

Operating
Budget & Plan
2015-2016

EXECUTIVE SUMMARY

The 2015-2016 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 2015 session.

Budget actions taken by the Governor and General Assembly provide approximately \$8.7M in general and central E&G funds for base adequacy and operating support, a portion of the salary and benefit increases for full-time faculty and staff, additional state supported need based financial aid, and research funds for the Frank Reidy Center for Bioelectrics.

The 2015-2016 Educational and General Operating Budget and Plan includes \$10.5M in tuition revenue to cover a portion of the cost increases related to compensation & benefits, mandatory operational cost increases for utilities and leases, and operation and maintenance of new facilities. The tuition revenue will also support the implementation of the goals of the University's 2014-2019 Strategic Plan as it related to academic and research excellence, student success, quality of university life, and community outreach. The revenue will also support the implementation of the goals of the University's 2014-2019 Strategic Plan as it related to academic and research excellence, student success, quality of university life, and community outreach.

2015 – 2016 OPERATING BUDGET & PLAN

This budget document details the relevant components that comprise the University's 2015-2016 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 2015-2016 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 2014-16 Biennial Budget Session that impact the 2015-2016 budget year.

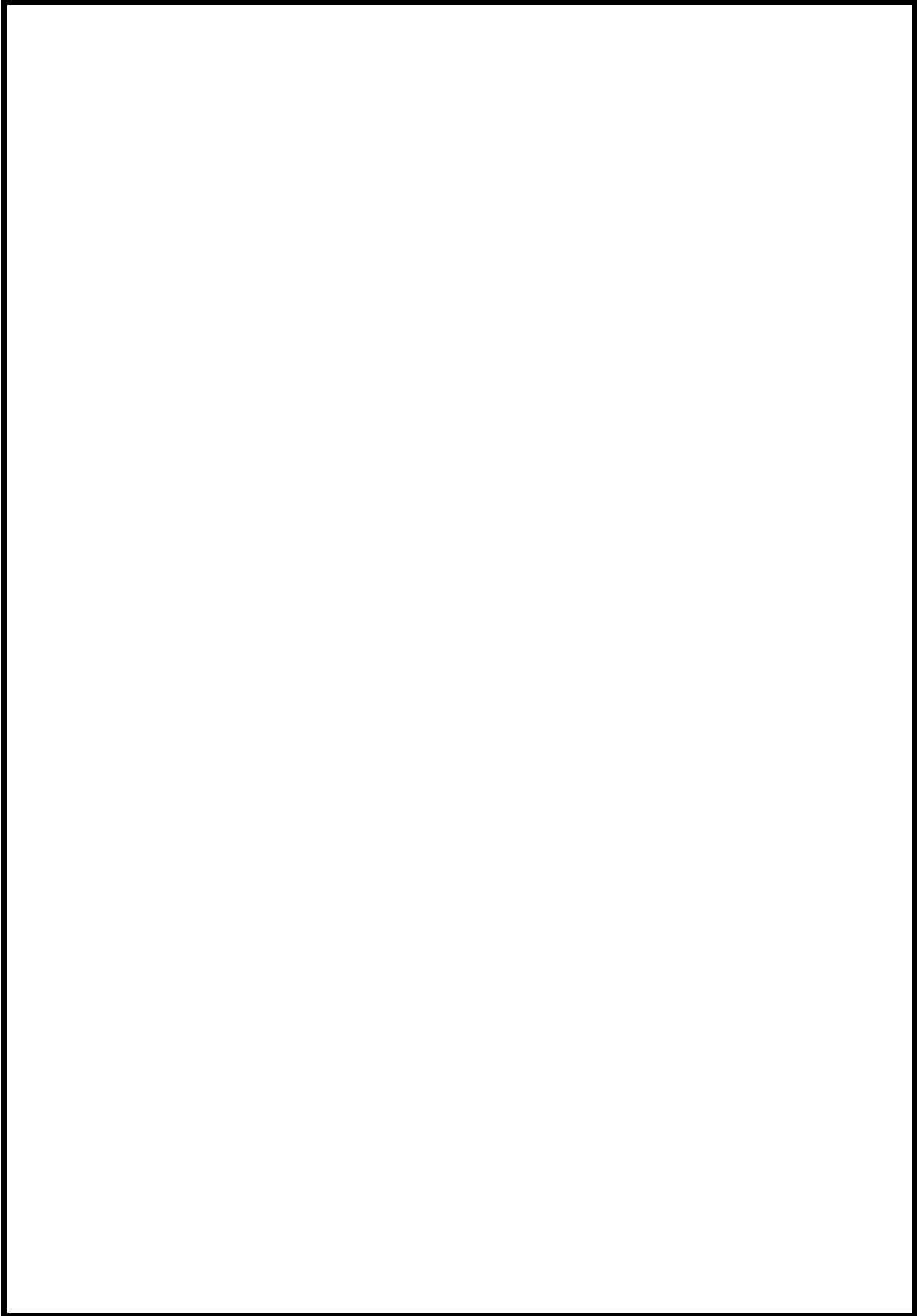
Chapter 3 provides the overview of the 2015-2016 Operating Budget and Plan.

