

BUDGET REPORT FROM THE PRESIDENT

AMERICAN UNIVERSITY
FISCAL YEARS 2016 AND 2017
MAY 1, 2015-APRIL 30, 2017

Adopted by the Board of Trustees
March 6, 2015



AMERICAN UNIVERSITY BUDGET REPORT FROM THE PRESIDENT

FISCAL YEARS 2016 AND 2017

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REPORT FROM PRESIDENT KERWIN

The AU Board of Trustees approved an operating budget totaling \$1.25 billion for fiscal years 2016 and 2017. The budget reflects equilibrium among a number of critical factors, including our strategic priorities, affordability efforts, Middle States reaccreditation recommendations, and external factors such as regulatory changes.

The AU Board of Trustees approved an operating budget totaling \$1.25 billion for fiscal years 2016 and 2017. The budget reflects equilibrium among a number of critical factors, including our strategic priorities, affordability efforts, Middle States reaccreditation recommendations, and external factors such as regulatory changes. In the next two years, we will also be making adjustments in response to challenges in our budgetary environment that will ensure the university is poised for continued achievement and progress in the future.

Fiscal years 2016 and 2017 mark the seventh and eighth years of implementing the university's strategic plan, *American University and the Next Decade: Leadership for a Changing World*. The strategic plan objectives for the next two years were developed through an open and consultative process to ensure we are getting all we can from the large investments we have made. The additional investment of \$55 million in the next two years will fund strategic objectives and action steps considered to be an utmost priority to the institution or related to compliance with new regulatory requirements. AU 2030 themes will remain a priority for targeted investments in academic programs and research. Further, existing face-to-face master's programs will be enhanced with advanced technology to be delivered online and at a distance as a strategic area for enrollment and revenue growth over the next two years and beyond.

Affordability was at the forefront of deliberations on pricing for the next two years. Tuition rate increases are 3.0 percent in FY16 and 3.5 percent in FY17 across all enrollment categories. Lower increases for room and board will keep increases in total cost of attendance at 2.5 percent in FY16 and 3.0 percent in FY17. Financial aid will continue to be a critical priority in FY16 and FY17, with an emphasis on enhancing need-based aid. Including special allocations, undergraduate and graduate financial aid funding levels will rise to 31.7 percent of tuition revenue.

This budget continues our strategic investments in human resources to recruit and retain the best faculty and staff and to provide on-campus employment opportunities for students. Funding pools are budgeted in each year to provide 1.5 percent performance-based one-time payments in FY16 and 1.5 percent salary increases in FY17 for faculty and staff. We will enhance instructional resources and increase compensation rates for term faculty and adjuncts. Funding is also provided for increased costs related to faculty and staff benefits, including compliance with new health care regulations and DC minimum wage increases.

Due to a budgetary environment with a greater degree of complexity than those of recent two-year budget formulation processes, budget reductions and cash funding supplements are necessary to achieve equilibrium and ensure a strong foundation for the FY18–FY19 budget process. One percent base budget reductions in each year identified by the cabinet will maximize efficiency and partially fund required new expenditures. In addition, we will leverage


cash supplements in each year to fund strategic initiatives. Our ongoing contribution to fund financial safeguards in the FY16–FY17 budget underscores our commitment to maintaining these holdings.

While our complex budgetary environment requires that we realign our budget level in fiscal years 2016 and 2017, the university's positive financial standing will effectively accommodate the necessary period of adjustment over the next two years. Our emphasis on financial safeguard policies has positioned us well to respond as needed without forgoing continued investment in strategic priorities and minimizing any adverse effect on our core academic and administrative functions. I am confident that our response to these challenges will result in our ultimately being better positioned for progress and growth in coming years.

This report provides an overview of the major elements of the budget for fiscal years 2016 and 2017 and includes the following:

- fiscal years 2016 and 2017 budget highlights
- revenue and expense budget schedules with supporting graphical presentations
- tuition, residence hall, and meal plan rates for FY16 and FY17
- highlights of funding for strategic plan goals
- historical data on AU's enrollment, faculty and staff salary increases, operating budget, and endowment funds
- market comparison data on AU's tuition rates and fees
- financial aid and affordability summary

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



Cornelius M. Kerwin

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FISCAL YEARS 2016 AND 2017 BUDGET HIGHLIGHTS

TUITION FOR ALL ENROLLMENT CATEGORIES	3.0% increase for FY16 and 3.5% increase for FY17
RESIDENCE HALLS	Increases of 1.0% for traditional-style housing, 2.5% for Centennial suites, and 3.0% for apartment and suite housing each year
MEAL PLAN	2.0% increase each year
TOTAL TUITION, MANDATORY FEES, RESIDENCE HALL, AND MEAL PLAN RATES	2.5% increase for FY16 and 3.0% increase for FY17
PARKING	No increase for FY16 and FY17
INVESTMENT INCOME	Increased \$500,000 to total \$6.25 million in FY16 and another \$250,000 to total \$6.50 million in FY17
INDIRECT COST RECOVERY	Increased \$600,000 to \$2.0 million in FY16
FACULTY AND STAFF SALARIES	<p>\$2.5 million for a 1.5% funding pool to provide performance-based, one-time payments for faculty and staff in September 2015</p> <p>An additional \$2.7 million for a 1.5% performance-based salary increase to take effect September 2016</p>
FULL-TIME FACULTY	\$576,000 to provide base funding for tenure-track faculty in FY16
TERM FACULTY	<p>\$1.35 million over two years to support continuing and additional term faculty to enhance instructional resources</p> <p>\$400,000 in FY16 and an additional \$400,000 in FY17 to increase term faculty salaries to meet market demands</p>
ADJUNCT FACULTY	Funds set aside each year to address market adjustments and to hire additional adjuncts
DC MINIMUM WAGE INCREASES	\$500,000 in FY16 and another \$400,000 in FY17 to fund compensation adjustments in accordance with DC minimum wage increases
STAFF	<p>\$1.6 million over two years for salaries and benefits for new full-time staff positions, including those for East Campus that will become operational in FY17</p> <p>Funding allocations to increase compensation for student residence hall staff effective FY16 and residential education staff for East Campus residence halls</p>
FACULTY AND STAFF BENEFITS	<p>\$1.8 million over two years to provide competitive benefit offerings to attract and retain high-quality faculty and staff</p> <p>\$293,000 over two years to fund the university's compliance with new health care regulations</p> <p>Funding set aside to cover estimated costs to comply with the DC Earned Sick and Safe Leave Amendment Act of 2013</p>

FINANCIAL AID

\$8.3 million over two years to match enrollment changes and index to the tuition increase

An increase of \$688,000 in FY16 to provide permanent funding for AU enrichment grants that provide financial support for study abroad and internships based on need

An increase of \$100,000 to provide additional summer financial aid for students enrolled in three-year BA programs

The tuition discount formula was recalibrated effective FY16 to reflect special allocations that had previously not been factored into the calculation, including AU enrichment grants, Frederick Douglass Distinguished Scholarships, grants-in-aid, and some graduate financial aid awards. Under the revised formula, undergraduate and graduate financial aid funding is planned to be at 31.7% of tuition revenue in FY16 and FY17.

SUPPLIES AND EXPENSES

A wide range of initiatives to improve the quality of programs and respond to external environmental factors, including making faculty retention packages more competitive; funding to support student participation in living-learning communities and the AU Scholars program; increased funding for athletics programs such as club sports; expanded graduate student recruitment and retention efforts; and operating expenses for the new East Campus

TECHNOLOGY CAPITAL FUNDING

A total investment of \$3 million over two years to fund initiatives in the university-wide enterprise technology portfolio, such as graduate admissions (Recruiter); faculty recruitment and training applications; student evaluation of teaching; virtual computing for faculty; technology integration for online programs; noncredit registration application; fundraising analytics; and Colleague to SQL server migration

Funding provided for contractual cost increases and technology infrastructure in new facilities

LIBRARY ACQUISITIONS

Increased \$300,000 in each year 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 our faculty and new academic programs

FACILITIES MODERNIZATION FUND

Increased \$500,000 in FY16 and an additional \$500,000 in FY17 for modernizing institutional facilities 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 have been held at the FY15 level of \$6.15 million each year.

