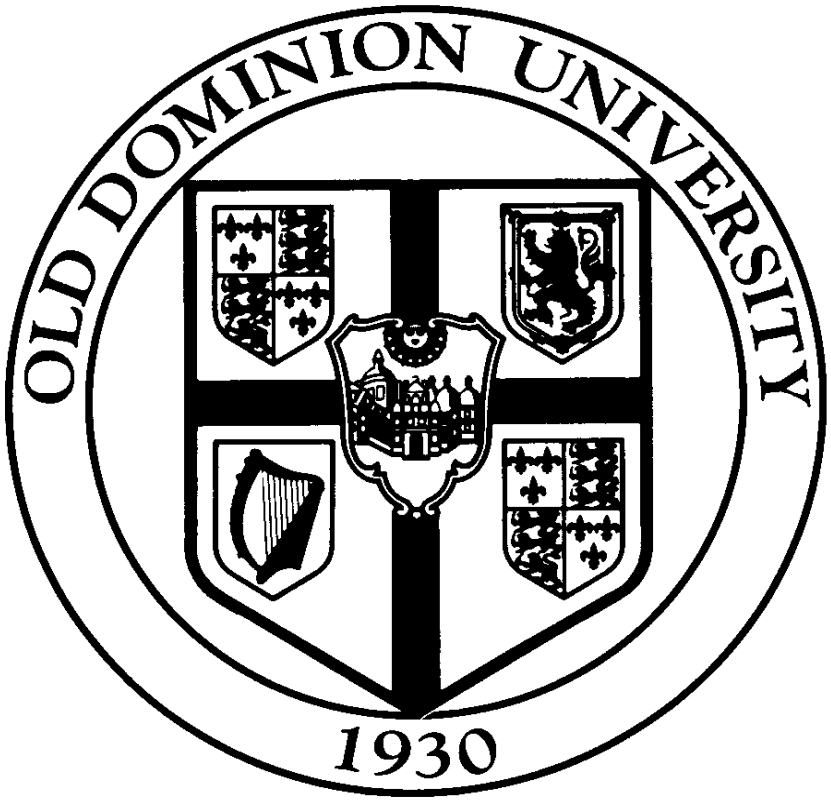

Operating Budget & Plan 2018-2019

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EXECUTIVE SUMMARY

The 2018-2019 Operating Budget and Plan for Old Dominion University has been developed from the initiatives outlined in the University's Strategic Plan and the actions taken by the Governor and General Assembly during the 2018 session.

- The FY2019 tuition and fee changes were developed with consideration for the impact of escalating college costs on Virginia students and their families. The 5% increase in mandatory Tuition and Fees results in an annual cost increase of $522 for an in-state undergraduate student, taking thirty (30) credit hours.

- Budget actions taken by the Governor and General Assembly for FY2019 include $1.0M of new General Fund resources for the Virginia Modeling, Analysis & Simulation Center (VMASC) Digital Shipbuilding Initiative.

- In addition to the original membership of Old Dominion University and George Mason University, the Online Virginia Network (OVN) Authority has expanded to include the Virginia Community College System. This expansion was accompanied by an additional $1.0M investment, bringing the total investment of General Funds to $3.0M.

- The University also received Capital Outlay authority to proceed with the $3.4M investment of institutional funds to construct the Women's Volleyball Facility.

- The 2018-2019 Educational and General Operating Budget and Plan includes $8.0M in tuition revenue to cover a portion of the cost increases related to benefits, mandatory operational cost increases, creation of New Faculty Lines, and resources to enhance student recruitment and retention.

- Further, the 2018-2019 Educational and General Operating Budget and Plan includes the reallocation of $4.9M of existing resources to maximize the use of available funds to address critical needs within the University. A detailed listing of E&G funded initiatives is included on page 21.

- For Auxiliary Services budgets, the Operating Budget and Plan addresses mandatory cost increases, the operating funds for the addition of Women's Volleyball, merit-based scholarships, and athletic scholarships. The Auxiliary budget allocations also address operating costs related to student housing, food service, health services and parking operations. Detailed information is noted on pages 22-25.

- The Auxiliary Services portion of the budget generates sufficient revenues to cover operating costs, debt service and auxiliary indirect costs, as well as contribute $2.1M to fund balances.

2018 – 2019 OPERATING BUDGET & PLAN

This budget document details the relevant components that comprise the University's 2018-2019 Operating Budget and Plan 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 2018-2019 Operating Budget and Plan, and includes relevant comparative data on general funding per FTE student, tuition and fee costs, and expenditures by program for Virginia public higher education institutions.

Chapter 2 describes the actions of the General Assembly during the 2018-20 Biennial Budget Session that impact the 2018-2019 budget year.

Chapter 3 provides the overview of the 2018-2019 Operating Budget and Plan.

Chapter 4 summarizes the program priorities that comprise the Educational and General Program portion of the total budget.

Chapter 5 highlights the program priorities that comprise the Auxiliary Services portion of the total budget.

Chapter 6 contains graphs that depict the sources of revenue for 2018-19.

Chapter 7 graphically represents the expenditures by category and program area for 2018-19.

CHAPTER 1
OVERVIEW OF THE 2018-2019 BUDGET PLANNING PROCESS

STRATEGIC PLAN

Through the University-wide strategic planning process, the University developed mission and vision statements, goals, objectives, and action items for the 2014-2019 Strategic Plan. Subsequently, the Board of Visitor's approved the University's Strategic Plan at the December 2014 meeting. The 2018-2019 Operating Budget and Plan is based on the major goals and objectives as outlined in the University's 2014-2019 Strategic Plan:

Goal 1: Enhance the University's Academic and Research Excellence

Objective 1: Increase Old Dominion University's national and international reputation for research excellence.
Objective 2: Identify and reward academic program excellence.
Objective 3: Innovate in academic programming and instruction.
Objective 4: Expand online degree programs in areas of market demand.
Objective 5: Raise the visibility of graduate education.
Objective 6: Expand Support for undergraduate research.
Objective 7: Recruit and retain a diverse, creative faculty.

Goal 2: Support Student Success

Objective 1: Create and execute a comprehensive Strategic Enrollment Plan.
Objective 2: Increase student retention rates to 83 percent and graduation rates to 60 percent.
Objective 3: Maximize student engagement and satisfaction.
Objective 4: Implement the campus master plan to support student success.
Objective 5: Maximize employment placement for degree completers.

Goal 3: Enrich the Quality of University Life

Objective 1: Evaluate the quality of university life.
Objective 2: Develop a comprehensive talent management initiative.
Objective 3: Create a culture of campus pride.
Objective 4: Promote the University's inclusive community and encourage an ethos of cultural competence.
Objective 5: Use technology to better connect all constituents of ODU.
Objective 6: Promote the safety and well-being of the University community.

Goal 4: Engage with the Greater Community

Objective 1: Ensure community engagement is a distinctive feature of an Old Dominion University education.
Objective 2: Expand and strengthen engagement with international communities and internationally focused agencies.
Objective 3: Become the focal point for the community education on issues of regional importance.

Objective 4: Enhance collaboration with the region's military community.
Objective 5: Increase engagement with the local arts community.
Objective 6: Fully establish the College of Continuing Education and Professional Development.

Goal 5: Promote an Entrepreneurial Culture
Objective 1: Implement an entrepreneurial curriculum and co-curriculum for students.
Objective 2: Foster an entrepreneurial ecosystem for faculty.
Objective 3: Establish a Center for Enterprise Innovation for the Hampton Roads region.
Objective 4: Foster a culture of idea commercialization among faculty and students.

PROGRAM, POLICY DIRECTION, BUDGET DRIVERS FOR FY2018-2019

Old Dominion University's long-term financial strategy takes into account the inconsistency in future state funding and more dependency on institutionally generated funding , such as tuition and fees, self-generated auxiliary revenues, private gifts and donations, externally funded grants and a reallocation of existing resources.

The financial strategy remains consistent with the criteria set forth in the University Strategic Plan and the Virginia higher education institutional performance standards as evidenced by the focus upon enrollment and recruitment of undergraduate and transfer students, student success and retention, affordability and access for students from under-represented populations, and emphasis on the STEM-H disciplines.

At the request of the President, the University developed a Five-Year Financial Planning Model to incorporate institutional priorities from the University's Strategic Plan. The model established five-year targets and unit cost measures, selected input variables through collaborations with the Vice Presidents, determined resources needed to achieve institutional strategic goals over the five year period, considered state funding, external support and reallocation of existing resources and determined the tuition and fee increases necessary to generate sufficient revenue to accomplish institutional priorities.

This process began with the presentation of the Five-Year Planning Model at the Board of Visitor's Retreat in January 2015 with a commitment to the University's mission and investing in its future in accordance with the following strategic financial principles:

- Maintain affordable tuition and fee pricing.
- Address mandated unavoidable cost increases, such as increases in health insurance costs, faculty tenure and promotion increases, and contractual services cost escalations, and the operation and maintenance of new facilities.
- Maximize strategic reallocation of existing resources and create one-time funds by use of position vacancy (attrition) dollars and funds associated with the recruitment of new faculty and staff positions to address faculty and staff

retention and support initiatives that further institutional priorities.

- Increase institutional supported merit and need based financial aid to attract new and retain current student enrollments.

Entering the fourth year of the five-year planning model, and with the knowledge of limited new General Fund resources, the 2018-2019 Operating and Budget Plan was developed in conjunction with revisiting and validating the assumptions, cost drivers, and strategic focus of the five-year plan. The resulting 2018-2019 Operating and Budget Plan and the associated 2018-2019 Tuition and Fee Recommendations invest in the future of Old Dominion University and reflect the collective input of the University's leadership team. The new investments were grouped into the following categories:

1. Academic Enterprise (Instruction, Research, Public Service and Academic Support): Allocating resources to hire and retain well qualified faculty to increase college degree attainment in the Commonwealth, especially in high-demand disciplines and high-income fields such as science, technology, engineering, mathematics and health care as well as improve the full-time student/faculty ratio.

   In addition, the University will continue to invest in research and instruction in science, technology, engineering mathematics, health science and related fields, such as Bioelectrics, which require qualified faculty, appropriate research facilities and equipment, and public-private and inter-government collaboration.

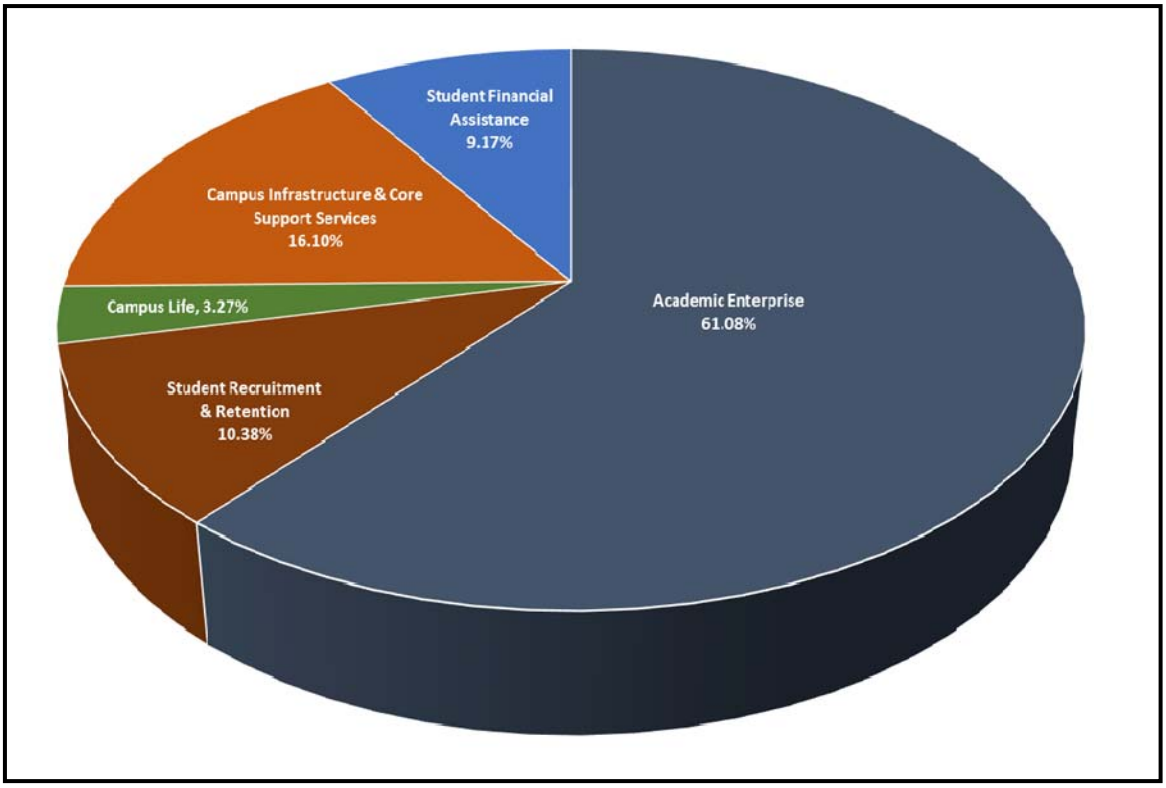
2. Student Recruitment and Retention: The University endeavors to provide access to qualified undergraduate and graduate students at an affordable cost. These budgeted initiatives include program funds for the enrollment management functions in admissions and student financial assistance as well as in targeted student success programs.

