

FINAL - APPROVED BY EXECUTIVE COMMITTEE 3/18/02

OLD DOMINION UNIVERSITY

Board of Visitors Executive Committee Meeting

Monday, 18 February 2002

MINUTES

The Executive Committee of the Board of Visitors met on Monday, 18 February 2002, at 3:00 p.m. in the Board of Visitors Room of Webb University Center on the Norfolk campus. Present from the Executive Committee were:

Walter D. Kelley, Jr., Rector
Henry P. Bouffard
Beverly B. Graeber
Ronald J. A. Villanueva

Absent from the Executive Committee were:

Elizabeth W. Atkinson
Mary C. Haddad
Patricia M. Woolsey

Also present from the Board of Visitors were:

D. Michael Arendall, Jr.
Nancy P. Cheng
J. Jack W. Hilgers

Also present were:

Roseann Runte, President
Julie Adie
Dana Burnett
Stephen Daniel
Betty Diamond
Terry Durkin
Robert Fenning
William Fisher
David Hager

Heidi Kaplan (*Brailsford & Dunlavey*)
Richard Massey
William McMahan
Donna W. Meeks
Brad Noyes (*Brailsford & Dunlavey*)
Donald Runyon
Mary Swartz
Philip Walzer (*The Virginian Pilot*)
Rita Woltz

CALL TO ORDER AND MOTION FOR CLOSED SESSION

The Rector called the meeting to order at 3:05 p.m. and recognized Ms. Graeber, who made the following motion: “Mr. Rector, I move that this meeting be recessed, and that we reconvene in Closed Session for the purpose of discussing legal matters within the jurisdiction of the Board, specifically, consultation with legal counsel on actual and probable lawsuits, where such briefing in open meeting would adversely affect the negotiations or litigating posture of the public body, as permitted by Subsection (A), Paragraph (7) of Section 2.2-3711 of the Code of Virginia.”

RECONVENE IN OPEN SESSION AND FOIA CERTIFICATION

At the conclusion of closed session, the Board reconvened in open session, at which time the Rector read the FOIA Certification of Compliance. This Certification was approved unanimously by all members present and voting. (*Bouffard, Cheng, Graeber, Hilgers, Villanueva*)

BUDGET BRIEFING

Vice President Fenning briefed the Committee on the current budget situation. He reviewed the components of the University’s E&G budget and the effects the proposed 7% and 8% base reductions for FY03 and FY04 would have on the University’s operating budget. He shared a graph showing faculty salaries by 2004 for Virginia’s colleges and universities assuming no increases. He noted that Old Dominion’s faculty salaries, under these conditions, could fall to as low as the 19th percentile, which is well below the 60th percentile target established by SCHEV.

Vice President Fenning reviewed the institution’s strategy for meeting both the 3% operating budget reduction for the current fiscal year and the 7% base reduction in FY03 and the deadlines under which the institutions had to work to submit their plans to the Secretary of Education and the Department of Planning and Budget. The University will meet its 3% operating reduction through a combination of revenue surplus from enrollment growth, salary and benefits savings from a selective hiring freeze, a reduction of travel and equipment purchases, deferred spending on supplies and materials, deferred maintenance and curtailed special events.

Mr. Fenning shared the University’s strategy to meet the 7% base budget reduction in FY03. He noted that personnel services comprise 80% of the University’s E&G budget, so cuts in personnel were unavoidable. The University’s plan includes \$3.8M in personnel reductions and \$2.1 in non-personnel reductions. In devising its plan, the University chose to protect essential services, including public safety, faculty and staff dependent scholarships, and the Classroom Central initiative. In addition, the plan sustains the instructional schedule for courses and student enrollment demands. Ongoing planning efforts that might offset some of these reductions include the impact of an early retirement incentive program and part-time contracts for retiring faculty, renegotiations of leases and relocations, and organizational restructuring changes.

Vice President Fenning explained the University's strategy for linking the budget reductions with the operating budget for FY03. This includes a 5% tuition increase for each year of the biennium to offset the reductions, plus additional increases to address operating budget priorities and unavoidable costs. Finally, he shared with the Board the most recent Senate and House Appropriations Committee reports which contain provisions for differentiated budget reductions based upon the base funding adequacy model, and for tuition and fee increase guidelines and compensation for faculty and staff. Of particular significance was the provision that tuition increases "not be sent to Richmond" and that the authority of the Board be reestablished to set tuition guidelines.

At the conclusion of his report, Vice Rector Graeber complimented President Runte, Vice President Fenning and the staff for the thoroughness of their reduction plan and the efforts made to sustain the academic integrity of the institution during these difficult financial times.

CLOSED SESSION

The Rector recognized Ms. Graeber, who made the following motion: "Mr. Rector, I move that this meeting be recessed, and that we reconvene in Closed Session for the purpose of discussing personnel matters, specifically, the evaluation of departments and divisions of the institutions, where the evaluation of such departments and divisions will necessarily involve discussion of the performance of specific individuals, and the assignment, appointment and salaries of specific appointees or employees, as permitted by Subsection (A), Paragraph (1) of Section 2.2-3711 of the Code of Virginia.."

