Whither Old Dominion University?
WHITHER OLD DOMINION UNIVERSITY?

I don't get no respect.
– Comedian Rodney Dangerfield’s iconic catchphrase

In August 2020, the respected Times Higher Education Impact Rankings placed Old Dominion University among the Top 100 institutions in the world in terms of its ability to reduce economic inequality and provide students with upward social and economic mobility. The ranking reflected the large number of first-generation college students at ODU and their subsequent social and economic success. ODU was the only university in Virginia to crack the Top 100 and one of only 12 from the United States within this group.1

The reaction to this news? Underwhelming, to say the least. This achievement received scant coverage by regional media and zero mentions in the Richmond Times-Dispatch and The Washington Post.

However, when U.S. News & World Report subsequently issued its annual rankings of institutions, there were headlines and stories galore. Much was made of the number of highly ranked Virginia campuses, which included the University of Virginia at No. 26 among national universities, William & Mary at No. 39 and Virginia Tech at No. 74. The slightly improved rankings of institutions such as Tech were noted in the media and trumpeted by the favored institutions.2 Independently, in 2018, SmartAsset, a financial technology company, proclaimed that Virginia had the best higher education system in the nation.3

Because they have an impact on ODU, it is instructive to take a closer look at ranking systems such as those used by SmartAsset and U.S. News & World Report. These are narrowly tailored metrics that pay almost no attention to the distinctive needs of part-time students, distance learning students or more mature students. But in fall 2020, 35.3% of students at public four-year institutions attended part time.4 Further, in fall 2017, 42% of students attending public institutions were age 25 or older5 and in fall 2018, 35.3% were taking at least one distance learning course.6

Nor do the most popular of today’s campus ranking systems give more than passing attention to the racial and ethnic makeup of student bodies. U.S. News & World Report does not seem to care that only 7% of undergraduates at UVA self-identified as being Black in fall 2019 (the comparable percentage at ODU was 32%). Indeed, since 2012, ODU has enrolled more Black students than Norfolk State University, but this is of no consequence to the magazine.

U.S. News & World Report’s ranking system does assign a 5% weight to the six-year graduation rate of each institution’s Pell Grant recipients – students who come to campuses from lower-income households. The other 95% of the magazine weights, however, focus on traditional high school graduates who proceed to college immediately after graduation and the quantity of resources each institution devotes to its mission.

6 “Distance Learning,” College Navigator, National Center for Education Statistics, https://nces.ed.gov/fastfacts/display.asp?id=80. One-sixth of all students were taking only distance learning courses. Doubtless COVID-19 has increased this percentage.
Even though it has been well established that household income is an important determinant of whether students can attend college and subsequently persist and graduate, ranking systems like those of U.S. News & World Report pay scant attention to this. This matters in the Commonwealth of Virginia. Consider that in 2015 the average undergraduate student at W&M came from a household whose annual income ranked it in the 81.8th percentile nationally, while at ODU, the comparable statistic was the 61.4th percentile.7

The bottom line is that the established ranking systems place ODU in a quandary. The University has evolved into an institution that not only champions access and mobility, but as the Times Higher Education ranking reveals, also has experienced substantial success in providing such. The problem is that, historically, these principles and activities have not been valued highly – either in Virginia or nationally. Lip service may be given to access and affordability, but these are campus characteristics that have remarkably little to do with elevated rankings or institutional prestige.

Institutions such as UVA, Virginia Tech and W&M historically have filled important roles in the Commonwealth. They have assembled impressive records in admitting and graduating talented students who (predictably) do well after they leave these campuses. Their graduates perennially play important roles in society. Nevertheless, the future viability and cohesion of the Commonwealth in the 21st century more likely will be determined on campuses like ODU, for it is there that the critical societal mobility task is being addressed in a meaningful way.

The relevant societal test with respect to Virginia’s public colleges and universities is not whether highly intelligent students who come to those campuses from wealthy households can succeed. They nearly always do, even if they do not graduate (Bill Gates, Steve Jobs, Larry Ellison and Mark Zuckerberg, for example). Instead, the pertinent challenge facing the Commonwealth is whether less well-situated students coming from less-wealthy households also can ultimately climb the ladder of success. It is the fate of these graduates that will indicate whether the American dream is still alive and well.

If higher education institutions similar to ODU succeed in moving students upward, then our society will be opportunity-based, optimistic and stable. However, if the ODUs of the world fail or their efforts are sidetracked, then the possibility that we will experience societal upheaval increases significantly. Those who pooh-pooh this assessment should recall certain pre-COVID-19 public events and demonstrations that occurred around the country (including those in Charlottesville and Richmond), as well as the postelection storming of the U.S. Capitol. While the issues motivating these demonstrations varied from one site to another, collectively they reflected a common circumstance: a world that has become more volatile and less happy because increasing numbers of citizens perceive that they do not have realistic opportunities for upward mobility.

With this as prologue, let us focus on ODU, where Brian O. Hemphill, Ph.D., has just assumed the role of president. We begin by examining measures of the University’s size and then discuss its performance.

Enrollment

Graph 1 reveals that Old Dominion’s headcount enrollment ended the previous decade just about where it was when the decade started – between 24,000 and 25,000 students. Since the University always has enrolled many part-time students, the conversion of headcount enrollment to full-time equivalents (FTEs) is important because state funding is substantially connected to FTEs. According to the U.S. Department of Education, ODU’s 12-month FTE enrollment in 2018-19 was 19,291, which constituted 79.8% of its headcount enrollment. Interestingly, this percentage has not changed significantly in recent years despite the University’s commitment to instruction via the internet.

Counter to expectations, and despite the COVID-19 pandemic, ODU’s fall 2020 headcount enrollment grew more than 2%, even though college headcount enrollments nationally were declining by 2.5%. This was the ninth consecutive year that national higher education enrollments had deteriorated.

The mix of ODU’s students has changed gradually. Between 2010 and 2020, the University lost approximately 1,000 graduate students, but this was counterbalanced by a gain of about 1,000 undergraduate students. This shift reflected a variety of factors, including the opening of new on-campus housing for undergraduates and a thriving economy that diminished the desire of some to pursue graduate degrees. The University’s undergraduate student body progressively has become more female. In fall 2004, 52.31% of ODU undergraduates were women. By fall 2018, this percentage had climbed to 59.05%.

The student body also has become substantially more diverse in terms of race. Over an approximate quarter-century (1994 to 2018), the percentage of self-identified Black (non-Hispanic) students doubled. Graph 2 highlights the year 2012 because this was the first year in which ODU enrolled more Black students than NSU. With respect to Black students, ODU’s student body now roughly reflects the Black population in Hampton Roads.

The phenomenon of increasing diversity has not been confined to Black students. The percentage of Hispanic/Latino students at the University more than quadrupled over the same period (Graph 3). The same cannot be said for students who self-identify as Asian, however, as Graph 4 illustrates. Although the percentage representation of Asian and Asian American students on the ODU campus has been edging upward in recent years, it remains below its 2003 level (Graph 4). Various reasons have been posed as explanations for this and most relate to the perceived levels of comfort of Asian and Asian American students at ODU. More persuasive, perhaps, is the paucity of people living in Hampton Roads who self-identify as Asian or Asian American – it is only 3.5%, well below the Commonwealth’s 6.9%.

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8 International undergraduate students were not part of this expansion, however. During the first decade of this century, ODU enrolled an average of 35 new undergraduate international students per year. This number has fallen to about 20 in recent years, U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS), “Fall Enrollment: Residence and Migration of First-Time Freshmen,” https://nces.ed.gov/ipeds.

