

# AMERICAN UNIVERSITY BUDGET

A REPORT FROM  
THE PRESIDENT



AMERICAN UNIVERSITY | FISCAL YEARS 2014 and 2015  
MAY 1, 2013-APRIL 30, 2015

Adopted by the Board of Trustees  
February 22, 2013



## REPORT FROM PRESIDENT KERWIN

The AU Board of Trustees recently approved a university budget for the next two years that carefully balances the most important needs of our constituents with sound financial management, and maintains momentum for the strategic priorities of the institution, even in a challenging economic climate.

The operating budget for fiscal years 2014 and 2015 totals more than \$1.2 billion and the updated capital budget for fiscal years 2014–2018 totals \$416 million.

The progress made in the first four years of the university's strategic plan, *American University and the Next Decade: Leadership for a Changing World*, will continue in the fifth and sixth years of implementation through the alignment of resources with strategic objectives that target substantial progress on the goals in the plan. These objectives, reviewed by the campus community and approved by the Board prior to budget proposals, guided the work of the University Budget Committee in concert with the Cabinet.

The outcome of these efforts is a plan to build upon our strategic plan investment with an additional \$59 million in funding to support strategic objectives and action steps in the next two years.

This investment is possible in part through greater efficiency before committing new funding. Given projected increases for existing activity, especially health care for employees and technology demands, we could not continue to fund strategic priorities without some sacrifice. The provost and vice presidents set aside 0.5 percent of their existing operating budgets for reallocation. The identification of these funds contributed to our ability to support the higher priority needs addressed in the budget.

Yet the most significant achievements of this two-year budget are the measures taken to address affordability. This budget includes the lowest tuition rate increase on record, dating to the mid-1970s. The total cost of attendance for undergraduate students residing on campus will increase 2.6 percent in FY14 and FY15. Financial aid increases will create additional scholarship opportunities to address need and enhance diversity. Undergraduate financial aid funding levels will rise from 29 to 30 percent.

This budget also continues an investment in our human resources. Even during the height of the recession, we have been able to recruit and retain the best faculty and staff with market-based compensation and performance-based merit increases. The budget includes a 2.5 percent merit pool in both years to continue this investment.

The balance we struck in this budget is possible only as a result of the university's positive financial standing. Our emphasis on effective enrollment management, rigorous internal controls, and the continuation of financial safeguard policies are at the foundation of that standing. This budget reflects an awareness of the complex external environment, a serious commitment to continuing the momentum gained toward achieving our strategic goals, and thoughtfulness to the needs of those who comprise our university community. I am confident that we will advance this institution to a higher level in coming years through the sound investment of our resources.

Of particular note, this budget is predicated on the following major elements:

### **Enrollment:**

- Freshmen and transfer enrollments are budgeted at 1,600 and 295, respectively, while continuing to emphasize student quality, diversity, and selectivity.
- Growth is projected in the Washington Mentorship Program with a budget of 150 students.
- Graduate, School of Professional & Extended Studies, nondegree, and law enrollments are budgeted at an achievable level.

### **Tuition, Room and Board:**

- There will be a historically low 2.95 percent increase in undergraduate, graduate, and law tuition rates in each year and a five percent increase for continuing MBA and graduate business students in FY14 (pricing for new MBA and graduate business students will follow the university's standard graduate pricing structure). There will be no increase in mandatory fees, thus tuition and fees will increase by 2.9 percent each year.
- Residence hall rates will increase 1.5 percent each year for double occupancy and 2.5 percent each year for single and triple occupancy.
- Student meal plan rates will increase 2.2 percent each year.

### **Investments in Strategic Objectives:**

Some examples of investments in strategic objectives are listed here. See highlights on pp. 10–11.

- Increased full-time faculty to enhance instructional resources;
- Expanded faculty and student research support;
- Adjunct faculty compensation in response to market;
- Strengthening our undergraduate and graduate programs;
- Augmented financial aid to support diversity initiatives including financial support for study abroad and internships for low-income students;
- Improved student services including virtual service delivery;
- Expanded student recruitment and retention efforts;
- Increased funding for new academic programs, including expansion of 3-year BA/4-year Master's programs;
- Progress toward the President's Climate Plan commitment;
- Increased support for fundraising and alumni support;
- Competitive salaries and benefits for faculty and staff;
- Benefits initiatives to comply with health care reform;
- The next phase of marketing initiatives including promotion of graduate programs, evolving the brand campaign, and renewing AU's web design;
- Increased funding support for the School of Professional & Extended Studies to deliver innovative programs;
- Advancements in technology, library, and research infrastructure;
- New sources of revenue and enhancement of existing revenue streams;
- Financing, operations, and maintenance of new facilities and renovation projects in the 2011 Campus Plan and strategic plan including a new home for the Washington College of Law at the Tenley Campus; and
- Modernization of existing institutional facilities.

I am grateful to all who participated in this year's budget process including the University Budget Committee, Board's Finance and Investment Committee, and the university community.



## FISCAL YEARS 2014 AND 2015 BUDGET HIGHLIGHTS

### **Tuition and Mandatory Fees: 2.9% increase for FY14 and FY15**

#### **Tuition:**

All Enrollment Categories: 2.95% increase for FY14 and FY15 except continuing MBA and graduate business.

Continuing MBA and Graduate Business: 5.0% increase for FY14 (pricing discontinued after FY14).

New MBA and Graduate Business: standard graduate rates apply effective FY14.

Summer: Academic year 2012-2013 rate for FY14 and 2.95% increase for FY15.

Summer Continuing MBA and Graduate Business: 5.0% increase for FY14 (pricing discontinued after FY14).

**Residence Halls:** Increases of 1.5% for double occupancy and 2.5% for single and triple occupancy each year.

**Meal Plan:** 2.2% increase each year.

**Parking:** No increase for FY14 and FY15.

**New Revenue Initiatives:** \$250,000 in FY14 and \$2.75 million in FY15 through new programs and program enhancements in the School of Professional & Extended Studies, School of Public Affairs, and College of Arts and Sciences.

**Investment Income:** Increased \$250,000 to total \$5.25 million in FY14 and another \$500,000 to total \$5.75 million in FY15.

**Endowment Income:** Increased \$1 million to total \$4.2 million in FY14 and another \$250,000 to total \$4.45 million in FY15.

**Faculty and Staff Salaries:** \$3.6 million for a 2.5% performance-based salary pool and benefits for faculty and staff effective September 2013, and another \$3.9 million for a 2.5% pool effective September 2014. No market adjustment pool is set aside for staff salaries as benchmarking analysis indicates average staff salaries are above the market median. However, adjustments to staff salary compensation bands will be implemented over three years beginning in FY14.

**Full-time Faculty:** \$1.1 million to hire three new tenure-track faculty in FY14 and four additional in FY15 to enhance instructional resources. \$400,000 in FY14 and an additional \$400,000 in FY15 to adjust faculty salaries in response to market pressures, special opportunities, and retention efforts.