BUDGET REDUCTIONS

1.0% of operating budget or \$2.7 million in FY16 and another 1.0%, an additional \$2.7 million, in FY17 to maximize efficiency and to partially fund required new expenditures and support budget equilibrium

TRANSFER FROM TUITION MANAGEMENT RESERVE

\$5 million in FY16 and \$5 million in FY17

TRANSFER TO FUND STRATEGIC PLAN INITIATIVES

\$10 million in FY16 and \$2 million in FY17 from internally designated accounts to support our ability to fund strategic plan initiatives and ongoing university priorities

FISCAL YEAR 2016 REVENUE AND EXPENDITURE BUDGET

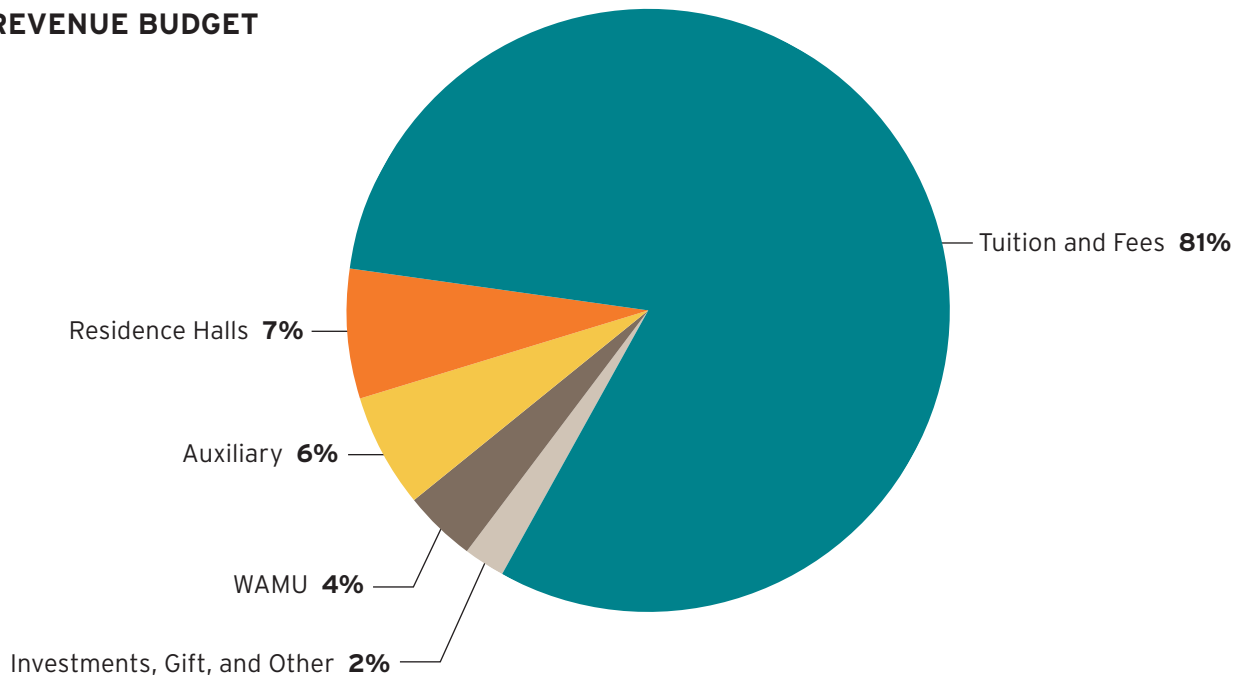
	FY15 Budget	Budget Changes	FY16 Budget	% Change
REVENUE (\$000s omitted)				
Student Tuition and Fees	\$499,336	(\$3,072)	\$496,264	(0.6%)
New Revenue Initiatives	2,750	(2,750)	0	(100.0%)
Residence Halls	41,154	150	41,303	0.4%
Auxiliary Enterprises	36,085	698	36,783	1.9%
Investment Income	5,750	500	6,250	8.7%
Unrestricted Gifts	750	0	750	0.0%
Indirect Cost Recovery	1,400	600	2,000	42.9%
Endowment Income	4,450	0	4,450	0.0%
WAMU-FM Revenue	23,425	(1,225)	22,200	(5.2%)
Total Revenue	\$615,100	(\$5,100)	\$610,000	(0.8%)
EXPENDITURES (\$000s omitted)				
Faculty and Staff Salaries	\$200,628	\$1,551	\$202,179	0.8%
Adjunct Faculty Salaries	8,559	230	8,789	2.7%
Part-Time Staff	20,057	753	20,810	3.8%
Employee Benefits	59,520	1,069	60,589	1.8%
Transfer to Fund Sept. 2015 Salary Increase	(3,900)	1,400	(2,500)	(35.9%)
Transfer to Pre-Fund Sept. 2016 Salary Increase	4,100	(1,400)	2,700	(34.1%)
Salaries and Benefits	\$288,963	\$3,603	\$292,566	1.2%
Financial Aid	\$117,448	\$3,191	\$120,638	2.7%
Supplies and Expenses, etc.	110,765	2,800	113,565	2.5%
Instructional Revenue Centers (IRCs) and Online Partnership Programs	10,500	10,000	20,500	95.2%
Library Acquisitions	7,438	354	7,792	4.8%
Utilities	10,978	0	10,978	0.0%
Technology Capital Funding	11,534	995	12,529	8.6%
Deferred Maintenance (including residence halls)	13,669	0	13,669	0.0%
Furnishings and Equipment Fund	1,900	0	1,900	0.0%
Facilities Modernization Fund	5,600	500	6,100	8.9%
Debt Service	30,154	0	30,154	0.0%
Responsibility Center Management (RCM) Units	0	(8,842)	(8,842)	n/a
Transfer to Quasi-Endowment Funds	6,150	0	6,150	0.0%
Budget Reductions	0	(2,700)	(2,700)	n/a
Transfer from Tuition Management Reserve	0	(5,000)	(5,000)	n/a
Transfer to Fund Strategic Plan Initiatives	0	(10,000)	(10,000)	n/a
Total Expenditures	\$615,100	(\$5,100)	\$610,000	(0.8%)
Net Surplus/(Deficit)	\$0	\$0	\$0	

