

# AMERICAN UNIVERSITY BUDGET REPORT FROM THE PRESIDENT

FISCAL YEAR 2022  
JULY 1, 2021 - JUNE 30, 2022  
Adopted by the Board of Trustees  
March 5, 2021





# AMERICAN UNIVERSITY BUDGET REPORT FROM THE PRESIDENT

FISCAL YEAR 2022

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## REPORT FROM PRESIDENT BURWELL

Thanks to the dedication across our community and sound fiscal management, the FY22 budget meets our goals and lives up to our values.

After a long and challenging year, there are signs of hope and progress as more and more vaccines are being distributed every single day. At American University, we are on a ramp to increased activity and safe returns to our beloved campus. This is an exciting moment—one of exceptional opportunity and momentum for AU—which is why it is important to effectively plan for the next stages of our work.

For American University, a key step in this process is our financial foundation, and more specifically, the fiscal year (FY) 2022 budget. At the heart of our planning is a budget that supports our students, advances our educational and research mission, invests in key strategic areas, continues our COVID-19 response and mitigation efforts, and prepares for the return to in-person classes and residential experiences in the fall 2021 semester.

The AU Board of Trustees approved the university's \$761 million operating budget for FY2022 at its March meeting, and some key highlights of the one-year approach for the FY2022 budget include:

- 1) No increases in tuition or residence hall rates for the first time in AU history, continuing our commitment to supporting our students and their families;
- 2) Health and safety expenditures related to COVID-19 to safeguard our community;
- 3) Investments in student services including the Office of Title IX and Equity, counseling and health centers, and living-learning communities;
- 4) Planned return of the university matching contribution to employee retirement accounts and the annual merit pool to support our faculty and staff; and,
- 5) Year 3 implementation of our *Changemakers for a Changing World* strategic plan to further our efforts to shape AU's future.

Based on the challenges of COVID-19, the ongoing uncertainty of the transition through the remainder of the pandemic, and our careful fiscal management, the FY22 budget reflects a \$16 million (or two percent) decrease from the FY21 budget. We are conservatively budgeting our tuition revenue, residence

halls, and other revenue categories; continuing our expense management; and concentrating investments in strategic priorities that advance our mission and support our community. Along with pausing equipment purchases and capital projects, we are significantly drawing income from our endowment to fund important operations and strategic imperatives to continue our momentum and progress.

Thanks to the dedication across our community and sound fiscal management, the FY22 budget meets our goals and lives up to our values. However, there is still much work ahead of us, including maintaining and strengthening the enrollment and retention of our students; increasing and diversifying our revenue streams with new program opportunities, including lifelong learning and digital offerings; managing our resources and processes efficiently; carrying out our ambitious fundraising campaign; and replenishing university reserves. With our *Changemakers for a Changing World* strategy serving as our North Star, we are moving forward in all of these areas, and we expect to return to our two-year budget cycle with the development of the FY23-24 budget in fall 2021 to align with the remaining two years of our strategic plan.

This would not be possible without the hard work of so many members of our community, and I want to extend a special thanks to our teams who worked tirelessly behind the scenes, the members of the Cabinet, the Finance and Investment Committee, and the entire AU Board of Trustees.

These budget plans will guide American University into the future and allow us to seize the opportunities in front of us. That work starts and ends in the same place—our community. Gathering insights and input from across our community was critical to this budget's development and will be even more important to its successful implementation.

There is an old saying, "Tough times don't last; tough people do." At American University, we have never shied away from challenging times. We lean in, and we come out the other side stronger. That is what changemakers do, and I could not be prouder to be part of this inspiring community.



