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EXECUTIVE SUMMARY

The 2011-2012 Operating Budget Plan for Old Dominion University has been developed from the initiatives outlined in the University's Strategic Plan and the previous actions taken by the Governor and General Assembly during the 2011 session.

- Although the General Assembly provided \$11.2M in additional general funds and the 7% tuition increase approved by the Board of Visitors generated approximately \$7M in "new" nongeneral funds, when these additions are netted with the loss of \$12.7M in stimulus funds and the cost of the 5% salary increase for Virginia Retirement System participants, only \$5.5M in new base dollars remain. Also, the carry forward of \$9.2M in one-time stimulus funds as well as \$1M in interest earnings and rebates will bring the total of new FY2012 resources to \$15.2M, the majority of which are one-time. Since many of the budget requests were funded with these one-time funds, it should not be assumed that the request will continue to be funded into the following fiscal year. Assuming no new general funds, the Financial Plan for FY2012-13 shows that limited base funding will be available for new resource needs.
- The budget is based on conservative assumptions related to enrollment growth.
- The 2011-12 Operating budget provided \$1.2M in institutional scholarships and \$300,000 for on-campus employment funds to help mitigate the impact of the tuition increase on our students and their families. The remaining \$5.5 million in base funds were used to establish 12 new faculty positions both on-campus and at the Regional Higher Ed Centers, in addition to the 13 faculty positions that were converted from stimulus to base funded commitments, faculty promotion, compression and equity adjustments, Bioelectrics, Climate Change, and Medical Modeling and Simulation Research, enrollment management, student success and advising initiatives, additional counseling services and public safety positions, new information technology, and operations and maintenance of the new facilities coming online.
- The one-time funds were allocated to support technology and infrastructure enhancements, property rentals, hardware and software contracts, mediated classroom, computer labs, and desktop replacements, undergraduate research, faculty recruitment, development and training, tuition assistance for employees, online program development, Southern Association of Colleges and Schools Commission on Colleges Reaffirmation and library resources.
- For auxiliary budgets, the increases in student fees were allocated to address debt service and operating costs in athletics facilities, housing operations, parking, Webb Center, Student Recreation Center as well as program

enhancements in student activities, health services and intercollegiate athletic programs with the focus on student engagement outside the classroom.

- The Auxiliary Services portion of the budget generates sufficient revenues to cover operating costs, debt service costs and auxiliary indirect costs as well as contribute \$8.9 million to the fund balance. Adequate fund balance reserves are provided within auxiliary services to address operating and contingency needs in future years.
- In total, the 2011-2012 Educational and General Operating Budget is comprised of \$90.2 million in General Funds, \$137.9 million in Nongeneral Funds for a total of \$228.1 million in appropriated revenue and \$228.1 million in expenses.
- In total, the 2011-2012 Auxiliary Services Operating Budget is comprised of \$95.8 million in revenue and \$86.9 million in expenses for a contribution of \$8.9 million to the fund balance.

FY2011 - 2012 OPERATING BUDGET & PLAN

This budget document details the relevant components that comprise the University's 2011-2012 Budget and organizes the information in a format that provides a concise explanation of the budget planning process.

Chapter 1 provides an overview of the strategic planning initiatives, and summarizes the policy and program direction for the development of the 2011-2012 budget plan.

Chapter 2 describes the actions of the General Assembly during the 2011 Budget Session that impact the 2011-2012 budget year.

Chapter 3 outlines the University's budget process and provides relevant comparative data on general funding per FTE student, tuition and fee costs, and expenditures by program for the Virginia Public Higher Education Institutions.

Chapter 4 summarizes the program priorities that comprise the Educational and General Program portion of the total budget. The majority of the funded initiatives fall within the instruction and academic support operations of the University.

Chapter 5 highlights the program priorities that comprise the Auxiliary Services portion of the total budget. The planned contribution to fund balance by these self-supporting auxiliary operations is \$8.9 million.

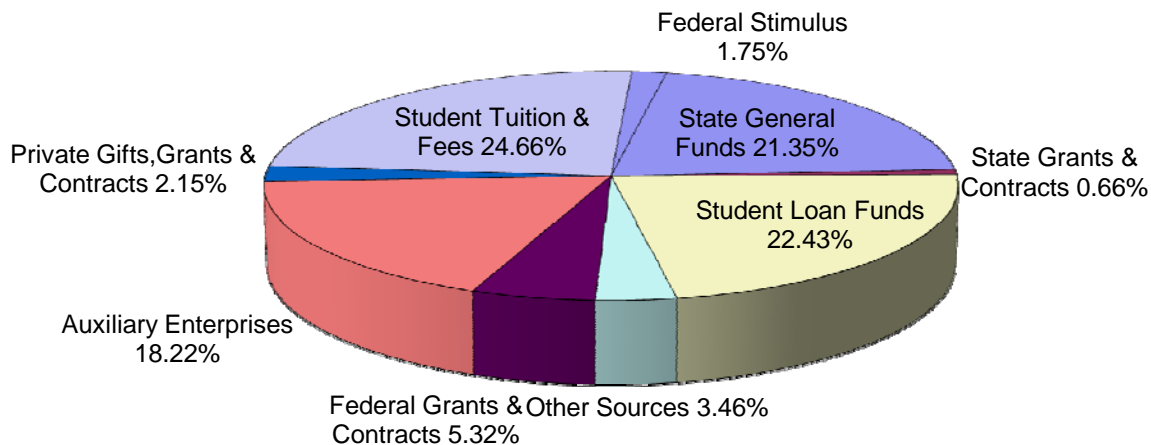
Chapter 6 contains graphs that depict the sources of revenue and provides a comparison between the 2010-2011 and 2011-2012 fiscal years.

Chapter 7 graphically represents the expenditure categories and provides a comparison between the 2010-2011 and 2011-2012 fiscal years.

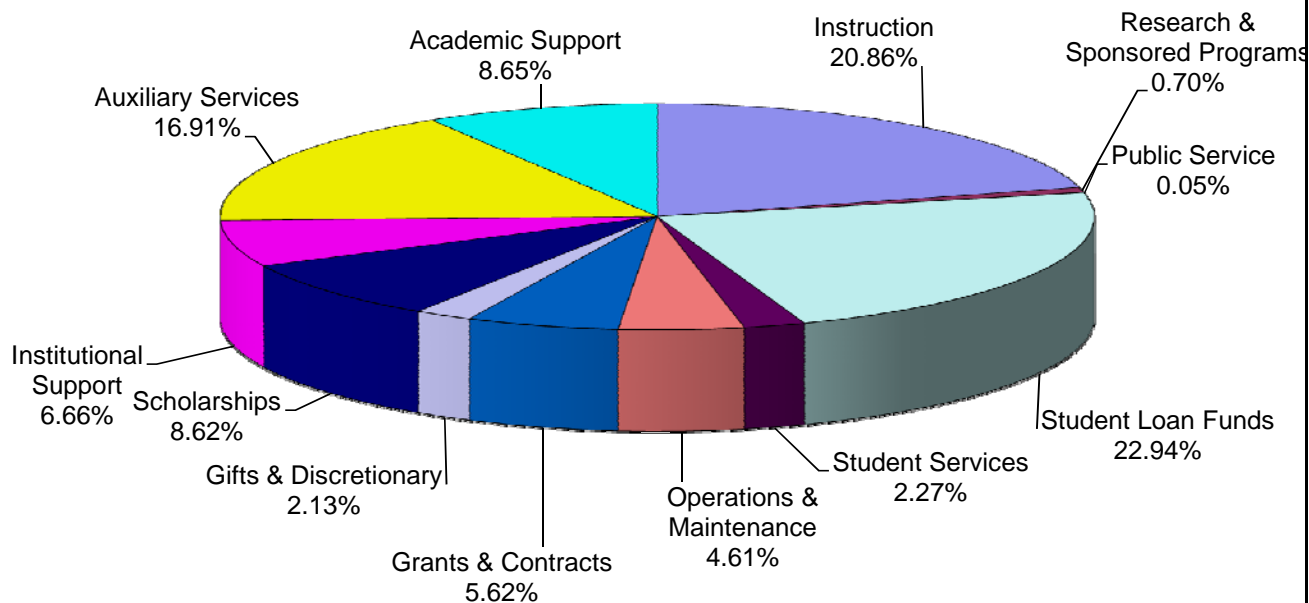
OLD DOMINION UNIVERSITY

Operating Budget Distribution for FY2011-2012

Where the funding comes from...



...and where it goes



CHAPTER 1 OVERVIEW OF THE 2011-2012 OPERATING BUDGET AND PLAN

STRATEGIC PLAN

Through the University-wide strategic planning process, the University developed a vision statement, emphases, initiatives, objectives, and actions for the 2009-2014 Strategic Plan. The following six general strategic initiatives formed the basis of the plan.

- (1) Provide Students with the Tools to Succeed
- (2) Gain a National Reputation Through Key Academic Programs and Scholarship
- (3) Invest Strategically in Research to Spur Economic Growth
- (4) Enrich the Quality of Campus Life
- (5) Expand International Connections
- (6) Build Strong Civic and Community Partnerships

The University's Strategic Planning Committee conducted a review and update of the Strategic Plan progress. The Committee has gathered input from multiple constituencies, including the faculty, Board of Visitors, students, staff, and members of the external community. The principal themes behind the new plan are:

- Enriching a student-centered culture on campus
- Bolstering ODU's position as a major metropolitan university in the southeastern United States; AND
- Developing and expanding strategic partnerships with a wide range of educational, governments and corporate institutions.

For more information about the University's strategic planning process please visit www.odu.edu/ao/sp.

The University's Strategic Plan for 2009-2014 provides the guideline on which the resource allocation decisions contained in the 2011-2012 operating budget and plan were made.

PROGRAM, POLICY DIRECTION, BUDGET DRIVERS FOR FY2011-12

For higher education nationwide, the issue is managing the budget process mindful of the “financial cliff” with the ending of federal stimulus funding and State funding that has not rebounded to pre-recession levels. The Governor and the Higher Education Commission have clearly responded to Virginia’s higher education institutions. The passage of the Virginia Higher Education Opportunity Act by the 2011 Session of the General Assembly speaks to the policy goals of increasing accessibility and high demand disciplines such as science, technology, engineering, and math. In addition, the Act speaks to a number of restructuring initiatives to enhance progress in promoting higher education opportunities. Financial policy and the Commonwealth’s funding participation will be revisited by the Higher Education Advisory Committee in concert with State agencies. Nonetheless, all Virginia universities are faced with the financial management need for generating tuition revenue despite all the belt tightening, reallocations and efficiency measures achieved in the past few years.

Given the economic and funding dynamics challenging all public agencies over the past two years, the University developed a 4-Year Financial Plan which realigns its E&G base budget to reflect the evolving reductions in state funding offset by federal stimulus funding which ends in FY2012. Consequently the University developed a budget plan which responds to the current fiscal environment, priority needs for our students and faculty/staff, and the strategic investment needs of the University. Old Dominion University’s budget process for FY2012 was managed to maintain the revised base budget, to sustain specific budget initiatives/programs and to build a tuition and fee increase model consistent with the revenue assumptions of the 4-Year Financial Plan. In addition, the University budget is consistent with the criteria set forth in the University Strategic Plan and the Code of Virginia higher education institutional performance standards as follows: access, affordability, breadth of academic programs, academic standards, student retention and timely graduation, articulation agreements and dual enrollment, economic development, research, patents and licenses, elementary and secondary education, and financial and administrative efficiency standards. President Broderick defined the following budget drivers to address these diverse needs:

Acknowledge the Commonwealth’s and University’s Fiscal Situation (4 Year Financial Plan) by:

- Controlling the cost/expenditure base and increase the revenue base in FY12
- Use of \$9.2M in stimulus funds carryover to mitigate tuition increase to no more than 7% in FY12
- Comply with the Virginia Higher Education Opportunity Act of 2011
- Take into account enrollment growth and shifts to On or Off campus
- Ensure the quality of academic, teaching and research programs
- Enhance direct services for students
- Continue implementation of the 2009-2014 Strategic Plan
- Build the appropriate infrastructure support especially as it relates to

accomplishing the goals of the Strategic Plan as well as continue efforts to reduce base expenses and streamline services

- Recognize our students' financial capabilities and limitations
- Meet ongoing costs, some of which increase (leases , contracts, utilities)
- Reallocate or redirect resources, where possible, to support academic priorities
- Make selective strategic and enrollment base investments such as in faculty positions and one-time initiatives

Proposed funding allocations in the FY2011-2012 budget have been consistent with these principles.

- *A continued investment in people.* We will continue to support faculty promotions and staff to retain and recruit a well-qualified workforce. We will make compensation adjustments for positions reflective of market competition, equity, promotions, compression, and job realignments. This is an on-going process and will continue into future years pending available funding.
- *Scholarships and fellowships.* Accessibility and quality are keys both to the Strategic Plan and to the state's requirements. There can be no better investment than in our students.
- *Research and Information Technology.* We will continue to build the foundation for a strong, research enterprise. At the same time, to support our innovative teaching and cutting-edge research, we need to invest in information technology.
- *Infrastructure and Support Staff.* We have grown over the last few years and we cautiously invest in the supporting structures and personnel necessary to serve our students and faculty in their important mission.

The initiatives are continuously evaluated and modified and those that do not lead to significant measurable results will be abandoned. The University continues to enhance the integrated strategic goal and objectives tracking system (WEAVE Online) with more definitive outcomes data. The University must both be responsive to the rapidly changing higher education environment and follow the objectives outlined in the University's Strategic Plan.

As the University continues collaborative efforts with all the Virginia Higher Education Act participants regarding policy implementation, significant planning will be initiated to ensure funding models recognize the University's unique circumstance (low Base Adequacy). In addition, initiatives will be proposed that are congruent with the Higher Education Act's policy goals (access, STEM, 2+2 agreements with community colleges, distance learning) and capitalize on the University's assets. The University's on-campus capacity cannot grow substantially without the attendant funding while the institution has the unique position, capacity, talent, and creativity to substantially enhance strategic growth in needed target areas and disciplines.

CHAPTER 2 FY2010-2012 ACTIONS OF THE GENERAL ASSEMBLY

This section highlights actions taken by the Governor and the General Assembly in the 2010 and 2011 sessions regarding Higher Education Educational and General Fund appropriations.

General Fund Trends

Given the impact of the economy on the state revenues, the General Fund Appropriation was reduced to \$94.48 million in the first year, and to \$78.9 million in the second year. The University's State general Funds were reduced by \$5,645,898 in FY2009, \$16,589,811 in FY2010, and \$14,223,369 in FY2011 for a **cumulative state general fund reduction of \$36,459,078**. The chart further in this chapter shows the State GF\$ cumulative impact at (30%) since FY2009 was buffered by stimulus funding until the start of FY2012. With the investment of the Higher Education Opportunity Act, the FY2012 General Fund will grow to \$92.5 million (inclusive of modeling and simulation funding).

Nongeneral Fund Tuition Appropriation

The University's Nongeneral Fund appropriation anticipated a proposed 7 percent tuition increase consistent with the University's financial plan to offset a portion of the General Fund budget reductions and the end of federal stimulus funding. With the termination of \$12.7 million in federal stimulus funds, the decision was made to partially capture some of the cumulative recession revenue loss while mitigating the tuition increase to 7 percent for undergraduate and graduate students, one of the lowest increases in the state.

Modeling and Simulation

General Funds totaling \$2.1 million have been continued and designated for faculty positions and graduate assistants to build a research capacity in modeling and simulation which will include efforts to improve traffic management through modeling, provide medical modeling to train and educate surgeons and health professionals, and continue supporting workforce development by producing graduates from these modeling and simulation academic programs. The increase in the number of modeling and simulation graduates will support many high-tech industries and governmental organizations that create and generate jobs in this field. The General Assembly also provided an additional \$250,000 to enhance medical modeling and simulation efforts.

Student Financial Assistance

State student financial assistance increases to \$17 million. This funding will provide financial assistance to undergraduate and graduate students.

Federal Stimulus Funds

Old Dominion University's \$12.7 million of federal funds from the American Recovery and Reinvestment Act of 2009 to offset FY2011 reductions will end with the federal

fiscal year ending September 30, 2011. The University will carry forward \$9.2 million of these funds to address one-time initiatives in fiscal year 2012.