FISCAL YEAR 2017 REVENUE AND EXPENDITURE BUDGET

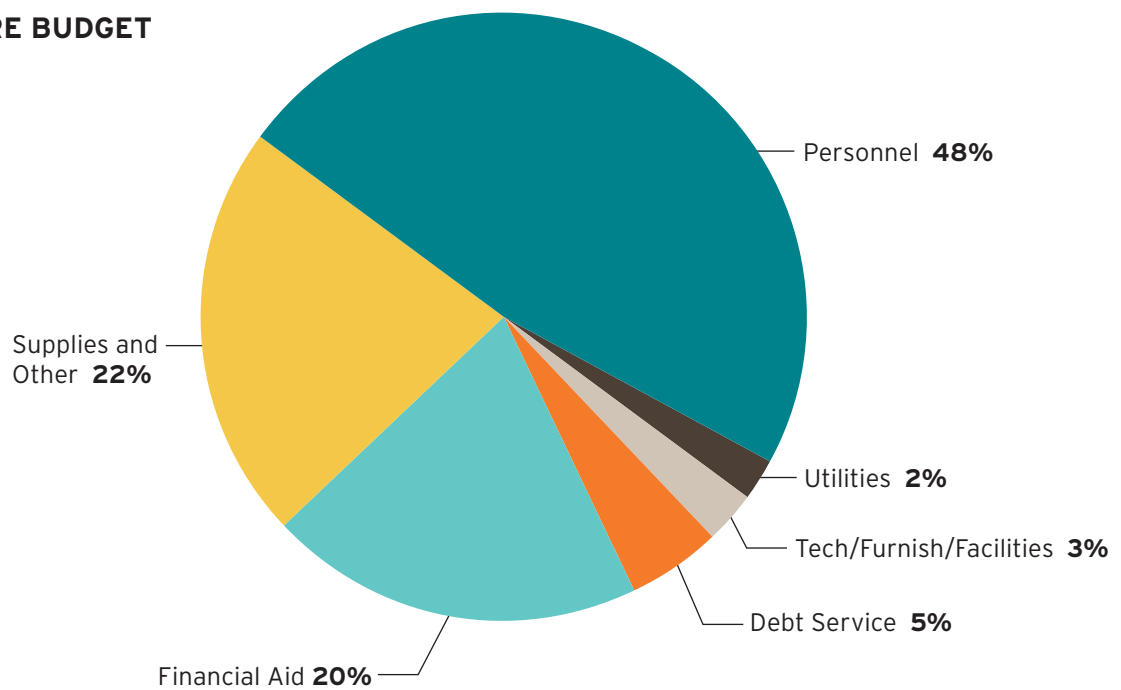
	FY16 Budget	Budget Changes	FY17 Budget	% Change
REVENUE (\$000s omitted)				
Student Tuition and Fees	\$496,264	\$20,154	\$516,418	4.1%
New Revenue Initiatives	0	0	0	n/a
Residence Halls	41,303	5,860	47,163	14.2%
Auxiliary Enterprises	36,783	3,436	40,219	9.3%
Investment Income	6,250	250	6,500	4.0%
Unrestricted Gifts	750	0	750	0.0%
Indirect Cost Recovery	2,000	0	2,000	0.0%
Endowment Income	4,450	0	4,450	0.0%
WAMU-FM Revenue	22,200	800	23,000	3.6%
Total Revenue	\$610,000	\$30,500	\$640,500	5.0%
EXPENDITURES (\$000s omitted)				
Faculty and Staff Salaries	\$202,179	\$1,322	\$203,501	0.7%
Adjunct Faculty Salaries	8,789	138	8,927	1.6%
Part-Time Staff	20,810	976	21,786	4.7%
Employee Benefits	60,589	1,848	62,437	3.1%
Transfer to Fund Sept. 2016 Salary Increase	(2,500)	(200)	(2,700)	8.0%
Transfer to Pre-Fund Sept. 2017 Salary Increase	2,700	1,700	4,400	63.0%
Salaries and Benefits	\$292,566	\$5,784	\$298,350	2.0%
Financial Aid	\$120,638	\$4,017	\$124,655	3.3%
Supplies and Expenses, etc.	113,565	6,569	120,134	5.8%
Instructional Revenue Centers (IRCs) and Online Partnership Programs	20,500	3,000	23,500	14.6%
Library Acquisitions	7,792	323	8,115	4.1%
Utilities	10,978	420	11,398	3.8%
Technology Capital Funding	12,529	762	13,291	6.1%
Deferred Maintenance Fund (including residence halls)	13,669	0	13,669	0.0%
Furnishings and Equipment Fund	1,900	0	1,900	0.0%
Facilities Modernization Fund	6,100	500	6,600	8.2%
Debt Service	30,154	0	30,154	0.0%
Responsibility Center Management (RCM) Units	(8,842)	3,825	(5,017)	(43.3%)
Transfer to Quasi-Endowment Funds	6,150	0	6,150	0.0%
Budget Reductions	(2,700)	(2,700)	(5,400)	100.0%
Transfer from Tuition Management Reserve	(5,000)	0	(5,000)	0.0%
Transfer to Fund Strategic Plan Initiatives	(10,000)	8,000	(2,000)	(80.0%)
Total Expenditures	\$610,000	\$30,500	\$640,500	5.0%
Net Surplus/(Deficit)	\$0	\$0	\$0	

