INTRODUCTION

The Institution is about to celebrate its centenary extolling the social and economic contributions that it has made to Puerto Rico. As part of this process, the University established a Strategic Intention developed by the Board of Trustees, as part of its agenda to continue contributing to the development of the Country. This statement establishes that Inter American University proposes to:

“Create social, economic, human and technological capital, in a context of ecumenical Christian values as the solid imprint of the academic institution, which contributes to the comprehensive development of Puerto Rico within a global reality.”

The Guide for the Operational Planning and Preparation of the Budget of this year establishes the general guidelines for the elaboration of the Annual Work Plan and the Budget for the next academic year, with the purpose of positioning the University towards the attainment of the new Institutional Vision, the Systemic Strategic Plan (SSP) approved by the Board of Trustees and the Strategic Intention recently adopted. The SSP organizes the Strategic Priorities under three large areas. The first is Academic Excellence with emphasis on the Teaching Staff, research and development and the academic offerings, accreditation and Internationalization. The second area is Administrative Quality focused on Student Services, Finances, Management and organizational structure, institutional Image and presence, physical Infrastructure and Information and telecommunications. The third area is Ecumenical Christian Context, which aims to develop strategies that promote Religious Life.

The first part of the document includes an analysis of the external and internal environments that could influence in the achievement of the institutional goals for the next academic year. It also presents a summary of the results of the assessment indicators of academic year 2009-10, which must be considered when making the budget and the work plan for the next year.

The second part of the document presents the projection of students for the first semester and the institutional priorities of academic year 2012-13. The projected enrollment is 46,194 students, which represents a diminution of 395 students when comparing it with the preliminary enrollment for the same period of academic year 2011-12. This projection is based on the analysis and evaluation of the behavior of registration in a fourteen year historical series. In addition, external and internal factors identified by the units and the System Central Office were considered.
EXTERNAL ENVIRONMENT

The United States

Economy

During the third trimester of fiscal year 2011 an increase of 2.5% of the Gross Internal Product was observed when comparing it with the second trimester of that same year. This increase was mostly due to the spending cost of individuals, nonresidential investment, exports and federal government expenses.

Table 1: Annual Growth of the Gross Internal Product of the United States in percent (1991-2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>-0.2</td>
</tr>
<tr>
<td>1992</td>
<td>3.4</td>
</tr>
<tr>
<td>1993</td>
<td>2.9</td>
</tr>
<tr>
<td>1994</td>
<td>4.1</td>
</tr>
<tr>
<td>1995</td>
<td>2.5</td>
</tr>
<tr>
<td>1996</td>
<td>3.7</td>
</tr>
<tr>
<td>1997</td>
<td>4.5</td>
</tr>
<tr>
<td>1998</td>
<td>4.4</td>
</tr>
<tr>
<td>1999</td>
<td>4.8</td>
</tr>
<tr>
<td>2000</td>
<td>4.1</td>
</tr>
<tr>
<td>2001</td>
<td>1.1</td>
</tr>
<tr>
<td>2002</td>
<td>1.8</td>
</tr>
<tr>
<td>2003</td>
<td>2.5</td>
</tr>
<tr>
<td>2004</td>
<td>3.5</td>
</tr>
<tr>
<td>2005</td>
<td>3.1</td>
</tr>
<tr>
<td>2006</td>
<td>2.7</td>
</tr>
<tr>
<td>2007</td>
<td>1.9</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>-3.5</td>
</tr>
<tr>
<td>2010</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: US Department of Commerce, Bureau of Economic Analysis
In 2011, the unemployment rate in the United States has fluctuated between 8.8 and 9.1. This economic indicator has been over 8 percent since February of 2009, the most prolonged period with such a high rate since this registry began in 1948.

Table 2: Annual Rate of unemployment in the United States (2009-2011)

<table>
<thead>
<tr>
<th>Year 2009</th>
<th>7.8</th>
<th>8.2</th>
<th>8.6</th>
<th>8.9</th>
<th>9.4</th>
<th>9.5</th>
<th>9.5</th>
<th>9.7</th>
<th>9.8</th>
<th>10.1</th>
<th>9.9</th>
<th>9.9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2010</td>
<td>9.7</td>
<td>9.7</td>
<td>9.7</td>
<td>9.8</td>
<td>9.6</td>
<td>9.5</td>
<td>9.5</td>
<td>9.6</td>
<td>9.6</td>
<td>9.7</td>
<td>9.8</td>
<td>9.4</td>
</tr>
</tbody>
</table>


The inflation rate evaluates the increase in the price level of goods and services, measured against the purchasing power of the population. In order to calculate the rate, the consumer price index (CPI) is used, which indicates the percentage of variation of the average of the prices of goods and services that a typical consumer acquires in two periods of time. In September of 2011 an increase of .3% was observed in the goods and services that CPI evaluates, when comparing it with the previous month. The areas where the greatest increase was observed were the ones related to energy.

Table 3: Annual Rate of inflation in the United States (2003-2010)

<table>
<thead>
<tr>
<th>Year 2003</th>
<th>2.3</th>
<th>2.7</th>
<th>3.4</th>
<th>3.2</th>
<th>2.8</th>
<th>3.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2004</td>
<td>2.7</td>
<td>3.4</td>
<td>3.2</td>
<td>2.8</td>
<td>3.8</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Puerto Rico

Economy

The economy of Puerto Rico continues in recession. The decrease of the Gross National Product for fiscal year 2009 was 3.97 and that of 2010 was of 3.77. Dr. Jorge Freyre revised his projection of recovery again and although he still states that year 2012 will be a year of growth, he reduces it to only 2.9%.