3. Campus Infrastructure & Core Support Services: The University will promote innovative instructional models toward degree attainment through optimal use of physical facilities and instructional resources, technology-enhanced instruction, and increased online learning opportunities for both traditional and nontraditional students. These ongoing costs include base and one-time costs related to instructional technology, and operation and maintenance of plant.

4. Campus Life and Student Retention: The University is committed to student success and retention. With a culturally diverse student population, it is expected that student engagement initiatives will provide an improved support structure to assist and retain students throughout their academic career at Old Dominion University.

The following chart shows the distribution of new E&G resources within the major categories of the strategic business plan.

Distribution of New Education & General Resources



Note: Student Financial Assistance is shown separately from the Student Recruitment & Retention Category in this display. Combined, that category would equate to 19.55% of total new resources.

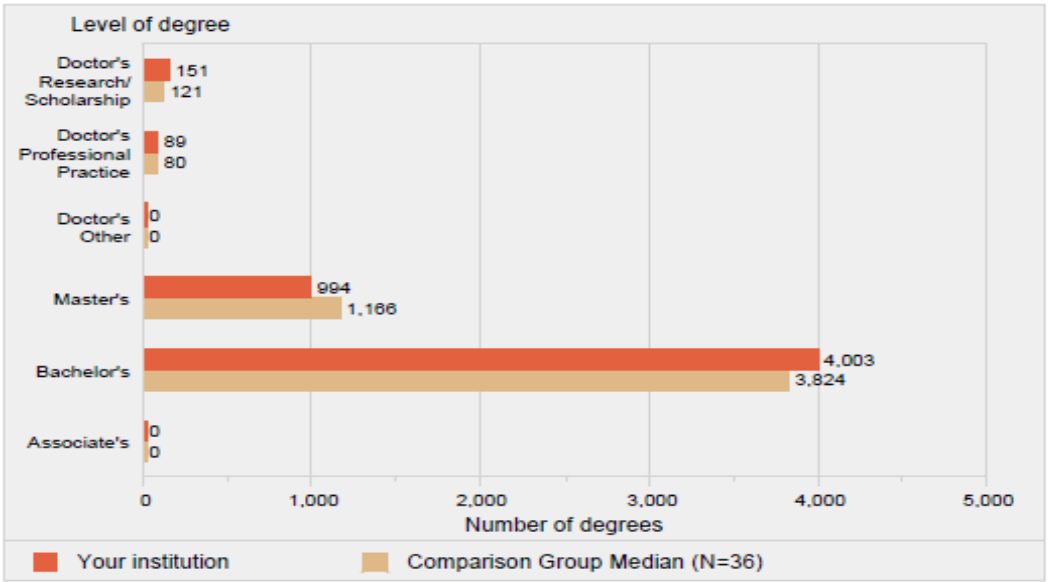
PEER GROUP BENCHMARKS

The following select charts from the National Center for Education Statistics are based on the latest peer group comparison data available (Fall 2016).

These particular charts demonstrate four themes about ODU relative to peer institutions.

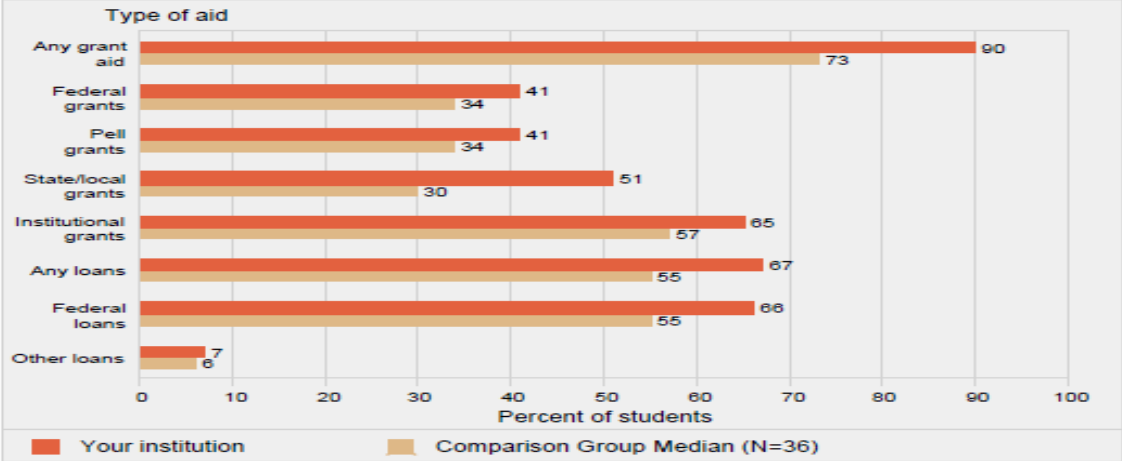
- First, The University awarded more Bachelor & Doctorate degrees than its peer group.
- Second, the percentage of our students on financial assistance is higher than our peer group.
- Third, the University's total core expenditures per FTE enrollment are less than our peer group in all categories.
- Finally, the University's overall number of full-time equivalent staff is 16 percent less than our peer group--an indicator of institutional efficiency.

Figure 5. Number of degrees awarded, by level: 2015-16



NOTE: For additional information about postbaccalaureate degree levels, see the Methodology 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): Fall 2016, Completions component.

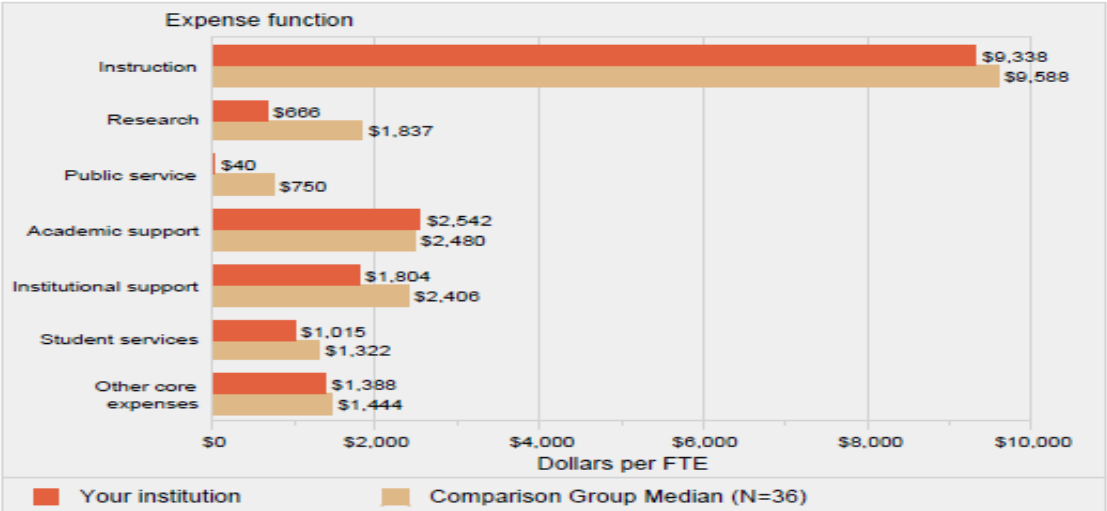
Figure 8. Percent of full-time, first-time degree/certificate-seeking undergraduate students who were awarded grant or scholarship aid from the federal government, state/local government, or the institution, or loans, by type of aid: 2015-16



NOTE: Any grant aid above includes grant or scholarship aid awarded 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 awarded to students. For details on how students are counted for financial aid reporting, see Cohort Determination in 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 2016-17, Student Financial Aid component.

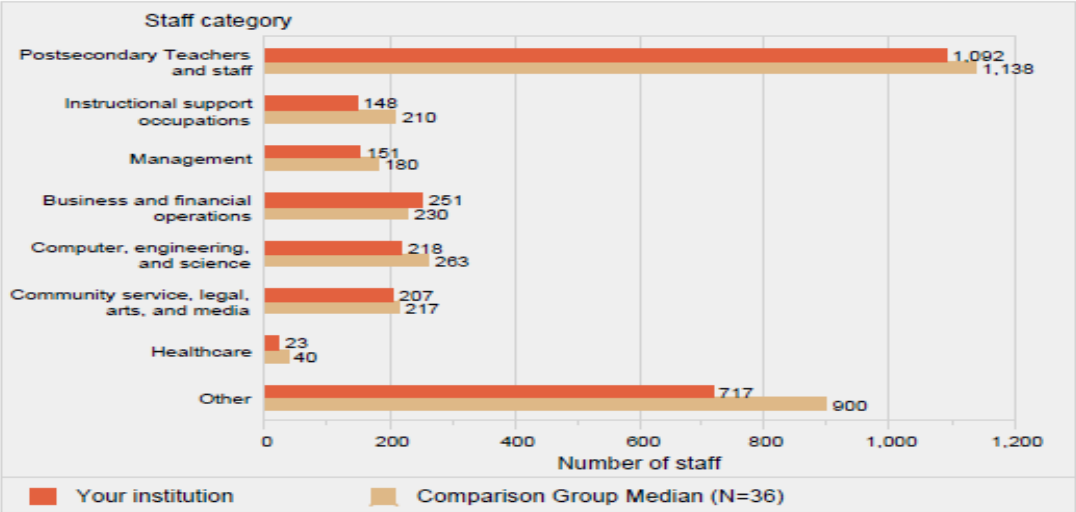
Figure 20. Core expenses per FTE enrollment, by function: Fiscal year 2016



NOTE: 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, Integrated Postsecondary Education Data System (IPEDS): Fall 2016, 12-month Enrollment component and Spring 2017, Finance component.

Figure 21. Full-time equivalent staff, by occupational category: Fall 2016

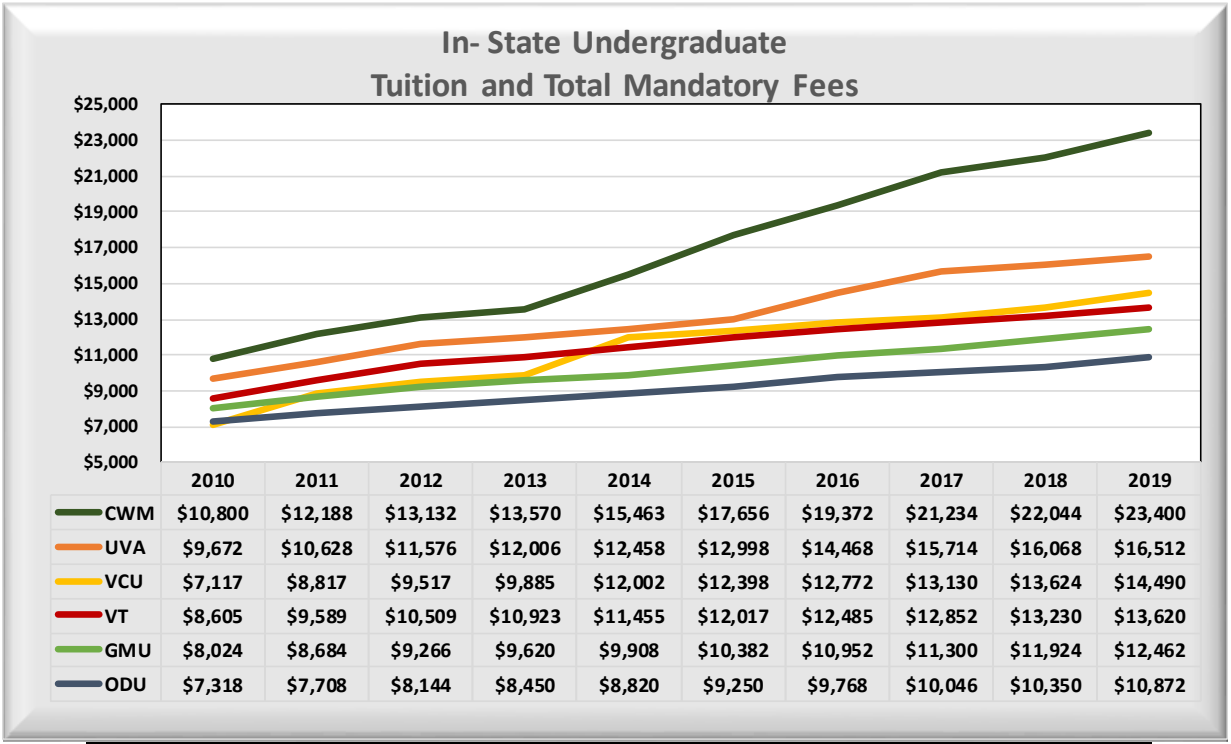


NOTE: Graduate assistants are not included. For calculation details, see the Methodological Notes. N is the number of institutions in the comparison group.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Spring 2017, Human Resources component.