FISCAL YEAR 2016 REVENUE AND EXPENDITURE BUDGET

REVENUE BUDGET

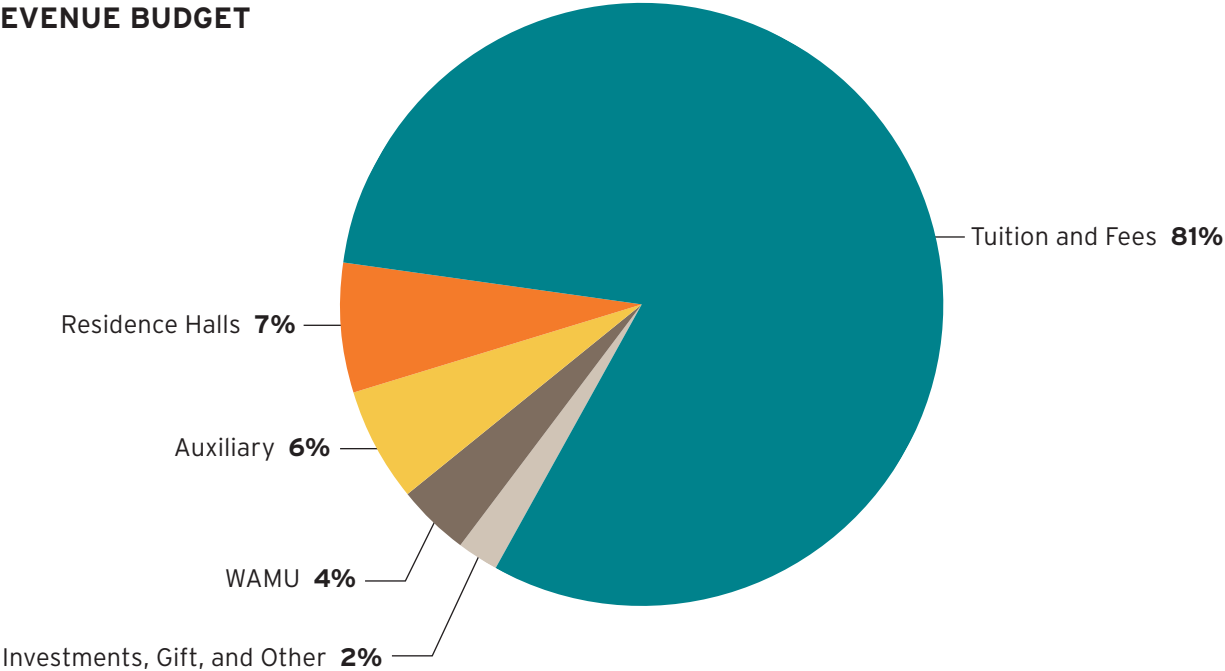


EXPENDITURE BUDGET

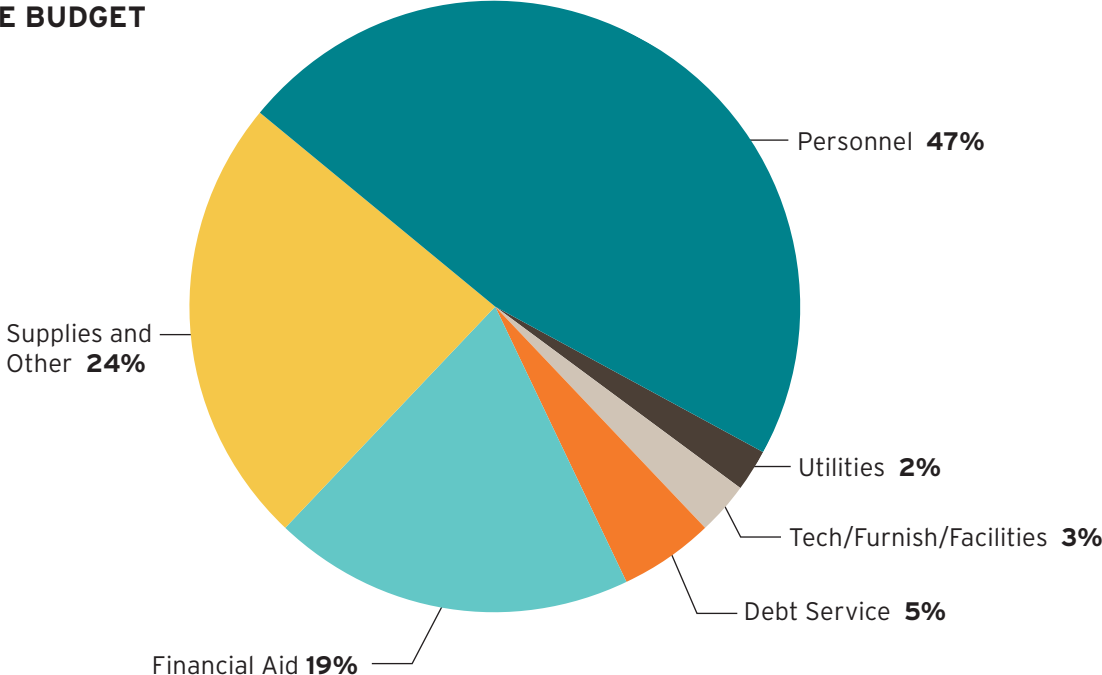


FISCAL YEAR 2017 REVENUE AND EXPENDITURE BUDGET

REVENUE BUDGET



EXPENDITURE BUDGET



FISCAL YEAR 2016 DIVISIONAL EXPENDITURE BUDGET

(\$000s omitted)	Operating Accounts	Institutional Accounts	Total FY16 Budget	% of University Total
President	\$2,956	\$0	\$2,956	0.5%
Information Technology	\$23,321	\$0	\$23,321	3.8%
University Communications and Marketing	\$5,213	\$0	\$5,213	0.9%
General Counsel	\$1,564	\$696	\$2,260	0.4%
Human Resources, Child Development Center	\$4,959	\$0	\$4,959	0.8%
Athletics/Recreation Sports and Fitness	\$8,934	\$5,268	\$14,202	2.3%
WAMU-FM	\$22,200	\$0	\$22,200	3.6%
Academic Affairs				
Provost's Office	\$4,636	\$0	\$4,636	
Academic Initiatives—for distribution to colleges/schools	7,509	0	7,509	
College of Arts and Sciences (CAS)	49,109	154	49,263	
Kogod School of Business (KSB)—RCM	23,533	750	24,283	
School of International Service (SIS)	16,593	29	16,622	
School of Communication (SOC)	11,840	0	11,840	
School of Public Affairs (SPA)	16,041	12	16,053	
School of Professional and Extended Studies (SPEX)	6,722	1,444	8,166	
AU Abroad/Abroad at AU	12,793	114	12,907	
Instructional Revenue Centers (IRCs) and Online Partnership Programs—for distribution	18,000	0	18,000	
Washington College of Law (WCL)—RCM	54,300	8,010	62,310	
Dean of Academic Affairs and Sr. Vice Provost	4,410	0	4,410	
Vice Provost—Research/Dean of Graduate Studies	1,817	122	1,939	
Graduate Financial Aid	0	17,674	17,674	
Vice Provost—Undergraduate Studies	2,086	132	2,218	
Office of Enrollment	8,802	0	8,802	
Undergraduate Financial Aid	0	83,901	83,901	
Vice Provost—Academic Administration	2,001	0	2,001	
Office of the Registrar	2,480	133	2,613	
Library	14,209	1,158	15,367	
Total	\$256,881	\$113,634	\$370,515	60.7%

(\$000s omitted)

	Operating Accounts	Institutional Accounts	Total FY16 Budget	% of University Total
Vice President of Finance and Treasurer				
Vice President's Central Accounts	\$5,439	\$0	\$5,439	
Financial Management/Treasury	5,310	1,466	6,775	
Debt Service	0	24,012	24,012	
University Benefits	0	60,032	60,032	
University Benefits Offset	0	(60,032)	(60,032)	
University Budget Office and Finance Resource Center	2,136	0	2,136	
Risk and Safety Services	6,126	2,492	8,618	
Facilities Management	19,147	6,692	25,838	
Utilities	0	10,978	10,978	
Capital Renewal and Deferred Maintenance (CRDM)	0	12,151	12,151	
Planning and Project Management	1,885	0	1,885	
Auxiliary Services and Enterprises	1,567	13,419	14,987	
Investment Properties	0	8,003	8,003	
Total	\$41,610	\$79,213	\$120,823	19.8%
Vice President of Campus Life				
Campus Life Operations	\$15,718	\$846	\$16,564	
Housing and Dining Programs	6,556	0	6,556	
Residence Hall CRDM	0	1,518	1,518	
Total	\$22,274	\$2,364	\$24,638	4.0%
Vice President of Development and Alumni Relations	\$8,410	\$0	\$8,410	1.4%
Central Reserves				
New Staff Position Pool—for distribution	\$418	\$0	\$418	
Faculty and Staff Performance-Based Salary Increase—for distribution	2,500	0	2,500	
Furnishings and Equipment Fund	0	1,900	1,900	
Facilities Modernization Fund	0	6,100	6,100	
Technology/Capital Funding—for distribution	0	2,075	2,075	
Transfer to Quasi-Endowment Funds	0	6,150	6,150	
Transfer from Tuition Management Reserve	0	(5,000)	(5,000)	
Transfer to Fund Strategic Plan Initiatives	0	(10,000)	(10,000)	
Other Central Reserves—for distribution	0	6,361	6,361	
Total	\$2,918	\$7,586	\$10,503	1.7%
Total Expenditures	\$401,240	\$208,760	\$610,000	100.0%

FISCAL YEAR 2017 DIVISIONAL EXPENDITURE BUDGET

(\$000s omitted)	Operating Accounts	Institutional Accounts	Total FY17 Budget	% of University Total
President	\$2,936	\$0	\$2,936	0.5%
Information Technology	\$23,590	\$0	\$23,590	3.7%
University Communications and Marketing	\$5,167	\$0	\$5,167	0.8%
General Counsel	\$1,549	\$696	\$2,245	0.4%
Human Resources, Child Development Center	\$4,909	\$0	\$4,909	0.8%
Athletics/Recreation Sports and Fitness	\$8,847	\$5,268	\$14,114	2.2%
WAMU-FM	\$23,000	\$0	\$23,000	3.6%
Academic Affairs				
Provost's Office	\$4,521	\$0	\$4,521	
Academic Initiatives—for distribution to colleges/schools	8,899	0	8,899	
College of Arts and Sciences (CAS)	48,620	154	48,774	
Kogod School of Business (KSB)—RCM	24,876	750	25,626	
School of International Service (SIS)	16,437	29	16,466	
School of Communication (SOC)	11,720	0	11,720	
School of Public Affairs (SPA)	15,879	12	15,891	
School of Professional and Extended Studies (SPExS)	6,654	1,444	8,098	
AU Abroad/Abroad at AU	12,370	114	12,484	
Instructional Revenue Centers (IRCs) and Online Partnership Programs—for distribution	21,000	0	21,000	
Washington College of Law (WCL)—RCM	55,982	8,010	63,992	
Dean of Academic Affairs and Sr. Vice Provost	4,366	0	4,366	
Vice Provost—Research/Dean of Graduate Studies	1,799	122	1,921	
Graduate Financial Aid	0	18,505	18,505	
Vice Provost—Undergraduate Studies	2,068	132	2,200	
Office of Enrollment	8,714	0	8,714	
Undergraduate Financial Aid	0	86,295	86,295	
Vice Provost—Academic Administration	1,981	0	1,981	
Office of the Registrar	2,456	133	2,589	
Library	14,368	1,181	15,549	
Total	\$262,710	\$116,880	\$379,590	59.3%

