A look back, a way forward

University System of the District of Columbia
Ambitious programs, notable achievements

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I am pleased to present to you the annual report for 2009 of the University System of the District of Columbia.

The University is undergoing a significant renaissance. Last year the transformation began with the creation of the University System. It consists of the Flagship Four-Year University and the Community College of the District of Columbia, the only community college in the nation's capitol. This has allowed us to reach further into our communities by offering a greater number of quality, affordable educational opportunities. We have also emphasized the University's origins as the only urban land-grant university in America. Holding firm to the concepts laid out in the Morrill Act of 1862, the University has committed itself to delivering on a mission of education, research and public service at the highest levels.

We are building on the extraordinary strengths the University enjoys as exemplified by its David A. Clarke School of Law, which is generally recognized as one of the premier public interest law schools in the nation.

The firebird has been a symbol of the University of the District of Columbia for decades. It is very exciting to observe that, once again, the firebird is rising!

Sincerely,

Allen L. Sessoms, PhD
President, University System of the District of Columbia

Our University System is poised to become the leader in higher education throughout the Washington, DC, region and the world. We exist to educate students from all walks of life and to be the economic and social engine for the advancement and uplift of people and communities.

As the only urban land grant university system in the nation, the only public institution of higher learning in the District of Columbia and as the only historical black university with these designations, we have an opportunity to show the world what an institution whose pillars are education, research and community outreach can truly accomplish.

In 2009, there were great strides made amidst difficult but necessary change. In 2010, with your continued support you will see this University System build on its legacy of success and reach the very ambitious goals established by our president, Dr. Sessoms, and the University System Board of Trustees.

We are the University of the District of Columbia. We are strong, and we are on our way to making this the greatest state university system in the country.

Sincerely,

Joseph L. Askew, Jr., Esquire
Chairman, University System Board of Trustees
JD, David A. Clarke School of Law
Student Affairs

The Office of Student Affairs serves the University’s most important constituency—its students. Last year, we significantly expanded our programs and services, staffing and grant activity to deliver the support our students need to grow, succeed and thrive. 2009 highlights include:

### Grants

- $100,000 grant for the SOAR4 retention initiative from Wal-Mart
- $4,500 scholarship from Next Generation Nonprofit Leaders Program (NexGen), underwritten by the W. K. Kellogg Foundation

### Student Life and Services

Members of the Zeta Phi Beta Sorority, Inc. and Phi Beta Sigma Fraternity, Inc. presented two forums on “Blacks in Politics: The Roles and Images.”

The Political Science Student Organization and Student Affairs hosted the first annual Capitol Hill Lecture Series with U.S. Sen. Roland W. Burris, D-IL.

### Office of Financial Aid

- Launched an aggressive enrollment management campaign to increase student awareness and facilitate early submission of applications
- Implemented a debit card system to reduce the cost of books and laptops for students who receive financial aid
- Successfully assisted in administering international and domestic funds to lessen the impact of the 2009 tuition increase

### Judicial Affairs

The “Student Code of Conduct” was revised and approved by the University System Board of Trustees.

A Student Intervention Team was created to prevent student disciplinary behavior on campus.

### 4.0 Programs & Media Services

The 4.0 Programs and Media Services provided daily activities and coordinated programs to instill leadership and to enhance retention and student success.

### Career and Professional Development Center

The center established relationships and created job opportunities with the National Park Service and with the Mayor’s Green Summer Job and the Mayor’s Youth Employment programs.

### Disability Resource Center

The center negotiated a memorandum of understanding with the Rehabilitation Services Administration to provide support to the 100 UDC students in need of physical and academic support or accommodation.

### Office of Health Services

HIV/AIDS testing, education and awareness programs were held in June and December.

H1N1 and seasonal flu vaccinations and general education events took place in December.

### Counseling and Student Development Center

The center received $45,000 in grants to support student internships on substance abuse, workforce development and mental health pilot programs over a three-year period.

It was awarded an $85,000 one-year grant from the HHS Minority Education Initiative to train peer educators for HIV/AIDS, hepatitis and substance-abuse education and testing.
In 2009, the University initiated a transformation action plan for the Department of Intercollegiate Athletics consistent with the mission and goals of the University and with the NCAA Division II strategic positioning platform. As a cornerstone of the Flagship University, the foundation was laid for program-based, event-based and department-wide activity designed to enhance the student-athlete experience while strengthening the University’s brand.