Equipment Trust Fund

The FY2011-2012 Equipment Trust Fund provides for allocations totaling \$56 million annually statewide to purchase technology and other equipment. Old Dominion's share of this allocation remains approximately \$4.2 million for each year of the 2010-2012 biennium. The funds will be used to support technological initiatives such as obsolete instructional equipment and faculty and staff workstations and research start-up equipment.

Maintenance Reserve Funds

The amount of Maintenance Reserve funding has been a function of the Commonwealth's budget and the economy. Prior biennium General Fund appropriations to fund repairs aimed at maintaining or extending the useful life of facilities, such as roofs, heating and cooling, and electrical systems have fluctuated. The Commonwealth budget increases the statewide Maintenance Reserve appropriation and utilizes bond proceeds. ODU's Maintenance Reserve allocation decreases from \$1.9 in FY2009-2010 to \$1.2 million for FY2010-2011 and \$1.17 in FY2011-2012.

General Fund Trends, Stimulus Funding and the FY2012 Financial Cliff

The following chart demonstrates the magnitude of state general fund reductions in FY2012 resulting from the economic recession together with the Governor and General Assembly 2011 investments and the termination of federal stimulus funding.

FY2012 VIRGINIA HIGHER EDUCATION FINANCIAL CLIFF				
Institution	FY12 Incremental E&G General Fund Reduction (a)	FY12 E&G General Fund Increase Approved by 2011 General Assembly (b)	Expiration of Federal Stimulus Support	Total FY12 Financial Cliff
CNU	\$ (2,735,717)	\$ 1,114,042	\$ (3,564,094)	\$ (5,185,769)
CWM	\$ (4,636,641)	\$ 755,000	\$ (6,943,426)	\$ (10,825,067)
GMU	\$ (13,402,932)	\$ 7,841,089	\$ (20,073,636)	\$ (25,635,479)
JMU	\$ (7,541,681)	\$ 5,679,495	\$ (11,390,393)	\$ (13,252,579)
LU	\$ (3,583,525)	\$ 1,480,015	\$ (3,365,141)	\$ (5,468,651)
NSU	\$ (3,990,675)	\$ 1,869,088	\$ (3,997,186)	\$ (6,118,773)
ODU	\$ (10,847,505)	\$ 11,477,241	\$ (12,771,247)	\$ (12,141,511)
RU	\$ (6,057,996)	\$ 3,125,042	\$ (6,150,597)	\$ (9,083,551)
UMW	\$ (2,248,111)	\$ 2,384,706	\$ (3,483,596)	\$ (3,347,001)
UVA	\$ (14,342,675)	\$ 3,643,117	\$ (22,434,996)	\$ (33,134,554)
UVA-W	\$ (1,479,370)	\$ 967,336	\$ (1,703,000)	\$ (2,215,034)
VCU	\$ (19,193,025)	\$ 1,766,760	\$ (23,572,220)	\$ (40,998,485)
VMI	\$ (1,357,770)	\$ 357,486	\$ (1,969,673)	\$ (2,969,957)
VSU	\$ (2,570,183)	\$ 749,822	\$ (3,401,979)	\$ (5,222,340)
VT	\$ (16,661,472)	\$ 2,924,724	\$ (21,125,663)	\$ (34,862,411)
RBC	\$ (630,737)	\$ 304,852	\$ (720,569)	\$ (1,046,454)
VCCS	\$ (35,400,487)	\$ 12,924,036	\$ (46,891,497)	\$ (69,367,948)
Unallocated System-wide	\$ (10,000,000)			\$ (10,000,000)
Total	\$ (156,680,502)	\$ 59,363,851	\$ (193,558,913)	\$ (290,875,564)
(a) E&G GF reduction does not include loss of interest earnings.				
(b) New E&G GF support does not include Student Financial Aid funding, research funding, or interest earnings restoration.				

4-Year Financial Plan

These actions of the Governor and the General Assembly prompted the University to develop a multi-year financial strategy which recognized the longer term consequences of the current economic downturn and to anticipate little to no additional General Fund appropriations in the foreseeable future. Essentially the 4-Year Financial Plan integrates available state General Funds, Stimulus funds, tuition increases, and institutional investments such that when stimulus funds end the University must have a balanced base budget for FY2012. The 4-Year Financial Plan manages the resources, growth, investments and cashflow to achieve a planned equilibrium for FY2012.

PROPOSED EDUCATIONAL AND GENERAL BUDGET PLAN FOR FY2010, 2011, 2012, 2013					
REVENUE RESOURCES	FY2010	FY2011	FY2012	FY2012	FY2013
	BASE & STIMULUS	BASE & STIMULUS	ORIGINAL BUDGET	REVISED BUDGET	REVISED BUDGET
General Fund	\$94,418,155	\$94,418,155	\$94,418,155	\$94,418,155	\$94,418,155
15% General Fund Reduction	(\$14,223,369)	(\$14,223,369)	(\$14,223,369)	(\$14,223,369)	(\$14,223,369)
Additional Stimulus Funds to offset 15% Reduction in FY10	\$10,847,505	\$10,847,505	\$0	\$0	\$0
Adjust Central Fund Appropriation (Benefit Savings)	(\$1,249,437)	(\$1,270,443)	(\$1,270,443)	(\$1,270,443)	(\$1,270,443)
Additional General Funds in FY12 General Assembly Budget	\$0	\$1,435,380	\$0	\$11,227,241	\$11,227,241
Revised General Fund Total	\$89,792,854	\$91,207,228	\$78,924,343	\$90,151,584	\$90,151,584
Nongeneral Fund	\$103,948,884	\$109,682,318	\$116,713,267	\$115,534,986	\$123,744,216
Tuition Revenue from Enrollment Growth & Tuition Increase	\$5,891,891	\$7,030,949	\$7,030,949	\$7,030,949	\$7,030,949
Continuing Education/Public Service Revenue	\$3,311,373		\$3,524,325	\$3,221,412	\$4,000,000
Stimulus Funds to offset Reductions in FY10 and FY11	\$12,664,227	\$12,771,247	\$0	\$0	\$0
Revised Nongeneral Fund Total	\$125,816,375	\$129,484,514	\$127,268,541	\$125,787,347	\$134,775,165
TOTAL BASE REVENUE	\$215,609,229	\$220,691,742	\$206,192,884	\$215,938,931	\$224,926,749
Interest Earning and Rebates	(\$5,401,834)	\$5,401,834		\$1,034,072	\$0
Carryover Surplus from FY11		(\$9,903,917)	\$9,210,876	\$9,210,876	\$0
Estimated Central Funds for 5% Salary increases			\$0	\$1,921,121	\$1,921,121
TOTAL REVENUE RESOURCES	\$210,207,395	\$216,189,659	\$215,403,760	\$228,105,000	\$226,847,870
EXPENDITURES BASE & STIMULUS (incl. 17 FTE Faculty in FY10)	\$214,466,215	\$198,557,878	\$209,544,665	\$208,684,512	\$216,201,416
BUDGET REDUCTIONS (5% in FY10, 1% in FY11)	(\$4,741,128)	(\$948,226)	(\$1,000,000)	\$0	\$0
E&G Cost of 5% salary increases for VRS employees				\$3,031,000	\$3,031,000
REVISED EXPENDITURE BUDGET	\$210,207,395	\$197,609,652	\$208,544,665	\$211,715,512	\$219,232,416
3% Bonus One-Time	\$0	\$3,307,327	\$0	\$0	\$0
Strategic and Enrollment Plan Investments (Base)	\$0	\$4,905,198	\$2,070,454	\$3,501,922	\$3,494,959
Strategic and Enrollment Plan Investments (One-time)	\$0	\$4,437,622	\$673,608	\$7,804,715	\$1,135,513
Institutional Financial Assistance for access & affordability	\$0	\$1,000,000	\$500,000	\$1,000,000	\$1,000,000
Increase On-Campus Job Opportunities	\$0	\$250,000	\$0	\$300,000	\$300,000
Operations & Maintenance for New Facilities coming on-line	\$0	\$389,064	\$774,732	\$244,856	\$105,168
Faculty Promotion Funds	\$0	\$218,103	\$203,433	\$206,186	\$196,946
Convert 10 Faculty Positions from Stimulus Funded to Base in FY11	\$0	\$1,269,172	\$0	\$0	\$0
Convert 13 Faculty Positions from Stimulus Funded to Base in FY12	\$0	\$0	\$1,468,597	\$1,179,843	\$0
University Operating Leases	\$0	\$1,980,036	(\$134,963)	\$314,204	\$104,336
Utility Increase for New and Existing Facilities	\$0	(\$942,845)	\$319,000	\$90,000	\$200,000
Insurance Increases	\$0	(\$80,000)	\$0	\$0	\$53,000
IT Infrastructure (One-time Allocation in FY12)	\$0	\$967,452	\$649,445	\$1,281,000	\$878,032
Academic & Distance Learning Infrastructure (one-time)	\$0	\$743,678	\$289,789	\$319,262	\$0
Student Programming Funds	\$0	\$135,200	\$45,000	\$147,500	\$147,500
Total New Base and One-time Investments	\$0	\$18,580,007	\$6,859,095	\$16,389,488	\$7,615,454
TOTAL EXPENDITURES	\$210,207,395	\$216,189,659	\$215,403,760	\$228,105,000	\$226,847,870
BUDGET SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0	\$0

New Capital Projects

The FY2012 budget includes equipment funding for the new Student Success Center as well as \$2 million in non-general fund authority to begin the planning phase of the New Education Building. The cost associated with the upcoming design will be reimbursed when the project receives detailed design and construction funding.

CHAPTER 3 FY2011-2012 BUDGET PROCESS AND RELEVANT COMPARATIVE DATA

BUDGET DEVELOPMENT PROCESS & TIMETABLE

The University's budget development process transcends many months of planning, development of resource requests and initiatives, review and analysis, budget hearings, budget preparation and compilation and interfacing to the University's financial and administrative systems for execution. Listed below are the calendar highlights of the budget development process and the critical interfaces with the Commonwealth's budgeting and General Assembly proceedings.

<i>Budget Process</i>	<i>Projected Timing</i>
<ul style="list-style-type: none"> • Realign revenue forecasts based on known and anticipated State GF\$; Alternative Tuition Increase Models Base Funding Level Parameters 	November 1, 2010
<ul style="list-style-type: none"> • Budget Guidance Memo Requesting: • Revised Budget Plans • E&G Base budget realignment by subaccount, net zero • Organizational Hierarchy proposed changes for 7/1/11 • Fee & Service Charge changes/additions 	November 22, 2010
<ul style="list-style-type: none"> • Budget Resources • Budget Webpage Templates • Base Budget Summary Tables • Base Budget Worksheets • Organizational Hierarchy Report • Budget Planning Assumptions - Fringe Benefits, Indirect Rate • Five Year Planning Model for Auxiliaries; A&F Auxiliary Models in process • Tuition Fees & Service Charges • Governor McDonnell's December 17th Budget Proposals • Concurrent Regional Public Hearings on Proposed State Budget • General Assembly Convenes, Senate Finance & House Appropriations Committees begin their budget amendment process 	December 10, 2010 December 10, 2010 December 10, 2010 December 10, 2010 December 10, 2010 December 10, 2010 December 10, 2010 December 17, 2010 January 6, 2011 January 13, 2011
<ul style="list-style-type: none"> • Assessment Data Due • Senate Finance & House Appropriations to complete their budget analysis 	February 11, 2011 February 16, 2011
<ul style="list-style-type: none"> • Budget Material Submissions Due • Senate & House to act on their Budget Bills • First Conference on the Budget Bill • Budget Bill Conference Report Available • General Assembly Session closes 	February 18, 2011 February 10, 2011 February 22, 2011 February 26, 2011 February 26, 2011
<ul style="list-style-type: none"> • Realign revenue forecasts based on General Assembly Budget Actions Alternative Tuition Increase Models 	March 14, 2011
<ul style="list-style-type: none"> • Request Budget Modification Plans if General Assembly actions necessitate 	March 14, 2011
<ul style="list-style-type: none"> • Budget Reviews with President Broderick • Governor's Review of General Assembly Actions 	March 14-25, 2011 until April 6, 2011
<ul style="list-style-type: none"> • Tuition & Fee Proposal to Board of Visitors • Appropriation Act signed by Governor 	April 7, 2011 May 2, 2011
<ul style="list-style-type: none"> • Budget Guidance Memos with Decisions • Budget Office Webpage Instructions with detailed Operating Instructions • Base Budget realignments (net zero) 	May 19, 2011 due June 16th, 2011

Review of draft budget adjustments for Auxiliaries	due June 16th, 2011
• Budget Proposal to Board of Visitors	June 16, 2011
• Base Budget Roll for FY2012 Operating	June 22, 2011
• Academic Affairs submits Ed Foundation Transfer Requests	June 24, 2011
• Implement Budget Actions in New Fiscal Year	July 1, 2011
• Load one-time-only adjustments in the budget	July 1, 2011

ASSUMPTIONS & RELEVANT BUDGET PLANNING DATA

Clearly the University's budget planning and development process must integrate and factor in many variables in order to build a budget and operating plan recommending the best allocation of available resources.

BUDGET SUBMISSION REQUESTS

Each year the President issues a budget development memo which attempts to gauge the environ impacting next year's budget development. Historically the budget development message encourages reallocations where possible, submission of well-defined and measurable program initiatives, and advocates proposals advancing the University's Strategic Plan. Furthermore, it provides a reminder of the fiscal environment facing the Commonwealth and higher education arena.

Higher education naturally generates incredibly exciting proposals and initiatives for funding consideration. Historically, ODU has submitted bold research and instruction initiatives in cutting edge fields such as bioinformatics, modeling and simulation just to name a few. The Commonwealth receives numerous proposals from all State agencies and cannot underwrite all the extremely well conceived prospectuses. ODU has benefited from State research and development funding in the past; however, the innovative initiatives developed by University faculty cannot always attain State and/or sponsored funding. While University research efforts grow, funding capacity rarely can keep pace with the depth and breadth of creative initiatives put forward.

This year the Commonwealth began the biennium budget development last April and notified all state agencies that the economy's impact on revenue projections would require the Governor and his administration to thoroughly review all agency base budgets and components thereof. The State budget process was necessarily laser focused.

The University's internal budget process recognized the economic realities and advised all Vice Presidents in December, 2010 to structure their budget requests as follows:

"This letter is to communicate the proposed process to begin the 2011-2012 budget. The Commonwealth's revenue estimates are currently lagging budget estimates by .6% and the Governor will seek the advice of his Advisory Council on Revenue Estimates as part of his budget reforecast. Consequently, the University must begin its budget process in the context of the resource realities and hope that our efforts through the Higher Education Commission will

yield recognition of the University's achievements despite our base adequacy funding. The University will structure this year's budget process as follows:

Each Vice Presidential area should submit the following:

- Unavoidable cost increases such as utilities, faculty contracts, leases, etc.*
- Enrollment Management Initiative budget proposals as recommended by the Enrollment Management Committees. These proposals should focus on the recruitment and retention of students and on investment that enhance services to students.*
- Investments which accentuate the University's strategic plans and will promise/produce dividends and are, hopefully, self-sufficient.*

Finally, reallocation plans are always a welcome component of the budget building process and this is the opportunity to propose such actions/strategies. Such proposals and potential restructurings, etc. can be communicated and costed in the most confidential way that conveys your strategy.

On December 17, 2010 pursuant to Governor McDonnell's announcement of his budget amendments to the 2010-2012 biennium budget, President Broderick communicated the following to all University colleagues:

"Today, Governor McDonnell released his amendments to the 2010-2012 biennial budget. His amendments include some positive news for Old Dominion University.

The Governor proposed an additional \$5 million in base General Funds for Old Dominion, the only higher education institution to receive such funding. We are very grateful to the Governor for his support and acknowledgement, through that funding, of ODU's efforts to grow our in-state enrollment and keep our tuition increases among the lowest in the state.

As you are aware, the university has added more in-state students than any public university since 2004 and the third largest number of in-state students over the past decade. The Governor's support is a good start in correcting the inequity in ODU's base adequacy funding. These funds would bring ODU's base adequacy calculations to 78%."

Like most public sector organizations, the scope and diversity of the documented needs far exceeds the resource capacity of the institution to fully fund all requests. Consequently, the FY2012 budget resource requests of approximately \$ 39.5 million do not reflect the totality of actual submissions from the Vice Presidents given finite resources.

