

Minutes of the University Athletics Committee  
Monday, December 14, 2015  
Conference Room 127, Charles T. Wethington Building

Meeting Opened and Roll Call

The following members of the University Athletics Committee were present: Trustees C.B. Akins, Sr. (Chair), Skip Berry, Bill Gatton, Kelly Holland, and Terry Mobley; community advisory members Vickie Bell, Paula Hanson, and Wilbur Hackett, Jr.; and faculty representative Joe Fink

Approval of Minutes

Chair Akins stated that the minutes of the June 19, 2015 University Athletics Committee meeting had been distributed. Trustee Mobley moved approval and Trustee Holland seconded the motion. It carried without dissent.

President's Remarks

President Capilouto who then informed the Committee that he spoke with football recruits the previous weekend at the request of Head Football Coach Mark Stoops and Director of Athletics Mitch Barnhart. He explained to the recruits how his predecessors and colleagues have replicated success in healthcare, as well as recruiting talent to the athletic teams. Proof of this was in the 39<sup>th</sup> heart transplant that took place at UK this year. President Capilouto stated how he was very pleased with the reception from the recruits and their families and how it reminds everyone how every aspect of this campus is connected.

Department Report

Director of Athletics (AD) Mitch Barnhart highlighted a few main points from the Department Report to the Committee, including how fall is generally a busy time for the Athletic Department and the transition to winter sports is underway, as well as taking the time to thank a number of people involved in getting a new season underway.

AD Barnhart stated that Commonwealth Stadium (CWS) re-opened in September after a long process of planning and partnership for its renovation. He stated how this project resulted in an amazing facility that would transform Kentucky football and has received great reviews from people across the country in all aspects of the new stadium. AD Barnhart also commended the construction team on their diligence on the project, especially through weather delays in the winter months. He stated how this elevated the recruiting process, as well as presented positively on the SEC Network.

He continued that the goal of this process has been to move the football program forward, and also that construction of the new training facility was approximately 35-40% finished, and should be ready to open in July 2016. With all of the new amenities offered in the facility, AD Barnhart was confident this would bring a lift to the recruiting process as well.

AD Barnhart reported that the first championship of the year was from the Men's Soccer program in the regular-season Conference USA championship. Despite the year ending early in postseason play, the team fought through many setbacks and AD Barnhart expressed his pride in the team's hard work throughout the season. Callum Irving was named an All-American, the first in program history, and will continue his career in the MLS after graduating in December.

AD Barnhart continued that there will be more opportunities for championships in the upcoming seasons, as both Men's and Women's basketball teams are ranked in the top 10 in the country. The women's team has started the season at 9-0, and the men are currently 9-1. Both teams have incredible promise for the season.

He continued, stating UK hurdler, Kendra Harrison was a finalist for the Bowerman Award, which could be compared to the Heisman Award in track and field. AD Barnhart explained that she is the finalist between two others. Kendra Harrison is a national champion and All-American, helping the Women's Track and Field team finish 2<sup>nd</sup> nationally outdoors in 2015. She was also given the NCAA top-10 award, given to someone based on academics, athletics, and work in the community.

AD Barnhart also congratulated four UK Hall of Fame inductees: John Calipari and Louie Dampier were inducted into the Naismith Memorial Basketball Hall of Fame; Art Still was enshrined in the College Football Hall of Fame; and Alan Johnson, an assistant coach in track and field was named to the Track and Field Hall of Fame. Steve Meilinger was also inducted to the College Football Hall of Fame, and condolences were offered to his family as he passed away last year.

He continued that these legacies show what this University is capable of in athletics, and there are multiple examples today. Craig Skinner in the winningest coach in the history of the volleyball program, and AD Barnhart expressed how many of the coaches also hold the same honor here at the University.

He explained that the final grades for the semester will come in in a few weeks as the department looks forward to the upcoming spring championships. He expressed his pride for the hard work that the students have completed in the classroom, and there will be 17 students graduating in the December commencement.

Executive Associate AD for Student Services Sandy Bell and Senior Associate AD Rachel Baker came forth for their rules and compliance presentation to the Committee. Ms. Bell stated that the presentation is to check in with the Board and explain their role in the process, as well as how compliance is conducted on a daily basis. Past presentations have covered the rules of interaction with the Board, including academics, and the current presentation would deal with recruiting and recruiting visits.

Ms. Baker thanked the Committee for the relationship that has been built between the Compliance Office and the Committee and then defined "institutional control" for the Committee as having a responsibility for controlling and monitoring that the established rules are followed, as well as who has ultimate authority and responsibility for the conduct of a certain program. The

rules state that the University's President has that ultimate authority, seeing as that is the highest ranking staff member of the institution.

Ms. Bell reviewed the Board's role of the recruiting process by stating that the Board is not permitted to participate in recruiting, whether that is on or off campus. There are many situations where those issues could come into play, but Ms. Baker stated that it is crucial that any and all questions or concerns be directed to the Compliance office.

Ms. Baker continued that not being permitted to be involved in recruiting also means not providing benefits to a prospect, parent, or other family members. The wide variety of circumstances that involves this aspect can include loans, meals, or benefits not otherwise given to prospects by Athletics. The importance of this information lies in the idea that many circumstances can happen unknowingly, and making information clear can help define the roles of people involved.

Ms. Bell, then spoke about the history of recruiting rules and how those have changed over the years. Ms. Bell stated that although there have always been official and unofficial visits, the stringency of rules has increased over time. She continued that aside from the NCAA task force, each university was also asked to create reasonable guidelines based on their own school. She mentioned that during this time, AD Barnhart requested input not only from administrators, but student athletes and coaches as well. The input from the student athletes was crucial to see their point of view as to what works best on a visit.