Significant structural changes paved the way to the hiring of full-time, senior administrative staff and full-time coaches, all with previous NCAA Division I experience. New staff include Patricia Thomas, director of athletics; Fred Reynolds III, associate director of athletics for compliance; Jennifer Ziarko, associate director of athletics for academic support and student-athlete services; Michael Riley, associate director of athletics for internal operations; Jeff Ruland, head men’s basketball coach; Terrell Stokes, assistant men’s basketball coach; Jasmine Rogers, head men’s and women’s cross country and women’s track & field coach; Theodore Mahaffey, head men’s and women’s tennis coach; and Sheila Weaver, head women’s volleyball coach.

Intercollegiate Athletics

In response to the October 2008 report by the NCAA Division II Committee on Infractions that imposed severe penalties, the University immediately strengthened institutional control through the leadership of President Allen Sessoms. The first full-time compliance director in the history of the University was hired, the faculty athletics representative began to meet regularly with Sessoms, Athletics Department staff and other key stakeholders, the University successfully completed an NCAA Blueprint Compliance review in April 2009 and the first annual report to the NCAA Committee on Infractions was submitted in August 2009.

In addition, a fully functioning Compliance Committee comprised of University staff from the Department of Athletics, the offices of Admissions, Registrar, General Counsel and Financial Aid, and the faculty athletics representative meet regularly throughout the year as a working session to discuss NCAA legislation and interpretations. NCAA rules-education activity was expanded to include student athletes, the University community at large and boosters.

The University of the District of Columbia was well represented during the 2009 NCAA Convention, 2009 NCAA Rules Education Seminars, the National Association of Collegiate Directors of Athletics Convention, the National Convention of Sports Information Directors Association and the National Association of Academic Advisors for Athletics Convention.

Strategic Planning for athletics that began in 2009 prepared the University to address critical components related to the continued growth in support of staffing and department infrastructure, including facility improvements and enhanced support services, recruiting and team travel, staff development, Champs/Life Skills and Leadership Development for student athletes, financial aid, and marketing/promotions. The situation-analysis process identified increased fiscal resources to be developed and implemented through sports camps and clinics, ticket sales and concessions, Firebird Marketplace, corporate sponsorships, increased NCAA revenue sharing and facilities rental.

Continued implementation of objectives initiated in 2009 will give the University leverage to achieve the ultimate goal of expansion consistent with NCAA Division I membership requirements as well as Title IX and Gender Equity.
Notable achievements this year at the UDC David A. Clarke School of Law included:

**New part-time program:** The David A. Clarke School of Law won American Bar Association approval. In the fall of 2009, it admitted 27 excellent students to its new part-time program of study for the Juris Doctor degree.

**Awards**

Professor Louise Howells won the Washington Council of Lawyers 2009 President's Award for her work with tenant organizations and with preserving affordable housing in the District.

Professor Edgar Cahn and the late Jean Camper Cahn won the 2009 National Legal Aid and Defender Association Charles Dorsey Award, recognizing individuals who provide extraordinary and dedicated service to the equal justice community and organizations that promote expanding and improving access to justice for people with low income.

Dean Shelley Broderick won the 2009 Legal Community Award at the Annual Community Outreach, Recognition and Opportunity awards ceremony, held during Hispanic Heritage month, at the D.C. Superior Court. She received the award for her “sustained commitment and demonstrated excellence providing legal services to the Latino Community.” Broderick also won the 2009 American Association of Law School’s Deborah Rhode Award.
$266,000 in annual federal funding for 2009–2013

The David A. Clarke School of Law was listed as a HBCU graduate program in the 2008 Higher Education Act, which will provide a minimum of $1 million to the law school.

New grant funding

New funding from the D.C. Bar Foundation, from the D.C. Superior Court and from federal grants, combined with existing funds this year, is underwriting:

* A clinical fellow in the Housing and Consumer Clinic
* A faculty member and a clinical fellow in the Low-Income Taxpayer Clinic
* Two clinical fellows in the HIV/AIDS Clinic, one dedicated to child welfare
* A clinician in the Legislation Clinic

Bar passage rates, number of applications soar

Eighty-three percent of 2008 graduates passed the bar on their first attempt, the highest in school history. UDC-DCSL received more than 1,600 applications during the 2009 recruiting season, our highest yet. It was a 35 percent increase over the number of applications received in 2008.