(\$000s omitted)	Operating Accounts	Institutional Accounts	Total FY17 Budget	% of University Total
Vice President of Finance and Treasurer				
Vice President's Central Accounts	\$5,013	\$0	\$5,013	
Financial Management/Treasury	5,310	1,466	6,775	
Debt Service	0	24,012	24,012	
University Benefits	0	61,315	61,315	
University Benefits Offset	0	(61,315)	(61,315)	
University Budget Office and Finance Resource Center	2,136	0	2,136	
Risk and Safety Services	6,075	2,492	8,567	
Facilities Management	22,647	6,886	29,533	
Utilities	0	11,398	11,398	
Capital Renewal and Deferred Maintenance (CRDM)	0	12,151	12,151	
Planning and Project Management	1,885	0	1,885	
Auxiliary Services and Enterprises	1,567	15,634	17,202	
Investment Properties	0	8,003	8,003	
Total	\$44,633	\$82,042	\$126,675	19.8%
Vice President of Campus Life				
Campus Life Operations	\$15,612	\$846	\$16,458	
Housing and Dining Programs	6,343	0	6,343	
Residence Hall CRDM	0	1,518	1,518	
Total	\$21,955	\$2,364	\$24,319	3.8%
Vice President of Development and Alumni Relations	\$8,325	\$0	\$8,325	1.3%
Central Reserves				
New Staff Position Pool—for distribution	\$1,395	\$0	\$1,395	
Faculty and Staff Performance-Based Salary Increase—for distribution	2,700	0	2,700	
Furnishings and Equipment Fund	0	1,900	1,900	
Facilities Modernization Fund	0	6,600	6,600	
Technology/Capital Funding—for distribution	0	2,199	2,199	
Transfer to Quasi-Endowment Funds	0	6,150	6,150	
Transfer from Tuition Management Reserve	0	(5,000)	(5,000)	
Transfer to Fund Strategic Plan Initiatives	0	(2,000)	(2,000)	
Other Central Reserves—for distribution	0	11,685	11,685	
Total	\$4,095	\$21,534	\$25,629	4.0%
Total Expenditures	\$411,716	\$228,784	\$640,500	100.0%

FISCAL YEARS 2016-2017

HIGHLIGHTS OF FUNDING FOR STRATEGIC PLAN GOALS

(\$000s omitted)	Budget Allocations	
	FY16	FY17
STRATEGIC GOALS		
SP1 Epitomize the Scholar-Teacher Ideal		
Increase full-time tenure-track faculty	\$576	\$576
Enhance faculty retention initiatives	300	700
Increase term faculty and adjuncts, including additional teaching resources for statistics	600	950
Term salary adjustments to meet market demands	400	800
Adjunct compensation increases and support for union administration	173	323
	\$2,049	\$3,349
SP2 Provide an Unsurpassed Undergraduate Experience		
Increase funding for undergraduate financial aid for three-year BA students during summer	\$100	\$100
Implement new programs for statistics, AU Scholars, and University College	298	298
Increase funding for athletics, including club sports	262	262
Increase student services support and Welcome Week activities	65	65
Increase resources for commencement	55	64
Increase funding for Student Health Center and counseling staff	41	41
Increase funding for residence hall student staff	53	53
Provide funding for East Campus residential education	0	619
	\$873	\$1,501
SP3 Demonstrate Distinction in Graduate, Professional, and Legal Studies		
Increase graduate marketing efforts	\$670	\$670
SP4 Engage in Great Ideas and Issues through Research, Centers, and Institutes		
Increase distribution of overhead income generated through externally funded research	\$600	\$600
Continue support for research centers and institutes, including the Center for Latin American and Latino Studies	320	320
	\$920	\$920
SP5 Reflect and Value Diversity		
Fund Title IX training and continue funding for WINS scholarships and AU Enrichment Grants	\$912	\$912
SP6 Bring the World to AU and AU to the World		
Increase funding for AU Abroad and Abroad at AU program delivery	\$672	\$371
SP7 Act on Values through Social Responsibility and Service	Existing Budget	
SP8 Engage Alumni in the Life of the University, on and off Campus	Existing Budget	

(\$000s omitted)	Budget Allocations	
	FY16	FY17
SP9 Encourage Innovation and High Performance		
Provide funding for DC minimum wage increases	\$500	\$900
Increase funding support for dining programs and campus services	527	2,985
Enhance Public Safety staffing level to provide a safer campus	0	158
	<u>\$1,027</u>	<u>\$4,042</u>
SP10 Win Recognition and Distinction		
Enhance the university's recruitment strategy	\$150	\$150
ENABLING GOALS		
EG1 Diversify Revenue Sources		
Provide funding for online program delivery and student support	\$10,154	\$13,154
EG2 Employ Technology to Empower Excellence		
Implement OIT Enterprise system enhancements	\$1,818	\$1,918
Renew technology life cycle capital programs	480	475
Continue support for OIT staffing resources to match enterprise enhancements	271	271
	<u>\$2,569</u>	<u>\$2,663</u>
EG3 Improve the University Library and Research Infrastructure		
Increase funding for library collection, electronic databases, and WRLC	\$354	\$766
EG4 Forge Partnerships by Leveraging our Capital Location	Existing Budget	
EG5 Continue as a Model for Civil Discourse	Existing Budget	
EG6 Align Facilities Planning with Strategic Goals		
Provide funding for operating expenses at East Campus	\$35	\$3,091
Provide funding for operating expenses at 4801 Massachusetts Avenue	0	1,271
Modernize institutional facilities	600	1,100
	<u>\$635</u>	<u>\$5,462</u>
TOTAL FUNDING	\$20,984	\$33,961

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

Increase financial aid to match tuition and enrollment changes	\$4,606	\$8,302
Implement performance-based salary increase for faculty and staff	2,500	2,700
Provide market-competitive health and benefit packages for faculty and staff	1,559	2,204
	<u>\$8,665</u>	<u>\$13,206</u>

FISCAL YEARS 2010–2017

SUMMARY OF FUNDING FOR STRATEGIC PLAN GOALS

(\$000s omitted)		FYs10-15 Subtotal	FY16	FY17	FYs10-17 Total
STRATEGIC GOALS					
SP1	Epitomize the Scholar-Teacher Ideal	\$29,181	\$2,049	\$3,349	\$34,578
SP2	Provide an Unsurpassed Undergraduate Experience	\$21,347	\$873	\$1,501	\$23,720
SP3	Demonstrate Distinction in Graduate, Professional, and Legal Studies	\$5,548	\$670	\$670	\$6,888
SP4	Engage in Great Ideas and Issues through Research, Centers, and Institutes	\$3,582	\$920	\$920	\$5,422
SP5	Reflect and Value Diversity	\$4,644	\$912	\$912	\$6,469
SP6	Bring the World to AU and AU to the World	\$6,301	\$672	\$371	\$7,344
SP7	Act on Values through Social Responsibility and Service	\$1,939	Existing Budget		\$1,939
SP8	Engage Alumni in the Life of the University, on and off Campus	\$3,393	Existing Budget		\$3,393
SP9	Encourage Innovation and High Performance	\$13,324	\$1,027	\$4,042	\$18,393
SP10	Win Recognition and Distinction	\$5,401	\$150	\$150	\$5,701
ENABLING GOALS					
EG1	Diversify Revenue Sources	\$4,925	\$10,154	\$13,154	\$28,232
EG2	Employ Technology to Empower Excellence	\$15,180	\$2,569	\$2,663	\$20,413
EG3	Improve the University Library and Research Infrastructure	\$4,540	\$354	\$766	\$5,660
EG4	Forge Partnerships by Leveraging our Capital Location	\$1,268	Existing Budget		\$1,268
EG5	Continue as a Model for Civil Discourse	\$10	Existing Budget		\$10
EG6	Align Facilities Planning with Strategic Goals	\$40,918	\$635	\$5,462	\$47,015
TOTAL FUNDING		\$161,500	\$20,984	\$33,961	\$216,445