9 IPEDS.

GRAPH 1
HEADCOUNT ENROLLMENTS: OLD DOMINION UNIVERSITY, FALL 2010-FALL 2020

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds. Undergraduate and graduate data were estimated for 2014.
GRAPH 2
PERCENT OF BLACK (NON-HISPANIC) STUDENTS:
OLD DOMINION UNIVERSITY, 1994-2018

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds
GRAPH 3
PERCENT OF HISPANIC AND LATINO STUDENTS:
OLD DOMINION UNIVERSITY, 1994-2018

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds


Percent
0% 1% 2% 3% 4% 5% 6% 7% 8% 9%

1.6% 1.9% 4.8% 8.0%
GRAPH 4

PERCENT OF ASIAN AND ASIAN AMERICAN STUDENTS:
OLD DOMINION UNIVERSITY, 2003-2019

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds

[Bar graph showing the percentage of Asian and Asian American students at Old Dominion University from 2003 to 2019. The graph indicates a slight decrease in the percentage over the years.]

5.0% 5.0% 4.7%
Faculty And Administrators

In 2020, Old Dominion’s faculty numbered 901, and it had 546 administrators and administrative professionals. In addition, the University employed 1,053 classified staff and 562 part-time workers. It ranked as the 17th-largest employer in Hampton Roads.11

DIVERSITY

Asians and Asian Americans are more heavily represented among the University’s faculty than in its student body. In 2020, almost 13% of faculty were Asian or Asian American. Approximately 37% of the faculty members were non-white.12

ODU enjoys the distinction of having had the first woman president of a four-year public university in Virginia. JoAnn Gora, who was the provost for nine years, served as acting president in 1995. Subsequently, Roseann Runte served as president between 2001 and 2007.

FACULTY RECOGNITION

Stanford University recently compiled a world listing of faculty members whose work has been most frequently cited by others. Stanford limited the group to the Top 2% in that regard in 22 scientific fields and 176 subfields. It is notable that 53 ODU faculty members were recognized by Stanford as members of this prestigious academic club.13 Not bad for an institution that began in 1930 as a two-year division of the College of William & Mary. This achievement has received only sparse recognition in the media, however. Rodney Dangerfield would have understood this.

INSTITUTIONAL MISSION

A tension sometimes emerges on campus between those who see ODU as a research institution and those who view it as an institution that offers opportunity and upward mobility in society to students who often come to it from lower-income households. “ODU is attempting to ride two horses at once,” was the pungent observation of a former president, “and the two horses aren’t going the same direction.” Opined another external observer, “You can excel at one but seldom at both.”

It is not the function of the State of the Region Report to determine ODU’s mission or the goals that are placed in front of its faculty and staff. It is appropriate, however, for us to note that no higher education institution can be all things to all people. Given limited resources, choice-making cannot be avoided. Better that ODU (or any organization) understand the choices confronting it than to evolve unknowingly into an amorphous entity that reflects accident rather than design. Are the University’s undergraduate admission practices consistent with its role as a research institution?

Conventional Institutional Performance Measures

Were one to ask a random citizen or legislator to identify the metrics that best measure university performance, likely they would mention retention, graduation rates and the ability of graduates to obtain good-paying jobs after receiving their diploma. Research institutions might add the amount of each institution’s externally funded research to this list.14

Consensus deteriorates when one attempts to add metrics to the previous list. Because the missions of institutions differ, metrics designed to illuminate the performance of a flagship land-grant institution should not be the same as those constructed to evaluate the activities of a historically black college or university (HBCU), a metropolitan institution such as Old Dominion or

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12 Faculty Demographics, www.odu.edu/acadaffairs/faculty-diversity/faculty-demographics. Data are as of December 2020.
13 John P.A. Ioannidis, Kevin W. Boyack and Jeroen Bass, “Updated Science-Wide Author Databases of Standardized Citation Indicators,” PLOS Biology, 18(10), 2020, https://doi.org/10.1371/journal.pbio.3000918.
However, it is not easy to convince citizens, legislators and especially the media not to evaluate all institutions using the same criteria. Applying the same metrics to all institutions at first glance might seem reasonable and proper, but often this results in apples-and-oranges comparisons. Nevertheless, let us consider how ODU performs with respect to three conventional criteria: student retention rates, graduation rates and the subsequent employment success of graduates.

**RETENTION**

College students who drop out are expensive, both to institutions and to themselves. Job markets pay large salary premiums to individuals who have earned a baccalaureate degree compared to those who dropped out prior to graduation.\(^{15}\)

Graph 5 reports the retention rate from freshman to sophomore year for first-time, full-time undergraduate students at ODU. The national average rate at four-year public institutions was 81% between 2018 and 2019. ODU’s retention rate was 80%, not bad given the nontraditional nature of its student body.

Nonetheless, institutions in Virginia that perhaps are comparable exhibit higher retention rates – George Mason University retains 86% and Virginia Commonwealth University retains 83%. These data represent a chink in ODU’s armor when “How well are you doing?” discussions occur among citizens and decision makers.

**GRADUATION**

Students who drop out of college between their freshman and sophomore years are unlikely to ultimately graduate from college. Therefore, given its retention rate, it is predictable that ODU’s graduation rate is not impressive. The University’s six-year graduation rate for all first-time, full-time freshmen was 52.8% in 2019 (Graph 6). Reflecting national trends, the graduation rate for ODU men (48.3%) was substantially below that for ODU women (57.0%).

Once again, graduation rates at GMU (71%) and VCU (61%) were higher than that at ODU. With respect to its retention and graduation rates, ODU can point out that it serves a less wealthy student body than the other two institutions and that the SAT/ACT scores of its students are not as high as those at the other two. The average household income national percentile of ODU students was the 61.4th, while it was the 69.3rd at GMU and the 70.8th at VCU.\(^{16}\) Meanwhile, for freshmen who entered these institutions in fall 2019, the median SAT score in mathematics was 520 at ODU, but 560 at VCU and 600 at GMU. Thus, the average undergraduate attending ODU is less wealthy and less academically prepared than the average student at either GMU or VCU, and this is reflected in graduation rates.\(^{17}\)

Table 1 summarizes the simple correlation coefficients between retention rates, graduation rates, the incomes of the households from which students come, students’ SAT/ACT scores and the percentage of undergraduates receiving Pell Grants. The data are paired observations for the 2018-19 academic year from a sample of 235 four-year public colleges and universities. It is apparent that both retention and graduation rates are strongly associated with household incomes and standardized test scores. Many national studies have concluded that cause-and-effect relationships exist among these variables.

These data suggest that it would be wise for the State Council of Higher Education for Virginia (SCHEV) to publish statistically adjusted retention and graduation rates for each institution, controlling for their respective household family incomes and standardized test scores. One could then obtain a better idea of how well each institution is performing, given its student body.\(^{18}\)


\(^{16}\) Raj Chetty, John Friedman, Emmanuel Saez, Nicholas Turner and Danny Yagan, “Mobility Report Cards: The Role of Colleges in Intergenerational Mobility,” https://opportunityinsights.org.


\(^{18}\) There could be some “moral hazard” attached to such a policy. Institutions might perceive a reduced need to recruit and admit qualified students.
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GRAPH 5
FIRST-TIME, FULL-TIME RETENTION RATES:
OLD DOMINION UNIVERSITY, FALL 2006-FALL 2019

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds
**GRAPH 6**

**SIX-YEAR GRADUATION RATES:**
OLD DOMINION UNIVERSITY, 2007-2019

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds

![Graph showing six-year graduation rates for Old Dominion University from 2007 to 2019. The graph illustrates the percentage of students graduating within six years, with separate lines for men, women, and overall. The graduation rates have generally increased over the years with some fluctuations.](https://nces.ed.gov/ipeds)
TABLE 1
SIMPLE CORRELATION COEFFICIENTS BETWEEN SELECTED VARIABLES:
235 FOUR-YEAR PUBLIC INSTITUTIONS, 2018-2019

<table>
<thead>
<tr>
<th>Variable</th>
<th>Retention Rate</th>
<th>Graduation Rate</th>
<th>Household Income</th>
<th>SAT/ACT</th>
<th>Undergraduate Pell Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-Time Retention Rate</td>
<td>1.00</td>
<td>.893</td>
<td>.699</td>
<td>.782</td>
<td>.077</td>
</tr>
<tr>
<td>Six-Year Graduation Rate</td>
<td>.893</td>
<td>1.00</td>
<td>.753</td>
<td>.061</td>
<td>.086</td>
</tr>
<tr>
<td>Median Household Income of Students</td>
<td>.699</td>
<td>.770</td>
<td>1.00</td>
<td>.941</td>
<td>-.899</td>
</tr>
<tr>
<td>Brookings SAT/ACT</td>
<td>.782</td>
<td>.839</td>
<td>.941</td>
<td>1.00</td>
<td>-.908</td>
</tr>
<tr>
<td>Undergraduate Pell Percent</td>
<td>.077</td>
<td>.071</td>
<td>-.899</td>
<td>-.908</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Sources: IPEDS for graduation rates, retention rates and Pell Grant percentages; Opportunity Insights for median household incomes; and the Brookings Institution for the hybrid SAT/ACT score, which is the normalized institutional statistic that reflects both ACT and SAT scores. The 235 four-year public university sample is described in James V. Koch and Richard J. Cebula, “Runaway College Costs: How College Governing Boards Fail to Protect Their Students” (Johns Hopkins University Press, 2020).

