

OLD DOMINION UNIVERSITY  
BOARD OF VISITORS  
November 8, 2002

MINUTES

A Special Meeting of the Board of Visitors was held on Friday, November 8, 2002, at 3:00 p.m. in the Board Room of Webb University Center on the Norfolk campus. The special meeting was called by the Rector for the purpose of considering a mid-year tuition adjustment as endorsed by the Executive Committee on October 21, 2002. Present from the Board were:

Frank Batten, Jr., Rector  
Henry P. Bouffard  
Nancy P. Cheng  
Beverly B. Graeber  
Mary C. Haddad  
James A. Hixon  
William M. Lechler  
Walter D. Kelley, Jr.  
Ross A. Mugler  
Anthony C. Paige  
William E. Russell  
Moody E. Stallings, Jr.  
Joel R. Wagner  
Patricia M. Woolsey

Absent were: Kendra M. Croshaw  
Prabhav Maniyar  
Scott D. Pattison

Also present were:

Roseann Runte, President  
John R. Broderick  
Dana D. Burnett  
Robert L. Fenning  
William R. Fisher  
David R. Hager

Lauren Marsh (*Student Representative*)  
Donna W. Meeks  
Deborah Swiecinski  
Cecelia Tucker  
Jennifer Mullen  
Susan White (*The Virginian-Pilot*)  
Rita Woltz

The Rector called the meeting to order at 3:05 p.m. and thanked everyone for taking the time to come this very important meeting. He called on President Runte to brief the Board on the current budget situation, the administration's proposed reduction plan, and the proposal for a tuition surcharge to offset some of these reductions.

President Runte indicated that the administration's objectives in formulating its reduction plan were to protect the academic mission of the University and to protect the staff as much as possible through increased revenue and decreased costs. She explained that 80% of the University's budget is personnel, so it would be impossible to cut the budget by more than approximately 4% without having to cut staff. The reduction plan that has been developed by the administration reduces the administrative budgets by 11-15%, but cuts the budgets for the academic colleges by only 4.3%. This plan was developed on the assumption that the Board would approve a \$12 per credit hour surcharge. Without the surcharge, additional cuts would need to be taken from the academic colleges.

The President stated that the administration considered several options for meeting its reduction target, including furloughs, salary reductions, and program elimination. Furloughs and salary reductions were rejected, as they would further erode the morale of the faculty and staff and would result in several quality faculty and staff leaving the University for jobs with better pay. Furloughs she noted, are only allowed as a one-time option and would not address the longer-term budget cuts. Salary reductions are not possible because of contractual obligations for faculty and the inability to reduce the salaries of classified staff without the authorization of the Governor. The elimination of academic programs would not realize savings in the near future to meet the mandated reductions, since the institution must guarantee that academic programs are in place until students graduate. Furthermore, Old Dominion just achieved reaccreditation which noted that all academic programs are strong and healthy. Eliminating programs would hurt a young institution such as ODU that is trying to expand rather than shrink its curriculum.

Mr. Mugler asked how Old Dominion was helping CNU students whose programs were cut in response to the budget cuts. President Runte said that she called President Tribble the day after the announcement was made and offered to work with those affected students to transition them into ODU's programs, both on campus and at off-campus sites. Mr. Kelley questioned how CNU could cut a program without losing its accreditation, and Acting Provost Hager explained SACs requirements as they relate to Old Dominion and how that would differ for CNU whose focus, as the Rector explained, is primarily on undergraduate education. Mr. Mugler commended President Runte for offering assistance to CNU's students.

President Runte described the various activities that were or are being adopted to achieve immediate and longer term efficiencies, including web-based admissions, grade reports and other communications, energy reduction strategies, joint purchasing activities with other area colleges and universities. Activities peripheral to the University's mission or that have previously resulted in negative returns are also being reduced or eliminated. These include Continuing Studies, TELETECHNET sites, IPro, CHANCE, the Port & Maritime Program, and Wallops staffing. In addition, the administration has attempted to reduce non-personnel costs wherever possible by eliminating corporate sponsorships, Area Leaders' Tour lunches, the Admissions CD-ROM, reducing memberships, lecture series budgets, the number of issues of the *Courier*, *Quest*, and the alumni magazine. The University has also transferred some of its E&G costs to auxiliary operations and will be contracting out some services such as painting and other non-critical maintenance services. Finally, the administration is considering, among other things, postponing some searches,

sharing courses across departments and colleges, having administrators teach, sharing support services between units, eliminating duplication across the curriculum, and combining two colleges.

Following President Runte's briefing, Vice President Fenning reviewed the budget reductions that have occurred during the 2002-2004 biennium, including the first phase of reductions and those announced on October 15<sup>th</sup> that, taken together, total \$13.8 million for FY03 and \$17.7 million for FY04. He then reviewed the budget reduction actions that were implemented, noting that reductions to administrative support, student services and plan operations averaged 12.3% and reductions in academic support operations averaged 10.9%, while the academic colleges' average reduction was only 4.3%.