Table 4: Growth in the Gross National Product (GNP) for fiscal years (2002-2015)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Price</td>
<td>-0.34%</td>
<td>2.14%</td>
<td>2.74%</td>
<td>1.94%</td>
<td>0.51%</td>
<td>-1.16%</td>
<td>-2.94%</td>
<td>-3.97%</td>
<td>3.77%</td>
<td>-0.81%</td>
<td>0.29%</td>
<td>0.63%</td>
<td>1.86%</td>
<td>1.92%</td>
<td>1.69%</td>
</tr>
</tbody>
</table>

Source: Puerto Rico Planning Board (PRPB)

* According to the econometric model of economist Dr. Jorge Freyre, IAU professor - Metropolitan Campus

The publication Economic Notes of the consulting firm Technical Studies in June 2011, indicates that historically, even though the rate of participation in Puerto Rico has always been low, it had never exceeded 48% and in the past decade the average has been reduced from 46.4% in years 2000 to 2005 to 44.6% in the period from 2006 to 2010, in 2010 it fell to 41.9%. In this year, during the months of January to September of 2011, the rate of unemployment has fluctuated between 15.2 and 16.8.
Table 5: Rate of unemployment in Puerto Rico, months of January to December of years 2009, 2010 and 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2009</td>
<td>13.0</td>
<td>14.1</td>
<td>14.7</td>
<td>14.7</td>
<td>14.3</td>
<td>15.2</td>
<td>16.5</td>
<td>15.8</td>
<td>16.4</td>
<td>15.9</td>
<td>15.5</td>
<td>14.3</td>
</tr>
<tr>
<td>Year 2010</td>
<td>15.8</td>
<td>15.8</td>
<td>15.9</td>
<td>16.9</td>
<td>16.8</td>
<td>16.6</td>
<td>16.9</td>
<td>16.1</td>
<td>16.3</td>
<td>15.8</td>
<td>15.4</td>
<td>14.7</td>
</tr>
<tr>
<td>Year 2011</td>
<td>15.7</td>
<td>16.0</td>
<td>16.8</td>
<td>16.2</td>
<td>16.0</td>
<td>15.2</td>
<td>16.3</td>
<td>16.4</td>
<td>15.4</td>
<td>15.8</td>
<td>15.4</td>
<td>14.7</td>
</tr>
</tbody>
</table>

Source: Labor Department and Human Resources

When comparing the retail sales, at current prices, of natural years 2010 and 2011, an increase of 1.2% is observed. In year 2010 the retail sales, until the month of August, presented an increase of 1.74%, when comparing it with the same period of the previous year.

Table 6: Retail Sales, months of January to December for years 2007 to 2011

<table>
<thead>
<tr>
<th></th>
<th>2007 ( R)</th>
<th>2008 ( R)</th>
<th>2009 ( R)</th>
<th>2010</th>
<th>2011*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$35,046</td>
<td>$35,208</td>
<td>$34,453</td>
<td>$34,858</td>
<td>$22,919</td>
</tr>
</tbody>
</table>

Source: Commerce and Export Company of Puerto Rico

R= revised

*Includes the months of January to August of 2011
During fiscal year 2011 an increase of 3% or 304 more requests for bankruptcies was observed in relation to the previous year. In the last five years a considerable increase in the use of this type of legal resource has been seen.

Table 7: Total bankruptcies in Puerto Rico, fiscal years 2000 to 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Bankruptcies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>16,823</td>
</tr>
<tr>
<td>2001</td>
<td>14,819</td>
</tr>
<tr>
<td>2002</td>
<td>13,803</td>
</tr>
<tr>
<td>2003</td>
<td>13,732</td>
</tr>
<tr>
<td>2004</td>
<td>14,230</td>
</tr>
<tr>
<td>2005</td>
<td>12,382</td>
</tr>
<tr>
<td>2006</td>
<td>7,000</td>
</tr>
<tr>
<td>2007</td>
<td>8,336</td>
</tr>
<tr>
<td>2008</td>
<td>10,184</td>
</tr>
<tr>
<td>2009</td>
<td>11,799</td>
</tr>
<tr>
<td>2010</td>
<td>12,103</td>
</tr>
<tr>
<td>2011</td>
<td>12,103</td>
</tr>
</tbody>
</table>

Source: US Bankruptcy Court for the District of Puerto Rico

Education

Education School System

Student enrollment at the school level continues falling; in academic year 2010-11 a reduction of 2% or 13,957 fewer students was observed. That same reduction occurred in spite of the fact that during that same year the enrollment in private institutions increased 3.8% or 5,941 more students.

Table 8: Total Enrollment in the School System of Puerto Rico, years 2006-07 to 2010-11

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Enrollment in Public Schools</th>
<th>Total Enrollment in Private Schools</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>544,138</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007-08</td>
<td>526,565</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>503,635</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>493,633</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>473,735</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Newspaper El Nuevo Dia, September 21, 2009, Department of Education and General Council of Education
Institutions of Higher Education in Puerto Rico

In the last 10 years student enrollment in post-secondary institutions has increased by 30% (from 191,552 in 2001 to 250,192 in 2010). This growth has been observed mainly in the private institutions, which in this period have grown 65%, from 117,714 to 182,901 students. The public institutions had a reduction in their enrollment in that period, and although from the year 2007-08 they began to have a slight increase, in year 2010-11 they had a reduction of 6% or 4,278 students fewer than the previous year.