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 2015-16.

Chapter 7 graphically represents the expenditures by category and program area for 2015-16.



CHAPTER 1
OVERVIEW OF THE 2015-2016 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 BV

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 FY2015-16

The passage of the Virginia Higher Education Opportunity Act by the 2011 Session of the General Assembly speaks to the importance of policy goals of increasing accessibility and enrollments in high-dema

students, student success and retention, affordability and access for students from under-represented populations, and emphasis on the STEM-H disciplines

2. Student Recruitment and Enrollment Management: 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 aid as

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 2013).

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

First, the percentage of our students on financial assistance is higher than our peer group.

Second, the University's overall number of full-time equivalent staff is 19 percent less than our peer group--an indicator of institutional efficiency.

TUITION AND FEE TRENDS COMPARED WITH OTHER INSTITUTIONS

In comparing the tuition and fee trends over the 2011-2015 period, the following graphs show that Old Dominion University's cumulativeq

BASE ADEQUACY MODEL

Since 2001, the Base Adequacy model has been the Virginia public 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. The last iteration of the model with projected updates (includes the FY2015-2016 Projected Tuition and Fee Increases for Old Dominion University) can be summarized below and demonstrates how ODU's base funding index continues to be the lowest in the state at 91.0%.

Funding for Virginia Higher Education Estimated 2015-2016 Funding to Base Adequacy Funding Calculation

Institution	Calculated Need 1,2	Available Resources 3, 4,5	% of Funding to Guideline	Funding Shortfall
University of Virginia	488,338,220	618,530,830	126.7%	0
College of William and Mary	146,362,830	182,821,932	124.9%	0
Richard Bland College	9,192,783	10,583,436	115.1%	0
James Madison University	257,809,935	288,542,468	111.9%	0
George Mason University	437,465,569	483,313,022	110.5%	0
Virginia Tech	596,457,541	643,084,537	107.8%	0
Virginia Commonwealth University	531,793,794	572,721,008	107.7%	0
University of Mary Washington	60,782,173	64,029,266	105.3%	0
Christopher Newport University	66,548,570	68,837,097	103.4%	0
Virginia Military Institute 6	27,759,653	28,684,953	103.3%	0
Longwood University	62,776,207	64,714,527	103.1%	0
Virginia Community College System	912,523,713	935,404,286	102.5%	0
Radford University	118,048,951	120,871,638	102.4%	0
University of Virginia at Wise	23,122,655	23,255,222	100.6%	0
Virginia State University	66,268,135	61,493,586	92.8%	(4,774,549)
Norfolk State University	75,314,548	69,099,246	91.7%	(6,215,302)
Old Dominion University	293,731,027	267,156,612	91.0%	(26,574,415)

Source: [State Council of Higher Education for Virginia](#)

Notes:

- (1) Based on actual FY 14 student FTE and FY 12-FY 14 3-year average discipline credit hours.
- (2) The cost including blended salary is based on the 2014 activity-based budget (ABB).
- (3) Available resources FY 2016 GF and estimated NGF from 2014 Six-Year Plans.
- (4) Excludes funding for OCR at NSU and VSU, and VCCS central office (FY 16 Adjustments).
- (5) Including NGF adjustment to reflect the required funding for programs 101-40, 102 and 103.
- (6) Available resources are adjusted for "uniquely military" mission.

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

CHAPTER 2
FY2014-2016 ACTIONS OF THE GENERAL ASSEMBLY

This section highlights actions taken by the Governor and the General Assembly in the 2015

Table 2: University Compensation Plan Increases

University Compensation Plan

Base

One-time

Equipment Trust Fund

The 2015-2016 Equipment Trust Fund allocation for Old Dominion University increased 17% from \$4.3 to \$5.0 million. These funds 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.

LANGUAGE AMENDMENTS

JLARC Recommendations

The Boards of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall require their institutions to implement the JLARC recommendations. Beginning with fiscal year 2016, the Auditor of Public Accounts shall include in its audit plan for each public institution of higher education a review of the progress of the implementation.

House Bill 1897 Intercollegiate Athletic Programs and Intercollegiate Athletic Review Commission

This bill amends the Code of Virginia by adding sections relating to intercollegiate athletic programs and a new Intercollegiate Athletic Review Commission. Major requirements are: no later than November 1, 2015, the Auditor of Public Accounts in collaboration with the State Council of Higher Education for Virginia, the State Comptroller, the Department of Planning and Budget, and each institution, shall develop and implement a standardized reporting format to annually report intercollegiate athletics revenue and expenses.

The subsidy (sum of the school funds and student fees) used to support intercollegiate athletics is restricted to certain percentages of athletics revenue based on an institution's

CHAPTER 3
2015-16 BUDGET SUMMARY

This section provides an overview of the University's 2015-2016 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 Six-Year Enrollment Plan.

The budget balances revenues and expenditures within the University's E&G programs and other operating funds and contributes approximately \$8.8 million to the Auxiliary Capital Reserve. This reserve contribution is consistent with planning for the use of these resources to accomplish future initiatives. Adequate reserves are provided within the budget to address changes in key planning assumptions.