Mr. Fenning explained that a mid-year surcharge of \$12 per credit hour would generate \$1.8 million in additional revenue. \$1.4 million of that revenue would be used to offset further budget reductions and \$400,000 would be set aside to provide financial assistance to the neediest students. Such an increase, totaling \$180 for the average full-time student taking 15 credit hours, would result in an 8.4% increase for an in-state undergraduate student, and a 2.7% increase for an out-of-state undergraduate. Old Dominion's proposed increase is lower than those proposed by most of the other Virginia institutions, which current range from \$170 to \$400 per student. Only James Madison University's proposed increase is lower than ODU's at \$170 per student, and Norfolk State University has decided not to implement an increase at this time. If the \$12 surcharge is not approved, the additional cuts would be taken in the academic colleges and would result in the layoff of one administrator, 14 classified employees and 15 faculty and would reduce the colleges' operating funds by \$158,000.

Ms. Graeber asked if the two TELETECHNET sites would remain open if the tuition increase was approved. Vice President Fenning responded that they would not. Mr. Bouffard asked if the combination of cuts and the tuition increase would provide any cushion should additional cuts be mandated. Mr. Fenning explained that there would be little flexibility to sustain further cuts. Although President Runte indicated that she had been told that further cuts would not likely impact higher education, most of the Board members expressed doubt that the higher education institutions would be spared from additional cuts by the Governor or the General Assembly.

Mr. Mugler commented on the higher proposed tuition increases at the other universities and wondered if ODU's increase should be higher. Mr. Bouffard commented that ODU's demographics differ from institutions like UVA and William and Mary, so it is important that we minimize the impact to students. It is imperative, however, that the Governor and legislators be convinced that this is not an "egalitarian society" where an institution like UVA could operate by using its endowment during difficult fiscal times, while institutions like Old Dominion University need additional state support.

President Runte indicated that, at the Executive Committee meeting, she was asked about the number of senior administrators at other institutions. She reported that George Mason has ten vice presidents and ten deans, while Old Dominion has five vice presidents and six deans. UVA also has double the number of vice presidents and deans and five times as many staff members in the President's Office. Norfolk State University, which is one-fourth the size as Old Dominion, has the same number of vice presidents and twice the number of staff members in the President's Office.

Reverend Paige stated the importance of sharing the pain among all members of the University community, and commented that only so much can be passed along to the students as consumers.

President Runte distributed a chart showing the tuition increases over the last ten years as they relate to cost-of-living increases, and indicated that, even with the \$12 surcharge, the resulting tuition would still be less than those charged in 1994-95.

Ms. Graeber asked if funding will be available to run the new Engineering & Computational Sciences Building once it has been built. Mr. Fenning explained that SCHEV has requested \$250,000 for FY04 for this purpose.

Mr. Hixon commended the President and her staff for the approach the administration has taken in this difficult process. The reduction plan and proposed increase address the needs of the institution while minimizing the costs to the students. Mr. Wagner added that the University is sending the right message to its students by keeping the surcharge to a minimum.

Mr. Mugler made a motion to adopt a mid-year tuition surcharge of \$12 per credit hour, effective with the beginning of the spring semester. The motion was seconded by Mr. Stallings. Prior to the vote, Mr. Stallings voiced his strong support for the surcharge and challenged those members who do not plan to support the surcharge to offer alternatives. Mr. Kelley pointed out that alternatives, including additional layoffs, have been proposed by the administration if the surcharge is not adopted.

Ms. Haddad asked what the reaction has been from the students. Lauren Marsh responded that the 8.4% increase for students is comparable to the percentage of cuts taken by the institution and is therefore fair, especially since the tuition surcharge makes it possible to spare greater cuts to the academic colleges. In all of her discussions with students, the students have been supportive of, and understand the need for, the increase.

Mr. Lechler asked if the students understand fully the issues, or have they been led to believe that, were it not for a tuition increase, they would not be able to graduate on time. Ms. Marsh commented that students who have taken the time to review the situation understand the real issues and do not see this as an either/or issue. Students do recognize, however, that salary decreases and additional layoffs would erode the quality of their educational experience that they currently enjoy.

Mr. Lechler stated that he would like to see the University cut down its academic programs to its core competencies. The Rector commented that this is an important and ongoing discussion and those discussions will begin at the December Board meeting. Mr. Mugler asked that the discussions include comparative information about the other regional institutions.

Ms. Graeber called the question, at which time the Board approved the motion to approve the mid-year \$12 tuition surcharge by a vote of 13 to 1. (*Approved: Batten, Bouffard, Cheng, Graeber, Haddad, Hixon, Kelley, Mugler, Paige, Russell Stallings, Wagner, Woolsey; Opposed: Lechler*)

With no further business to be discussed, the meeting was adjourned at 4:05 p.m.