

**OLD DOMINION UNIVERSITY
BOARD OF VISITORS
Administration and Finance Committee**

**April 18, 2024
MINUTES**

The Administration and Finance Committee of the Board of Visitors of Old Dominion University met at 8:15 a.m. in the Board Room of the Kate and John Broderick Dining Commons. Present from the committee were:

E. G. (Rudy) Middleton, III, Chair
R. Bruce Bradley (*ex-officio*)
P. Murry Pitts (*ex-officio*)
Andrew Hodge
D.R. (Rick) Wyatt
Wie Yusuf (*Faculty Representative*)

Also present from the Board:

Robert S. Corn
Jerri F. Dickseski
Dennis Ellmer
Ross A. Mugler

Also present were:

Ashleigh Boothe	Mike LaRock
Alonzo Brandon	Maggie Libby
Bob Clark	Donna Meeks
Annie Gibson	Alicia Monroe
Steve Harrison	Brian Payne
Brandi Hefner LaBanc	Chad Reed
Brian O. Hemphill	Nina Rodriguez Gonser
Adam Henken	Christina Russell
Etta Henry	Tara Saunders
Jon Hoffman	Ashley Schumaker
Mike Holliday	Wood Selig
Jamie Hunt	Garrett Shelton
Mike Johnson	Amanda Skaggs
Mary Jo Karlis	Alona Smolova
Danny Kemp	Rob Wells
Neal Kessler	JaRena Whitehead-Cooper
Amber Kennedy	Allen Wilson

Chairman Rudy Middleton called the meeting to order at 8:15 a.m.

A. **Approval of Minutes** – P. Murray Pitts moved to approve the minutes of the November 30, 2023, meeting. Bruce Bradley seconded the motion. The minutes were unanimously approved by all members present and voting. (*Bradley, Middleton, Pitts, Wyatt*)

B. **Campus Master Plan** – Chad A. Reed, Vice President for Administration & Finance.

Vice President Chad A. Reed introduced the Committee to Neal Kessler, Principal-in-Charge & Lead Planner and Jon Hoffman, Project Manager and Campus Planner from SmithGroup who provided an update on the Campus Master Plan. Mr. Reed also recognized Steve Harrison and Mike Holliday. Mr. Harrison is Old Dominion University's Deputy Chief Facilities Officer who is serving as our Project Manager and is the day-to-day representative for the Master Plan. Mr. Holliday is Old Dominion University's Assistant Vice President for Facilities & Management Construction who is also contributing a great deal to the Master Plan.

Mr. Kessler from the SmithGroup began the presentation and emphasized that there is a pretty large planning group behind them assisting with this project that include people with specialties from landscape to parking and transportation and storm water management just to name a few. He mentioned that they are making certain that the Campus Master Plan is aligned with the Strategic Plan and that the alignment is forward-focused and a comprehensive plan for the entire campus. Mr. Kessler went onto explain the components of the plan. The components include not only land use and building but also open spaces, connectivity, infrastructure, quantity and quality of space, mobility that includes how things move on campus and in between campuses, parking, campus context and phasing and implementation. The SmithGroup has not only given ODU a vision but also how this process will be phased and implemented. Norfolk Main Campus is the primary focus, but the SmithGroup visited and toured the regional centers to elicit feedback and wrapping EVMS into this master plan as well. There are three phases of the planning process, Understand, Explore, and Realize. The SmithGroup just completed the Understand phase of the planning process recently where data was collected, interviews completed, and issues were discussed in order to know what to focus on in the Explore phase. SmithGroup will bring back different ideas to ODU in the Explore phase and the university will decide what are the good ideas of those presented and in the Realize phase they will bring back great illustrations to garner excitement in the campus community and discuss the strategy of how we implement this plan. Mr. Kessler shared the schedule of the Campus Master Plan with the Board.

An important part of the Campus Master Plan is engagement. Mr. Kessler explained the committee structures and the engagement the SmithGroup has had has been outstanding. He discussed the types of engagement that include focus groups, open forums and pop-up sessions and each one was well attended by the campus community. Feedback included what needed to be preserved, what could be enhanced and what should be transformed. The SmithGroup also created an

interactive website about the Campus Master Plan that is continually updated to include presentations that is a great way to keep involved and to find out what is going on with the campus. A survey called MapMyCampus was also distributed to students, faculty, staff, and alumni to see how they use campus every day and they received a great response. A Student Life Survey was also launched to students both undergraduate, graduate, resident, and commuter to discuss housing and other areas of the campus.

