



MEMORANDUM

April 10, 2009

TO: Campus Community
FROM: Neil Kerwin, President
SUBJECT: Campus Update

As we reach the final weeks of spring semester I want to update the AU community on a number of developments.

Financial Condition

The overall condition of the university is essentially unchanged since my last campus letter. It is now certain that we will complete the current year with the budget in balance—which, given the state of the current national economy, is a significant achievement. The enrollment varies by category, but the general pattern is solid. The fall-to-spring retention of existing students was encouraging, and reports from Student Accounts, Financial Aid, and the Registrar contain no data to indicate significant disruptions because of the larger economy. We are painfully aware, however, that the problems so many are experiencing might eventually cause our own situation to change, and we have planned for such conditions should they arise. At this point, however, I am confident that the actions other universities have been forced to take will not be necessary here in the foreseeable future—provided our indicators remain positive.

Like other investment portfolios, the university's endowment has been hit hard by the declining financial markets and economy. Coinciding with the fall-off in the global equity markets, the value of the endowment has decreased by one-third and now stands at \$265 million. In effect, we have given up the strong gains realized over the prior three years. While this decrease is substantial, the university's endowment investment horizon is long-term, and over extended periods our performance has been very strong. Most importantly, we do not rely on the endowment to support the university's operating budget, as less than one percent of our operating budget comes from endowment income.

Board of Trustees, Strategic Plan Implementation, and the University Budget

As previously reported, the trustees unanimously approved the two-year budget I submitted for their review and action at their February meeting. The board received "with appreciation and support" the initial report on the strategic plan implementation, containing objectives and performance measures for the plan's first two years. The two-year budget can be found online (www.american.edu/finance/upload/BudgetFY10-FY11.pdf), as can the strategic plan (www.american.edu/president/reports/upload/Strategic_Plan_Approved_112108.pdf).

I again thank the University Budget Committee for its excellent work in preparing the two-year budget proposal for my review, as well as the provost, vice presidents, directors, and deans for submitting budget proposals that were carefully crafted to reflect our strategic plan goals. I also thank the Strategic Plan Steering Committee and every member of the AU community who commented on the various drafts of the strategic plan implementation report. Those many contributions made it a much stronger document.

Strategic Plan Developments

The single most important development related to our new strategic plan, *American University in the Next Decade: Leadership for a Changing World*, is the approval of a two-year budget that not only reflects the goals of the plan but also devotes tens of millions of dollars to accomplishing important objectives. The relationship between the strategic plan and various budget items is clearly outlined in the documents mentioned above. University Communications and Marketing, under the direction of Dr. Terry Flannery, is producing a printed copy of the plan that also will be available online. Our schools, colleges, and divisions are currently at work fashioning unit plans that will detail their contributions to the university plan's overall goals. And, during the upcoming performance management cycle, individual PMPs will be based on the strategic plan goals. We are in the process of forming a project team to assist in the collection and periodic reporting of relevant data to measure our progress. Starting next year, I will add "strategic plan implementation" to the agenda of our University Council and supplement its traditional membership with colleagues from the Strategic Plan Steering Committee. In short, I intend to take all of the steps necessary to ensure that the strategic plan remains prominent and the highest priority of our university community's work during the coming years.

Student Enrollment and Fall Semester Focus

We are currently on track to meet our enrollment targets for fall semester. Freshman class deposits are slightly ahead of last year's numbers, and events for admitted students and their families held around the country have been well attended. Deposits from transfer students are slightly lower than last year, but we have set a target for fewer entering students in this category.

Applications for graduate programs are strong, and deposits are slightly ahead of last year's pace. We are still early in all these cycles and, as noted previously, this could be an unusual year due to the current national economy.

April is when high school sophomores and juniors visit college campuses to see if they'd like to apply. For seniors, it's decision time as they weigh their various college choices to make their final decision by the May 1 National Candidates' Reply Date. You will see a large number of unfamiliar faces on campus this month—usually adults with teenaged children and siblings. In April, we could have some 4,000 visitors come through the Admissions Welcome Center in Centennial Hall—and this does not include those families participating in our special campus events. The campus visit is special to these families who not only pay close attention to the obvious things—such buildings, classrooms, and student amenities—but also size up the campus warmth, friendliness, and helpfulness. The data show that the campus visit is the most important factor in the college choice process. Students who visit AU are three times more likely to enroll than those who do not. With that in mind, key dates in the coming weeks include:

- April 16—Multicultural Overnight Program
- April 17—Freshman Day
- April 23—Honors Overnight Program
- April 24—Freshman Day

As you see families visiting AU, please acknowledge them, greet them with a smile, offer directions, and share the warmth that makes AU a close-knit community. Everyone can play a role.

