

FINAL - APPROVED BY EXECUTIVE COMMITTEE 7/16/01

OLD DOMINION UNIVERSITY

**Board of Visitors Executive Committee Meeting
Monday, 19 March 2001**

MINUTES

The Executive Committee of the Board of Visitors met on Monday, 19 March 2001, at 3:00 PM in the Board Room of Webb University Center on the Norfolk campus. Present from the Executive Committee were:

Walter D. Kelley, Jr., Rector
Henry P. Bouffard
Mary C. Haddad
Edward L. Hamm, Jr.
Ronald John A. Villanueva

Absent from the Executive Committee were:

Elizabeth W. Atkinson
Patricia M. Woolsey

Also present from the Board of Visitors were:

J. Jack W. Hilgers
William M. Lechler
James Toscano

Also present were:

James V. Koch, President
John R. Broderick
Stephen Daniel
Robert L. Fenning
Jo Ann M. Gora
Donna W. Meeks
C. Jay Robbins

CALL TO ORDER AND APPROVAL OF MINUTES

The Rector called the meeting to order at 3:05 p.m. and asked for approval of the minutes of the Executive Committee meeting of November 13, 2000. Upon a motion duly made by Dr. Hilgers and

seconded by Mr. Hamm, the minutes were approved as distributed. (*Bouffard, Haddad, Hamm, Hilgers, Lechler*)

RECTOR'S REPORT

The Rector indicated that he had no report, but stated that he had a very good meeting with Dr. Runte while she was in town last week. He also commented on the recent article in the *Virginian Pilot* about the transition.

PRESIDENT'S REPORT

The Rector called on the President for his report. President Koch noted that construction has begun on the new Convocation Center and is on schedule, if not slightly ahead of schedule. He also noted the progress being made on the Constant Hall renovation, stating that this project could be completed as early as next January or February, but that the reductions in capital funding may impact the scheduled completion.

EXECUTIVE SESSION

The Rector recognized Mr. Bouffard, who made the following motion: "Mr. Rector, I move that this meeting be recessed, and that we reconvene in Executive Session for the purpose of discussing a personnel matter and a student disciplinary matter, as permitted by Subsection (A), Paragraphs (1) and (2), of Section 2.1-344 of the Code of Virginia."

RECONVENE IN OPEN SESSION AND FOIA CERTIFICATION

At the conclusion of executive session, the meeting reconvened in open session, at which time the Rector called for the Freedom of Information Act certification of compliance that (1) only public business matters lawfully exempted from the open meeting requirements under the Freedom of Information Act were discussed and (2) only such public business matters as were identified in the motion by which the executive session was convened were heard, discussed or considered. The certification of compliance vote was six in favor and none opposed. (*Bouffard, Haddad, Hamm, Hilgers, Lechler, Villanueva*)

BUDGET DISCUSSION

President Koch outlined the current status of the budget as contained in a letter addressed to the campus which he planned to distribute the following day. He summarized the budget situation as follows:

- Unless things change, the budget next year will be the one that was approved as part of the biennial budget a year ago. This means that there will be a virtually level operating budget next year.
- This year's Commonwealth operating funds have been restored.
- There is no funding for salary increments for faculty and staff for next year.
- Commonwealth funding for need-based student scholarships for in-state undergraduates next year has been decreased by slightly more than \$194,000.
- Construction funding for all planned building projects (such as the Computational Sciences and Engineering Building) has been eliminated.
- Almost \$1.5 million in funding has been removed from the ongoing renovation and expansion of Constant Hall. The University is in the process of appealing this reduction, since the building cannot open if the funding is withdrawn.
- Funding for non-general fund building projects such as the Constant Convocation Center is unaffected and construction continues.

Although current operating funds were restored, some activities were canceled during the freeze and will not be reinitiated. Next year's operating budget will present challenges, particularly in light of the increasing utility costs. The Board should expect to see at its April meeting a recommendation for a relatively small tuition increase in the range of 2-3 percent for out-of-state and graduate students, which is lower than the current Consumer Price Index. Tuition for in-state undergraduates remains frozen. The administration will also recommend an increase to the student health fee, which experienced its last increase of \$1.00 six years ago.

A proposal will be sent to the General Assembly next January to restore the funding for the Engineering and Computational Sciences Building. A general obligation bond is also anticipated to support higher education capital projects to make up for the significant space deficits as well as in anticipation of an influx of 40,000 to 60,000 more college students over the next decade.

\$300,000 for the Diehn Fine and Performing Arts Center dehumidifying system was also eliminated and can be resubmitted next January to the General Assembly. There is some optimism that the \$1.5 million for the Constant Hall renovation project will be restored through the appeals process. If

restored, the building could be occupied in late spring or early summer. If not, occupation of the building could be delayed by as much as a year. Maintenance reserve funding for things such as roof and window reports has been reduced by one-half. Funding for all other general fund or debt-financed capital items, such as the Batten Arts and Letters and Technology building renovations, is gone.

President Koch suggested several options for what may happen in the future.

