

**2024 Six Year Plan Update**  
**Old Dominion University**  
July 15, 2024

**Request:**

*As 2024 is an even-numbered year, institutions have the ability to “amend or affirm” the plans. Specifically, Op-Six would like the update to include:*

- 1) Updating or affirming the Excel template (Part I). Specific instructions are included in the Part I template attached.*
  
- 2) Completion of a detailed cover letter, addressing whether your plan has changed from 2023 and why. Op-Six would especially like to receive updates on:*
  - How you have used the Fact Pack data provided last year with the public, your governing board, students, faculty, etc.*
  
  - Changes in admissions, enrollment, and retention due to disruptions of the new FAFSA form and your plan to mitigate the impact.*
  
  - Explain any changes in the “Key Metrics at a Glance” and other changes to your Fact Pack that you feel are important to highlight.*
  
  - Please include detailed updates on your cost control measures as noted in the Six-Year Plan follow up including new/ongoing initiatives and where your per student overall expenditure and institutional/administrative expenditures are trending as a result of your efforts.*
  
  - Describe the anticipated impact of any new federal or state legislative or regulatory requirements on the institution's finances (e.g., Financial Value Transparency and Title IX regulations).*

**Response:**

**Overview of Plan Updates**

Financial updates to the 2023 Six Year Plan are based on the additional E&G general fund received for FY2025 and FY2026, the actual three percent salary increase in FY2025 (compared to the assumed two percent) and the reduction in tuition increase from the six percent modeled in the 2023 Plan to the three percent approved by the Board of Visitors. This three percent increase is projected to produce a net increase of approximately \$1M in FY2025 after accounting for conservative enrollment projections and growth in Virginia Military Survivors & Dependents Education Program (VMSDEP) waivers in line with the current trends. The FY2026 tuition increase is maintained at the six percent initially modeled level in the 2023 Plan and is projected to produce a net increase of approximately \$7.5M over the FY2024 baseline. In summary, the University is now projecting a total of \$12M in new resources in FY2025 and \$23M in FY2026 over the FY2024 baseline.

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While the makeup of the increased funding has changed due to higher than projected general fund support, thereby limiting the need for a larger tuition increase, the University has maintained the projected initiative costs at the same levels submitted in the 2023 Plan. With the 2024 plan update, the University has committed to approximately \$2.8M in reallocations each year, which makes up the difference between total projected initiative costs and E&G resources (general fund and nongeneral fund).

Looking forward, the University continues to seek opportunities for reallocation and is currently reviewing options in consideration for a revised tuition structure. These initiatives, coupled with the strong financial support of the Governor and General Assembly over the last few years, provide great optimism about the University's ability to deliver on academic priorities, while avoiding the need for large tuition increases.

### **Fact Pack Data and Institutional Expenditures**

The Fact Pack has proved useful as a reconciliation tool for internal purposes. Over the last year, the University has been engaged in a deliberate effort to strengthen budget and financial data quality; and the Fact Pack has been a helpful aid in this process, specifically in areas where opportunities exist to rethink crosswalks between the University's Banner ERP and the Commonwealth's Cardinal system.

Additionally, the Fact Pack was used to guide conversation with the Board of Visitors (BOV). This fiscal year, an overview of the Fact Pack was presented with a focus on key areas, including trends in institutional support expenditures, student cost of attendance, and personnel headcount and salary outlay. BOV members then shared reflections, particularly on student enrollment demographics and institutional expenditures. In total, this exercise was an opportunity to ensure alignment of priorities and key data elements among Commonwealth policymakers, the University's BOV, and the University's administration.

As discussed in the Six Year Plan meeting last summer and in the follow up conversation in Fall 2023, the University's institutional support (Cardinal Program 106) expenditures increased between FY2020 and the two following fiscal years. The University has updated the notes provided in the response to Op-Six questions last fall, excerpted below:

*Elevated expenditures in FY2021 and FY2022 are largely explained by one-time COVID expenditures (PPE, testing supplies and equipment), suspending the recovery of full costs to E&G from auxiliary enterprises, and recorded expenditures to move HEERF funding to lost revenue accounts in auxiliary programs, including housing, parking, and athletics. These entries (in fund 03690) total \$14.2M in FY2021 and \$9M in FY22, and do not represent actual expenditures in program 106.*

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The Fact Pack refresh for FY2023 reflects activity returning to a normal state after COVID-19 pandemic. In total, program 106 expenditures were \$42M in FY2023, compared to \$32.5M in FY2020 and \$36M in FY2019 (the last full fiscal year before the pandemic). As demonstrated in Table 1 below, state compensation adjustments comprise a sizable portion of the changes since FY2020. On a per-FTE basis, program 106 expenditures increased from \$1,850 in FY2019 to \$2,234 in FY2023, an annual growth rate of 4.8%. Per Cardinal data, this per-FTE amount is the lowest among all public four-year institutions.

**Table 1 - Changes in Select Categories over Fiscal Year 2019-20**

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Compensation	\$920,226	\$2,779,599	\$6,519,914
Auxiliary IDC (Foregone Amount)	\$4,042,585	\$1,094,092	\$3,780,915
COVID One-Time	\$4,362,280	\$1,753,066	\$144,026
Lost Revenue Entry - Technical	\$14,238,021	\$8,966,081	
<b>Total</b>	<b>\$23,563,112</b>	<b>\$14,592,837</b>	<b>\$10,444,855</b>

**Impacts of New FAFSA and Federal and State Requirements**

The new FAFSA has presented disruption to admissions, enrollment, and retention. While the extent of the long-term consequences is still being mitigated, the University has experienced challenges in a variety of forms. During this admission cycle, the University extended the commitment deadline from the traditional May 1, 2024 date to June 1, 2024. The first financial aid packaging for first-time freshmen (FTF) and transfer admits was not released until May 6, 2024. This has created many disruptions to annual timelines for processes and procedures, which include housing assignments, orientation delivery, and course registration. Overall, the University’s total FTF commitments are currently down by approximately 51 commits compared to 2023, while overall applications and offers are relatively flat. Housing applications were initially down by over 100 FTF students; however, the gap has narrowed since financial aid packages were released. As of June 1, 2024, the University still had a number of admitted students and their parents undecided on enrollment due to errors on the FAFSA and having to wait for revisions and packaging.

Additionally, financial aid processing for returning students was delayed until June 6, 2024, due to errors in the new FAFSA. Enrollment staff, financial aid counselors, and academic advisors continue to work diligently in reaching out to returning students to encourage registration in order to ensure persistence and maintain enrollment. Fortunately, the efforts of staff appear to be having a positive effect as the University’s current retention rate is trending approximately 1.2 percent ahead of the same period last year.

While processes seem to have returned to traditional levels of activity, there are still many students who had to wait until late June for the ability to submit corrected FAFSAs for processing. University staff have been communicating with this group on a continuous and consistent basis and have been working to remove as many barriers as possible to student enrollment and registration. The greatest service the University can provide to future and continuing students is to be available and provide support in helping them and their families with information and understanding of complex processes. While recent trends are positive in light of the many

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complicating factors felt from the new FAFSA, as well as federal and state requirements, the University has worked diligently to best meet student and family needs to mitigate any negative impact. Final enrollment will not be confirmed until after the fall census.

Lastly, the University does not currently offer programs subject to Gainful Employment reporting, thus no impact from the Financial Value Transparency Act is anticipated. At this time, the University is awaiting additional information on possible Title IX changes.