ENROLLMENT TRENDS

The following chart portrays projected Fall 2011 Headcount and student FTE data consistent with estimates submitted to SCHEV. Official estimates are typically conservative and current projections and trends point to 2780 new freshman. The University anticipates increasing growth in all categories illustrative of investment and recruitment efforts.

OLD DOMINION UNIVERSITY

ENROLLMENT

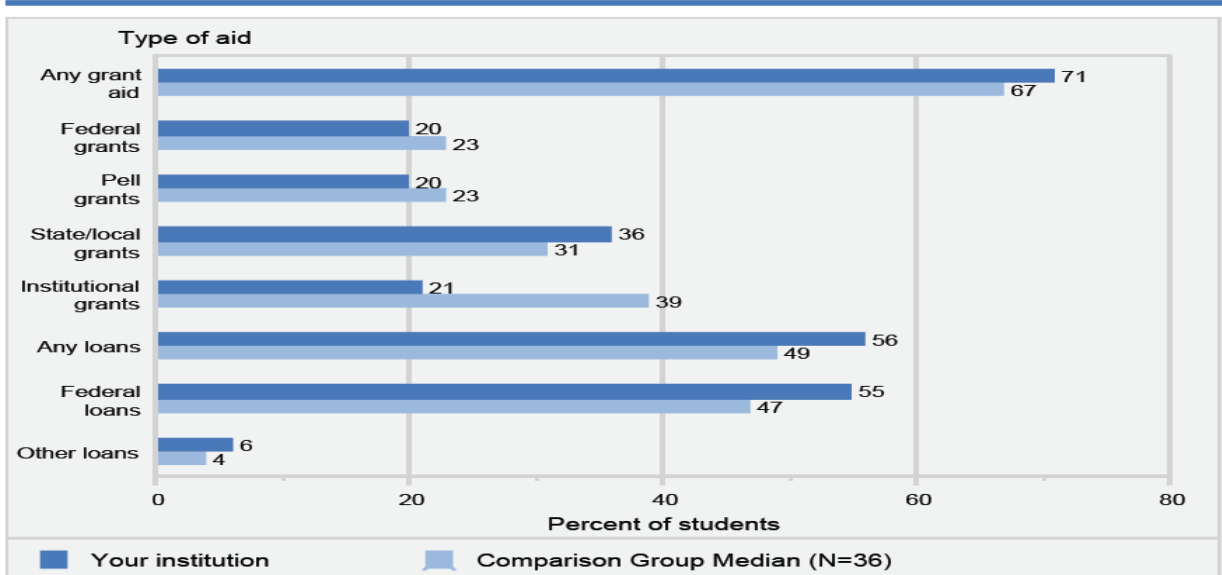
Projected Fall 2011

Headcount	<u>Resident</u>	<u>Nonresident</u>	<u>Total</u>
On-Campus			
Undergraduate	15,354	1,367	16,721
Graduate	<u>2,446</u>	<u>851</u>	<u>3,297</u>
Total On-Campus	17,800	2,218	20,018
Higher Ed Centers & Off-Campus in Hampton Roads			
Undergraduate	364	20	384
Graduate	<u>687</u>	<u>27</u>	<u>714</u>
<i>Total Off Campus in Hampton Roads</i>	1,051	47	1,098
Teletechnet & Off-Campus Outside Hampton Roads			
Undergraduate	1,857	28	1,885
Graduate	<u>1,038</u>	<u>65</u>	<u>1,103</u>
<i>Total Teletechnet & Off-Campus Outside HR</i>	2,895	93	2,988
Teletechnet USA Outside VA			
Undergraduate	28	185	213
Graduate	<u>21</u>	<u>305</u>	<u>326</u>
<i>Total Teletechnet USA Outside VA</i>	49	490	539
Undergraduate	17,603	1,600	19,203
Graduate	<u>4,192</u>	<u>1,248</u>	<u>5,440</u>
Total Headcount	21,795	2,848	24,643
Annual FTE (projected)	17,899	2,142	20,041
First-Time Freshman	2,366	234	2,600
Transfer Students	2,109	234	2,343

PEER GROUP BENCHMARKS

The following select charts from the National Center for Education Statistics are based on peer group data submissions for 2009. These particular charts demonstrate four themes about ODU relative to peer institutions. First, tuition and fees for ODU were considerably lower than our peer group (36 institutions). Secondly, our staffing across the broad categories of instruction, administrative/managerial, professional and classified staff were generally one-third lower than the comparison group median --- an indicator of relative institutional efficiency. Thirdly, the percent distribution of E&G core expenses by function demonstrate a higher instructional percentage than peers while academic support is slightly higher owing to the classification of some distance learning functions. Finally, our core expenses per FTE enrollment by function are generally quite lower than the peer group median data.

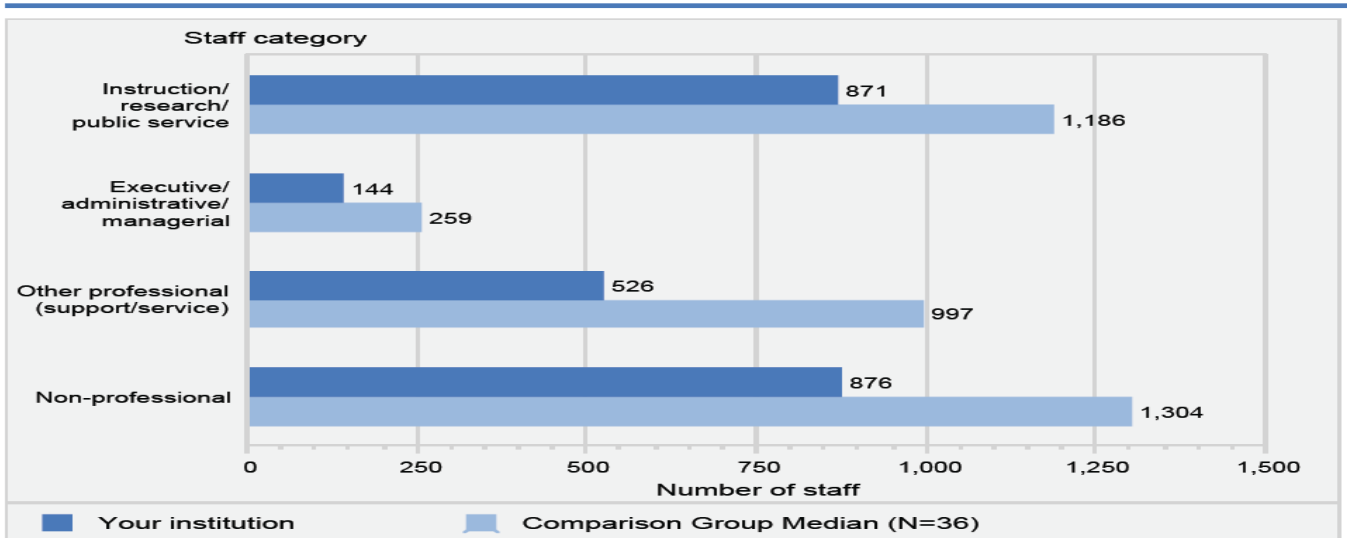
Figure 6. Percent of full-time, first-time degree/certificate-seeking undergraduate students who received grant or scholarship aid from the federal government, state/local government, or the institution, or loans, by type of aid: 2008-09



NOTE: Any grant aid above includes grant or scholarship aid from the federal government, state/local government, or the institution. Federal grants includes Pell grants and other federal grants. Any loans includes federal loans and other loans to students. For details on how students are counted for financial aid reporting, see Cohort Determination in the Methodological Notes at the end of this report. N is the number of institutions in the comparison group.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2010, Student Financial Aid component.

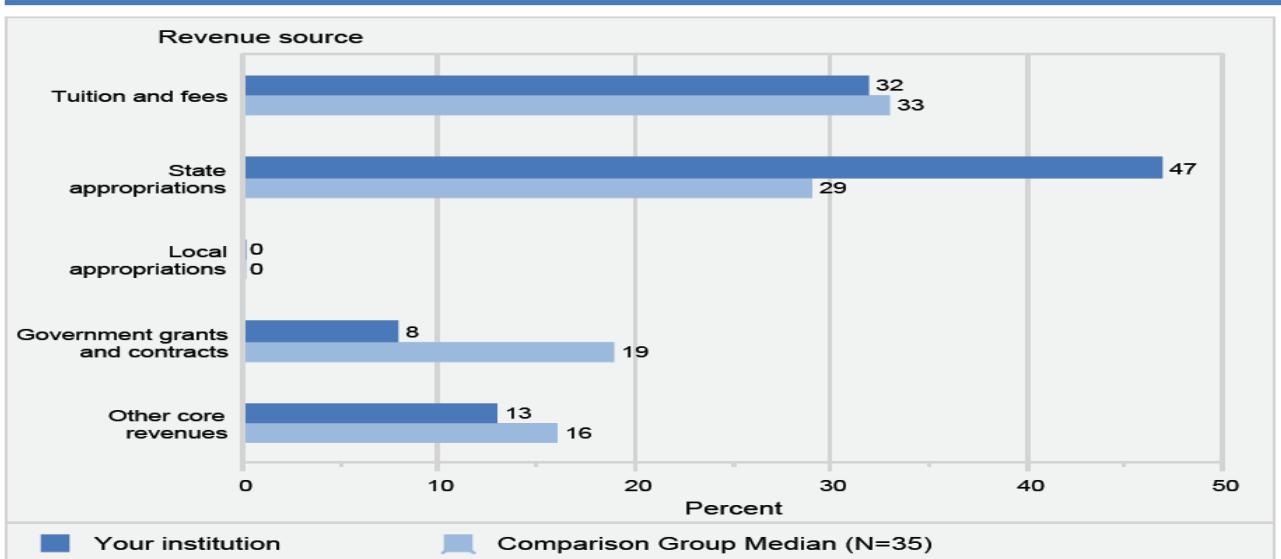
Figure 12. Full-time equivalent staff, by assigned position: Fall 2009



NOTE: Graduate assistants are not included in this figure. For information on the calculation of FTE of staff, see the Methodological Notes. N is the number of institutions in the comparison group.

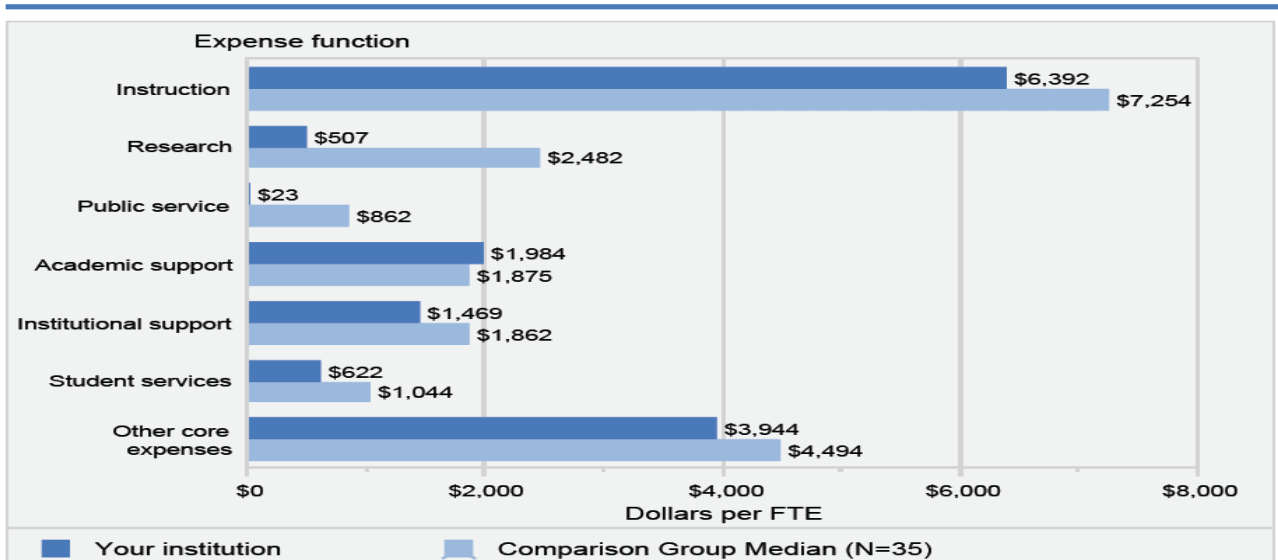
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Winter 2009-10, Human Resources component.

Figure 14. Percent distribution of core revenues, by source: Fiscal year 2009



NOTE: The comparison group median is based on those members of the comparison group that report finance data using the same accounting standards as the comparison institution. For a detailed definition of core revenues, see the Methodological Notes. N is the number of institutions in the comparison group.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2010, Finance component.

Figure 15. Core expenses per FTE enrollment, by function: Fiscal year 2009



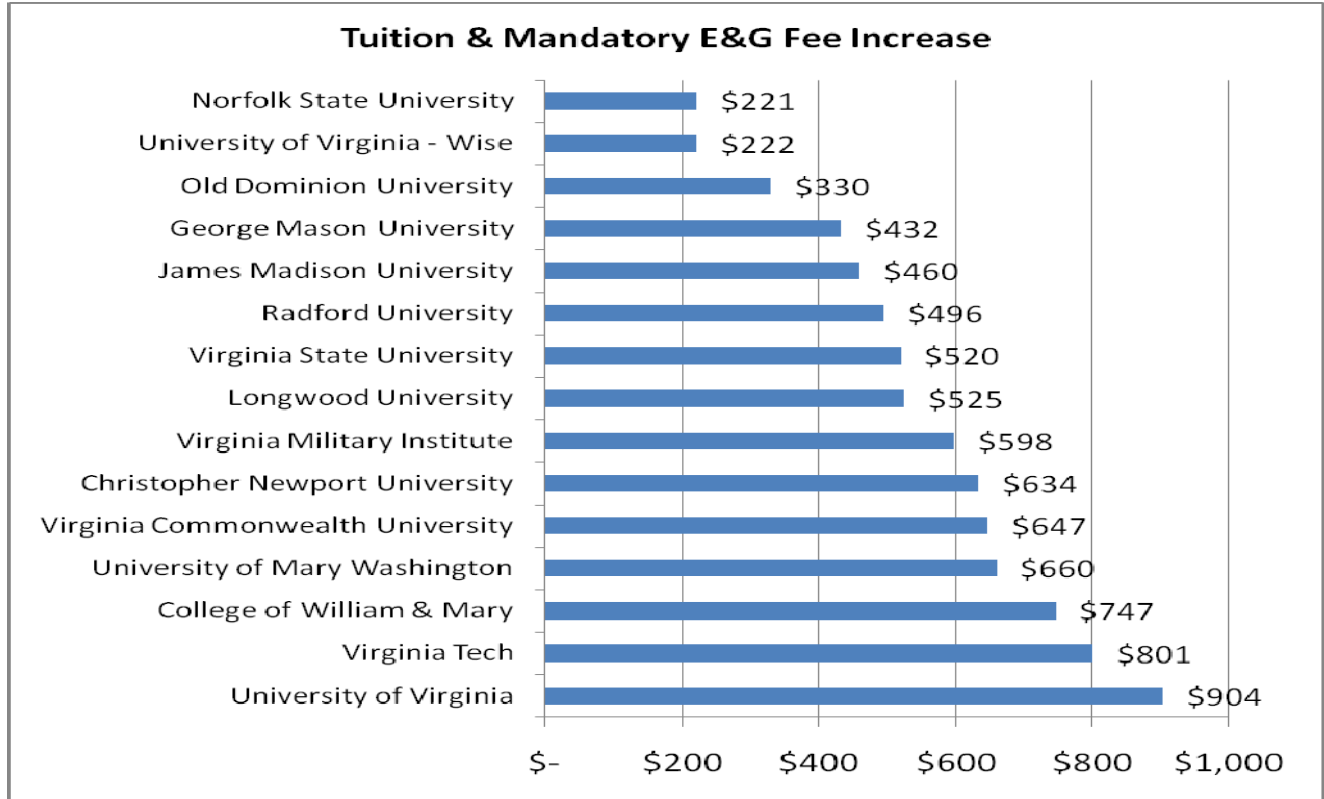
NOTE: The comparison group median is based on those members of the comparison group that report finance data using the same accounting standards as the comparison institution. Expenses per full-time equivalent (FTE) enrollment, particularly instruction, may be inflated because finance data includes all core expenses while FTE reflects credit activity only. For details on calculating FTE enrollment and a detailed definition of core expenses, see the Methodological Notes. N is the number of institutions in the comparison group.
SOURCE: U.S. Department of Education, National Center for Education Statistics,

