



MEMORANDUM

March 5, 2009

TO: Campus Community
FROM: Gary Abramson, Chairman, Board of Trustees
SUBJECT: Board of Trustees Winter 2009 Meeting Summary

The American University Board of Trustees held its winter 2009 meeting on Thursday, February 26, and Friday, February 27, on the AU campus. On February 26, meetings were held for the following committees: Academic Affairs, Trusteeship, Finance and Investment, Athletics, Campus Life, Audit, and Communication. On February 23, a teleconference meeting was held for Alumni Affairs and Development. The full board met on February 27.

Major business conducted at the full board meeting included the unanimous approval of the two-year budget for fiscal years 2010 (\$456.7 million) and 2011 (\$479.2 million). Approval followed considered discussion of the budget by the trustees, who are cognizant that these are difficult and challenging times for higher education and businesses across the nation. Nevertheless, following careful analysis in committee meetings and at the general session, the board endorsed this budget as a bold and confident statement of AU's current strengths and future potential, and an investment in the university's direction as outlined in the strategic plan.

As the campus knows, this budget evolved through a community-wide process chaired by provost Scott Bass and vice president of finance and treasurer Don Myers. President Kerwin will soon release for campus review the details of this two-year budget, including an explanation of the building blocks for this budget and the inherent safeguards in place, in case the planning assumptions should change. I must emphasize how impressed the board was with the prudent financial planning and institutional confidence this budget so strongly demonstrates.

A related business item was the board accepting and reviewing the initial implementation steps of the new strategic plan. In addition to an outline of the first action items and tracking metrics, the board reviewed a "budget crosswalk" that aligned strategic plan priorities with budget allocations. Much of the initial investment in the plan is in people—the faculty and staff who keep AU strong. It is my understanding that President Kerwin will soon distribute this "next steps" implementation plan to campus. The board looks forward to receiving ongoing reports of implementation progress.

In other board business:

- Jeffrey A. Sine was named new vice chair of the board, effective at the May meeting.

He replaces Thomas Gottschalk as vice chair. Mr. Gottschalk will remain on the board following the completion of his term as vice chair.

- The Finance and Investment Committee reported that the Office of the Vice President of Finance and Treasurer has completed the restructuring of 100 percent of the university's tax-exempt bonds, totaling approximately \$220 million. This will greatly assist with the university's financial base stability for the near future.
- The Athletics Committee report was particularly uplifting. Not only did the Eagles build on the competitive success of both the fall and winter sports seasons, but—for the first time in university history—every team had a GPA of 3.0 or better, with the fall semester average of 3.28. We also await with great anticipation the results of both the men's and women's basketball teams in the Patriot League tournaments.
- The Communications Committee reported on the branding study and preparations for “go live” for the university's much anticipated Web project. The board saw clips from the virtual tour to further build excitement and heard a report from executive director of communications and marketing Terry Flannery of the record-setting media coverage of American University in 2008 (with 21,398 placements).
- The board heard a presentation from School of Public Affairs dean Bill LeoGrande on the past achievements and future plans for SPA as it celebrates its 75th anniversary. The trustees also toured the new addition to the Kogod School of Business, which was completed late last year and opened for use this semester.
- The board approved the adoption of a university policy on identity theft prevention to provide stronger protection for the AU community and customers. The policy will be implemented by the Office of Finance and Treasurer.

The next meetings of the board will be Thursday, May 14, and Friday, May 15. Prior to that, we will plan to hold an open forum for the campus community in April, with President Kerwin and me discussing matters of interest at AU.