**Term Faculty:** \$864,000 over two years to provide permanent funding for current term faculty and new term faculty. \$150,000 in each year for promotions and salary adjustments in response to market.

**Adjunct Faculty:** \$200,000 earmarked in FY15 for adjunct faculty compensation.

**Staff:** \$3.3 million over two years for salaries and benefits for 17 new full-time staff positions to accommodate the university's program expansion efforts and 20 continuing from new program initiatives such as three-year BA programs, academic technology training, high performance computing, and virtual student services implemented in previous years.

**Faculty and Staff Benefits:** \$1.5 million over two years to fund the university's compliance with the new health care regulations effective January 2014. \$2.75 million over two years to provide competitive benefit offerings to attract and retain high-quality faculty and staff, and to expand the university's health benefit subsidy to include additional employees.

**Financial Aid:** \$7.4 million over two years to match the undergraduate enrollment increase and index to the tuition increase, and an additional \$500,000 each year to meet increasing financial need. \$1.77 million over two years to enhance diversity by providing financial support to low-income students to participate in study abroad or other enrichment programs, fund additional Frederick Douglass Distinguished Scholarships, and support students who participate in the Washington Internships for Native Students program. Undergraduate financial aid funding is planned to be at the 30% level in FY14 and FY15. Graduate financial aid will increase \$1.6 million over two years to match the enrollment increase, index to the tuition increase, and fund PhD dissertation fellowships.

**Supplies and Expenses:** A wide range of initiatives to improve the quality of programs and respond to external environmental factors, including: expanding three-year BA programs; student participation and travel in living-learning communities, research, and service activities; continued support for research centers and institutes; and initiatives to advance the President's Climate Plan commitment.

**New Housing Facilities:** \$1.7 million over two years to fund operating expense for the new Cassell Hall, Nebraska Hall expansion, and rental units at the Berkshire apartments.

**Marketing Initiatives:** \$1.47 million over two years to enhance promotion of graduate programs, evolve the brand campaign, renew AU's web design, continue a partnership with the Washington Nationals, and develop a digital *American Magazine*.

**Development:** Increased \$243,000 over two years to expand multicultural and local programming to enhance alumni relations, and increase support for regional development efforts.

**Athletics:** Increased \$264,000 to be competitive among Patriot League schools, and to fund operating expense for a fitness center in the new Cassell Hall.

**Technology Capital Funding:** Increased \$2.5 million over two years to fund enterprise portfolio projects such as online learning and virtual computing labs, video streaming, and administrative service enhancements; \$485,000 over two years to fund technology support for teaching and research; \$680,000 for technology life-cycle replacement; \$535,000 for fixed cost increases; and \$161,000 to increase Internet capacity over two years.

**Library Acquisitions:** Increased \$327,000 in FY14 and an additional \$350,000 in FY15 to keep up with cost increases that exceed the rate of inflation for the current library collection and electronic databases, and to increase collections to support the research and teaching goals of faculty and new academic programs.

**Capital Renewal and Deferred Maintenance (CRDM) Fund:** Increased \$1.3 million in FY14 and an additional \$453,000 in FY15, which includes the new and expanded residence halls and continuation of the preventive maintenance program.

**Facilities Modernization Fund:** Increased \$500,000 in FY14 and an additional \$500,000 in FY15 for modernizing institutional facilities in accordance with the Capital Budget.

**Debt Service:** Increased \$4.5 million in FY14 and an additional \$2.1 million in FY15 to provide funding for a capital financing strategy to build and/or renovate new facilities projects such as the law school facility at the Tenley Campus in accordance with the Capital Budget.

**Transfer to Quasi-Endowment Funds:** While the established policy of budgeting annual transfers equal to 2% of the total operating budget remains intact, transfers to quasi-endowment funds equal 1% of the total operating budget in each year to allow for additional support of strategic plan initiatives in light of the effort to keep tuition rate increases to a minimum.

**Tuition Management Reserve:** No tuition management reserve budget is required for FY14 and FY15 as the reserve balance met the target of 5% of tuition revenue in FY13.

**Transfer to Fund Strategic Plan Initiatives:** \$1.94 million in FY14 and \$1.43 million in FY15 from the internally designated Strategic Plan Initiative accounts.

**Internal Reallocations:** 0.5% of operating budget or \$1.3 million to fund the university's highest priorities.

**AMERICAN UNIVERSITY FY2014  
REVENUE AND EXPENDITURE BUDGET**

REVENUE (\$000s)	FY2013 Budget	Budget Changes	FY2014 Budget	% Change
Student Tuition and Fees	\$459,962	\$22,944	\$482,906	5.0%
New Revenue Initiatives	2,250	(2,000)	250	(88.9%)
Residence Halls	38,955	3,025	41,979	7.8%
Auxiliary Enterprises	38,133	(3,593)	34,540	(9.4%)
Investment Income	5,000	250	5,250	5.0%
Unrestricted Gifts	750	0	750	0.0%
Indirect Cost Recovery	2,000	(600)	1,400	(30.0%)
Endowment Income	3,200	1,000	4,200	31.3%
WAMU-FM	22,500	(375)	22,125	(1.7%)
<b>Total Revenue</b>	<b>\$572,750</b>	<b>\$20,650</b>	<b>\$593,400</b>	<b>3.6%</b>

EXPENDITURES (\$000s)	FY2013 Budget	Budget Changes	FY2014 Budget	% Change
Faculty and Staff Salaries	\$186,610	\$6,585	\$193,194	3.5%
Adjunct Faculty Salaries	8,293	0	8,293	0.0%
Part-time Staff	17,810	174	17,984	1.0%
Employee Benefits	52,951	3,726	56,677	7.0%
Transfer to Fund Sept. 2013 Salary Increase	(4,000)	400	(3,600)	(10.0%)
Transfer to Pre-Fund Sept. 2014 Salary Increase	4,200	(300)	3,900	(7.1%)
Salaries and Benefits	\$265,863	\$10,584	\$276,447	4.0%
Financial Aid	\$106,946	\$7,119	\$114,064	6.7%
Supplies and Expenses, etc.	118,410	(5,321)	113,089	(4.5%)
Instructional Revenue Centers	8,600	0	8,600	0.0%
Library Acquisitions	6,609	327	6,936	4.9%
Utilities	9,933	653	10,586	6.6%
Technology Capital Funding	9,247	3,532	12,779	38.2%
Deferred Maintenance (including residence halls)	11,901	1,315	13,216	11.0%
Furnishings and Equipment Fund	1,900	0	1,900	0.0%
Facilities Modernization Fund	4,600	500	5,100	10.9%
Debt Service	20,294	4,496	24,790	22.2%
Responsibility Center Management Units	0	1,896	1,896	n/a
Transfer to Quasi-Endowment Funds	8,448	(2,508)	5,940	(29.7%)
Tuition Management Reserve	0	0	0	n/a
Transfer to Fund Strategic Plan Initiatives	0	(1,943)	(1,943)	n/a
<b>Total Expenditures</b>	<b>\$572,750</b>	<b>\$20,650</b>	<b>\$593,400</b>	<b>3.6%</b>