AFFORDABILITY - HISTORICAL COMPARISONS TO VIRGINIA UNIVERSITIES

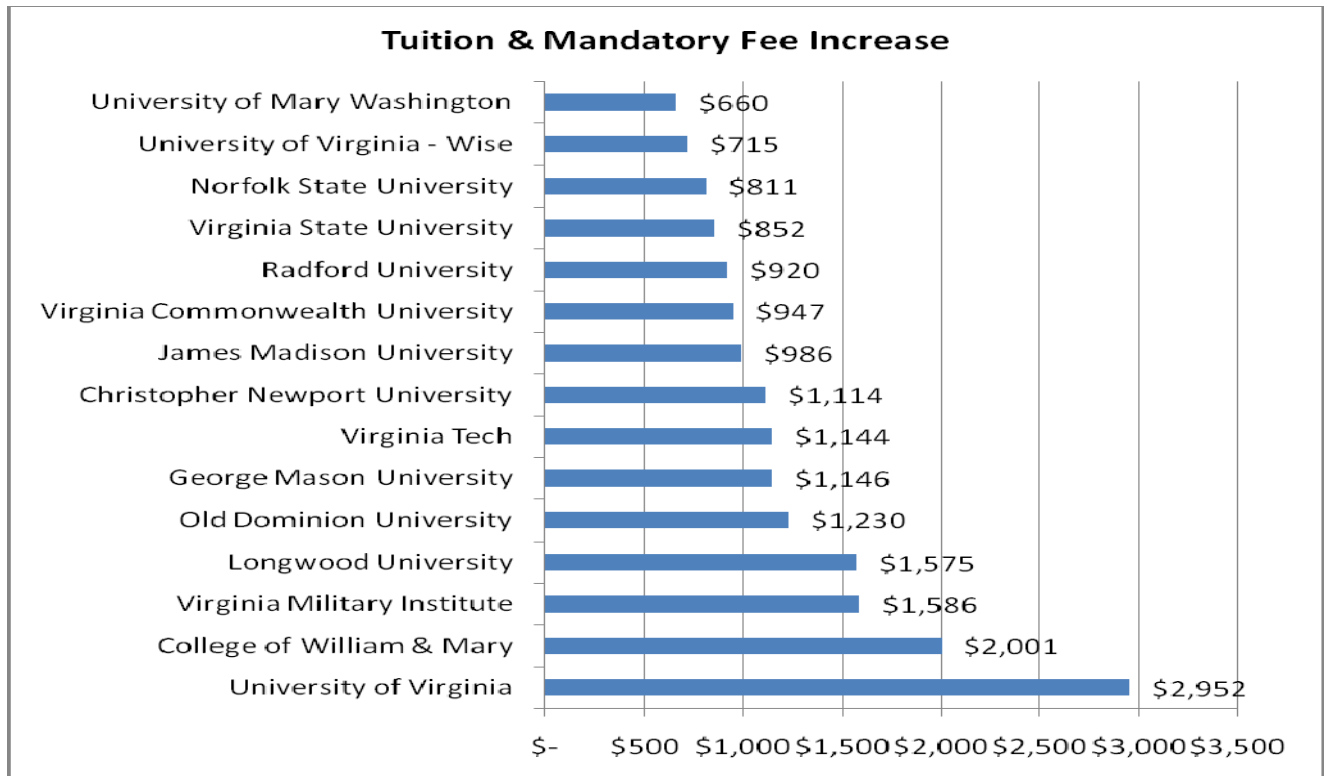
The University monitors its rate structure particularly in comparison to other Virginia doctoral institutions. ODU consistently has one of the lowest costs for full-time resident and nonresident undergraduate students. Ever mindful of this benchmark, the University's Executive leadership remains committed to accessible and affordable education. Consequently, budget development and resource allocation reflect this approach to balancing student, institutional needs, and student affordability. The following charts and graphs demonstrate these outcomes.

FULL-TIME RESIDENT UNDERGRADUATE TUITION, FEES, AND AVERAGE ROOM & BOARD COSTS (2011-2012)					
Institution	Tuition & E&G Fees	Total Auxiliary Fees	Tuition & Fees	Average Room & Board	Total
CWM	\$8,365	\$4,767	\$13,132	\$8,892	\$22,024
UVA	\$9,684	\$1,892	\$11,576	\$9,036	\$20,612
VCU	\$7,600	\$1,917	\$9,517	\$8,646	\$18,163
GMU	\$6,752	\$2,514	\$9,266	\$8,400	\$17,666
VT	\$8,899	\$1,610	\$10,509	\$6,856	\$17,365
ODU	\$5,052	\$3,092	\$8,144	\$8,218	\$16,362
FULL-TIME NONRESIDENT UNDERGRADUATE TUITION, FEES, AND AVERAGE ROOM & BOARD COSTS (2011-2012)					
Institution	Tuition & E&G Fees	Total Auxiliary Fees	Tuition & Fees	Room & Board	Total
UVA	\$34,678	\$1,892	\$36,570	\$9,036	\$45,606
CWM	\$31,195	\$4,767	\$35,962	\$8,892	\$44,854
GMU	\$24,230	\$2,514	\$26,744	\$8,400	\$35,144
VCU	\$21,032	\$1,917	\$22,949	\$8,646	\$31,595
VT	\$22,870	\$1,610	\$24,480	\$6,856	\$31,336
ODU	\$19,392	\$3,092	\$22,484	\$8,218	\$30,702

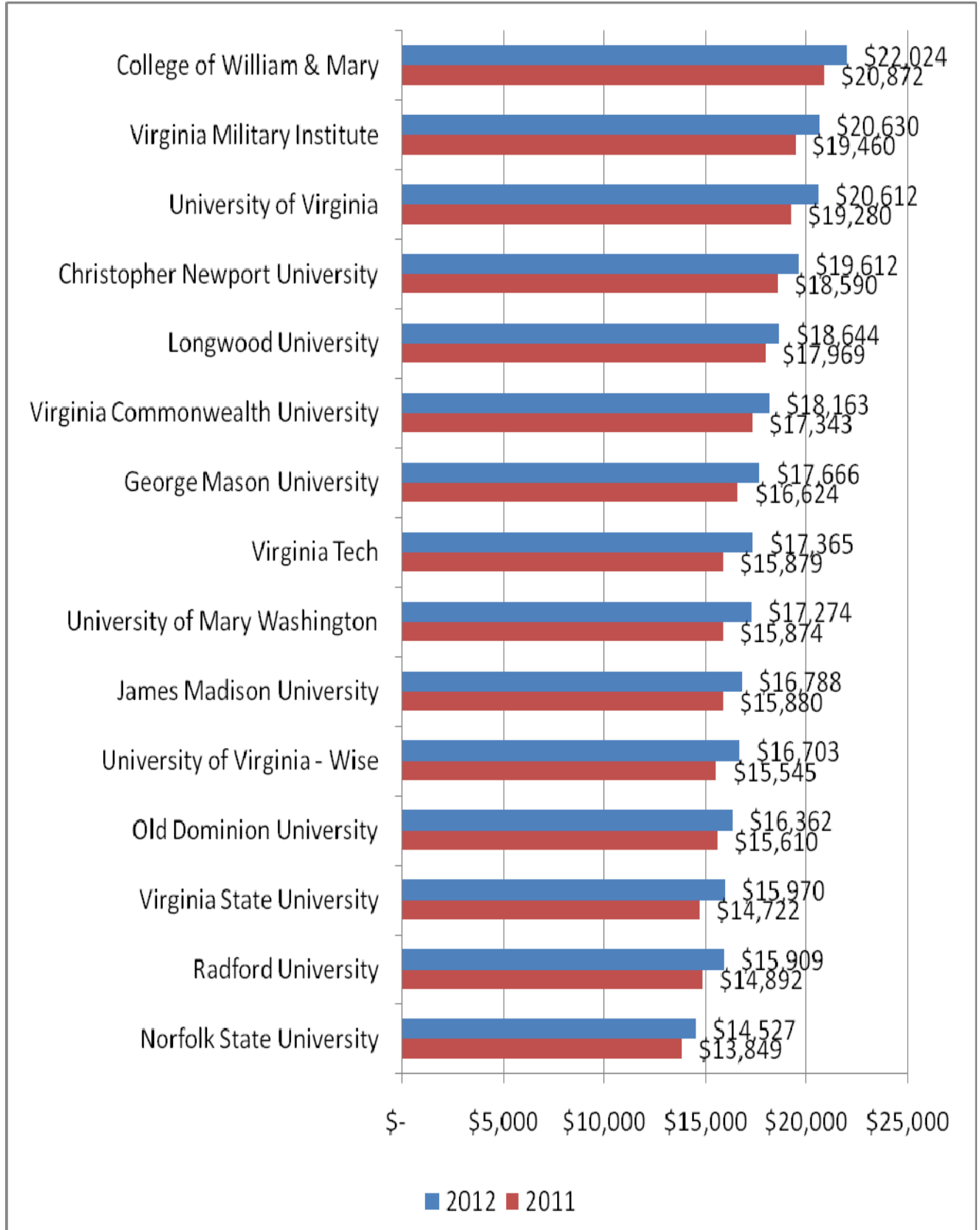
**TUITION/MANDATORY FEES IN-STATE UNDERGRADUATE
INCREASES VIRGINIA INSTITUTIONS FOR FY2012**



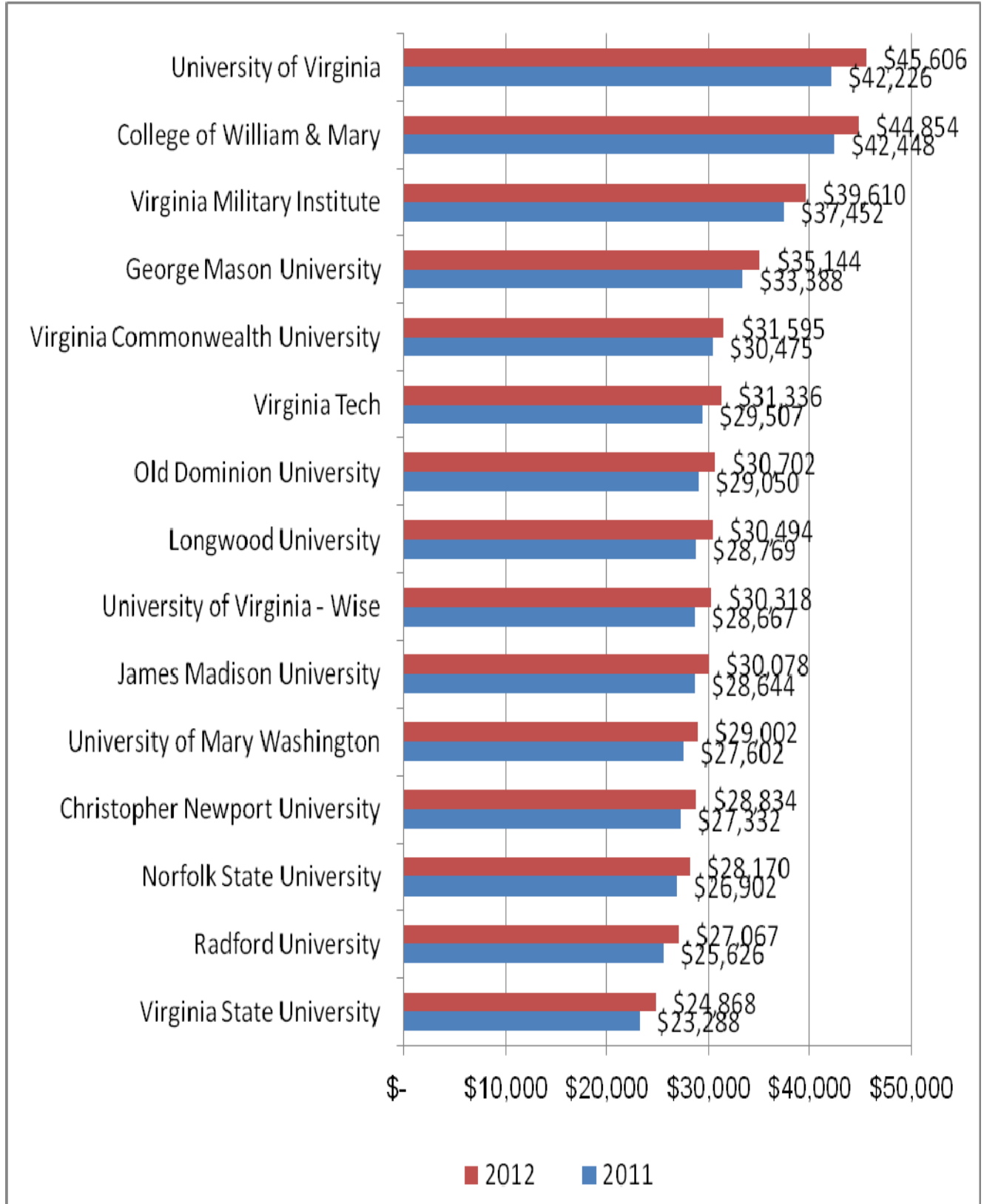
**TUITION/MANDATORY FEES OUT-STATE UNDERGRADUATE
INCREASES VIRGINIA INSTITUTIONS FOR FY2012**



**TOTAL TUITION, FEES & ROOM & BOARD IN-STATE UNDERGRADUATE
VIRGINIA INSTITUTIONS FY2011 V. FY2012**



**TOTAL TUITION, FEES & ROOM & BOARD OUT-STATE UNDERGRADUATE
VIRGINIA INSTITUTIONS FY2011 V. FY2012**



TUITION & FEE TRENDS

The University's tuition and fee trends over the past five years are cited below and demonstrate the consistent approach to balancing pricing with student affordability and institutional requirements.