National ranking

UDC-DCSL is highly ranked:

* Fourth in the nation for diversity (US News and World Report, 2008)
* Ranked in the top 25 for law school clinical programs (US News and World Report, 2008)
* Sixth in the nation in percentage of African-American students (ABA)
* Ninth in the nation in percentage of minority students (ABA)

New clinic

The School of Law is currently interviewing candidates to direct a new Immigration/Human Rights Clinic that is opening in 2010.

Unprecedented alumni bar program

UDC-DCSL is proud of the strides it has made in achieving higher bar passage rates, but a 79 percent cumulative pass rate over the last five years still leaves much room for improvement. As a result, the School of Law has taken the unprecedented step of providing an intensive bar passage course to alumni who have not yet passed an exam. This summer, 20 alumni participated in an exacting program here at UDC that focused on essay writing, and many also took the six-day Professional Multistate Bar Review course. We plan to continue this program and, with it, drive our bar passage rates higher and higher.
Progress and achievements

The Community College of the District of Columbia opened its doors in fall 2009. We are working quickly to fill an identified gap in local, higher education. We are pleased to share the actions we have taken to create an innovative institution that serves as a vital link to the intellectual, economic, civic and cultural vitality of the region.

Enrollment and graduation

Spring enrollment increased by more than 50 percent from the fall semester.

We implemented a process to ensure students with high credit counts are on track to graduate.

Over 100 additional students are eligible to graduate this year through our new liberal studies degree program.

Student persistence

Student support: We created a Student Success Team to support persistence efforts.

Early alert system: We identified students at risk of not persisting early in the semester and helped them access additional supports/interventions.

Customer service: We routinely conduct point-of-service surveys to determine student satisfaction with services. Eighty-six percent of students rated our Student Success Center as being an excellent overall experience.
Partnerships

DC public and charter schools: We plan to do an early assessment of high school juniors this year and interventions next year to help seniors be academically prepared for college.

Job corps: We are assessing students, assisting with college readiness and providing dual enrollment on site.

Restaurant Association of Metropolitan Washington: We are jointly creating a survey to identify employee training needs of area restaurants.

Hotel Association: We are providing hospitality training for Marriott.

Industry alliances: We are creating industry councils in priority employment areas of the District to develop and formalize industry alliances. We are already working with hotels, restaurants, construction, automotive and healthcare industries. At least three councils will be fully functional by May 2010.

Department of Employment Services: We are hosting 17 DOES interns. UDC is designated as a preferred DOES provider for training.

Excel Institute and WANDA: CCDC is developing a three-way partnership with the Excel Institute and WANDA to offer high-quality automotive training that meets the needs of local automotive dealers.

Dual enrollment: We are partnering with Roosevelt, Cardoza, Cesar Chavez and Carlos Rosario schools to provide dual enrollment.

Articulation agreements: We have created agreements with three area universities.

Location and accessibility

Multiple locations: We plan to be in a new location by next fall. Workforce Development is in six locations across the District.

Innovation

Developmental education: CCDC created a task force to rethink, accelerate and chunk developmental education and reduce cost to students.

Pathways and skill mapping: We are creating software to assess student skills and competencies and give credits for them.

Weekend college: We are creating a program to allow students to attend only on the weekends and graduate in two years.

The academic calendar for next year will provide great flexibility, with courses running three, six, eight and 16 weeks.

Data collection: We are creating new systems to improve data collection and analysis.

Achieving the Dream: We are working to join the Achieving the Dream program; an administrative team from CCDC is attending the Strategy Institute as a precursor to becoming fully engaged in the effort. Faculty and staff have been briefed on the process, and a faculty leader was selected to manage the ongoing efforts.

Grants and scholarships

Broadband grant: We applied for stimulus funds to markedly increase technology infrastructure and the use of broadband.

Reach for College grant: We are applying for stimulus funds with Reach for College to improve college readiness.

Fannie Mae grant: We received $200,000 for retention and student success projects.

Josephine Gueverra Scholarship will provide last-dollar funds for students.