Two public policy questions emerge from these data. First, should the Commonwealth recognize the challenges associated with serving students who may not be as well prepared for the rigors of higher education? If so, should the General Assembly allocate funding to colleges and universities and increase financial aid to these students? Virginia’s 2020 legislative session witnessed an important change in legislative behavior – one that did take into account the makeup of most of today’s public university student bodies. ODU received a special $5 million General Fund allocation to address its distinctive needs as well as a healthy upward bump in the allocation it received for student financial aid. The ascendancy of several Black legislators to positions of power and influence has made the General Assembly more sensitive to issues relating to lower-income students and student bodies that do not fit the traditional mold.19

A second policy consideration relates to whether Virginia should direct less-prepared students to community colleges rather than four-year institutions. The answer to this question is not clear. While it is less expensive for the Commonwealth to educate a student on one of its community college campuses, that same student is less likely to eventually obtain a baccalaureate degree if he or she does go the community college route. Much depends upon the student’s major course of study, however.

INSTITUTIONAL CONTRIBUTION TO LABOR MARKET SUCCESS

Many citizens believe the most important thing colleges and universities do is prepare their students for employment after graduation. In this view, the success of our higher education institutions should be measured by jobs filled and incomes earned. For several years, SCHEV has been collecting data on the postgraduation jobs and income earned by the students who complete their baccalaureate degrees at a Virginia public institution of higher education. These data are interesting but less useful than some might believe. For one, more than half of graduates from a typical college or university

19 The state of Oregon recently changed its higher education funding formulas to provide greater financial support to institutions with more racially diverse and lower-income student bodies: Jordyn Brown, “Oregon universities will see a shift in funding under new model,” The Register-Guard (Feb. 16, 2021), www.registerguard.com/story/news/2021/02/16/oregon-universities-see-shift-funding-under-new-state-model/6729930002. Colorado has been doing so for some time.
do not participate in the survey and it seems likely they do not constitute a random sample of all graduates. Second, the incomes earned by graduates are quite sensitive to the locations where they are working. In May 2019, average weekly wages in the Washington, D.C., metropolitan region were 63.4% higher than in Lynchburg and 33.4% higher than in Hampton Roads.20 Third, much depends on a student’s major course of study. The Bureau of Labor Statistics reported in May 2019 that the average weekly wage for computer systems analysts in Hampton Roads was 56.9% higher than that for educational guidance counselors.21

Thus, comparing the wages of graduates can be a fraught enterprise. The Brookings Institution, however, has developed an interesting method to estimate the “value-added” of specific institutions of higher education to their graduates’ incomes, whatever those incomes are. Brookings’ value-added measure is an estimate of how much a specific institution contributed to a student’s postgraduate income over and above what that student would have earned had he or she majored in the same discipline at the typical institution nationally. Table 2 records Brookings’ estimates of the value-added contributions of selected Virginia public institutions in 2015.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Brookings Value-Added Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christopher Newport U</td>
<td>-1%</td>
</tr>
<tr>
<td>George Mason University</td>
<td>20%</td>
</tr>
<tr>
<td>James Madison University</td>
<td>13%</td>
</tr>
<tr>
<td>Norfolk State University</td>
<td>NA</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>14%</td>
</tr>
<tr>
<td>Radford University</td>
<td>-4%</td>
</tr>
<tr>
<td>University of Mary Wash.</td>
<td>5%</td>
</tr>
<tr>
<td>University of Virginia</td>
<td>22%</td>
</tr>
<tr>
<td>Virginia Tech</td>
<td>27%</td>
</tr>
<tr>
<td>Virginia Commonwealth U</td>
<td>7%</td>
</tr>
<tr>
<td>Virginia State University</td>
<td>1%</td>
</tr>
<tr>
<td>William &amp; Mary</td>
<td>18%</td>
</tr>
</tbody>
</table>


EXTERNALLY FUNDED RESEARCH AND DEVELOPMENT ACTIVITIES

Is the glass half full or half empty when we discuss ODU’s funded research activities? Graph 7 reports the University’s research and development expenditures over the past decade. Note that the sharp reduction after FY 2013 reflects a change in how ODU reported its own contributions to these expenditures rather than a dramatic decline in funding from external sources such as the National Science Foundation or the Department of Defense.22

What should we make of the data presented in Graph 7? The glass is half full if one considers that ODU opened its doors in 1930 as a two-year division

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22 Old Dominion’s new methods of reporting its research and development expenditures put it in conformance with National Science Foundation guidelines.
of the College of William & Mary with a total budget of only several hundred thousand dollars. Few people would have forecast that 90 years later the University would be expending more than $67 million from all sources to fund its research and development activities. However, the glass may be half empty if one compares ODU’s performance in this arena with similar institutions.

Total research expenditures are sensitive to institutional scale (the number of students and faculty) and whether or not an institution has a medical school. Graph 8 reports research expenditures per full-time equivalent (FTE) student at several Virginia institutions in FY 2019. UVA, VCU and Virginia Tech have medical schools. (FTE faculty numbers were not available.)

National Science Foundation data ranked ODU only 185th nationally among all U.S. institutions of higher education in terms of the size of its research and development expenditures in FY 2019. ODU ranked fifth among Virginia institutions in this regard, but fell to sixth when the computation was performed on a per-FTE student basis.23

The only topical research and development area where ODU cracked the top 100 nationally was physics (97th). The University’s best performance in terms of funding sources was with NASA, where it ranked 83rd.24

These are acceptable performances, but ODU must improve if it intends to increase its economic impact on Hampton Roads and expects to augment its roles in public health and the medical sciences. Improved performance will not occur magically, however. Careful attention must be given to faculty hiring decisions, the expectations placed in front of faculty, compensation, and promotion and tenure decisions.

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24 National Science Foundation.
GRAPH 7
UNIVERSITY EXPENDITURES ON RESEARCH AND DEVELOPMENT:
OLD DOMINION UNIVERSITY, FISCAL YEAR 2011-FISCAL YEAR 2019

Source: National Science Foundation
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GRAPH 8
RESEARCH AND DEVELOPMENT EXPENDITURES PER STUDENT FTE, FISCAL YEAR 2019

The Commonwealth’s Financial Support

Virtually every state agency believes it deserves more support from Virginia’s General Fund, and Old Dominion University is no exception. However, before assessing ODU’s case in this regard, it is appropriate to provide some background. The Commonwealth’s respected Joint Legislative Audit and Review Commission (JLARC) has noted that Virginia is a high-tuition, low-tax-support state insofar as higher education is concerned. This view has been confirmed by the similarly respected State Higher Education Executive Officers (SHEEO) organization, which notes that in FY 2017, the average state devoted 5.8% of its tax and lottery revenues to higher education, while in Virginia only 5% was allocated for the same purpose.

Virginia’s state appropriations per full-time equivalent (FTE) college student were only $5,805 in FY 2019, well below the national average of $8,196. On the other hand, tuition and fee revenues were above average at $9,786 per FTE, compared to the national average of $6,902. Virginia seals its situational fate by also being a below-average student financial aid state – the national average amount of student financial aid provided in FY 2019 was $808 per FTE, but Virginia supplied only $716.