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

Increase financial aid to match tuition and enrollment changes	\$50,108	\$4,606	\$8,302	\$63,016
Implement performance-based salary increase for faculty and staff	28,475	2,500	2,700	33,675
Provide market-competitive health and benefit packages for faculty and staff	23,010	1,559	2,204	26,773
	<u>\$101,593</u>	<u>\$8,665</u>	<u>\$13,206</u>	<u>\$123,464</u>

FACULTY AND STAFF MERIT INCREASE AND MARKET ADJUSTMENTS

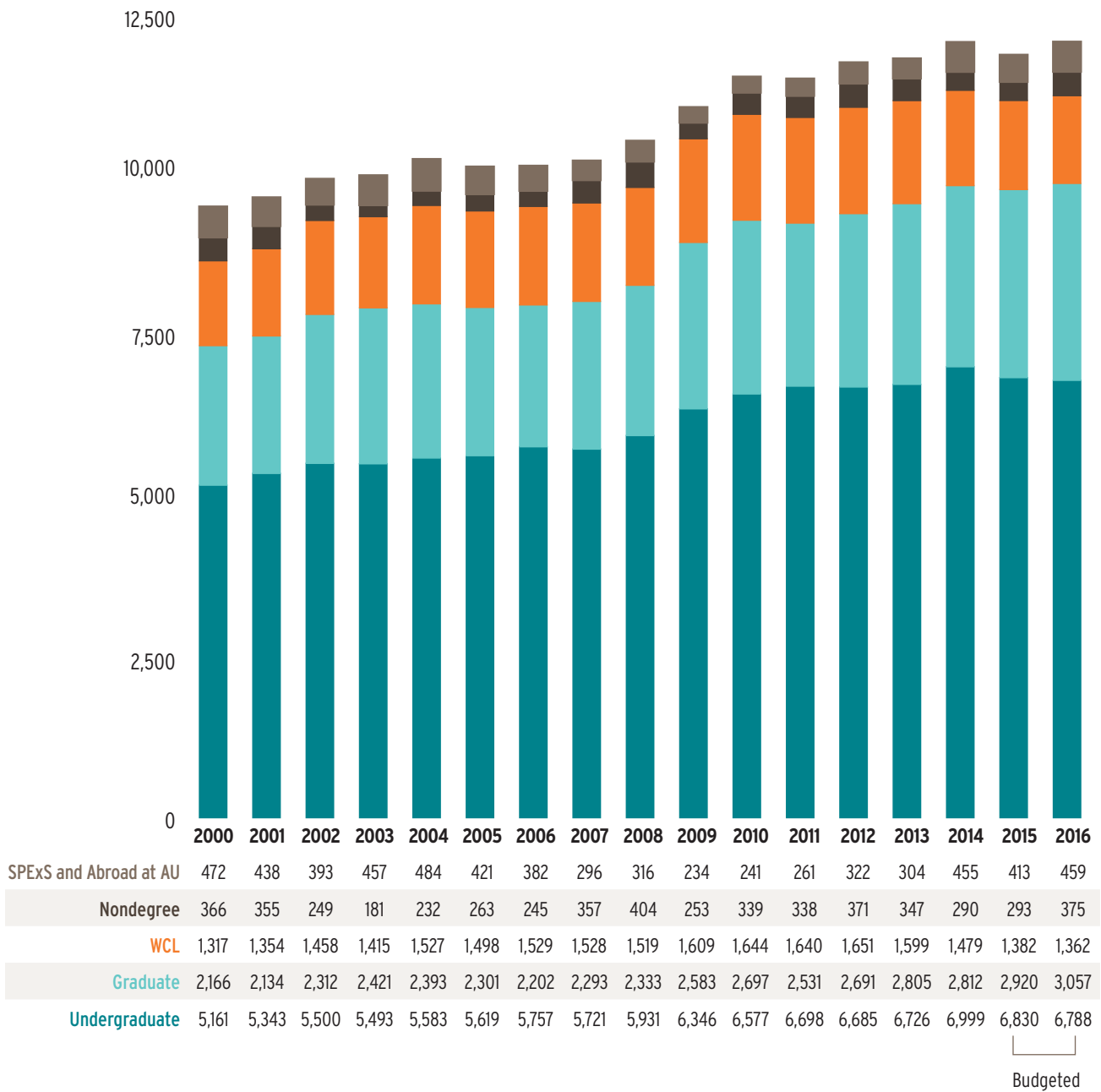
	Merit %	Staff Market	Faculty Market
FY99	2.50%	\$1,400,000	\$225,000
FY00	2.50%	1,400,000	350,000
FY01	4.00%	1,400,000	800,000
FY02	4.00%	1,700,000	943,000
FY03	4.00%	0	0
FY04	4.00%	0	0
FY05	4.00%	0	0
FY06	3.75%	150,000	100,000
FY07	3.50%	0	0
FY08	3.70%	0	110,000
FY09	3.70%	0	120,000
FY10	3.00%	0	100,000
FY11	3.00%	0	100,000
FY12	3.00%	0	400,000
FY13	3.00%	0	400,000
FY14	2.50%	0	400,000
FY15	2.50%	0	400,000
FY16	1.50%	0	400,000
FY17	1.50%	0	400,000
TOTAL		\$6,050,000	\$5,248,000

Notes

The FY16 merit pool will be implemented as one-time payments.

Faculty market funding in FY16 and FY17 is for term faculty.

FALL FULL-TIME EQUIVALENT ENROLLMENT



Source: Office of Institutional Research and Assessment. Data as of the fifth week of the semester.

TUITION, HOUSING, AND MEAL PLAN RATES

	FY15	FY16	FY17	FYs15-16 Change	FYs16-17 Change
TUITION RATES: FALL AND SPRING SEMESTERS					
Full-Time Undergraduate (semester)	\$20,658	\$21,278	\$22,023	3.0%	3.5%
Part-Time Undergraduate (credit hour)	1,376	1,417	1,467	3.0%	3.5%
Graduate (credit hour)	1,482	1,526	1,579	3.0%	3.5%
Washington College of Law (semester)	24,331	25,061	25,938	3.0%	3.5%
Washington College of Law (credit hour)	1,802	1,856	1,921	3.0%	3.5%
Nondegree Undergraduate (credit hour)	1,376	1,417	1,467	3.0%	3.5%
Nondegree Graduate (credit hour)	1,482	1,526	1,579	3.0%	3.5%
Part-time Off-campus (credit hour)	1,249	1,286	1,331	3.0%	3.5%
	2014 (FY15)	2015 (FY16)	2016 (FY17)	2014-15 Change	2015-16 Change
TUITION RATES: SUMMER SEMESTERS (PER CREDIT HOUR)					
Undergraduate	\$1,337	\$1,376	\$1,417	2.95%	3.0%
Graduate	1,440	1,482	1,526	2.95%	3.0%
Washington College of Law	1,750	1,802	1,856	2.95%	3.0%
Nondegree Undergraduate	1,337	1,376	1,417	2.95%	3.0%
Nondegree Graduate	1,440	1,482	1,526	2.95%	3.0%
Part-Time Off-campus	1,213	1,249	1,286	2.95%	3.0%
	FY15	FY16	FY17	FYs15-16 Change	FYs16-17 Change
STUDENT HOUSING (PER SEMESTER)					
Single Occupancy	\$6,140	\$6,201	\$6,263	1.0%	1.0%
Double Occupancy	4,804	4,852	4,900	1.0%	1.0%
Triple Occupancy	3,585	3,621	3,657	1.0%	1.0%
Nebraska Hall and Cassell Hall Single Occupancy	6,383	6,574	6,771	3.0%	3.0%
Nebraska Hall and Cassell Hall Double Occupancy	5,285	5,443	5,606	3.0%	3.0%
Centennial Hall Single Occupancy	6,383	6,542	6,705	2.5%	2.5%
Centennial Hall Double Occupancy	5,093	5,220	5,350	2.5%	2.5%
East Campus Single Occupancy	n/a	n/a	6,771	n/a	n/a
East Campus Double Occupancy	n/a	n/a	5,523	n/a	n/a
	FY15	FY16	FY17	FYs15-16 Change	FYs16-17 Change
MEAL PLAN RATES					
250 Block Plan	\$2,850	\$2,899	\$2,949	2.0%	2.0%
200 Block Plan	2,536	2,579	2,622	2.0%	2.0%
175 Block Plan	2,287	2,325	2,363	2.0%	2.0%
100 Block Plan	1,498	1,520	1,542	2.0%	2.0%