Net Surplus/(Deficit)	\$0	\$0	\$0	
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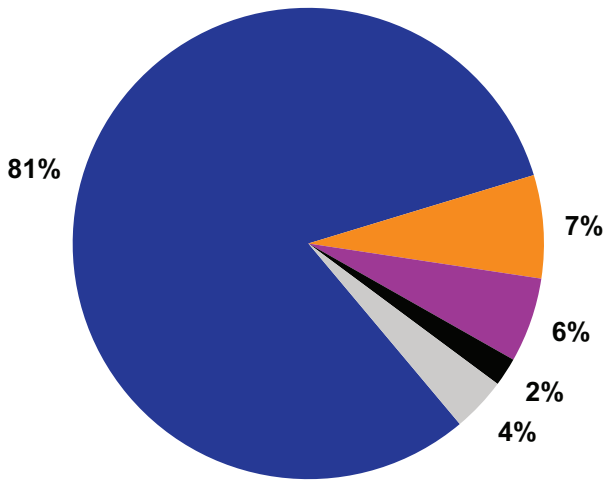


## AMERICAN UNIVERSITY FY2015 REVENUE AND EXPENDITURE BUDGET

REVENUE (\$000s)	FY2014 Budget	Budget Changes	FY2015 Budget	% Change
Student Tuition and Fees	\$482,906	\$17,302	\$500,208	3.6%
New Revenue Initiatives	250	2,500	2,750	1000.0%
Residence Halls	41,979	(726)	41,254	(1.7%)
Auxiliary Enterprises	34,540	574	35,114	1.7%
Investment Income	5,250	500	5,750	9.5%
Unrestricted Gifts	750	0	750	0.0%
Indirect Cost Recovery	1,400	0	1,400	0.0%
Endowment Income	4,200	250	4,450	6.0%
WAMU-FM	22,125	1,300	23,425	5.9%
<b>Total Revenue</b>	<b>\$593,400</b>	<b>\$21,700</b>	<b>\$615,100</b>	<b>3.7%</b>

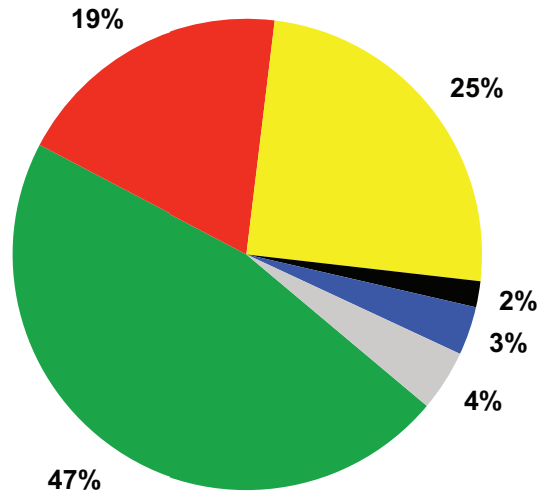
EXPENDITURES (\$000s)	FY2014 Budget	Budget Changes	FY2015 Budget	% Change
Faculty and Staff Salaries	\$193,194	\$5,881	\$199,075	3.0%
Adjunct Faculty Salaries	8,293	200	8,493	2.4%
Part-time Staff	17,984	66	18,050	0.4%
Employee Benefits	56,677	3,878	60,554	6.8%
Transfer to Fund Sept. 2014 Salary Increase	(3,600)	(300)	(3,900)	8.3%
Transfer to Pre-Fund Sept. 2015 Salary Increase	3,900	200	4,100	5.1%
<b>Salaries and Benefits</b>	<b>\$276,447</b>	<b>\$9,925</b>	<b>\$286,372</b>	<b>3.6%</b>
Financial Aid	\$114,064	\$3,280	\$117,344	2.9%
Supplies and Expenses, etc.	113,089	(1,033)	112,056	(0.9%)
Instructional Revenue Centers	8,600	0	8,600	0.0%
Library Acquisitions	6,936	350	7,286	5.0%
Utilities	10,586	(181)	10,405	(1.7%)
Technology Capital Funding	12,779	309	13,088	2.4%
Deferred Maintenance Fund (including residence halls)	13,216	453	13,669	3.4%
Furnishings and Equipment Fund	1,900	0	1,900	0.0%
Facilities Modernization Fund	5,100	500	5,600	9.8%
Debt Service	24,790	2,141	26,931	8.6%
Responsibility Center Management Units	1,896	5,234	7,129	276.1%
Transfer to Quasi-Endowment Funds	5,940	210	6,150	3.5%
Tuition Management Reserve	0	0	0	n/a
Transfer to Fund Strategic Plan Initiatives	(1,943)	513	(1,430)	(26.4%)
<b>Total Expenditures</b>	<b>\$593,400</b>	<b>\$21,700</b>	<b>\$615,100</b>	<b>3.7%</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

### FY2014 REVENUE BUDGET



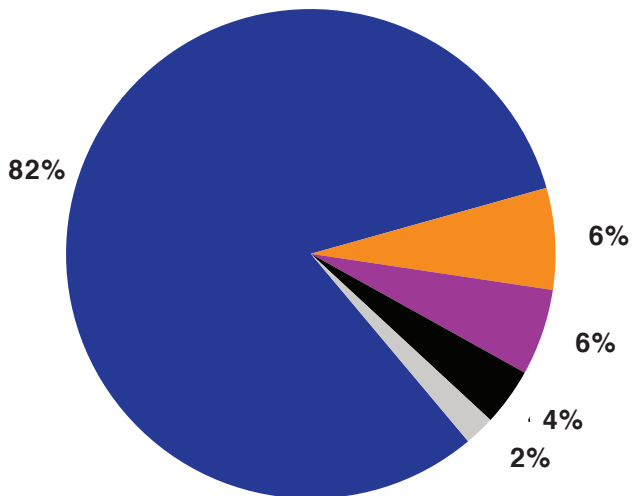
- Tuition & Fees
- Residence Halls
- Auxiliary
- Investments, Gift & Other
- WAMU

