



National American University

President's Cabinet

Meeting Minutes – June 1, 2010

Attendees: Venessa Green, Dr. Sam Kerr, Dr. Ronald Shape, Lisa Knigge, Michaelle Holland, Scott Toothman and Dr. Jerry Gallentine (Redacted by HELP Committee took the meeting minutes)

Items in blue are
"To Do" items.

Dr. Ronald Shape – CEO

1. Update on the Transaction
 - a. The secondary offering is complete! We closed today.
 - b. Pricing was completed last week. There can be no press releases for 25 days from the day of pricing.
 - c. We are now listed on NASDAQ as "NAUH".
 - d. There will be some analyst coverage starting next week.
 - e. There are 27 million shares outstanding.
 - f. Also, as of 5/28/10, NAU is a debt-free company!
 - g. All SEC regulatory issues are now handled by our Assistant General Counsel, Redacted by HELP Committee.
 - h. Please direct any questions from employees about purchasing stock to either Redacted by HELP Committee or Redacted by HELP Committee.
2. Strategic Plan
 - a. When adding items for consideration to the Strategic Plan, Redacted, keep in mind the heavily-regulated environment we now find ourselves in with the DOE, HLC, and SEC.
3. FY2010 Year End
 - a. Congratulations to everyone on a great year for NAU! Dr. Shape will do a video recording for MyNAU to extend his congratulations to all employees. Any topics you would like to include for him to report on, please get to Redacted by HELP Committee as soon as possible, i.e. student retention, nursing scores, new programs, new locations, LDP, etc.
4. Update on Sites – Mike Buckingham
 - a. **Redacted**
 - b. **Redacted**
 - c. **Redacted**
 - d. **Redacted**
 - e. In regards to the 90/10 ratio, our goal is 75/25. This will mean ramping up our military enrollments and company tuition assistance enrollments. We need to review the report, by site, to monitor this ratio.

Dr. Shape needs feedback on our next Cabinet retreat – location, topics to be discussed, dates and who from your area (top performers) could attend to give presentations.

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Dr. Sam Kerr – Provost / General Counsel

5. Academic Update

- a. The new online catalog continues to be worked on, specifically the navigation setup for students.
- b. They are working on faculty training modules.
- c. An academic advising manual is being created.
- d. They are creating a new database to house the faculty teaching credentials.
- e. We now have a three-year extension on our ^{Redacted by HELP Committee} contract.
- f. They are setting up the ^{Redacted by HELP Committee} for assessment, which will automate this process.
- g. They are considering some post-Master's certificate programs.
- h. ^{Redacted by HELP Committee} was hired as our new Director of Institutional Effectiveness; he will start on 6/28/10.

6. HLC Accreditation & DOE Regulations (regarding new sites)

- a. The DOE is really looking at three areas – gainful employment, safe harbor rules and direct lending.
- b. Dr. Kerr's team has recently submitted four change requests to the HLC for new sites or site moves. **Redacted**

Dr. Kerr will be creating a mentoring calendar for the Cabinet members for the LDP.

Venessa Green – CFO

7. Monthly Financial Update

- a. Deloitte & Touche will be here auditing for three weeks starting on 6/28/10.
- b. The 10-K report is due 8/30/10 ^{Redacted by HELP Committee}
- c. A Controller has been hired –
- d. April revenue was up \$1.76million or 26% over the same month last year.
- e. April net income, prior to income taxes, was up \$825,000 or 38.3% over the same month last year.
- f. YTD revenue was up \$24.4million or 45.1% over the same month last year.
- g. YTD net income, prior to income taxes, was up \$13.5million or 152.1% over the same month last year.

8. Salaries as a Percentage of Revenue – April 35.3%, YTD 38.17% which is down from last year.

Scott Toothman – Inst. Support & Military Services

9. Inst. Support & Military Services Update

10. Average Number of Total Leads per Admissions Representative - 4
11. Complete Financial Aid Packaging Turnaround (excluding packaging pending)
 - a. **Redacted by HELP Committee**
 - b.
 - c. They received 80 packages last week for spring.
12. Projected New Starts Against Budget – **Redacted**
13. New Student Cost per Start - \$1,254

Dr. Bob Paxton – Distance Learning

14. Distance Learning Update

- a. Spring term – 53% is distance delivery, 47% is on-ground

15. Federal and HLC Regulation Changes

16. New Horizons – Continue to work with ^{Redacted by HELP Commit} to expand this relationship.
17. International – We continue focus on our current affiliations.
18. HIUJ – They continue work with ^{Redacted by HELP Committee} on this.
19. Commencement Webinar
20. Course Completion Online (beginning to end of quarter) – high 80%

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Michaelle Holland – E / SE Region

21. Regional Update

- a. Their spring quarter profit is over \$4million. Their summer quarter will be **Redacted**
Redacted
- b. 45,000 credit hours for summer.
- c. They have found someone to direct the new **Redacted**

Lisa Knigge – W / SW Region

22. Regional Update

- a. NM & TX regions – 9,000 credit hours.
- b. A person has been chosen to for the **Redacted** – they have both a military and medical background.
- c. Austin is 100 credit hours from goal.
 - i. They are training for the new **Redacted**
 - ii. They will go before the TX Board of Nursing at their July meeting.
- d. They are interviewing for ALB & RR campus executive officers. It was suggested they look at our pool of people in the LDP.