AFFORDABILITY – HISTORICAL COMPARISONS TO VIRGINIA UNIVERSITIES

The University regularly monitors its cost structure as the University's executive leadership remains committed to accessible and affordable education. Consequently, budget development and resource allocation reflect this approach to balancing pricing with student affordability and institutional requirements.

The following chart compares the In-state/Undergraduate tuition and mandatory fees for the last ten years at the six research and doctoral institutions in Virginia. The University has consistently had lower annual increases in tuition and mandatory fees than its peers and remains substantially lower in total cost of attendance.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CWM	$10,800	$12,188	$13,132	$13,570	$15,463	$17,656	$19,372	$21,234	$22,044	$23,400
UVA	$9,672	$10,628	$11,576	$12,006	$12,458	$12,998	$14,468	$15,714	$16,068	$16,512
VCU	$7,117	$8,817	$9,517	$9,885	$12,002	$12,398	$12,772	$13,130	$13,624	$14,490
VT	$8,605	$9,589	$10,509	$10,923	$11,455	$12,017	$12,485	$12,852	$13,230	$13,620
GMU	$8,024	$8,684	$9,266	$9,620	$9,908	$10,382	$10,952	$11,300	$11,924	$12,462
ODU	$7,318	$7,708	$8,144	$8,450	$8,820	$9,250	$9,768	$10,046	$10,350	$10,872

RATE INCREASE PER YEAR										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CWM	$554	$1,388	$944	$438	$1,893	$2,193	$1,716	$1,862	$810	$1,356
UVA	$372	$956	$948	$430	$452	$540	$1,470	$1,246	$354	$444
VCU	$338	$1,700	$700	$368	$2,117	$396	$374	$358	$494	$866
VT	$407	$984	$920	$414	$532	$562	$468	$367	$378	$390
GMU	$512	$660	$582	$354	$288	$474	$570	$348	$624	$538
ODU	$400	$390	$436	$306	$370	$430	$518	$278	$304	$522

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.

OLD DOMINION UNIVERSITY

In-State Undergraduate	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Tuition and Mandatory Fees	$ 9,250	$ 9,768	$ 10,046	$ 10,350	$ 10,872
Room and Board	$ 9,268	$ 9,446	$ 9,824	$ 10,122	$ 10,462
Total Cost	**$ 18,518**	**$ 19,214**	**$ 19,870**	**$ 20,472**	**$ 21,334**
Tuition Dollar Change	$ 430	$ 510	$ 270	$ 300	$ 510
Other Mandatory Fee Dollar Change	$ -	$ 8	$ 8	$ 4	$ 12
Room & Board Dollar Change	$ 357	$ 178	$ 378	$ 298	$ 340
Total Dollar Change	**$ 787**	**$ 696**	**$ 656**	**$ 602**	**$ 862**

Fees include Technology, Transportation, Health and General Service Fees based on 30 credit hours

Room and Board reflects a weighted average.

Out-State Undergraduate	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Tuition and Mandatory Fees	$ 25,420	$ 26,508	$ 27,026	$ 28,200	$ 29,772
Room and Board	$ 9,268	$ 9,446	$ 9,824	$ 10,122	$ 10,462
Total Cost	**$ 34,688**	**$ 35,954**	**$ 36,850**	**$ 38,322**	**$ 40,234**
Tuition Dollar Change	$ 940	$ 1,080	$ 510	$ 1,170	$ 1,560
Other Mandatory Fee Dollar Change	$ -	$ 8	$ 8	$ 4	$ 12
Room & Board Dollar Change	$ 357	$ 178	$ 378	$ 298	$ 340
Total Dollar Change	**$ 1,297**	**$ 1,266**	**$ 896**	**$ 1,472**	**$ 1,912**

Fees include Technology, Transportation, Health and General Service Fees based on 30 credit hours

Room and Board reflects a weighted average.

In-State Graduate	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Tuition and Mandatory Fees	$ 10,768	$ 11,424	$ 11,768	$ 12,204	$ 12,864
Room and Board	$ 9,268	$ 9,446	$ 9,824	$ 10,122	$ 10,462
Total Cost	**$ 20,036**	**$ 20,870**	**$ 21,592**	**$ 22,326**	**$ 23,326**
Tuition Dollar Change	$ 610	$ 648	$ 336	$ 432	$ 648
Other Mandatory Fee Dollar Change	$ -	$ 8	$ 8	$ 4	$ 12
Room & Board Dollar Change	$ 357	$ 178	$ 378	$ 298	$ 340
Total Dollar Change	**$ 967**	**$ 834**	**$ 722**	**$ 734**	**$ 1,000**

Fees include Technology, Transportation, Health and General Service Fees based on 24 credit hours

Room and Board reflects a weighted average.

Out-State Graduate	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Tuition and Mandatory Fees	$ 26,416	$ 28,128	$ 28,976	$ 30,276	$ 31,992
Room and Board	$ 9,268	$ 9,446	$ 9,824	$ 10,122	$ 10,462
Total Cost	**$ 35,684**	**$ 37,574**	**$ 38,800**	**$ 40,398**	**$ 42,454**
Tuition Dollar Change	$ 994	$ 1,704	$ 840	$ 1,296	$ 1,704
Other Mandatory Fee Dollar Change	$ -	$ 8	$ 8	$ 4	$ 12
Room & Board Dollar Change	$ 357	$ 178	$ 378	$ 298	$ 340
Total Dollar Change	**$ 1,351**	**$ 1,890**	**$ 1,226**	**$ 1,598**	**$ 2,056**

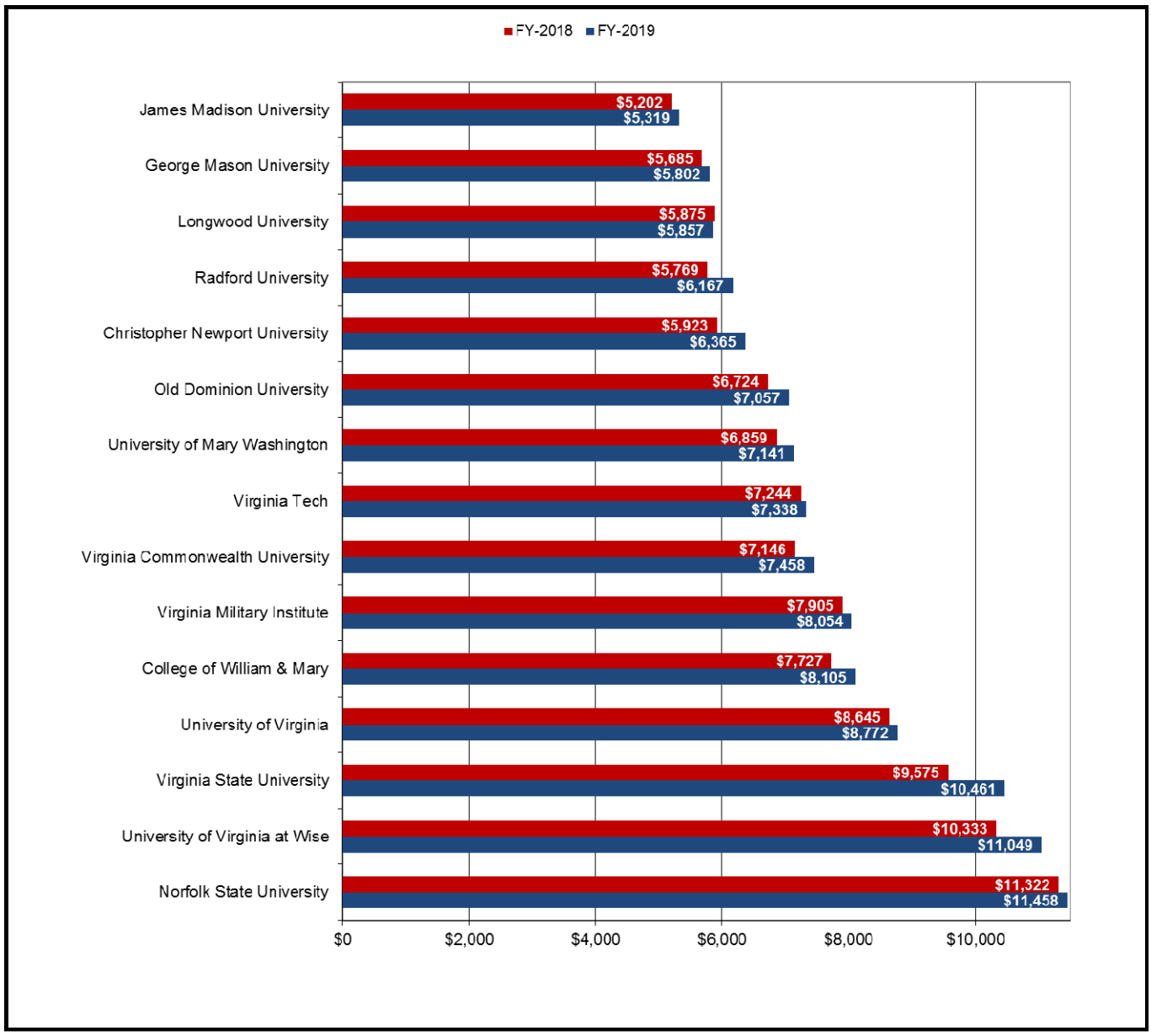
Fees include Technology, Transportation, Health and General Service Fees based on 24 credit hours

Room and Board reflects a weighted average.

