

OLD DOMINION UNIVERSITY
BOARD OF VISITORS
Administration and Finance Committee
Thursday, September 17, 2026

MINUTES

The Administration and Finance Committee of the Board of Visitors of Old Dominion University was held on Thursday, September 17, at 12:00 p.m. in the Board Room of the Kate and John Broderick Dining Commons on the main campus of Old Dominion University.

Present from the Committee were:

Robert A Broermann, Chair

Bruce L. Thompson, Vice Chair

P. Murry Pitts (*ex-officio*)

The Honorable Martha Mugler

Keith H. Newby, Sr., MD

The Honorable Kenneth R. Plum

D.R. (Rick) Wyatt

Trent Buskirk (*Faculty Representative*)

Cade Franklin (*Student Representative*)

Absent from the Committee:

Andrew Hodge (*ex-officio*)

Mark T. Fleming, MD

Also Present from the Board:

Charlene Mooring, Esq.

Karla C. Johnson

Claire Wulf Winiark, Ph.D..

Also present were:

Brian O. Hemphill, Ph.D., President

Alfred Abuhamad

John Adams

Alonzo Brandon

Tammy Chrisman

Ebony Drayton

Randall Ellis

Ken Fridley

Annie Gibson

Annmarie Ginder

Stephanie Jennelle

LaToya Jordan

Mary Jo Karlis

Susan Kenter

Mike LaRock

Holly Lucas

Tom Odum

Brian Payne, Ph.D.

Stacy Purcell

Chad Reed

Nina Rodriguez Gonser
Melanie Graham
Adam Henken
Etta Henry
Brandi Hephner Labanc, Ed.D.
Helen Heselius
Aaron Hodnett

Jamie Scott
Ashley Schumaker
Wood Selig Ed.D.
Fred Tugas
JaRenae Whitehead Cooper
Allen Wilson, Esq.
Dan Zimmerman

- I. **Call to Order:** Chair Robert A. Broermann called the meeting to order at 12:01 p.m.
- II. **Approval of Minutes** – Upon a motion made by D.R. Wyatt and seconded by Keith Newby the minutes of the Administration & Finance Committee held on June 11, 2026, as presented were unanimously approved by all members present and voting.
- III. **Report from Executive Vice President for Administration and Chief Operating Officer Ashley Schumaker**
 - A. Executive Vice President Schumaker provided an update on three notable capital projects. Included in the updates were a report on current design status for the Engineering and Arts Building, construction progress for the Biological Sciences Building and a video highlight of the Public Safety Building renovation kick-off event.
 - B. Executive Vice President Schumaker then presented information on four special projects the University completed in honor of the heroism and memory of Lieutenant Colonel Brandon A. Shah '07 to reflect the resilience of the monarch community after the tragic events on March 12, 2026. Projects included were The Loft, The Memorial, the proposed Lieutenant Colonel Brandon A. Shah Wing and Shah's Corner.
 - C. Next, Executive Vice President Schumaker shared the proposed 2026 Amended Six-Year Plan. She highlighted the 2026 Plan made changes to tuition and fee rates as approved for 2026-27 and accounted for the associated revenue impact. All other key assumptions and all strategic priorities were maintained.
 - D. Last, Executive Vice President Schumaker presented two actions items for Committee approval. First, the Committee voted in favor of recommending approval of the University's amended Six-Year Plan. Second, the Committee voted in favor of recommending approval of the honorific renaming of the Rollins Hall Annex as the Lieutenant Colonel Brandon A. Shah Wing.

IV. Report from Division of Finance and Vice President and Chief Financial Officer Chad A. Reed

- A. Vice President Reed presented a detailed review of the University's financial performance for fiscal year (FY) 2026. The final operating budget for FY26 was just under \$1.074 billion in revenue, with Education and General (E&G) representing the largest program segment at \$604.16 million, or approximately 56% of total budgeted revenues. Actual revenues came in at \$1.122 billion — approximately \$48.69 million, or 4.5%, above budget. E&G actual revenue exceeded budget due to additional tuition assessments as well as additional VMSDEP appropriation received which was offset by a decrease in Graduate Medical Education revenue due to lower contractual reimbursements received. On the expense side, the budget stood at approximately \$1.034 billion, and actual expenditures came in at approximately \$1.01 billion, or about \$23.13 million below budget. The net result was a reported operating surplus of approximately \$111.81 million, compared to a budgeted surplus of \$40.00 million — a favorable variance of nearly \$71.82 million.

VP Reed explained that a significant portion of this surplus relates to E&G savings to strategically carryforward into FY27, as well as the timing of receipts related to the Sentara Academic Affiliation Agreement (SAA) and the Transitional Support Agreement (TSA). He further explained that the receipt of funds from the SAA and TSA are earmarked for specific purposes as defined by respective joint planning committees..

The committee discussed in some depth the year-over-year comparison between FY25 and FY26 performance. The net operating position improved from approximately \$47.18 million in FY25 to \$111.81 million in FY26. VP Reed highlighted that some of the variances in student financial assistance, auxiliary and gifts and discretionary revenue were the result of reclassifications within the 2025-26 Operating Budget. The committee's total reserve position was reported at approximately \$312 million, encompassing auxiliary reserves, E&G reserves, as well as earmarked funding held in reserve for future programmed expenditures. A brief discussion followed regarding auxiliary revenue, with particular attention to transportation and parking, which represents approximately 7% of auxiliary revenue, or roughly \$14.7 million, and the new parking rate structure effective in FY27. It was acknowledged that the parking and transportation model had not been substantially reviewed in nearly two decades, and that parking rates had recently been updated to place the auxiliary on a more sustainable fiscal footing.