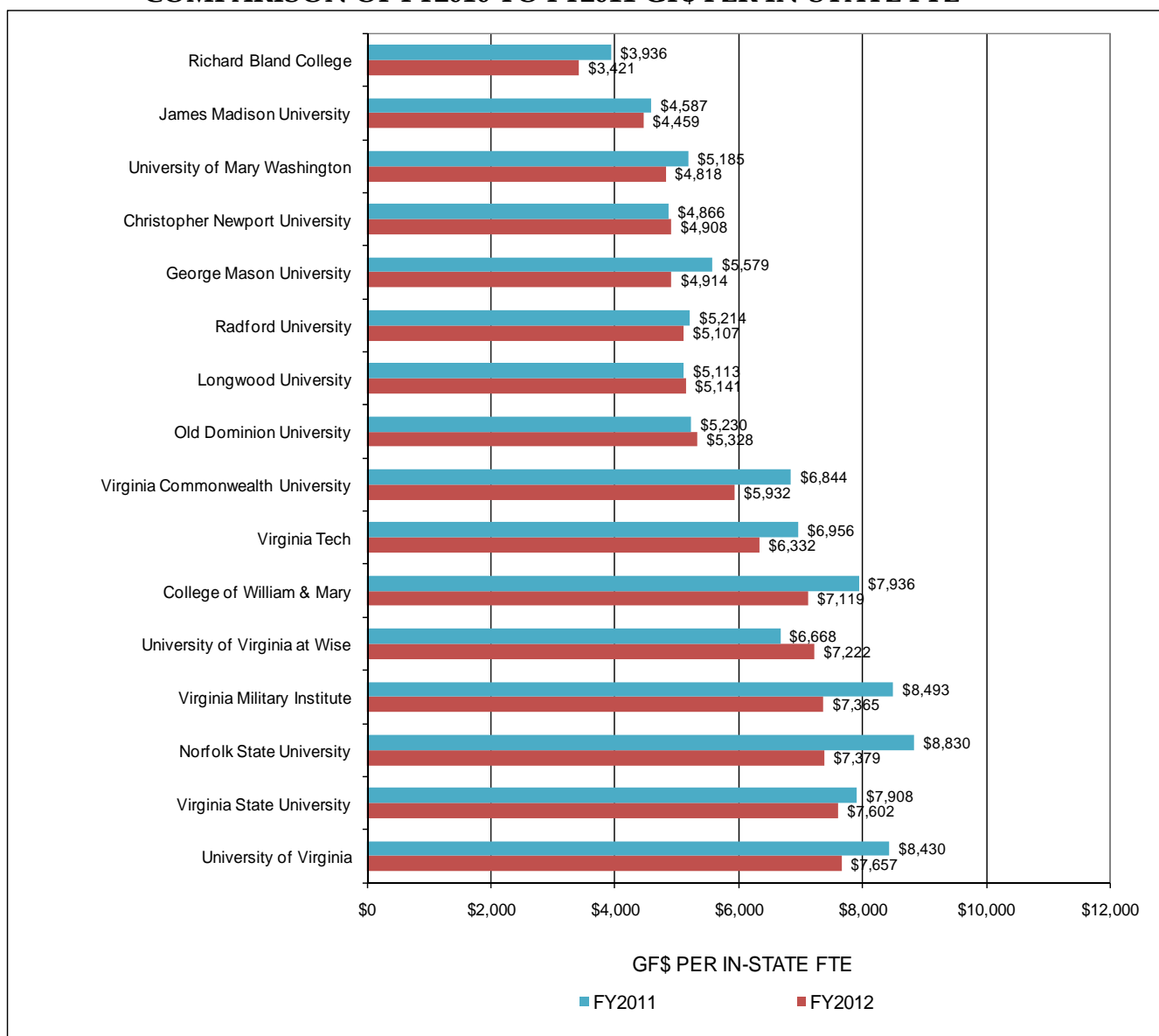
Cost of Old Dominion University					
In-State Undergraduate	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Tuition and Fees	\$6,528	\$6,918	\$7,318	\$7,708	\$8,144
Percent Adjusted	7.1%	6.0%	5.8%	5.3%	5.7%
Room and Board	\$6,685	\$7,134	\$7,526	\$7,902	\$8,218
Total Cost	\$ 13,213	\$ 14,052	\$ 14,844	\$ 15,610	\$ 16,362
Percent Adjusted	6.5%	6.3%	5.6%	5.2%	4.8%
Fees include Technology, Transportation, Health and General Service Fees based on 30 credit hours					
Room and Board reflects a weighted average.					
Out-State Undergraduate	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Tuition and Fees	\$17,748	\$18,588	\$19,768	\$21,148	\$22,484
Percent Adjusted	6.5%	4.7%	6.3%	7.0%	6.3%
Room and Board	\$6,685	\$7,134	\$7,526	\$7,902	\$8,218
Total Cost	\$ 24,433	\$ 25,722	\$ 27,294	\$ 29,050	\$ 30,702
Percent Adjusted	6.4%	5.3%	6.1%	6.4%	5.7%
Fees include Technology, Transportation, Health and General Service Fees based on 30 credit hours					
Room and Board reflects a weighted average.					
In-State Graduate	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Tuition and Fees	\$7,494	\$7,902	\$8,350	\$8,830	\$9,350
Percent Adjusted	6.6%	5.4%	5.7%	5.7%	5.9%
Room and Board	\$6,685	\$7,134	\$7,526	\$7,902	\$8,218
Total Cost	\$ 14,179	\$ 15,036	\$ 15,876	\$ 16,732	\$ 17,568
Percent Adjusted	6.3%	6.0%	5.6%	5.4%	5.0%
Fees include Technology, Transportation, Health and General Service Fees based on 24 credit hours					
Room and Board reflects a weighted average.					
Out-State Graduate	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Tuition and Fees	\$18,478	\$19,318	\$20,494	\$21,910	\$23,318
Percent Adjusted	6.5%	4.5%	6.1%	6.9%	6.4%
Room and Board	\$6,685	\$7,134	\$7,526	\$7,902	\$8,218
Total Cost	\$ 25,163	\$ 26,452	\$ 28,020	\$ 29,812	\$ 31,536
Percent Adjusted	6.3%	5.1%	5.9%	6.4%	5.8%
Fees include Technology, Transportation, Health and General Service Fees based on 24 credit hours					
Room and Board reflects a weighted average.					

GENERAL FUNDING PER IN-STATE STUDENT FTE

A preliminary analysis of the FY2011-2012 General Fund appropriation per in-state, full-time equivalent student reveals that Old Dominion University and George Mason University continue to receive less General Fund support than other doctoral institutions. The following analysis includes agency appropriations only. It does not include the student financial assistance.

The combined low tuition and General Fund support per in-state student FTE indicate that Old Dominion University has fewer resources available as compared to the other Virginia doctoral and research institutions as well as many other 4-year institutions. Nonetheless, the University demonstrates prudent fiscal management by achieving its mission while remaining affordable and accessible.

COMPARISON OF FY2010 TO FY2011 GF\$ PER IN-STATE FTE



BASE ADEQUACY MODEL

The Base Adequacy model has long been the Virginia higher education benchmark to assess each institution's E&G funding in relation to a predictive model integrating numerous variables to determine a calculated resource requirement. Each institution's funding, compared to the predictive model, yields a percentage of base funding adequacy. Understandably, the model generates updates of relative calculated resource need based upon the most current data. SCHEV will update the process this fall. The last iteration of the model with projected updates can be summarized below and demonstrates how ODU's base funding index is the lowest in the state.

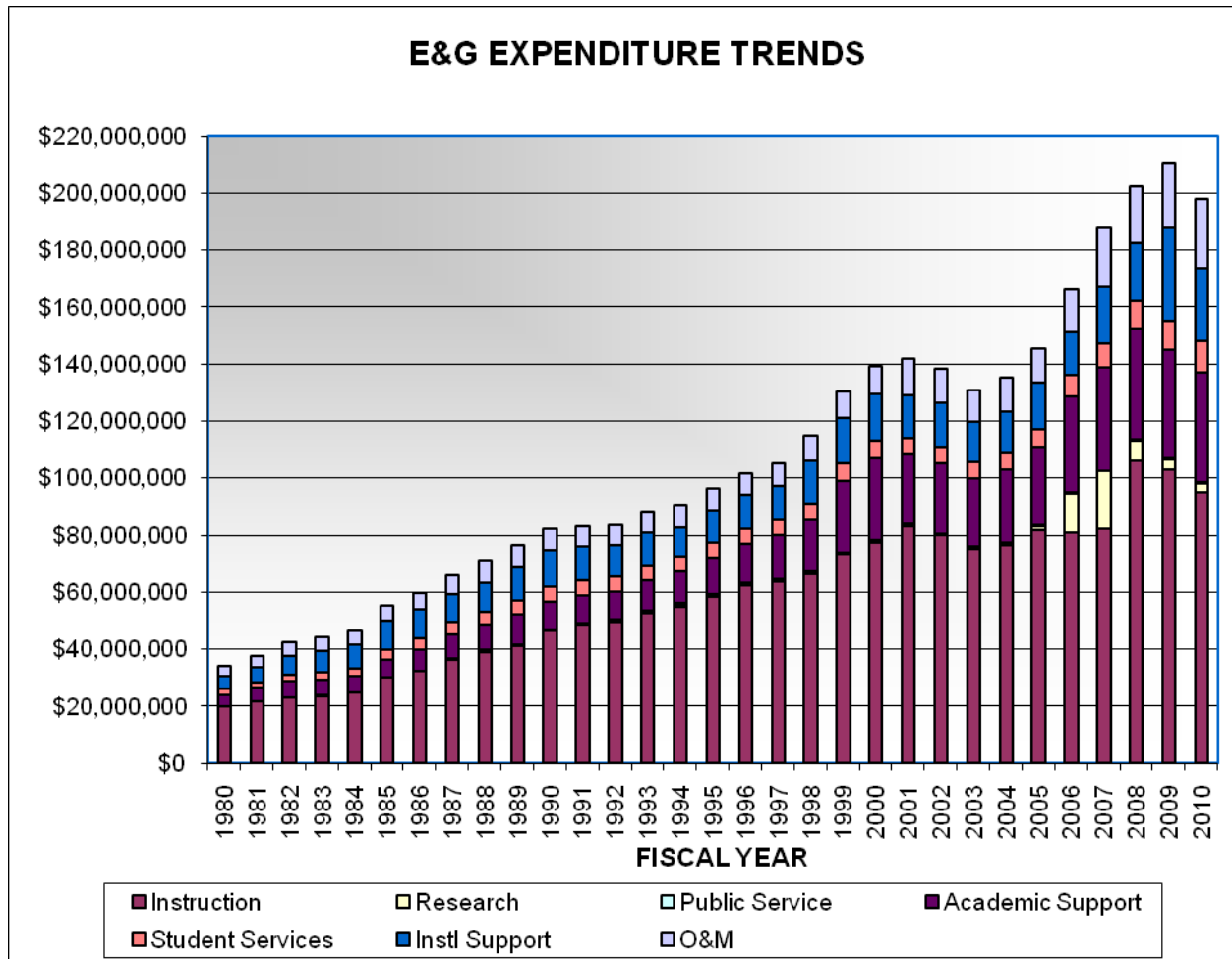
FUNDING FOR VIRGINIA HIGHER EDUCATION				
COMPARISON OF FY2012 FUNDING TO BASE ADEQUACY FUNDING				
Institution	Calculated	Available	Funding Shortfall	% Funding
Virginia Military Institute	\$26,001,157	\$29,906,186	\$0	115.02%
College of William and Mary	\$136,034,267	\$145,931,192	\$0	107.28%
University of Virginia	\$479,393,232	\$484,912,875	\$0	101.15%
Norfolk State University	\$70,763,468	\$71,239,379	\$0	100.67%
Virginia State University	\$62,051,888	\$62,144,908	\$0	100.15%
James Madison University	\$231,580,236	\$222,411,216	(\$9,169,020)	96.04%
George Mason University	\$382,402,902	\$359,432,372	(\$22,970,530)	93.99%
Virginia Commonwealth University	\$512,082,392	\$479,773,318	(\$32,309,074)	93.69%
University of Virginia at Wise	\$20,389,022	\$18,927,355	(\$1,461,667)	92.83%
Richard Bland College	\$10,093,762	\$9,350,906	(\$742,856)	92.64%
Radford University	\$101,219,632	\$93,048,799	(\$8,170,833)	91.93%
University of Mary Washington	\$62,370,072	\$55,798,478	(\$6,571,594)	89.46%
Virginia Community College	\$910,877,771	\$787,221,959	(\$123,655,812)	86.42%
Virginia Tech	\$555,124,834	\$479,234,263	(\$75,890,571)	86.33%
Longwood University	\$58,722,091	\$50,124,348	(\$8,597,743)	85.36%
Christopher Newport University	\$60,509,583	\$50,530,683	(\$9,978,900)	83.51%
Old Dominion University	\$267,152,318	\$212,777,489	(\$54,374,829)	79.65%

Source: State Council of Higher Education for Virginia Calculated need based on actual FY10 student FTE; FY2012 Appropriations

The Governor's infusion of an additional \$5 million during the budget process is a recognition of the University's efforts in supporting enrollment growth and increasing accessibility for Virginians. Old Dominion has been extremely supportive of the Commonwealth's higher education policy goals albeit without the level of appropriate resources. The chart above demonstrates that the University would require another \$10.3 million in order to attain the second lowest Base Adequacy funding level of 83.51%. Nonetheless, the University will collaborate with all the higher education professionals and policy makers to improve the proposed funding models envisioned in the Higher Education Opportunity Act and offer all the intellectual capital and strategies that the University has to offer.

E&G EXPENDITURE TRENDS

The following chart and data are extracted from the Commonwealth's Accounting & Reporting System and portray the pattern of ODU expenditures from 1979 - 2010. The distribution of functional expense is relatively consistent over the fiscal years while the total resources are strongly correlated with the economy and Commonwealth funding.



E&G EXPENDITURES

The following table shows the Expenditures (less Research) per FTE Student. Old Dominion University's ratio of \$10,131 per FTE falls well below the overall average, followed only by Richard Bland and the Virginia Community College System. This comparison shows that Old Dominion University is the lowest of all the doctoral and research institutions and all of the comprehensive four-year institutions in its spending per student FTE.

FY2009-10 Total Educational and General Expenditures per Student FTE Virginia Public Higher Education Institutions

Institution	Total	ANNUAL FTE	Exp Less Research per FTE
University of Virginia	467,093,011	23,976	\$18,457
College of William and Mary	141,472,840	7,826	\$17,920
Virginia Military Institute	28,489,438	1,707	\$16,690
Virginia Commonwealth University	439,314,470	28,617	\$15,316
George Mason University	351,514,707	24,759	\$14,045
Virginia Tech	477,261,045	31,140	\$13,979
University of Virginia at Wise	19,979,559	1,622	\$12,318
Norfolk State University	70,480,494	5,858	\$12,015
University of Mary Washington	55,139,881	4,693	\$11,660
James Madison University	213,040,052	18,595	\$11,412
Longwood University	51,023,318	4,488	\$11,369
Virginia State University	60,236,633	5,338	\$11,244
Radford University	91,209,626	8,558	\$10,658
Christopher Newport University	48,888,277	4,772	\$10,245
Old Dominion University	198,125,976	19,225	\$10,131
Total 4 Year Institutions	2,713,269,327	191,174	\$13,787
Average 4 Year Institutions	180,884,622	12,745	\$13,787
Richard Bland College	8,769,389	1,190	\$7,369
Virginia Community College System	738,029,078	122,479	\$6,026
Total 2 Year Institutions	746,798,467	123,669	\$6,039
Total All Institutions	3,460,067,793	314,843	\$10,481

Source: SCHEV & FY10 CARS; Annual FTEs 2010 per SCHEV E5 Report

FY2011-12 BUDGET SUMMARY

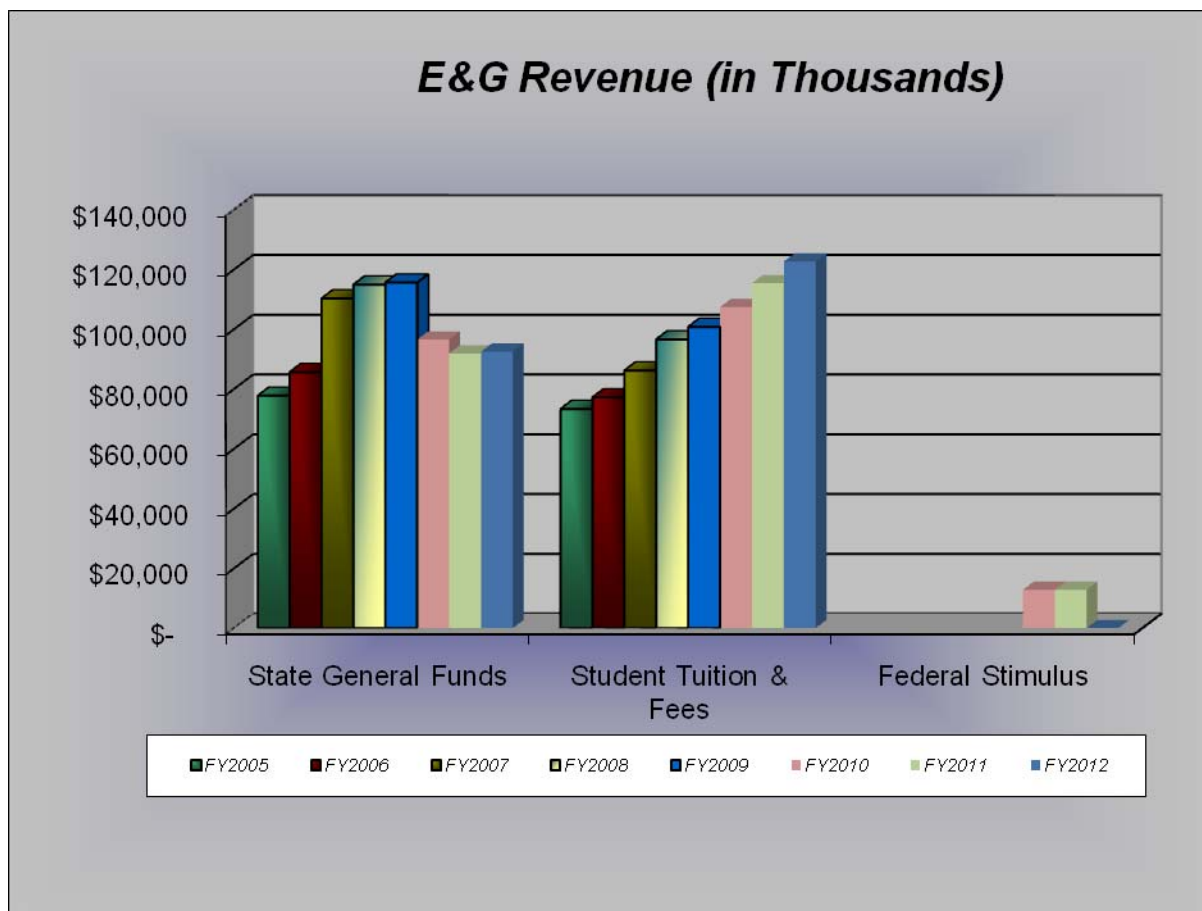
This section provides an overview of the University's FY2011-2012 Operating Budget. Some significant elements in the proposed plan are presented below.

