

LONG ISLAND UNIVERSITY
OFFICE OF THE PRESIDENT

MEMORANDUM

TO: Long Island University Community
FROM: David J. Steinberg, President
DATE: October 31, 2011
SUBJECT: University Update

Despite two faculty strikes during the opening days of the academic term, we are off to a good start for the year. I understand the frustration in the faculty and, indeed, in all our employees who are working without a salary increase. The administration takes no delight in such a constricting wage policy. We are, of course, mindful of the financial stress imposed on each household, but the simple fact is that LIU, like virtually every other not-for-profit and government-funded institution in the nation, is struggling to maintain its level of services, in our case, high quality education, in an era of severe national economic contraction. Seventy percent of all University expenditures are directed to employee compensation, and finding the balance between salary and tuition increases is one of the hardest challenges that I personally have had to address. Because we are living through extraordinarily difficult times, we have no choice but to do more with less. This is a moment, therefore, when our mettle as an institution is severely tested.

The University ended the 2010-2011 fiscal year with an unaudited “excess of revenue over expenses” of \$107 thousand, a razor thin sum when measured against the unrestricted budget of more than \$377 million. In comparison, the University had an “excess of revenue over expenses” of nearly \$8.9 million in the prior academic year. Even that larger sum was painfully inadequate, since the institution annually should generate a surplus of at least \$20 million to maintain and improve its plant, to increase the size of its endowment, and to strengthen its Standard & Poor’s and Moody’s bond ratings. This fiscal reality governs virtually every institutional decision, including the consolidation of health plans under one carrier to help reduce escalating health care costs. The one major exception is in the hiring of new faculty and the awarding of tenure. New faculty hires represent the future promise of our University and over the last decade, the University has hired a total of 249 new full-time faculty and also has tenured 185 professors. Last year the University tenured seventeen.

The Board of Trustees met for its first meeting of the academic year on Friday, October 21st. It discussed these fiscal realities and also reviewed this year’s student enrollment. The University’s total enrollment is virtually flat with undergraduate enrollment up by 1.1% and graduate down by 3.8%. Brooklyn Campus enrollment is up 3.5%, while C.W. Post’s number is down 2.5%, primarily because enrollment in the College of Education, the largest program at Post, is off sharply. Every percentage point in total enrollment equates to approximately \$3 million dollars of net revenue.

Because the University is so tuition dependent, its future success is organically linked to growth in new enrollment and to enhanced retention of existing students. It is for this very reason

that the Board of Trustees voted unanimously to authorize a landmark rebranding and recruitment initiative, something it has sought for many years. The goal is to increase enrollment by establishing a unified LIU identity that distinguishes our University in an over-saturated marketplace, while capturing elegantly and succinctly our student-centric mission of Access and Excellence.

The University's new logo, visual identity program and marketing campaign, which will launch in January 2012, will seek to "dominate" our target markets for several key months in both traditional and digital media, with the latter expanding dramatically and providing a national and global reach. We seek to impact our enrollment for the 2012-2013 academic year and beyond. A key goal is to unify our current multiple and very distinct marketing efforts in order to leverage most effectively the \$6.1 million in existing marketing and advertising budgets. With a new logo and a compelling tagline, each ad will benefit every campus. The campaign provides a strategic template that will allow us to highlight student aspirations and achievements, to celebrate our faculty in their roles as scholars and educators, to illuminate each campus's unique strengths and offerings, and to reinforce the notion that every unit of our University is an integral part of one of America's largest private universities.

The new University-wide visual identity program will feature clear and concise references to each of our campuses. By using an abbreviated logo of the campus name, we will present the University in a contemporary way designed to appeal to future students and other stakeholders. We will consistently show the connective tissue of our University as well as the historical traditions and unique advantages to be found on each campus. We are confident that this new approach will raise our institutional appeal among prospective students who seek to gain for themselves a higher orbit of opportunity and will foster greater pride of affiliation within our network of nearly 200 thousand living alumni. It is the conviction of the Board that such an integrated campaign will maximize our marketing efforts, an essential ingredient to ensure the University's future prosperity.

University governance also remains a top priority for the entire institution, and I am delighted to note the progress underway in establishing a reconstituted University Faculty Senate. There are policy issues in the academy that transcend any campus, school or program. Such issues are best addressed by the full faculty through its elective processes. Under the terms of an agreement negotiated in 2006 by representatives of the several faculties and the Board of Trustees, four elected faculty representatives, one from the Arnold & Marie Schwartz College of Pharmacy and Health Sciences Faculty Senate, one from the Brooklyn Campus Faculty Senate, one from the C.W. Post Campus Faculty Council, and one from the soon-to-be reconstituted University Faculty Senate will attend Board meetings. In the same way, additional individual faculty will be chosen by their colleagues to sit with the several committees of the Board. And, in a reciprocal fashion, individual Trustees will be welcome to sit with the several faculties when they meet in plenum and in committees.

Professors Sarah Gronim and Margaret Boorstein from C.W. Post and Professor José Sanchez from Brooklyn shared with the Board their progress in leading faculty efforts to create and implement Learning Communities at both residential campuses. These new clusters of courses are designed to stimulate both faculty and students and to offer exciting new modalities for teaching future generations of students. The concept is to bring two or more faculty members from different disciplines to teach about a common subject from multiple perspectives.

The Board elected two new Trustees. Roger Bahnik, an Oyster Bay resident, is Chairman and CEO of Mill-Max, a global engineering and manufacturing company. He is cosmopolitan, keenly interested in education and active philanthropically in several organizations on the North Shore of Long Island. Shirley Strum Kenny, former president of both Queens College and Stony Brook University, brings to us a lifetime of knowledge about higher education and University governance. She will serve as Chair of the Academic Affairs Committee of the Board. Both add great luster and distinction to our Board.

The University has retained a new endowment investment advisor, Global Endowment Management (GEM) after an exhaustive, national search. GEM is managed by a team that previously managed the Duke University Endowment Fund and the Duke family investments. GEM will assume direct responsibility for asset allocation, manager selection, risk management and investment reporting of the University's Endowment Fund. Because of recent volatile markets, the value of the University's endowment fund stood at \$74 million on September 30, 2011, compared to the year-earlier value of \$80 million. The University clearly needs to maximize the endowment's total investment return, consistent with appropriate risk parameters. The Board mandate to GEM is, therefore, to grow prudently the endowment's pool of funds available annually for programmatic and scholarship use by the University.

The University will be working diligently over the next year to complete its decennial Middle States Self-Study Report. Reaccreditation is vital to remaining eligible for federal funding (the University now either receives or administers more than \$200 million of federal dollars annually). Measuring student learning through assessment; detailing how strategic planning and budgeting advance our mission and inform our programmatic decisions; and demonstrating our effectiveness in delivering institutional services to our students are the critical tasks for all of us, including the Board. I thank the literally hundreds within our University family who are participating in this critical University-wide effort.

In sum, despite today's economic realities that impact negatively on each of us individually and the University's balance sheet and operating budget, LIU remains a vibrant and innovative place to learn, whether by traditional modes of instruction, or, increasingly, by 21st century options utilizing digital technology. By their act of trust in enrolling at one or another of the various campuses of LIU, our students remain wonderfully bullish about us and their futures, offering the rest of us an important lesson in optimism. We must not be like Eeyore, living in the "gloomy part of the forest." Our mission remains constant. We must educate each student as if he or she was our only charge, sending each forth as thoughtful, humane citizens of the world, well trained and able to make a difference in this new millennium.