STATE (GENERAL) FUNDING PER IN-STATE STUDENT FTE

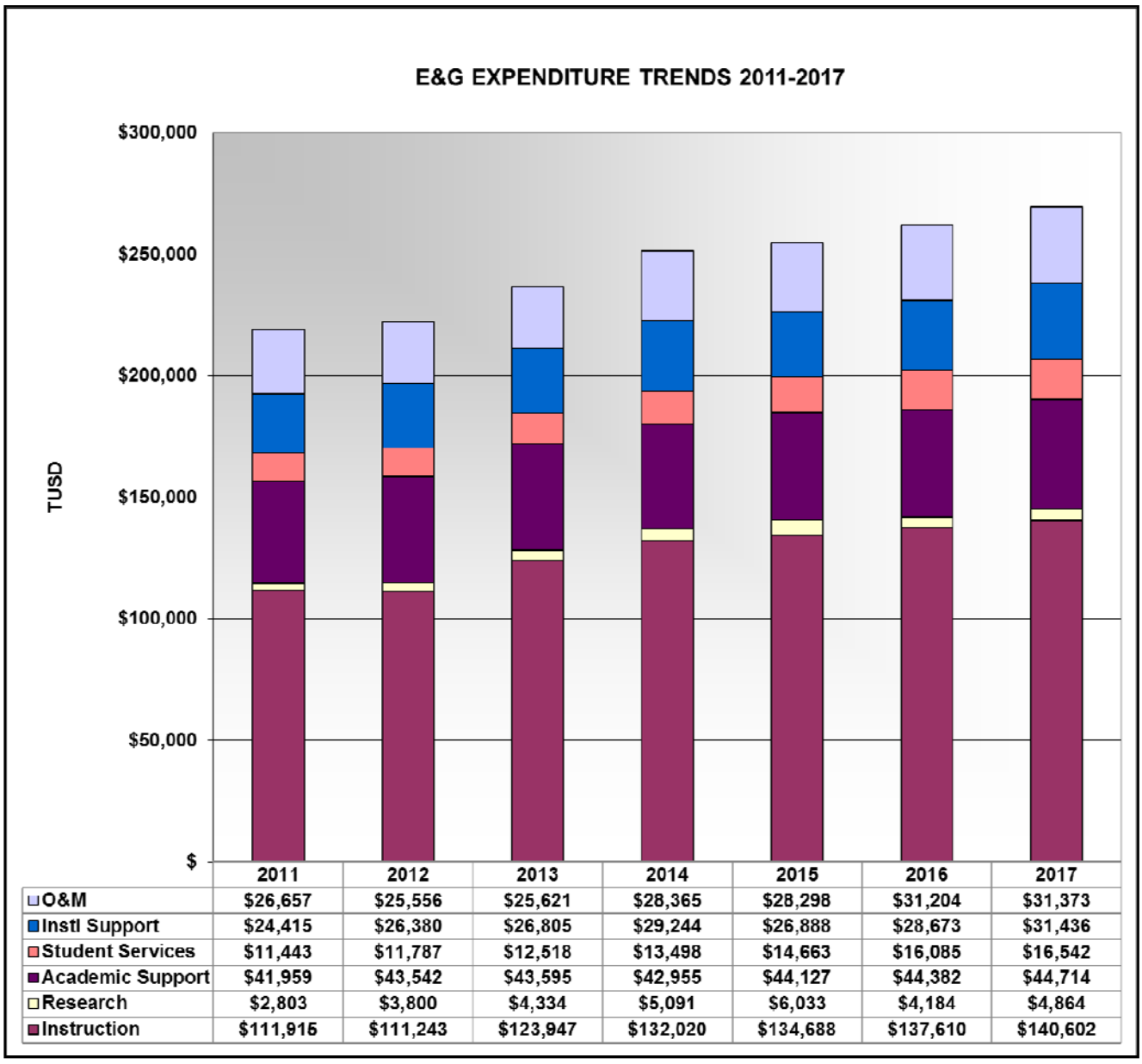
A preliminary analysis of 2018-2019 General Fund appropriations per in-state, full-time equivalent student reveals that Old Dominion University and George Mason University continue to receive less General Fund support than other doctoral & research institutions. The following analysis includes agency E&G appropriations only. It does not include the student financial assistance.

The combined low tuition and General Fund support per in-state student FTE indicates 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.



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 2011–2017. The distribution of functional expense is relatively consistent with close to 70% of E&G expenditures supporting Instruction and Academic Support functions on an annual basis.



	2011	2012	2013	2014	2015	2016	2017
O&M	$26,657	$25,556	$25,621	$28,365	$28,298	$31,204	$31,373
Instl Support	$24,415	$26,380	$26,805	$29,244	$26,888	$28,673	$31,436
Student Services	$11,443	$11,787	$12,518	$13,498	$14,663	$16,085	$16,542
Academic Support	$41,959	$43,542	$43,595	$42,955	$44,127	$44,382	$44,714
Research	$2,803	$3,800	$4,334	$5,091	$6,033	$4,184	$4,864
Instruction	$111,916	$111,243	$123,947	$132,020	$134,688	$137,610	$140,602

E&G EXPENDITURES PER ANNUAL FTE COMPARISON

The following table shows the expenditures (less Research) per student FTE. Old Dominion University's ratio of $13,217 per FTE is not only the lowest of all the doctoral and research institutions, but also lower than all of the other comprehensive four-year institutions in spending per student FTE.

OLD DOMINION UNIVERSITY

2016-17 Total Educational and General Expenditures per Student FTE (Virginia Public Higher Education Institutions)

Institution	Total	ANNUAL FTE	Exp per FTE
University of Virginia	$ 596,738,743	24,329	$24,528
College of William and Mary	$ 192,889,623	8,610	$22,403
Virginia Commonwealth University	$ 568,449,713	28,496	$19,948
Virginia Military Institute	$ 37,748,479	1,953	$19,328
Virginia Tech	$ 604,586,344	33,675	$17,954
Norfolk State University	$ 80,445,946	4,800	$16,760
George Mason University	$ 493,587,257	29,377	$16,802
University of Mary Washington	$ 64,757,015	4,296	$15,074
University of Virginia at Wise	$ 24,318,593	1,645	$14,783
James Madison University	$ 307,813,703	20,837	$14,772
Virginia State University	$ 62,237,897	4,505	$13,815
Longwood University	$ 64,202,544	4,705	$13,646
Christopher Newport University	$ 68,624,454	4,986	$13,763
Radford University	$ 123,481,920	9,165	$13,473
Old Dominion University	**$ 264,757,276**	**20,031**	**$13,217**
Total 4 Year Institutions	$ 3,554,639,507	201,410	$17,649
Average 4 Year Institutions	$ 236,975,967	13,427	$17,649
Richard Bland College	$ 11,762,737	1,298	$9,062
Virginia Community College System	$ 887,800,338	105,242	$8,436
Total 2 Year Institutions	$ 899,563,075	106,540	$8,443
Total	**$ 4,454,202,582**	**307,950**	**$14,464**

Sources: SCHEV & FY17 CARS; Annual FTEs 2017 Per SCHEV E5 Report

CHAPTER 2
FY2018-2020 ACTIONS OF THE GENERAL ASSEMBLY

This section highlights actions taken by the Governor and the General Assembly in the 2018 session regarding the University's General Fund and Nongeneral Fund appropriations for 2018-2019.

BASE OPERATIONS AND STUDENT FINANCIAL AID

Digital Shipbuilding
Appropriation of $1.0M new General Fund resources for the Virginia Modeling, Analysis & Simulation Center (VMASC) Digital Shipbuilding Initiative.

Student Financial Aid
Appropriation of $449,000 new General Fund resources for in-state undergraduate student financial assistance.

Equipment Trust Fund
The 2018-2019 Equipment Trust Fund (ETF) allocation for Old Dominion University of $5.3M will be used to support technological initiatives such as replacement of obsolete instructional equipment in mediated classrooms and student computer labs, faculty and staff workstations, and research start-up equipment needs.

BENEFIT ALLOCATIONS

Benefit Cost Increases
While the state provides a portion of the funding for benefit increases, the University is responsible for covering the remaining portion on Educational and General positions and 100 percent of the cost for Auxiliary and Student-Fee supported positions. In 2018-2019, state funding for benefit cost increases is projected to be $969,968, with a university funding requirement of $904,939.

LANGUAGE AMENDMENTS

Tuition and Fees
The language limiting Auxiliary Student Fee Increases was amended to adjust such limits from 5% to 3%. Excluded from this calculation are rate increases required to fund wage, salary, and fringe benefit increases authorized by the General Assembly, and those required to carry out actions that respond to mandates of federal agencies. Exempt from the Auxiliary Student Fee limitations are fees that support capital projects authorized by the General Assembly, fees that support Student Health Services, and other fee increases specifically authorized by the General Assembly.

Virginia Degree Completion Network/Online Virginia Network Authority
In addition to the original membership of Old Dominion University and George Mason University, the Online Virginia Network (OVN) Authority has expanded to include the Virginia Community College System. This expansion was accompanied by an additional $1.0M investment, bringing the total investment of General Funds to $3.0M.

CAPITAL OUTLAY APPROPRIATIONS

Maintenance Reserve Funds
Maintenance Reserve funding is provided to supplement the cost of maintaining or extending the useful life of facilities, such as roofs, heating and cooling, and electrical systems. ODU's Maintenance Reserve allocation increased from $2.4M to $3.6M for fiscal year 2019.

Capital Outlay Projects
Capital outlay authority has been provided for the use of $3.4M of institutional funds for the construction of the Women's Volleyball Facility.

CHAPTER 3
2018-19 BUDGET SUMMARY

This section provides an overview of the University's 2018-2019 Operating Budget. Some significant elements in the approved 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 Six-Year Enrollment Plan.

- The budget balances revenues and expenditures within the University's E&G programs and other operating funds and contributes approximately $2.1M to Auxiliary Fund Balances. Adequate reserves are provided within the budget to address changes in key planning assumptions.

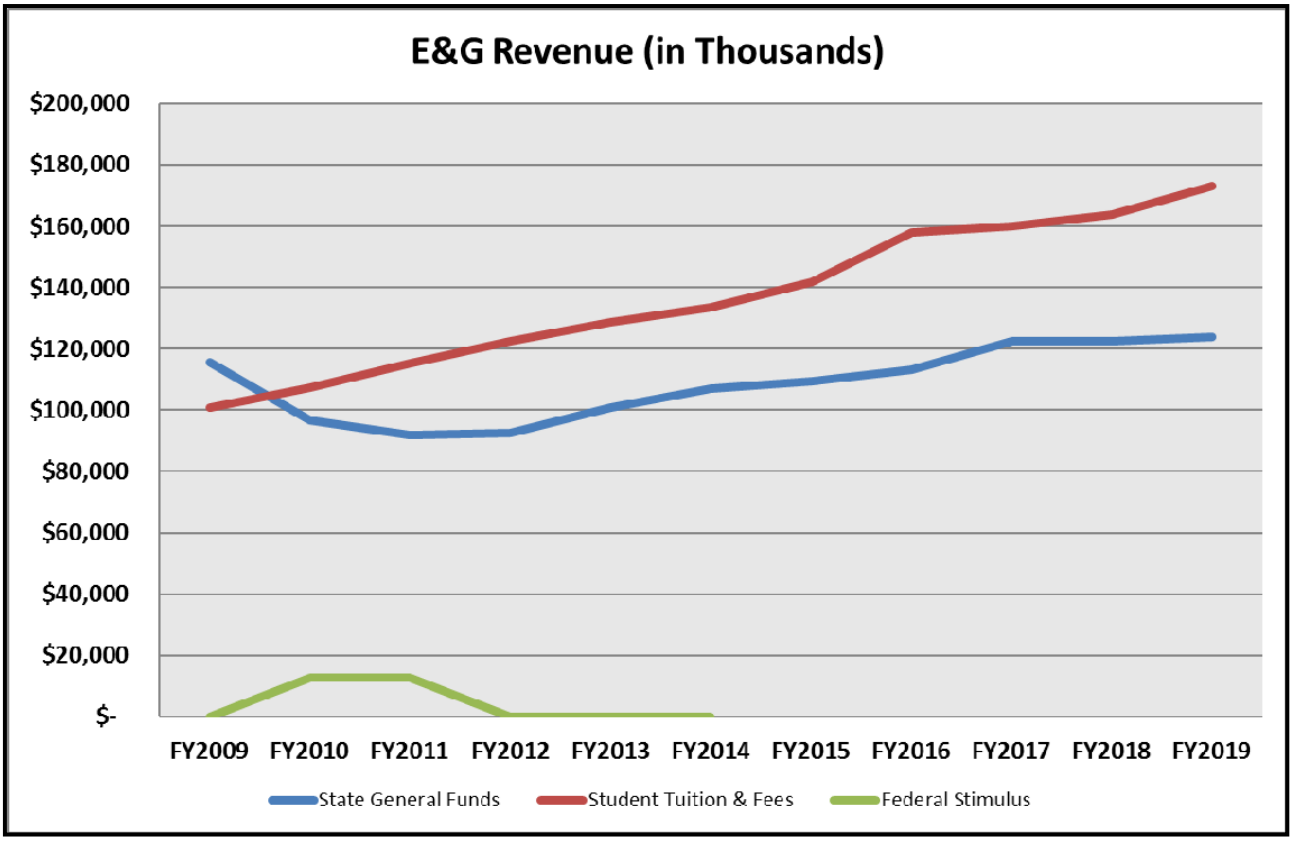
- The 2018-2019 Budget and Operating Plan assumes the following tuition and fee increases will go into effect with the Summer 2018 semester for a student taking 30 Cr. Hrs. per year:

Category	Annual $Increase
In-State Undergraduate	$510
Out-State Undergraduate	$1,560
In-State Graduate	$648
Out-State Graduate	$1,704
Health Fee	$12
Average Room & Board	$340

The tuition and fee trends for the past five years are presented on page 11.

The approved total University's resource budget for 2018-2019 is $645.8M, approximately a 2.7% increase over the final 2017-2018 operating budget. This overall increase is attributed to the combined effects of the projected general and central fund allocations, tuition and fee increases, and increases in auxiliary services revenues. The budget consists of the following components: Educational &General Programs, Auxiliary Services, Grants and Contracts, Gifts and Discretionary, Scholarships, and Student Loan funds/Direct Federal Lending. The E&G Programs budget, which includes both General and Nongeneral funding sources, is composed primarily of expenditures in the Instructional and Academic Support Programs. A total of 66.19% of the E&G expenditures are allocated to the Academic Enterprise. The remaining 33.81% support Research, Public Service, Student Services, Institutional Support, Operations & Maintenance of Plant, and Scholarships & Fellowships.