- The budget is based on conservative assumptions related to enrollment projections, revenue calculations and expenditure estimates as contained in the University's Four-Year Plan.
- The budget balances revenues and expenditures within the University's Educational and General programs and other operating funds and contributes approximately \$8.9 million to fund balances in the Auxiliary Services area. This fund balance contribution is consistent with planning for the use of these resources to accomplish future initiatives in that area. Adequate reserves are provided within the budget to address changes in key planning assumptions.
- As approved by the Board of Visitors at the April, 2011 Board meeting, tuition and mandatory educational fees for Virginia undergraduates will increase by 5.6 percent for full-time Virginia undergraduates and 6.3 percent for out-of-state undergraduates. With room and board, the total increases are 4.8 percent and 5.7 percent respectively. Likewise, the auxiliary student fees, and room and board charges were increased slightly to cover indirect cost adjustments and inflationary costs. Auxiliary fees increased by \$ 90, a 3.2 percent increase, and room and board costs increased \$436, a 5.7 percent increase. The student health fee per semester increased from \$60 to \$68. In total, tuition, fees and room and board for full-time Virginia undergraduates increased by \$752, a 4.8 percent increase.

Tuition and fees increased 5.9 percent for in-state graduate students, and 6.4 percent for out-of-state graduates. With room and board the total increases are 5.0 percent and 5.8 percent respectively.

The proposed expenditure budget for 2011-2012 for the total University is \$517.3 million, an increase of 5.1 percent over the original 2010-2011 operating budget. This overall increase is primarily attributed to the combined effects of stimulus funding and tuition increases, anticipated expenditures in increased student scholarships and loan funds, an increase in gift and endowment transfers from the Educational Foundation, and Auxiliary Services (housing full capacity, recreation center full year). The budget consists of the following components: the Educational and General Programs budget, the Auxiliary Services budget, grants and contracts, gifts and discretionary, scholarships, and student loan funds/direct federal lending. The Educational and General Programs budget, which includes both General and Nongeneral funding sources, is composed primarily of expenditures and revenues in the Instructional Programs.

The E&G budget revenue mix over FY2005 to FY2012 is illustrated by the chart below demonstrating the dramatic shift in the University's E&G revenue mix as a result of the Commonwealth's funding actions.



As noted in the graph, General Fund support for the Educational and General programs (excluding state financial aid) increased from \$67.5 million to \$77.7 million in FY2005, increased to \$85.6 million in FY2006, increased to \$110.3 million in FY2007, increased to \$114.9 million in FY2008, and \$115.6 in FY2009 and then followed by decreases to \$96.5 million in FY2010 (with VMASC) and \$91.8 million in FY2011(with VMASC). FY2012 general fund support comes to \$92.5 million (with VMASC).

Student tuition and fee revenue appropriation increased from \$73.3 in FY2005, to \$77.2 in FY2006, to \$86.1 in FY2007, \$96.6 in FY2008, \$100 million in FY2009, and to \$107 million in FY2010 to \$115 million in FY2011. The University will earn approximately \$7.0 million more in tuition and fees for FY2012. Based on conservative budget decisions, the revenue generated by Commonwealth General Funds and the tuition and fee increase provided funding for the 2011-12 Operating Budget and Plan as detailed in the next chapter.

CHAPTER 4

FY2011-2012 EDUCATIONAL AND GENERAL PROGRAM PRIORITIES

The University's FY2011-2012 Educational and General budget is based on the strategic program priorities that follow. The funds appropriated by the General Assembly for the 2010-2012 biennium were earmarked for continuation of services coupled with latitude in increasing tuition and fees. The Commonwealth's budget investments consistent with the higher education opportunity act funding will enable allocations for University needs. Principally, the University will allocate funds for instructional quality investments and faculty/staff that were not possible over the last two biennia. Together with modest tuition and fee increases Old Dominion looks forward to advancing the institution's strategic agenda.

The major base funded E&G budget initiatives follow:

Faculty Positions

Consistent with the Four Year Financial Plan this year's budget transitions 13 stimulus funded faculty positions to base budgeted positions. Two years ago, the University funded 23 additional faculty positions with stimulus funds with the plan to convert ten of them to base funds in FY2011 and the remaining thirteen to base in FY2012. Therefore, base funds were allocated for the 13 full-time faculty positions with salary and benefit costs of \$1,179,843.

Faculty Promotions

When faculty members are promoted in academic rank, the individuals received a salary increase assigned to the new rank. Total funding is projected at \$206,186. In the upcoming academic year, 42 faculty members will receive a promotion: 10 to Professor, 18 to Associate Professor, 10 to Senior Lecturer, and 1 Librarian II to a Librarian III.

Full-time Administrative and Staff Positions

A total of 53 full-time positions will be established in the upcoming fiscal year. These positions are representative of all areas of the University including Academic Affairs, Administration & Finance, Student Engagement, Human Resources, Institutional Advancement, and Research.

Increased Costs

Funds were allocated to support escalating costs for hardware and software contracts, operating leases, utilities, institutional memberships and maintenance costs with the addition of the new facilities on campus.

Public Safety and Security

The University continues to expand its policing and security staff (6 positions) to cover a vibrant and growing campus as well as the regional higher education centers. In addition, base funds were allocated to enhance the emergency operations coordination

requirements for an institution our size. Collaborative planning with Housing & Residence Life staff has occurred to sustain security coverage with reduced costs.

Research Initiatives

State funding allocations have been base funded to continue the modeling and simulation research and teaching. FY2012 continuation funding of \$2.1 million for modeling and simulation was included in the State Budget, as well as an additional \$250,000 for medical modeling and simulation initiatives.

Technology Initiatives

The *University's Strategic Plan* emphasizes the significance of the availability and use of technology in support of the University's mission. The \$4.2 million in funding from the Higher Equipment Trust Fund and a reallocation of institutional resources will be used to replace obsolete instructional equipment, and fund technical equipment to be used in the mediated classrooms. The technology-based requests funded in this year's budget include:

- Technology Classrooms - One-time funding to maintain existing mediated classrooms through equipment replacement and to address general classroom repairs and renovations to these mediated facilities.
- Faculty Workstations/Academic Equipment - One-time funding to replace obsolete PC workstations and academic teaching/research equipment.
- Server and Network Infrastructure Upgrades - One-time funds to address mission-critical infrastructure including network and system monitoring programs.
- Software and Hardware Contract Increases. Banner Operational Data Store and Enterprise Data Warehouse projects.
- OCCS positions to implement business modeling/workflow initiatives
- OCCS positions for classroom support, mobile applications development and academic support.

SCHOLARSHIPS AND FELLOWSHIPS

Institutional Scholarship Programs

Central and need-based scholarship funds have been base funded at \$8.3 million to provide resources to attract qualified students. It should be noted that last year's one-time \$1 million funding to support one-year scholarships to address student financial needs has been base funded.

State Scholarship Program

The University's appropriation of \$15.8 million in state-supported student financial aid during the most recent state budget process was increased to \$17 million. The institution is mindful of the fact that the majority of our students must either work or finance loans to cover the cost of attending college.

Student Employment

The budget included \$300K in funding to provide 75 students with on-campus employment opportunities bringing the total funding for student employment to \$4.4 million.

Student Loan Program

Another noteworthy change in the University's scholarship and loan programs is an increase in the amount of loan funds being expended by students. Both the number of borrowers and the amount of funds they are borrowing to cover the cost of their education is increasing. Some of this increase is attributed to tuition adjustments and the economic environment.

New E&G Investments

The following list details the E&G initiatives funded in this budget pursuant to internal budget deliberations. The list is presented as base initiatives and one-times funded by program area.

PROPOSED FY2012 EDUCATIONAL & GENERAL OPERATING & BUDGET PLAN				
VP Area	E&G INITIATIVES	Base E&G Investments	One-Time	Base E&G Reallocations
President	Equity Officer/Senior Investigator Position		\$ 68,186	
	Diversity Programming	\$ 7,000		
	In-Band Adjustment for staffer	\$ 3,805		
	Summer Graduate Funding		\$ 3,000	
	Student Hourly Funds		\$ 1,050	
	University Counsel legal reference materials		\$ 4,000	
	President's Area Subtotal	\$ 10,805	\$ 76,236	\$ -
Academic Affairs	Expansion of Distance Learning Lord Fairfax CC	\$ 60,527		
	Climate Change & Sea Level Rise Initiative	\$ 286,513	\$ 175,000	
	Learning Commons	\$ 285,279		
	Sophomore Success Plan	\$ 151,251	\$ 30,000	
	Conversion of 13 Faculty Positions from Stimulus to Base	\$ 1,179,843		
	Faculty Promotion Funds	\$ 206,186		
	Vice Provost for Faculty & Program Development	\$ 204,690		
	DMV Diversity Council Annual Membership	\$ 5,000		
	Ophthalmic Technology Budget EVMS MOU	\$ 48,000		
	Research Conference/Marketing \$ for College of Business		\$ 58,000	
	Distance Learning Online Program Development		\$ 319,262	
	Northern Virginia Teach Out		\$ 49,254	
	SACSCOC Compliance & Reaffirmation Support	\$ 96,887	\$ 455,891	
	Salary Differential Dean College of Business	\$ 24,546		
	STEM Lecturers	\$ 343,879		
	PhD Program Director in Health Sciences Research	\$ 164,512		
	Salary Compression Funds	\$ 300,000		
	Faculty Support for Regional Centers	\$ 153,837		
	Student Success Initiative	\$ 227,888	\$ 144,248	
	Undergraduate Research Apprenticeship Program		\$ 56,005	
	Undergraduate Research Grant Program		\$ 30,000	
	Faculty Development Funds		\$ 20,000	
	Center for Learning Technology		\$ 20,765	
	Preparing Future Faculty		\$ 15,500	
	Faculty Recruitment Funds		\$ 144,000	
	University Collections		\$ 226,652	
	ODU China Center		\$ 30,000	
	Graduate Assistant Funding (to Student Engagement)	\$ (75,000)		
	Center for Major Exploration Transfer to Student Engagement			\$ (153,988)
	Arts & Letters Non-Personal Services		\$ 98,195	
	Academic Affairs Subtotal	\$ 3,663,838	\$ 1,872,772	\$ (153,988)
Research	Animal Care Facility	\$ 29,163	\$ 425,278	
	Bioelectrics Expansion	\$ 443,495		
	Grant Writer for Darden College of Education	\$ 68,232		
	VMASC People Stabilization		\$ 425,755	
	VMASC Utilities		\$ 214,000	
	Research Subtotal	\$ 540,890	\$ 1,065,033	\$ -
Student Engagement	Reorganizational Reserve for Student Engagement	\$ 259,155		
	Office of Educational Accessibility		\$ 3,000	
	Career Management Learn & Earn Advantage Program		\$ 298,782	
	Graduate Assistant Funding (from Academic affairs)	\$ 75,000		
	Center for Major Exploration Transfer from AA			\$ 153,988

	Financial Aid office support	\$ 9,500	\$ 21,530	
	Admissions Office Imaging & Indexing		\$ 17,873	
	Admissions Office Regional Recruiters		\$ 40,664	
	Admissions Office Student Workers		\$ 50,000	
	Enrollment Management Military Service Center		\$ 25,157	
	Enrollment Management Software for Transfer Evaluations	\$ 12,000		
	International Admissions Recruitment Travel	\$ 40,000		
	Graduate Assistants	\$ 63,500		
	Assistant Director for Fraternity & Sorority Life	\$ 11,053		
	Clinical Counselors Salaries	\$ 20,469		
	Programming for faculty, sophomore success, graduate research		\$ 147,500	
	Professional Counselor Position	\$ 65,500	\$ 2,500	
	Increase Psychiatry Hours	\$ 35,400		
	Student Employment Student Conduct & Academic Integrity	\$ 14,030		
	Professional Development Counseling Staff	\$ 8,000		
	Hourly Rate Increase for Hearing Officer & Operating Funds	\$ 18,357		
	Summer Programming Office of Intercultural Relations		\$ 7,000	
	Transfers to Institutional Scholarships	\$ 1,000,000		
	Student Affairs Subtotal	\$ 1,631,964	\$ 614,006	\$ 153,988
Human Resources	Attrition from VP for Acting Pay and One-Time Requirements			\$ (59,625)
	Compensation/Classification Analyst	\$ 54,584		
	Compensation & Staffing Manager Role Change	\$ 17,435		
	HR Systems Manager Role Change	\$ 8,968		
	HR Move to Spong Hall		\$ 79,718	
	E-Verify and I-9 Electronic Management	\$ 6,708		
	Wage Support for Document Imaging		\$ 16,148	
	Employee of the Month Recognition Program		\$ 4,494	
	Annual Fall Recognition Program		\$ 2,000	
	People Admin Software Service Fee	\$ 1,066		
	Tuition Assistance Program		\$ 92,000	
	Human Resources Subtotal	\$ 88,761	\$ 194,360	\$ (59,625)
University Advancement	Office of Community Engagement Staffing		\$ 22,000	
	Naval Science Operational Support		\$ 41,000	
	Army ROTC Operational Support		\$ 21,000	
	Renovations to NROTC Building		\$ 90,000	
	Student Worker Office of Community Relations		\$ 4,800	
	Public Relations Specialist Position	\$ 49,126		
	Commencement		\$ 30,000	
	Web Design & Content Management Initiative (w/OCCS)		\$ 14,000	
	Marketing Coordinator Position	\$ 49,126		
	Marketing/Advertising Initiatives (subject to detailed plan)		\$ 100,000	
	New University Magazine		\$ 150,000	
	Capital Campaign Strategy (subject to strategic plan)			
	Planned Giving Development Efforts		\$ 21,000	
	IA Events, Media, Military	\$ 98,252	\$ 493,800	\$ -
Administration & Finance	Technology Infrastructure, Servers, Network, Security		\$ 1,281,000	
	Property Leases	\$ 314,204		
	Fac Mngt; EMCS; FICAS & LRMP; HVAC & Plumber	\$ 244,856		
	Operating Costs for New Facilities	\$ 60,000		
	Utilities Increase	\$ 90,000		
	Facilities Management Painting, flooring, trees, pest control		\$ 155,000	
	OCCS Hardware, Software & Support Contracts		\$ 240,000	
	Mediated Classrooms Equipment Replacements		\$ 448,000	
	Computer Labs Equipment Replacement		\$ 277,000	
	Desktop PC Replacements		\$ 430,000	
	Kronos Software Pending Business revitalization Project			
	Emergency Preparedness & Continuity of Operations	\$ 73,688		

	Manager			
	Salary Adjustment Reallocations as proposed			\$ (46,820)
	Position Transfers from Capital Outlay to E&G	\$ 90,920		\$ (35,501)
	Records Manager Position	\$ 88,699		
	Business Gateway Innovation Foundation		\$ 248,508	
	OCCS Positions for Colleges & IT Infrastructure	\$ 332,227	\$ 10,000	
	OCCS Positions for Business Modeling/Workflow Initiatives	\$ 163,572		
	OCCS Classroom Support Analyst Developer	\$ 79,147		
	OCCS Mobile Application Developer	\$ 88,699		
	OCCS Academic Support Technician	\$ 47,761		
	Facilities Management Storm Water Drain Inspection		\$ 50,000	
	Public Safety Initiative: four additional law enforcement officers	\$ 193,941	\$ 12,000	
	Public Safety Initiative: Police Sergeant	\$ 57,068	\$ 2,000	
	Public Safety Initiative: two emergency coordinator positions	\$ 32,918	\$ 1,000	
	Public Safety Initiative: overtime funds		\$ 140,000	
	Public Safety Initiative: video surveillance services		\$ 28,000	
	Public Safety Initiative: emergency phones & communications		\$ 24,000	
	eVA Fees		\$ 52,000	
	P-Card Program	\$ 74,050		
	Surplus Property/Property Control	\$ 84,301		
	Part-time Sustainability Coordinator	\$ 16,148		
	Radioactive License fees	\$ 7,500		
	Administration & Finance Subtotal	\$ 2,139,879	\$ 3,398,508	\$ (82,321)
Central	Anticipated 5% Salary Adjustment for VRS Covered Employees	\$ 3,031,000		
	General Assembly agreed to increase salaries for VRS participants by 5%			
	Educational & General Total Additions	\$ 11,205,389	\$ 7,804,715	\$ (141,946)

Revenue Assumptions:

Assumes appropriated General Fund support; no increase in FY2013

Assumes 7% increase in tuition in FY2012, 7% in FY2013

Assumes level enrollments

Assumes \$7.0M in new tuition revenue will help fund new requests

Expense Assumptions:

Limited Base funding for FY2013 after netting State FY2012 increase adjusted for federal stimulus loss.