RECONVENE IN OPEN SESSION AND FOIA CERTIFICATION

At the conclusion of closed session, the Board reconvened in open session, at which time the Rector read the FOIA Certification of Compliance. This Certification was approved unanimously by all members present and voting. (*Bouffard, Cheng, Graeber, Hilgers, Villanueva*)

APPROVAL OF MINUTES

The Rector asked for approval of the minutes of the Executive Committee meeting of November 12, 2001. Upon a motion duly made by Dr. Hilgers and seconded by Mr. Bouffard, the minutes were unanimously approved as distributed. (*Bouffard, Cheng, Graeber, Hilgers, Villanueva*)

PRESIDENT'S REPORT

The Rector called on President Runte for her report. President Runte indicated that she will serve on a committee appointed by the Governor to organize two conferences. The first deals with efficiencies within universities and the second deals with the future of secondary education in Virginia. She also reported on efforts to establish a NASA campus and indicated that originally Old Dominion planned to submit a grant proposal along with the University of Virginia and Virginia Tech. However, since then UVa and Virginia Tech decided not to partner with Old Dominion, so Old Dominion drafted an excellent proposal in collaboration with Hampton University, Cal Tech, Syracuse, Rensselaer, Michigan and Princeton. The Secretary of Education, however, was upset that there were two competing proposals from Virginia, so an agreement has been reached whereby if one of the groups wins the proposal, they will invite the other group to join.

President Runte reported on the following activities:

- The SACs Visitation Team will be visiting the campus in the next couple of weeks as part of the reaccreditation effort.
- Old Dominion University has submitted to the State Council of Higher Education a new way to calculate the graduation rate which takes into account all the students at the University and she is hopeful that it will be adopted.
- The University recently received a donation of \$1.6 million.
- Physiotherapy students received a 100% pass rate on certification testing.
- An Old Dominion graduate has been nominated for a Pulitzer Prize
- An Old Dominion faculty member was chosen as Teacher of the Year by the State Council for Higher Education.
- An Old Dominion student will be among USA Today's top 50 scholars in the United States (the second time in the last three years that an Old Dominion student has received this honor).
- The student newspaper's web page has been voted one of the top three web sites for student newspapers in the country.
- Two new grants were received in the College of Sciences and the College of Engineering received the Battle Lab from the State's technology fund.

President Runte concluded her report by commenting that a number of initiatives are underway to reduce the effects of the budget cuts.

RECTOR'S REPORT

The Rector commented on the encouraging budget news from the General Assembly. He noted that Judy Worthington's recent appointment to the Board was not confirmed by the General Assembly. While he feels she would have been an excellent board member, he hopes to involve her with the University through other means, such as an appointment to one of the Foundations.

The Rector also emphasized that, as things presently stand in Richmond, Old Dominion University's budget will not be cut by as much as the other institutions that have traditionally been better funded. He commended President Runte, Vice President Broderick and the staff for their exceptional efforts in making the case for Old Dominion University.

STUDENT HOUSING STUDY AND MARKET ANALYSIS

Vice President Fenning introduced Brad Noyes, Vice President, and Heidi Kaplan, Project Manager, from Brailsford & Dunlavy Associates, who conducted a housing market analysis for Old Dominion University. He also recognized Julie Adie, Director of Real Estate Development, Don Runyon, Assistant Vice President for Auxiliary Services, and Terry Durkin, Director of Housing Services, who have been very involved in the market study process.

Mr. Noyes and Ms. Kaplan briefed the Committee on the objectives, methodology and results of the housing study. Mr. Kaplan reviewed the University's existing housing, commenting that the University has positioned itself well financially to address deferred maintenance issues and to plan for additional student housing. Ms. Kaplan discussed the methodology used in the analysis and commented that results indicate that students generally were extremely satisfied with their housing experiences at Old Dominion, but desire a more traditional campus feeling which could be met through additional campus housing in the form of suites and apartments.

The analysis also indicated that Old Dominion, compared with its peer institutions, has room and board rates that are competitive, its housing facilities are at a below average capacity. In other words, of its total student body, Old Dominion is unable to house the same percentage of students as its peers. In addition, while the cost for a shared room at Old Dominion is comparable to that of the private market, single rooms at Old Dominion are underpriced as compared with the private market.

Survey results indicate a significant demand for housing among junior and senior level students, particularly for singles and 4-bedroom apartments. These results confirm that the proposed housing in the University Village will address the demands that exist. A phasing strategy over the next decade which introduces new housing while addressing deferred maintenance and other improvements in current housing will ensure that the University remains competitive in the market in terms of providing quality housing on campus.

At the conclusion of his report, the Rector asked Mr. Noyes what the demand was for housing in the University Village. Mr. Noyes indicated that demand across the entire University is for 4,000 beds. With its current housing at 2,400 beds, he suggests that the University provide an additional 1,200 beds through new housing development in the Village, never quite reaching demand in recognition of fluctuations in the market. This should be comprised of a mix of 2-bedroom/1-bathroom apartments (20%) and 4-bedroom/2-bathroom apartments (80%).

OLD/UNFINISHED BUSINESS

There was no old or unfinished business to come before the Committee.

NEW BUSINESS

There was no new business to come before the Committee.

With no further business to be discussed, the meeting was adjourned at 5:00 p.m.