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EXECUTIVE SUMMARY

The 2005-2006 Operating Budget Plan for Old Dominion University has been developed from the initiatives outlined in the *University's Strategic Plan* and the previous actions taken by the Governor and the General Assembly during the 2005 session. This budget document details the relevant components that comprise the University's 2005-2006 Budget and organizes the information in a format that provides a concise explanation of the budget planning process.

Chapter 1 provides an overview of the strategic planning initiatives, defines the recommended program and policy directions for 2005-2006, highlights the major accomplishments in 2004-2005, and summarizes the financial impact of the 2005-2006 budget plan.

Chapter 2 describes the actions of the General Assembly during the 2005 Budget Session that impact the 2005-2006 budget year, compares the general funding per FTE student of the Virginia doctoral institutions, compares the tuition and fee costs for Virginia and nonresident students and identifies the capital projects approved for construction.

Chapter 3 summarizes the program priorities that comprise the Educational and General Program portion of the total budget. The majority of the funded initiatives fall within the instruction and academic support operations of the University.

Chapter 4 highlights the program priorities that comprise the Auxiliary Services portion of the total budget. The planned contribution to fund balance by these self-supporting auxiliary operations is \$2.9 million.

Chapter 5 contains graphs that depict the sources of revenue and provides a comparison between the 2004-2005 and 2005-2006 fiscal years.

Chapter 6 graphically represents the expenditure categories and provides a comparison between the 2004-2005 and 2005-2006 fiscal years.

CHAPTER 1

OVERVIEW OF THE 2005-2006 OPERATING BUDGET AND PLAN

As outlined in the *University's Strategic Plan 2005-2009*, a series of strategic initiatives were created that continue to provide the priorities for the resource allocation decisions contained in the 2005-2006 operating budget and plan that will benefit the University in the next fiscal year and beyond. Through the University-wide strategic planning process, the University developed a vision statement, emphases, initiatives, objectives, and actions for the 2005-2009 Strategic Plan. The following seven general strategic initiatives formed the basis of the plan.

- (1) Old Dominion University will increase undergraduate and graduate academic quality, retain faculty, and gain a national reputation for excellence (to be among the nation's top 100 public research universities).
- (2) Old Dominion University will create an agenda and a climate that encourage research and creative activity.
- (3) Old Dominion University will improve the quality and productivity of graduate programs.
- (4) Old Dominion University will create a viable, lively campus community.
- (5) Old Dominion University will integrate and improve academic and administrative programs and services.
- (6) Old Dominion University will be sensitive to the people and needs of the region and world around it.
- (7) Old Dominion University will find the means necessary to accomplish all of the above.

University Budget Development

The Commonwealth of Virginia FY2004-2006 biennial operating and capital budget development and appropriation process have been well publicized. Higher education agencies, like local governments and local sch

FY2006 was designed to maintain the base budget, to sustain specific budget initiatives/programs consistent with the Commonwealth's funding policy recognition of the need for "base adequacy funding," and to build a tuition and fee increase model which would address operating budget priorities and unavoidable costs. President Runte defined the following priorities to address these diverse needs:

- Ensure the quality of academic, teaching and research programs
- Enhance direct services for students
- Continue implementation of the 2005-2009 Strategic Plan and begin to make possible the principles of the upcoming plan
- Recognize our students' financial capabilities and limitations
- Reallocate or redirect resources, where possible, to support academic priorities and
- Minimize the addition of other user and service fees to students

Proposed funding allocations in the 2005-2006 budget have been consistent with these principles. Among these are:

- investment in faculty and staff and support of academic programs and services,
- investment in infrastructure and related support for expanding sponsored research and economic development,
- sustained institutional presence in the distance learning arena,
- support of initiatives designed to increase the enrollment of well-qualified students
- provision of adequate operating funds for operations, centrally funded scholarships, and fee supported activities and auxiliary operations.

These initiatives are continuously evaluated and modified and those that do not lead to significant measurable results will be abandoned. The University must both be responsive to the rapidly changing higher education environment and follow the objectives outlined in the University's Strategic Plan.

In recognition of the current strategic planning process, a number of the programmatic allocations for FY2005-2006 are one-time (and not base) in order to monitor results and provide the opportunity for subsequent reallocations with the completion of the 2005-2009 Strategic Plan.

Virginia's Higher Education Restructuring Act

interest on their tuition and fees that are deposited with the State.

- Ø In addition, an institution wishing to be granted this additional authority must submit a Six-Year Institutional Plan, to be updated every two years, addressing its academic, financial, and student enrollment plans for that six-year period. This is a new requirement that is critical to proper planning for the State, the institutions, and parents and students.
- Ø Institutions will continue to exercise the authority to set their tuition and fees, as they do now under current law. But so the State, parents, students and the institutions can better plan for the future, institutions must include anticipated tuition and fee increases in their six-year institutional plans, and take them into account in their financial aid programs. In addition, they must discuss the impact of potential increases with the Virginia College Savings Plan (the State's prepaid tuition plan) so that future contracts can be priced appropriately.

1 and either (i) have at least a AA- bond rating (and therefore have demonstrated to an outside third-party its management ability and financial stability) or (ii) meet certain performance criteria that are to be developed and approved as described above and that demonstrate the institution's financial and opera

PROGRAM AND POLICY DIRECTIONS FOR 2005-2006

The Program and Policy Directions for 2005-2006 represent a number of significant initiatives which enhance the current programs and services of the institution and launch new activities in response to emerging opportunities as identified in the current strategic planning process. The scope of these directions is significant and represents the University's efforts to advance and improve the institution despite the impact of a constrained resource environment. Much of this has been done through the reallocation of existing resources. As indicated in the overview to this Budget and Plan, the University has focused its resources on ensuring the quality of instructional programs, building its research capability and enhancing direct service to students. Within this complex series of resource adjustments, the following Program and Policy Directions advance the University's mission and strategies.

Implement the University's guiding principles in the budget planning process as follows: ensure the quality of instructional programs; improve direct services for students; continue implementation of the 2005-2009 Strategic Plan; recognize students' financial capabilities and limitations; reallocate or redirect resources, where possible in support of academic excellence; and, minimize the addition of other user and service fees to students.

Retain faculty by increasing faculty salary averages, reducing teaching load for research active faculty, increasing the availability of research and development leaves for highly productive faculty and increasing funding for faculty development programs.

Assess current University efforts related to the recruitment and retention of students; develop and implement an enrollment management plan, as well as an appropriate organizational structure and management information system to monitor and evaluate these efforts.

Establish a comprehensive program for evaluating graduate programs for the purpose of validating achievements of current programs, promoting student progress and development, promoting further development and quality of programs and obtaining information for making decisions and establishing priorities for the future of graduate programs.

Obtain additional assistantship funds for use in offering more competitive "packages" to recruit higher quality students into doctoral programs.

Revise current Memorandums of Understanding to enhance current partnerships and expand research collaborative initiatives with other institutions, especially EVMS.

Improve graduate student advising and support services, establish a University-wide plan and budget for graduate program marketing, and increase the recognition of graduate faculty and students.

Increase undergraduate academic quality by creating a comprehensive, undergraduate unit reporting to the Provost that will provide more effective and consolidated academic support services to all undergraduate students.

Increase undergraduate academic quality by reviewing the general education program and adopting reforms that reflect the best practices among the nation's top research universities.