The 2015-2016 Budget and Operating Plan assumes the following tuition and fee increases will go into effect with the Fall 2015 semester:

Category	\$ Increase
In-State Undergraduate	\$510
Out-State Undergraduate	\$1080
In-State Graduate	\$648
Out-State Graduate	\$1704
Average Room & Board	\$178

The tuition and fee trends for the past five years are presented on page 12.

The proposed total University's resource budget for 2015-2016 is \$590.9 million, a 3.3% increase over the final 2014-2015 operating budget. This overall increase is attributed to the combined effects of the general and central fund allocations, tuition and fee increases, and increases in auxiliary services revenues. The budget consists of the following components: the E&G Programs budget, the Auxiliary Services budget, grants and contracts, gifts and discretionary

cost for research facilities. In addition, one-time funding will be allocated to support laboratory operations and expansion of Undergraduate Research.

Equipment Trust Fund

The VCBA Bond funded Equipment Trust Fund program will provide \$5,051,185 of resources for the procurement of equipment to support Instruction, Mediated Classrooms and Student Laboratories.

STUDENT SUCCESS

Academic Success Advisors

Eight (8) new advising positions will be created to provide critical support services to enhance student success and retention.

Recruitment and Retention Initiatives

Targeted initiatives to increase Out of State and Graduate Student populations will be implemented, as well as, initiatives to improve the retention of international students. Base funding of \$55,000 and One-time funding of \$450,000 will be allocated in support of these initiatives. Base funding of \$200,000 will also be allocated to support the Predictive Retention Modeling Systems, and \$185,000 of base and \$185,000 of one-time

Public Safety Staffing
Five (5) new full-

CHAPTER 5
2015-2016 AUXILIARY SERVICES PROGRAM PRIORITIES

The University's FY2015-2016 Auxiliary Services budget reflects a total addition of \$8.8 million to the Auxiliary Capital Reserve Fund for the next fiscal year. Overall adequate reserves are provided within the auxiliary budget to accomplish the program initiatives for 2015-2016 and beyond. Rate and fee increases were held to a minimum and will be primarily used to address increases in mandatory salary, retirement and health care benefit increases for auxiliary services and programs, additional merit-based scholarship funding, public safety enhancements, sexual assault prevention programming, outdoor adventure programs, mandatory operational support, reserve for capital investments, intercollegiate athletic scholarships and athletic operations and travel. No state funds are received to support auxiliary service operations and no student fees are used to support any Conference USA cost increases.

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
- 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