Web Launch

The launch of AU's new Web site is an important milestone that should be noted with pride and gratitude. The quality of the work we unveiled on March 30 has been noticed far and wide, and the impact is already evident. To date, the site had more than 16 million hits and 2.7 million page views, an average of 1.5 million hits and 246,000 page views per day. Each user spent an average of 11 minutes per visit. The site's technical performance, high speed, and intuitive navigation have been repeatedly noted.

The launch itself was covered by more than 170 media outlets online, in print, and in local and national higher education media. Among the notable recognition was a rave review from CollegeWebEditor.com, and Twitter.com/higheredu named AU's release the "re-tweet of the day."

The collaboration required to plan and execute a project of this magnitude might be unusual elsewhere, but at AU, it's a characteristic we leverage to great effect; the new site is one of the finest examples of that trait. The months of hard work leading up to the launch and the pride expressed as it went live were very gratifying and rewarding for all. As we integrate the Web into our daily work and regular communication, we should continue to think about harnessing this powerful tool to its greatest advantage.

Athletics Success

AU Athletics has enjoyed one of its most successful spring semesters in recent memory, highlighted by the men's basketball team's regular season and tournament Patriot League

championships and a very strong performance in the NCAA Tournament first round against eventual Final Four team Villanova. Head coach Jeff Jones was named the Patriot League Coach of the Year; senior Derrick Mercer was named Patriot League Player of the Year and earned an honorable mention on the national Associated Press All-America team. The wrestling team saw continued success on a national level as juniors Mike Cannon and Kyle Borshoff earned All-America honors at the NCAA Wrestling Championships in March. The women's basketball team competed in the first round of the WNIT, and the swimming and diving teams excelled as both teams earned Academic All-America honors for the 26th straight semester while setting five university records in the pool. Track team senior Carlos Jamieson won his fourth individual Patriot League Championship in the 5000 meters, and senior Frank Borden broke the school high jump record. As our 250 student-athletes enter the final weeks of spring semester, every team holds a cumulative GPA of 3.0 or higher.

Army Corps

The Army Corps continues to make slow but steady progress in their operations on the AU campus and surrounding community. The most visible work is on the two AU-owned properties on Glenbrook Road (4825 and 4835) and the Public Safety Building on main campus.

- 4825 Glenbrook—The project status has changed from “high” to “low” probability. The containment structure is being disassembled, and we can now lift all shelter-in-place provisions for that property and the adjacent areas, including the AU campus. The campus areas and units that were most affected by the shelter-in-place protocol are being notified. Some low probability “test pit” work will continue on this site, but the Corps believes they have hit bedrock, which suggests little likelihood of any burial beneath that depth.
- 4835 Glenbrook—All work (test pits and arsenic grids removal) is complete, and a project report is being reviewed by university officials and our environmental science consultant, Dr. Paul Chrostowski. We are working with the Corps about property landscaping and restoration, and hope to have the president's house returned to AU in late 2009 for use soon thereafter.
- Public Safety—The Corps has hired a contractor to conduct “horizontal drilling” under the building to search for experiment station remnants. This work is tentatively scheduled for late May 2009. The mercury found in mid-March (small, laboratory quantity some three and one-half feet underground) was removed, along with a munitions piece found while removing the mercury. This site has remained classified as “low probability.”
- Next Steps—Before concluding their work on campus, the Corps wants to conduct some low probability work on Reeves soccer field, adjacent to the radio tower, and around the Beeghly Building. We await work plan details and a timeline for this effort, which will probably commence in late 2009 or early 2010. With the Public Safety Building work referenced above reaching its final stages, it is our desire to move the Child Development Center back to its home for use by fall 2009.

Facilities

The Kogod School of Business opened its new addition as spring semester began in January, and the landscaping will be finished in a few weeks. To more formally celebrate the occasion and thank those involved, the school will host a ribbon cutting at noon, Wednesday, April 15, at Kogod's new entrance, facing Massachusetts Avenue. The business school's addition greatly enhances the university's main entrance with a pedestrian friendly appearance and provides a warm welcome to everyone coming to campus. Meanwhile, the School of International Service building construction continues, with the underground construction now finished, and when fall semester starts, much of the structure will be in place. Finally, the Mary Graydon canopy has proved to be an effective and aesthetically pleasing enhancement to one of the most active buildings on campus.

