Preparing for AU’s Future
Town Hall Forum with the University Budget Committee
December 7, 2012

Co-Chairs Presiding:
Scott A. Bass, Provost
Don Myers, CFO, Vice President and Treasurer
Agenda

1. Introduction of Committee
2. Budget Formation Process and Timeline
3. Background and Guidelines
4. Results of Recent Investments
5. Your Questions and Answers
University Budget Committee Members
FY 2014 – 2015

Co-chairs
Scott A. Bass
Don Myers

Members
Matteo Becchi
John Douglass
Jen Gassner
Gail Hanson
Khalid Khalid
Emily Lindsay
Laura McAndrew
John Nolan
Bill Ryan
Emily Yu

Resource Persons
Nana An
Vi Ettle
Karen Froslid-Jones
• UBC appointed
• Undergrad and grad enrollment projections

• UBC hosts budget town hall forum
• Provost consults with Faculty Senate on AA budget proposals
• Members of the President’s Cabinet submit budget proposals

Sept – Oct 2012

• UBC recommends budget development guidelines
• President requests campus-wide *Strategic Plan* objectives and issues budget call to President’s Cabinet
• Provost presents budget development guidelines to Senate
• BOT approves budget guidelines

Nov 2012

• UBO submits summary of budget proposals to president and UBC

Dec 2012

• UBC reviews proposals & submits recommendations to the president
• Provost consults with Faculty Senate on budget proposals to the president

Jan 2013
• President consults w/ the President’s Cabinet & presents proposed budget to the BOT Finance and Investment Committee

• BOT reviews and adopts the FY2014-15 budget

• Units submit line item budgets to reflect appropriate budget allocations

Feb 2013

Mar 2013

Apr 2013

May 2013

• Approved budget is published for the campus community

• Approved allocations communicated to the President’s Cabinet

• Cabinet communicates allocations to respective divisions

• New fiscal year begins
Budget Context for FY 2014 – 2015

AU Budget

- Strategic Plan
- College Affordability
- 2011 Campus Plan
- Global Affairs
- Economic Uncertainty
- National Debt & “Fiscal Cliff”
- Competition
- Regulatory Changes
1. AU Strategic Plan: Objectives and targets aligned with the 2-year budget

2. Enrollment: Determine enrollment targets for incoming freshmen, transfer, and graduate students

3. Pricing:
   - 2.5% - 4.5% tuition increase
   - Market-driven pricing for WCL and KSB graduate programs
How is AU Addressing College Costs?

- Consistently below the national average for private universities
- In 2012, AU’s tuition increase was below the 4.5% national average.

Learn More: www.american.edu/CollegeAffordability
FY 2013 Revenue and Expenditure Budgets

FY 2013 Revenue = $573 million

- Tuition & Fees: 81%
- Residence Halls: 7%
- Auxiliary: 6%
- WAMU: 4%
- Investment, Gift & Other: 2%
- Other: 2%

FY 2013 Expenditure Budget = $573 million

- Personnel: 44%
- Supplies & Other: 15%
- Financial Aid: 29%
- Utilities: 2%
- Tech/Furnish/Facilities: 3%
- Debt Service: 3%

Student fee dependency 95% in FY 1984 and FY 2013

Financial aid 11.3% of budget in FY 1984 and 19% in FY 2013
Budget Development Guidelines
FY 2014 and 2015: BOT Approved

4. Academic Programs:
   • Strengthen undergraduate, graduate, summer, and international programs
   • Enhance SPExS programs and expand professional development and training programs
   • Strengthen research functions

5. Competitive Faculty and Staff Salary and Benefits

6. Financial Aid

7. Library and Information Technology
7. Facilities strategy to integrate 2011 Campus Plan and Strategic Plan

8. Development and Alumni to reflect on next phase of Strategic Plan

9. Financial safeguards to protect the university

10. Institutional expenditures to respond to economic conditions/external factors

11. Enhance student services

12. New revenue through innovations and partnerships
Exemplary Results of Strategic Investment 2008 - 2012

• Reduction in class size with increase in new faculty

• Addition of new three-year degree programs
  – Global Scholars
  – Public Health

• New undergraduate degree programs
  – Accounting
  – Computational Science
  – Environmental Science
  – Mathematics and Economics
  – Public Health (BA/ BS)
  – Finance
Exemplary Results of Strategic Investment 2008 - 2012

• Enhanced and more rigorous undergraduate experience

• NSSE results show upward trends in the following areas (freshmen and seniors):
  – Hours spent preparing for class
  – Courses emphasizing making judgments about the value of information, arguments, or methods
  – Worked with a faculty member on activities other than coursework
  – Campus environment encourages contact among students from different backgrounds
  – Participating in practicum, internship, field experience, co-op experience, or clinical assignment
  – Campus environment that provides the support you need to strive socially
Exemplary Results of Strategic Investment 2008 - 2012

• Center for Diversity and Inclusion

• Capital Projects
  – North Hall
  – Nebraska Hall addition
  – McKinley Restoration (SOC)
  – 4401 Connecticut Avenue (WAMU, SPA, UCM)
Exemplary Results of Strategic Investment 2008 - 2012

- Library improvements
- Merit increases for faculty and staff
- Investments in DC Reads program
- President’s Campus Climate Commitment – commitments on energy, carbon footprint, sustainability
Next Steps

• Provide input, comments, and suggestions by:
  — Sending email to AUBudget@american.edu
  — Contacting University Budget Committee Members
  — Contacting your stakeholder representative
    ❖ Faculty Senate
    ❖ Student Government
    ❖ Graduate Leadership Council
    ❖ Student Bar Association
    ❖ Staff Council
Audience Questions & Answers

For more information visit
www.american.edu/strategicplan/index.cfm
(Select Latest Progress Report)