The results of the Map My Campus were explained beginning with the total responses (2,125) and the student respondents were broken down by gender, school year, ethnicity, student type. The survey also gave an insight into what faculty, staff and the alumni community thought as well. Questions addressed the culture and identity of ODU, where do students go to collaborate or hangout, and which areas would you like to see improvement or changes. One item of interest in the answers to this question was the Chemistry Building was mentioned a great deal. When we looked into it, we found that there are great collaboration spaces in that building that the older buildings do not have. The Chemistry Building was built in a new way that took into consideration how the students learn outside the classroom and what is the most effective way for them to gather. Even students outside of the Chemistry Program use the space to hangout. The survey also addressed the places for transformation on campus. Parking was mentioned as was Webb Center and the library as places needing transformation.

The last item that was presented was the next steps that include three upcoming Master Plan Committee Meetings. The first one, scheduled for April 25th, the SmithGroup will share the MapMyCampus results and findings as well as stakeholder feedback. The second meeting, scheduled for June 7th, will focus on Share Space Utilization Data and findings as well as Share Housing Survey Findings. The last meeting over the summer, the date is yet to be determined, will include discussions about the Campus Physical Systems Analysis and the transportation and mobility findings.

Mr. Mugler asked if they got a good sampling of commuter students? Mr. Kessler answered that they did and there was an entire group of commuter students that they talked to and one thing they said is they are not finding a great home on campus. Webb Center is where they want to be, but it does not seem that there is an identified space for them. Another question asked by Mr. Mugler was at what point do you include the City of Norfolk? They are already speaking to the City of Norfolk and other meetings are set up for the future. They are going through their Master Plan right now and we want to talk to them about what their plans are and share ours and we want to make sure we are collaborating with the city and that the community is involved as well.

Mr. Bradley asked about how they are taking into consideration that in 5-10 years 50% of the campus could be digital only learners and that ODU may not need the infrastructure that was needed in the past? Mr. Kessler answered that the university

needs to make certain they are providing the very best in person experience as you can for the students that are here but we also have to make certain we understand the needs of the online students and that sometimes they may come to campus and need a place to land but also understand that we have technology we need to upgrade to make sure we can deliver the education to them in a meaningful way and making sure our classrooms are outfitted to make that happen. A follow-up question from Mr. Bradley asked if there would be fewer buildings, presumably? Possibly yes which is why we are doing the space utilization and space needs analysis that will look at how we are using the space currently while looking at future enrollment both online and on campus, so we understand the types of space we need. We need to give people the right space.

C. **Tuition and Fees Proposal** – Chad A. Reed, Vice President for Administration and Finance

Vice President Reed presented the tuition and fee package and the proposal for board action tomorrow. He noted that the presentation is very similar to the one given at the public comment session on March 28th. The University's budget \$650.9 million and 56% of that is Education & General (E & G) which is \$362.9 million and that is the basis of where are tuition rates go to. Our current operating expenditure budget is \$638.8million.

Mr. Reed explained that with an E & G, it is a shared cost model so this is where the state puts in a piece and the university puts in a piece through tuition and fee charges in the current year, we have a 55/45% split, \$196.7 million coming from the state the balance coming from tuition and fees and this is not codified anywhere. This is a historical guideline where the state says that really the state should fund two-thirds of the cost of education or 67% and the student, through tuition and fees, should fund the remaining third. The University has never been anywhere close to that and, for example, in 2008 we were about 54% funded through the general fund and currently, approximately 55% is actually funded from the general fund. Mr. Reed noted that this has been impacted by lower enrollment, the general fund has made significant investments and the University has held tuition and fee rates flat the last couple of years. With the current 55/45% split, the University would need a \$45 million investment from the Commonwealth to reach the 67/33% split. This would not include programmatic increases, just a direct reduction in tuition.