Notes

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

Meal plan rates shown include \$200 EagleBucks and \$200 Dining Dollars. Additional meal plan options are available.

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%
AY12-13 to AY13-14	2.9%	3.6%	3.8%
AY13-14 to AY14-15	2.9%	3.5%	3.7%
AVERAGE	4.8%	5.1%	5.1%

Notes

* AU's competitors (private and public) identified by the Office of Enrollment

** Annually reported by the College Board

MARKET COMPARISON: FULL-TIME UNDERGRADUATE TUITION AND MANDATORY FEES

	School	FY14	FY15	Increase FY14 to FY15	
				\$	Percent
1	Carnegie Mellon University	\$47,642	\$49,022	\$1,380	2.9%
2	George Washington University	\$47,343	\$48,850	\$1,507	3.2%
3	Tufts University	\$46,598	\$48,643	\$2,045	4.4%
4	Bucknell University	\$46,902	\$48,498	\$1,596	3.4%
5	Tulane University	\$46,930	\$48,305	\$1,375	2.9%
6	Colgate University	\$46,380	\$48,175	\$1,795	3.9%
7	Johns Hopkins University	\$45,970	\$47,560	\$1,590	3.5%
8	Boston College	\$45,622	\$47,436	\$1,814	4.0%
9	University of Rochester	\$45,372	\$46,960	\$1,588	3.5%
10	Georgetown University	\$44,805	\$46,744	\$1,939	4.3%
11	Boston University	\$44,910	\$46,664	\$1,754	3.9%
12	Washington University in St. Louis	\$44,841	\$46,467	\$1,626	3.6%
13	New York University	\$44,845	\$46,148	\$1,303	2.9%
14	College of the Holy Cross	\$44,272	\$45,692	\$1,420	3.2%
15	Lafayette College	\$44,670	\$45,635	\$965	2.2%
16	Fordham University	\$43,577	\$45,507	\$1,930	4.4%
17	Emory University	\$44,008	\$45,008	\$1,000	2.3%
18	Lehigh University	\$43,520	\$44,890	\$1,370	3.1%
19	Vanderbilt University	\$43,368	\$44,542	\$1,174	2.7%
20	University of Miami	\$42,852	\$44,350	\$1,498	3.5%
21	Northeastern University	\$41,686	\$43,440	\$1,754	4.2%
22	Case Western Reserve University	\$41,800	\$43,158	\$1,358	3.2%
23	Syracuse University	\$40,458	\$41,886	\$1,428	3.5%
24	American University	\$40,649	\$41,833	\$1,184	2.9%
25	Rice University	\$38,941	\$40,665	\$1,724	4.4%
26	College of William and Mary*	\$37,851	\$39,360	\$1,509	4.0%
27	Hofstra University	\$37,400	\$38,900	\$1,500	4.0%
28	University of Dayton	\$35,800	\$37,230	\$1,430	4.0%
29	University of Maryland–College Park*	\$28,347	\$29,720	\$1,373	4.8%
30	University of Cincinnati*	\$25,816	\$26,334	\$518	2.0%
AVERAGE		\$42,439	\$43,921	\$1,482	3.5%

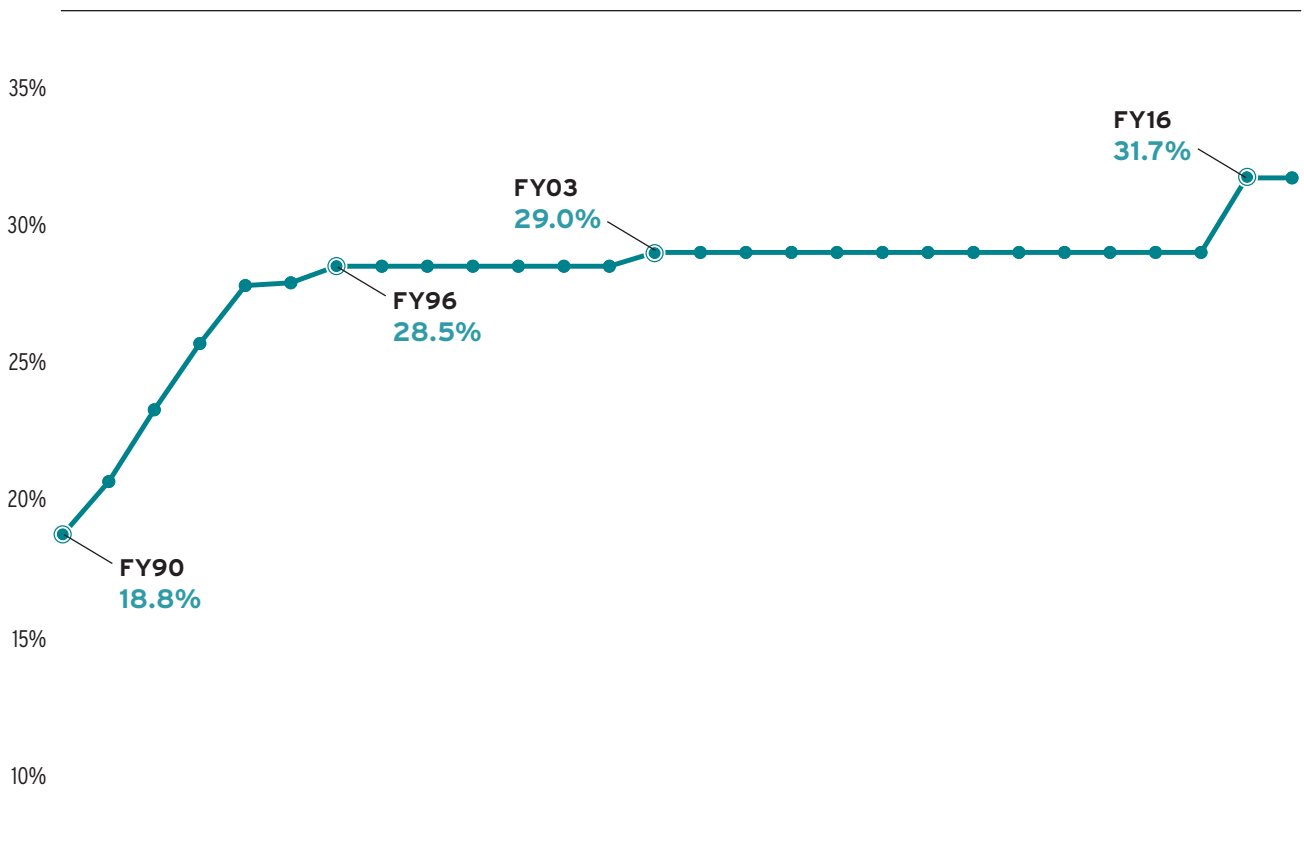
Notes

According to the College Board's annual tuition survey, the average in-state tuition and fees increase at public four-year institutions from AY13–14 to AY14–15 is 2.9%; the average tuition increase at private four-year institutions from AY13–14 to AY14–15 is 3.7%.