Complete interior renovations to the University Theatre resulting in a new lobby area, lighting and rigging systems, new offices and equipment upgrades.

Complete all requirements for an undergraduate major in African and African American Studies and begin preliminary discussion on Masters programs in Music, Philosophy and Political Science and a Bachelors of Fine Arts in Acting.

Expand the current Science/Arts and Letters Maritime Initiative to include Business and Public Administration, Education, Health Sciences and Engineering. Conduct plannin.96 Tmdies

Assist in the final planning phase, bid process and ground breaking for construction of the Physical Sciences Building.

Complete the development of a Ph.D. in chemistry or a chemistry related field that expands the College of Sciences options for major work in science and health research, especially in relation to many NIH-relevant areas.

Begin major instrumentation acquisition for the Central Instrumentation Laboratory that will be located in the Physical Sciences building addition. This centrally managed instrumental facility will extend current analytical capabilities and foster inter-institutional collaborations across the Hampton Roads region. Major instruments include: High-Field NMR (Nuclear Magnetic Resonance), FT-ICR-MS (Fourier Transformed Ion Cyclotron Mass Spectrometer), GC-TOF-MS (Gas Chromatograph Time-of-Flight Mass Spectrometer), Solids NMR with MAS (Magic Angle Spinning), SEM (Scanning Electron Microscope), TEM (Transmission Electron Microscope).

Increase the Honors College enrollment to 650 students, a 24% increase, over the next five years, continue to improve the retention program designed for the honors students, and encourage and assist students in competition for national and international prestigious scholarships. In addition to the Rhodes, Truman, Marshall, Mitchell, Gates and Udall scholarships, the Honors College will increase its efforts in securing Jack Kent Cooke graduate and undergraduate scholarships.

Further advance distance learning and extended education at Old Dominion University regionally, nationally and internationally by diversifying instructional delivery modes with a focus on asynchronous delivery in order to expand the academic strengths of the University and its faculty.

Grow partnerships and collaborative ventures with academic institutions, military (government) and industry to undertake academic initiatives and to develop, manage and disseminate knowledge products.

Support the University's commitment to quality in research and instruction by promoting faculty expertise in the application of state-of-the-art technology to develop the highest quality academic degree program offerings.

Expand annual study abroad participation to 300 students.

Provide facilities, technology and professional assistance to facilitate and customize recruitment and on-campus interviews for graduate students as desired by the colleges.

Coordinate initiatives across the university to increase the number, quality and academic relevance of student employment and workforce development opportunities, particularly internships in the University Village.

Conduct four job fairs a year providing a planned venue for employer/student/alumni interaction.

Expand the integration of Career Management Center service physically to full services offices in the College of Arts and Letters and the College of Sciences, as well as through web technology to meet individual and group needs across the university.

Determine and deliver, in partnership with local workforce development agencies, needed career programs at higher education centers, TELETECHNET sites and military bases, utilizing video streaming and web-based technology.

Assist with the development and implementation of an electronic application system for faculty and faculty administrator searches.

Develop and implement a Master Advisor program for undergraduate faculty advisors. The Master Advisor program will result in knowledgeable faculty in each discipline who will keep abreast of University policies and procedures, assist students, and direct them to the appropriate resources. The Master Advisor Program replaces the current designation of chief departmental advisor.

Successfully test and implement BANNER 7, an update of the University's electronic administrative records system, during fall semester 2005.

Implement degree audit and introduce to campus through training, publications and workshops. Continue to decrease time between graduation and diploma mailing.

Motivate students to see the university as a seamless education opportunity with the potential for learning inherent in both curricular and co-curricular experiences, and to promote this learning through encouraging both active participation and reflection.

Remove barriers and enhance the opportunities for student success and retention by creating partnerships with faculty and providing programs and services

Promote a positive image of the University through quality communications, campus programs and community services involvement.

Provide opportunities for the development of a sense of campus community and connection to the campus.

Provide programs that support the development of life skills that enable students to deal with personal academic, career, interpersonal, athletic, and financial issues.

Assess available, technologically based support that addresses student needs in each Student Services area. Plan implementation in 2006-07 of state-of-the-art solutions that are desirable and feasible.

Design an expansion of the St

Address the growing classroom student behavioral problems in conjunction with the Provost and Deans, that result in disrupted classes and disrespect for the teaching-learning process.

Design effective means to share on campus programs with off-campus student populations.

Provide business improvement through enhancing and implementing the following IT services for student, faculty, and staff needs.

- Ø Document imaging system to automate application processing for Admissions and for document archival in Institutional Research
- Ø Implement initial phase of the business intelligence reporting strategy focused to provide timely, efficient, and customized reporting at every organizational level
- Ø Next-generation portal applications providing tight integratioo

one updated receiver.

Adjust Policies, Procedures and Services to Reflect New and Expanded Academic Support needs.

- Ø Records management policy and procedures updating
- Ø Relocation and accommodations for Departments during building renovations
- Ø Space programs for Hughes and Spong Halls.

Develop High Performance Computing Initiative in support of Instruction and Sponsored Research.

- Ø Extend National Lambda Rail to Hampton Roads Point of Presence
- Ø Initiate Initial Phase of Hampton Roads Grid
- Ø Initiate Initial Phase of Campus Grid

Initiate Private Sector Phases of the University Village.

- Ø Lease and build out additional retail along Monarch Way
- Ø Begin Hotel Project
- Ø Develop first Office/Research Building
- Ø Begin construction of Neighborhood Shopping Center
- Ø Begin Design/build parking structures north of the Ted Constant Convocation Center

Initiate and/or Complete Priority Capital Projects Involving New Construction and Renovations.

- Ø Complete Pre-Planning and Initiate Design for the Batten Arts & Letters Building Renovations
- Ø Coordinate City of Norfolk/University Improvements such as 43rd Street, 43rd Street Extended, and Off-Street Parking
- Ø Begin Design/build parking structures on 43rd Street
- Ø Finalize Design and Construction of the Student Recreation Center and Improvements to Athletic Facilities including the new Indoor Tennis Facility, a new Soccer Support Building, a 3-Season Batting Cage at the Baseball Complex
- Ø Complete Gresham Hall Renovations and Design Summer '05 Renovations to Whitehurst Hall
- Ø Begin Design/build of Student Housing.
- Ø Complete the Technology Building renovation to house the College of Health Sciences
- Ø Complete the design for the new Physical Sciences addition to the Oceanography & Physics Building
- Ø Initiate the design/construction of the Tri-Cities Higher Education Center and adjacent space for VMASC along the I-664 corridor
- Ø Start renovations of the Whitehurst Hall student residence

Initiate a formal resource evaluation/financial analysis process for assessing the

effectiveness and efficiency of current resource allocations and tracking proposed outcomes for reallocations/future allocations. Update the institution's financial plans and resource models.

Continue the enhancement and support of the major principles and assumptions currently utilized in administering the athletic program.

Continue to apply the principle of academic integrity to athletic programming decisions in order to ensure that the educational values, practices and mission of Old Dominion University determine the standards by which the intercollegiate athletic program is conducted.

Continue to apply the principle of selective excellence to athletic programming decisions in an effort to ensure the quality of the intercollegiate athletic program.

Continue to strive for national recognition and excellence with the men's and women's

MAJOR ACCOMPLISHMENTS IN 2004-2005

The University has accomplished many objectives in the 2004-2005 academic year. The following summary highlights a few of the major ones.