The major categories of E&G Revenue over the last ten years (2008-2009 to 2018-2019) is illustrated below. The illustration shows a dramatic shift in the University's Educational and General revenue from State General Funds to Student Tuition and Fees during this time.



As noted in the graph, General Fund support for the E&G programs (excluding state student financial aid) increased from $115.6M in FY2009 to $123.9M in FY2019. Federal stimulus funds were provided in FY2011 and FY2012 to mitigate the loss of state general funds during that time period. For 2018-2019, the General Fund will constitute 41.7 percent of the total E&G Operating Budget while Nongeneral Funds will comprise 58.2 percent.

Student tuition and fee revenue appropriation increased from approximately $100.7M in FY2009 to approximately $173.0M in FY2019. Based on conservative budget decisions, the revenue generated by Commonwealth General Funds and the tuition and fee increases will provide adequate funding to support the 2018-2019 Operating Budget and Plan as detailed in the next chapter.

CHAPTER 4
2018-2019 EDUCATIONAL AND GENERAL PROGRAM PRIORITIES

The University's 2018-2019 Educational and General Budget is based on the institution's strategic program priorities as approved by the Board of Visitors in December 2014. The Educational and General Operating and Budget plan allocates the $1.0M of new General Fund resources for the Digital Shipbuilding Initiative, $8.0M of tuition revenue to address mandatory cost increases, the creation of New Faculty Lines, and enhancements in student recruitment and retention programs. Further, $4.9M of existing resources has been reallocated to maximize the use of available funds to address critical needs within the University.

The major base and one-time funded E&G budget initiatives follow:

ENHANCE THE UNIVERSITY'S ACADEMIC AND RESEARCH EXCELLENCE

Faculty Positions
New faculty positions will be created in support of critical and high demand academic programs to further improve the student faculty ratio. Emphasis will continue to be placed on supporting STEM/H areas (Science, Technology, Engineering, Mathematics, and Health Sciences). $1.5M of new resources will be allocated to fund these new positions.

Faculty Recruitment, Promotions and Retention
When faculty members are promoted in academic rank, the individuals receive a salary increase assigned to the new rank. Base funding of $500,000 will be allocated for this purpose.

Distance Learning
Strategic resource reallocations of $2.4M will be allocated to further the market expansion plan for online course delivery.

Research Initiatives
VMASC received $1.0M of new General Fund resources for the Digital Shipbuilding Initiative.

Technology Investments
Base funding in the amount of $500,000 and one (1) position will be established to provide resources in support of core academic support infrastructure and computational research.

Equipment Trust Fund
The VCBA Bond funded Equipment Trust Fund program will provide $5.3M of resources for the procurement of equipment to support Instruction, Research, Mediated Classrooms and Student Laboratories.

STUDENT RECRUITMENT, RETENTION, & ENROLLENT MANAGEMENT

Recruitment and Retention Initiatives
New Base funding of $100,000 will be allocated for enhanced support of admissions application processing and recruitment.

In addition, student support services will be enhanced with the addition of a Psychiatrist in Counselling Services.

Enrollment Management Plan Support
Strategic reallocations of $1.3M in one-time resources will enable further investment in marketing and advertising in support of student recruitment.

The university will also enhance need-based student financial assistance with the investment of $1.3M in new base resources.

CAMPUS INFRASTRUCTURE

The operation and maintenance of new facilities requires the investment of $500,000 in new base resources.

Increased mandatory costs for utilities and leases will result in the allocation of $195,000 in new base resources.

COMPENSATION AND BENEFITS

Benefit Cost Increases
State mandated benefit cost increases will be supported with $969,968 of new state funding and $904,939 of university funding.

Faculty / Staff Compensation Increases
Funding for Faculty and Staff Compensation is a priority and has been earmarked in the Operating and Budget Plan. Specific details regarding the allocation of these funds and criteria for compensation increases will be developed during the Fall Semester.

NEW E&G INVESTMENTS

The following list details the FY19 E&G initiatives funded in this budget pursuant to internal budget collaborations among the Vice Presidents. The list is presented as base initiatives and one-time funded by Vice Presidential area.

Area	Description	Base	Re-Allocations and Use of Reserves
Total Investments		**9,969,968**	**4,931,771**
Administration & Finance		**1,240,510**	**689,851**
	Re-Allocations in support of operational priorities and retention (2 FTE)		208,525
	Public Safety - Campus Security		422,434
	Public Safety - Fire Prevention Services (1 FTE)		58,892
	Mandatory Cost Increases - Operations & Maintenance (3 FTE)	494,894	
	Mandatory Cost Increases - Utilities & Leases	195,616	
	Public Safety Retention	50,000	
	Technology Infrastructure (1 FTE)	500,000	
Academic Affairs		**2,087,311**	**2,612,808**
	New Faculty Lines	1,497,933	12,325
	College of Sciences Research Support (1 FTE)	31,179	31,179
	Faculty Promotions & Retention	500,000	
	Graduate Programs Support (1 FTE)	58,199	
	The 4-VA Collaborative		150,000
	Online Program Expansion Plan (1 FTE)		2,419,304
Human Resources		**59,732**	**28,000**
	Benefits Specialist (1 FTE)	59,732	
	Operational Support		28,000
Research		**1,000,000**	**281,005**
	Creation of the Division for Entrepreneurship and Economic Development		281,005
	VMASC: Digital Shipbuilding	1,000,000	
Student Engagement and Enrollment Services		**1,635,279**	**1,320,107**
	Admissions Application Processing & Recruitment Support (1 FTE)	100,000	
	Student Financial Assistance Enhancements	1,366,931	
	Targeting Marketing & Advertising for Student Recruitment and University Promotion		1,300,000
	Counseling Services: Psychiatrist (1 FTE)	168,348	20,107
Central Funds		**3,947,136**	**0**
	Mandatory Cost Increases: Benefits	1,874,907	
	Faculty / Staff Compensation Increases	2,072,229	

CHAPTR 5
2018-2019 AUXILIARY SERVICES PROGRAM PRIORITIES

The University's FY2018-2019 Auxiliary Services budget reflects a total addition of $2M to Auxiliary Fund Balances for the next fiscal year. Overall adequate reserves are provided within the auxiliary budget to accomplish the program initiatives for 2018-2019 and beyond. Rate and fee increases were held to a minimum and will be primarily used to address increases in mandatory salary and health care benefit increases for auxiliary services and programs, additional student financial assistance, reserve for capital investments, intercollegiate athletic scholarships, athletics addition of Women's Volleyball program, Athletics equipment and Turf replacements, and additional funding for student engagement and enrollment services. No state funds are received to support auxiliary service operations.

Auxiliary Student Fee

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
- Student Leadership Programs
- Intercollegiate and intramural athletics
- Webb Center and Student Recreation Center
- Institutional Scholarships
- Debt service and maintenance on non-Educational and General facilities

The 2018-2019 Tuition and Fees include a $3.68 per credit hour increase in the Auxiliary Student Fee, which will be used to support the following expenditures.

RESOURCES	2,090,896	
Auxiliary Student Fee Increase	1,627,000	
Unallocated Base	463,896	
	BASE	**RE-ALLOCATIONS & USE OF RESERVES**
TOTAL INVESTMENTS	2,090,896	2,562,000
Mandatory Cost Increases: Benefits	127,000	
Auxiliary Capital Investment Fund	500,000	
Student Financial Assistance Enhancements	770,311	
Athletic Scholarship Cost Increases	252,931	
Addition of Women's Volleyball	198,044	
Athletic Equipment Room	29,607	
Athletic Tutors	18,313	
Athletic Turf Replacement		1,342,000
Recreation & Wellness Artificial Turf		1,200,000
Recreation & Wellness Equipment	100,000	
Off-Campus Coordinator	36,246	20,000
LGBTQIA Coordinator	58,444	

Student Housing and Food Services
The room and board rates were increased by an average of 3.4 percent or $340 for 2018-2019. Revenue estimates were 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. The FY2019 Budget Plan includes $3M of one-time expenditures for furniture and maintenance of residential facilities. The increase in the meal plan rates will be used to support operating cost increases and one-time resources will be utilized to continue enhancements to the array of dining services available on campus.

Student Health Center
The Student Health Fee will increase from $84 to $90 per semester. The increase in the health fee will support mandatory cost increases and establish reserves for future facility expansion.

Intercollegiate Athletics
Cost increases for the athletic program include mandatory cost increases, scholarships, additional tutors, and operating expenditures related to the addition of Women's Volleyball. Construction of the Women's Volleyball Facility will be accomplished with Athletic Reserves. In the 2018 Caboose bill, the Commonwealth of Virginia granted $10.0M of additional expenditure authority to for the reconstruction of the S.B. Ballard Stadium.

The FY2019 Intercollegiate Athletic Budget was established in accordance with the Code of Virginia § 23.1-1309. Old Dominion University is considered a Division I-AA institution until July 1, 2020 and the student fee subsidy shall not exceed 70% of total revenues. After July 1, 2020, the University shall be considered a Division I-A institution and the student fee subsidy shall not exceed 55% of total revenues. For FY2017, the student fee subsidy was 55.27%.

Parking Services
The transportation fee will remain at $57 per semester, while meter rates will be adjusted by $0.25 cents. Strategic budget reductions and reallocations of operating expenditures will ensure the maintenance of adequate fund balances.

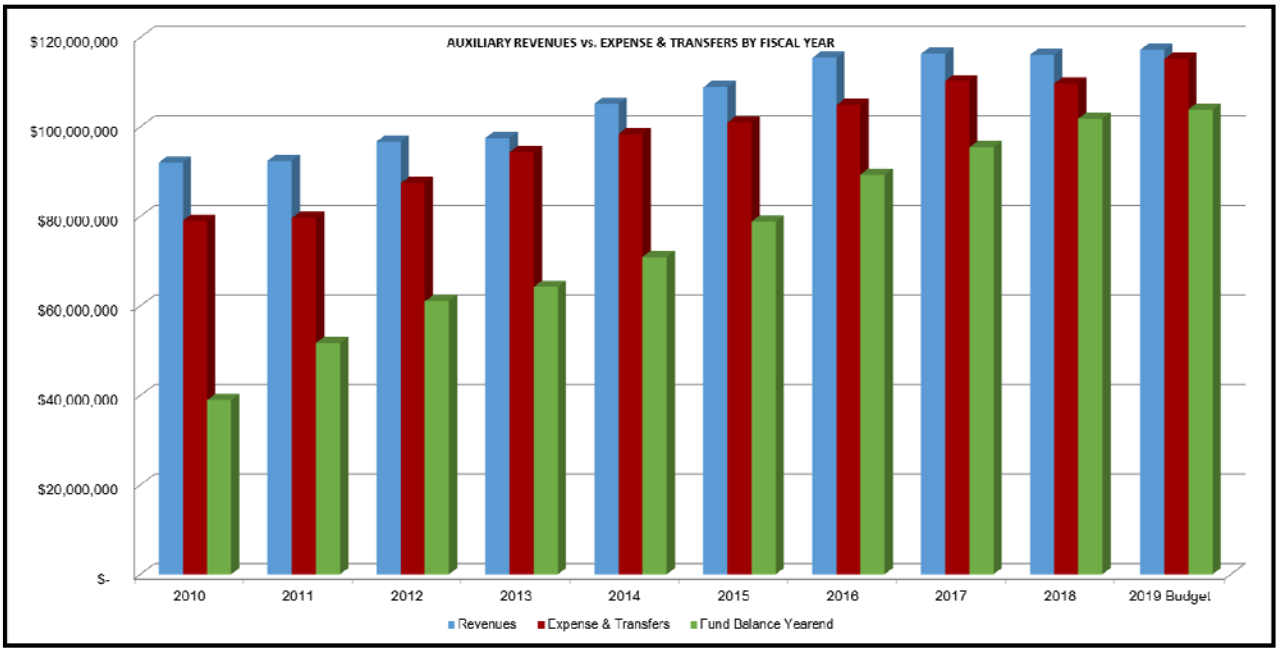
Auxiliary Capital Reserve
The Auxiliary Capital Reserve established in fiscal year 2013 for the purpose of accumulating funds to implement the Capital Master Plan as it relates to auxiliary facilities, such as residence halls, the Webb Center Student Union, Student Recreational Center and Intercollegiate Athletic Facilities.