### FY2014 EXPENDITURE BUDGET



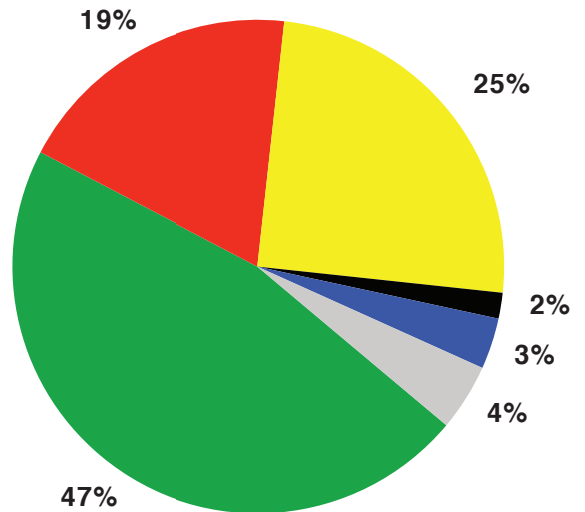
- Personnel
- Supplies & Other
- Financial Aid
- Tech/Furnish/Facilities
- Utilities
- Debt Services

### FY2015 REVENUE BUDGET



- Tuition & Fees
- Residence Halls
- Auxiliary
- Investments, Gift & Other
- WAMU

### FY2015 EXPENDITURE BUDGET



- Personnel
- Supplies & Other
- Financial Aid
- Tech/Furnish/Facilities
- Utilities
- Debt Services



# AMERICAN UNIVERSITY FY2014 EXPENDITURE BUDGET BY DIVISION

(Units Include Fringe Benefits)

(\$000s omitted)	Operating Accounts	Institutional Accounts	Total FY2014 Budget	% of University Total
President	\$2,742	\$0	\$2,742	0.5%
University Communications and Marketing	\$4,924	\$0	\$4,924	0.8%
General Counsel	\$1,443	\$736	\$2,179	0.4%
Athletics/Recreation Sports & Fitness	\$8,222	\$5,117	\$13,338	2.2%
WAMU-FM	\$22,125	\$0	\$22,125	3.7%
Provost				
Provost's Office Central Accounts	\$9,732	\$0	\$9,732	
Academic Initiatives - for distribution to colleges/schools	2,678	688	3,365	
College of Arts and Sciences (CAS)	45,319	150	45,469	
Kogod School of Business (KSB) - RCM	22,367	455	22,822	
School of International Service (SIS)	13,675	26	13,701	
School of Communication (SOC)	11,305	0	11,305	
School of Public Affairs (SPA)	15,439	12	15,451	
School of Professional & Extended Studies (SPExS)	6,661	2,301	8,963	
AU Abroad/Abroad at AU	11,483	156	11,639	
Instructional Revenue Centers (IRCs) - for distribution	8,600	0	8,600	
Washington College of Law (WCL) - RCM	60,846	6,609	67,454	
Senior Vice Provost & Dean of Academic Affairs	4,121	0	4,121	
Vice Provost - Graduate Studies & Research	1,970	18,698	20,668	
Vice Provost - Undergraduate Studies	2,059	132	2,191	
Vice Provost - Academic Administration	2,183	0	2,183	
Office of Enrollment/Admissions	8,415	0	8,415	
Undergraduate Financial Aid	0	78,622	78,622	
Library	13,276	1,001	14,276	
Registrar	2,259	133	2,392	
Total	\$242,389	\$108,981	\$351,370	59.2%
Vice President of Finance and Treasurer				
Vice President's Central Accounts	\$7,351	\$2,292	\$9,643	
Risk Management & Environmental Health & Safety	609	330	939	
Public Safety & Parking	5,197	0	5,197	
Information Technology	19,926	0	19,926	
Financial Management	5,341	1,466	6,807	
Debt Service	0	23,607	23,607	
Facilities Management & Transportation	18,339	5,555	23,894	
Utilities	0	10,586	10,586	
Capital Renewal and Deferred Maintenance (CRDM)	0	11,701	11,701	
Planning & Project Management	1,881	0	1,881	
Auxiliary Services & Enterprises	1,440	23,047	24,487	
Human Resources/CDC/Benefits	4,508	56,677	61,185	
Fringe Benefit Offset	0	(56,677)	(56,677)	
Total	\$64,592	\$78,584	\$143,177	24.1%
Vice President of Campus Life				
Campus Life Operations	\$14,942	\$909	\$15,851	
Housing & Dining Programs	8,703	0	8,703	
Residence Hall CRDM	0	1,515	1,515	
Total	\$23,645	\$2,424	\$26,069	4.4%
Vice President of Development and Alumni Relations	\$8,259	\$0	\$8,259	1.4%
Central Reserves				
New Staff Position Pool - for distribution	\$595	\$0	\$595	
Faculty & Staff Performance-based Salary Increase - for distribution	3,600	0	3,600	
Furnishings & Equipment Fund	0	1,900	1,900	
Facilities Modernization Fund	0	5,100	5,100	
Technology/Capital Funding	0	2,276	2,276	
Transfer to Quasi-Endowment Funds	0	5,940	5,940	
Transfer to Fund Strategic Initiatives	0	(1,943)	(1,943)	
Other Central Reserves/Transfer	0	1,748	1,748	
Total	\$4,195	\$15,021	\$19,216	3.2%
<b>Total Expenditures</b>	<b>\$382,536</b>	<b>\$210,864</b>	<b>\$593,400</b>	<b>100.0%</b>

# AMERICAN UNIVERSITY FY2015 EXPENDITURE BUDGET BY DIVISION

(Units Include Fringe Benefits)