Student Housing and Food Services

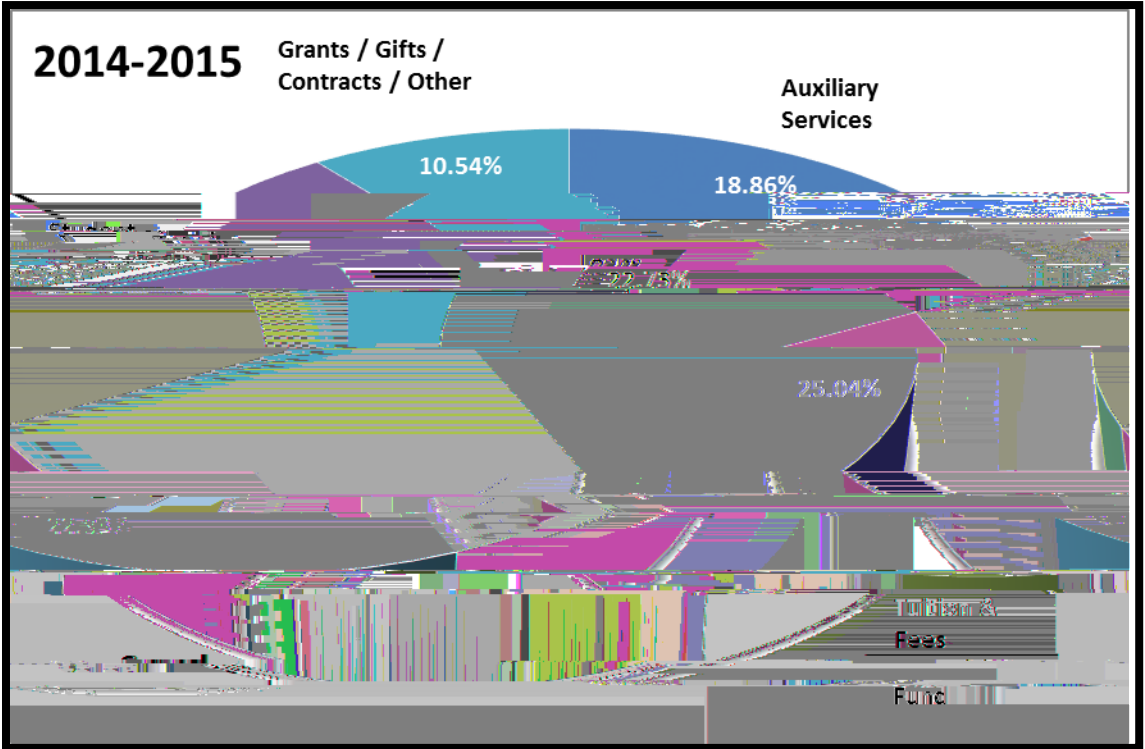
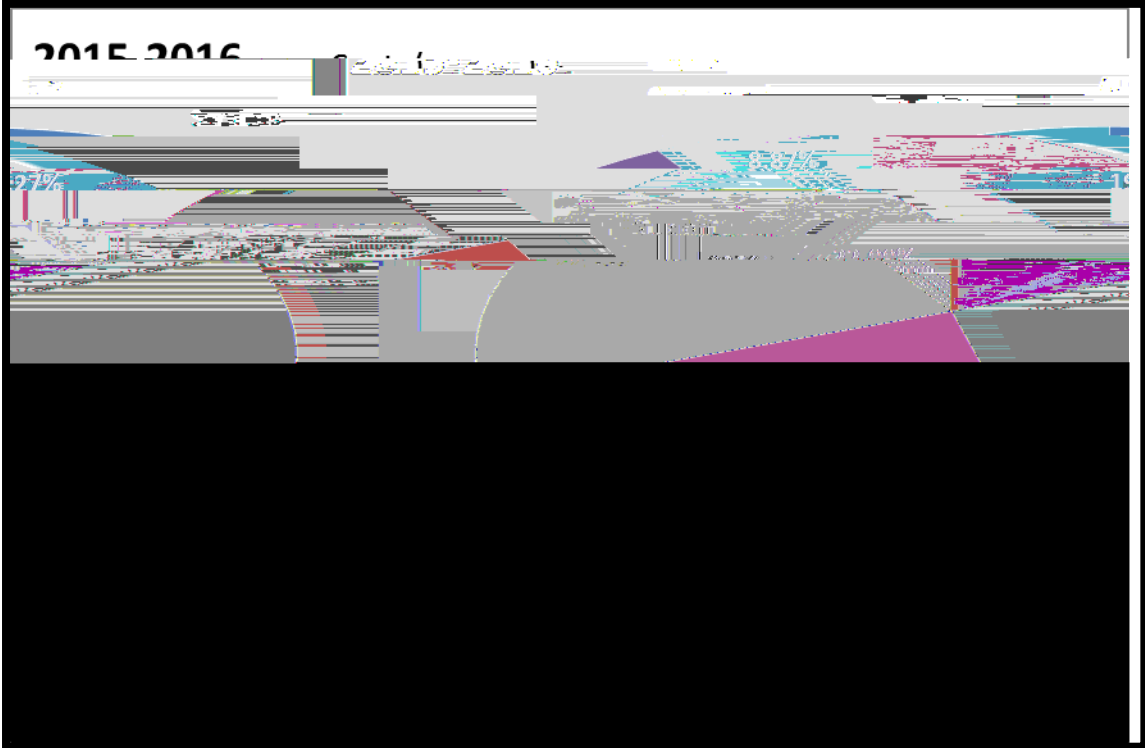
The room and board rates were increased by an average of 1.9 percent or \$178 for 2015-2016. Housing rates will increase by 3 percent but there will be no increase in meal plan rates. Revenue estimates were based on conservative occupancy rates. The University continues to develop multi-

AUXILIARY SERVICES BUDGET SUMMARY

(In Thousands)	BUDGET 2014-15	BUDGET 2015-16
RESIDENCE HALLS		
Revenues	\$ 30,041	\$ 31,995
Expense	\$ 27,745	\$ 29,526
Net	\$ 2,296	\$ 2,469
FOOD SERVICES		
Revenues	\$ 4,505	\$ 5,030
Expense	\$ 3,036	\$ 4,410
Net	\$ 1,469	\$ 620
STUDENT SERVICES		
Revenues	\$ 10,696	\$ 11,324
Expense	\$ 10,793	\$ 11,252
Net	\$ (97)	\$ 72
STUDENT ATHLETICS		
Revenues	\$ 37,070	\$ 38,033
Expense	\$ 36,365	\$ 37,385
Net	\$ 705	\$ 649
BOOKSTORE		
Revenues	\$ 650	\$ 651
Expense	\$ 716	\$ 651
Net	\$ (66)	\$ -
OTHER SERVICES (Parking, Rec Centr, Convocation Center..)		
Revenues	\$ 24,873	\$ 26,863
Expense	\$ 23,595	\$ 21,819
Net	\$ 1,279	\$ 5,044
TOTAL AUXILIARY ENTERPRISES		
Revenues	\$ 107,837	\$ 113,896
Expense	\$ 102,250	\$ 105,043
Net	\$ 5,587	\$ 8,853
Commitment to Auxiliary Capital Reserve	\$ 5,587	\$ 8,853
Contributions to/(Use of) Fund Balance	\$ 0	\$ 0

2015-2016: \$590,908,000
2014-2015: \$571,875,000

PRIMARY SOURCES (Percentage)