AUXILIARY SERVICES BUDGET SUMMARY

(In Thousands)	APPROVED BUDGET 2017-18	APPROVED BUDGET 2018-2019
RESIDENCE HALLS		
Revenues	$ 32,361	$ 33,907
Expense	$ 33,245	$ 32,805
Net	$ (884)	$ 1,102
FOOD SERVICES		
Revenues	$ 5,253	$ 5,253
Expense	$ 5,866	$ 5,069
Net	$ (613)	$ 184
STUDENT SERVICES		
Revenues	$ 10,771	$ 11,051
Expense	$ 10,771	$ 10,987
Net	$ 0	$ 64
STUDENT ATHLETICS		
Revenues	$ 36,918	$ 37,569
Expense	$ 37,072	$ 39,306
Net	$ (154)	$ (1,737)
BOOKSTORE		
Revenues	$ 650	$ 675
Expense	$ 650	$ 675
Net	$ -	$ 0
OTHER SERVICES (Parking, Rec Centr, Convocation Center..)		
Revenues	$ 28,127	$ 28,748
Expense	$ 24,458	$ 26,284
Net	$ 3,669	$ 2,464
TOTAL AUXILIARY ENTERPRISES		
Revenues	$ 114,080	$ 117,204
Expense	$ 112,062	$ 115,126
Net	$ 2,018	$ 2,078
Contributions to Fund Balances	$ 2,018	$ 2,078

AUXILIARY BUDGET TRENDS

The following chart demonstrates the totality of the University's auxiliary operations since 2010. 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 for 2017-2018 Final Budget and 2018-2019 approved Budget.

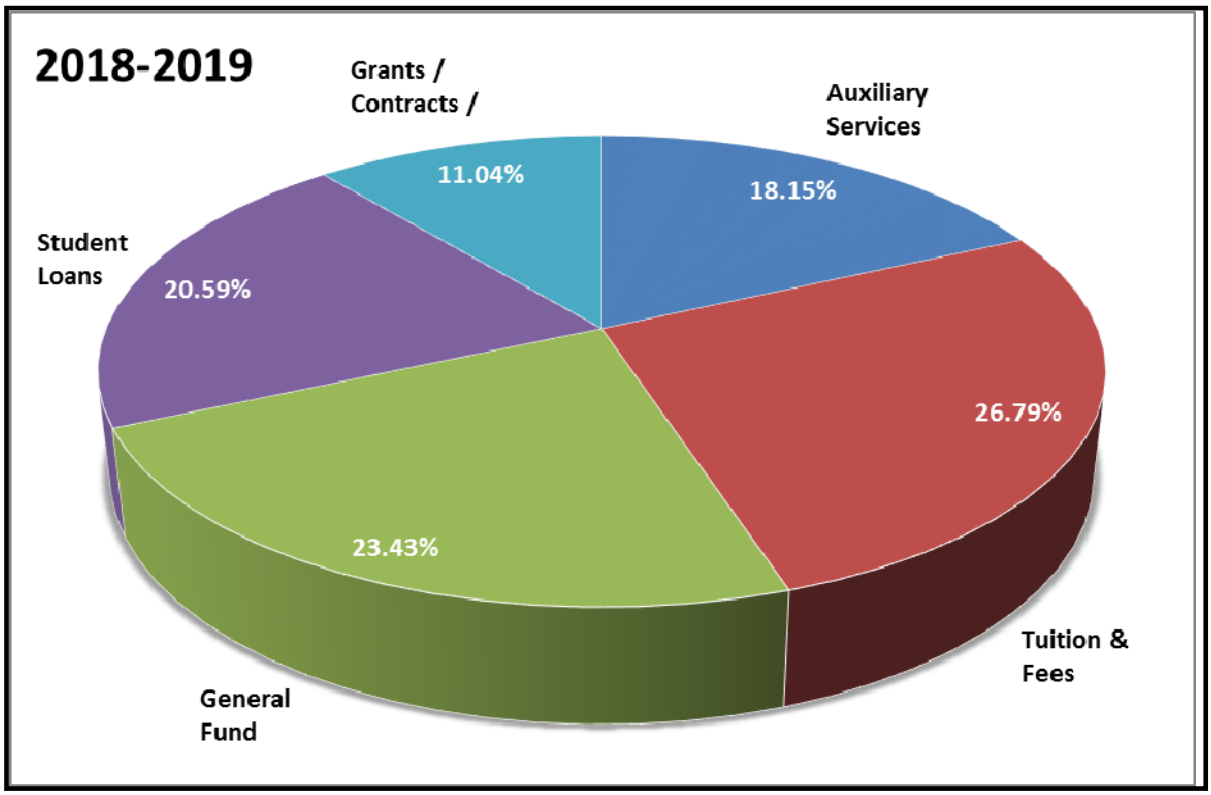
- Pie graphs comparing 2017-2018 Budget to 2018-2019 Budget by revenue fund source (Educational and General, Auxiliary, Grants/Contracts/Gifts, and Student Loan Funds revenue).

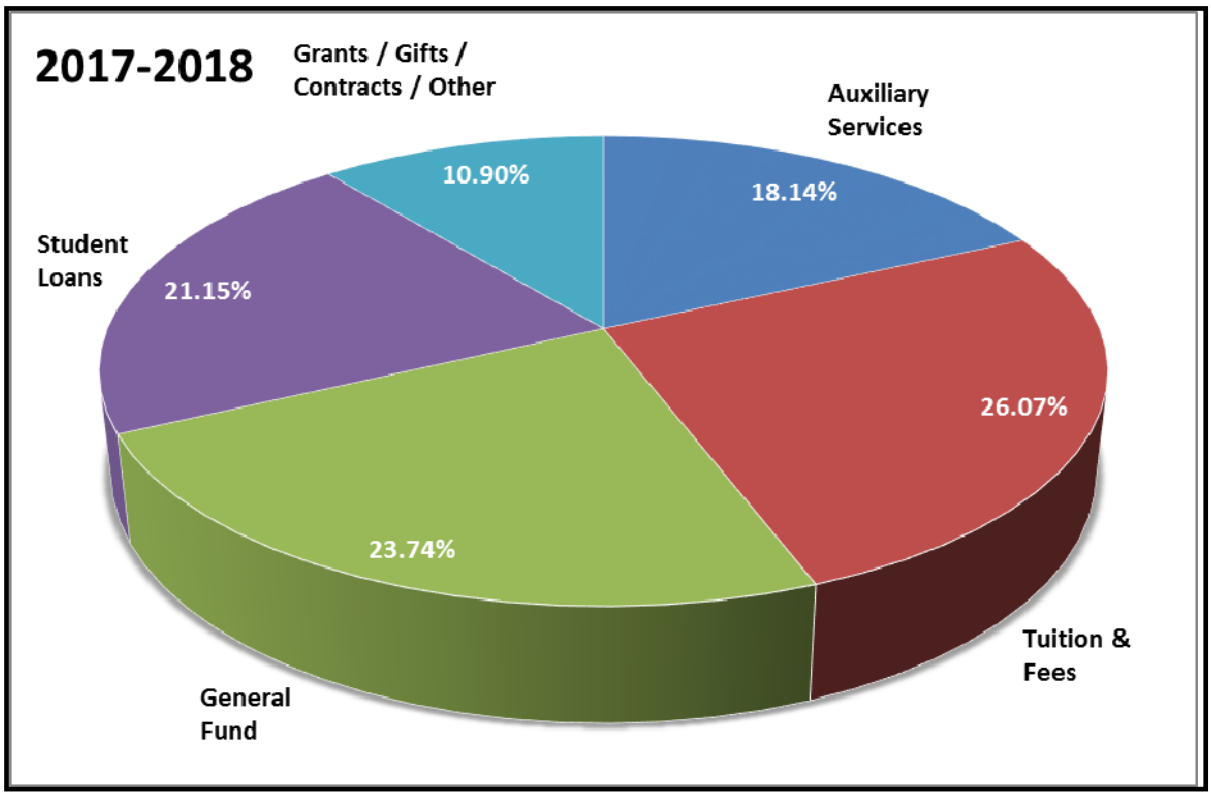
- Bar graph comparing 2017-2018 Budget to 2018-2019 Budget by major revenue sources

- Bar graph comparing 2017-2018 Budget to 2018-2019 Budget of Auxiliary Services Revenue.

TOTAL REVENUE COMPARISONS

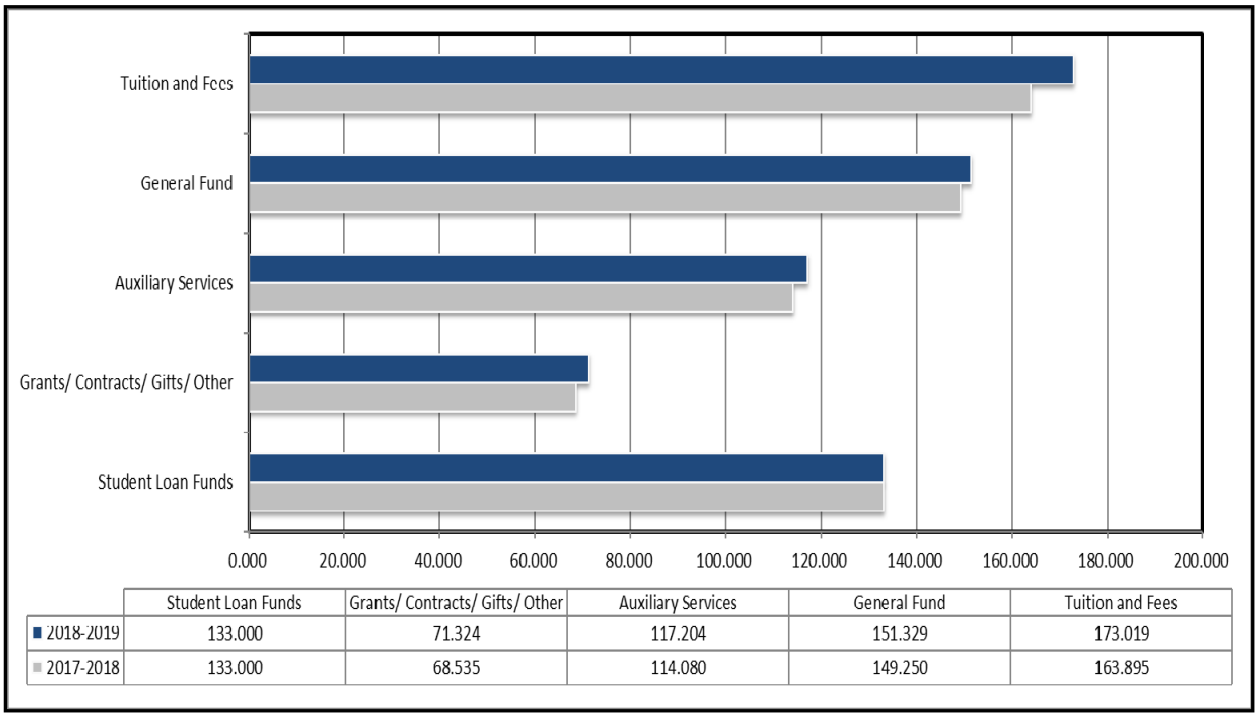
2018-2019: $645,876,000
2017-2018: $628,760,000





BY PRIMARY SOURCES (Dollars)