CHAPTER 5
FY2011-2012 AUXILIARY SERVICES PROGRAM PRIORITIES

The University's FY2011-2012 Auxiliary Services budget reflects a total addition of \$8.9 million to fund balances for the next fiscal year. Adequate reserves are provided within the auxiliary budget to accomplish the program initiatives for FY2011-2012 and beyond. Rate and fee increases were held to a minimum and will be primarily used to address inflationary costs in auxiliary services and programs, and to fund debt service increases on non-Educational and General projects. No state funds are received to support auxiliary service operations.

Student Activity Fee Increase

The student fee component of the comprehensive tuition and fee charge is used to support the following auxiliary programs and operations:

- Student organizations and clubs
- Intercollegiate and intramural athletics
- Webb Center and student activities
- Debt service and maintenance on non-Educational and General facilities.

The Board of Visitors approved a 3.2 percent increase in student activity fees, which will be used to support intercollegiate athletic programs, the student recreation center, and student programs and sports clubs.

Base Student Fee Revenue (FY2012)	\$92.20	Fee Revenue
5% Salary Increase for fee supported VRS employees	\$0.87	\$453,334
Athletic Scholarships	\$ 0.42	\$224,543
Webb Center Facility Reserve	\$0.77	\$400,000
Intercollegiate Athletic Facility Reserve	\$0.77	\$400,000
Student Programming & Student Recreation Center	\$0.17	\$89,000
Base Student Fee Resource Needs	\$95.20	\$1,566,877
% Increase in Student Fee	3.2%	
Dollar Increase	\$3.00	

Student Housing and Food Services

The room and board rates were increased by an average of 4.0 percent for FY2011-2012. Revenue estimates are based on conservative occupancy rates. The University continues to develop multi-year improvement plans for facilities in order to ensure that residence halls remain competitive with the surrounding area and other state institutions.

Student Services/Student Health Center

The Student Health Fee will increase from \$60 to \$68 per semester. The Student Health fee has not been adjusted in four years and remains one of the lowest in the state. The Health Center increase will enable employing a full-time physician and substance abuse health educator. In addition, the budget supports a health insurance task force consultant and various operating and equipment renewals. The budget will also cover the increased costs in medical and lab supplies within its current resources. Fund balance use will support renovation of offices and continued electronic medical records implementation.

Intercollegiate Athletics

As previously noted, approximately \$624,000 in student fee revenue will be allocated for intercollegiate athletic scholarships and programs. Approximately \$654,000 in base and one-time expenses for football team travel, game day costs, equipment needs and preseason training will be allocated and predicated upon \$211,000 in additional self-generated revenue. Women's Crew will receive funding in the amount of \$188,261 for staffing and operations requirements. In addition, funds will be allocated for base and one-time expenses addressing uncontrollable costs, positions, and equipment needs in the other intercollegiate sports. Finally, authorization has been granted to utilize fund balances for various equipment replacement and field renovations.

Recreational Sports

The Student Recreation Center has been a tremendous success since its opening. Funding was allocated for the Outdoor Adventure Program. The Student Recreation Center enables a concerted effort to promote wellness and recreational sport options for students, faculty and staff. Facility rental fees for courts and studios will be updated this year.

Parking Services

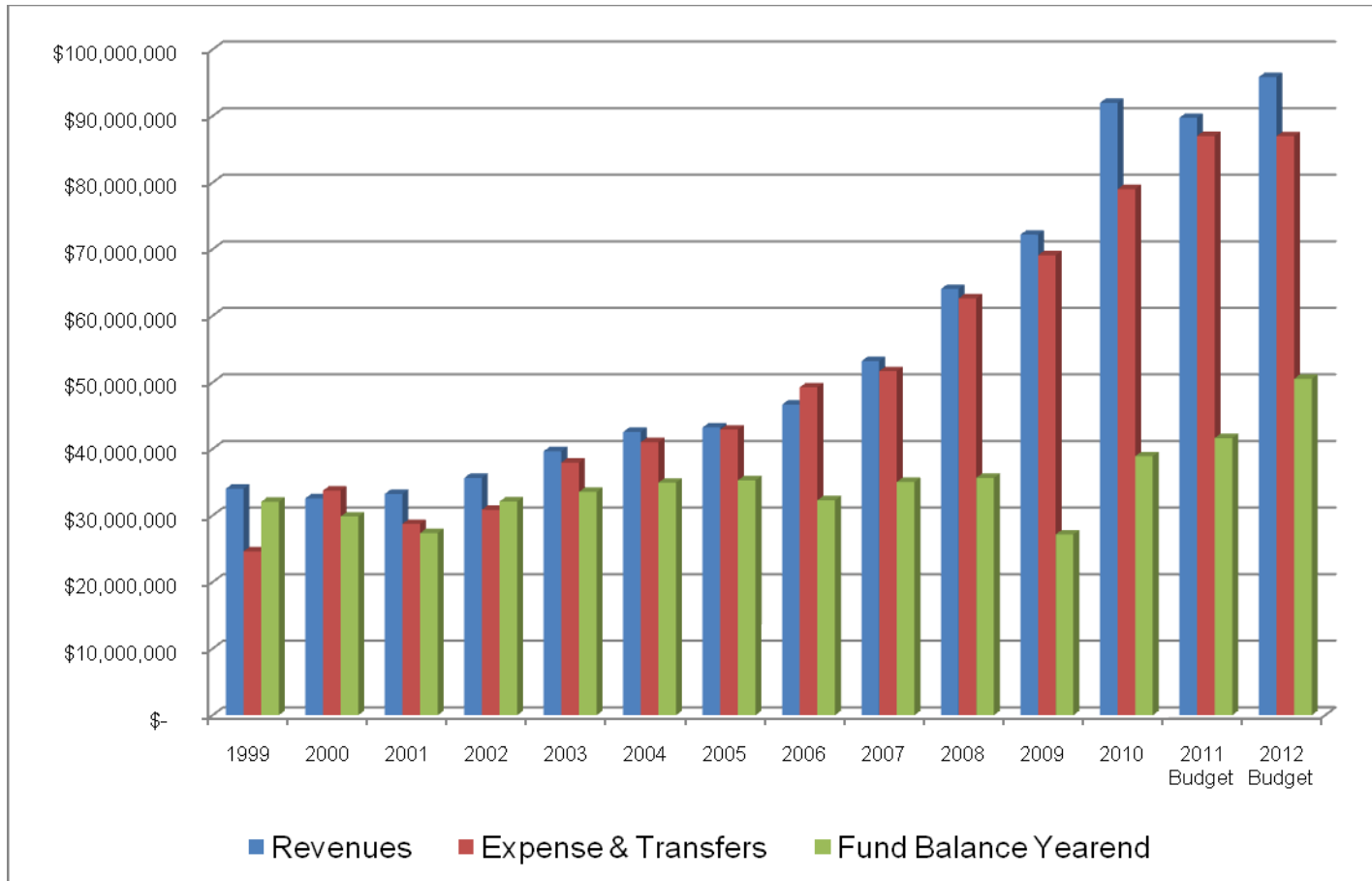
The University held the line on parking decal rates in FY2010-2011 given the economic environment. The parking budget and financial viability of the fund require more realistic rates. Consequently, FY2011-2012 rates will rise by 15% across most categories. The parking budget will support both base and one-time initiatives to maintain facilities and promote customer service. Base increases include the shuttle service, insurance and utilities. One-time funding needs include physical enhancements and repairs to several parking garages and lots around campus.

AUXILIARY SERVICES BUDGET SUMMARY

(In Thousands)	Budget 2010-11	Budget 2011-12
Residence Halls		
Revenue	\$25,773	\$26,539
Expense	\$26,051	\$26,407
Net	(\$278)	\$132
Food Services		
Revenue	\$3,036	\$2,282
Expense	\$950	\$1,107
Net	\$2,086	\$1,175
Student Services		
Revenue	\$9,186	\$10,821
Expense	\$9,043	\$10,453
Net	\$143	\$368
Student Athletics		
Revenue	\$27,840	\$32,217
Expense	\$28,587	\$30,673
Net	(\$747)	\$1,544
Bookstore		
Revenue	\$1,060	\$715
Expense	\$1,060	\$713
Net	\$0	\$2
Other Services: (Parking, Rec Center, Convocation Center)		
Revenue	\$22,411	\$23,285
Expense	\$21,197	\$17,620
Net	\$1,214	\$5,655
TOTAL AUXILIARY SERVICES		
Revenue	\$89,306	\$95,859
Expense	\$86,888	\$86,973
Net	\$2,418	\$8,886

AUXILIARY BUDGET TRENDS

The following chart demonstrates the totality of the University's auxiliary operations since 1999. The nature of these diverse auxiliary operations requires operating and maintenance fund reserves for planned renewals.



CHAPTER 6 UNIVERSITY REVENUE SUMMARY

The University receives revenue from a variety of sources. The following revenue sources are used in financial planning for higher education:

- Educational and General Tuition and Fees
- Commonwealth Appropriations
- Grants/Contracts/Gifts
- Student Loan Funds
- Auxiliary Services Revenue

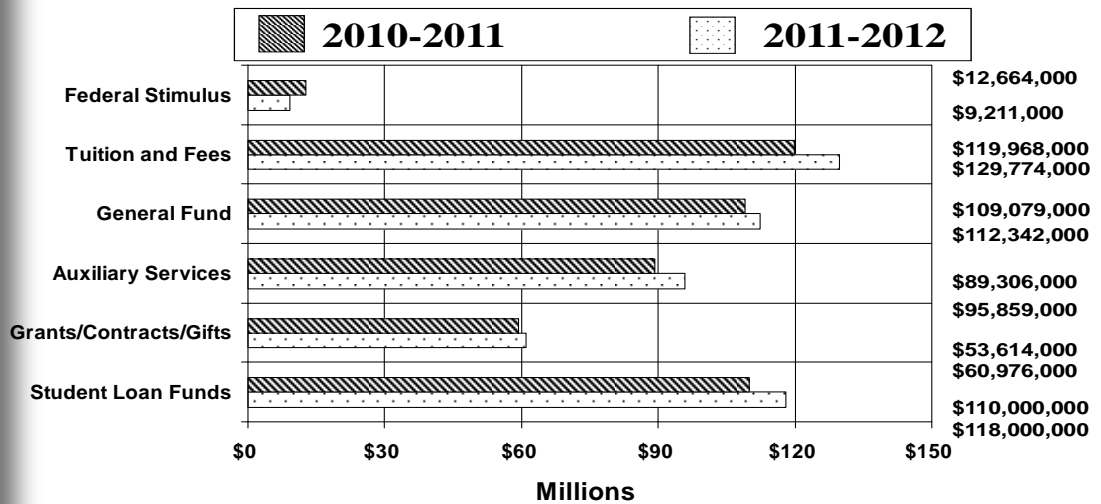
The following graphs summarize the sources of the University's revenue and provide a comparison between the FY2010-2011 and FY2011-2012 fiscal years.

- Bar graph showing summary of revenues by major sources.
- Bar graph showing summary of revenues by General v. Nongeneral funding v. student loan funds.
- Pie graph comparing FY2010-2011 to FY2011-2012 by revenue fund source (Educational and General, Auxiliary, Grants/Contracts/Gifts, and Student Loan Funds revenue).
- Pie graph comparing FY2010-2011 to FY2011-2012 Educational and General programs by revenue source.
- Bar graph comparing FY2010-2011 to FY2011-2012 Auxiliary Services programs by revenue source.



Revenue Comparisons:

2010-2011 Total Revenue: \$494,631,000
 2011-2012 Total Revenue: \$526,162,000

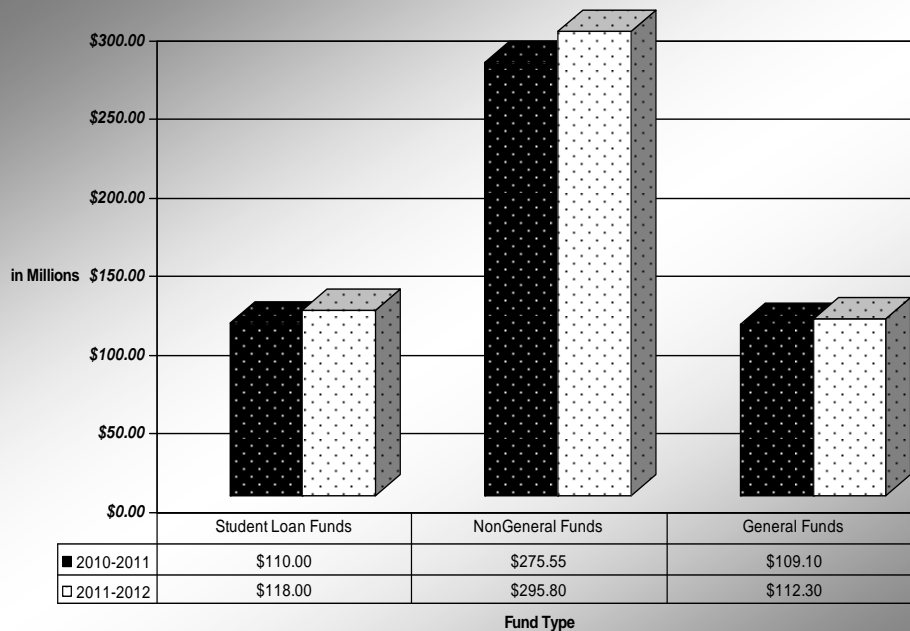


Old Dominion University Operating Budget & Plan 2011-2012



Revenue Comparisons:

2010-2011 Total Revenue: \$494,631,000
 2011-2012 Total Revenue: \$526,162,000



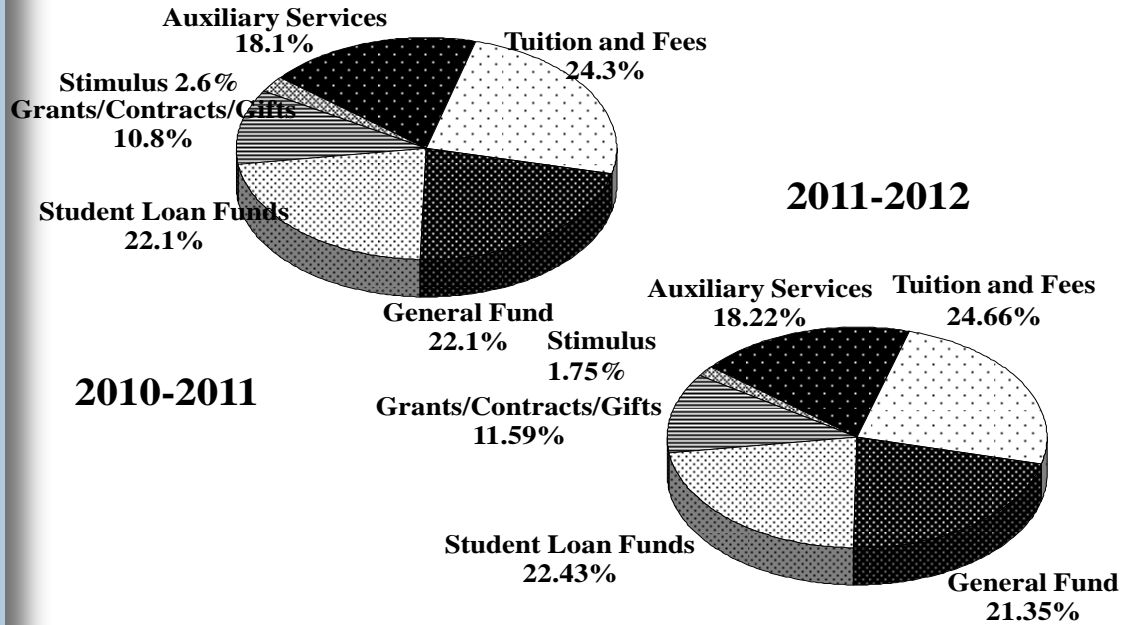
Old Dominion University Operating Budget & Plan 2011-2012