Mr. Reed explained that our E & G is personnel heavy. 80% of our E & G expenses are personnel related, which includes part-time faculty, full-time faculty, and staff but that is the largest driver in our budget from an expense perspective. 72% of all our E & G operating expenses supports students directly whether that be instruction, research, academic support, and student services. Our infrastructure support on the auxiliary side is really driven by student fees. The University has \$114 million expenditure plan in the current year and there is a wide variety of services that the auxiliary support while students are on campus. The two largest

auxiliaries are Athletics, which consumes about 31% of those expenditures, and Housing and Residence Life which uses about 31%, Each of those use about \$35 million apiece. Our other student services include, administration of the auxiliaries, vending, the bookstore, the planetarium, and our distance learning operation.

Mr. Reed noted fees are assessed by the per credit hour at Old Dominion University. The University also has per semester charges that go to the E & G which are the General Service Fee, the Student Health Fee, the Transportation Fee, and the ID Card Fee. He then shows the comparison of in-state and out-of-state student tuition and mandatory fees for both undergraduate (based on 30 credit hours) and graduate students (24 credit hours). Mr. Reed then explained the different rates that students are charged and included the special rates to Old Dominion which are Undergraduate Active-Duty Military Rate and the Technology-Delivered Courses outside of VA (Digital Learning) rate. Old Dominion is the fourth lowest total cost university in the state and the lowest research cost of any research institution in the Commonwealth. For out-of-state students, things are a little different. Currently, Old Dominion is in the middle of the pack, but our enrollment is lower than those universities that currently sit above us. Our annual tuition and mandatory fees rate increase is 3.3%. Mr. Reed explained that from 2018/2019 through 2023, our students were charged approximately \$7,047 for tuition and mandatory fees so student cost remained mostly the same throughout those years. In 2023 there was a small increase of \$210. The Board approved an increase, but the University rebated it, so there was no effect to the student. Last year there was a 4.8% tuition increase taking the tuition and fees rate from \$7,047 to \$7,608.

Mr. Reed noted that it is also important to understand how all of our resources come together and what that means and what makes Old Dominion University unique in comparison to all of our peers. To understand that we need to look at a couple of things. First, is state service. When you are educating the students of the Commonwealth, the University is engaged in state service. Students that are raised here in Virginia desire to go to an institution in the Commonwealth and 91.3% of our undergraduates are in state. Old Dominion is one of the largest schools to serve in-state undergraduates. However, that means that the University is much more reliant on what happens in Richmond, because we do not have the benefit from the out-of-state dollars. Mr. Reed noted that the University is also very sensitive to our tuition rates from an affordability standpoint.

It is important to remember, going back to that 67/33% split, that there is no guarantee if we, for example, received 500 new in-state undergraduates there is no allocation in Richmond that the University will receive more money for those students. There is no general fund component to that, so when you take the University's allocation, and you divide it by our undergraduate population we have about \$13,574 per student. If you then take that money, you add it to what they are paying, that equals \$21,180. That is the money the University has to educate an in-state, undergraduate full-time student. If we take this one step further and add all

those numbers up, Old Dominion is in reality second from the bottom, above only James Madison.

Mr. Bradley asked do you know what why we get so much less than support than Virginia Commonwealth University (VCU) in-state? Mr. Reed answered that VCU has the Health Science Mission and that has been a longer focus for them and they have received additional support over the years for that. President Hemphill also added that when the University does not raise tuition for four years when everyone else is raising tuition that's generating revenue that they can invest back in their students of course but then also when you look at the with the possibility of just what investments have been coming into the institution from the state and once you did this particular level you have to get significant investment to move up in terms of investment per student so therefore you have a budget that has challenges and things that are funded on soft dollars and so on and find yourself continually in this place. Mr. Reed agreed and added that with the limitations that the University has faced and our mission it has made this difficult to get caught up. The University is more reliant on in-state tuition and the general fund.

Mr. Pitts asked about the Norfolk State infusion and was that because they needed it or was it something they did? Mr. Reed answered that with the HBCU mission there were some additional dollars that was put towards those students for the population they served and even though Old Dominion has the same type of student as Norfolk State has, we do not qualify for that funding.