Table 9: Distribution of the enrollment in educational institutions of Puerto Rico, first semester 2001-02 to 2010-11

<table>
<thead>
<tr>
<th>Year</th>
<th>Private</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>117,714</td>
<td>73,838</td>
</tr>
<tr>
<td>2002-03</td>
<td>125,386</td>
<td>74,506</td>
</tr>
<tr>
<td>2003-04</td>
<td>133,018</td>
<td>74,056</td>
</tr>
<tr>
<td>2004-05</td>
<td>136,921</td>
<td>71,044</td>
</tr>
<tr>
<td>2005-06</td>
<td>140,734</td>
<td>68,813</td>
</tr>
<tr>
<td>2006-07</td>
<td>158,031</td>
<td>65,939</td>
</tr>
<tr>
<td>2007-08</td>
<td>159,414</td>
<td>68,132</td>
</tr>
<tr>
<td>2008-09</td>
<td>166,343</td>
<td>69,475</td>
</tr>
<tr>
<td>2009-10</td>
<td>177,803</td>
<td>71,569</td>
</tr>
<tr>
<td>2010-11</td>
<td>182,901</td>
<td>67,291</td>
</tr>
</tbody>
</table>

Source: Puerto Rico Council of Education

In academic year 2010-11 the enrollment of the private universities was 182,901 students. Of these, 25% studied in Inter American University of Puerto Rico, which represents the same proportion as the previous year. On the other hand, the other universities increased by 1%, from 32% to 33%.
In Tables 10, 11 and 12 the abbreviations refer to:

**UIPR**: Inter American University of Puerto Rico; **PUCPR**: Pontifical Catholic University of Puerto Rico; **UCB**: Bayamon Central University; **Car. Univ.**: Caribbean University; **UPPR**: Polytechnic University of Puerto Rico; **U. Phoe.**: University of Phoenix; **A. Univ**: American University; **USC**: Sacred Heart University; **UPR**: University of Puerto Rico; **SUAGM**: Ana G. Méndez System

In academic year 2011-12 the registration costs of the Institution continue to be among the most competitive in the market.

Table 11: Tuition costs at the undergraduate level of several academic institutions of higher education of Puerto Rico, years 2008-09 to 2011-12

Source: Universities (October 2011)
Table 12: Tuition costs at the graduate level (masters) of several academic institutions of higher education of Puerto Rico, years 2008-09 to 2011-12

<table>
<thead>
<tr>
<th>Institution</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUCPR</td>
<td>$210</td>
<td>$220</td>
<td>$230</td>
<td>$240</td>
</tr>
<tr>
<td>UCB</td>
<td>$180</td>
<td>$185</td>
<td>$185</td>
<td>$200</td>
</tr>
<tr>
<td>UPR</td>
<td>$117</td>
<td>$122</td>
<td>$127</td>
<td>$137</td>
</tr>
<tr>
<td>Car. Univ.</td>
<td>$170</td>
<td>$175</td>
<td>$175</td>
<td>$180</td>
</tr>
<tr>
<td>UPPR</td>
<td>$195</td>
<td>$195</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>U. Phoe.</td>
<td>$280</td>
<td>$295</td>
<td>$310</td>
<td>$320</td>
</tr>
<tr>
<td>A.UNIV.</td>
<td>$180</td>
<td>$180</td>
<td>$190</td>
<td>$190</td>
</tr>
<tr>
<td>USC</td>
<td>$190</td>
<td>$195</td>
<td>$200</td>
<td>$205</td>
</tr>
<tr>
<td>SUAGM</td>
<td>$191</td>
<td>$201</td>
<td>$201</td>
<td>$201</td>
</tr>
<tr>
<td>UPRR</td>
<td>$188</td>
<td>$195</td>
<td>$202</td>
<td>$202</td>
</tr>
</tbody>
</table>

Source: Universities (October 2011)

The number of graduation candidates that take the College Board has fluctuated from 30,190 to 31,628 between years 2003 to 2008. During year 2009 the number of students who took the examination rose to 37,104; this was because it includes those that took the test during that period free of charge.

Table 13: Total of students candidates for high school graduation who took the College Board, 2003 to 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Public</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>22,157</td>
<td>6,880</td>
<td>29,037</td>
</tr>
<tr>
<td>2004</td>
<td>22,543</td>
<td>7,138</td>
<td>29,681</td>
</tr>
<tr>
<td>2005</td>
<td>23,299</td>
<td>7,047</td>
<td>30,346</td>
</tr>
<tr>
<td>2006</td>
<td>22,725</td>
<td>7,447</td>
<td>29,172</td>
</tr>
<tr>
<td>2007</td>
<td>22,716</td>
<td>7,962</td>
<td>30,678</td>
</tr>
<tr>
<td>2008</td>
<td>21,371</td>
<td>7,910</td>
<td>29,281</td>
</tr>
<tr>
<td>2009</td>
<td>29,125</td>
<td>7,920</td>
<td>37,045</td>
</tr>
<tr>
<td>2010</td>
<td>19,942</td>
<td>7,980</td>
<td>27,922</td>
</tr>
</tbody>
</table>

Source: College Board

* Total of students does not include those examined in October of 2010
INTERNAL ENVIRONMENT

Enrollment

The enrollment obtained for academic year 2010-11 was 46,023,768 students more than the previous year. This increase occurred mainly at the technical certificate level, where there was an increase of 17% or 370 students more, when comparing it with the previous year.