Thus, it is true that Virginia provides less tax support and financial aid to its public college students than the typical state, and those students pay higher than average levels of tuition and fees. The reasons for this are complex, but it is fair to observe that in times of fiscal stress, legislators often regard public higher education budgets as a bank account upon which they can draw for funds needed in other agencies. When cornered, legislators typically assert that most, if not all, Virginia colleges and universities can raise tuition and fees in order to avoid severe financial problems. If they have the University of Virginia in mind, then this likely is true. In the 10 years between the 2008-09 academic year (when the Great Recession began) and 2018-19, UVA increased its “sticker price” tuition and fees 84.8%, while the consumer price index rose only 19.2%. However, it is not clear that the same logic applies to institutions such as ODU (where the comparable increase was only 48.6%).

How has ODU fared? Between FY 2005 and FY 2019, the University’s general fund appropriation per full-time equivalent student rose 41.09%, one of the highest percentage increases of any higher education institution in Virginia (Table 3). This is an outstanding performance and credit is largely due to former President John R. Broderick and his staff.

Of course, in absolute terms, this still left ODU well behind institutions such as NSU and VCU, but ahead of UVA and Virginia Tech. Broderick performed exquisitely well in terms of enhancing ODU’s financial support from the General Assembly during his presidency. Further, these data do not include the results of the most recent (2021) General Assembly session, when the University emerged with significant additional funding.

Thus, even though ODU’s mission and institutional positioning are not highly valued by external ratings agencies, and often not by Virginia media and opinion leaders either, this has not prevented the General Assembly from doing well by the institution – at least in recent years. As one legislator put it to us, “None of my children really considered attending Old Dominion when they were high school seniors, but I think it has been doing a great job.”

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Student Debt

The high-tuition, low-state-support model of financing higher education adopted by Virginia has had predictable effects on the volume of debt incurred by students to finance their education. The U.S. Department of Education’s College Navigator website reports that the 65% of full-time, beginning undergraduate students at Old Dominion who took out loans to finance their education did so to the tune of $7,426 in 2018-19. Extrapolated over four years, this suggests the typical graduate incurs student debt of almost $30,000, which is slightly above the national average.

The relatively modest median household incomes of ODU students (at least compared to most other Virginia four-year public universities) increase the amount they borrow. However, ODU’s status as a lower-cost institution within Virginia has the opposite effect and reduces the amounts students need to borrow to finance their education. Compare ODU’s $7,426 average student borrowing level in 2018-19 to that of $8,323 at GMU and $8,367 at VCU.

Loans must be paid back. A total of 5,668 former ODU students began to repay their loans in 2016. Three years later, 6.9% of these students had defaulted on their loans. The national average default rate was 9.3%. Student loan default rates were lower at GMU (2.1%) and VCU (4.1%), but higher at NSU (11.3%).

It is not difficult to see why the increased allocation of student financial aid grant funds that ODU received from the 2020 General Assembly was so welcome.

30 College Navigator.
31 College Navigator.
A Measure Of Operating Efficiency

It is not easy to assess the operating efficiency of a college or university because many campus activities generate costs but no revenue. Further, efficiency usually is measured with respect to some type of output. But what is the “output” of an institution such as Old Dominion University? It is more than the number of graduates or credit hours generated, and includes activities ranging from intercollegiate athletics and free lectures to the provision of preschool and free or low-cost dental hygiene services. In addition, cross-subsidies and below-cost activities abound at a modern university. Vital, but complex, public-private partnership arrangements (ODU’s University Village is one example) complicate things, as does the existence of foundations. Thus, it is difficult to measure university efficiency unless one can agree upon what the universities are supposed to be doing.

With these caveats, we will peek at the services that often are termed “administrative.” These include the activities and expenditures of offices ranging from the registrar to public safety. Our measure of the efficiency of these offices is each institution’s average “institutional support cost” per FTE student, which is reported by institutions to the U.S. Office of Education. We adjust these magnitudes for changes in the consumer price index over time so that the numbers in one year are comparable to those in another year.

The University of Virginia, William & Mary and Norfolk State University easily report the highest “real” (price-adjusted) instructional support costs per FTE student. W&M witnessed a dramatic 94.94% increase in what most would label administrative overhead (Graphs 9 and 10). Someone must pay for such expenditures and since the Commonwealth’s General Fund support has declined in real terms, this means that institutions have relied substantially upon increases in their tuition and fees to fund their increased expenditures.

How does ODU rate on this efficiency scale? Rather well. The University’s institutional support expenditures per FTE put it with GMU and JMU in a category much lower than that of the other five institutions. In addition, ODU’s percentage rate of increase in these expenditures, FY 2005 to FY 2019, was second-lowest among the eight institutions. A professor asked to assign a grade to this performance likely would say it merits at least a B, if not a B+ or A-.

33 Another caveat is in order. Institutions retain some flexibility in terms of how they report their expenditures to the U.S. Office of Education, and therefore, one should not regard these data as beyond reproach.
Graph 9

Real Institutional Support Expenditures Per FTE Student:
Selected Virginia Institutions, FY 2005 and FY 2019

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds
Graph 10

Percent increase in real institutional support expenditures per FTE student:
Selected Virginia institutions, FY 2005 and FY 2019

Source: IPEDS, the Integrated Postsecondary Education Data System, https://nces.ed.gov/ipeds

Percent Increase

GMU  JMU  NSU  ODU  UVA  VCU  VA Tech  W&M

Percent Increase

17.9%  71.6%  37.1%  35.5%  88.8%  48.3%  41.1%  94.9%
Areas Of Distinction

Every academic program at Old Dominion University that is eligible for external disciplinary accreditation holds that status. It is fair to say that educational quality is present across the length and breadth of the institution. Nevertheless, institutions with merely adequate or good academic programs seldom achieve distinction. It is only when multiple programs of significance achieve consistent national recognition as excellent or path-breaking that what might be termed a “halo effect” spreads across and benefits the entire institution. When this halo effect exists, it improves the reputations of programs throughout the institution.

The consensus of external senior academic leaders is that it takes at least three, and more likely five or six, nationally recognized programs to generate a halo effect. Their view is that ODU currently does not meet this threshold but has the potential to do so.

External authorities have high regard for the University’s program in nuclear physics but note that because it does not generate easily recognizable commercialized innovations and products, it is not as potent or visible as other academic programs. In terms of raw academic power and prestige, however, it is one of the best in the nation, boasts some very accomplished faculty and has invaluable connections to the Jefferson Lab in Newport News.

The academic areas with the greatest potential for ODU to gain legitimate national distinction focus on societal problems and needs. Rising sea levels and resiliency provide a cogent example of an academic thrust that clearly addresses local, regional and national needs and builds on existing University strengths in areas such as oceanography. The ever-expanding roles of health and medical care in the United States strongly suggest that the incipient School of Public Health must be a major point of emphasis when additional funds are allocated. What is required now is a combination of well-designed faculty additions; active pursuit of foundation and grant funds; more rigorous and focused salary, promotion and tenure decisions; and political acumen. ODU can achieve these goals if it recognizes what can be accomplished and acts accordingly.

There was a time at the turn of the century when ODU occupied a national leadership position in distance learning. The University’s Teletechnet programs were both well known and highly regarded. A variety of external circumstances and some self-inflicted wounds resulted in decreased emphasis on distance learning at ODU, and today the University no longer can claim national leadership in this important arena. Other institutions now enroll 100,000 or more distance learning students annually, while as one can infer from Tables 4 and 5, ODU’s number now ranges between 10,000 and 15,000 in a typical semester. While the University remains very capable in distance learning and produces programs of high quality, the rapidly changing distance learning world has, in some ways, passed it by.

It remains the case, however, that ODU is more heavily immersed in distance learning than any other Virginia public institution. Tables 3 and 4 collectively disclose that more than 49% of ODU students either are taking exclusively distance learning courses or taking some distance learning courses. It seems likely that this is a reason why the University’s headcount enrollment increased in fall 2020 when it was declining nationally and on a majority of Virginia public and private campuses. Thus, national leader or not, distance learning has had salutary effects on ODU.