E & G resources have increased \$74 million from 2018-2019 to 2023-2024. \$45 million of this increase is designated for mandatory salary and benefit increases and programmatic initiatives. These are funds that the state mandates what we can do with them. The remainder of the \$74 million is approximately \$25.5 million that is inflationary costs.

Mr. Reed explained the cost pressures the University is facing for the 2024-2025 fiscal year due to start July 1st. Old Dominion is very reliant on what happens in Richmond, so the legislative actions and our enrollment projections, more importantly our credit hour projections. The University did not hit our budget this year from an enrollment standpoint.

Mr. Reed continued to explain factors that are impacting the University and that we do not have a fully funded budget currently and there are a lot of items that should be fully funded that we have to use one-time resources for, so it is difficult to absorb some of these given that operating position.

Action Item: Board of Visitors Approval of Old Dominion University's 2024-2025 Tuition and Mandatory Fees. Mr. Reed asked the committee to approve this recommendation to take to the full Board tomorrow to talk about the tuition and fee recommendations.

For an undergraduate student, we are recommending a 2.77% tuition increase for an in-state student and a 3.06% increase for an out-of-state student. Similarly for graduate students the recommended increase is 2.83% for in-state and 3.04% for an out-of-state student. A 5.7% increase on our auxiliary fees, 100% general services fee increase, and a 6.25% increase in the student health fee. Also, we are also recommending a 3.5% increase in both Housing and Meal Plan Rates. JaRenae Whitehead-Cooper was asked to distribute the action item in print and Mr. Reed asked the Committee to consider the hard copy revision which allows the Board to revisit tuition increases pending the outcome of the special session. He explained that if something happens in the special session that provides some flexibility to the University that would enable us to come back and revise these rates, we would like the ability to have that flexibility. President Hemphill further explained that if the Governor's budget goes through and we increase the tuition by 3% the University still need \$5 to \$6 million in one-time funds to make the budget match. One of the Board Members asked if there was undue pressure to keep the increase at 3% or less, then noted that was an unfair question and it was not answered. The resolution that was provided will allow us to come back to the Board because if the budget introduced is significantly less than what has been projected, the 3% will not work under any circumstances. That is why we want to reserve the right to come back to the Board pending the outcome of the budget. The Committee Chair, E.G. (Rudy) Middleton, III moved to vote on the 2.77% tuition increase with the caveat that if the current budget comes back approved or it gets reduced again, it will come back to this Board to review it again. Mr. Chairman asked were there any other comments, and for all those in favor say Aye, (*Ayes: Middleton, Bradley, Pitts, Hodge, Wyatt; Opposed; None*)

D. **Standing Reports** –

1. **Financial Performance Report** - Chad A. Reed, Vice President for Administration and Finance

Vice President Reed offered a university-wide financial overview to include the 2023-2024 financial performance report as of February 29, 2024. This is a snapshot of our financial position and how we are doing on our operating budgets. This just reflects how the University is positioned from the budget we adopted in June of 2024, and some budget amendments were done in December. Mr. Reed explained that the University has a revised operating plan of \$650 million year to date, and everything is trending positively. We have approximately \$76 million left to collect from E & G, all our tuition fees are in at this point and our payments for financial aid are also complete. There have been some increased cost pressures on the auxiliaries, gifts, and discretionary income but overall, the University is in a good fiscal position. Mr. Reed stated he would bring a final budget update to the BOV Meeting in June where we will likely ask for a budget adjustment to true some things up.

2. Capital Projects Report - Chad A. Reed, Vice President for Administration and Finance

The University has many capital projects and Vice President Reed stated he was not going to give an overview of all of them. The Engineering and Arts buildings and project initialization is our newest building. We are very excited about that and it just came through the legislature. There was a lot of work done by the President to get that project for the University. Old Dominion will expand the University Theatre as well as expanding some much-needed space for our Engineering Program. We are currently working through the initial planning exercises for that building. The Health Sciences building is coming together, it is mostly appointed, and the opening ceremony will be scheduled soon, probably in August. The Health and Wellness building is nearly complete. There was an open house and dedication on March 28th. The Biology building is back on track. It was delayed for six months, and the anticipation completion is the summer of 2027. Construction is slated to begin in the fall with demolition planned for the summer for the Alfriend Chemistry Building, the Pretlow Planetarium and Kaplan. Baseball will play in their current stadium this year and will spend next year away. It is University and Donor funded and its completion is expected in the summer of 2025. Rollins Hall is a very small project but will help our ROTC units to utilize Rollins Hall for training. The pool will be filled, capped, and the space will be weatherproofed so the ROTC can use it as an indoor training space during inclement weather.