Old Dominion University's 2005 – 2009 Strategic Plan was completed, approved and published as of fall semester 2004. The Strategic Plan outlines the vision and goals of the institution with a focus on seven strategic goals. Although the seven strategic goals do not encompass all the University does they serve as a guide for dedicating additional energy and resources toward accomplishing the University's mission and changing lives.

FY 2003-04 college research expenditures from grants and contracts administered by the Old Dominion University Research Foundation totaled \$32.3 million. This represents a 11.25% increase over the previous year's expenditure activity. FY 2003-04 college research expenditures: Arts and Letters - \$693,188, Business and Public Administration - \$334,060, Education - \$2,969,743, Engineering - \$16,068,013, Health Sciences - \$329,934, Sciences - \$9,790,186, Other - \$2,084,291. Projected college research expenditures for FY 2004-05 amount to \$38.3 million which is an increase of 18.9% over the previous year's

environmental issues.

The Office of Graduate Studies developed and implemented an assessment matrix that will serve as the foundation of an extensive review process for evaluating the quality of ODU graduate programs. The assessment matrix requires the collection of comprehensive data such as the number of semester hours to comprehensive exams, graduation rates, dropout rates, number of years to graduation, publications, faculty/mentor loads, national awards, and postdoctoral placements.

A more rigorous review criteria for changes to existing and the proposal of new graduate degree programs, curricula and courses has been adopted by the Office of Graduate Studies. This effort was instrumental in the approval by the ODU Board of Visitors of the new Ph.D. program in English and two spin-off Ph.D. programs in Education and Health Sciences.

The College of Arts and Letters celebrated the 27th Annual Literary Festival entitled “Creative Migrations” with over 3,200 student and community members attending the weeklong festival with 18 events.

The Eighth Annual Film and Video Festival, “Diaspora: Nations in Search of Home” was held and organized around 32 films and events.

Ten new exhibitions were held at the University Art Gallery with an estimated 4,500 visitors.

The College of Arts and Letters produced three plays Big Love, by Charles Mee directed by Erlene Hendrix, Orestes 2.0 by Charles Mee, directed by Jose Zayas, and Hole in the Sky by Reed McColm, directed by Stephen Pullen. Over 10,000 community and public attended various performances at the theatre.

The planning committee completed planning meetings for the renovation of the Batten Arts and Letters building which resulted in the development of architectural plans and schedules for program and personnel relocation.

The College of Business and Public Administration received a gift of \$5,000,000 from the estate of Elmer Virginius Williams. Two chaired professorships will be created with \$3.0 million, the E.V. Williams Chaired Professorship in Marketing and the E.V. Williams Chaired Professorship in Strategic Management. An additional \$1.0 million will be used to support the Center for Real Estate and Economic Development and the final \$1.0 million will provide for faculty research grants, fellowships, stipends, and development.

The Economics Club of Hampton Roads exceeded its goal of 300 members. Speakers participating in this year’s program of special events included: Weston Wellington of Dimensional Fund Advisors; Dr. Amit Mitra, Secretary General, The Federation of

Indian Chambers of Commerce & Industry (FICCI); G. Kennedy Thompson, Chairman and CEO, Wachovia Corporation; and Dartmouth College Professor Sydney Finkelstein, author of *Why Smart Executives Fail*. This year the Economic Club partnered with the World Affairs Council, the Norfolk Foundation, and Old Dominion University's Center for Economic Forecasting to host speakers.

The College of Business and Public Administration's Executive-in-Residence Speaker Series this year featured Jeffrey Littman, President, Cavalier Marine Supply and Sterling Wholesale; Eric Schvimmer, Vice President of Technology, Washingtonpost.Newsweek Interactive; Elizabeth "Betsy" Duke, Executive Vice President of Merger Project Team, SouthTrust Bank/Wachovia Bank; and Leslie K. Cappetta, Executive Vice President of North American Business Development, HMSHost. The Executive-in-Residence speakers meet with the students at lunchtime. More than 100 students have attended each event this year.

The Executive Development Center presented an eight week course in management to fourteen high-level executives and government officials from the Hunan province of China. Classes were held Monday through Thursday, with field trips to area businesses and government offices on Friday.

The Department of Urban Studies and Public Administration received approval from the Board of Visitors and the State Council of Higher Education in Virginia to begin offering a PhD in Public Administration and Urban Policy. The new degree program replaces the old PhD in Urban Studies that was a joint program among the College of Business and Public Administration, the College of Education, and the College of Health Sciences.

The College of Business and Public Administration published its 2005 *State of the Region* report, which compared the Hampton Roads economy with other regions and included an analysis of the beliefs of Hampton Roads residents about their region, an article about the state of the Virginia Symphony Orchestra, electricity deregulation, and an article about the role and influence of Hampton Roads African American legislators.

The Center for Economic Forecasting issued the Hampton Roads 2005 Yearly Forecast Analysis, which included predicted and actual values for taxable sales, hotel revenues, port tonnage, housing permits, employment, and the unemployment rate.

The Darden College of Education achieved program approval for seven years from the Virginia Department of Education for all of the University's educator preparation

Distance Learning's Center for Learning Technology (CLT) continued to support expansion of the University's asynchronous course development by designing, developing and/or supporting more than thirty asynchronous courses, including the University's initiative to develop an online RN to BSN degree program.

The Higher Education Centers successfully supported extensive research studies on market needs for each of the three largest centers. These studies included quantitative enrollment data, qualitative research such as focus groups, interviews, and forums, and considerable work directly with the consultants.

Library users benefited from a new service implemented during the year. ILLIAD, a new interlibrary loan computer system that facilitates resource sharing among libraries, improves upon existing interlibrary loan processes by providing users with a simple, Web-based interface similar to online shopping systems. Patrons electronically submit requests, obtain up-to-the minute reports on the status of their requests, and can access their journal articles from the computer desktop. Users receive their materials faster, more efficiently and at less cost.

The Library's Instructional Program provided faculty and students with in-depth consultations, workshops on new resources, course based sessions, research skills building sessions, as well as tours, orientations, and faculty and graduate workshops. For FY 2004-05, 8878 participants attended 282 sessions.

The University Libraries collection now includes 1,076,054 monographic volumes and 14,651 current subscriptions.

The Perry Library, one of the most heavily used buildings on campus, is open 98 hours a week, with extended hours during exam weeks. Each year thousands of faculty, student, community patrons, and visitors use the Library as a place for research, study, group activities and collaborations, and socialization. For the period ending March 2005, there were over 475,000 visits, and 600,000 visits are anticipated by year's end comparable to FY 03-04.

The University Libraries began developing and implementing a technology infrastructure for current and future digital library activities. Unlike standard online library practices that basically require only network connectivity, digital library development encompasses the entire process of content gathering, processing, storage and access. The technological infrastructure needed for such ventures includes sophisticated storage and server computer equipment coupled with high-speed network connectivity. As a first step towards building that infrastructure the Library acquired a high-capacity data storage system to serve as the primary content store for digital projects. A sophisticated tape backup system was also acquired to provide multiple storage and preservation options; and current servers were upgraded to handle increasing activity. As digital library activity grows this equipment will serve as the foundation around which other resources can be added.