(\$000s omitted)	Operating Accounts	Institutional Accounts	Total FY2015 Budget	% of University
President	\$2,764	\$0	\$2,764	0.4%
University Communications and Marketing	\$5,219	\$0	\$5,219	0.8%
General Counsel	\$1,443	\$736	\$2,179	0.4%
Athletics/Recreation Sports & Fitness	\$8,222	\$5,268	\$13,489	2.2%
WAMU-FM	\$23,425	\$0	\$23,425	3.8%
Provost				
Provost's Office Central Accounts	\$9,782	\$0	\$9,782	
Academic Initiatives - for distribution to colleges/schools	4,356	688	5,044	
College of Arts and Sciences (CAS)	45,319	154	45,473	
Kogod School of Business (KSB) - RCM	23,846	455	24,301	
School of International Service (SIS)	13,675	26	13,701	
School of Communication (SOC)	11,305	0	11,305	
School of Public Affairs (SPA)	15,439	12	15,451	
School of Professional & Extended Studies (SPExS)	6,711	2,371	9,083	
AU Abroad/Abroad at AU	11,947	201	12,148	
Instructional Revenue Centers (IRCs) - for distribution	8,600	0	8,600	
Washington College of Law (WCL) - RCM	63,300	6,609	69,909	
Senior Vice Provost & Dean of Academic Affairs	4,121	0	4,121	
Vice Provost - Graduate Studies & Research	1,970	19,297	21,268	
Vice Provost - Undergraduate Studies	2,327	132	2,459	
Vice Provost - Academic Administration	2,188	0	2,188	
Office of Enrollment/Admissions	8,415	0	8,415	
Undergraduate Financial Aid	0	80,972	80,972	
Library	13,626	1,001	14,626	
Registrar	2,336	133	2,469	
Total	\$249,265	\$112,050	\$361,315	58.7%
Vice President of Finance and Treasurer				
Vice President's Central Accounts	\$7,351	\$2,292	\$9,643	
Risk Management & Environmental Health & Safety	609	330	939	
Public Safety & Parking	5,197	0	5,197	
Information Technology	20,186	0	20,186	
Financial Management	5,341	1,466	6,807	
Debt Service	0	25,748	25,748	
Facilities Management & Transportation	18,832	5,555	24,387	
Utilities	0	10,405	10,405	
Capital Renewal and Deferred Maintenance (CRDM)	0	12,151	12,151	
Planning & Project Management	1,881	0	1,881	
Auxiliary Services & Enterprises	1,576	23,047	24,623	
Human Resources/CDC/Benefits	4,508	60,554	65,062	
Fringe Benefit Offset	0	(60,554)	(60,554)	
Total	\$65,481	\$80,994	\$146,475	23.8%
Vice President of Campus Life				
Campus Life Operations	\$14,983	\$920	\$15,903	
Housing & Dining Programs	6,328	0	6,328	
Residence Hall CRDM	0	1,518	1,518	
Total	\$21,311	\$2,438	\$23,749	3.9%
Vice President of Development and Alumni Relations	\$8,264	\$0	\$8,264	1.3%
Central Reserves				
New Staff Position Pool - for distribution	\$1,026	\$0	\$1,026	
Faculty & Staff Performance-based Salary Increase - for distribution	3,900	0	3,900	
Furnishings & Equipment Fund	0	1,900	1,900	
Facilities Modernization Fund	0	5,600	5,600	
Technology/Capital Funding	0	2,382	2,382	
Transfer to Quasi-Endowment Funds	0	6,150	6,150	
Transfer to Fund Strategic Initiatives	0	(1,430)	(1,430)	
Other Central Reserves/Transfer	0	8,692	8,692	
Total	\$4,926	\$23,294	\$28,220	4.6%
<b>Total Expenditures</b>	<b>\$390,320</b>	<b>\$224,780</b>	<b>\$615,100</b>	<b>100.0%</b>

# HIGHLIGHTS OF FY2014-2015 FUNDING FOR STRATEGIC PLAN GOALS

(\$000s Omitted)

## STRATEGIC GOALS

### SP1 Epitomize the Scholar-Teacher Ideal

	Budget Allocations	
	FY2014	FY2015
<i>Increase fulltime faculty to respond to market</i>	\$2,086	\$2,614
<i>Increase term faculty</i>	438	781
<i>Adjust compensation rates for adjunct faculty to market</i>	0	200
	<u>\$2,524</u>	<u>\$3,595</u>

### SP2 Provide an Unsurpassed Undergraduate Experience

<i>Increase funding for undergraduate financial aid</i>	\$500	\$500
<i>Provide funding for academic program review and oversight, and for 3-year BA program enhancements</i>	319	638
<i>Increase funding for Athletics staffing, facilities and team travel</i>	525	525
<i>Increase support for ADA compliance and Disability Support Services</i>	148	148
<i>Increase resources for Commencement and Welcome Week activities</i>	22	39
<i>Increase funding for Student Health Center and counseling staff</i>	50	50
<i>Increase funding for Academic Support Center staff</i>	64	154
<i>Increase funding for residence hall staff and operations</i>	28	28
<i>Enhance support for virtual student services, veterans student services and undergraduate recruitment and retention activities</i>	802	879
	<u>\$2,458</u>	<u>\$2,961</u>

### SP3 Demonstrate Distinction in Graduate, Professional, and Legal Studies

<i>Increase funding level of Ph.D. awards for existing programs</i>	\$100	\$0
<i>Increase graduate marketing efforts</i>	410	0
	<u>\$510</u>	<u>\$0</u>

### SP4 Engage in Great Ideas and Issues through Research, Centers, and Institutes

<i>Continue support for research centers and institutes, including the Center for Latin American and Latino Studies</i>	\$320	\$320
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### SP5 Reflect and Value Diversity

<i>Increase funding for Frederick Douglass Distinguished Scholarships, WINS scholarships, and study abroad funding support for low-income students</i>	\$1,010	\$1,010
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### SP6 Bring the World to AU and AU to the World

<i>Increase funding for AU Abroad and Abroad @ AU program delivery, as well as Center for Community Engagement and Service programs</i>	\$1,872	\$2,336
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### SP7 Act on Values through Social Responsibility and Service

<i>Make progress toward the President's Climate Plan commitment</i>	\$41	\$98
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### SP8 Engage Alumni in the Life of the University, On and Off Campus

<i>Increase funding for Development to support alumni relations and regional advancement</i>	\$153	\$208
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# HIGHLIGHTS OF FY2014-2015 FUNDING FOR STRATEGIC PLAN GOALS

(\$000s Omitted)	Budget Allocations	
	FY2014	FY2015
<b>STRATEGIC GOALS</b>		
<b>SP9 Encourage Innovation and High Performance</b>		
<i>Enhance administrative staffing level and provide funding for contractual compensation</i>	\$847	\$1,074
<i>Increase funding support for university vehicle replacement, housing/dining programs and campus services</i>	318	570
<i>Increase base budget for Academic Affairs</i>	0	50
	<u>\$1,165</u>	<u>\$1,694</u>
<b>SP10 Win Recognition and Distinction</b>		
<i>Enhance the university's brand campaign, marketing, digital media, and website functionality and design</i>	\$68	\$773
<b>ENABLING GOALS</b>		
<b>EG1 Diversify Revenue Sources</b>		
<i>Provide funding for new School of Professional &amp; Extended Studies programs and Online Programs; Enhance support for management and protection of intellectual property</i>	\$1,280	\$1,335
<b>EG2 Employ Technology to Empower Excellence</b>		
<i>Implement IT Enterprise system enhancements</i>	\$2,957	\$3,015
<i>Renew technology life cycle capital programs</i>	300	380
	<u>\$3,257</u>	<u>\$3,395</u>
<b>EG3 Improve the University Library and Research Infrastructure</b>		
<i>Increase funding for library collection, electronic databases and audio visual staff</i>	\$370	\$720
<b>EG4 Forge Partnerships by Leveraging our Capital Location</b>		
<i>Continue partnership with Washington Nationals</i>	\$150	\$150
<b>EG5 Continue as a Model for Civil Discourse</b>		
<i>Continue support for annual faculty retreat</i>	Existing Budget	
<b>EG6 Align Facilities Planning with Strategic Goals</b>		
<i>Provide funding mechanism for new facilities projects</i>	\$2,760	\$4,901
<i>Continue support for operating expenses and existing facilities and provide funding for new facilities, including Cassell Hall, Expansion of Nebraska Hall, and 4401 Connecticut Avenue</i>	8,293	6,314
<i>Modernize institutional facilities</i>	925	1,825
	<u>\$11,978</u>	<u>\$13,040</u>
<b>TOTAL FUNDING</b>	<b>\$27,156</b>	<b>\$31,634</b>
<b>Expenditures for long-standing policies that support multiple goals of the strategic plan:</b>		
<i>Increase financial aid to match tuition and enrollment changes</i>	\$5,510	\$8,890
<i>Implement performance-based salary increase for faculty and staff</i>	3,600	9,400
<i>Provide market-competitive health and benefit packages for faculty and staff</i>	2,019	4,215
	<u>\$11,129</u>	<u>\$22,505</u>