3. Investment Report – Mike LaRock, Assistant Vice President for Foundations

Assistant Vice President Mike LaRock provided an update on the Educational Foundation Investment. Mr. LaRock noted that the Committee has been very busy meeting in January, February, and April. During these meetings, the Committee reviewed the current market as well as portfolio position and performance. They also reviewed the Investment Policy Statement as well as our Outsourced Chief Investment Office JP Morgan, which we have been very happy with. The Committee also reviewed and approved a commitment to a private credit opportunity. Mr. LaRock then presented the final NACUBO results. There were approximately 690 respondents representing \$839 billion in endowment assets. The median endowment was \$209 million. Old Dominion University's 1- and 10-year performance compared to our peer schools was 5.3% and 8.0% respectively. In comparison, our peer schools did perform better than us on the one year but are below us on the ten. Old Dominion's 10-year returns were between the 75th and 90th percentile.

Lastly, Mr. LaRock updated the Board on our Investment Performance as of December 2023. We are slightly below our policy index for 1 and 3 years but looking at our statement from February we are back above and still doing well in our 5 and 10 years. Changes in endowments over the last year you can see that the net cash

flow was about \$ 14 million. That is primarily our endowments transferred to the University offset by incoming gifts. The big change is our investment change of \$30.5 million, so we finished the year just under \$340 million. Mr. LaRock did point out that as of the end of March, the University's endowment value is roughly \$357 million and some of that is investment performance and some of that came down from the capital campaign. He provided an overview of the Investment Values from 2022-2023 and explained the negative change in Athletics is from when the University did the transfer from Conference USA.

4. **Public Safety** – R. Garrett Shelton, Chief of Police

Lastly, Chief Garrett Shelton provided the Public Safety update. He began by introducing a new "Score Your Police Encounter" that was launched on April 1st. It is called GUARDIANSCORE. GUARDIANSCORE is a collection of data reflecting the public's perception of an officer's adherence to the tenets of procedural justice. It allows community members to rate their police interaction based on the officer's ability to listen, their fairness, professionalism and the explaining of next steps when a person has an interaction with the Office of Public Safety. Each one of our officers have business cards and, on the back, there is a one-time use QR code. For every interaction a police officer has with the someone in the community, they give them this business card. The purpose behind this is to obtain the public's perception of how we interact as it relates to procedural justice. Are we doing things fairly? Are we explaining things in a way that the public understands? Are we utilizing our listening skills and our fairness? Was the officer professional? Did the officer explain the next steps? Since the 1st of April to today we have received over sixty responses from the business cards that have been handed out and from a range of one to five we are currently sitting at 4.85 which correlates to a 95% positive rate. These respondents include people that get traffic summonses, who have been placed under arrest, and those who come in and some serious compliance issues.

Chief Shelton then discussed the traffic improvements that have been made around campus. Crossing the street at Hampton Boulevard very difficult after working with the Student Government Association, they went to the city and discussed the possibility of changing the timing of the pedestrian light and the traffic light. Previously the traffic light changed to green at the same time pedestrian walk light did. So, pedestrians would step out to cross the street just as cars began making turns and it was creating a dangerous situation. In order to make crossing Hampton Boulevard safer to cross within our campus limits, the city changed the light cycle so the pedestrian light changes, depending on the intersection, four to seven seconds before the light changes. The Chief Shelton also explained we are also dealing with some of the concerns raised of speeding on 49th Street and they have taken action there.

In closing, Chief Shelton noted that the Department of Public Safety he has 104 positions and as of today, there is only one vacancy. In comparison the law

enforcement department around the cities in Hampton Roads are ranging between a 10 and 40% vacancy rate.

- J. **Adjournment** - There being no further business, the meeting adjourned at 9:48 a.m.