that we do what is possible to protect the jobs of the men and women who serve Long Island University.

In keeping with these priorities, we have instituted a hard freeze on all new appointments. We will have to forego for the immediate future the energy and talent of new employees - people we need and would like to hire. By taking this step, we can save approximately \$8 to \$9 million, including fringe benefits, this fiscal year. To be sure, there will be certain positions vital to the ongoing functioning of the institution or faculty lines required to protect accreditation that must be filled. These will be scarce exceptions and will require the approval of the University Officers and myself.

In addition, we will limit overtime only to those situations where life safety and essential operations mandate approval. The removal of snow, for example, is essential to the normal operation of the University and must be countenanced. Other operations that can be postponed or delayed will be. Realistically, we believe this can save in excess of \$1 million on an annualized basis.

We are reducing non-salary expenses by a minimum of 10% at this time (a savings of \$4 to \$5 million) and we may be forced to cut them even deeper later in the year. Overnight mail delivery services must be replaced by regular mail, subscriptions pared back or eliminated, and so on. In many ways large and small we, the people who live and work here, will notice the contraction of services and the constriction of desirable but ancillary activities, but our goal is to do nothing that weakens the central mission of delivering education to our students.

In the months ahead, we will take certain steps to streamline further our business processes. We will review the total range of activities to see where we can find efficiencies. We will also address long-term structural modes of operation which can lead to substantial savings in the years to come, if not in this fiscal year. With appropriate consultation we will seek to introduce new program initiatives at both graduate and undergraduate levels to make Long Island University more attractive to prospective students, including offering retraining options and new career directions for those caught in the recession. And we will continue to pursue the well-developed objectives articulated by the Strategic Agenda, including a new commitment to blended and distance learning. It is vital that we sustain the University in its competitive position in the years to come.

We are living through an historic, if stressful time. I ask for your active engagement and willingness to do more with less. I also ask for your good will and collaboration. We are the stewards of a caring and proud institution; it is our challenge to reach safe harbor even though the seas are stormy.

A handwritten signature in black ink, appearing to read "David J. Steinberg". The signature is written in a cursive style with a large, prominent initial "D".

David J. Steinberg