Sylvia M. Burwell

**With our  
*Changemakers for  
a Changing World*  
strategy serving as  
our North Star, we are  
moving forward.**

## FISCAL YEAR 2022

# BUDGET HIGHLIGHTS

### Revenue:

<b>Tuition:</b>	0% increase for all enrollment categories; set at original FY21 levels
<b>Summer Tuition:</b>	0% increase for all enrollment categories; set at Summer 2020 levels
<b>Residence Halls:</b>	0% increase for all residence halls; set at FY21 levels
<b>Mandatory Fees:</b>	A 15% decrease for undergraduate student activity fee; a 25% decrease for graduate student activity fee; WCL at original FY21 levels
<b>Meal Plan:</b>	A 3.5% increase (no increase for the past three years)
<b>Parking:</b>	0% increase; set at FY21 levels
<b>Unrestricted Gifts:</b>	\$1.2 million target
<b>Indirect Cost Recovery:</b>	\$3.36 million target
<b>Investment Income:</b>	\$7 million target
<b>Endowment Income:</b>	\$16.5 million target
<b>WAMU-FM:</b>	\$31 million revenue target

### Expenditures:

<b>Faculty and Staff:</b>	A 2.5 percent merit pool in September 2021, and \$500 thousand for tenure line and term faculty retention and promotion pools to remain market competitive, pending meeting enrollment targets.
<b>Benefits:</b>	Planned benefit premium increases; restore the university's retirement contribution effective August 1, 2021, pending meeting enrollment targets
<b>Financial Aid:</b>	Continuation of merit and need-based financial aid; a summer undergraduate financial aid pilot; a smaller first-year PhD student pool based on program demands
<b>Debt Service:</b>	\$5.7 million increase for future capital projects funded from endowment income increase
<b>COVID-19 Testing:</b>	\$6 million for COVID-19 testing for students, faculty, and staff
<b>Strategic Imperatives:</b>	\$4 million for the fundraising campaign
	\$4.7 million for the third-year implementation of our <i>Changemakers</i> strategic plan (e.g., university centers and research, student counseling and health services, Inclusive Excellence, Title IX and equity, lifelong learning and digital strategy, technology, etc.)
	\$2.6 million for the First-Year Advisors initiative
<b>COVID Financial Mitigation Measures:</b>	Continue 5% non-personnel expense savings as in FY21
	Pause the annual Quasi-endowment Transfer for FY22
	Curtail Facilities Modernization, Furnishings and Equipment, and Capital Renewal and Deferred Maintenance (CRDM)
	Continue to seek creative ways for effective resource management
<b>Transfer to Partially Fund Strategic Imperatives:</b>	\$2.2 million

## FISCAL YEAR 2022

# REVENUE AND EXPENDITURE BUDGET (GROSS)

### Gross tuition revenue and expenditures

	FY2021 Budget	Budget Changes	FY2022 Budget	% Change
<b>REVENUE (\$000s)</b>				
Student Tuition and Fees	\$627,803	(\$12,249)	\$615,554	(2.0%)
Residence Halls	51,767	(4,741)	47,026	(9.2%)
Auxiliary Enterprises	39,228	(84)	39,144	(0.2%)
Investment Income	7,000	0	7,000	0.0%
Unrestricted Gifts	1,200	0	1,200	0.0%
Indirect Cost Recovery	3,266	94	3,360	2.9%
Endowment Income	7,500	9,000	16,500	120.0%
WAMU-FM Revenue	38,987	(7,770)	31,217	(19.9%)
<b>Total Revenue</b>	<b>\$776,750</b>	<b>(\$15,750)</b>	<b>\$761,000</b>	<b>(2.0%)</b>
<b>EXPENDITURES (\$000s)</b>				
	<b>Budget</b>	<b>Changes</b>	<b>Budget</b>	<b>Changes</b>
Faculty and Staff Salaries	\$243,700	\$3,645	\$247,344	1.5%
Adjunct Faculty Salaries	8,935	0	8,935	0.0%
Part-time Staff	17,515	0	17,515	0.0%
Employee Benefits	74,321	2,737	77,058	3.7%
Transfer to Fund Sept. 2021 Salary Increase	(5,200)	0	(5,200)	0.0%
Transfer to Pre-Fund Sept. 2022 Salary Increase	5,400	0	5,400	0.0%
<b>Salaries and Benefits</b>	<b>\$344,672</b>	<b>\$6,382</b>	<b>\$351,053</b>	<b>1.9%</b>
Financial Aid	163,248	(419)	162,829	(0.3%)
Other Operating Expenses	165,122	(22,004)	143,118	(13.3%)
Library Acquisitions	8,281	0	8,281	0.0%
Utilities	12,035	180	12,215	1.5%
Technology Capital Funding	17,050	0	17,050	0.0%
Deferred Maintenance (including residence halls)	15,419	(3,000)	12,419	(19.5%)
Furnishings and Equipment Fund	2,072	(1,500)	572	(72.4%)
Facilities Modernization Fund	6,600	(3,000)	3,600	(45.5%)
Debt Service	35,072	5,700	40,772	16.3%
Transfer to Quasi-Endowment Funds	7,180	(7,180)	0	(100.0%)
First-Year Advisors	2,459	100	2,559	4.1%
Fundraising Campaign	4,000	0	4,000	0.0%
Strategic Plan Initiatives	5,400	(668)	4,732	(12.4%)
Transfer to fund Strategic Plan Initiatives	(11,859)	9,659	(2,200)	(81.4%)
<b>Total Expenditures</b>	<b>\$776,750</b>	<b>(\$15,750)</b>	<b>\$761,000</b>	<b>(2.0%)</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

