

Minutes of the University Athletics Committee
University of Kentucky
Friday, June 16, 2017

Meeting Opened and Roll Call

Dr. C.B. Akins, Sr., Chair of the University Athletics Committee, called the meeting to order at 9:06 a.m.

The following members of the University Athletics Committee were present: C.B. Akins, Sr. (chair), Jennifer Barber, Kelly Holland, David Melanson, Community Advisory Members Wilbur Hackett, Jr., Paula Hanson, and Faculty Representative Joe Fink.

Approval of Minutes

Chair Akins asked for a motion to approve the minutes from the May 2nd, 2017 meeting. Trustee Melanson moved for approval. Trustee Holland seconded the motion and it carried without dissent.

President's Remarks

President Capilouto gave no remarks during this meeting.

Departmental Report

AD Barnhart reported the University of Kentucky hosted three NCAA Regional events in track and field, softball, and baseball. He continued that two teams traveled to Oregon to compete in the post-season. Softball competed in the Super Regionals at Eugene and Track and Field competed in the NCAA Championships at Oregon's Historic Haywood, and the Baseball traveled to Louisville for Super Regionals. Women's Track and Field finished fourth in the country, and this is their second medal stand in three seasons. All of these accomplishments and high-level competition provided great visibility for our programs and the University. He indicated that outside of having a quality coaching staff and exemplary students, that the athletic staff were remarkable and provided the highest accolades to everyone involved in the events.

The University hosted two high school State Championships, both Tennis and Track and Field. AD Barnhart identified that the athletic program is lucky to have both intercollegiate opportunities to host sporting events, but also honored to host high school events and build partnerships with prospective UK students. He reiterated that the department wants to continue providing visibility to our campus and display what University can provide incoming students.

AD Barnhart stated that the department capitalized on hosting events, and the fan base was remarkable. He indicated despite a two hour delayed start, fans filled the stands and created an incredible home atmosphere for UK student-athletes. He noted his appreciation for the sold-out crowd that stayed through the last out to celebrate the team's regional championship.

AD Barnhart indicated that the University has had a great year and season in many regards. Football went to a Bowl game this year; Basketball had conference championships, a 14th place finish Nationally for Women's Swimming and Diving, Regional Championships, and 4th place team finish for Track and Field. He continued that the Director's Cup measures the finishing rankings of all sports at one school, and compared to those sports rankings from all other Division I institutions. AD Barnhart indicated his belief that the University of Kentucky would finish at 11th in the country in the Director's Cup, which will tie for the best finish in the University's history. University of Kentucky will finish second in the Southeastern Conference for Director's Cup, behind University of Florida. He identified that 21 of the 22 teams had qualifying scores towards the Director's Cup, which is the most in athletic history. AD Barnhart indicated that he is proud of what athletics has accomplished, but there is more room to grow the programs, the ability to improve, and make these programs elite.

AD Barnhart stated that new facilities have opened this past year, such as, the Joe Craft Football Training Facility, Jacobs Science Building, the Baseball Stadium has begun construction, and the department recently opened the Sports Medicine Research Institute with Dr. Scott Lephart and his staff. This facility focuses on injury prevention, rehabilitation, and the science of human performance and sport.

AD Barnhart indicated that in the classroom student-athletes finished with GPA over 3.0, for an unprecedented tenth consecutive semester. He identified that 18 of the 20 teams were above a 3.0 for the spring 2017 semester, and over 100 student-athletes graduate from the University of Kentucky in the past academic year. He continued that all teams surpassed cut lines for Academic Progress Rate (APR), and four teams won awards for their National APR scores: Men's Basketball, Softball, Men's Golf, and Volleyball.

- [\(AD Report: June 16th, 2017 attached\)](#)

AD Barnhart identified that in the new baseball stadium there will be approximately 2,500 chair backs for fans, berms to separate the viewing areas, and the idea is to be able to seat for 7,000 total. He continued there would be overhead coverage in some of the seated areas. There is a club area, so Athletics can host, up to 150 individuals, for recruiting development purposes. Overall, AD Barnhart indicated his excitement for the new stadium and expressed the positive impact it will have on the baseball program.

Business Items

Chair Akins introduced Melissa Gleason, Executive Associate Athletics Director and Chief Financial Officer, to present on the Consideration of Interim Financial Report for the Nine Months Ended March 31, 2017 for the Department of Intercollegiate Athletics.

Ms. Gleason discussed the third quarter financial statements, and explained the stated cash and gifts have trended downward, but stated net assets have increased due to capital assets of all the new facilities built and will continue to build. Other points of interest on statements of net position are receivables with the third party partners with multimedia rights and concessions, which decreased. She continued that the best look at the financial position is the statement of

restricted current funds, which ties to the annual operating budget. She indicated on the revenue report that the department is at 82 percent of the budgeted revenue so the department is exactly where it needs to be for this point in the fiscal year. In further review of the expenses, the department is at 74 percent and the department has improved in this area and are right on target for expenses for the current fiscal year. This concluded Ms. Gleason's overview of the first item.