## SUMMARY OF FUNDING FOR STRATEGIC PLAN GOALS FY2010-2015

	Budget Allocations						FY2010-2015 TOTAL	
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015		
(\$000s Omitted)								
<b>STRATEGIC GOALS</b>								
SP1	Epitomize the Scholar-Teacher Ideal	\$3,928	\$5,042	\$6,158	\$7,934	\$2,524	\$3,595	\$29,181
SP2	Provide an Unsurpassed Undergraduate Experience	\$3,213	\$3,377	\$4,031	\$5,307	\$2,458	\$2,961	\$21,347
SP3	Demonstrate Distinction in Graduate, Professional, and Legal Studies	\$913	\$1,563	\$1,131	\$1,431	\$510	\$0	\$5,548
SP4	Engage in Great Ideas and Issues through Research, Centers, and Institutes	\$470	\$640	\$809	\$1,024	\$320	\$320	\$3,582
SP5	Reflect and Value Diversity	\$282	\$662	\$707	\$973	\$1,010	\$1,010	\$4,644
SP6	Bring the World to AU and AU to the World	Existing Budget		\$1,078	\$1,015	\$1,872	\$2,336	\$6,301
SP7	Act on Values through Social Responsibility and Service	\$535	\$535	\$365	\$365	\$41	\$98	\$1,939
SP8	Engage Alumni in the Life of the University, On and Off Campus	\$545	\$1,060	\$685	\$742	\$153	\$208	\$3,393
SP9	Encourage Innovation and High Performance	\$1,796	\$1,962	\$3,079	\$3,628	\$1,165	\$1,694	\$13,324
SP10	Win Recognition and Distinction	\$1,478	\$1,088	\$1,057	\$937	\$68	\$773	\$5,401
<b>ENABLING GOALS</b>								
EG1	Diversify Revenue Sources	\$687	\$922	\$350	\$350	\$1,280	\$1,335	\$4,925
EG2	Employ Technology to Empower Excellence	\$1,765	\$2,218	\$2,044	\$2,502	\$3,257	\$3,395	\$15,180
EG3	Improve the University Library and Research Infrastructure	\$430	\$1,027	\$723	\$1,270	\$370	\$720	\$4,540
EG4	Forge Partnerships by Leveraging our Capital Location	\$20	\$20	\$464	\$464	\$150	\$150	\$1,268
EG5	Continue as a Model for Civil Discourse	\$10	\$0	Existing Budget				\$10
EG6	Align Facilities Planning with Strategic Goals	\$775	\$4,075	\$5,000	\$6,050	\$11,978	\$13,040	\$40,918
<b>TOTAL FUNDING</b>		<b>\$16,847</b>	<b>\$24,191</b>	<b>\$27,680</b>	<b>\$33,992</b>	<b>\$27,156</b>	<b>\$31,634</b>	<b>\$161,500</b>

### Expenditures for long-standing policies that support multiple goals of the strategic plan:

<i>Increase financial aid to match tuition and enrollment changes</i>	\$3,700	\$9,350	\$9,169	\$13,489	\$5,510	\$8,890	\$50,108
<i>Implement performance-based salary increase for faculty and staff</i>	600	1,125	3,900	9,850	3,600	9,400	28,475
<i>Provide market-competitive health and benefit packages for faculty</i>	4,704	8,118	1,616	2,338	2,019	4,215	23,010
	<b>\$9,004</b>	<b>\$18,593</b>	<b>\$14,685</b>	<b>\$25,677</b>	<b>\$11,129</b>	<b>\$22,505</b>	<b>\$101,593</b>

## TUITION AND HOUSING RATES

Tuition Rates - Fall and Spring Semesters	FY2013	FY2014	FY2015	FY13-14 Change	FY14-15 Change
Full-time Undergraduate (semester)	\$19,491	\$20,066	\$20,658	2.95%	2.95%
Part-time Undergraduate (credit hour)	1,299	1,337	1,376	2.95%	2.95%
Graduate (credit hour)	1,399	1,440	1,482	2.95%	2.95%
Continuing Full-time Graduate Business (semester)*	16,507	17,332	n/a	5.0%	n/a
Continuing Part-time Graduate Business (credit hour)*	1,261	1,324	n/a	5.0%	n/a
New Graduate Business (credit hour)**	n/a	1,440	1,482	n/a	2.95%
Washington College of Law (semester)	22,957	23,634	24,331	2.95%	2.95%
Washington College of Law (credit hour)	1,700	1,750	1,802	2.95%	2.95%
Nondegree Undergraduate (credit hour)	1,299	1,337	1,376	2.95%	2.95%
Nondegree Graduate (credit hour)	1,399	1,440	1,482	2.95%	2.95%
Part-time Off-campus (credit hour)	1,178	1,213	1,249	2.95%	2.95%

Student Housing	FY2013	FY2014	FY2015	FY13-14 Change	FY14-15 Change
Single Occupancy (semester)	\$5,845	\$5,991	\$6,140	2.5%	2.5%
Double Occupancy (semester)	4,663	4,733	4,804	1.5%	1.5%
Triple Occupancy (semester)	3,413	3,498	3,585	2.5%	2.5%
Nebraska Hall & Cassell Hall Single Occupancy (semester)	6,077	6,228	6,383	2.5%	2.5%
Nebraska Hall & Cassell Hall Double Occupancy (semester)	n/a	5,157	5,285	n/a	2.5%
Centennial Hall Single Occupancy (semester)	6,077	6,228	6,383	2.5%	2.5%
Centennial Hall Double Occupancy (semester)	4,848	4,969	5,093	2.5%	2.5%

\* A 5% increase in FY14 and FY15; full-time Graduate Business semester rate phased out after spring 2014

\*\* Standard university graduate rates apply to new students enrolled as of summer 2013

Summer tuition rates are equal to rates for previous academic year.

Student housing rates include the \$18 per semester Residence Hall Assoc. fee.

Meal plan rates will increase by 2.2% each year.