Table 14: Total Enrollment of Inter American University by academic level, years 2007-08 to 2010-11

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech. Certificate</td>
<td>5,540</td>
<td>5,717</td>
<td>5,778</td>
<td>5,583</td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>1,177</td>
<td>1,401</td>
<td>1,790</td>
<td>2,160</td>
<td></td>
</tr>
<tr>
<td>Graduate</td>
<td>35,559</td>
<td>36,528</td>
<td>36,597</td>
<td>37,188</td>
<td></td>
</tr>
<tr>
<td>First Profesional Level</td>
<td>1,029</td>
<td>1,076</td>
<td>1,090</td>
<td>1,092</td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistical Report

Admissions

In the last five years, an increase in the number of new or re-admitted students is observed. In the academic terms that have begun, in this academic year, a slight increase of new or re-admitted students is observed when comparing it with the previous academic year.

Table 15: Total of new students, first semester academic year 2006-07 to 2010-11

<table>
<thead>
<tr>
<th>Campus</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aguadilla</td>
<td>1,138</td>
<td>1,250</td>
<td>1,284</td>
<td>1,440</td>
<td>1,507</td>
</tr>
<tr>
<td>Arecibo</td>
<td>1,021</td>
<td>1,173</td>
<td>1,252</td>
<td>1,425</td>
<td>1,568</td>
</tr>
<tr>
<td>Barranquitas</td>
<td>558</td>
<td>625</td>
<td>670</td>
<td>691</td>
<td>681</td>
</tr>
<tr>
<td>Bayamón</td>
<td>1,423</td>
<td>1,414</td>
<td>1,269</td>
<td>1,387</td>
<td>1,439</td>
</tr>
<tr>
<td>Fajardo</td>
<td>500</td>
<td>563</td>
<td>638</td>
<td>584</td>
<td>502</td>
</tr>
<tr>
<td>Guayama</td>
<td>830</td>
<td>581</td>
<td>579</td>
<td>661</td>
<td>541</td>
</tr>
<tr>
<td>Metro</td>
<td>2,241</td>
<td>2,397</td>
<td>2,452</td>
<td>2,653</td>
<td>2,414</td>
</tr>
<tr>
<td>Ponce</td>
<td>1,478</td>
<td>1,626</td>
<td>1,528</td>
<td>1,673</td>
<td>1,640</td>
</tr>
<tr>
<td>San Germán</td>
<td>1,561</td>
<td>1,400</td>
<td>1,420</td>
<td>1,348</td>
<td>1,609</td>
</tr>
<tr>
<td>Law</td>
<td>248</td>
<td>272</td>
<td>247</td>
<td>263</td>
<td>267</td>
</tr>
<tr>
<td>Optometry</td>
<td>55</td>
<td>61</td>
<td>61</td>
<td>52</td>
<td>53</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,053</td>
<td>11,362</td>
<td>11,400</td>
<td>12,177</td>
<td>12,221</td>
</tr>
</tbody>
</table>

Source: Extract SWBYAUTO, includes students admitted in the summer
* Preliminary Data to October 21, 2011
During this academic year, the academic units will continue implementing diverse strategies of promotion, marketing and recruitment, among these the following will be emphasized:

- the activities related to the celebration of the Centenary of the University
- in some campuses new strategies will be strengthened and implemented in the offices in charge of the promotion, marketing and recruitment process.
- emphasis on obtaining the professional accreditations in the promotion and marketing processes
- promotion of our academic offerings and study modalities through: radio, social networks, text messages, press (national and regional), movable sound units, promotional small carts, promotional murals in the high schools, organizations that offer nontraditional studies to obtain the high school diploma, billboards, sport events, governmental and municipal agencies
- coordination of events and activities with the support of governmental organizations, such as: educational fairs, cultural activities and sport events
- active participation in the activities of the community in areas, such as: churches, aquatic and fishing sports
- integration of the Religious Life Office in promotional activities
- the radio program “Inter Forum” in which scholastic activities and the discussion of subjects of economic, social and educational interest for young people will be incorporated (Guayama Campus)
- participation of students of the Marketing Program in promotion initiatives
- integration of high schools students and the external community in the extracurricular activities of the Campus
- participation in the activities developed for public as well as private high school students, such as: fairs, College Day and musical events, among others
- inclusion of students enrolled in grades 10 and 11 in the recruitment talks in the schools
- sponsoring of high school initiatives and activities
- promotion of the Honors Program as an option for students of high academic achievement in the high schools and sports scholarships for students talented in this area
- offering the College Board review in the campus facilities
- development of promotion and recruitment activities and initiatives in the United States, with emphasis on the Hispanic population
- offering our students services through the Cybernetic Centers
- creation of workshops for high schools advisers
- award of academic excellence premiums to students graduated from the high schools
Degrees Granted

In academic year 2010-11 a 10% increase in the number of degrees granted was observed, when comparing it with the previous academic year.