Following a remarkable student increase in International Programs' study abroad activity in 2003-2004, annual participation in 2004-2005 will come in at approximately 240 students. This interest establishes a new level of annual participation and a sound baseline from which to reach for the five-year goal of 600 per year by 2010. These advances have been made possible by faculty leadership, strong promotion and management and financial subsidy of innovative short-term (including spring break) programs. New programs included spring break programs to Guadalajara (teacher education), the Basque Country (linguistics), Mexico (oceanography) and Berlin (art history), and summer programs in criminal justice (London) and Morocco (cultural geography).

ODU hosted over 135 international events throughout the year, and International Programs played a key role in the following: a tsunami memorial service (February 2005), Fulbright Forum (February 2005), Multicultural Explosions (October 2004 and March 2005), an "East Asia Film Fest" organized by a Korean exchange student (March 2005), a Global Access Project (GAP) multi-campus videoconference (March 2005) and the screening of L'Auberge Espagnol for the ODU Film Festival (April 2005). In addition, International Programs took part in or led the following activities off campus: ODU Community Care Day (October 2004), Teen Culture Fest (Harrison Opera House, November 2004), two "Role of Faculty in Study Abroad" workshops for VTCHE (September and March 2005), the "Transforming Maritime and Environmental Security & Safety: Approaches from NATO, Norway and the U.S." Conference (April 20) co-sponsored by the Norwegian Embassy and SACT and numerous professional conferences and forums.

Significantly enhanced web site services provided by the Career Management Center (CMC) by incorporating eRecruiting resources with the Center's web site capabilities. eRecruiting is a powerful database and communication system in the career information and assistance industry. The updated web site recorded 338,69 hits in 2004, a 21% increase. At mid year 6,879 individuals from ODU were active in the system which is a 34% increase from the same period in 2003. ODU employer partners posted just under 4,000 job opportunities in the eRecruiting system.

In 2004 a total 5,911 practical experiences were completed by ODU students. Twenty one percent of these were internships or co-ops. Seventy four percent of the students graduating in 2004 with a bachelor's degree had completed at least one practical experience related to their major during their studies at ODU. The 2004 participation rate exceeded the established goal of the program which was set several years ago at 70% participation.

Expanded the articulation agreement with Thomas Nelson Community College to include a program designed to attract high school students into science education. The students will complete some degree requirements in high school in the Newport

course, campus construction projects and ODU's 75th anniversary.

The Office of Community Relations sponsored the second annual Community Care Day, which involved more than 350 faculty, staff and student volunteers. The day featured a variety of outreach activities, including neighborhood clean-ups, blood pressure screenings, smoking cessation information etc. The office also continued to coordinate the annual Lambert's Point Summer Programs, ACCESS and Founders' Day.

The offices of University Marketing and the University Publications collaborated with the Office of Computing and Communication Services to develop both a coordinated look and series of messages for the ODU Web site.

The Office of Marketing promoted the university to peer institutions via the development and distribution of announcement cards touting the achievements of selected ODU faculty, staff and students.

Old Dominion University was voted the best area college or university for military service members, according to a poll published in the July 28, 2004, edition of *Soundings*.

The Office of Military Activities continued to place special emphasis on marketing distance-learning graduate degree programs to Navy personnel at sea and ashore, specifically MBA courses via live television to dep2g/y

Men's basketball won a school record of 28 games (28-6), captured their first CAA title since 1997 and advanced to the NCAA tournament. Head Coach Blaine Taylor was named CAA Coach of the Year, while forward Alex Loughton was the CAA Player of the Year and tournament MVP. Loughton earned NABC All-District honors and Honorable mention All-American honors from the Associated Press. Loughton also earned the Virginia Player of the Year by the Richmond Times Dispatch and earned the CoSIDA Academic All-District Honors and Scholar All American honors from NACDA. Isaiah Hunter, Drew Williamson and Arnaud Dahi also garnered honors from the NCAA.

Old Dominion University added another National Championship (sailing), as senior Anna Tunnicliffe captured the ICSA Single-handed title for the third consecutive year. ODU has now captured 28 team national championships, 15 by the sailing program.

The Lady Monarch basketball team captured a NCAA 14th straight CAA title with the 78-74 overtime win against Delaware. The Lady Monarchs compiled a 22-9 record, and advanced to the NCAA tournament for the 22nd time. Senior guard Shareese Grant earned CAA Tournament MVP honors for the third straight year and was selected to the Kodak All-District squad which makes her a finalist for All-American honors.

Men's soccer team compiled a 13-6-2 record and received their first seed at the NCAA tournament. The Monarchs were a 12th seed and advanced to the second round. ODU also reached the Colonial Athletic Association Championship match. Senior Kevon Harris earned All-American honors from College Soccer News and the NSCAA. He was the fourth overall pick in the USL First Division Draft by the Virginia Beach Mariners.

Women's soccer coach, Joe Pereira, was named 9th in the NSCAA. He was added to the 2005-06

Indoor Champions in the fall and is currently ranked number one in Region II by the ITA. He is currently ranked seventh in the nation.

The Monarch's regular season game with VCU was televised by ESPN2, while the CAA Final was on ESPN, and the NCAA first round game against Michigan State was on CBS. The Lady Monarchs NCAA contest against Virginia was on ESPN.

The Monarchs were on eight ComCast regional telecasts, and the Lady Monarchs were on three regional ComCast telecasts.

The Office of Computing and Communications Services (OCCS) managed and implemented several projects to maintain the University's IT infrastructure to meet increased requirements and utilization. These included:

- Ø Increased email storage capacity
- Ø Updated core servers and upgraded operating systems
- Ø Deployed Windows XP for campus desktop environment
- Ø Implemented a new help desk tracking system
- Ø Upgraded central printing services
- Ø Implemented new mobile services integrating the University email system with handheld devices
- Ø Upgraded and updated network infrastructure in Fine and Performing Arts, Academic Skills, Dragas Center, Chemistry, Child Study, Phonathan Building, Parking Garage, Spong Hall, Visual Arts, Webb Center, and Oceanography/Physics
- Ø Upgraded network connections to the Dahlgren and Quantico TELETECHNET sites
- Ø Implemented voice, data, and TV services for phase II of the University Village housing
- Ø Expanded wireless access to green spaces.

OCCS provided the technical resources and system changes in the conversion of the University Identification number (UIN) from the SSN to a unique identifier. Several other significant IT initiatives for business improvement were developed and implemented as follows:

- Ø Developed processes for student stop-out, grade forgiveness, and a web page to assist advisors on student transfers
- Ø Automated financial aid process for disbursements, reconciliations, and SCHEV reporting
- Ø Developed processes to allow electronic payments of travel reimbursements
- Ø Implemented a new campus survey software system
- Ø Implemented Internet Native Banner, providing access to all Banner processes through the web
- Ø Implemented a web-based version of the University's room scheduling system
- Ø Implemented workflow system for Nursing Asynchronous Project
- Ø Implemented the University standard secure door access system for classrooms in the Education Building

In support of the NewPAGE initiative, OCCS planned and implemented the technology resources for the classroom environment in the Constant Convocation Center and a flexible testing environment for the changing requirements of the course. OCCS also researched and implemented a standard Student Response System (SRS), providing faculty with an interactive assessment tool to enhance classroom productivity. Other academic IT initiatives include the following:

- Ø Upgraded several mediated classrooms on the main campus and at the VBHEC
- Ø Developed and implemented a new system interface for mediated classrooms
- Ø Renovated MGB 102
- Ø Upgraded course management system providing high utilization scalability through load balancing.
- Ø Hosted the first adjunct faculty orientation

OCCS continued the development of the University account-ID authentication system, MIDAS, providing students synchronization of account-ID and passwords for all systems to include email, course management system, and network access. Other student IT initiatives included the following:

- Ø Created a new mega-lab in BAL providing both open access computers and instructional computer classrooms
- Ø Implemented a student resource center providing digital camcorders and cameras for checkout and color printing in the Library lab
- Ø Implemented lab printing services for laptops.