Community Foundation Scholarship will provide non-education emergency funds to students in need.
Academic Affairs is responsible for ensuring that the land-grant mission of education, research and community service is executed across all divisions of the University. We oversee the College of Arts and Sciences, School of Business and Public Administration, School of Engineering and Applied Sciences, the David A. Clarke School of Law, Community Outreach and Extension Services, the Agricultural Experiment Station, the Office of Sponsored Programs, the Center for Applied Research and Urban Policy, the Office of Institutional Research, Assessment and Planning and the Registrar. Academic Affairs is led by the provost in collaboration with the school and college deans, the dean of graduate studies, the dean of the extension service and experiment station and faculty.

In 2009, the work of Academic Affairs was inspired by President Sessoms's transformational vision for the University. Following its approval by the board of trustees in February 2009, we undertook the academic planning necessary to make the vision a reality and to overcome the resource and operational obstacles that hindered the University's advancement as a proud 21st century teaching, learning and research institution.
The signature accomplishment of 2009 was the “carving out” and launching of the Community College of the District of Columbia. The workforce development, certificate and associate degree programs—central to a community college model and mission—were identified and transferred to the new organization, along with the students, faculty members and staff needed to build it.

At the same time, the Academic Affairs leadership team addressed the academic foundation and infrastructure of the Flagship University in order to better advance the baccalaureate, professional, master’s and doctoral degree programs and the University’s land grant research agenda. In this regard, important accomplishments in 2009 included:

- National accreditation or accreditation renewal of the School of Business and Public Administration, School of Engineering and Applied Sciences and David A. Clarke School of Law’s new part-time program

- Development and introduction of rigorous academic program review procedures and metrics in preparation for review of all academic programs in 2010 (currently underway; reports due in February)

- University-wide faculty education and training initiative to embed learning outcomes assessment and continuous improvement in the teaching and learning enterprise

- Drafting of first UDC Faculty Manual to clarify academic expectations, accountability, recognition and rewards outside of the collective bargaining context

- Dramatically increased investment in faculty development, especially in the areas of learning outcomes assessment, use of academic technologies, new pedagogies (e.g., purposeful learning, student-centered teaching), retention strategies and sponsored research proposal writing. The faculty development day at the beginning of each semester has been extended to a week of workshops and seminars focused on hands-on development activities.

- Academic Senate functioning successfully with timely, expedited (by use of Blackboard) and thorough consideration of program discontinuation, program change and new program proposals

- Launch of strategic five-year planning process with faculty summer working groups. The volunteers delivered reports in September that will provide the foundation for the 2010 strategic plan for the future of the Flagship University.

Finally, and importantly, the University engaged in a multi-year partnership with the nationally recognized firm of Noel-Levitz to bring evidence-based best practices to UDC’s admissions recruiting, retention, financial aid and persistence to graduation—the full spectrum of enrollment management issues and strategies.

We look forward to building upon these accomplishments in the years ahead.
Capital construction procurement authority: This authority was successfully received in January 2010.

Summer 2009 upgrades and renovations blitz: In record time, the following improvements were made: replaced carpet in main entranceway; painted concrete walls and stairways; installed energy efficient lighting in hallways/common areas; painted hallways of common areas in all buildings; enhanced reception area Building 39; upgraded floors, windows and chairs in Windows Lounge; installed sanitizer dispensers throughout campus; purchased new patio furniture for plaza deck; installed signage throughout the campus; and installed wooden benches for students and visitors throughout the campus.

Art installation: Installed a Firebird ceramic tile stairway and tile “carpet” in the entranceway to the University.

Renovation of concrete stairs and pathways: Construction is currently underway (January 2010).

Plaza deck project: Among the most critical projects in the current capital project portfolio is replacement of the plaza deck. The design is 95 percent complete, with construction planned for the end of February 2010.

Parking lot lighting upgrade: Construction project is 95 percent complete (March 1, 2010).

Green roofs: UDC received a $2.2 million grant from DDOE for green space design for the plaza deck and green roofs on four buildings at the Van Ness Campus.

Master plan: The Campus Master Plan II is 90 percent complete. It includes: Student Center, Community College (to include Bertie Backus Middle School site), Law School and student housing.

