



UNIVERSITY CENTER
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David J. Steinberg, President

Memorandum

TO: Long Island University Community

FROM: David J. Steinberg

DATE: May 6, 2010

SUBJECT: The National Economic Crisis and Long Island University, IX

The Board of Trustees met on April 20, 2010. Among other things, the agenda focused on the conferral of tenure, an annual review of enormous importance to the University's future. The review process was a vigorous one with both the Brooklyn and College of Pharmacy faculty representatives in attendance at the committee meeting and at the full Board discussion. The Board, accepting the recommendations of the Academic Affairs Committee, affirmed not only the excellence of these particular candidates but also its ongoing confidence in the future vitality of the University. The tenure class of 2010 will prove to be an outstanding one with fifteen members of the faculty awarded life-time contracts.

The trustees also devoted substantial attention to the University's endowment portfolio and to the 2009-2010 budget. The Chairman of the Investment Committee, Howard Lorber '70, detailed the performance of the several money managers. He also reviewed the University's investment strategy, including asset allocation. The endowment, which had dropped from an all-time high of approximately \$93 million to \$66 million, has recovered to more than \$80 million.

The Board was pleased to receive the budgetary report from the Chair of that trustee committee, Michael Emmerman '67. Ninety-five percent of the University's revenue comes from tuition, fees, room and board. Every one percent of enrollment generates approximately \$3 million of revenue. When this year's budget was approved last June, the University was projecting a deficit of \$8.5 million, because the enrollment assumptions included decreases of three and a half percent for undergraduates and one percent for graduates. The University simultaneously increased its scholarship assistance to \$72.5 million in an effort to meet the pressing needs of our students. The actual enrollments proved to be flat across the system with Brooklyn slightly ahead and Post down. As of March 31 (with most of the spring revenues now booked and known) the University is projecting a modest excess of revenues over expenses of \$641,000 for the fiscal year ending August 31, 2010. In sum, while enrollment is stable at last year's levels, the University is still down significantly from where it was several years ago.

By managing carefully the expense side of the budget, we have stabilized our finances. But caution dictates that we approach 2010-2011 with great care. Certain activities must be undertaken. Even if enrollment were to be flat, there are many essential faculty and critical staff appointments to be made. The financial aid budget must continue to grow both to fulfill our mission and because it is the best way to ensure healthy enrollment. Some repairs cannot wait and improvements to our facilities are part of the dynamic growth of the University.

The University Officers are committed to academic excellence and to enhancing teaching effectiveness. The academic side of the house must be protected to the maximum extent possible. Directly related, retention of our current students must be a vital task for every employee of the University. Our mission mandates no less and there is substantial financial incentive as well. And finally, we must work towards the goal of compensating appropriately all members of our workforce, especially those who did not receive salary increases this year. Approximately eight hundred employees across the University received no salary increase this past year.

In order to be as transparent as possible, several of the University Officers and I have met with groups of faculty by school to foster dialogue and to open new channels of communication. These meetings have generated a series of lively discussions dealing with the financial health of the University and other matters. There have also been two meetings this year with the entire faculty of C.W. Post. There is now a commitment on both sides to have two meetings a term next year with the full Post faculty. And, perhaps most encouraging, faculty representatives from Brooklyn and Pharmacy have attended all the standing committee meetings as well as the full Board session on April 20th. All of these discussions have provided a new level of understanding and awareness, a transparency, and a growing trust among the trustees, administrators, and faculty of our University.

As this academic year winds down at the several commencement ceremonies, I want to pause to thank our entire community for rallying to our institution during these very difficult past twenty months. While we are captive to events in the larger economy and society -- will there be a double dip in the market, for example -- we have collectively shown remarkable creativity in sustaining our mission. All of us can take pride that more students will be graduating than otherwise would be the case because of your remarkable efforts. We have lived through a difficult trial by fire. Clearly, challenges remain, but the University's employees have shown themselves to be nimble, resilient, and humanely responsive to our students' needs.