OCCS continued to enhance and implement the IT security strategy focusing efforts on limiting, isolating and tracking attacks against University systems. In addition, OCCS implemented an automated patch management system for desktops and servers.

OCCS made significant changes to the campus research computing environment. The infrastructure providing home directories and the job scheduling system were upgraded across the entire environment. Additional computational systems were added to central resources available to the campus, to include a computational cluster and a Symmetrical Multiprocessing Machine. OCCS assisted the College of Engineering and the Center for Coastal and Physical Oceanography in the procurement of departmental clusters.

OCCS and Institutional Advancement developed campus-wide web standards, based on the University's marketing and branding standards, and implemented a new University home page. In collaboration with the Provost and the Colleges, OCCS developed a standard web template and implemented new web pages for all colleges. Several other web-based services have been upgraded to include the course evaluation system, the Dental Hygiene clinic evaluation system, and the online student election system. Enhancements to the portal system include a categorized bookmarks and a myGroups

module, which allows student groups to share file, photos, links and discussions.

OCCS, through Copy Central, replaced the entire campus copier fleet with new multi-function digital devices providing copying, printing, and scan-to-email services. The devices also provide usage reports by individual user and department. OCCS also enhanced the technologies in the Monarch Copy Center, providing on-line ordering services for printing, binding, and large scale color printing.

The Finance and Controller's Office met Commonwealth Management Standards for Decentralization, for the thirteenth consecutive year, including a prompt pay ratio of 99.9% of vendor payments made within Commonwealth guidelines.

The Office of Finance has provided functional leadership and resources in the effort to implement the next phase of web-based business and administrative services, such as the Touchnet E-Bill product. This product implementation, when completed in Spring 2005 will provide a great deal of utility and flexibility to students and parents. It will also decrease the labor and costs associated with paper billing.

The Office of Finance implemented new processes and cooperative arrangements with the ODU Foundations to effectively respond to the new reporting requirements of GASB 39. This required conversion and incorporation of statements in the FASB format, used by the Foundations, into the GASB format, used by the University. Cooperation and timely responses by the financial personnel of the Foundations was essential to the success.

The Office of Finance and the University received an unqualified audit opinion from the Auditor of Public Accounts. The APA report has no written comments regarding internal controls, financial reporting, compliance or other issues.

The Department of Materiel Management developed new Construction Program Management to support capital project management.

Materiel Management dramatically improved the Contract Administration program by developing a new detailed policy and procedure to ensure contract compliance on all university contracts

Materiel Management developed, submitted and received approval of ODU's eVA Business Plan from the Commonwealth of Virginia. Developed eVA Training Program. Rollout continued with 10 new departments added for a total of 20 departments and 220 user accounts. Achieved 80% on January 31, 2005 with goal of 95% by June 30, 2005. Participated on eVA Integration Committee with DGS, SunGuard SCT and several pilot universities to develop a message broker.

Materiel Management developed, submitted and received approval for ODU's Small,

Woman and Minority-Owned Business (SWAM) Plan from the Commonwealth of Virginia. Implemented SWAM Plan to increase contract awards to SWAM businesses in order to achieve the Commonwealth of Virginia's SWAM goals. Participated in multiple SWAM outreach programs.

Materiel Management enhanced Property Control strategy to ensure compliance with state regulations and reduce potential for negative audit. Successfully administered the Equipment Trust Fund Program for 2004 and 2005. Identified and distributed stratified random sample for FY05 biennial inventory. Developed new distribution process for inventory tracking logs. Began weekly surplus computer sales with weekly notices posted on University Announcements to reduce surplus inventory and hazardous waste (monitors).

The Department of Human Resources implemented the Department of Labor's revised guidelines on the Fair Labor Standards Act by reviewing over 500 employee work profiles and position descriptions for classified employees and administrative faculty to determine the proper exempt/non-exempt status under FLSA. This included meetings with administrators and detailed communications to managers and employees about the requirements of the revised guidelines. The revised guidelines had the most significant impact on the university's process of hiring non-instructional part-time faculty. In order to maintain the flexibility of this type of employment while complying with FLSA, new position description forms, transaction forms, wage rates and new wage positions were established. 200 positions were reviewed.

Human Resources developed a project plan and conducted a compensation review of 960 classified positions to assess internal alignment, determine the impact of compression, and make strategic recommendations based on market analysis, turnover and recruitment difficulties. This resulted in salary adjustments for 300 classified employees.

Human Resources developed a project plan and conducted a compensation review of approximately 280 administrative/professional faculty positions to assess internal alignment and market competitiveness. This resulted in updated position descriptions for 96% of administrative/professional faculty and salary adjustments for 66.

Human Resources researched, assessed and developed a comprehensive workforce plan for classified employees. The plan includes specific objectives that align with the University's strategic plan. The plan was based on extensive data compilation, reporting and trend analysis that will be ongoing. Also developed several performance measures and HR metrics for evaluation.

Human Resources organizational development initiatives included:

- Ø quality of work life assessment for Student Services
- Ø facilitated merger of Housing/Residence Life

- Ø process improvement initiative for Judicial Affairs
- Ø assisted Administration and Finance with developing performance measures.

The Benefits Section of Human Resources managed a number of significant state and university employee benefit programs including:

- Ø delivered four Benefits 101 sessions for 150 employees
- Ø offered two Financial Management workshops for 70 employees
- Ø coordinated the annual Benefits Fair which had 480 attendees
- Ø offered the annual VRS/Social Security Pre-Retirement Workshop for 100 employees
- Ø delivered Using Social Security On-Line for 35 employees
- Ø coordinated 18 one-day visits by the two optional retirement plan providers
- Ø coordinated the required Conflict of Interest Training for 54 employees
- Ø provided tuition assistance to 376 employees and dependents
- Ø worked with CommonHealth to get the wellness program back on campus and hosted 5 sessions on Healthy Virginians with over 179 attendees
- Ø provided benefits counseling to 180 new

In support of the College of Sciences' maritime research initiatives, the Office of Real Estate and Space Management negotiated, leased, and constructed a 32,000 square foot Marine Support Facility in the local neighborhood. The facility has provided storage and maintenance facilities for all the University's boats less than 26' in length as well as providing storage and processing space for marine samples and storage for all equipment and electronics utilized in the College's oceanographic and biologic research projects.

In support of the on-going University Village Development, the Office of Real Estate and Space Management negotiated a lease/purchase agreement for the 30,000 square foot 47th Street Warehouse and an adjacent 5,000 square foot building located at 4601 Killam Avenue.