Student Center: Request for proposal for the design of the University’s $40 million Student Center is underway. The project is on schedule for completion within the required three-year timeline.
Building #52: Construction is underway for the complete renovation and upgrade of this site. The contractor for this project is Forney Construction. Through a memorandum of understanding agreement with OPFEM, this building will be temporarily housing the students from Wilson High School beginning in August 2010. OPFEM has agreed to lease this building from the University for a period of one year.

Academic labs: Design documents are complete, and the phasing plan has been finalized and approved.

Security Department renovation: Campus Police construction is on schedule for completion by the end of January 2010.

Child Development Center build-out: The day care center renovation is underway with completion scheduled for March 2010.

Classroom renovation project: Fifty-nine classrooms and five interactive, small auditoriums on Van Ness Campus are completed.

Roof renovations: Buildings 47, 46 West, 38 and 39: Renovation was completed in 2009.


Replaced two high-pressure boilers: Renovation completed in 2009.

Community College at Van Ness Campus: Learning Resource Center atrium space was renovated for the temporary Community College site on Van Ness Campus and completed on time for the grand opening on Aug. 25, 2009.

Assessment of gymnasium: Condition assessment of gymnasium was completed. A major facelift is underway for the gymnasium, including painting, new lighting and new bleachers (January 2010).

Assessment of auditorium: Condition assessment was completed. The facility was recently painted, a new roof will be installed in February 2010, and restrooms in the auditorium will be renovated with other significant enhancements.

Real estate: Negotiating a lease for a building to serve as a hub for the Community College. Exploring lease opportunities for residential housing for approximately 250+ students and relocation of the law school.

Awarded/pending RFPs: No-cost contract for Real Estate Specialty Services (awarded June 19, 2009); bookstore lease awarded (January 2010); food service and vending contracts proposal under evaluation. A parking contract request for proposal is being developed for competitive bid. The janitorial contract statement of work was revised to enhance service delivery and better address University needs.

Bertie Backus Middle School Campus: This site will be renovated in August 2010 to house Workforce Development, adult education, Community College certificate programs and education certification for pre-K and early childhood development.
Information Technology

In 2009, the Office of Information Technology launched an ambitious plan to update and upgrade the University’s systems and software. A summary of our department’s activities follows:

Banner ERP

* Banner contract was signed and executed.

* A high level and detailed project schedule was developed.

* The finance business process analysis and business process modeling were completed.

* A Recruitment, Admissions and Student (registration) business process analysis was completed.

* An advancement business process analysis was completed.

* Data standards have been defined and data cleanup efforts are underway.

Applications

* We created a Web-based attendance roster for faculty.

* We enhanced the withdrawal process for students.

* We set up a central location for project-related document storage, communications and collaboration. SharePoint site: http://udcshr001/Banner/default.aspx

* We modified the Student Information System to support the Community College.

Grants

* The department received a $142,000 software grant from the Microsoft/Thurgood Marshall Foundation.

* We applied for a stimulus (BTOP) grant to support wireless, E-Labs and the Learning Resources.

Campus infrastructure

* A wireless LAN survey/design was completed. Project implementation will start in early 2010.

* Preliminary design work on Internet 2 was completed.

* Redundant network design is in progress.

* Cloud computing initiatives are underway.

* Quadrupling the capacity of data connection to DC government Wide Area Network was completed.

* Desktop refresh for Registrar and other administrative offices was completed.

Government Relations

The University of the District of Columbia is in the unique position of being the only public institute of higher education in the nation’s capital and the nation’s only urban land-grant university. In managing that responsibility, UDC relies on coordinating and communicating with local and federal, executive and legislative officials.

In 2009, we successfully represented the University’s interests before a number of policy makers, federal and District funders and other key constituencies to create programs and policies and secure funding to advance the mission of the University system.

The Office of Government Relations implemented a new program of federal relations to complement the existing local government relations program.

We obtained $1.3 million for the University in stimulus funding through the American Recovery and Reinvestment Act. (We were the only university to obtain such funding.)

We created and actively pursued federal appropriation requests for the University.

The office drafted and promoted the successful passage of necessary D.C. City Council legislation to establish the University’s independent procurement authority.

We assisted in securing the vacant Bertie Backus Middle School as a site for the new Community College of the District of Columbia campus through a legislative act of the D.C. City Council.