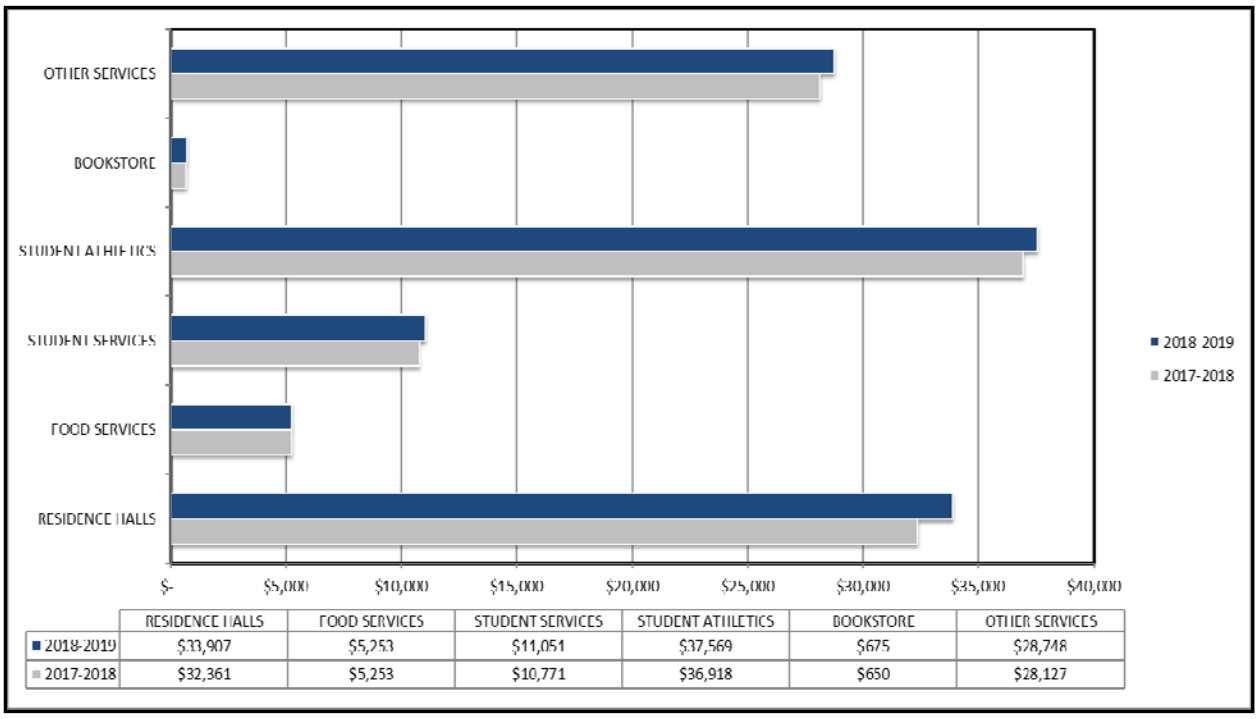
2018-2019: $645,876,000
2017-2018: $628,760,000



	Student Loan Funds	Grants/ Contracts/ Gifts/ Other	Auxiliary Services	General Fund	Tuition and Fees
2018-2019	133.000	71.324	117.204	151.329	173.019
2017-2018	133.000	68.535	114.080	149.250	163.895

AUXILIARY SERVICES REVENUE COMPARISON

2018-2019: $117,204,000
2017-2018: $114,080,000



	RESIDENCE HALLS	FOOD SERVICES	STUDENT SERVICES	STUDENT ATHLETICS	BOOKSTORE	OTHER SERVICES
2018-2019	$33,907	$5,253	$11,051	$37,569	$675	$28,748
2017-2018	$32,361	$5,253	$10,771	$36,918	$650	$28,127

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.

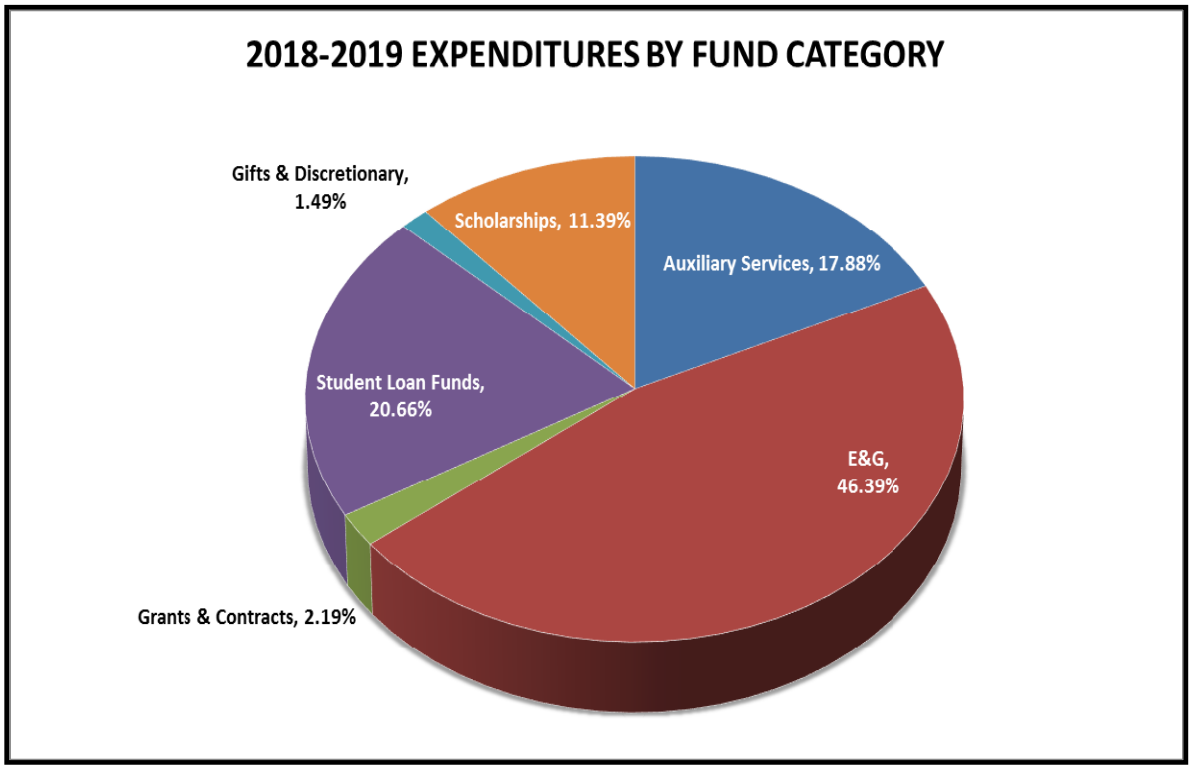
- Pie graph 2018-2019 - Total Expenditures by Fund Category

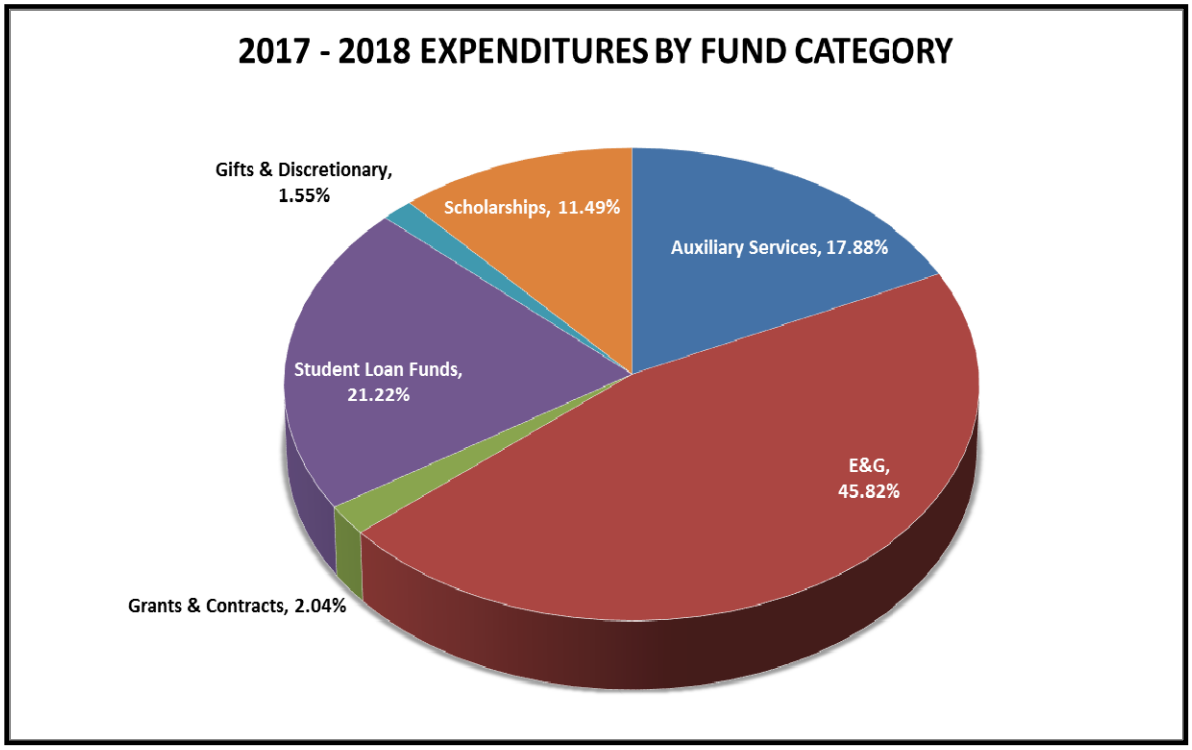
- Pie graph 2018-2019 - E&G by Program Areas

- Bar graph 2018-2019 - Auxiliary by Program/Function Category

TOTAL EXPENDITURES COMPARISON BY FUND CATEGORY

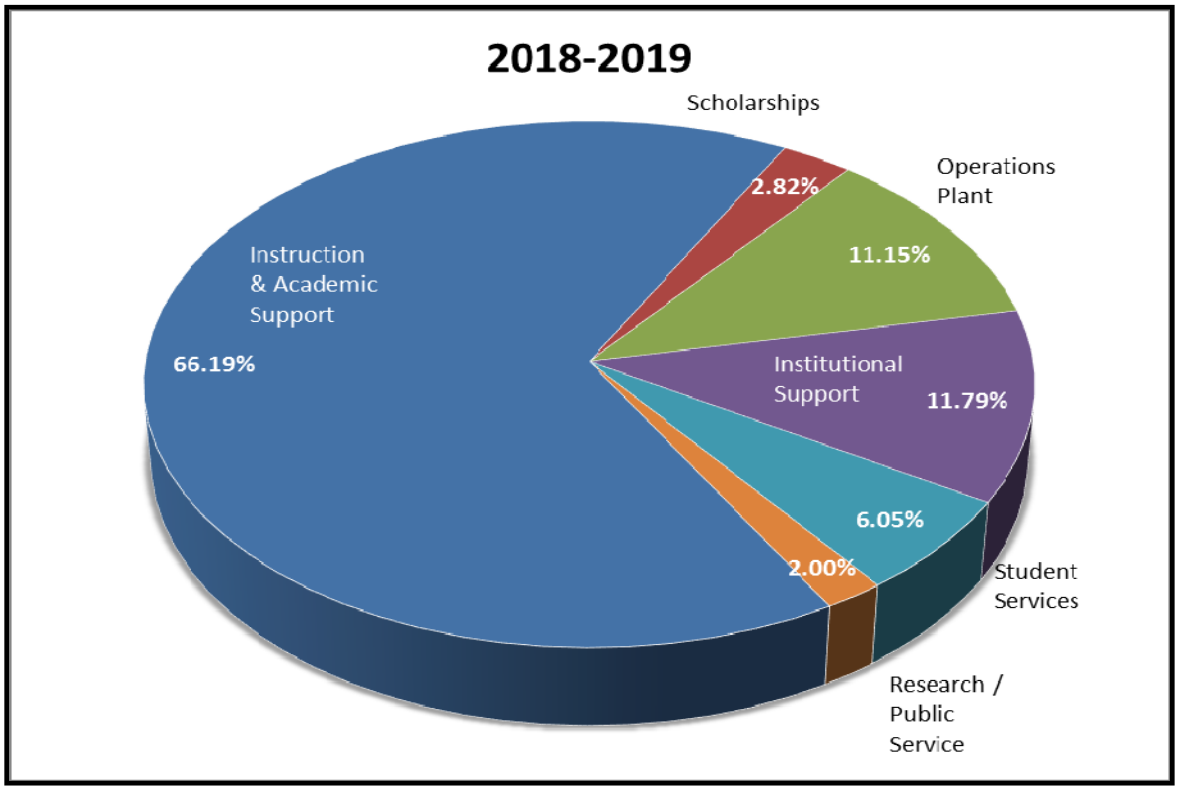
2018-2019: $643,798,000
2017-2018: $626,742,000