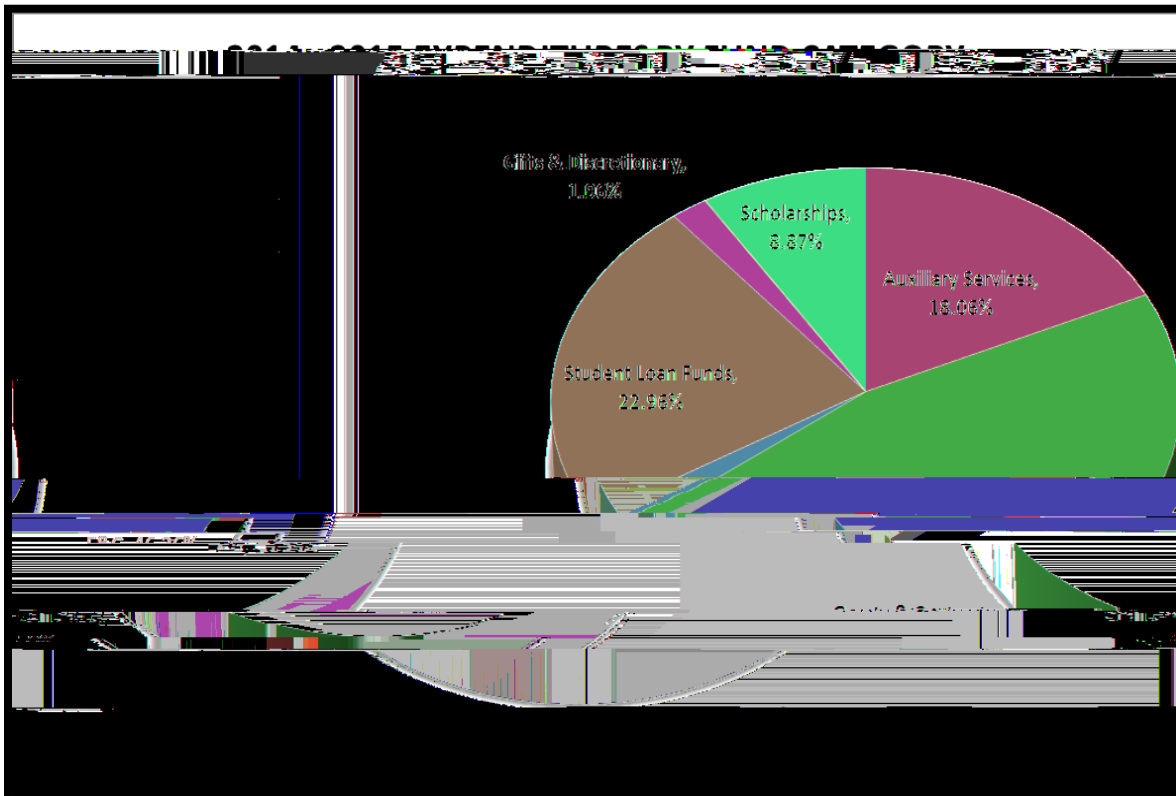
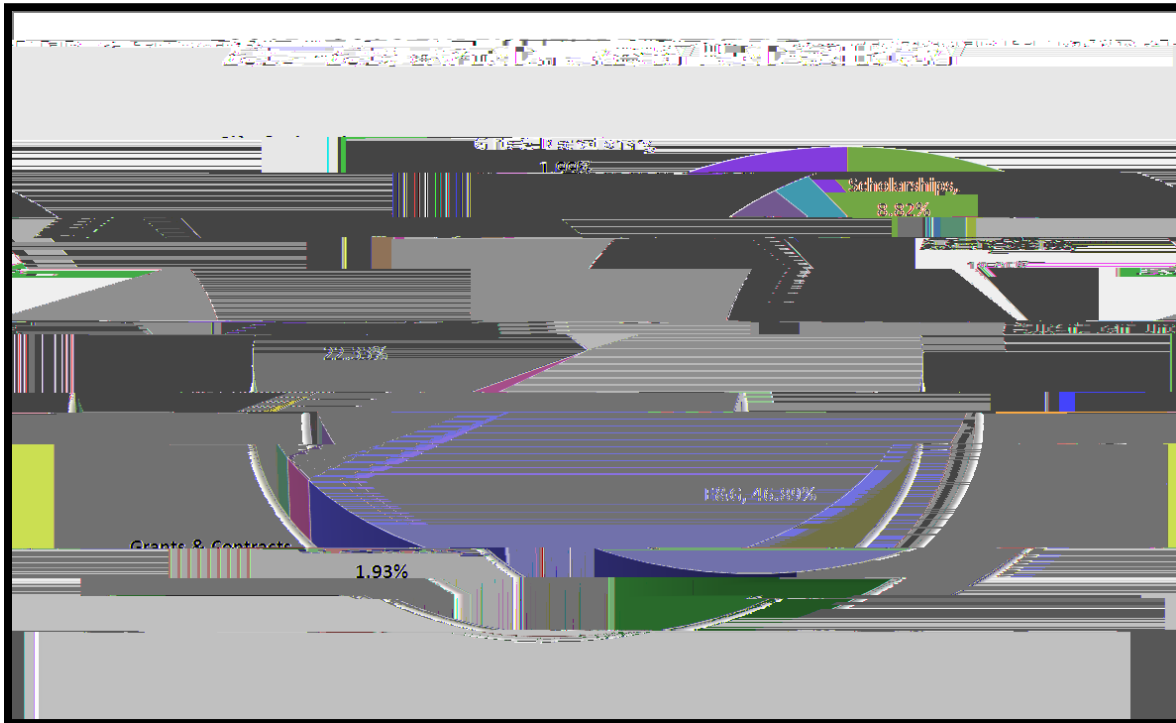
CHAPTER 7
UNIVERSITY EXPENDITURE SUMMARY