Is it too late for the University to regain national leadership? The answer is “no” if the focus is to be upon the provision of specific academic programs in well-defined areas such as nursing or engineering management. The distance learning market is highly partitioned and therefore amenable to the development and growth of specific, well-orchestrated academic programs. Because it is easier to enter distance learning markets not already dominated by an existing competitor, attention ought to be given to offering online some of the University’s newest programs. Cryptology, perhaps, presents such an opportunity.

However, if ODU’s ambition is to offer most of its current stable of academic programs to customers around the world, it would do well to recognize that this train already has departed. Significant economies of scale exist in the provision of distance learning programs, and those that entered the market early and expanded now enjoy visibly lower costs per unit because they can spread their fixed costs over much larger student bodies.
Regardless, distance learning has become critically important to the University’s future, and the onset of COVID-19 underlined this reality. Even prior to the pandemic, about half of all ODU students were taking at least one distance learning course. This proportion seems likely to increase. Therefore, whether the University stakes out a viable national presence in distance learning or not, it must ensure that it continues to offer high-quality distance learning opportunities to its regular student body. It is apparent from Tables 4 and 5 that Virginia’s public university students are interested in distance learning courses.

<table>
<thead>
<tr>
<th>Institution</th>
<th>FY 2013</th>
<th>FY 2015</th>
<th>FY 2017</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
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<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>RU</td>
<td>12.08</td>
<td>18.65</td>
<td>22.08</td>
<td>29.46</td>
</tr>
<tr>
<td>UVA Wise</td>
<td>13.39</td>
<td>5.63</td>
<td>56.51</td>
<td>4.02</td>
</tr>
<tr>
<td>UMW</td>
<td>2.90</td>
<td>3.46</td>
<td>5.83</td>
<td>6.28</td>
</tr>
<tr>
<td>UVA</td>
<td>1.55</td>
<td>1.36</td>
<td>2.01</td>
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<td>0.00</td>
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</tr>
<tr>
<td>VA Tech</td>
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<td>W&amp;M</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Source: College Navigator
TABLE 5
PERCENT OF VIRGINIA PUBLIC COLLEGE AND UNIVERSITY STUDENTS TAKING ONLY DISTANCE LEARNING COURSES

<table>
<thead>
<tr>
<th>Institution</th>
<th>FY 2013</th>
<th>FY 2015</th>
<th>FY 2017</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>GMU</td>
<td>1.32</td>
<td>1.86</td>
<td>2.06</td>
<td>2.54</td>
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<tr>
<td>JMU</td>
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<td>0.73</td>
<td>0.81</td>
<td>1.18</td>
</tr>
<tr>
<td>LU</td>
<td>3.05</td>
<td>0.04</td>
<td>0.00</td>
<td>5.83</td>
</tr>
<tr>
<td>NSU</td>
<td>2.37</td>
<td>2.82</td>
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<td>3.48</td>
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<tr>
<td>ODU</td>
<td>12.00</td>
<td>13.97</td>
<td>16.92</td>
<td>19.29</td>
</tr>
<tr>
<td>RU</td>
<td>0.57</td>
<td>0.97</td>
<td>0.93</td>
<td>1.61</td>
</tr>
<tr>
<td>UVA Wise</td>
<td>22.77</td>
<td>41.32</td>
<td>19.94</td>
<td>35.69</td>
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<tr>
<td>UMW</td>
<td>0.07</td>
<td>0.00</td>
<td>0.28</td>
<td>2.36</td>
</tr>
<tr>
<td>UVA</td>
<td>1.09</td>
<td>0.86</td>
<td>1.82</td>
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</tr>
<tr>
<td>VCU</td>
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<td>2.41</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>VA Tech</td>
<td>0.23</td>
<td>0.24</td>
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<tr>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.09</td>
</tr>
</tbody>
</table>

Source: College Navigator

Fundraising

The Old Dominion University Educational Foundation holds nearly all University endowment assets. As Graph 11 demonstrates, the foundation’s values have increased nicely over time. Thus, in 2000, the Educational Foundation’s assets ranked ODU 341st among colleges and universities nationally in terms of size; this ranking improved to 310th in 2010 and 288th in 2019. Not a bad achievement for a foundation that was established only in 1955.

National rankings of foundations in terms of their size are not a pure measure of success because some gifts immediately are spent to achieve a specific purpose, for example, the generous gift of Richard and Carolyn Barry to construct the Barry Art Museum at ODU. Such gifts do not increase the value of the endowment although in the case of the Barrys, their generosity also extended to gifts that did enter the foundation’s endowment.

Alonzo Brandon, ODU’s vice president for university advancement, and recently retired President John R. Broderick proved to be adept fundraisers. ODU reported $325.4 million in new gifts and commitments between 2008 and 2020. This success reflects hard work and dedication to the university, but also the reality that in 2020, ODU, in contrast to many other institutions, was not riven by discord and divisive issues. Broderick deserves considerable praise for nurturing this milieu.

There is one financial issue relating to the Educational Foundation (and analogous college foundations nationally) that merits exploration. It has to do with how foundations manage and invest the funds entrusted to them. Most academic foundations pay for the active management of their asset portfolios by financial professionals. This seems a reasonable approach until one learns that actively managed funds (some of which are referred to as hedge funds) have not performed as well as indexed, low-cost equity funds that are not actively managed and whose asset distributions replicate entire large market segments. Each year, 60% to 80% of actively managed funds typically do not
fare as well as low-cost, indexed funds that reflect the entire equity market.\textsuperscript{34}

A 2019 compilation by economist Mark Perry found that over the previous 15 years, 88.97% of all actively managed equity funds did not perform as well as the S&P Composite 1500 Index.\textsuperscript{35}

Why is this so? First, active managers believe they know more than the collective wisdom of the entire equity market and conclude they can “beat it.” Second, their active management and trading practices drive up transaction costs. Third, active managers themselves usually command high salaries, which end up being paid for by the college foundations.

The ODU Educational Foundation appropriately diversifies its investments and on June 30, 2020, stocks (both domestic and foreign) accounted for 45.9% of its holdings. Given the data we have presented concerning indexed investments, we believe it would be wise for the foundation to increase its use of low-cost indexed equity funds. The remainder of the corpus of the foundation is invested in fixed income assets, hedge funds, tangible real assets and private equity. Indexed funds exist for some of these asset types (for example, fixed-income vehicles such as bonds) and the lessons of indexing should be applied to these asset segments as well.

Our recommendation does not imply that all active asset managers do not “beat the market.” Some do, but most do not. The foundation should consider the weight of this evidence and see how it measures up.

The point to be taken here is that the ODU Educational Foundation’s general performance represents a success story that many similarly situated foundations would, if they could, gladly emulate.

\textsuperscript{34} This is a point famously made in 1973 by Burton G. Malkiel in his classic, \textit{A Random Walk Down Wall Street} (New York: W.W. Norton). Vanguard’s VTSMX, which indexes all segments of American equity markets, represents an excellent example. Yahoo Finance (www.yahoofinance.com) says VTSMX carries an enviable, very low expense ratio of only 0.14%, providing it with an approximate .5% head start over most actively managed funds.

GRAPH 11
VALUATION OF OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION ENDOWMENT
AS OF JULY 1, 2003-2020

Intercollegiate Athletics

Old Dominion University has assembled an enviable history of success in intercollegiate athletic competition. Its men’s basketball teams have won more than 59% of their contests and almost 77% of those played at Chartway Arena. The women’s basketball teams have emerged victorious in more than 70% of their games and have won more than 74% of contests at home. ODU has captured 28 team and five individual national championships in sports ranging from sailing and field hockey to women’s and men’s basketball.