## FISCAL YEAR 2022

# REVENUE AND EXPENDITURE BUDGET (NET)

### Gross tuition revenue and expenditures net of financial aid

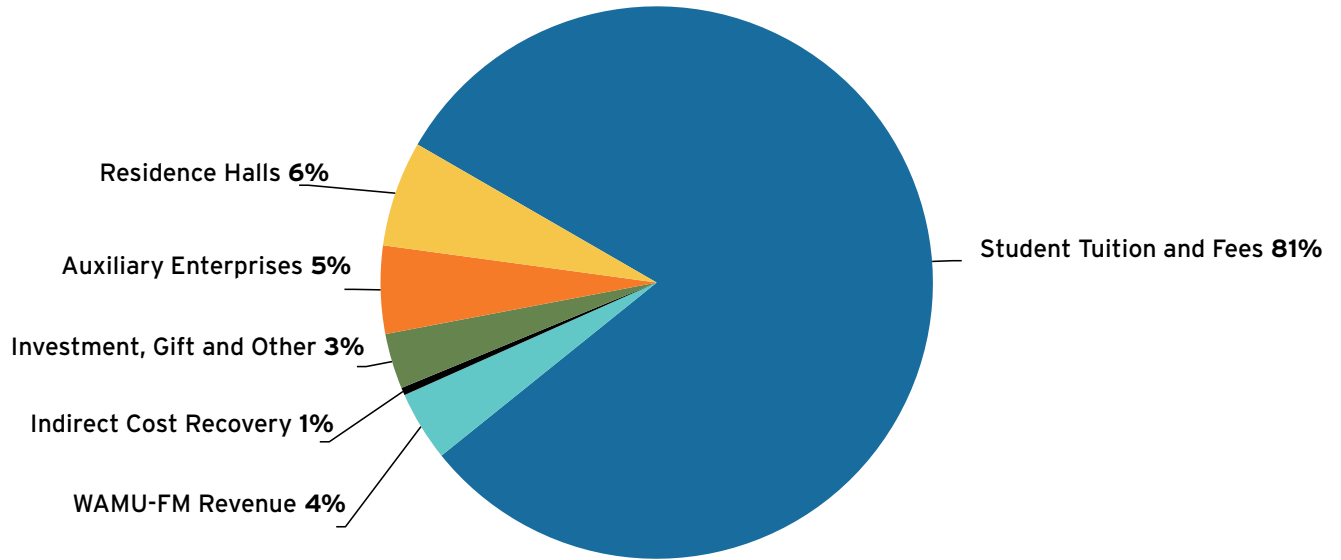
	FY2021 Budget	Budget Changes	FY2022 Budget	% Change
<b>REVENUE (\$000s)</b>				
Student Tuition and Fees	\$627,803	(\$12,249)	\$615,554	(2.0%)
Less Financial Aid	(163,248)	419	(162,829)	(0.3%)
Net Student Tuition and Fees	464,555	(11,830)	452,725	(2.5%)
Residence Halls	51,767	(4,741)	47,026	(9.2%)
Auxiliary Enterprises	39,228	(84)	39,144	(0.2%)
Investment Income	7,000	0	7,000	0.0%
Unrestricted Gifts	1,200	0	1,200	0.0%
Indirect Cost Recovery	3,266	94	3,360	2.9%
Endowment Income	7,500	9,000	16,500	120.0%
WAMU-FM Revenue	38,987	(7,770)	31,217	(19.9%)
<b>Total Net Revenue</b>	<b>\$613,502</b>	<b>(\$15,331)</b>	<b>\$598,171</b>	<b>(2.5%)</b>
<b>EXPENDITURES (\$000s)</b>				
	<b>Budget</b>	<b>Changes</b>	<b>Budget</b>	<b>Changes</b>
Faculty and Staff Salaries	\$243,700	\$3,645	\$247,344	1.5%
Adjunct Faculty Salaries	8,935	0	8,935	0.0%
Part-time Staff	17,515	0	17,515	0.0%
Employee Benefits	74,321	2,737	77,058	3.7%
Transfer to Fund Sept. 2021 Salary Increase	(5,200)	0	(5,200)	0.0%
Transfer to Pre-Fund Sept. 2022 Salary Increase	5,400	0	5,400	0.0%
<b>Salaries and Benefits</b>	<b>\$344,672</b>	<b>\$6,382</b>	<b>\$351,053</b>	<b>1.9%</b>
Other Operating Expenses	165,122	(22,004)	143,118	(13.3%)
Library Acquisitions	8,281	0	8,281	0.0%
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Furnishings and Equipment Fund	2,072	(1,500)	572	(72.4%)
Facilities Modernization Fund	6,600	(3,000)	3,600	(45.5%)
Debt Service	35,072	5,700	40,772	16.3%
Transfer to Quasi-Endowment Funds	7,180	(7,180)	0	(100.0%)
First-Year Advisors	2,459	100	2,559	4.1%
Fundraising Campaign	4,000	0	4,000	0.0%
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<b>Total Expenditures</b>	<b>\$613,502</b>	<b>(\$15,331)</b>	<b>\$598,171</b>	<b>(2.5%)</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	