Old Dominion University utilizes the revenue that it receives to fund a variety of

TOTAL EXPENDITURES COMPARISON BY FUND CATEGORY

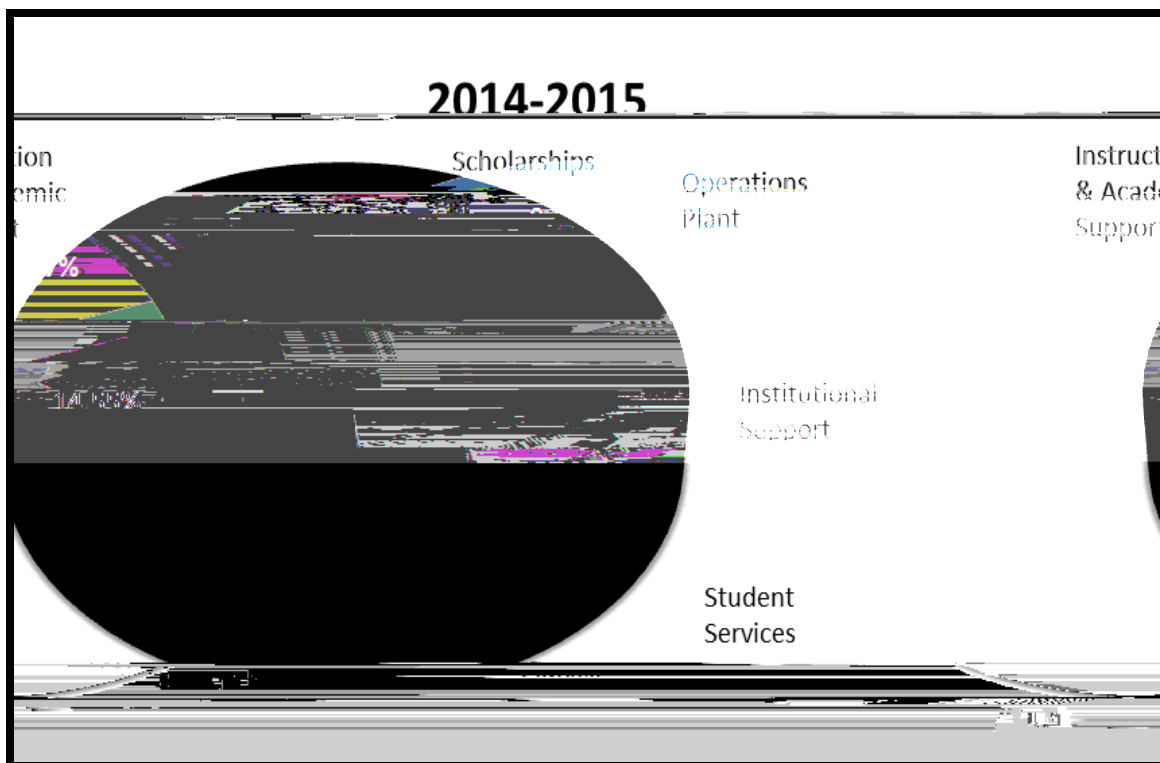
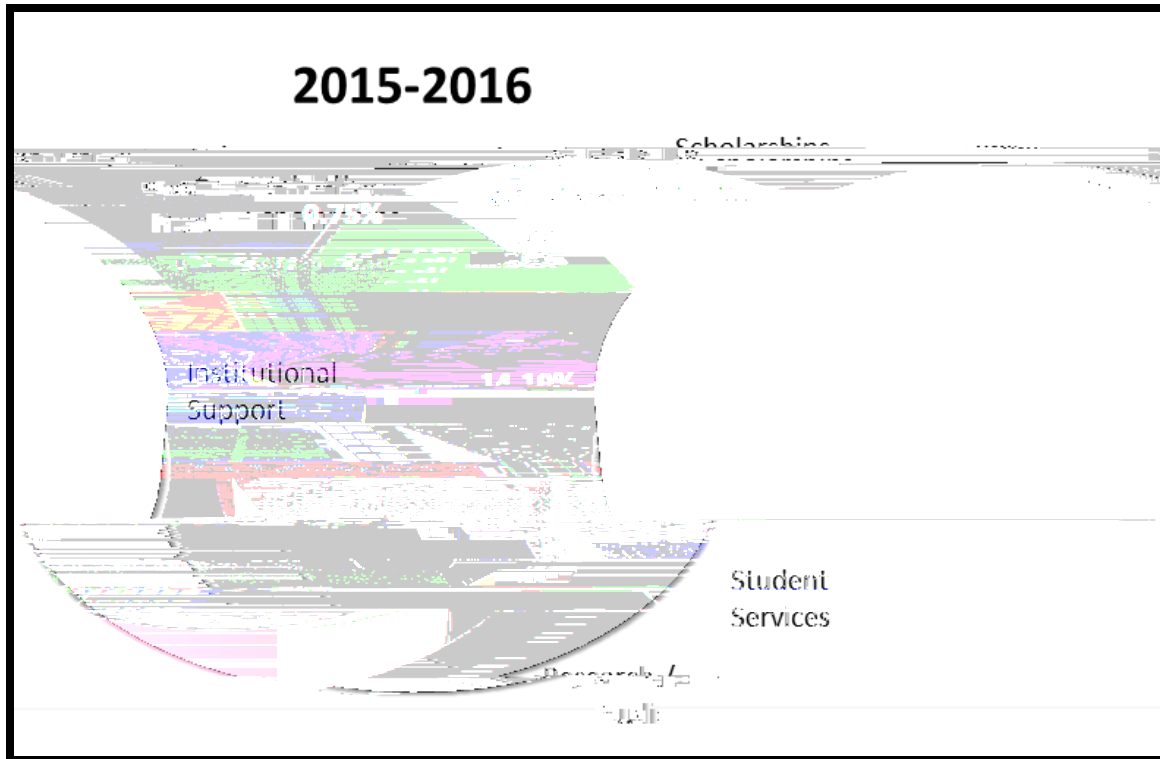
2015-2016: \$582,055,000