Finally, we developed and implemented the University-wide Policy on Communication with Government Officials to regulate University contact with elected officials, as required by federal lobbying regulations.
University Relations and Public Affairs

We are the face of the University and work to promote the University System in many ways. We work with students, alumni, faculty and staff as well as policy makers, opinion leaders, donors, community residents and the media. We disseminate engaging and timely information about the institution, produce useful and interesting publications and enhance the image of the University and of higher education through outreach and marketing.

The Office of University Relations and Public Affairs is dedicated to advancing the University System's mission through communications, fundraising, relationship building and community outreach.

In 2009, we:

* Oversaw and managed all internal and external communications
* Redesigned and rebuilt the Flagship Web site, upgrading content, graphics and navigation
* Created and produced a portfolio of marketing and recruitment materials for the Flagship University
* Created and produced the University's first-ever printed alumni magazine, *The Flame*
* Created and produced a monthly alumni e-newsletter, "Flame on the Fly," and a biweekly campus e-newsletter, "Firebird on the Fly"
* Designed and installed new signage throughout the campus
* Developed and continue to maintain an active presence in social media (Facebook, blogs, Flickr, ning, YouTube)
* Created videos and print ads (CCDC, MLK, institutional awareness, annual fund)
* Initiated a new logo and image initiative (release: April 2010)
* Worked with UDC-TV to acquire master control and upgrade programming
* Organized opportunities for President Sessoms-student engagement and relationship building
* Mentored students in communications and graphic design

Our department includes alumni affairs, marketing and communications, media outreach, public relations and Web services.

Advancement and Alumni Relations

In 2009, Alumni Relations, Development and the Foundation (a 501(c)3 organization) joined together in a new partnership to advance the University's educational goals through increased underwriting and support.

We recognized that the University needed more than its appropriated budget to broaden academic programs of its schools and colleges, to increase student scholarships, to expand capital spending projects and to acquire new lab equipment, computers and resource materials. Alumni want to see the University sustain itself and be recognized as a leading public university in the District of Columbia and worldwide.

We have recently completed a feasibility study to determine our readiness for a capital campaign to fund the construction of a new student center, an alumni house and an athletic field.

In 2009, we also developed a monthly e-newsletter for alumni, "Flame on the Fly," and produced our first-ever printed alumni magazine, *The Flame.*
Discussion of financial results

Despite a difficult economic climate, it is an exciting time for the University System of the District of Columbia as it seeks to revitalize the University and provide a high-quality, accessible education to residents of the District and beyond. Our leadership strives to increase the University’s financial and organizational capabilities to meet the city’s and the nation’s challenges.

Summary of the Statement of Net Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$56,806</td>
<td>$52,105</td>
<td>$47,275</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments and notes receivable, net</td>
<td>33,868</td>
<td>31,358</td>
<td>39,210</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>69,993</td>
<td>68,048</td>
<td>63,736</td>
</tr>
<tr>
<td>Other</td>
<td>296</td>
<td>297</td>
<td>299</td>
</tr>
<tr>
<td>Total assets</td>
<td>$160,963</td>
<td>$151,808</td>
<td>$150,520</td>
</tr>
</tbody>
</table>

| Liabilities                                 |       |       |       |
| Current liabilities                         | 35,674 | 34,178 | 45,177 |
| Noncurrent liabilities                      | 23,106 | 11,326 | 1,539 |
| Total liabilities                           | $58,780 | $45,504 | $46,716 |

| Net assets                                  |       |       |       |
| Invested in capital assets                  | 69,993 | 68,048 | 63,736 |
| Restricted for endowments                   | 7,242  | 7,242  | 7,242  |
| Restricted for grants and contracts         | 566    | 305    | 472    |
| Unrestricted                                | 24,382 | 30,709 | 32,354 |
| Total net assets                            | $102,183 | $106,304 | $103,804 |

Net assets

Consolidated net assets decreased $4.1 million to $102.2 million in fiscal year 2009. The decrease is largely attributed to a decrease in unrestricted funds. FY 2009 consolidated net assets include $24 million in unrestricted assets and $7.8 million in restricted assets.

The University’s investments are managed by J.P. Morgan and Bernstein Global Wealth Management.

The following table shows the changes in net assets.