ODU teams consistently attract large numbers of fans, and it is not unusual for both the men’s and women’s basketball teams to lead Conference USA (C-USA) in attendance. However, intercollegiate athletic success nearly always is accompanied by substantial financial investments in facilities, coaches and financial aid for athletes. So also, it has been at ODU. Table 6 reports intercollegiate athletic revenues and expenditures at the University from FY 2003 to FY 2019. Both revenues and expenditures quadrupled during this period, and the compound average growth rate in expenditures was a hefty 8.68% annually. The primary reason for the increased costs was the advent of football at ODU and the University’s membership in C-USA.

The modern-era Monarch footballers (the “Division” played football as the William & Mary Norfolk Braves from 1930 to 1940) played and won their first game in 2009 against Chowan University, 36-21. ODU competed successfully in the Colonial Athletic Association in 2011 and 2012, and in 2013 joined C-USA, a diverse collection of mostly public Football Bowl Subdivision (FBS) institutions sprinkled geographically from Miami to El Paso, Texas. The Monarchs spent 2013 as an independent and began to compete for the C-USA football title in 2014. The team won the Bahamas Bowl in 2016 against Eastern Michigan University and currently boasts seven alumni who play in the National Football League.

Along the way, the Monarch football program generated excitement. Until recently, the teams typically played before sellout crowds, and contests were preceded by lively pregame festivities. Quarterback Taylor Heinicke set Football Championship Subdivision (FCS) records for the most passing yards in a single season as well as for the most completions in a season and in 2012 won what is considered the Heisman Trophy of the FCS, the Walter Payton Award. In the otherwise down season of 2018, the Monarchs stunned No. 13 Virginia Tech, beating the Hokies 49-35.

Those are some of the highlights. Losing seasons, including a 1-11 finish in 2019, have taken the shine off ODU football, and attendance at games has fallen significantly. COVID-19 forced the cancellation of the 2020 season and eliminated an important revenue stream. However, this did not eliminate the need to service the bonds sold to finance newly constructed and attractively renovated S.B. Ballard Stadium.

It is worth noting that Central Florida, Western Kentucky, Coastal Carolina, Florida Atlantic and Georgia Southern all suffered losing seasons after moving up to the FBS. But they hired prominent coaches, prospered and played in nationally televised games because of the success they experienced in the FCS. ODU recently hired a new head coach in Ricky Rahne, a former Penn State offensive coordinator, who has made a promising start in rebuilding the program. Acquiring the offensive coordinator from one of the nation’s most storied football programs constitutes a visible boost for the football program.

While attendance has fallen in recent years, revenue has not. Since moving to FBS, ticket revenue has increased an average of 2.5% annually (though it has suffered recently) and ODU’s fundraising has increased significantly. In calendar year 2010, the Old Dominion Athletic Foundation (ODAF) raised $4,220,550. In 2018, annual fundraising rose to $16,755,345, a 297% increase. Even in 2020, when the pandemic reduced the University’s revenues, ODAF still raised $10,464,240.

In 2019, ODU received $1.57 million in guarantees for playing football games on the road. Additionally, C-USA shares in revenue from the College Football Playoff, of which ODU receives about $1 million annually. Three road games have been scheduled in the next few years with Southeastern Conference programs that will pay ODU between $1.5 million...
and $2 million per game. These revenues would decline, though not disappear, if ODU were playing in the FCS. A good payday when an FCS school plays an ACC or SEC opponent is $500,000 to $700,000.

Students have proven to be diffident concerning Monarch football, and their attendance has been disappointing. Nevertheless, in 2019-20, a full-time undergraduate student paid a mandatory $1,935.38 per academic year athletic fee to finance ODU intercollegiate athletics. For a full-time undergraduate who takes 30 semester hours in an academic year, this translates to $64.51 per credit hour, or $193.54 per three-hour course. These data come from SCHEV.36

One will search in vain on the ODU website for specific data relating to the athletic fee. The website diplomatically notes: “The University term ‘tuition’ refers to a per-credit-hour comprehensive rate that includes payment for instructional programs, academic services and activities, recreational sports, and intercollegiate athletics which includes a student activity fee of $125.69 per credit hour for Norfolk campus courses, $109.55 per credit hour for Higher Education Centers, Distance Learning, and online courses not at designated distance learning locations.” However, despite the size of the fee, the University’s 2020-21 Schedule of Tuition, Fees, and Service Charges does not mention it by name.37 This schedule did, however, find room to list hundreds of other obscure fees, including a diaper provision fee ($6 per week) and a paraffin bath fee ($30).

Note in Table 6 that in the year when ODU began to play football (2009), annual intercollegiate athletic expenditures rose about $7.5 million, and when the University moved up to FBS football in 2012, annual expenditures rose another $7 million. These expenditures were deemed necessary to pay for the accoutrements of bigger-time football, including the transformation of Foreman Field into S.B. Ballard Stadium. Attractive though it clearly is, S.B. Ballard is a 21,000-seat stadium that appears to suit the needs of an FCS-level team rather than an FBS-level program. Absent the appearance of a financial angel, however, the critical dimensions of the stadium are unlikely to change.

While ODU’s athletic expenses have increased, productive fundraising has mitigated the impact on students and student fees. Between the 2012-13 athletic season (the University’s last in the CAA) and 2018-19, athletic expenditures financed by student athletic fees rose only from $27,089,358 to $28,784,075, according to the Virginia Auditor of Public Accounts. This reflects the impact of a state statute enacted in 2015 that limits ODU to funding no more than 55% of its athletic budget from student fees.

The Commonwealth’s restrictions are far less cumbersome for FCS programs, which can fund up to 70% of their athletic budgets with student fees. James Madison University, for instance, spent $27,011,357 in student fees in 2012-13, but unrestrained by the 55% FBS limit, expended $41,576,716 in 2019.

It is no secret that ODU’s membership in C-USA has presented challenges. Yes, it enabled the Monarchs to move their football program into the FBS but failed to offer the University any natural geographic rivals. Fans may yawn when the Monarchs play Middle Tennessee State University or the University of Texas at San Antonio. It is not that these institutions are not capable of producing strong teams; they are. But, fan interest in, say, a matchup between ODU and the University of Southern Mississippi (another C-USA member) is low compared to what it would be if the opponent were JMU, William & Mary or the University of Richmond. Fans would attend games against these latter opponents even if they believed the Monarchs were likely to lose. Not so for C-USA contests.

However, moving to FBS has allowed ODU to play a much more attractive nonconference schedule that has included home games with North Carolina, Virginia, and $2 million per game. These revenues would decline, though not disappear, if ODU were playing in the FCS. A good payday when an FCS school plays an ACC or SEC opponent is $500,000 to $700,000.

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However, moving to FBS has allowed ODU to play a much more attractive nonconference schedule that has included home games with North Carolina, Virginia, Tennessee, and Texas with respect to Old Dominion.


39 We suspect much the same attitudes hold true in Tennessee and Texas with respect to Old Dominion.
N.C. State and Virginia Tech. The Monarchs’ 2018 victory over Tech gave the University a week’s worth of national publicity that reached tens of millions of people. Defeating the Hokies in Norfolk was one of the biggest moments in ODU athletic history.

Beginning in 2022, Virginia Tech will visit ODU five times over the ensuing 10 seasons. Virginia and Wake Forest also will come to Norfolk, as will Army and East Carolina. None of these home games would have been possible had ODU not moved up to the FBS.

Modest fan interest in the C-USA has translated into low revenue from television contracts. Television contracts reflect the number of people who watch contests. Realistically, this number is small for most C-USA athletic events.

C-USA membership also brought with it vastly increased travel costs. As the crow flies, it is 1,755 miles from Norfolk to El Paso, the home of C-USA member the University of Texas at El Paso. It is expensive to take teams to such locations, to say nothing of the class time the student-athletes forfeit. C-USA has massaged its scheduling to reduce travel distances and travel times, but in the end, reality is that C-USA members are geographically dispersed.

The C-USA has evolved into a different league than the one ODU initially joined, while the CAA similarly is a far different league from the one the University left. East Carolina, Tulsa and Tulane were C-USA league members in 2013; ECU almost surely would have become a major rival for the Monarchs. However, those schools left for the American Athletic Conference. One of the primary reasons for leaving the CAA was the impending loss of traditional rivals GMU and VCU, as their transition to the A-10 Conference was imminent.