Table 16: Total of granted degrees, years 2006-07 to 2010-11

<table>
<thead>
<tr>
<th>Campus</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technicial Certificate</td>
<td>247</td>
<td>279</td>
<td>405</td>
<td>389</td>
<td>555</td>
</tr>
<tr>
<td>Associate Degree</td>
<td>382</td>
<td>395</td>
<td>570</td>
<td>600</td>
<td>718</td>
</tr>
<tr>
<td>Baccalaureate</td>
<td>3,616</td>
<td>3,369</td>
<td>3,547</td>
<td>3,322</td>
<td>3,498</td>
</tr>
<tr>
<td>Masters</td>
<td>1,258</td>
<td>1,071</td>
<td>1,097</td>
<td>937</td>
<td>1,040</td>
</tr>
<tr>
<td>Doctorate</td>
<td>38</td>
<td>65</td>
<td>59</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>Professional Certificates</td>
<td>50</td>
<td>38</td>
<td>67</td>
<td>66</td>
<td>61</td>
</tr>
<tr>
<td>Law</td>
<td>196</td>
<td>179</td>
<td>218</td>
<td>248</td>
<td>234</td>
</tr>
<tr>
<td>Optometry</td>
<td>32</td>
<td>40</td>
<td>44</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5,819</td>
<td>5,436</td>
<td>6,007</td>
<td>5,636</td>
<td>6,188</td>
</tr>
</tbody>
</table>

Source: Statistical Report of Registration

Retention

The retention rate for year 2010-11 is 72%, the same as the previous academic year.

Table 17: Retention rate, years 2008-09 to 2010-11

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Students</th>
<th>Retained</th>
<th>Retention Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>5,296</td>
<td>3,963</td>
<td>75%</td>
</tr>
<tr>
<td>2009-10</td>
<td>5,103</td>
<td>3,679</td>
<td>72%</td>
</tr>
<tr>
<td>2010-11*</td>
<td>5,360</td>
<td>3,879</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: Institutional Retention Office

* Includes students admitted in June and registered in August for the Barranquitas and Guayama Campuses

Among the strategies of the Retention Plans of the academic units to continue improving the retention rates that will be implemented this year, the following will be emphasized:

- continue strengthening the strategies aimed at students in their first year of study
- continue with the implementation of the Computer Application Programs cITrAp and of Computer Application ERDU and the creation of strategies in agreement with the results reflected by the programs
- expand and strengthen the mentoring and tutoring services offered by the faculty as well as by students
- develop initiatives that encourage the importance of financial planning, among the students
- strengthen pedagogical strategies among the professors, with special emphasis on the area of distance learning
- continue identifying external resources that allow student services to be strengthened
- continue using the Early Intervention System as a preventive tool aimed at students who are in risk of dropping out
- strengthen and promote academic advisement strategies
- continue strengthening the Honors Program and its offerings to the students
• continue implementing strategies aimed at developing a commitment of the different components of the university community in the efforts related to the improvement of the conditions that allow the students to achieve their academic goal and thus improve student retention and graduation
• strengthen and promote academic advisement strategies
• develop and promote the development of extracurricular activities in the academic, cultural and social areas to strengthen the integral development of the university community
• promote among the faculty the development of research related to innovating strategies to increase student retention
• strengthen the services offered for students through the Web
• use the systems of internal communication through audio-visual equipment to maintain students informed
• continue creating and using support tools related to the basic skills courses offered by electronic means
• develop incentives for the students who have demonstrated academic progress
• foment the development of activities and student participation in student organizations
• continue using the Work and Study Program to offer work opportunities to students
• stimulate students so that they registrar and request financial aid at an early date

Projection of new academic programs

The academic units project to begin offering 55 new or transfer programs during academic year 2012-13.

ASSESSMENT INDICATORS

The report on the assessment indicators of 2010-11 presents the following challenges that should be considered for the preparation of the work plan and the budget:

• During academic year 2010-11, there was an increase of 17% or 18 more professors developing research projects, in relation to the previous year. Among the institutional objectives to maintain the teaching staff qualified is that of fomenting the development of research. This is why the budget of the academic units and the Vice-presidency for Academic Affairs must continue promoting initiatives that support this objective.
• The implementation of the Plan of Professional Accreditations should be continued.
• The initiatives to increase the percent of approval of the majority of the Board examinations have had positive effects; this is why it is necessary to continue assigning fiscal resources that they allow the continuation of the implementation of successful strategies.
• The study of student satisfaction at the undergraduate level in academic year 2010-11 reflects the need to continue strengthening the technological infrastructure that supports student and academic services.
• It is important to continue the implementation of the retention plans to increase the retention and graduation rates.
STUDENT PROJECTIONS

For the First Semester of academic year 2012-13 a projection of 46,194 students is established. The projections by different academic terms that are considered for the First Semester are presented below.

<table>
<thead>
<tr>
<th>CAMPUS</th>
<th>2012-10, 11, 15</th>
<th>2012-12</th>
<th>2012-13</th>
<th>2012-17 or 18</th>
<th>2012-20</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aguadilla</td>
<td>4,491</td>
<td>260</td>
<td>208</td>
<td></td>
<td></td>
<td>4,959</td>
</tr>
<tr>
<td>Arecibo</td>
<td>5,035</td>
<td>290</td>
<td></td>
<td>40</td>
<td></td>
<td>5,365</td>
</tr>
<tr>
<td>Barranquitas</td>
<td>2,295</td>
<td></td>
<td>64</td>
<td>44</td>
<td></td>
<td>2,403</td>
</tr>
<tr>
<td>Bayamón</td>
<td>5,196</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
<td>5,245</td>
</tr>
<tr>
<td>Fajardo</td>
<td>2,206</td>
<td>33</td>
<td>29</td>
<td></td>
<td></td>
<td>2,268</td>
</tr>
<tr>
<td>Guayama</td>
<td>2,300</td>
<td>65</td>
<td>35</td>
<td></td>
<td></td>
<td>2,400</td>
</tr>
<tr>
<td>Metro</td>
<td>1,370</td>
<td>50</td>
<td>9,044</td>
<td></td>
<td></td>
<td>10,464</td>
</tr>
<tr>
<td>Ponce</td>
<td>5,850</td>
<td></td>
<td>350</td>
<td>100</td>
<td></td>
<td>6,300</td>
</tr>
<tr>
<td>San Germán</td>
<td>5,498</td>
<td>38</td>
<td>106</td>
<td>30</td>
<td></td>
<td>5,672</td>
</tr>
<tr>
<td>Optometry</td>
<td>225</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>225</td>
</tr>
<tr>
<td>Law</td>
<td>893</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>893</td>
</tr>
<tr>
<td>TOTAL</td>
<td>35,359</td>
<td>88</td>
<td>10,197</td>
<td>94</td>
<td>456</td>
<td>46,194</td>
</tr>
</tbody>
</table>