Revenue Comparisons (all sources):

2010-2011: \$494,631,000

2011-2012: \$526,162,000



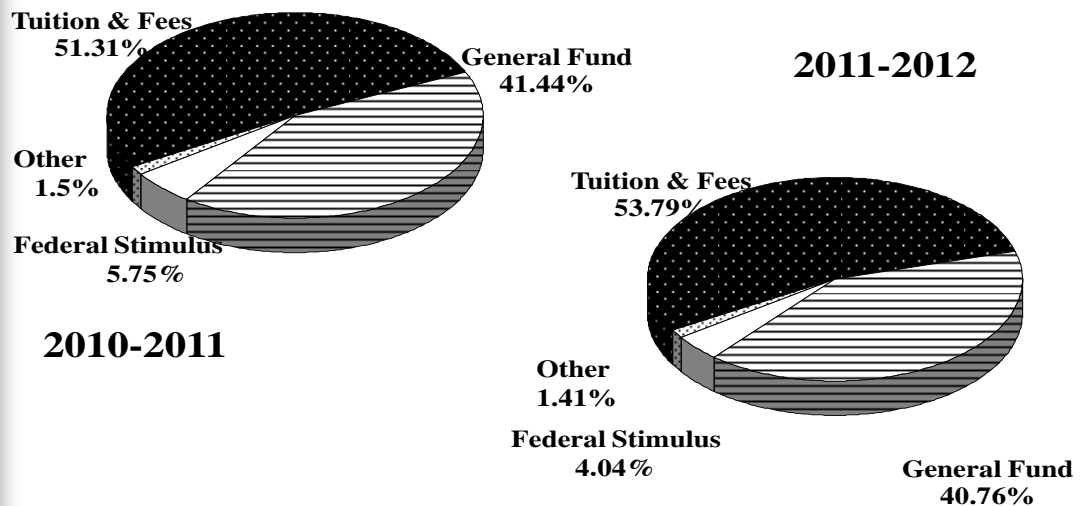
Old Dominion University Operating Budget & Plan 2011-2012



E&G Revenue Analysis :

2010-2011: \$220,087,000

2011-2012: \$228,105,000



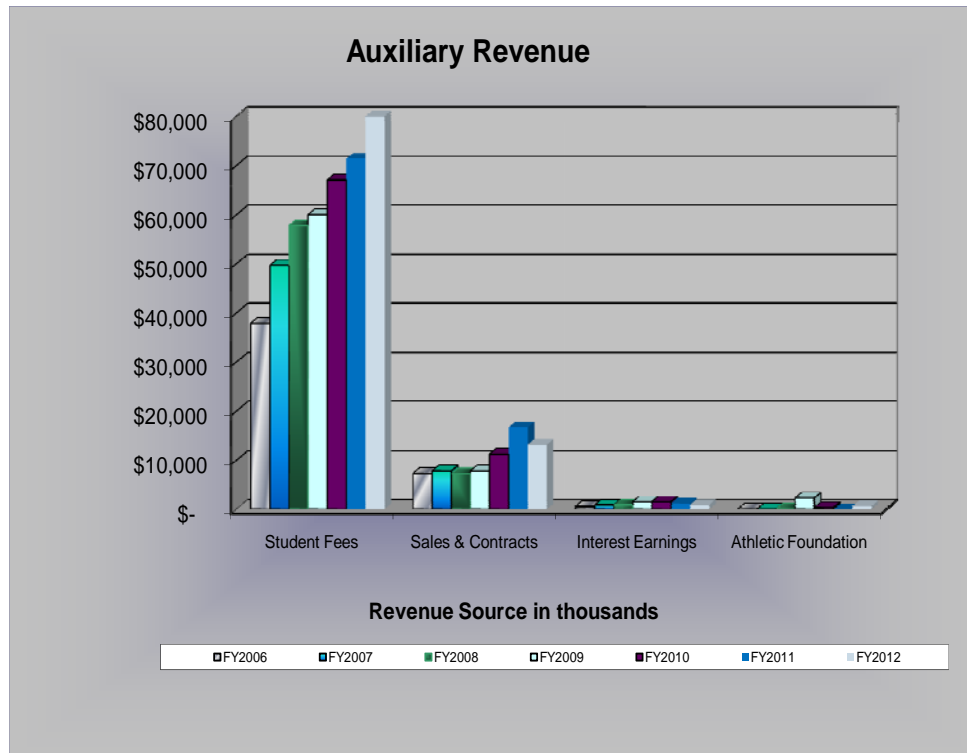
Old Dominion University Operating Budget & Plan 2011-2012



Auxiliary Services Revenue Analysis:

2010-2011: \$89,306,000

2011-2012: \$95,859,000



Old Dominion University Operating Budget & Plan 2011-2012

CHAPTER 7 UNIVERSITY EXPENDITURE SUMMARY

Old Dominion University utilizes the revenue that it receives to fund a variety of activities and programs. The following expenditure classifications used in higher education budgeting fall into the following major categories: Educational Programs, Auxiliary Services, Grants & Contracts, Gifts/Discretionary, Scholarships & Fellowships, and Student Loan Funds.

Educational and General Programs (E&G):

- Instruction
- Research and Sponsored Programs
- Public Service
- Academic Support
- Student Services
- Institutional Support
- Operations and Maintenance of Plant

Auxiliary Services:

- Expenditures by Program Functions

The following graphs summarize the uses of the funds within each of these two categories by program and major expense and compare the FY2010-2011 to FY2011-2012 expenditures.

- Bar graph comparing FY2010-2011 to FY2011-2012 Total Expenditures by Fund Category.
- Pie graph comparing FY2010-2011 to FY2011-2012 E&G by program areas.
- Pie graph comparing FY2010-2011 to FY2011-2012 E&G by expense category.
- Pie graph comparing FY2010-2011 to FY2011-2012 Auxiliary by program function category.
- Pie graph comparing FY2010-2011 to FY2011-2012 Auxiliary by expense category.

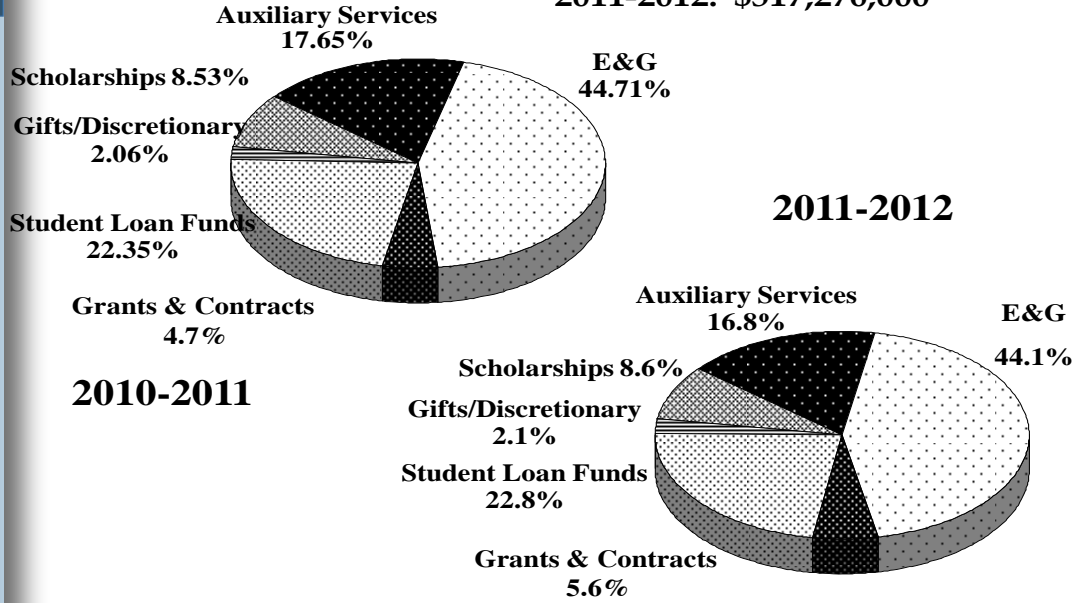


Expenditure Comparisons

(by Fund Category):

2010-2011: \$492,213,000

2011-2012: \$517,276,000



Old Dominion University Operating Budget & Plan 2011-2012

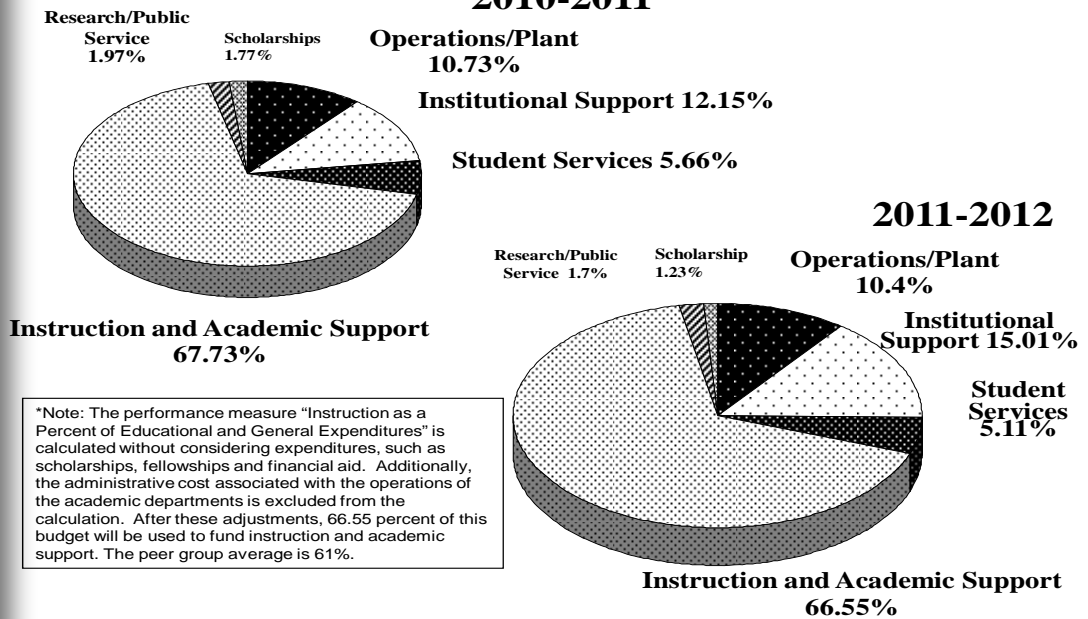


E&G Expenditure Comparison

By Program:

2010-2011: \$220,087,000

2011-2012: \$228,105,000



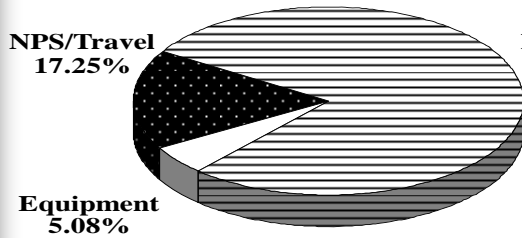
*Note: The performance measure "Instruction as a Percent of Educational and General Expenditures" is calculated without considering expenditures, such as scholarships, fellowships and financial aid. Additionally, the administrative cost associated with the operations of the academic departments is excluded from the calculation. After these adjustments, 66.55 percent of this budget will be used to fund instruction and academic support. The peer group average is 61%.

Old Dominion University Operating Budget & Plan 2011-2012



E&G Expense Comparison By Category :

2010-2011: \$220,087,000
2011-2012: \$228,105,000



2010-2011

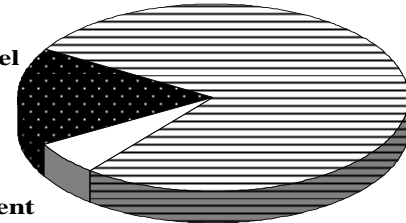
Personal Services
77.67%

2011-2012

Personal Services
77.38

NPS/Travel
16.92%

Equipment
5.7%

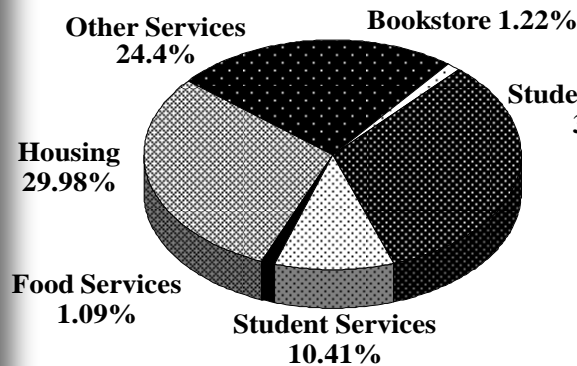


Old Dominion University Operating Budget & Plan 2011-2012



Auxiliary Services Expenditure Analysis By Function:

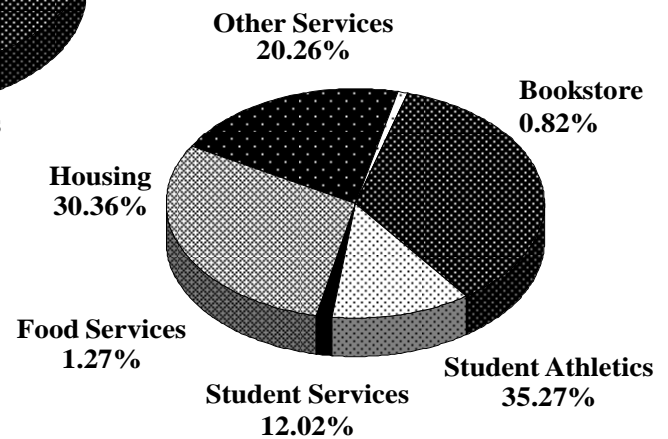
2010-2011: \$86,888,000
2011-2012: \$86,972,000



2010-2011

Note: "Other Services" includes:
Virginia Beach Higher Ed
Parking Operations
Constant Convocation Center
Operating and Debt Service
Telecommunications
Other Auxiliary Units

2011-2012

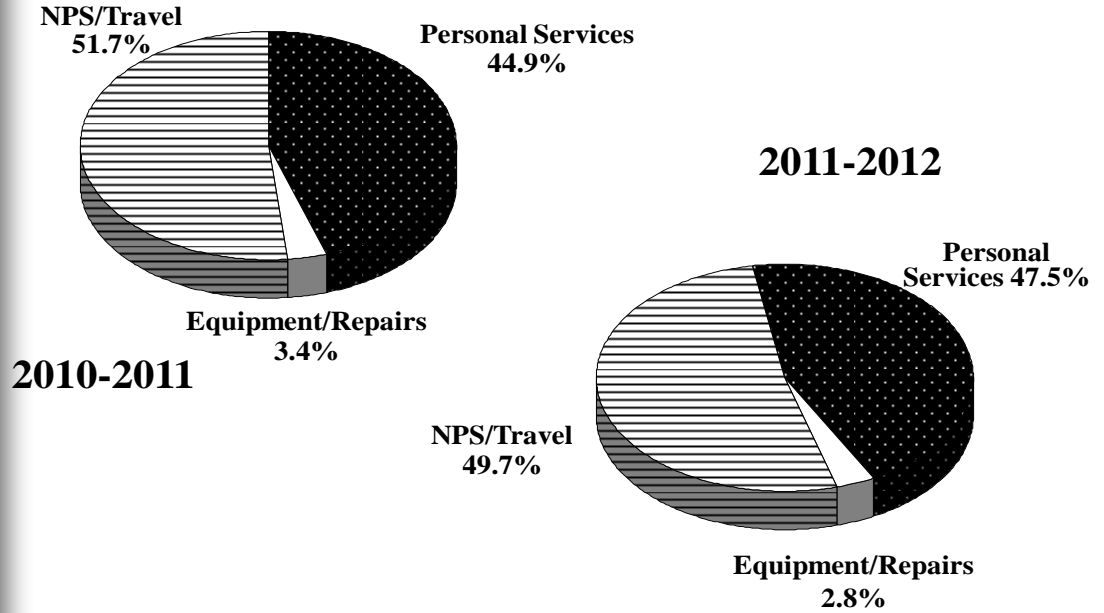


Old Dominion University Operating Budget & Plan 2011-2012



Auxiliary Services Expense Comparison By Category:

2010-2011: \$86,388,000
2011-2012: \$86,972,000



Old Dominion University Operating Budget & Plan 2011-2012