2014-2015: \$566,288,000



E&G EXPENDITURE COMPARISON BY PROGRAM AREA

2015-2016: \$272,915,000
 2014-2015: \$262,543,000

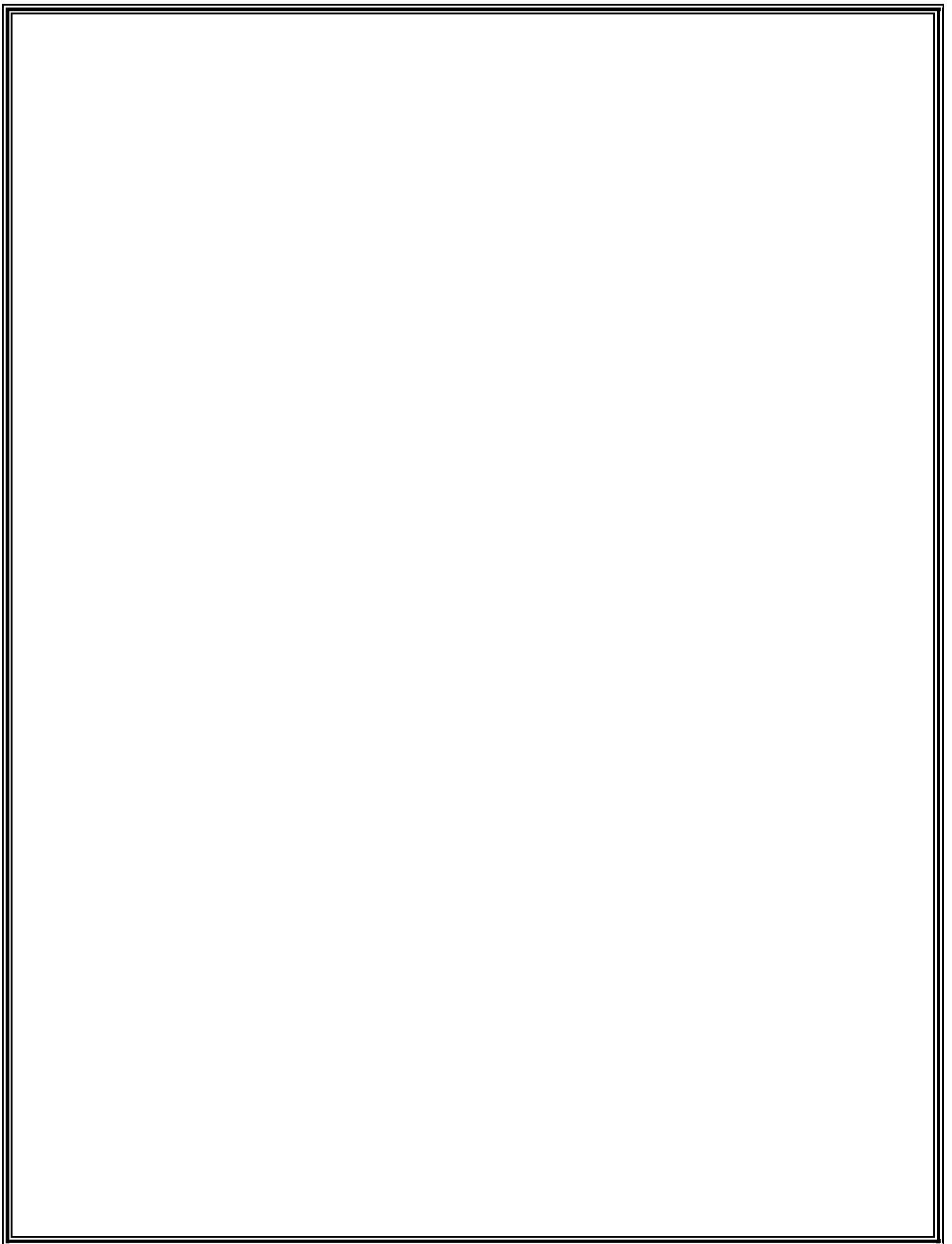


AUXILIARY SERVICES EXPENDITURE COMPARISON BY FUNCTION

2015-2016: \$105,043,000

2014-2015: \$102,250,000





OLD DOMINION UNIVERSITY

	2014-15 Approved Budget Plan	2015-16 Proposed Budget Plan
REVENUES		
State General Funds	\$ 130,563	\$ 136,694
Nongeneral Funds		
Student Tuition & Fees	\$ 143,219	\$ 157,877
Grants, Contracts, & Gifts, Other	\$ 60,256	\$ 52,441
Auxiliary Enterprises	\$ 107,837	\$ 113,896
Subtotal Nongeneral Funds	\$ 311,312	\$ 324,214
Student Loan Funds	\$ 130,000	\$ 130,000
Total University Revenues	\$ 571,875	590,90

EXPENDITURES

**2014-15
Approved
Budget Plan** **2015-16
Proposed
Budget Plan**

E&G

Instruction	\$ 125,348	\$ 131,316
Research & Sponsored Programs	\$ 4,638	\$ 5,253
Public Service	\$ 258	\$ 258
Academic Support	\$ 45,733	\$ 47,391
Student Services	\$ 15,651	\$ 17,743
Institutional Support	\$ 37,937	\$ 38,726
\$		

OLD DOMINION UNIVERSITY

**TABLE 3
AUXILIARY SERVICES SUMMARY
(in thousands)**

	2014-15	2015-16
AUXILIARY PROGRAMS	APPROVED BUDGET	PROPOSED
RESIDENCE HALLS		
Revenues	\$ 30,041	\$ 31,995
Expense	\$ 27,745	\$ 29,526
Net	\$ 2,296	\$ 2,469
FOOD SERVICES		
Revenues	\$ 4,505	\$ 5,030
Expense	\$ 3,036	\$ 4,410
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STUDENT SERVICES		
Revenues	\$ 10,696	\$ 11,324
Expense	\$ 10,793	\$ 11,252
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Revenues	\$ 37,070	\$ 38,033
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BOOKSTORE		
Revenues	\$ 650	\$ 651