Ms. Bell presented to the Committee the UK Recruiting Philosophy, and Ms. Bell highlighted a few main points from that. Those included prospects having academic ability, character, and athletic ability. Another main point was the commitment to minority and female student athletes, and having the coaches conduct themselves with class during the process. She also encouraged President Capilouto and AD Barnhart to be a part of the recruiting process. Finally, the main focus of recruiting is to show what is positive about this University, rather than what is negative about other institutions. The goal is to provide all prospects with positive experience at the University, whether or not they decide to attend.

Ms. Baker then spoke about the specifics of official and unofficial visits at the University, explaining that the main piece of an official visit is that the University can finance the prospect and their immediate family to visit campus. There are some parameters to these visits, including only going to each institution one time, only being allowed five total official visits, the visit can only last up to 48 hours, there cannot be contact with a donor or Board member, and they cannot be transported more than 30 miles away from Lexington. Baseball, football, and men's basketball have slightly different parameters, but those can differ based on the situation.

Ms. Baker explained that there are also academic requirements for the student before they can take an official visit. The school needs to be provided with a standardized test score, a copy of an academic transcript, and the student needs to be registered with the eligibility center. These are a tool for the University to assess whether that student will be successful academically.

Ms. Baker then explained the variables of unofficial visits, which are self-financed by the prospect and their family. Another difference is that there are no limits to the unofficial visits

that a prospect can take. The University can provide admission to one of the athletic contests and on-campus transportation, but nothing further.

Some of the University of Kentucky official visit policy included education for the student host to discuss rules about the visit beforehand and also afterward. Ms. Bell interjected to define a student host as a student athlete who plays the sport of whom the prospect is being recruited. As far as permissible forms of entertainment, Ms. Baker described a few examples to the Committee to give an overall idea of what is allowed on the visits.

Ms. Baker opened the floor for questions and Committee Member Vickie Bell asked if there were different policies for junior college and transfer students, and if there is a limit on the number of athletic events the prospects were allowed to attend. Ms. Baker responded that the prospect would be allowed to attend multiple events, but would be limited on the number of comp admissions given. As far as the transfer students, Ms. Baker explained that they are given the same treatment as high school recruits.

Committee Member Bell also asked how the student hosts were identified, and Ms. Baker answered that there are a variety of factors, but the coaching staff makes those decisions, as they are more knowledgeable about the recruiting process.

Trustee Berry asked if there was any point within the visits that adults are involved, and Ms. Bell answered that the coaches and graduate assistants are around, as well as herself and Ms. Baker, especially regarding the unofficial visits to check in with Compliance.

Chair Akins stressed to the Committee the importance of asking before acting when it comes to recruiting.

### Business Items

The Committee reviewed FCR 7 Brett and Billie Jo Setzer Pledge as a consent item for the Board, and AD Barnhart expressed his gratitude to Brett and Billie Jo Setzer and their commitment to the University of Kentucky football program. Chair Akins explained that it is a \$1,000,000 gift and he recommends the Board to accept that gift.

The Committee was updated on the 2014-15 Audited Financial Statements and the Independent Auditors' Report on Financial Statements and Supplementary Information for the Department of Intercollegiate Athletics. Susan Krauss, Interim Treasurer, reviewed the Management's discussion and analysis of the statements of net position. This included assets, liabilities and operating revenues and expenses.

Ms. Krauss explained that the Department of Intercollegiate Athletics is included in the consolidated financial statements to be recommended for approval by the Board. The audit will also be brought to the Audit and Compliance Subcommittee for approval a full report on the audit. The audits reflect the opinion on the financial statements were prepared in accordance with the full University statement.

Susan Krauss then commented on a few main points regarding balances. She considered it a strong year for assets, as there were large, positive swings for the assets and liabilities. This

was mainly due to the JMI agreement, as well as the new Aramark contract. After analyzing the balances, she explained that the overall net gain showed it was a very strong fiscal year. She also explained that in addition to the audits, BKD completed procedures required by the NCAA regarding revenues, expenses, and capital expenditures for annual data.

Chair Akins called for a motion to accept the Audited Financial Statements and the Independent Auditor's Report on Financial Statement and Supplemental Information. It was moved by Trustee Holland and seconded by Trustee Mobley. Seeing no questions, Chair Akins called for a vote and it passed without dissent.

Melissa Gleason presented FCR 12 Consideration of Interim Financial Report for the Three Months ended September 30, 2015 for the Department of Intercollegiate Athletics, and she explained that much of the report was similar to the information Susan Krauss reported to the Committee previously. Components of the report included the accounts receivable and current assets, reduction of restricted cash, capital assets, accounts payable and accrued liabilities, unearned revenue, long-term liability increase, and decreases in total restricted expendables.

Ms. Gleason highlighted the increase in football revenue, change in media rights, increase in operating expenses for the sports, and administrative expenses for the first quarter of the fiscal year. As for the daily operations of the department, much of the budget was similar to that of the previous year with the exception of a growth in football ticket sales.

Chair Akins called for a motion to accept the Interim Financial Report for the Three Months Ended September 30, 2015 for the Department of Intercollegiate Athletics. It was moved by Trustee Mobley and seconded by Trustee Holland. Seeing no questions or discussion, Chair Akins called for a vote and it passed without dissent.

The committee reviewed FCR 17 Renovate Academic/Administrative Space: Nutter Football Training Facility Capital Project. Chair Akins explained that this order of business was merely to accept the financial piece of the Training Facility Capital Project. He asked for a motion to recommend approval to the Finance Committee regarding FCR 17. It was moved by Trustee Berry and seconded by Trustee Holland. Seeing no questions or discussion, Chair Akins called for a vote and it passed without dissent.

### Adjournment

With no further business, the meeting was adjourned at 5:42 p.m.