## AMERICAN UNIVERSITY FALL FULL-TIME EQUIVALENT ENROLLMENT

Fall Semester	Under-graduates	% Change Since 1990	Visiting	Graduates	Non-Degree	Sub-Total	% Change Since 1990	Law	Law as % of Total	TOTAL	% Change Since 1990
1990	5,361		506	2,028	688	8,583		1,077	11.1%	9,660	
1991	4,930	(8.0%)	461	2,200	655	8,246	(3.9%)	1,068	11.5%	9,314	(3.6%)
1992	4,692	(12.5%)	564	2,435	652	8,343	(2.8%)	1,067	11.3%	9,410	(2.6%)
1993	4,623	(13.8%)	464	2,590	592	8,269	(3.7%)	1,163	12.3%	9,432	(2.4%)
1994	4,460	(16.8%)	426	2,496	542	7,924	(7.7%)	1,184	13.0%	9,108	(5.7%)
1995	4,700	(12.3%)	330	2,469	504	8,003	(6.8%)	1,137	12.4%	9,140	(5.4%)
1996	4,797	(10.5%)	457	2,392	425	8,071	(6.0%)	1,182	12.8%	9,253	(4.2%)
1997	4,797	(10.5%)	382	2,285	450	7,914	(7.8%)	1,229	13.4%	9,143	(5.4%)
1998	4,919	(8.2%)	334	2,176	416	7,845	(8.6%)	1,245	13.7%	9,090	(5.9%)
1999	4,912	(8.4%)	318	2,198	375	7,803	(9.1%)	1,336	14.6%	9,139	(5.4%)
2000	5,161	(3.7%)	472	2,166	366	8,165	(4.9%)	1,317	13.9%	9,482	(1.8%)
2001	5,343	(0.3%)	438	2,134	355	8,270	(3.6%)	1,354	14.1%	9,624	(0.4%)
2002	5,500	2.6%	393	2,312	249	8,454	(1.5%)	1,458	14.7%	9,912	2.6%
2003	5,493	2.5%	457	2,421	181	8,552	(0.4%)	1,415	14.2%	9,967	3.2%
2004	5,583	4.1%	484	2,393	232	8,692	1.3%	1,527	14.9%	10,219	5.8%
2005*	5,619	4.8%	421	2,301	263	8,604	0.2%	1,498	14.8%	10,102	4.6%
2006*	5,757	7.4%	382	2,202	245	8,586	0.0%	1,529	15.1%	10,115	4.7%
2007	5,721	6.7%	296	2,293	357	8,667	1.0%	1,528	15.0%	10,195	5.5%
2008	5,931	10.6%	316	2,333	404	8,984	4.7%	1,519	14.5%	10,503	8.7%
2009	6,346	18.4%	234	2,583	253	9,416	9.7%	1,609	14.6%	11,025	14.1%
2010	6,577	22.7%	241	2,697	339	9,854	14.8%	1,644	14.3%	11,498	19.0%
2011	6,698	24.9%	261	2,531	338	9,828	14.5%	1,640	14.3%	11,468	18.7%
2012	6,685	24.7%	322	2,691	371	10,069	17.3%	1,651	14.1%	11,720	21.3%
2013 Budget	6,703	25.0%	308	2,834	377	10,222	19.1%	1,603	13.6%	11,825	22.4%
2014 Budget	6,722	25.4%	308	2,884	377	10,291	19.9%	1,614	13.6%	11,905	23.2%

Source: Office of Institutional Research. Data as of the 5th week of the semester.

\* Katrina students are not included in enrollment data.

## MARKET COMPARISON AVERAGE UNDERGRADUATE TUITION AND MANDATORY FEE INCREASES

	American University	AU Competitors Average*	Private Institutions**
AY95-96 to AY96-97	3.7%	4.9%	5.0%
AY96-97 to AY97-98	4.6%	4.7%	5.0%
AY97-98 to AY98-99	4.7%	5.6%	5.0%
AY98-99 to AY99-00	4.8%	4.8%	4.7%
AY99-00 to AY00-01	5.0%	4.5%	5.2%
AY00-01 to AY01-02	5.1%	5.2%	5.5%
AY01-02 to AY02-03	4.3%	6.3%	5.8%
AY02-03 to AY03-04	5.9%	7.3%	6.0%
AY03-04 to AY04-05	5.9%	6.4%	6.0%
AY04-05 to AY05-06	6.5%	6.3%	5.9%
AY05-06 to AY06-07	5.9%	6.0%	5.9%
AY06-07 to AY07-08	5.9%	5.6%	6.3%
AY07-08 to AY08-09	5.9%	5.5%	5.9%
AY08-09 to AY09-10	5.1%	4.8%	4.4%
AY09-10 to AY10-11	4.9%	4.5%	4.5%
AY10-11 to AY11-12	3.7%	4.3%	4.5%
AY11-12 to AY12-13	3.8%	4.0%	4.2%
<b>AVERAGE</b>	<b>5.0%</b>	<b>5.3%</b>	<b>5.3%</b>

\* AU's competitors (private and public) identified by Office of Enrollment.  
 \*\* Annually reported by the College Board.

## FACULTY AND STAFF MERIT INCREASE AND MARKET ADJUSTMENTS

	Merit %	Staff Market	Faculty Market
FY1997	3.00%	\$600,000	\$300,000
FY1998	3.00%	1,200,000	265,000
FY1999	2.50%	1,400,000	225,000
FY2000	2.50%	1,400,000	350,000
FY2001	4.00%	1,400,000	800,000
FY2002	4.00%	1,700,000	943,000
FY2003	4.00%	0	0
FY2004	4.00%	0	0
FY2005	4.00%	0	0
FY2006	3.75%	150,000	100,000
FY2007	3.50%	0	0
FY2008	3.70%	0	110,000
FY2009	3.70%	0	120,000
FY2010	3.00%	0	100,000
FY2011	3.00%	0	100,000
FY2012	3.00%	0	400,000
FY2013	3.00%	0	400,000
FY2014	2.50%	0	400,000
FY2015	2.50%	0	400,000
<b>Total</b>		<b>\$7,850,000</b>	<b>\$5,013,000</b>

Note: Adjustments to the staff salary compensation bands will be implemented over three years beginning in FY14.



