

**OLD DOMINION UNIVERSITY
BOARD OF VISITORS
Executive Committee Meeting
Monday, November 18, 2019**

MINUTES

A meeting of the Executive Committee of the Old Dominion University Board of Visitors was held on Monday, November 18, 2019, at 12:00 Noon in the Board Room of the Kate and John R. Broderick Dining Commons. Present from the Committee were:

Lisa B. Smith, Rector
Carlton F. Bennett
R. Bruce Bradley
Robert S. Corn
Larry Hill
Toykea S. Jones
Kay A. Kemper (*via telephone*)
Pamela C. Kirk

Absent from the Committee: Jerri F. Dickseski

Also in attendance from the Board: Alton J. Harris (*via telephone*)

Also present were:

John R. Broderick, President
Bruce Aird
Austin Agho
Alonzo Brandon
Jane Dané
Greg DuBois
Morris Foster
Giovanna Genard
Donna Meeks
Annie Morris
R. Earl Nance
September Sanderlin
Wood Selig
Amanda Skaggs
Don Stansberry
Deb Swiecinski

CALL TO ORDER AND APPROVAL OF MINUTES

The Rector called the meeting to order at 12:06 p.m. In accordance with Board Policy 1105, the Rector noted that Kay Kemper and Jay Harris are participating in today's meeting by telephone, each of them from their homes in Florida and Connecticut, respectively. Work commitments for Mr. Harris and personal commitments for Ms. Kemper prevented them from traveling to Norfolk

for the meeting. She then called for approval of the minutes of the Executive Committee meeting held on March 18, 2019. Upon a motion duly made by Mr. Bennett and properly seconded, the minutes were approved unanimously by all members present and voting (*Bennett, Bradley, Corn, Hill, Jones, Kemper, Kirk*).

RECTOR'S REPORT

The Rector said that it was nice that Eileen Filler-Corn, Bob Corn's wife and the new Speaker of the House of Delegates, was able to join the Board members for lunch. She and President Broderick will be having dinner tomorrow evening with some of the members of the House Appropriations Committee. Talking points and materials have been prepared for them to share ODU's case for additional funding. She thanked President Broderick and his administration and staff for all the great things the University has accomplished.

PRESIDENT'S REPORT

President Broderick distributed a document titled, "The Monarch Value," which highlights the University's affordability, access to underrepresented minority students and Pell grant recipients, and degrees awarded. He provided this document to Governor Northam when he was on campus last week to announce the Lumina Foundation grant for Virginia, which is focused on the need for Virginia to continue to make progress on students of color to attain more degrees. With ODU being in the Top 25 in its success with graduating African-American students, the Governor chose here to make his announcement. This document is also being shared when he meets with legislators. He is hopeful that the University will receive additional funding from the State in order to continue to serve first-generation, military and transfer students.

In response to a question from Mr. Bradley, Jane Dané clarified that the term "underrepresented minority students" is a Federal designation which excludes Asians and those individuals of two or more races.

BUDGET UPDATE

Vice President DuBois provided a budget and resource planning update. He reviewed the current tuition, mandatory and other fees and provided comparative data among the Virginia doctoral institutions on general fund per in-state FTEs and in-state tuition & mandatory E&G fees. Old Dominion University remains the most affordable institution while receiving the second lowest amount of general funds per FTE.

Mr. Bradley asked what the General Assembly's justification is for ODU being underfunded. President Broderick responded that the University's base adequacy funding has increased and, given limited resources, the General Assembly feels it has made measurable increases over the years to increase ODU's base adequacy funding from 72%. Unfortunately, significant funding allocations from Governors McDonnell and McAuliffe fell victim to revenue shortfalls in recent years. While we could have helped ourselves with more significant tuition increases to make up the difference, as George Mason and VCU did, we have also valued affordability and accessibility.

He said he was pleased to hear recently that Janet Howell of the Senate's Education and Health Committee said that the Senate needs to do more for institutions of higher education like Old Dominion University.

E&G investments totaling \$94M over the last five years of the current Strategic Plan were also summarized. These investments have enabled the institution to reduce the student to faculty ratio from 20:1 to 17:1, provide compensation increases to faculty and staff, and increase institutional financial aid. A graph depicting net revenue by need level illustrates that Pell-eligible students provide nearly the most net revenue to the University, so reducing the number of those students would have a negative impact on revenue. Those eligible receive up to \$6,000 in Pell grants and may also receive other grants and financial aid to cover the cost of tuition, fees, and living expenses.