Summary of Changes in Net Assets

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$ 55,307</td>
<td>$ 47,591</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>130,611</td>
<td>109,984</td>
</tr>
<tr>
<td>Net assets used in operations</td>
<td>($75,304)</td>
<td>($62,393)</td>
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<tr>
<td>Nonoperating revenues</td>
<td>65,795</td>
<td>56,961</td>
</tr>
<tr>
<td>Decrease in net assets before capital appropriations</td>
<td>($9,509)</td>
<td>($5,432)</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>5,388</td>
<td>7,932</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>($4,121)</td>
<td>$2,500</td>
</tr>
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</table>

Revenue

In FY 2009, total operating revenue increased 16.2 percent to $55.3 million. This growth is primarily driven by an increase in student tuition and fees, federal grants and local grants and contracts. The University seeks to develop diversity in revenue sources. Tuition accounted for 16 percent of revenues in FY 2009, and federal grants and contracts accounted for 15.8 percent. Appropriations from the District of Columbia accounted for 51.3 percent of total revenue in 2009.

The table to the right shows a summary of the University’s revenues from 2007 through 2009.

Summary of Total Revenues

<table>
<thead>
<tr>
<th>Operating revenues</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$19,387,932</td>
<td>$17,915,688</td>
<td>$15,168,793</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>19,146,403</td>
<td>15,895,664</td>
<td>15,464,906</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>9,155,789</td>
<td>8,062,079</td>
<td>11,149,878</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>807,204</td>
<td>819,530</td>
<td>651,922</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>1,395,607</td>
<td>1,399,006</td>
<td>1,470,728</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Athletics division</td>
<td>1,286,038</td>
<td>1,334,735</td>
<td>1,195,005</td>
</tr>
<tr>
<td>Child development center</td>
<td>65,613</td>
<td>69,536</td>
<td>61,063</td>
</tr>
<tr>
<td>Cable television</td>
<td>144,585</td>
<td>228,437</td>
<td>118,736</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>3,918,049</td>
<td>1,866,581</td>
<td>2,482,203</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$55,307,220</td>
<td>$47,591,256</td>
<td>$47,763,234</td>
</tr>
</tbody>
</table>

| Nonoperating revenues (expenses) |       |       |       |
| District of Columbia appropriations | 62,070,000 | 62,769,786 | 62,365,554 |
| Investment income | 958,561 | (7,496,638) | 6,870,200 |
| Gifts for scholarships | 1,895,694 | 1,687,652 | 452,495 |
| Other nonoperating revenue | 869,914 |       |       |
| Net nonoperating revenues (expenses) | $65,794,169 | $56,960,800 | $69,958,249 |
| Total revenues | $121,101,389 | $104,552,056 | $117,721,483 |
Tuition and fees are a growing revenue source for the University. Tuition increases are necessary to drive the changes required to turn around the University. The increase in tuition and fees of $1.5 million is largely due to the phase I tuition rate increase authorized by the University System Board of Trustees. It reflects 1/3 tuition and fee revenues as earned revenue for 2009 and 2/3 as deferred revenues. The University continues to remain the most affordable, most accessible higher education option in the region.

Total Revenue by Resource

$121 Million in Fiscal Year 2009

Operating Revenue by Resource

$55 Million in Fiscal Year 2009

Expenses

In FY 2009, operating expenses totaled $130.6 million, an 18.8 percent increase over FY 2008. Salaries and benefits totaled $79.9 million and accounted for 61.2 percent of total operating expenses.

Total Operating Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$65,949,486</td>
<td>$54,100,509</td>
<td>$62,106,458</td>
</tr>
<tr>
<td>Benefits</td>
<td>13,994,674</td>
<td>10,890,408</td>
<td>13,639,639</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>14,240,303</td>
<td>11,151,627</td>
<td>8,678,802</td>
</tr>
<tr>
<td>Contractual services</td>
<td>15,886,588</td>
<td>17,099,047</td>
<td>19,219,989</td>
</tr>
<tr>
<td>Utilities</td>
<td>9,476,110</td>
<td>6,546,592</td>
<td>5,752,366</td>
</tr>
<tr>
<td>Supplies and other services</td>
<td>5,388,151</td>
<td>4,886,289</td>
<td>4,819,144</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,675,737</td>
<td>5,310,011</td>
<td>5,172,762</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>$130,611,049</strong></td>
<td><strong>$109,984,482</strong></td>
<td><strong>$119,389,160</strong></td>
</tr>
</tbody>
</table>

Revenue support from the District of Columbia is still the most important component of the University’s revenue. General appropriations from the District remain constant at $62.7 million, which is 52 percent of total revenue, decreasing from 60 percent of total revenue in FY 2008. Despite this decrease in percentage, the actual dollar amount remained the same, which shows less dependence on subsidies and greater revenue diversity. The continued funding from the District of Columbia shows its support of the University’s mission and its commitment to student success.
The following table shows expenses by function.