## MARKET COMPARISON FULL-TIME UNDERGRADUATE TUITION AND MANDATORY FEES

School	FY2012	FY2013	Increase FY12 to FY13	
			\$	Percent
1 George Washington University	\$44,148	\$45,780	\$1,632	3.7%
2 Carnegie Mellon University	\$43,812	\$45,760	\$1,948	4.4%
3 Bucknell University	\$43,866	\$45,378	\$1,512	3.4%
4 Tulane University	\$43,434	\$45,240	\$1,806	4.2%
5 Tufts University	\$42,962	\$44,776	\$1,814	4.2%
6 Colgate University	\$42,920	\$44,640	\$1,720	4.0%
7 Johns Hopkins University	\$42,780	\$44,430	\$1,650	3.9%
8 University of Rochester	\$41,802	\$43,926	\$2,124	5.1%
9 Boston College	\$42,204	\$43,878	\$1,674	4.0%
10 Washington University in St. Louis	\$41,992	\$43,705	\$1,713	4.1%
11 College of the Holy Cross	\$41,488	\$43,400	\$1,912	4.6%
12 New York University	\$41,606	\$43,204	\$1,598	3.8%
13 Boston University	\$41,420	\$42,994	\$1,574	3.8%
14 Lafayette College	\$41,358	\$42,980	\$1,622	3.9%
15 Emory University	\$41,164	\$42,980	\$1,816	4.4%
16 Georgetown University	\$41,393	\$42,870	\$1,477	3.6%
17 Vanderbilt University	\$41,996	\$42,794	\$798	1.9%
18 Lehigh University	\$40,960	\$42,220	\$1,260	3.1%
19 Fordham University	\$39,967	\$41,732	\$1,765	4.4%
20 University of Miami	\$39,654	\$41,220	\$1,566	3.9%
21 Case Western Reserve University	\$39,120	\$40,490	\$1,370	3.5%
22 Northeastern University	\$38,252	\$39,736	\$1,484	3.9%
23 American University	\$38,071	\$39,499	\$1,428	3.8%
24 Syracuse University	\$37,667	\$39,004	\$1,337	3.5%
25 Rice University	\$35,551	\$37,292	\$1,741	4.9%
26 College of William and Mary*	\$35,409	\$36,753	\$1,344	3.8%
27 Hofstra University	\$34,150	\$35,950	\$1,800	5.3%
28 University of Dayton	\$31,640	\$33,400	\$1,760	5.6%
29 University of Maryland - College Park*	\$26,026	\$27,287	\$1,261	4.8%
30 University of Cincinnati*	\$24,942	\$25,816	\$874	3.5%
<b>Average</b>	<b>\$39,392</b>	<b>\$40,971</b>	<b>\$1,579</b>	<b>4.0%</b>

Notes: According to the College Board's annual tuition survey, the average in-state tuition and fees increase at public four-year institutions from AY2011-12 to AY2012-13 is 4.8%; the average tuition increase at private four-year institutions from AY2011-12 to AY2012-13 is 4.2%.

Sources: The Chronicle of Higher Education 10/24/12 issue; American University Competition Profile, Fall 2012

\* State institutions indicate out-of-state tuition rates

# AMERICAN UNIVERSITY UPDATED CAPITAL BUDGET SUMMARY FISCAL YEARS 2014-2018

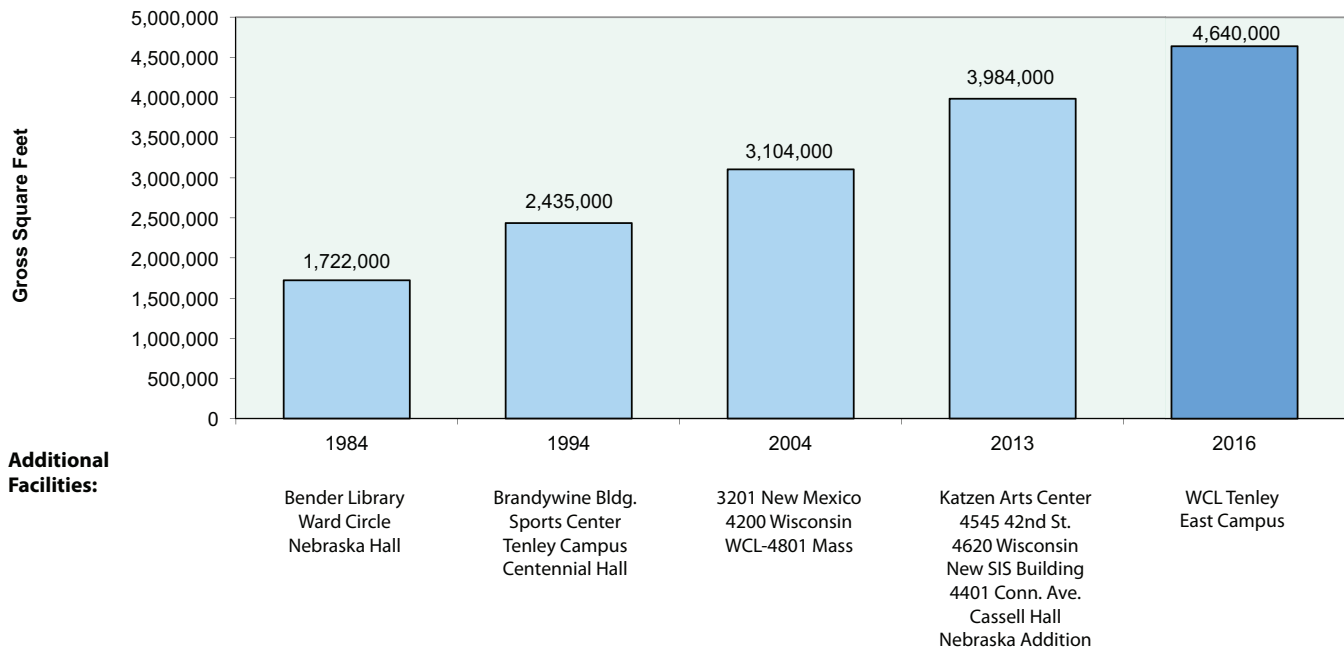
American University's capital budget is a multi-year financial plan to support the institution's long-term capital development goals, which involve strategic initiatives such as new construction, acquisitions, major renovations, and facility improvement of university buildings and campus infrastructure. AU's capital budgeting is a resource planning process that has been incorporated into the Campus Plan and academic priorities of the university.

Should the condition of the university operations and facility needs change, future capital projects for the next budget cycles (FY2016-2017 and FY2018-2019) will be modified to reflect those changes.

\$000s omitted

Category	Summary of Major Projects	Prior Years	FY2014	FY2015	FY2016	FY2017	FY2018	Total Estimated Cost
I. New Construction Projects	Cassell Hall, Nebraska Hall, SOC at McKinley, WCL at Tenley, and East Campus	\$ 70,200	\$ 72,300	\$ 99,000	\$ 50,000	\$ 8,000	\$ -	\$ 299,500
II. Acquisitions	4401 Connecticut Avenue Building	49,500	-	-	-	-	-	49,500
III. New Projects Under Consideration	Science addition and renovation	-	2,000	6,000	17,000	10,000	-	35,000
IV. Major Renovation Projects	Athletics, Library, and housing improvements, faculty and administrative office expansion	2,400	5,000	5,100	5,300	9,500	2,500	29,800
V. Other Departmental Requests	Program and compliance projects	900	300	300	300	300	-	2,100
<b>Total Capital Budget, FY2014 - 2018</b>		<b>\$ 123,000</b>	<b>\$ 79,600</b>	<b>\$ 110,400</b>	<b>\$ 72,600</b>	<b>\$ 27,800</b>	<b>\$ 2,500</b>	<b>\$ 415,900</b>

## AMERICAN UNIVERSITY FACILITIES GROWTH 1984-2016





AMERICAN UNIVERSITY  
WASHINGTON DC

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