Given ODU’s attractive but smallish football stadium, the general lack of fan interest in C-USA opponents, the absence of a lucrative C-USA television arrangement, the costs associated with being a member of that conference and the costs of playing FBS football rather than FCS football, many external observers who do not have a horse in the race believe it would be in the University’s best interests to move Monarch football back to the FCS (which would mean returning to the CAA in football). Other sports, especially men’s and women’s basketball, could conceivably join a conference such as the Atlantic 10, where traditional opponents such as GMU, Richmond and VCU compete.

The conference movements just described might not be easy to accomplish. Some “hat in hand” approaches, apologies and even payments might be required. Nevertheless, this could well be the beginning of a viable path to long-term financial stability and increased fan interest in ODU intercollegiate athletics.

There are other scenarios. Moving ODU out of C-USA, playing football as an FBS independent and moving other sports to the A-10 is another possible path forward. Liberty University and the University of Connecticut recently became football independents at the FBS level and have had no problem scheduling quality games or signing TV contracts with national networks. FBS independents such as Brigham Young University, Notre Dame, Army and others are eligible for bowl games, have the flexibility to schedule regional opponents and multiple guarantee games in a season, and benefit from the exposure of playing at the highest level of college football. Additionally, UConn has seen a significant increase in fundraising because it moved basketball and other sports back into the Big East. Liberty finished the shortened 2020 football season in the Top 25.

Another potential option that has been gaining momentum would see C-USA and the Sun Belt Conference exchange members to create an East-based league, of which ODU would be a part. This would address the issues of travel costs, missed class time and undesirable league opponents, among other things. While long considered, discussions on this proposal have become more serious as of late.

All three of the possibilities just described would be challenging to implement but are worth exploring and possibly pursuing. The inherent obstacle to moving to another conference is that
it would require many other universities and commissioners involved to agree. It is fair to say this is an unstable environment subject to rapid change. ODU should continually evaluate its circumstances and be prepared to act if and when more favorable options become available.

### TABLE 6

**INTERCOLLEGIATE ATHLETICS REVENUES AND EXPENSES: OLD DOMINION UNIVERSITY, FY 2003-FY 2019**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Old Dominion Revenues</th>
<th>Old Dominion Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$10,350,457</td>
<td>$9,805,977</td>
</tr>
<tr>
<td>2004</td>
<td>$12,223,951</td>
<td>$11,019,044</td>
</tr>
<tr>
<td>2005</td>
<td>$15,035,087</td>
<td>$13,990,585</td>
</tr>
<tr>
<td>2006</td>
<td>$15,729,516</td>
<td>$14,954,947</td>
</tr>
<tr>
<td>2007</td>
<td>$19,276,659</td>
<td>$17,974,306</td>
</tr>
<tr>
<td>2008</td>
<td>$27,219,527</td>
<td>$25,520,288</td>
</tr>
<tr>
<td>2009</td>
<td>$26,721,859</td>
<td>$23,346,192</td>
</tr>
<tr>
<td>2010</td>
<td>$29,021,652</td>
<td>$27,308,713</td>
</tr>
<tr>
<td>2011</td>
<td>$35,247,421</td>
<td>$34,375,037</td>
</tr>
<tr>
<td>2012</td>
<td>$36,929,483</td>
<td>$35,561,455</td>
</tr>
<tr>
<td>2013</td>
<td>$37,504,701</td>
<td>$37,504,701</td>
</tr>
<tr>
<td>2014</td>
<td>$39,538,893</td>
<td>$38,273,927</td>
</tr>
<tr>
<td>2015</td>
<td>$39,933,872</td>
<td>$39,431,561</td>
</tr>
<tr>
<td>2016</td>
<td>$42,086,525</td>
<td>$41,855,635</td>
</tr>
<tr>
<td>2017</td>
<td>$40,827,956</td>
<td>$40,827,956</td>
</tr>
<tr>
<td>2018</td>
<td>$43,996,643</td>
<td>$43,996,643</td>
</tr>
<tr>
<td>2019</td>
<td>$42,629,922</td>
<td>$42,629,922</td>
</tr>
</tbody>
</table>


**A Few Missteps**

Fortunately, Old Dominion has avoided many of the mistakes that have waylaid the prosperity of other institutions, though as already noted, one exception was the institution’s failure to capitalize upon its enviable position in distance learning. Even so, perfect foresight never will exist, and dozens of real and bogus opportunities compete for the attention of presidents, administrators and faculty members. Hence, we should not expect flawless performances year after year.

In the 1990s, under the leadership of Provost JoAnn Gora, the University moved to guarantee every undergraduate student a practicum connected to his or her course of study. Of course, many practicums already existed in the form of student teaching, the training of nurses and physical therapists, internships and the like. The aims of the practicum guarantee, an idea that originated with Northeastern University in Boston, were twofold. First, it would improve the undergraduate experience and connect classroom instruction to the real world. Second, it would constitute an attractive recruiting device. Somewhere along the way, this initiative withered and disappeared.

Less than optimal decisions also include the financial arrangements that ODU, via its Real Estate Foundation, negotiated in its University Village development on the east side of Hampton Boulevard. The University committed itself to a 60-year leasing arrangement that includes a 3% annual escalation in lease payments. Although this agreement has floated under the radar, it has proven to be expensive.

As this is being written, consideration is being given within the region to ways in which three of the area’s major health/medical players – Sentara, ODU and Eastern Virginia Medical School – might join forces to improve the provision of health care and (not to be ignored) spur the region’s long-term economic development. With respect to this latter point, one of the obvious differences between Hampton Roads and other mid-Atlantic metropolitan regions that are growing faster than ours is the comparative absence of a vigorous “ed-med” complex in our area. Several opportunities to achieve a blending or merger
of ODU and EVMS existed in the past but either were ignored, fumbled or opposed by members of the regional power structure.

In late 2020, EVMS staked out a position of public opposition to anything that involved merger and mounted a public relations blitz to amplify its objections. The Virginian-Pilot did not react favorably to those efforts, however. Significant members of the regional power structure, including Sentara, believe the merger notion has some merit. There are economies of scale to be realized and possibilities for the sharing of resources, especially where faculty are concerned and with respect to ODU’s distance learning capabilities as they might apply to telemedicine. Sentara wields immense influence; it employs more than 30,000 people at 12 hospitals and earned revenues of $3.9 billion even in the first six pandemic-affected months of 2020.

Taking a longer view, when the Virginia General Assembly decided in the late 1960s to merge the Medical College of Virginia into the Richmond Professional Institute, leading to the creation of Virginia Commonwealth University in 1969, this idea met with strident opposition from MCV-related individuals, who said the combination would never work and would do serious damage to MCV’s reputation. Lawsuits were filed and attempts made in the General Assembly to reverse the merger, but all came to naught.

Fifty years later, it is apparent that the MCV/RPI merger into VCU was one of the smartest things ever done by the Richmond metropolitan region. Today’s VCU Health is a leader in health care and a massive contributor to the economic dynamism of the Richmond area. It seems reasonable to expect a similar evolution were ODU and EVMS to merge, accompanied by significant financial support from Sentara.

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Covid-19 And “The Cliff”

The COVID-19 pandemic has changed higher education in a variety of ways, good and bad, but its impact on enrollments represents an existential threat to colleges and universities. Headcount enrollments declined once again in fall 2020, making it the ninth consecutive year that such enrollments have declined in American higher education. We should expect to see some institutions shutter their doors over the next year, even if effective vaccines are deployed, because of their already parlous financial condition, deteriorating demographic prospects (which we cite subsequently) and changing student tastes.

As already noted, Old Dominion was a welcome exception to the continuing trend of declining enrollments. The University’s ability to offer quality distance learning courses plus one of the lowest COVID-19 infection rates on any Virginia public campus proved to be attractive to students. It does seem possible that vaccines and adjustments in behavior will overcome the challenges thrust on ODU by COVID-19, but some of the habits students and faculty have acquired during recent restrictions are not going to disappear. Increased use of distance learning will remain with us, as will versions of less centralized, locationally distributed administrative models.