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OTHER SERVICES (Parking, Va Beach Higher Ed Centers Constant Convocation Center		
Revenues	\$ 24,873	\$ 26,863
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TOTAL AUXILIARY ENTERPRISES		
Revenues	\$ 107,837	\$ 113,896
Expense	\$ 102,250	\$ 105,043
Net	\$ 5,587	\$ 8,853
Commitment to Auxiliary Capital Reserve	5,587	\$ 8,853
Contributions to/(Use of) Fund Balance	0	\$ 0

OLD DOMINION UNIVERSITY

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
<i>Education & General</i>									
Instruction	\$ 168	\$ 131,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,316
Research & Sponsored Programs	\$ -	\$ 889	\$ -	\$ -	\$ -	\$ 4,364	\$ -	\$ -	\$ 5,253
Public Service	\$ -	\$ 258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258
Academic Support	\$ -	\$ 28,011	\$ 17,505	\$ -	\$ 1,876	\$ -	\$ -	\$ -	\$ 47,391
Student Services	\$ 168	\$ 2,729	\$ -	\$ -	\$ 14,846	\$ -	\$ -	\$ -	\$ 17,743
Institutional Support	\$ 7,747	\$ 5,012	\$ 13,719	\$ 5,571	\$ 2,779	\$ 1,721	\$ 2,177	\$ -	\$ 38,726
Operations & Maintenance of Plant	\$ 7,654	\$ -	\$ 22,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,182
Scholarships & Fellowships	\$ -	\$ -	\$ 2,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,046
E&G Subtotal	\$ 15,737	\$ 168,048	\$ 55,797	\$ 5,571	\$ 19,501	\$ 6,085	\$ 2,177	\$ -	\$ 272,915
Auxiliary Enterprises	\$ 0	\$ 3,432	\$ 29,311	\$ 874	\$ 38,041	\$ -	\$ -	\$ 33,385	\$ 105,043
Grants & Contracts	\$ 300	\$ 6,500	\$ 400	\$ 20	\$ 110	\$ 3,887	\$ -	\$ -	\$ 11,217
Gifts & Discretionary	\$ 570	\$ 5,550	\$ 1,800	\$ 1,700	\$ 90	\$ 1,200	\$ 15	\$ 630	\$ 11,555
Scholarships & Fellowships	\$ -	\$ 500	\$ -	\$ -	\$ 41,830	\$ -	\$ -	\$ 8,995	\$ 51,325