- The Governor or the General Assembly could call a special session of the General Assembly to deal with specific issues such as salary increases for state employees. This would require support by 67 Delegates and 27 Senators. This likely won't occur.
- The General Assembly will be in special session in the beginning of April to deal with redistricting. However, absent the two-thirds vote in each house, this session cannot deal with other topics such as the budget.
- Commonwealth tax collections could deteriorate to such an extent that the Governor, using his constitutional authority, might be forced to recall additional funds from Commonwealth agencies, including higher education. The President intends to leave Dr. Runte with a fair amount of budgetary flexibility to help if something like this occurs. However, there currently is not enough of a cushion in the budget if cuts mirrored the 25 percent reduction experienced in the early 90s.
- Governor Gilmore's recent reductions were sufficient to allow him to accumulate funds that could be used for salary increases or other purposes. If there is no special session, then a caboose bill could be introduced in January to address this issue, which could take effect immediately or be retroactive. However funds that are restored to the agencies for capital projects during the appeals process will impact the amount of funds available for this purpose.

While the Governor has the constitutional authority to reduce General Fund budgets of state agencies by up to 15 percent, he does not have unilateral authority to increase those budgets. Action by the General Assembly is required for state employee salary increases.

President Koch concluded his letter to the campus by recognizing that it is not an easy time for the Old Dominion and that it is appropriate for individuals to express their views on these issues to their legislators and Governor. Whether they choose to do so or not, it is important that everyone continue to perform their jobs with sufficient productivity and devotion so that people will agree that Old Dominion is worthy of support. Activities such as sick-outs would be a disservice to our students and would be a major mistake politically for the University.

Dr. Hilgers expressed his own views of the budget situation, based on his experiences in Richmond, but stated that he does not speak for the General Assembly or the Governor. He expressed his

optimism that the houses will reconvene before July 1st and come to agreement on the budget. He emphasized that the final budget bills for both houses were very similar, the only significant difference being whether the car tax relief is continued, as the house recommends, or there be increased spending, as recommended by the Senate. The differences appear to be less about money and more about politics at this point.

Mr. Hamm asked whether the Governor has the authority to reduce the total budget, or if it is just the general fund portion. President Koch stated that he may only reduce the general fund portion. Mr. Hamm also made the observation that the culture at Old Dominion is such that there should be no concern about sick-outs. The faculty and staff appear to very dedicated to the institution.

In response to a question by the Rector, it was reiterated that both the House and Senate budget bills would restore capital funding, although by means of different funding sources. President Koch indicated that each 1% in the car tax equals approximately \$8 million, so the difference between the House and Senate bills, which call for 70% and 55% of the car tax reduction during the first year of the biennium, respectively, equals about \$120-\$125 million. The Rector commented that the marginal difference in increased spending from the House version to the Senate version is a rather small percentage of the overall budget.

OLD/UNFINISHED BUSINESS

Bylaws Review Committee - The Rector called on Dr. Hilgers for a report on the Bylaws Review Committee. Dr. Hilgers stated that, as a result of discussions held at the Retreat on the proposed bylaws revisions, some matters were referred to the Attorney General's office for response. Tentative answers have been received, and a second draft of the bylaws has been provided to the President, the Rector and the General Counsel for their initial comments. About 95 percent of the recommendations discussed at the retreat are reflected in this second draft. Once comments are received, the committee will meet the first week of April, make necessary changes based on comments received, and distribute the revised second draft to the entire Board prior to the April 12th Board meeting. He hopes to have time during the April 12th meeting to review those changes with the Board in order to plan to approve the final draft at the annual meeting in June.

Presidential Transition Committee - The Rector indicated that Ms. Graeber was out of town and was unable to attend to give a report of the Committee. However, Mr. Lechler, who is not a member of the committee but attended the committee's meeting as an observer, provided an update on the committee's activities, commenting that it appears as if everything is on track. He complimented Ms. Graeber on her fine work. Mr. Kelley indicated that she is also representing the Board on the Presidential Inauguration Steering Committee. Mr. Lechler briefly reviewed Dr. Runte's schedule while she was in town on March 13-15, and outlined the events planned for the inauguration, noting that the actual inaugural ceremony will be held on October 11, 2001.

Ms. Haddad commented that she has been talking to students about the arrival of the new president, and everyone with whom she's talked was impressed with Dr. Runte and looks forward to her arrival. Mr. Toscano echoed Ms. Haddad's comments.

NEW BUSINESS

The Rector asked if there was any new business to come before the Board. Mr. Toscano announced a new website that has been designed which he will use to receive input from students on issues and concerns that they feel are important, so that he will be able to report to the Board on those issues and concerns. The website, called "The Student Voice," has been linked to the Old Dominion University homepage. It has been especially promoted to TELETECHNET students so that they may feel more a part of the institution, and this week it will be featured in an article in the *Mace and Crown*. The Rector complimented Mr. Toscano on his efforts.

With no further business to be discussed, the meeting was adjourned at 4:25 p.m.