INSTITUTIONAL PRIORITIES FOR FISCAL YEAR 2012–2013

The priority areas identified for the next academic-fiscal year include the goals, strategies and performance indicators recommended to develop the operational plan and the budgetary request for the Inter American University of Puerto Rico System.

I. ACADEMIC EXCELLENCE

A. Faculty, Research and Development
   a. Improve the academic credentials of the teaching staff for the enrichment of teaching and compliance with the standards of the accrediting agencies.
      i. Increase the number of professors with a doctoral degree.
      Performance Indicator: Percentage of full-time professors with a doctorate.
      ii. Increase the number of active professors in research.
      Performance Indicator: Number of full-time professors in research projects.
      iii. Continue with the project to strengthen online teaching.
      Performance Indicator: Number of certified or re-certified full-time professors.
   b. Maintain the teaching staff updated in teaching techniques and methods.
      i. Provide training activities in teaching techniques.
   c. Develop a teaching staff committed to the formation of people with democratic and ethical values, framed in an ecumenical Christian context.
      i. Provide development opportunities for the professors in areas of Christian, ethical and democratic values.
   d. Strengthen the Continuous Academy of Faculty Development, especially in the Education Programs.
      i. Continuously provide workshops and other training strategies for Faculty Development.
   Performance Indicator: Number of trained full professors and number of workshops offered.
B. **Academic Offerings, Accreditation and Internationalization**
   a. Align the academic offerings with the needs and interests of future students.
      i. Evaluate and revise the relevance of the curricula.

   **Performance Indicator:** Number of programs revised.

   b. Establish academic programs that contribute to national and international socio-economic development.
      i. Conduct studies that identify emergent professions with long term projection.

   **Performance Indicator:** Number of new programs in harmony with the results of the studies.

   c. Assure the quality of academic programs.
      i. Obtain the accreditation of the programs included in the Plan of Accreditations and Professional Re-Accreditations.

   **Performance Indicator:** Number of accredited and re-accredited programs.

   ii. Increase the percentage of students that approve the Board examinations.

   **Performance Indicator:** Percentage of students that approve the Board examinations

   d. Increase the academic offerings in distance learning.
      i. Increase the number of programs and courses under the distance learning modality.

   **Performance Indicator:** Number of online programs authorized by the Puerto Rico Council of Education.

   e. Expand the academic strategies that promote the formation of people with democratic and ethical values, framed in an ecumenical Christian context.
      i. Promote opportunities of curricular and extracurricular development in the areas of Christian, ethical and democratic values.

   **Performance Indicator:** Number of courses that include the component of Christian, ethical and democratic values.

   f. Reaccreditation of all Units of the System by the Middle States Commission on Higher Education.
      i. Final report of the *Middle States Commission on Higher Education*.

   **Performance Indicator:** Number of courses that include the component of Christian, ethical and democratic values.

II. **STUDENT SERVICES**

   a. Develop new strategies of promotion and recruitment
      i. Increase the number of admitted and enrolled students.

   **Performance Indicator:** Number of admitted students that enroll.

   b. Improve the profile of the students that are admitted to the Institution.
      i. Evaluate and revise the admission and graduation requirements of the academic programs.

   **Performance Indicator:** Number of programs that have revised the admission and graduation requirements.

   ii. Increase the retention and graduation rates.

   **Performance Indicator:** Percent of increase.

   c. Offer quality services to the students.
      i. Continue strengthening the student academic support services.

   **Performance Indicator:** Student satisfaction.

   d. Promote and strengthen the tutoring and assessment activities.
      i. Provide more opportunity for tutoring services.

   **Performance Indicator:** Evaluate test results.

III. **FINANCES**

   a. Obtain the fiscal projections by way of Tuition, Quotas, Auxiliary Companies and other income for all terms.

   **Performance Indicator:** Results of the registration by term and their analysis.

   b. Evaluate the university management to identify areas of cost-effectiveness opportunity.
      i. Continue with the implementation of the Plan of Reduction of Costs without affecting the quality of the services.
Guide for the Operational Planning and Preparation of the Budget 2012-2013

Performance Indicator: Economies Obtained.
   c. Reduce the dependency of the income through tuition, by the development of alternate sources.
      i. Evaluate new sources of income in the areas of: auxiliary companies, donations, external resources and yields of the endowment fund.

Performance Indicator: Increase the income from alternate sources.
   d. Adapt the allocation of funds to the strategic priorities.
      i. Establish the parameters for the resource allocation necessary for achieving the Strategic Priorities.

Performance Indicator: Creation of the parameters of the Systemic Strategic Plan in agreement with the Guides for the Operational Planning and Preparation of the Budget.