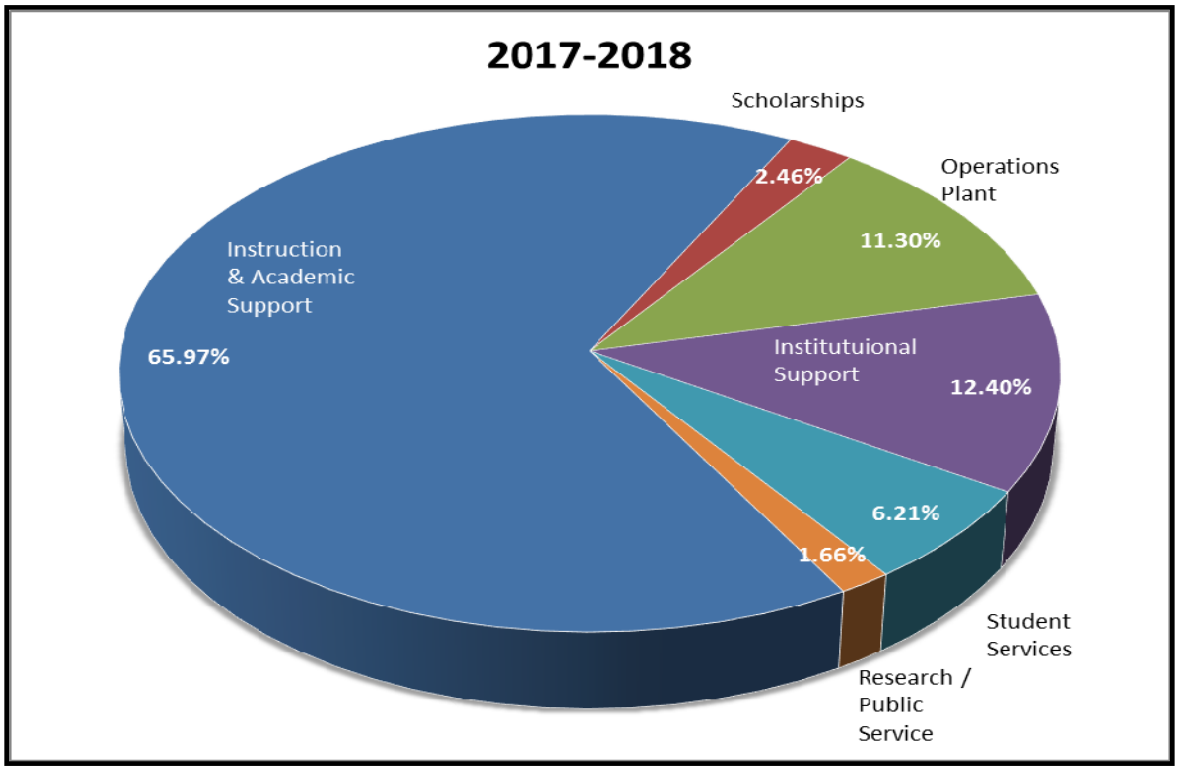




E&G EXPENDITURE COMPARISON BY PROGRAM AREA

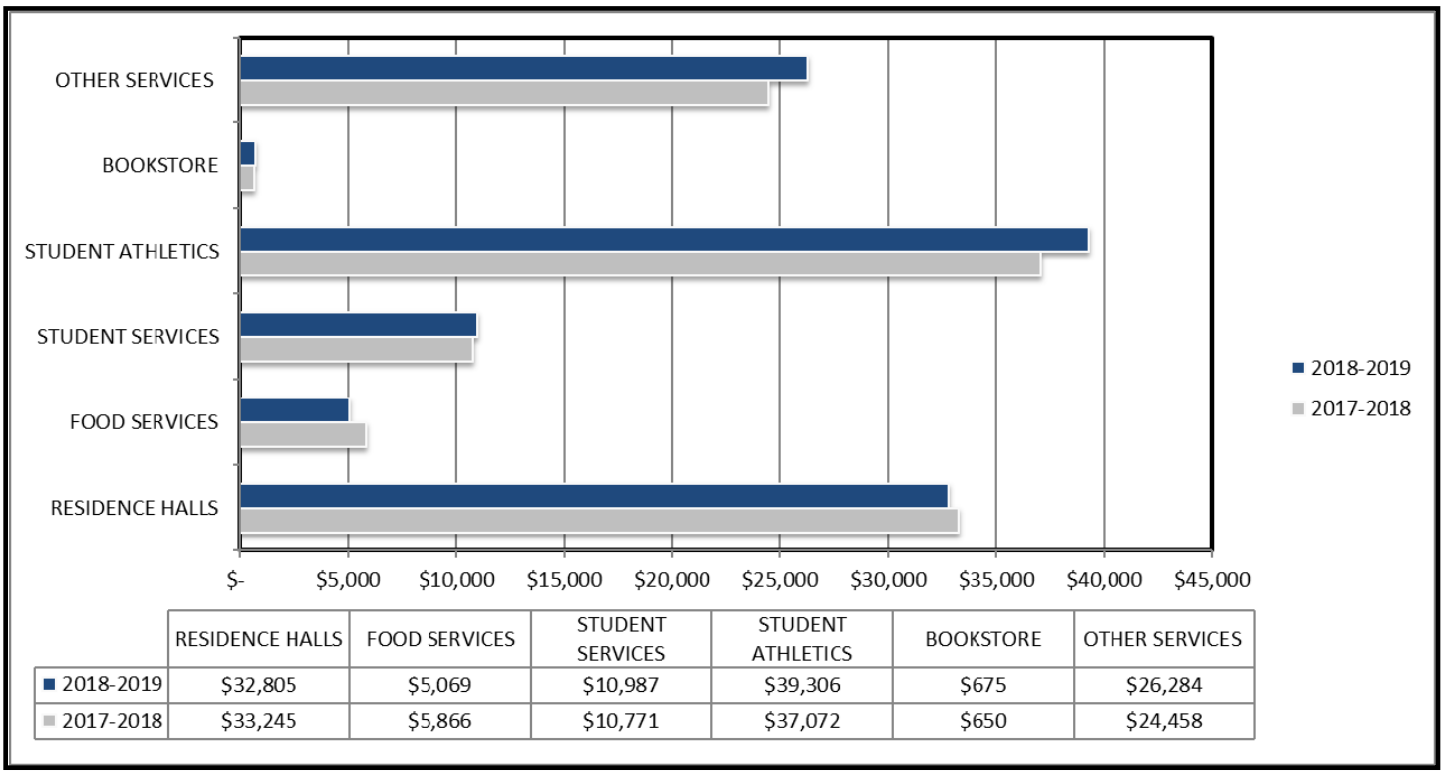
2018-2019: $298,630,000
2017-2018: $287,150,000





AUXILIARY SERVICES EXPENDITURE COMPARISON BY FUNCTION

2018-2019: $115,126,000
2017-2018: $112,062,000



	RESIDENCE HALLS	FOOD SERVICES	STUDENT SERVICES	STUDENT ATHLETICS	BOOKSTORE	OTHER SERVICES
2018-2019	$32,805	$5,069	$10,987	$39,306	$675	$26,284
2017-2018	$33,245	$5,866	$10,771	$37,072	$650	$24,458

APPENDIX

OLD DOMINION UNIVERSITY

TABLE 1
UNIVERSITY REVENUE SOURCES SUMMARY
(in thousands)

		2017-18 Approved Budget Plan		2018-19 Approved Budget Plan
REVENUES				
State General Funds	$	149,250	$	151,329
Nongeneral Funds				
Student Tuition & Fees	$	163,895	$	173,019
Grants, Contracts, Gifts, & Other	$	68,535	$	71,324
Auxiliary Enterprises	$	114,080	$	117,204
Subtotal Nongeneral Funds	$	346,510	$	361,547
Student Loan Funds	$	133,000	$	133,000
Total University Revenues	***$***	***628,760***	***$***	***645,876***

TABLE 2 ***UNIVERSITY EXPENDITURE SUMMARY*** ***(in thousands)***		
EXPENDITURES	**2017-18 Approved Budget Plan**	**2018-19 Approved Budget Plan**
E&G		
Instruction	$ 143,225	$ 149,546
Research & Sponsored Programs	$ 4,646	$ 5,914
Public Service	$ 110	$ 48
Academic Support	$ 46,217	$ 48,117
Student Services	$ 17,835	$ 18,057
Institutional Support	$ 35,604	$ 35,212
Operations & Maintenance of Plant	$ 32,454	$ 33,310
Scholarships & Fellowships	$ 7,059	$ 8,426
Total E&G	**$ 287,150**	**$ 298,630**
Auxiliary Services	$ 112,062	$ 115,126
Grants & Contracts	$ 12,775	$ 14,110
Gifts & Discretionary	$ 9,715	$ 9,615
Scholarships & Fellowships	$ 72,040	$ 73,317
Student Loan Funds	$ 133,000	$ 133,000
Total University Expenditures	**$ 626,742**	**$ 643,798**
Summary of University Revenues & Expenditures		
Revenues	**$ 628,760**	**$ 645,876**
Expenditures	**$ 626,742**	**$ 643,798**
Contributions to Fund Balances	**$ 2,018**	**$ 2,078**

OLD DOMINION UNIVERSITY

TABLE 3
AUXILIARY SERVICES SUMMARY
(in thousands)

	2017-2018 APPROVED BUDGET	2018-2019 APPROVED BUDGET
AUXILIARY PROGRAMS		
RESIDENCE HALLS		
Revenues	$ 32,361	$ 33,907
Expense	$ 33,245	$ 32,805
Net	$ (884)	$ 1,102
FOOD SERVICES		
Revenues	$ 5,253	$ 5,253
Expense	$ 5,866	$ 5,069
Net	$ (613)	$ 184
STUDENT SERVICES		
Revenues	$ 10,771	$ 11,051
Expense	$ 10,771	$ 10,987
Net	$ 0	$ 64
STUDENT ATHLETICS		
Revenues	$ 36,918	$ 37,569
Expense	$ 37,072	$ 39,306
Net	$ (154)	$ (1,737)
BOOKSTORE		
Revenues	$ 650	$ 675
Expense	$ 650	$ 675
Net	$ -	$ 0
OTHER SERVICES (Parking, Va Beach Higher Ed Centers Constant Convocation Center		
Revenues	$ 28,127	$ 28,748
Expense	$ 24,458	$ 26,284
Net	$ 3,669	$ 2,464
TOTAL AUXILIARY ENTERPRISES		
Revenues	$ 114,080	$ 117,204
Expense	$ 112,062	$ 115,126
Net	$ 2,018	$ 2,078
Contributions to Fund Balances	$ 2,018	$ 2,078

OLD DOMINION UNIVERSITY

TABLE 4
SUMMARY OF 2018-19 RESOURCE BY OPERATING AREA AND PROGRAM
(in thousands)

EXPENDITURES	President	Provost & Academic Affairs	VP for Admin & Finance	VP for University Advancement	VP for Student Engagement & Enrollment	VP for Research	VP for Human Resources	Director of Athletics	TOTAL
Education & General									
Instruction	$ 162	$ 148,362	$ -	$ -	$ -	$ 1,022	$ -	$ -	$ 149,546
Research & Sponsored Programs	$ -	$ 891	$ -	$ -	$ -	$ 5,023	$ -	$ -	$ 5,914
Public Service	$ -	$ 48	$ -	$ -	$ -	$ -	$ -	$ -	$ 48
Academic Support	$ -	$ 28,510	$ 17,551	$ -	$ 2,056	$ -	$ -	$ -	$ 48,117
Student Services	$ 192	$ 1,967	$ -	$ -	$ 15,898	$ -	$ -	$ -	$ 18,057
Institutional Support	$ 3,051	$ 4,824	$ 11,265	$ 5,797	$ 5,978	$ 1,935	$ 2,362	$ -	$ 35,212
Operations & Maintenance of Plant	$ -	$ -	$ 33,310	$ -		$ -	$ -	$ -	$ 33,310
Scholarships & Fellowships	$ -	$ -	$ 8,426	$ -		$ -	$ -	$ -	$ 8,426
E&G Subtotal	$ 3,405	$ 184,602	$ 70,552	$ 5,797	$ 23,932	$ 7,980	$ 2,362	$ -	$ 298,630
Auxiliary Enterprises	$ -	$ 7,657	$ 28,303	$ 885	$ 42,798	$ -	$ -	$ 35,483	$ 115,126
Grants & Contracts	$ -	$ 8,000	$ 10	$ -	$ 100	$ 6,000	$ -	$ -	$ 14,110
Gifts & Discretionary	$ 450	$ 5,350	$ 900	$ 800	$ 100	$ 800	$ 15	$ 1,200	$ 9,615
Scholarships & Fellowships	$ -	$ 500	$ -	$ -	$ 68,034	$ -	$ -	$ 4,783	$ 73,317
Student Loan Funds	$ -	$ -	$ -	$ -	$ 133,000	$ -	$ -	$ -	$ 133,000
Total Expenditures	**$ 3,855**	**$ 206,109**	**$ 99,765**	**$ 7,482**	**$ 267,964**	**$ 14,780**	**$ 2,377**	**$ 41,466**	**$ 643,798**