

**AMERICAN UNIVERSITY**  
**BUDGET DEVELOPMENT GUIDELINES**  
**FISCAL YEARS 2023 and 2024**

The guidelines outlined below provide a framework for developing American University's two-year budget for fiscal years 2023 and 2024. The budget process grows out of the objectives articulated in our [Changemakers for a Changing World](#) strategic plan and will require open and collaborative engagement of faculty, staff, students, and the Board, as well as the newly appointed University Budget Committee (UBC). In fall 2021, the UBC's co-chairs and members will hold a series of open forums to discuss this budgeting process and the strategic goals it supports, with special attention to how the Covid-19 experience has changed the landscape of American higher education. Together, we will work to remain true to AU's strategy and values while negotiating the tradeoffs inherent in any strong budget process to achieve a balanced budget.

As we craft our FY23-24 budget, our efforts will be consistently guided by the 9 strategic imperatives (SIs) of the Changemakers plan:

- **SI1:** Invest in our 5 areas of strategic focus: health, data science and analytics, security, social equity, and sustainability
- **SI2:** Grow sponsored research and expand faculty-faculty and faculty-student research collaborations
- **SI3:** Provide a first-rate student experience that promotes access, thriving, retention and graduation
- **SI4:** Focus on learning for undergraduate, graduate, and professional students
- **SI5:** Excel in providing traditional and emerging forms of education to promote lifelong learning
- **SI6:** Lead in, and model, inclusive excellence
- **SI7:** Work with the Washington, DC region to be a responsive partner
- **SI8:** Form and expand partnerships to leverage our strengths and extend our reach
- **SI9:** Improve how AU works to cultivate a work environment that enables our faculty and staff to thrive

**The following budget guidelines will inform our work:**

**College Affordability.** In launching this budget process, we will be particularly mindful of our responsibility to work on education costs and student debt, keeping tuition and residence hall rate increases as modest as possible, while continuing to offer a high-quality student experience. **(SI3, SI9)**

- **Pricing.** This requires developing pricing strategies that reflect a strong consideration of the financial needs of students, while striking a careful balance with funding university priorities. We will be informed by our tuition pricing research, financial market data, inflation and higher education price projections, and the state of the economy.
- **Financial Aid.** Financial aid is a critical component of the university's action to address affordability, access, and quality. We will review the effectiveness of our current financial aid strategies at the undergraduate, graduate and professional levels and seek a delicate balance between price, student needs, educational access, and sources of funds.

**Research and Learning.** We will maintain and further strengthen the university’s research reputation by significantly increasing external funding for research, scholarship, and creative activity. We will make strategic investments in priority research areas and build a high performing research support infrastructure. We will sharpen our focus on the future of research and student learning by offering our students enhanced research experiences. **(SI1, SI2)**

**Student Thriving.** We will assess the impact of our various initiatives to strengthen the overall student experience and determine if stronger outcomes in year-over-year student retention, completion and satisfaction should be built into the budget. First-year and transfer undergraduate enrollment targets will be carefully evaluated in light of the increased competitive landscape and our capacity to offer our quality instruction, appropriate undergraduate housing, and an outstanding campus experience. We will work to increase both selectivity and diversity, while paying particular attention to the support needs—both academic and non-academic—of our graduate and professional enrollees and continuing to prioritize the recruitment of international students at all levels. **(SI3, SI4, SI7)**

**Experiential Learning.** We will leverage AU’s reputation for outstanding experiential learning by offering our students at the undergraduate, graduate, and professional levels enhanced internship, community-based learning, and research opportunities, with particular emphasis on helping students with demonstrable need. **(SI4, SI7, SI6, SI2)**

**Revenue Growth and Diversification.** We will generate new revenue through innovation, strategic partnerships, externally funded research, market-informed academic offerings, lifelong learning, and auxiliary enterprise programs. We will explore different budget models to leverage entrepreneurialism in graduate education, professional education and training, and lifelong learning opportunities, and to provide incentives for collaborations across schools. **(SI5, SI2)**

**Diversity, Equity, and Inclusion.** We will support the important goals of our [Plan for Inclusive Excellence](#) and ensure that diversity, equity, and inclusion are fundamental elements in all current and new initiatives, be they in the classroom, in the life of our campus, how we work, or well beyond. **(SI6)**

**Regulatory Changes and External Factors.** We will address funding requirements in public policy, new regulations, and contractual cost increases as mandated by contractual agreements. **(SI9)**

**Faculty and Staff Salaries, Benefits and Workforce Modality.** We will continue efforts to offer competitive salary and benefit packages comparable to our peer institutions to our faculty and staff. We will also consider extending existing and new modality strategies and workforce planning in alignment with our strategic objectives for the next two years and changes in the workforce market environment. **(SI9)**

**Investments and Reserves.** We will review the tuition management reserve and quasi-endowment reserve to ensure an adequate funding level for the FY2023-24 budget and beyond. **(SI9)**

**Comprehensive Campaign.** We will continue to invest in the [Change Can’t Wait](#) comprehensive campaign to generate the resources necessary to realize the promise of our ambitious strategic goals. **(All SIs)**

## **BUDGET DEVELOPMENT CALENDAR**

### **Fiscal Years 2023 and 2024**

#### September - October

- President appoints University Budget Committee (UBC), co-chaired by provost and CFO, vice president and treasurer.
- Provost, vice president for undergraduate enrollment, and dean of graduate and professional studies formulate undergraduate and graduate enrollment projections.
- UBC co-chairs will announce dates for community open forums.

#### November

- UBC recommends budget development guidelines to the president.
- President issues budget call to President's Cabinet.
- Faculty Senate and Staff Council review and recommend budget priorities to the UBC co-chairs.
- The UBC co-chairs host campus-wide budget forums.
- President presents budget development guidelines to the Board of Trustees (BOT) Finance and Investment Committee (November 11, 2021).

#### January

- Members of the President's Cabinet submit budget proposals to the president (due by no later than January 31, 2022).

#### February – March

- UBC recommends tuition, meal plan, housing and fee increases to the president.
- BOT Finance and Investment Committee approves tuition, meal plan, housing and fee increases (February 24, 2022).
- University Budget Office (UBO) submits summary of budget proposals to the president and UBC.
- UBC reviews budget proposals and submits a set of recommendations and a balanced budget to the president.

#### Early April

- UBC co-chairs host campus-wide budget forums.
- President consults with the President's Cabinet. President presents proposed budget to the BOT Finance and Investment Committee.
- Full BOT reviews and adopts the FY2023-24 budget.

#### May – June

- Approved budget summary is published for the campus community.
- Units submit revised budgets to the provost and vice presidents to reflect approved budget allocations.
- Line-item budgets are sent to units for the new budget year that begins July 1, 2022.

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Budget Guidelines	Strategic Imperatives								
	1	2	3	4	5	6	7	8	9
1. College Affordability			X						X
2. Research and Learning	X	X							
3. Student Thriving			X	X			X		
4. Experiential Learning		X		X		X	X		
5. Revenue Growth and Diversification		X			X				
6. Diversity, Equity, and Inclusion						X			
7. Regulatory Changes and External Factors									X
8. Faculty and Staff Salaries, Benefits and Workforce Modality									X
9. Investments and Reserves									X
10. Comprehensive Campaigns	X	X	X	X	X	X	X	X	X