- B. VP Reed transitioned to a review of the current fiscal year (FY27) operating budget and the financial headwinds facing the University. The approved FY27 revenue budget stands at approximately \$1.086 billion, with an expense budget of approximately \$1.056 billion. VP Reed reviewed the changes introduced by Chapter 1 of the special legislative session, which concluded on June 29th from the University approved budget of June 12th with a focus on E&G operations. The University received \$4.8 million in affordable access and tuition restoration funding and \$5 million in base operating support, which is an additional \$1.5 million from the University approved budget. A 3.5% salary increase

for state employees effective in both years of the biennium, additional minimum wage support, and an increase in undergraduate financial assistance rising from an anticipated \$2.1 million in FY27 to \$7.1 million in FY28. Capital outlay provisions were unchanged from expectations.

VP Reed identified several significant cost pressures embedded in the FY27 budget. The state-mandated salary increase of 3.5% — higher than the 2% initially budgeted — carries an estimated incremental cost of approximately \$1.5 million in E&G above what had been planned. Health insurance premiums for the employer contribution increased to 17%, against an initially anticipated increase of 13%, resulting in a total cost of approximately \$9.3 million — an overage of \$3.1 million from the prior estimate. Partially offsetting these increases, Virginia Retirement System (VRS) contribution rates declined by 1.45%, producing savings of approximately \$2.4 million, and other benefit costs also decreased modestly. After accounting for approximately \$3.4 million in state general fund offsets, the University must account for approximately \$2.0 million in additional unbudgeted compensation and benefit expenses.

A substantial portion of the discussion was devoted to the Virginia Military Survivors and Dependents Education Program (VMSDEP), formerly known as the War Orphans Program. Originally limited to dependents of service members killed in the line of duty, the program was expanded in 2019 to include dependents of veterans with 90% or greater service-connected disability ratings. This expansion has driven extraordinary growth in the program's utilization: ODU's enrollment of VMSDEP students grew from 230 in FY19 to nearly 1,900 in FY26, with a projection of approximately 2,400 students in FY27. The corresponding cost in tuition waivers has risen from \$2.1 million in FY19 to a projected \$28 million in FY27. The Commonwealth provided partial support — estimated at just over \$12 million in the current year — leaving ODU to absorb approximately \$16 million in unfunded waivers. Since 2019, the cumulative unfunded waiver burden borne by ODU is estimated at \$71 million. ODU carries the highest VMSDEP enrollment of any institution in the Commonwealth, though not the highest per-student cost, as its tuition rates are among the lowest in the system. VP Reed noted that the program operates on a "last dollar" basis — meaning the waiver is applied after all other aid is credited to the student's account, allowing students to potentially retain non-VMSDEP aid as a refund.

VP Reed also flagged two additional long-range financial headwinds. The first is the prospect of collective bargaining legislation, , if enacted — whether in full or in modified form — would represent a material change to University operations and cost structures. The second is the impact of federal Medicaid policy changes, which reduce federal matching funds flowing to the Commonwealth and may prompt the state to reallocate discretionary budget resources — of which higher education represents the largest category — to cover resulting shortfalls. VP Reed emphasized that the University's strong reserve position, its improving enrollment trajectory, and its ongoing critical vacancy management process collectively position ODU to navigate these headwinds with deliberate, strategic focus. He noted that a full enrollment update with

financial implications would be provided at the December meeting along with a budget adjustment recommendation for consideration compiling all of the factors discussed.

V. Report from University Advancement and Assistant Vice President for Foundations
Michael LaRock

- A. The committee received a report on endowment performance from the University's investment management representatives. The ODU Foundation endowment, managed in partnership with OCI and JP Morgan, delivered strong one-year and three-year returns for the period ending in the most recent reporting cycle. The EVMS Foundation similarly reported strong preliminary results, with a combined one-year return of 10.5%, and an actual return — once finalized — of 16.4% for the year. The annual spend transfer to the University for the prior year totaled approximately \$14 million, drawn from both annual funds and endowment distributions, with a similar transfer anticipated for the current year. On a combined basis, the total endowment across all affiliated foundations grew from \$574 million in June 2025 to \$658 million as of June 2026, an increase of \$84 million. The ODU Foundation's portion of the endowment — which had been at \$458 million as of June — stood at approximately \$468 million in preliminary August figures. It was noted that September is historically the weakest month for equity markets, and current conditions appeared consistent with that trend, though the day of the meeting had seen a degree of market stabilization. A discussion arose regarding the potential consolidation of investment management services across the ODU Foundation and EVMS Foundation.. It was confirmed that progress is being made on this front, with preliminary conversations underway. The Finance and Investment Committee of the EVMS Foundation Board is scheduled to meet at the end of September with a specific focus on investment consolidation. The ideal outcome, as described, would be to issue a single Request for Proposals encompassing all foundation portfolios, enabling the combined endowment to benefit from economies of scale, stronger manager relationships, and more coherent reporting. A parallel consolidation effort is also being explored for foundation audit services.

VI. Adjournment - There being no further business, the meeting adjourned at 1:29 p.m.