The Office of Real Estate and Space Management has, for the 4th straight biennium, again positioned the University to meet and exceed the SCHEV Utilization Management Criteria. Successfully meeting this management criterion has again enabled the University to take advantage of certain financial management priv

- Ø Completed installation of a new elevator in Webb Center
- Ø Relocation and new construction for new OCCS offices in the South Parking Structure at the Constant Convocation Center
- Ø Constructed five new classrooms in the Education Building
- Ø Constructed a new Mega-Lab student computer laboratory on the 1st floor of the Batten Arts & Letters Building (BAL)

Design & Construction established a link on the University's web page for students, staff and visitors to access updated information on current and up-coming construction related impacts. Web site visitors can read information about the types of construction impact or delays that may affect their visit to campus, or which may impact teaching or use of on-site campus facilities.

Successfully completed construction, and faculty and staff move-in for the first LEED [Leadership in Environmental and Energy Design] certified higher educational facility in the Commonwealth of Virginia. The new multi-disciplinary Engineering & Computational Sciences Building houses programs for the Batten College of Engineering & Technology, the College of Sciences, and the University's Office of Computing & Communication Services

freshmen eligible for endowed/annual scholarships will be notified, as in prior years, before the established target date of May 1.

Financial Aid continued to utilize technology to streamline operations and reduce costs. Financial Aid implemented the Department of Education ISIR Analysis "Tool" for the Quality Assurance Program. Financial Aid utilized new web-based SCHEV reporting for the Financial Aid data file while acting as a Beta test site toward this endeavor. Contributing participants in the formation of the FSA Front End Business Integration Program through the Department of Education to "shape the future of Financial Aid. Developed and initiated the Late Stage Delinquency Assistance Program.

Financial Aid balanced federal programs within established time frames with U.S. Department of Education agencies, met all federal and state reporting mandates through constant reconciliation of all funds. This equates to over \$70 million reconciled to the penny, demonstrating a work ethic of diligence and constant vigilance. There have been no audit findings or comments.

TELETECHNET continues to be an important focus in the financial aid arena, enrolling between 30-40 percent of financial aid recipients simultaneously at the site (or other) community college. An additional 3 sites have been submitted to the Department of Education for approval to participate in the federal programs. The Old Dominion University financial aid office processes aid for all sources of enrollment. In 2003-04 this totaled 3,800 non Old Dominion University hours enrolled.

The Audit Office has completed four scheduled audits; two other scheduled audits are in progress, while two other projects should be completed by the end of the fiscal year. In addition, the Office completed three major special request projects, resulting in advisory reports, and two smaller special projects so far this year. The Office made regular use of its automated work paper system Audit Leverage.

The Audit Office hired a well-qualified individual as our new compliance auditor. The Audit Office is beginning the process of laying necessary groundwork for the creation of a university-wide compliance function, to increase the university's emphasis in this area.

The University Card Center continues to expand its scope of business both on and off campus showing impressive growth to 7,800 account holders depositing over \$962,000 this past year. This is an increase of 40% in participation rates and a growth of 8.5% in total deposits over last year. The Card Center Director has also served on the national board of Diebold Card System Users as well as the host of their national conference here in Norfolk. The Auxiliary General Manager was also very active in the success of hosting this national conference as well with over 250 representatives from Universities throughout the US and Canada.

Mail Services handled over 902,000 pieces of outgoing mail this year while adding eight

additional stops.

Auxiliary Services successfully conducted the proposal process for our University and Constant Center Food and Beverage Services contracts which expire in July 2005. Working closely with the Department of Materiel Management, an RFP was developed spelling out in detail our requirements and priorities. Three subsequent addenda were developed to address specific questions and concerns of the various contractors. This RFP began as three 5-year renewable contracts with potential sales estimated at over \$120 million over the complete term of this agreement.

The Ted Constant Center was recognized as a Top 20 Venue by *Venues Today* magazine for arenas between 5,000 and 10,000 seats. The Center continued to increase the number, quality and diversity of activities and events for the entire community. This year's current count of 78 events drew over 250,000 patrons. Special events and shows included: The Boston Pops Holiday Concert, COVITf12IU poTom Bceskaw2TT3.8797co

KATHARINE KERSEY, professor and chair of early childhood, speech pathology and special education was selected for the 2005 SCHEV Dominion Virginia Outstanding Faculty award sponsored by the State Council of Higher Education for Virginia.

Faculty Awards and Honors

NANCY BAGRANOFF, dean of the College of Business and Public Administration and professor of accounting, was named one of the top 25 businesswomen in Hampton Roads by the Hampton Roads business journal, Inside Business. She received a Woman in Business Achievement Award.

PHYLLIS BARHAM, senior lecturer of nursing, received the Award for Innovative Excellence in Teaching, Learning and Technology from the Center for the Advancement of Teaching and Learning. She was nominated for the

Teacher Education of the Council for Exceptional Children.

RICHARD GREGORY, dean of the College of Sciences and professor of chemistry and biochemistry, was selected by the International Fiber Society to receive its prestigious Founders Award in recognition of his exceptional contributions to the advancement of science, technology and engineering of fibers and fiber-based products and the promotion of such activities in the academy and the industry. He was featured as the honored guest at the society's international technical conference at Cornell University.

ADOLPHUS HAILSTORK III, professor and eminent scholar of music, received an honorary doctor of fine arts from Michigan State University. He also received an annual award from the American Society of Composers (ASCAP). The award is based on the value of each writer's catalog of original compositions as well as recent performances.

LUISA IGLORIA, associate professor of English, received the 2004 First Prize in the Fugue Literary Journal Award Competition in Poetry. She was a finalist in the 2004 Crab Orchard Open Competition in Poetry; the contest was administered by one of the most respected poetry journals, the Crab Orchard Review. In addition, Igloria won one of only 12 places (out of 400+ entries) in a master poetry workshop at the Palm Beach Poetry Festival.

ANDREY KASPAROV, associate professor of music, received an annual award from the American Society of Composers (ASCAP). The aw