IV. MANAGEMENT AND ORGANIZATIONAL STRUCTURE

   a. Adapt the organization to new and effective managerial trends.
      i. Evaluate the organizational structures of the Institution.

   b. Assure compliance with the policies, institutional norms and government laws.

   c. Provide a safe environment for students, faculty, administrative personnel and the external community.

   d. Strengthen the administrative processes and increase their cost-effectiveness.
   e. Continue with the Development Plan for Administrative Personnel.

   Performance Indicator: Results of the evaluation of personnel and evaluation of the activities held.

V. INSTITUTIONAL IMAGE AND PRESENCE

   a. Emphasize in its promotion the quality that distinguishes Inter American University of Puerto Rico.
      i. Direct promotional efforts to project the quality of the programs and services offered.

   b. Promote the contribution of the University to the cultural and socioeconomic development of Puerto Rico.

   Performance Indicator: Presentation in the media of the activities carried out.

VI. PHYSICAL INFRASTRUCTURE

   a. Attain that the physical structures comply with the standards of the accrediting agencies, and the state and federal laws and regulations.
      i. Maintain the physical facilities in optimal conditions.

   b. Maximize the use of the physical facilities.

   Performance Indicator: Percent of use of the classrooms.
iii. Comply with the requirements of the state and federal laws and regulations, related to physical facilities.

**Performance Indicator:** Results of monitoring and audits.

**VII. INFORMATION AND TELECOMMUNICATIONS**

a. Keep the technological infrastructure for the development of presentational and distance teaching updated.
   i. Strengthen the technological infrastructure for the academic processes.

**Performance Indicator:** Results of the questions applying to the Student Satisfaction Study.

b. Continue the development of technological infrastructure for administrative processes.
   i. Strengthen the technological infrastructure for management processes.

**Performance Indicator:** Result of the questions applying to the Personnel Satisfaction Study.

**VIII. RELIGIOUS LIFE**

a. Promote the spiritual well-being of the university community by fomenting the Christian-ecumenical character of the Institution.
   i. Implement the Ecumenical Plan of University Chaplaincy.

**Performance Indicator:** Number of activities carried out.

ii. Continue with the development of the Socio-moral Infrastructure Project.

**Performance Indicator:** Conduct of the event according to the theme established and the number of attendees.

iii. Develop in the university community the attitude of service to others.

**Performance Indicator:** Number of projects and initiatives that offer support to the communities.

**WORK PLAN**

The format of the Work Plan has been revised according to the Systemic Strategic Plan.

The Work Plan expresses the result of the planning process. The Plan indicates, with a great level of detail, the activities to be carried out during a one year period of time, with measurable goals and objectives.

**The components of the Work Plan are the goals, strategic priorities, objectives, activities, responsibilities, costs and the indicator metric.**

The Work Plan should be preceded by an exact analysis of the needs, which are to be focused on, as identified by the corresponding forms.

The work plan is based on the parameters, established in the following documents:

1. Institutional Vision
2. Particular Institutional Mission
3. Systemic Strategic Plan
4. Strategic Plan of the Units
5. Institutional and particular Guide
In the preparation of budget 2012-13, the following general norms will be observed:

A. Income

1. Conduct the analysis of income from tuition, credits, quotas and other income based on the experience of the last three years, considering the projected income and that obtained.
2. Project the Second Semester within a parameter of 90 to 95% or according to the experience of previous academic terms.
3. Determine the projection of students and tuition by term, level, number of credits and quotas, using the uniform procedure to determine them.
4. Use the SWDRMAT Report – Registration Projection versus the current registration, corresponding to the month of December of 2011.
5. Send Projections of Students, Tuition by Term, Level and Number of credits in the format submitted by the Systemic Budget Office.

B. Tuition Costs 2012-13

- In Budgetary Request 2012-13 increases in the Tuition Costs will not be contemplated, except for the possibility of an increase in the Professional Schools.

C. Expenses

1. Prepare an analysis of the expenses in agreement with the activities established in the Work Plan.
2. Justify and document all requests of funds in harmony with the Strategic Plan and the Work Plan.
3. Analyze the tempo of expenses of the current year.
4. Consider the following expenses in the area of:

Compensation

In Budgetary Request 2012-13 funds will be requested for:

- Special non-recurring Bonus of $400.00 per full-time employee (expense account 6219), subject to the achievement of the registration projections.
- Changes in rank, years on service and academic preparation (expense account 6009)
  - These funds should be included in the stipulated expense item and not in the wages of the incumbent since that would impair the analysis of this concept.
- Quinquenniums for the executive and administrative personnel (expense account 6107)
  - These funds should be included in the stipulated expense item and not in the wages of the incumbent since that would impair the analysis of this concept.
- Funds for part-time and overload
- Sabbatical leaves (expense account 6008)
- Change in Fringe Benefits
  - Retirement or Pension Fund
    - (3-5% of full-time annual salary.
      - The department or office should make provisions for the collaborators who wish to enter the plan during the fiscal year.
  - Disability Insurance
    - (0.0035 effective from January 1, 2010 to December 31, 2012).
  - Medical Insurance
($2,915 per full-time employee).

- **Life Insurance**
  (.0028 for budgetary effects).
- **Christmas Bonus**
  ($600 per full-time employee).

**g.** Do not submit newly created positions in this budgetary request (except in those new programs that may generate more students). If feasible, the teaching positions will be reduced and if possible there will be a 1% reduction in the total of credits taught by full-time faculty.

**h.** Newly created positions must pass through the rigor of analysis and evaluation of the Human Resources Office of the Unit in consultation with the Institutional Human Resources Office, prior to submitting the budgetary request.

