

American University of Beirut  
Office of the President



May 5, 2014

Dear AUB Community,

This morning, I met with members of the USFC, including the Tuition Increase Committee, the Board of Deans, and representatives of the Senate Steering Committee and the Senate Committee on Faculty Affairs. I shared with them the high level outcome of weeks of collaborative work to render a budget that is responsive to the needs of AUB families, yet still affords appropriate resources to advance our academic and operational priorities.

I will release an executive summary of the budget after the Board of Trustees adopts the budget on May 30. However, today I am sharing with you the points most relevant to our internal community. I consider these to be the capstones of our revised budget proposal.

- This budget proposes a three percent increase in tuition for current students and a five percent increase in tuition for new students
- We are freezing dormitory and technology fees
- The funding for faculty merit increases has improved to three percent
- Academic and research functions are not affected by spending cuts

Numerous cost-savings innovations have been proposed to the administration. All of the recommendations were taken under advisement and many were implemented. I am grateful for the time the task force members committed to narrow the gap between revenue and expense across our institutional budget.

I have real appreciation and respect for the many among you who have questioned, challenged, and critically evaluated the enormously complex process of building our University budget. Collectively and individually, we have shared our opinions, observations, and perceptions on what constitutes effective fiscal management. There was an astonishing amount of dialogue and discussion. In all cases, what surfaced in these interactions was a common passion for, and sincere commitment to, our own AUB.

It is important to recognize a few critical points about our current situation and how we will move forward in the next budget cycle.

- As part of our commitment to a more open and transparent budget process going forward, we will be releasing a series of documents that explain expense allocations more clearly, particularly those funded by tuition. Among the documents – following careful study – will be a three-year forecast to be shared with the families of incoming students so they can project tuition expenses over the course of their undergraduate enrollment.
- We will announce concrete ways to engage our stakeholder community more effectively in identifying opportunities to generate revenue and efficiencies, and to ensure long-term institutional sustainability.
- This three percent tuition increase is a one-time occurrence. The administrative cuts made to reach this point cannot be sustained indefinitely if AUB is to advance – or even simply maintain – its standing as the premier institution of higher education in the Middle East.
- Increasing our budget for financial aid through philanthropy is an institutional priority and one we will pursue with great vigor. We realize our obligation to ensure appropriate funds are accessible to support bright, motivated students who meet AUB’s rigorous standards for admission.
- AUBMC remains an integral component of our university community and part of our identity across the region. The growth of the medical center and the expansion of its capacity for research and medical innovation are of the utmost importance for our institutional success and well-being. While we will continue to invest in the vision for the medical center, it is important to reiterate that these investments are not drawn from tuition revenue.

That we have arrived at this point together – as one university community – is cause for pride and satisfaction. We have reduced by half the projected burden on AUB families and we have preserved our readiness to move forward with critical academic priorities.

Our dialogue will continue. Our work is not over and there are several major policy issues that we intend to resolve in an inclusive way the very short term. You will hear more from me on that in the coming weeks. In the meantime, I appreciate your continued efforts to promote and preserve the good fiscal health and continued success of our AUB.

Sincerely,

Peter Dorman