

## UNIVERSITY CENTER

700 Northern Blvd. • Brookville, New York 11548-1327

David J. Steinberg, President

## Memorandum

TO: Long Island University Community

FROM: David J. Steinberg, President

DATE: April 27, 2009

The Board of Trustees met on April 15, 2009. Much of the meeting was focused on the University's retrenchment efforts during this continuing period of economic unrest. Let me share some of the key details discussed at that session.

We now know actual revenues through March 31, 2009, permitting us to refine further our projection of year-end results. The hard numbers remain very close to our earlier budget estimate. We still anticipate (but need to eliminate) a \$5.5 million deficit in the current fiscal year, even though we have already eliminated \$14.9 million from the original budget approved by the Board of Trustees last spring. Primarily we have accomplished these savings by establishing a hiring freeze, by curtailing all but critical overtime and by imposing a twenty percent reduction on general (non-salary) expenditure budgets.

But as mentioned above, we still face the prospect of a sizeable budget shortfall for FY2009. As we approach the final four months of the current fiscal year, the unknown factor remains summer 2009 tuition revenue. Of the currently projected deficit of \$5.5 million, our best estimate of summer 2009 tuition revenue shortfall (as measured against the budget approved last spring) is \$4.2 million. As some of you may know, summer enrollment is always notoriously difficult to predict. Traditionally the University's summer tuition revenue budget is constructed by assuming that the current year summer enrollment will be equal to the prior year's. The actual reality last year was substantially worse than we anticipated last spring, perhaps a harbinger of the economic distress so apparent by September. Though the University has developed rigorous marketing strategies aimed at improving both summer (and fall) 2009 enrollments, conservative management mandates living with prudent assumptions, including a summer revenue shortfall. I urge all of us to do whatever we can to encourage our own students or visitors to study at Long Island University this summer.

The Voluntary Early Retirement Incentive Program (VERIP) is attracting substantial faculty and staff interest, even though we are still a month away from the final application deadlines. May 8, 2009 will be the final date for non-union employees and May 15, 2009 is the last day for members of those unions that have agreed to have their memberships participate. To date 37 employees have applied to participate in the retirement incentive program.

It is impossible to predict precisely enrollment, and therefore, revenue for the academic year 2009-2010. Will there be an influx of students who originally hoped to go off-Island for college but now must stay closer to home because of family hardship? Will graduate enrollment, traditionally countercyclical in an economic downturn, grow sharply enough? Will the new federal and state efforts to help students stay in school, as well as our very well constructed campus initiatives to foster greater retention, make a difference? Will more students see us as a value proposition rather than choose to attend public sector institutions? Will students transfer to us when they discover that they cannot get into the courses and majors they want at a CUNY or SUNY institution, even though the cheaper sticker price seemed very attractive initially?

The University Officers must present to the Board in June a realistic budget for next year. That budget will anticipate graduate and undergraduate enrollments to be down (2.8% on a blended graduate/undergraduate basis) along with a reduction in endowment income and a decrease in interest earned on cash balances. Next year's undergraduate tuition rate increase has been limited to 4.9%. This is well below the rate of increase charged over the past decade.

The University's tuition remains highly competitive against the other major private institutions with whom we compete for students. Our University offers excellent value at the net price actually charged. Do note that eighty-one percent of the students at Brooklyn receive financial aid; sixty-nine percent receive some form of aid at C.W. Post and the University's overall blended rate is seventy-five percent. But when a parent has been laid off or a second mortgage denied or a student loan is unavailable at a bank window, there is an individual family financial crisis that threatens that student's ability to access our services and fulfill his or her educational goals. It challenges all of us budgetarily as we collectively must try to deliver a quality learning experience to each and every student. To address this reality, the University has implemented its Emergency Student Loan Program and is actively developing new initiatives such as an innovative University loan program for continuing students who have demonstrated solid academic progress and financial responsibility. Our students face unprecedented financial hurdles. Our core Mission mandates we do whatever we can to help them to alleviate impediments to learning and to achieve success by earning a degree.

Significantly, the Board reaffirmed its solemn commitment to protect the teaching mission of our University and it authorized the Administration to continue to strengthen the University's programmatic offerings even in this difficult era. The Trustees, committed to the long term promise of the University, granted tenure to thirteen very talented probationary faculty. Finally, it instructed the Officers to look first at all other possible expense reductions so that the core priorities of the Strategic Agenda can be shielded to the greatest extent possible.

David J. Steinberg