**i.** Freeze full-time teaching positions and non-teaching positions of vacancies that arise.

**j.** Quantify the economic impact of:
  - Elimination of full-time teaching positions or relocation of positions due to a reduction in registration.
  - Elimination of administrative positions.
  - Frozen Positions ($1.00).

**k.** Revise the cost of study benefits (6209) in light of the experience in 2011-2012.

**l.** Revise the cost of Reserve for Vacations (7120) in light of the experience in 2010-2011.

**m.** Calculate 7.65% of social security, applicable to all salaries.

**n.** The ideal compensation parameter is 65 percent.

**Operational**

Consider in your budgetary request the following elements that impact the operation in the units:

- Accreditation Plan of the Academic Programs
- Reaccreditation Process of the Middle States Commission on Higher Education
- Continuing Activities - commemoration of the Centenary

Develop a plan of cost reduction that includes, among others, the following areas:

- **Electricity** - establish a plan of energy conservation, for example:
  - movement sensors in classrooms and offices
  - incandescent light bulbs
  - load distribution (analysis of contracted loads) energy factor
  - heat insulator
  - turn off computers (use of software for this purpose)
  - eliminate screen savers
  - solar lamps in parking areas
  - acquisition of high efficiency air conditioners
  - turning off and on of electronic equipment and air conditioners by means of programming
  - replace the sign of EXIT with fluorescents that do not need energy

- **Water**
  - Collection of water for use in chillers
  - Lower water level in sanitary equipment
  - Install high efficiency sanitary equipment
c. Gasoline
   - Coordinate personnel trips during the week
   - Pick Up mail between Campuses
     Example: Arecibo – Aguadilla
     Ponce – San Germán
   - Maximize the use of videoconferences equipment

d. Telephone
   - Use the system network for telephone calls
   - Maximize the use of the call accounting system
   - Reduce the cost of cell phones (expense account - 76161)
   - Analyze effectiveness of Internet lines (expense account - 76162)

e. Consider reduction in the following areas:
   - Office Material
     - Recycle manila envelopes and other materials
   - Printing
   - Include the reserves in electronic format in the area of Libraries

f. Optimize the use of the electronic mail - paperless
   - Reduce costs of photocopier paper
   - Use of scanner for sending document through e-mail
   - Reduce the reproduction of documents, examinations, among others
   - Syllabi online
   - Assignments online

g. Negotiation of multiannual contracts
   - Example - Acquisition of promotion material, forms and other office material

h. Reduction of Postage costs
   - Delivery of invitations to students and faculty in the classrooms or by means of e-mail

Other Activities

a. Improvements to physical facilities.
b. Detail of the project to be carried out, you should consider:
   - Breakdown of project
   - Type of improvements
   - Approximate square feet
     Example: Number of classrooms, offices, laboratories, among others.
c. Contribution in cash for proposals (matching funds).
   - Small Business Technology Development Center - submit form for contribution of institutional funds signed by the Chancellor.
   - Consider that the matching funds for new proposals be in cash.
   - Consider in the budgets of new proposals the cost of printed material and its copying.

d. Redemption of debt (Principal and interest).
e. Lease of Equipment.
f. Costs of equipment (new, replacement).
   - Coordinate systemic purchases

g. Motor Vehicles
   - Hybrids preferably
   - Consider the analysis of yield of miles per gallon
Payment of the Systemic Services

The amount assigned to the unit will be provided by the Vice-presidency of Management, Finances and Systemic Services in December of 2011.

BUDGET MEMORANDUM

The date of delivery of this document will be from the 17 to the 20 of January of 2012 (4 days). It will be submitted according to the following format:

A. Executive Summary of the budgetary request.
B. Explanation of how your budgetary request advances the mission and goals of the unit.
C. Identification of the significant changes (increase or diminution) in the budgetary request.
D. Explanation of the budgetary effect of the modifications to the academic offerings in the budget in your Unit (beginning, revision and discontinuation of programs).
E. Supplements.

Present in graphical form or table (All the data must be presented on the basis of the adjusted budget)

1. Projection of income and expenses (3 years).
2. Distribution of income by concept (Tuition, General and Incidental fees, Quotas, Auxiliary Companies, among others).
3. Payments for systemic services (%) (3 years).
4. Ratio of full-time Faculty to student.
5. List of new academic programs.
6. Number of new students (3 years).
7. Average number of students per section (3 years).
8. Estimated number of students and Resources per Semester (July, autumn, spring, June). Format Budget Office.
10. Distribution of the budget by concept (Compensation, Operational, Equipment and Other Activities).
11. Distribution of the budget by function.
12. Distribution of the budget of equipment by function (graphical).
13. Detail of the budget of equipment by function (table). Format Budget Office.
   (This table should present only equipment that may be capitalized greater than $1,000)
15. List of faculty positions and exempt and nonexempt personnel that are impacted by the following aspects:
   b. Quinquenniums for the executive and administrative personnel. Format Budget Office.
16. Reserve of increases in salary by function.
17. Detailed Plan of reduction of costs, including institutional contracts of acquisitions (purchases) and internally in the Campuses. It should indicate the percent (%) of reduction.
18. Detail of the projects of permanent improvements and minor improvements (breakdown of the project, type of improvement, square feet, among others).
19. Submit detail of all air conditioners (it must include brand, model and tonnage).
20. Preventive and corrective maintenance plan (detail of activity and cost).
21. Analysis of Cost of Electricity per Student (3 years).
22. Analysis of Cost of Water per Student (3 years).
24. Conversion of the operational budget so that it is financially viable.