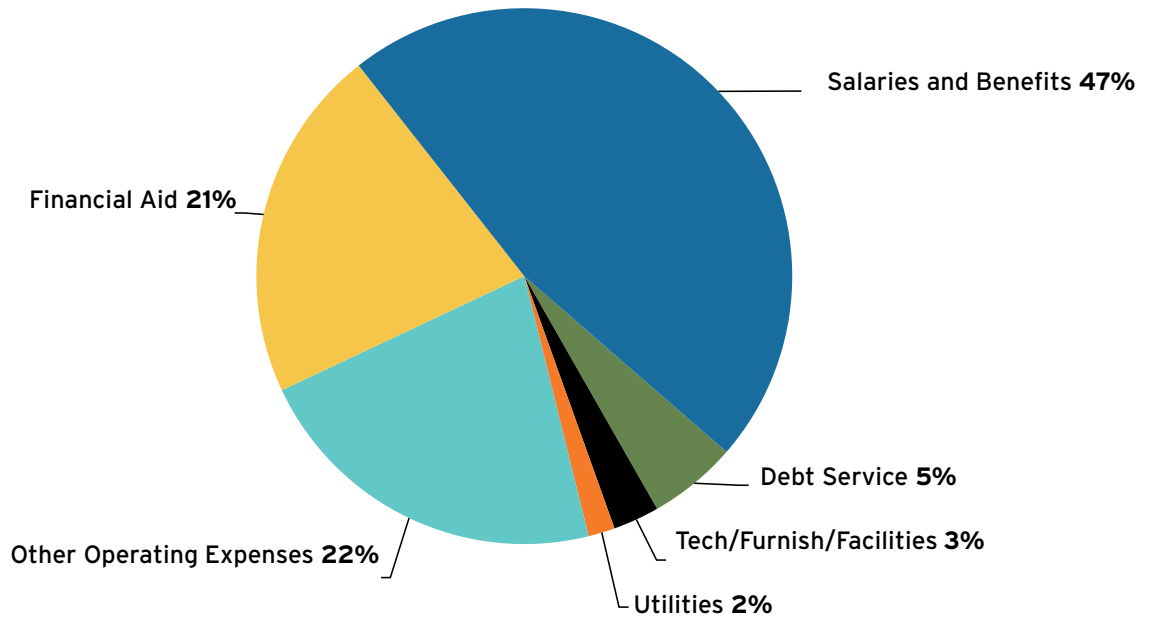
# FISCAL YEAR 2022

## REVENUE AND EXPENDITURE BUDGET

### REVENUE



### EXPENDITURES



# TUITION, HOUSING, AND MEAL PLAN RATES

OVERALL TUITION, FEES, ROOM, AND BOARD	FY20	FY21	FY22	FY21-22 Change
Undergraduate Tuition	\$49,070	\$50,542	\$50,542	0.0%
Mandatory Fees*	819	819	792	(3.3%)
Housing - Double Room (including RHA Fee)	9,996	10,096	10,096	0.0%
175 Block Meal Plan with \$400 Eaglebucks (for Freshmen)	4,884	4,884	5,054	3.5%
<b>Total Academic Year Cost</b>	<b>\$64,769</b>	<b>\$66,341</b>	<b>\$66,484</b>	<b>\$ 143</b>
% Change from Previous Academic Year	2.3%	2.4%	0.2%	0.2%

TUITION RATES - FALL AND SPRING SEMESTERS	FY20	FY21	FY22	FY21-22 Change
Full-time Undergraduate (semester)	\$24,535	\$25,271	\$25,271	0.0%
Part-time Undergraduate and Nondegree (credit hour)	1,635	1,684	1,684	0.0%
Graduate and Nondegree (credit hour)	1,759	1,812	1,812	0.0%
Washington College of Law (semester)	28,342	28,909	28,909	0.0%
Washington College of Law (credit hour)	2,099	2,141	2,141	0.0%
Part-time Off-Campus (credit hour)	1,482	1,526	1,526	0.0%

TUITION RATES - SUMMER SEMESTERS (PER CREDIT HOUR)	2019	2020	2021	2020-2021 Change
Undergraduate	\$1,587	\$1,635	\$1,635	0.0%
Graduate	1,708	1,759	1,759	0.0%
Washington College of Law	2,058	2,099	2,099	0.0%
Part-time Off-Campus	1,439	1,482	1,482	0.0%

STUDENT HOUSING (PER SEMESTER)	FY20	FY21	FY22	FY21-22 Change