Ms. Gleason reviewed a previous inquiry concerning football-ticketing sales and indicated that every other year the football team has a more appealing schedule to fans, which causes budget fluctuation as a result of this. She continued that there are increases in ticket revenue during the years with the more attractive schedules, and indicated that although athletics did not reach their ticket allocation targets for this year it will not affect the overall annual budget.

Trustee Barber motioned to accept the Interim Financial Report for the Nine Months Ended March 31, 2017 for the Department of Intercollegiate Athletics as presented. Trustee Melanson seconded it, and the motion passed without dissent.

The second business item, Melissa Gleason, Executive Associate Athletics Director and Chief Financial Officer, presented on the Fiscal Year 2017-18 Operating and Capital Budget for the Department of Intercollegiate Athletics.

Ms. Gleason indicated that UK Athletics does not received any state appropriations or university funds, and operates exclusively with funds earned. The athletic budget remains at less than 4% of the overall university budget. The Athletic Department collaborates with the University at-large in various ways, such as, through the Jacobs Science Building where Athletics assists in payment on this facility. Ms. Gleason highlighted that the Athletic Department contributes 1.7 million dollars annually for non-athletic scholarships, and assist in supporting the band each year. The Athletic Department pays the full rate of their scholarships, which is 330 scholarships including athletes, trainers, and managers, where the department pays both in and out-of-state students.

Ms. Gleason discussed that the athletics department pays for all the capital facility improvements including utilities, maintenance, parking, game day expenses, and security. She indicated that the success of the teams has provided the opportunity for a licensing split with the University, and the budget for next fiscal academic year will be 3.5 million dollars. This agreement and budget was in collaboration with our third party licensing. The JMI contract provides for \$500,000 annually in radio inventory for academic messaging.

Ms. Gleason discussed that the budget is 136.9 million dollars, and she identified the revenue categories to be Football, Men's Basketball, conference driven tickets, parking for Football, Women's Basketball, student activity fees (and she noted these fees will be phased out by the FY19). Additional revenue categories are multimedia rights and contractual agreements (which include JMI or other corporate sponsorships such as Nike and Gatorade), concessions, novelty sales, K-Fund, and capital donations, licensing, other Men's and Women's sports, ticket sales for our Olympic sports.

Ms. Gleason presented a balanced budget. Ms. Gleason continued to identify that scholarships and scholarship transfers are a part of the expenses. Finally, she indicated other expenses to be the management of the Wildcat Coal Lodge, Band, and any Athletic Trainers from the Graduate Program, Jacobs Science Building expenses, and camps hosted on campus.

Ms. Gleason stated that the Athletic Department's proposed balanced budget was 4 million dollars higher than a year ago, which entails salary upgrades from merit raises and benefits. She indicated that scholarships, specifically tuition and fee upgrades, and programs that have asked for additional scholarship support for the Graduate Assistants and Managers. Ms. Gleason continued to indicate that Athletics pays for the parking around Kroger Field for game days, and other lots throughout the year for other sporting events. Finally, Ms. Gleason noted an increase in the travel budget, where this expense is driven specifically through team travel, but also through recruiting and official visit travel.

Ms. Gleason stated that the final part of the budget is the Capital and other non-operating portion, which has consistently brought in 8 million in gifts, thanks to the hard work from the K-Fund staff. Last year, she indicated there as a capital fund balance in this area, which this balance was used to pay for the construction that occurred during this fiscal year, but moving there will be no fund balance to use because there is consistent on-going construction. Ms. Gleason indicated these funds will be used for Men's Basketball, Baseball, and Booster Club this coming year.

The floor was opened for questions and Trustee Bryant inquired whether or not walk on students to athletic teams, without scholarships, tend to stay on the teams for all four years? Ms. Gleason indicated she did not have specific figures on this. Trustee Bryant followed up by asking why would student-athletes stay on some sports teams, especially in sports like football where it is more impact sport related. AD Barnhart followed up by stating that student-athletes that stay on teams regardless of scholarships have true passion and love for the game, and also stated that some four year students are able to provide a scholarship in that final year.

AD Barnhart provided final insight and clarification on scholarships, and identified that around 70% of student-athletes are out-of-state. He indicated that out-of-state student-athletes are more costly than those in-state students' costs. He identified for those equivalency scholarships, 50% of scholarships for out-of-state students is significantly more expensive than an in-state scholarship. This is a larger factor during the recruiting phase for all sports teams.

Trustee Melanson recognized that UK Athletics' largest expense are payment transfers back to the University of Kentucky for scholarship and services, and his shared belief that athletics is a vital contributor to the University's mission. He indicated it was interesting to see that all the money generated is being recycled back into the institution in various ways and providing continuous support to the institution.

Trustee Barber motioned to accept the Fiscal Year 2017-18 Operating and Capital Budget for the Department of Intercollegiate Athletics as presented. Trustee Holland seconded it, and the motion passed without dissent.

With no further business, the meeting was adjourned at 9:48 a.m.