Sources: The Chronicle of Higher Education 11/13/2014 issue; American University Competition Profile, fall 2014

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

TUITION DISCOUNT RATE (FINANCIAL AID AS A PERCENT OF TUITION REVENUE)



Notes

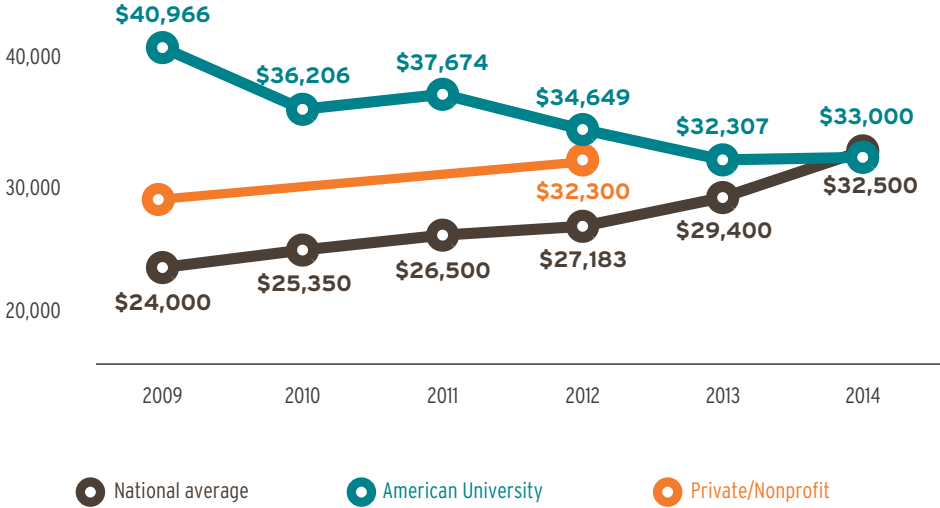
Excludes employee remitted tuition.

The tuition discount formula was recalibrated effective FY16 to reflect special allocations that had not previously been factored into the calculation (e.g., Frederick Douglass Distinguished Scholarships, grants-in-aid, and AU enrichment grants).

PERCENTAGE OF FINANCIAL AID EXPENDITURES ON NEED VS. MERIT

	NEED	MERIT
AY13-14	71%	29%
AY12-13	56%	44%
AY11-12	45%	55%
AY10-11	36%	64%
AY09-10	34%	66%

AVERAGE STUDENT DEBT FOR GRADUATES



Note
Numbers for 2014 are projected.

OPERATING BUDGET HISTORY

Millions of Dollars

700

600

500

400

300

200

100

0

FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15

Budget 239.4 249.9 272.6 290.5 312.1 329.2 357.6 380.7 402.6 427.7 456.7 479.2 548.8 572.8 593.4 615.1

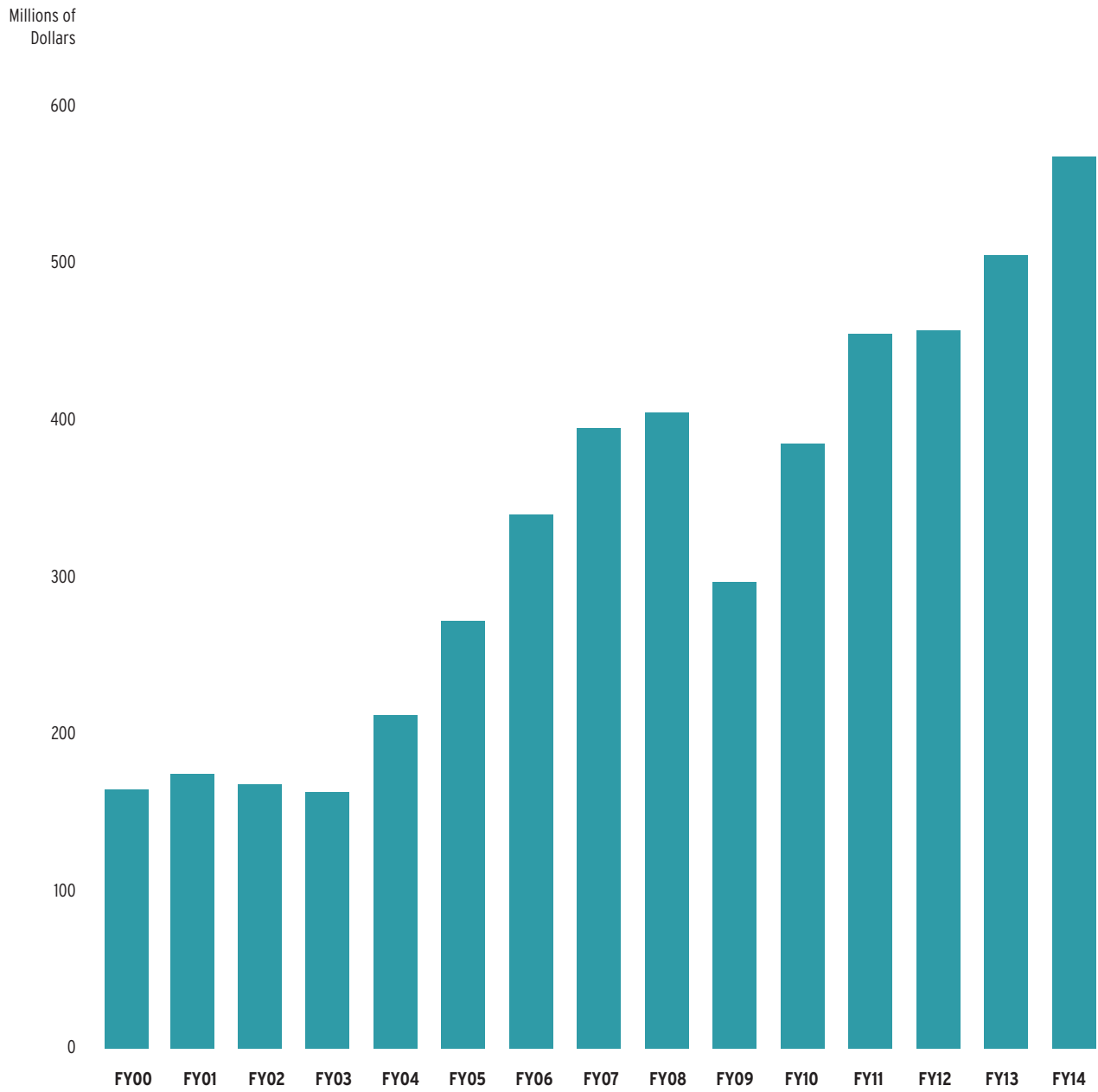
Actual revenue 232.7 250.5 269.9 287.1 305.7 337.8 361.6 382.2 408.7 439.3 481.0 512.6 541.0 556.3 572.3 595.1

Actual expense 235.0 250.3 269.8 286.8 305.6 337.6 361.4 382.0 408.3 438.9 480.1 511.8 541.0 555.9 571.7 595.0

Notes

FY15 actual revenue and expense are projected.

ENDOWMENT FUNDS





AMERICAN UNIVERSITY

W A S H I N G T O N , D C

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