Capital Campaign

The *AnewAU* capital campaign currently stands at approximately \$180 million. Because of the economy, we face challenges in concluding the campaign in the near term, but I am both impressed and grateful for the generosity that our alumni and friends continue to extend to AU. It was never more evident when donors and the students who are benefitting from their philanthropy gathered two weeks ago in the Mary Graydon Center for our annual Scholarship Luncheon. And, the remarkable outpouring of support that faithful listeners showed during WAMU's fall and winter fund-raising efforts is very impressive, as both efforts exceeded their ambitious goals. We benefit enormously from the support of all who see fit to give to American University, and in the months ahead we will redouble our efforts to communicate with alumni so they know of the many ways they can contribute to the life of our institution.

Alumni Activities

Our colleagues in Alumni Relations sponsored several events over the past month, all celebrating the achievements of AU faculty and students. Professors Jim Thurber and Gary Weaver participated in our "Faculty on the Road" programs in Miami and Philadelphia, respectively, with alumni, parents, and friends enjoying stimulating evenings with interactive lectures and discussion.

Eagle fans across the country celebrated as the men's basketball team played their way to the Big Dance and a number 14 seeding. Alumni chapters in Boston, New York, Chicago, Denver, and Los Angeles cheered at game-watching events as the Eagles won the Patriot League Championship, and gathered again—along with groups in Annapolis, Baltimore, Atlanta, and Miami—to watch the Eagles play Villanova in the NCAA Tournament first round. Philadelphia alumni and friends and those who traveled from D.C. enjoyed a special pre-game party at the Diamond Club at Citizens Bank Park before walking to the Wachovia Center for the game. In Washington, alumni, parents, and friends held a game-watching party at McFadden's in Foggy Bottom.

Notable Achievements

Provost Scott Bass recently notified the AU community of this year's faculty members who will be honored for their special accomplishments at the annual Faculty Recognition Dinner on Sunday, April 26, at the Washington College of Law. This year's honorees include:

- Scholar-Teacher of the Year—Mieke Meurs, College of Arts and Sciences, Economics
- Outstanding Teaching in a Full-Time Appointment—Robert Dinerstein, Washington College of Law
- Outstanding Scholarship, Research, Creative Activity, and Other Professional Contributions—Angela Davis, Washington College of Law
- Outstanding Service to the University Community—Stephen Silvia, School of International Service
- Outstanding Teaching in an Adjunct Appointment—Rainey Ransom, School of Public Affairs, Justice, Law and Society
- Morton Bender Prize—Clarence Lusane, School of International Service

Congratulations to this year's award recipients and thank you to all faculty members for your outstanding efforts and achievements this academic year. We will soon announce this year's staff award winners, who will be honored during Staff Appreciation Week activities in late May.

Commencement

This year we will have a new cadence to commencement weekend with events spanning from Friday, May 8, through Sunday, May 10. For the first time, each school and college will have a free-standing ceremony, with the law school ceremony two weeks later. Complete details are available via the commencement Web site (www.american.edu/commencement). Commencement speakers will be announced next week. The lineup for commencement weekend will be:

Friday, May 8

- 1:00 p.m.—Phi Beta Kappa
- 3:00 p.m.—University Honors Program Ceremony
- 5:30 p.m.—Reception for University and Student Achievement Award Winners
- 7:00 p.m.—Baccalaureate Service
- 8:00 p.m.—Toast to Graduates

Saturday, May 9

- 9:00 a.m.—School of Public Affairs Ceremony
- 1:00 p.m.—School of Communication Ceremony
- 4:30 p.m.—College of Arts and Sciences Ceremony

Sunday, May 10

- 9:00 a.m.—Kogod School of Business Ceremony
- 1:00 p.m.—School of International Service Ceremony

Sunday, May 24

- 1:00 p.m.—Washington College of Law Ceremony

As we move into the final weeks of spring semester, I want to thank the entire AU community for your efforts over the 2008–2009 academic year. It has been a significant year of accomplishment, and everyone should share in the pride. American University is a remarkable place, and we prove that again and again.

I will write again after the graduations or as summer approaches. Meanwhile, good luck on final exams and in closing out the year.