Vice President DuBois provided a revenue update for the current fiscal year. He noted that the current revenue budget projected an overall decrease of 1.5%, but now shows a potential 3% decrease, which would result in \$2.7M revenue budget deficit. Summer semester enrollment accounted for approximately 40% of the overall tuition revenue decline and out-of-state enrollment accounts for another significant portion of the decline. Student enrollment data for each of the Colleges were shared, showing that all except the Colleges of Sciences and Health Sciences have experienced enrollment declines. Conservative budgeting of expenditures has helped to address the deficit, with savings of \$900K and \$800K in central benefit and compensation adjustment savings, respectively. Additional measures are being taken in the current year to address the current expenditure base, including a \$1,000,000 budget reduction from Academic Affairs, mostly from unfilled positions. The FY21 budget planning will address the current trends and the potential for additional shifts in credit hour production. The Rector asked if any revenue generated from fundraising can be used to meet these needs. Vice President Brandon responded that most of these funds are restricted, but an analysis is being done to see what might be available.

Several factors are being considered in preparing for the FY21 budget process. There is speculation that the General Assembly will pursue some form of tuition moderation. There is also potential for limited new General Fund resources for higher education, but also a further decline in tuition and fee revenue. In addition, the Department of Planning and Budget and SCHEV have asked that institutions consider the impacts of a future economic downturn. With those factors in mind, the administration is preparing to address a potential 3%, or \$5.1M) decline in tuition and fee revenue in FY21 and each vice president has been asked to develop prioritized proposals for a 2% base budget reduction.

In sharing the budget process timeline, Vice President DuBois pointed out the new statutory requirement that governing boards establish policies for permitting public comment on proposed increases to undergraduate tuition and mandatory fees. The proposed policy will be presented for the Board's consideration at their meeting in December. The budget workshop and public comment session are scheduled for March 13, and the tuition and fee proposal will be presented to the Board for approval at their meeting on April 23.

BOARD GOVERNANCE AUDIT

The Rector said that the University is preparing for its ten-year reaccreditation and one of the requirements is that the Board conduct a self-assessment. Amanda Skaggs, University Audit Executive, will facilitate this process as part of an overall Board governance audit. A survey will be sent to all Board members and the results will be on the agenda for the Board's annual retreat in April. She asked Ms. Skaggs to speak to the Committee about the self-assessment and how it fits into the overall governance audit.

Ms. Skaggs explained that the Institute of Internal Auditors Professional Practices Framework requires that board governance processes be considered during the audit's risk assessment and audit plan development and appropriate recommendations be made to improve the University's governance processes. One of the reaccreditation standards requires that the governing board defines and regularly evaluates its responsibilities and expectations. Four items are needed to demonstrate compliance for reaccreditation purposes: (1) existence of a board policy addressing the board's self-assessment as a duty, (2) existing of a board process to document an effective review that demonstrates meaningful feedback and dialogue, (3) documentation of appropriate approvals and outcomes of the process, and (4) a timeline for both future and (if possible) past implementations.

After meeting with the Rector, President and Executive Secretary to the Board, the following audit objectives were established. To determine whether: (1) board bylaws and policies are current/relevant and are sufficient to allow for proper oversight; (2) compliance is achieved with the bylaws and policies (specific to board expectations), (3) the Board is effectively structured in terms of composition, committees and meetings, (4) requirements for governing boards within the Code of Virginia are being met, and (5) a self-assessment process exists for continuous improvement that meets accreditation expectations. The audit will identify controls in place related to the objectives through discussions with the Executive Secretary to the board and the Rector. Detailed audit tests will then be designed to evaluate the status of each item. The methods that will be used during the audit will minimally include interviewing and surveying board members and administrators, observing board meetings, reviewing board bylaws and policies and Code of Virginia requirements, and evaluating compliance on a comprehensive and sample basis.

Currently Ms. Skaggs and her staff are reviewing the Code of Virginia and Board policies and bylaws and developing survey questions. Attendance at board meetings began in September and will continue through the fiscal year. With assistance from the Office of Institutional Effectiveness, the survey will be launched in early January. Audit will receive the responses in summary form and individual responses will be de-identified to provide confidentiality and encourage open and candid responses. Board members will be asked to complete the survey by mid to late February. Follow-up interviews with board members and others will be conducted in March. The goal is to have preliminary audit results in time for the April Board Retreat to allow time for the Board to discuss the recommendations and make decisions regarding implementation and future board evaluations.

OLD/UNFINISHED BUSINESS

The was no old/unfinished business to come before the Committee.

NEW BUSINESS

There was no new business to come before the Committee

With no further business, the meeting was adjourned at 1:08 p.m.