## Expenses by Function

<table>
<thead>
<tr>
<th>Function</th>
<th>FY 2009 Amount</th>
<th>% of Total</th>
<th>FY 2008 Amount</th>
<th>% of Total</th>
<th>Increase/(Decrease) Amount</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$ 41,506</td>
<td>32%</td>
<td>$ 39,107</td>
<td>36%</td>
<td>$ 2,399</td>
<td>6%</td>
</tr>
<tr>
<td>Research</td>
<td>5,440</td>
<td>4</td>
<td>5,006</td>
<td>5</td>
<td>434</td>
<td>9</td>
</tr>
<tr>
<td>Public service</td>
<td>3,689</td>
<td>3</td>
<td>3,375</td>
<td>3</td>
<td>314</td>
<td>9</td>
</tr>
<tr>
<td>Academic support</td>
<td>15,259</td>
<td>12</td>
<td>18,113</td>
<td>16</td>
<td>(2,854)</td>
<td>(16)</td>
</tr>
<tr>
<td>Student services</td>
<td>8,981</td>
<td>7</td>
<td>8,719</td>
<td>8</td>
<td>262</td>
<td>3</td>
</tr>
<tr>
<td>Institutional support</td>
<td>19,645</td>
<td>15</td>
<td>3,816</td>
<td>3</td>
<td>15,829</td>
<td>415</td>
</tr>
<tr>
<td>Operations and maintenance</td>
<td>16,712</td>
<td>13</td>
<td>14,313</td>
<td>13</td>
<td>2,399</td>
<td>17</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>9,733</td>
<td>7</td>
<td>6,512</td>
<td>6</td>
<td>3,221</td>
<td>49</td>
</tr>
<tr>
<td>Auxiliary operations</td>
<td>3,970</td>
<td>3</td>
<td>5,713</td>
<td>5</td>
<td>(1,743)</td>
<td>(31)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,676</td>
<td>4</td>
<td>5,310</td>
<td>5</td>
<td>366</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total expense by function</strong></td>
<td><strong>$130,611</strong></td>
<td><strong>100%</strong></td>
<td><strong>$109,984</strong></td>
<td><strong>100%</strong></td>
<td><strong>$ 20,627</strong></td>
<td><strong>19%</strong></td>
</tr>
</tbody>
</table>

The University financial data is audited by BDO Seidman, LLP. University audited financial statements can be found on the UDC Web site.

## Future outlook

The University System is poised for the future as it works on increasing its reputation and stature. It will continue to look toward growing its revenue base and diversifying its revenue sources in FY 2010. Increased tuition combined with growth in enrollment is expected to result in significant increases in tuition revenue.

The University is actively looking to increase its sponsored research activities, which should lead to increased growth in revenue from federal grants. It is also looking for increased local and other endowment support as it starts reaching its mission milestones and fulfilling its goals.

The University is working to build its internal financial capabilities to better serve the University community. The University is in the process of implementing a new enterprise resource planning (ERP) system, Banner. Banner is an ERP system used by leading universities to consolidate data and automate business processes and student services. Banner is expected to increase operational efficiency and enhance the academic experience for staff, students and faculty. In addition, the University prepared for its procurement autonomy in FY 2009. This is essential for it to serve the University community quickly and efficiently. Lastly, the University is seeking to build a world-class finance staff to support the University on a strategic and financial level. In FY 2009, key senior financial staff members were added to meet this goal. The University’s finances are moving in a positive direction of change to support all the University’s goals.

In FY 2010, the University expects to receive approximately $1.3 million in American Recovery and Reinvestment Act (AARA) funds, commonly known as federal stimulus funds. These funds help provide key infrastructure and technology upgrades to improve student welfare and institutional self-sustainability.
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The University of the District of Columbia, David A. Clarke School of Law and Community College of the District of Columbia are members of the University System of the District of Columbia.

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