It will be challenging in the coming years for ODU to maintain its current headcount enrollment unless it develops new markets and/or implements new enrollment approaches and strategies. Table 7 reports the number of high school graduates the Western Interstate Commission for Higher Education (WICHE) projects for Virginia between 2020-21 and 2036-37. The projections are uniformly negative – WICHE foresees a 4.60% decline in high school graduates in Virginia, 9.69% in the mid-Atlantic region and 6.18% in the United States. Some now refer to this anticipated decline as a cliff. Whatever the label, this phenomenon must be a matter of concern for ODU.

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Since the University already has drifted in the direction of becoming an open-admission institution at the undergraduate level (ODU admitted 89% of undergraduate applicants in fall 2019), there is little room for downward adjustment in terms of admission standards, a traditional remedy for enrollment-pressed institutions. If the University is going to maintain its current headcount, it must develop new admission markets and/or become more effective in existing markets.

**TABLE 7**

PROJECTED NUMBER OF HIGH SCHOOL GRADUATES IN VIRGINIA, THE MID-ATLANTIC REGION AND THE UNITED STATES, 2020-21 AND 2036-37

<table>
<thead>
<tr>
<th>Geographic Area</th>
<th>Year</th>
<th>Projected High School Graduates</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td>2020-2021</td>
<td>94,760</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2036-2037</td>
<td>90,400</td>
<td>-4.60%</td>
</tr>
<tr>
<td>Mid-Atlantic Region</td>
<td>2020-2021</td>
<td>467,890</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2036-2037</td>
<td>422,540</td>
<td>-9.69%</td>
</tr>
<tr>
<td>United States</td>
<td>2020-2021</td>
<td>3,750,170</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2036-2037</td>
<td>3,518,410</td>
<td>-6.18%</td>
</tr>
</tbody>
</table>


The population growth nexus of Virginia is banana-shaped, with the tip of the banana starting in Northern Virginia, extending south through the Richmond metropolitan area and ending with the tail of the banana at the oceanfront in Virginia Beach. With a few exceptions, such as Charlottesville and Blacksburg, population in the rest of Virginia will decline over the next two decades. Admission efforts need to focus intently on Northern Virginia, where ODU’s image is hazy, and its recognition currently is not high. Retrospectively, it was a mistake for the University not to nurture the superbly located center it opened in Loudoun County in the 1990s. Not only could that center have enrolled significant numbers of students, but also it would have given ODU badly needed visibility in Northern Virginia and made it much more of a player in the region and statewide.

**Today, any intelligent ODU admission strategy must include a dramatically increased emphasis on Northern Virginia. Pragmatically, this is where the students are, and the University’s admission efforts and resource allocations must recognize this.**

Historically, institutions often have turned to international students to fill their ranks. However, both the actions of the Trump administration and the effects of COVID-19 have reduced the flow of international students into the United States. The Biden administration’s approach to international students differs, and we all hope that vaccines and other preventive measures will put COVID-19 in our proverbial rearview mirror. International student recruitment is not inexpensive, however, and international students require extra attention when they arrive on campus. They add positively to the campus milieu in many ways, but more so than domestic students, require additional resources. The potential to increase international student enrollment over the next two decades is significant, and the University’s internal resource allocations should reflect this.

Several counties in North Carolina are included in the Hampton Roads metropolitan region by the U.S. Office of Management and Budget, which defines such things. Students from these North Carolina collar counties, however, pay out-of-state tuition to attend ODU. The University should pursue legislative approval to grant in-state tuition to any student coming to it from within this larger Virginia Beach/Norfolk/Newport News metropolitan region.

**Finally, ODU should discuss openly its enrollment strategies and admission standards.** Simply put, Virginia is not a state that historically has valued institutions with minimal admission standards. Thus, while the evolution of ODU toward providing greater access and controlling cost increases may have immense social value, it is not a strategy that is likely to result either in editorial kudos or parents bragging that their son or daughter...
just gained entrance. It certainly will not result in higher U.S. New & World Report rankings.

As recently as 2005, the University admitted only 69.4% of its undergraduate admission applicants,\(^45\) now admits almost 90% of applicants, approximately 40% of whom are Pell Grant recipients. This is a step in the direction of helping make Virginia a more opportunity-oriented, equitable place to live. However, as we have noted, this is not viewed as a propitious development – at least in the realm of higher education – by many influential Virginians, whose views reflect the historically restrictive character of Virginia society and the state’s public higher education system.

Any set of admission standards involves tradeoffs between societal equity (as evidenced by access and affordability) and prestige (external rankings and restrictive admissions are the primary indicators). More of one often means less of the other. There are both benefits and costs attached to ODU’s admission evolution, which has focused on equity rather than prestige.

Query what the best admission policy is for ODU to pursue as it faces a decline in the number of high school graduates throughout the nation. Ours is not to tell the University what its admission standards should be, but instead to suggest that the costs and benefits of various sets of admission standards should be discussed in appropriate offices on campus so that those affected understand the tradeoffs.

\(^{45}\) IPEDS, the Integrated Postsecondary Education Data System, National Center for Education Statistics, https://nces.ed.gov/ipeds.

Final Observations

Old Dominion University as an entity is now 91 years old. More innovative than most institutions of higher education in Virginia, it has on several occasions chosen paths that set it apart from other four-year public universities, especially those designated research institutions, as is ODU.

Two examples will suffice. Early in the 1990s, ODU began to make a serious commitment to distance learning. This effort was greeted with warm approval by students and elected officials but pooh-poohed by a significant number of its counterpart institutions in the Commonwealth. Time has a way of fashioning judgments and more than 25 years later, other institutions strive to come within shouting distance of what ODU has accomplished in the distance learning arena.

The jury is still out with respect to the other departure from conventional higher education wisdom in Virginia, namely, ODU evolving into an institution that places a high value on being both accessible and affordable. This is a departure from the restricted-entry, high-cost model that historically has been the coin of the realm in Virginia higher education. Plaudits and prestige always have gone to the institutions that have evinced high admission standards and enrolled small proportions of lower-income and minority students.

In recent years, ODU has emphasized the provision of opportunities to a wide range of students and has recorded the lowest increase in its sticker price tuition and fees of any four-year public Virginia university between 2000-01 and 2020-21.\(^46\) It has assembled a racially diverse student body, and 45% of its first-time, full-time undergraduate students in 2018-19 were Pell Grant recipients, well above the Virginia four-year public institution average.

The 2020 and 2021 sessions of the General Assembly, after dealing with the complications of COVID-19, gave ODU special General Fund additions to help it deal with its challenges, and at the same time recognized the extensive financial need of its student body by means of larger student financial aid allocations. These represented the first significant occasions when the governor

\(^{46}\) These ranged from Old Dominion’s 173.9% increase to the stratospheric increases of Christopher Newport University (379.65%), William & Mary (394.3%) and the University of Virginia (345.2%).
and the General Assembly have acknowledged the distinctive nature of ODU among the state’s research institutions. There is more to be done in this regard.

**John R. Broderick concluded a very successful presidency in summer 2021 – one marked by record-setting performances in a variety of critical areas, including prodigious campus construction and expansion, highly productive fundraising and unprecedented legislative success. He left the institution in far better shape than the one he inherited.**

Challenges remain, however, for example, the University’s relationships with EVMS and Sentara Healthcare. Helping supercharge Hampton Roads out of its decade-long pattern of modest economic growth must be a high-priority undertaking for the University. Improving retention and graduation-rate performances is also a top-drawer goal. Despite conspicuous success, redefining the institution’s intercollegiate athletic future may be required. And, as previously noted, there is an enrollment “cliff” looming just over the horizon. This list could go on, but to lengthen it would imply that ODU is beset by problems. It is not. Even so, Rodney Dangerfield’s “I don’t get no respect” calling card often does apply to the University. It will take high-quality, visionary leadership combined with sterling faculty and staff performances to alter this reality.