BUDGET SUMMARY

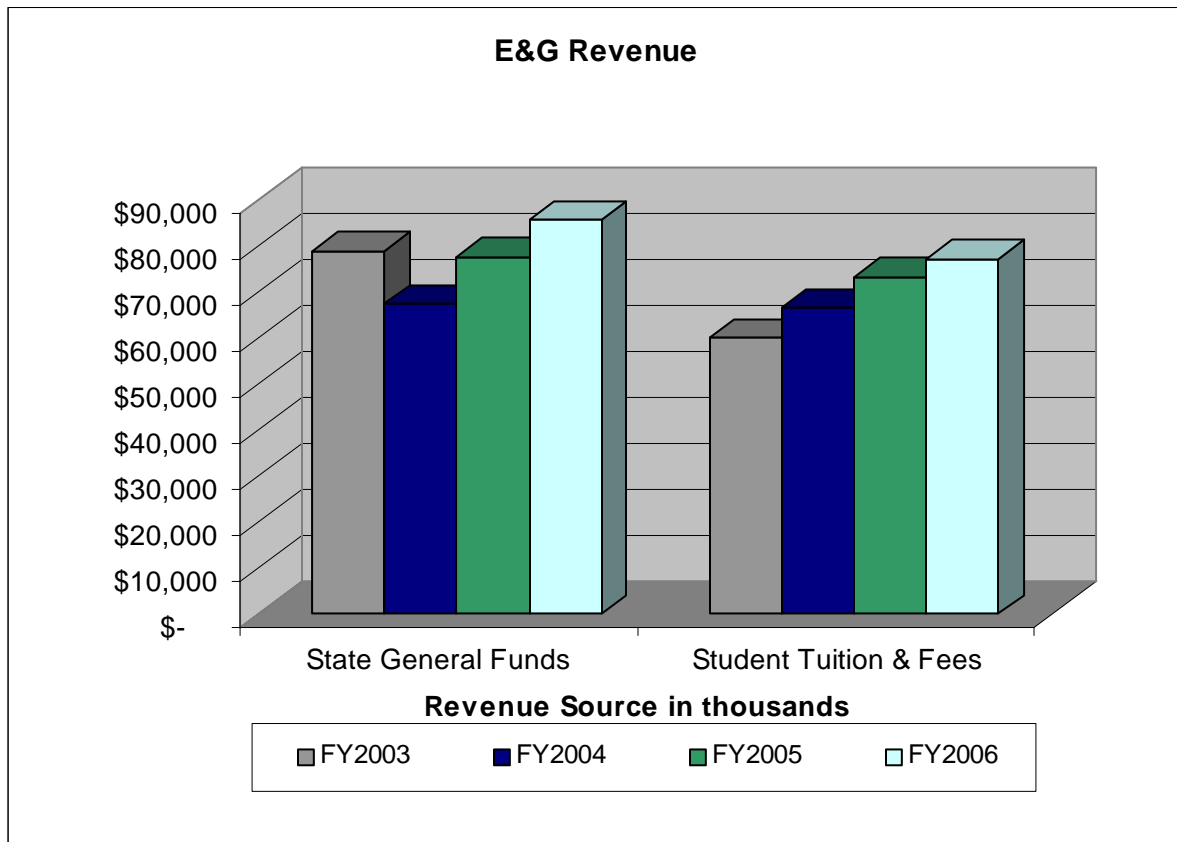
This section provides an overview of the University's 2005-2006 operating budget. Some significant elements in the proposed plan are presented below.

The budget is based on conservative assumptions related to enrollment projections, revenue calculations and expenditure estimates.

The budget balances revenues and expenditures within the University's Educational and General programs and other operating funds and contributes approximately \$2.9 million to fund balances in the Auxiliary Services area. This fund balance contribution is consistent with planning for the use of these resources to accomplish future initiatives in that area. Adequate reserves are provided within the budget to address changes in key planning assumptions.

As approved by the Board of Visitors at the April, 2005 board meeting, tuition and mandatory educational fees for Virginia undergraduates will increase by 6.6 percent for full-time Virginia undergraduates and 4.8 percent for out-of-state undergraduates. With room and board the total increases are 4.7 percent and 4.3 percent respectively. Likewise, the auxiliary student fees, and r

The E&G budget revenue mix over FY2003 to FY2006 is illustrated by the chart below demonstrating the dramatic shift in the University's E&G revenue mix as a result of the Commonwealth's funding actions.



As noted in the graph, general fund support for the Educational and General programs (excluding state financial aid) decreased from \$79.0 million to \$67.5 million in FY04, increased to \$77.7 million in FY05 and will now increase to \$85.6 million in FY06.

Student tuition and fee revenue increased from \$61.3 million in FY03 to \$68.5 million in FY04, to \$73.3 in FY05 and to \$77.2 in FY06 --- a cumulative increase of \$16 million.

The Old Dominion University Educational Foundation is a charitable organization that actively seeks private and corporate support for the educational mission of the University.

The Old Dominion University Research Foundation aids the University in its research mission by assisting faculty in pursuing funded research and administering grants and contracts once they are awarded.

The Old Dominion University Real Estate Foundation is responsible for land and real estate acquisitions.

The Old Dominion University Alumni Association provides services to the University's alumni and supports the mission of the University with the assistance of former students.

During the past year, the four foundations and the Alumni Association have made important contributions to the fulfillment of the University's mission. The University's relationship with these affiliated organizations has a significant impact on future development.

CHAPTER 2
FY2004-2006 ACTIONS OF THE GENERAL ASSEMBLY

As a result of the actions taken by the Governor and the General Assembly in the 2005

The Commonwealth's budget also amended the tuition and fee policy for higher education. Section 4-2.01 (b) of the Appropriations Act and as modified by the budget conference committee establishes a total non-general fund revenue cap which cannot be exceeded. The adopted budget also includes a prohibition to increase out-of-state undergraduate enrollment as a percentage of total enrollment if the current percentage exceeds 25 percent. Budget policy language in the Appropriations Act also establishes intent to fund in-state students at 67 percent of the cost of their education. The budget allows increases in mandatory non-E&G fees up to 5 percent annually. Old Dominion's Board of Visitors has approved a tuition and fee policy that increases in-state undergraduate tuition and fees by 6.6 percent. Consistent with the budget priorities described earlier, great consistency and balance were factored into the effort to sustain the University's budget requirements and ensure students' financial accessibility.

The tuition and fee recommendations approved by the Board of Visitors in April comply with the tuition and fee guidance set forth by the General Assembly. The following table shows Old Dominion University's 2005-2006 tuition and fee charges in comparison to the other Virginia colleges and universities. The table is set forth in Appendix B of the Operating Budget & Plan 2005-06.

Equipment Trust Fund

The 2004-2006 Equipment Trust Fund provides for allocations totaling \$52 million annually statewide to purchase technology and other equipment. Old Dominion's share of this allocation is approximately \$3.5 million for each year of the biennium compared to \$2.4 million in FY2004. The funds will be used to support technological initiatives such as student computer lab upgrades, communications systems enhancements, obsolete instructional equipment and faculty and staff workstations.

Capital Outlay

Maintenance Reserve Funds

A total of \$50 million in general funds was originally appropriated statewide in the previous biennium to fund repairs aimed at maintaining or extending the useful life of a facility, such as roofs, heating and cooling, and electrical systems. Old Dominion received \$1,475,487 in general funds in FY2001 and \$737,744 in FY2002 pursuant to a statewide 50% reduction imposed by Governor Gilmore. Unfortunately, the institution's allocation of maintenance reserve funds was reduced further to \$625,294 in FY2003 originally and then cut another 50% to \$312,647. The FY2004 allocation was \$318,672.

The executive and legislative biennium budget development process recognized the need for statewide investment. The original biennium budget for 2004-2006 included \$500,000 each year. The Governor's FY2006 budget together with General Assembly Conference Committee changes increases the University's maintenance reserve funding to \$1,936,928 over the biennium.

New Capital Projects

The Commonwealth's 2004-2006 Budget includes capital budget initiatives largely dependent upon the University's nongeneral funds to enhance operations and quality of life. Commonwealth 2005 session amendments statewide addressed the escalating costs of construction and authorized higher appropriations based on construction industry and steel and concrete prices. Plans are proceeding on the existing projects. In addition, the amended Biennium Budget included provisions for a design/build 400-bed dormitory consistent with the University's Master Plan. Finally, authorization language enables alternative public/private means to enhance University Village strategy for a parking garage and Research Office Complex.