Hughes, Leonard, McDowell, Roper Single Occupancy	\$6,388	\$6,452	\$6,452	0.0%
Hughes, Leonard, McDowell, Roper Double Occupancy	4,998	5,048	5,048	0.0%
Hughes, Leonard, McDowell, Roper Triple Occupancy	3,730	3,767	3,767	0.0%
Anderson & Letts Single Occupancy	6,452	6,516	6,516	0.0%
Anderson & Letts Double Occupancy	5,048	5,098	5,098	0.0%
Anderson & Letts Triple Occupancy	3,767	3,805	3,805	0.0%
Cassell Hall Single Occupancy	7,362	7,546	7,546	0.0%
Cassell Hall Double Occupancy	6,095	6,247	6,247	0.0%
Nebraska Hall Single Occupancy	7,398	7,619	7,619	0.0%
Nebraska Hall Double Occupancy	6,125	6,308	6,308	0.0%
Centennial Hall Single Occupancy	7,184	7,327	7,327	0.0%
Centennial Hall Double Occupancy	5,732	5,846	5,846	0.0%
East Campus Single Occupancy	7,326	7,545	7,545	0.0%
East Campus Double Occupancy	5,976	6,155	6,155	0.0%

MEAL PLAN RATES	FY20	FY21	FY22	FY21-22 Change
All Access 7 Day Plan + 5 Meal Exchanges and 100 Eaglebucks	\$3,050	\$3,050	\$3,157	3.5%
175 Block Plan with 400 Eaglebucks	2,442	2,442	2,527	3.5%
100 Block Plan with 400 Eaglebucks	1,588	1,588	1,644	3.5%
50 Block Plan with 100 Eaglebucks	695	695	719	3.5%
800 EagleBucks	800	800	800	0.0%

Note: \* U-Pass fee for FY22 is pending.







AMERICAN UNIVERSITY  
WASHINGTON, DC

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An equal opportunity, affirmative action university.