RECOMMENDED CAPITAL BUDGET AMENDMENTS

	<i>GENERAL FUNDS BONDS</i>	<i>NONGENERAL FUNDS</i>	<i>9D NGF BONDS</i>	<i>FY2006 TOTAL</i>
<i>2004 - 2006 Biennium Amendments</i>				

CHAPTER 3
2005-2006 EDUCATIONAL AND GENERAL PROGRAM PRIORITIES

The University's 2005-2006 Educational and General budget is based on the strategic program priorities that follow. The funds appropriated by the General Assembly for the 2004-2006 biennium were earmarked for continuation of services coupled with latitude in increasing tuition and fees. The Commonwealth's budget investments consistent with the higher education base adequacy funding model will enable allocations for long standing University need

writers and for a fiscal support position. Strategically, the University should strive to increase our research grants by \$10 million in fiscal year 2006 and move towards advancing to the Top 100 research Universities status.

Technology Initiatives

The *University's Strategic Plan* emphasizes the significance of the availability and use of technology in support of the University's mission. The \$3.5 million in funding from the Higher Equipment Trust Fund and a reallocation of institutional resources will be used to replace obsolete instructional equipment, to address the equipment needs for lab upgrades and to fund technical equipment to be used in the mediated classrooms. The technology-based requests funded in this year's budget include:

Technology Classrooms – One-time funding to maintain existing mediated classrooms through equipment replacement and to address general classroom repairs and renovations to these mediated facilities.

Faculty Workstations/Academic Equipment – One-time funding to replace obsolete PC workstations and academic teaching/research equipment.

Server and Network Infrastructure Upgrades – One-time funds to address server performance, updates/upgrades of software products, connections for new departmental labs, changes in bandwidth requirements and patterns, and network services.

Establish technical support professional for the College of Sciences and a second Help Desk Engineer in OCCS.

Additional Student PC Labs – In the past several years, funds had been allocated to establish student microcomputer labs throughout the Norfolk campus. Annually, a portion of the equipment in the various labs reaches the end of their useful technological life. One-time funds have been allocated to replace the obsolete equipment in these student labs. The Office of Computing and Communications Services will be operating and maintaining eleven labs with a total of 453 workstations when fall semester begins.

OCCS-Live Video Instruction/videoconferencing initiative.

Controller's Office Touchnet Payment Plan and e-Disbursement Modules.

OCCS – Document Imaging Project with University Planning and Institutional Research.

Distance Learning

One-time funds will be held in reserve pending a plan for transition from the analog audio phone network to digital voice over internet protocol satellite system. Estimated payback with savings is three years.

STUDENT SERVICES:

Program Enhancements

Several base allocations were made to address inflationary costs related to commencement and convocation, to provide funds for additional interpreters and readers for the Disability Student Service Program, and to support multicultural conferences. In addition, initiatives have been funded to increase events related to retaining our resident students on-campus and bringing our off-campus students back to the University for weekends and evenings. Finally, the Health Center budget has been adjusted for inflationary costs consistent with the approved increase in the student health fee.

Public Safety Services

The University has expanded policing and security staff as well as radio equipment funding for the evolving campus. In addition, funds have been allocated for Public Safety start-up and participation in the regional LiNX criminal justice information system.

OPERATION AND MAINTENANCE OF PLANT

The University allocated additional base funds to cover increases in utility rates and additional E&G space coming on-line for FY2004-2005. The cost of utilities continues to be closely monitored. Additional base funding of \$76,650 has been authorized by the General Assembly to support the operation and maintenance of new facilities coming on-line in FY2006. Additional funding has been provided for the initiation of contract services for energy management, preventive maintenance mechanic, and fire alarm maintenance.

SCHOLARSHIPS AND FELLOWSHIPS

Institutional Scholarship Programs

which, coupled with the student assistance program, make attractive packages for students.

State Scholarship Program

The University's appropriation was increased by \$600,443 (\$546,765 undergraduate, \$53,678 graduate) in state-supported student financial aid during the most recent state budget process. The University is very mindful of the fact that the majority of our students must either work or finance loans to cover the cost of attending college.

Student Loan Program

Another noteworthy change in the University's scholarship and loan programs is an increase in the amount of loan funds being expended by students. Both the number of borrowers and the amount of funds they are borrowing to cover the cost of their education is increasing. Some of this increase is attributed to tuition adjustments and the economic environment.

CHAPTER 4
2005-2006 AUXILIARY SERVICES PI12 0 eR

Parking Services

The University will increase its parking decal fees, and transportation fees in FY2006. Financial planning to support the capital budget authorized parking garages requires a multi-year forecast on the parking revenue stream. Operating cost adjustments include anticipated increase in debt service principal and interest, hourly salary increases, shuttle bus service increase, Hampton Roads Transit (HRT) fees per ride increase, increases security costs at the Convocation Center South Garage, increased utility costs, and increased benefits cost. One-time enhancements to the parking budget include physical enhancements and repairs to several parking lots around the campus as well as a Transportation Demand Study. In addition, resources will be continued to provide free Hampton Roads Transit (HRT) and Handi-ride trips for students taking credit courses at the Norfolk campus.

Constant Convocation Center

The University's Constant Convocation Center and the South Parking Garage have been factored into the FY2006 Budget and Plan and the \$1.9 million in operating and maintenance costs are reflected in the budget.

Intercollegiate Athletics

Several base and one-time investments have been authorized to the intercollegiate athletic programs. Planning allocations have been made for staff salary adjustments, and resources have been allocated to address inflationary costs related to: fringe benefit allocations; supplies and equipment; officiating and advertising at home events; travel costs for the intercollegiate teams due to CAA expansion; and increases in scholarship funds for student athletes. Also, one-time enhancements will be made for athletic equipment particularly in tandem with Athletic Facilities Renovations, the Indoor Tennis Facility, and the H&PE renovation.

Recreational Sports

The Commonwealth approval of the University's capital plans to renovate the H&PE Building enables a concerted effort to promote wellness and recreational sport options for students, faculty and staff. University staff have been evaluating options and plans for recreation center programming. Together with a consultant's assessment and architectural planning, significant development work is anticipated to enhance the University's recreational programming. During FY2005 the University evaluated appropriate recreational sports staff funding and allocations were approved to support weight room and fitness equipment upgrades. The University opened an interim Student Fitness Facility in the University Village pending the renovation/construction of the new Student Recreation Center. This facility is utilized well by students.

CHAPTER 5 UNIVERSITY REVENUE SUMMARY

The University receives revenue from a variety of sources. The following revenue sources are used in financial planning for higher education:

- Educational and General Tuition and Fees
- Commonwealth Appropriations
- Grants/Contracts/Gifts
- Student Loan Funds
- Auxiliary Services Revenue

The following graphs summarize the sources of the University's revenue and provide a comparison between the 2004-2005 and 2005-2006 fiscal years.

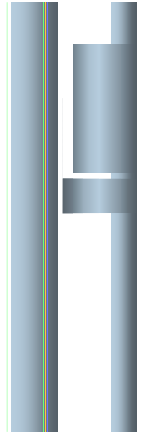
Bar graph showing summary of revenues by major sources.

Bar graph showing summary of revenues by General v. Nongeneral funding v. student loan funds.

Pie graph comparing 2004-2005 to 2005-2006 by revenue fund source (Educational and General, Auxiliary, Grants/Contracts/Gifts, and Student Loan Funds revenue).

Pie graph comparing 2004-2005 to 2005-2006 Educational and General programs by revenue source.

Pie graph comparing 2004-2005 to 2005-2006 Auxiliary Services programs by revenue source.



CHAPTER 6

