

Minutes of the University Athletics Committee
University of Kentucky
Thursday, June 21, 2018

Meeting Opened and Roll Call

Trustee Barber, Chair of the University Athletics Committee, called the meeting to order at 4:30p.m.

The following members of the University Athletics Committee were present: Jennifer Barber, Skip Berry, Kelly Holland, David Melanson, and Cammie Grant; Community Advisory Members Vickie Bell, Paula Hanson; and Faculty Representative Joe Fink.

Approval of Minutes

Chair Barber asked for a motion to approve the minutes from the February 23, 2018 meeting. Trustee Berry moved for approval. Trustee Melanson seconded the motion and it carried without dissent.

President's Remarks

President Capilouto highlighted academic outcomes for the University of Kentucky's student-athletes, which has been on an upward trajectory. He stated, "Joe Fink's presentation at the end of this meeting will confirm how we are able to achieve student-athlete academic success and how the University maintains integrity throughout the process."

Athletic Director's Report

Athletic Director (AD) Mitch Barnhart stated the Athletic Department had returned from the Big Blue Caravan, where coaches, student-athletes, and staff visit various Kentucky counties to connect with the fan base. The Caravan began traveling through Kentucky, starting in Marshall County, and plan to end in Pikeville.

AD Barnhart continued to discuss individual successes of student-athletes throughout the 2017-18 year, where he indicated that in the past 12 consecutive semesters student-athletes have been at a collective 3.0 GPA or higher. AD Barnhart thanked the former Associate Director of the CATS Center, Bob Bradley, for all of his hard work and commitment to the University and department. Jason Cummins, former Retired Lieutenant Colonel from the Army and former Army ROTC Commander at the University, will be taking on this role in the Athletic Department.

In terms of Service Projects, AD Barnhart identified eight current students visiting Ethiopia, and combined the Department has had over 100 students travel abroad to serve internationally over the past eight years. AD Barnhart continued, "The Department is committed to serving the state of Kentucky with their student-athletes, but allowing students the opportunity to travel abroad provides fresh perspective in terms of serving the world at large."

In terms of success for the Department, the University finished 17th in the Director's Cup out of 350 Division I schools. There were four overall National Champions in Track and Field,

including the Men's Best Athlete, Tim Duckworth, who won the Men's Decathlon; and Olivia Gruver, who won the National Championship in Pole Vault. The University received fourth overall in Women's Outdoor Track and Field, and 17th in Men's Outdoor Track and Field, as well. Jasmine Camacho-Quinn and Sydney McLaughlin who achieved National Championship accomplishments in hurdles for the Women's Team. Harry Mullins, Coach of the Rifle Team, won his second title in the past six years, and the team won the National Championship this year. AD Barnhart indicated a student-athlete, Henrik Larson, won the National Championship individually, which is a great accomplishment for the program.

AD Barnhart continued his report by highlighting Men's Basketball fourth consecutive SEC Tournament Championship, and the Gymnastics Team went to their first National Championship. The Softball team qualified for Super Regionals, which was the fifth Super Regional for this program. AD Barnhart highlighted the Women's Swimming and Diving team which finished 14th in Nationals, and was the best finish in school's history thus far.

AD Barnhart closed by referencing his 1-3-5 goals. "The 1 refers to every program achieving a Championship; the 3 represents students achieving the 3.0 GPA each semester; and the 5 refers to finishing in top five in the Director's Cup.

Business Items

Trustee Barber introduced Melissa Gleason, Executive Associate Athletics Director/Chief Financial Officer, to present the Consideration of Interim Financial Report as of March 31, 2018 for the Department of Intercollegiate Athletics.

Ms. Gleason discussed the Interim Financial Report review as of March 31, 2018, and referenced the Current Financial Statement, which compares the current budget to actual. "This report ties to the budget approved last Fiscal Year, and is a reflection of what the University of Kentucky reports to the NCAA. This report does not include capital project or any building expenses or related revenues, but specifically day-to-day operations. In viewing Revenues, the Department was in line for a strong finish to the fiscal year at 85% versus last year at 83% of the budget. In regard to expenses the Department was trending similar to last year at 74% of budget."

Trustee Melanson motioned to accept the Interim Financial Report as of March 31, 2018, for the Department of Intercollegiate Athletics as presented. Trustee Berry seconded, and the motion passed without dissent.

Ms. Gleason presented the Athletic Department Budget proposal for the period of July 1, 2018-June 30, 2019. She indicated that there have been no State appropriations or funds received, and the current budget is under 4% of the University budget. This allows the Athletic Department to provide support across campus such as: the Jacob Science Building, non-athletic University Scholarships, University of Kentucky Band Support, and Full-Tuition pay rate for all Athletic Scholarships. "This equates to \$17.9 million, and encompasses student-athletes, student trainers, student managers, and interns, which totals 576 receiving full or partial scholarships. The Athletic Department paid all expenses for capital and facility improvement including utilities, maintenance, parking, game day expenses, and security on all facilities, and continues to share revenues 50/50

split within the University licensing contract. Further, the department's multimedia rights contract provides for annual radio, advertisement, and inventory which is used to communicate the university's message to a broad audience." Ms. Gleason continued by discussing the upcoming 2019 budget, which includes revenue from tickets, parking, SEC revenue and guarantees, Men's Basketball with the exception of parking, Women's Basketball, and the Student Activity Fees, noting that next year will no longer exist in the Fiscal Year. She continued that other categories were multimedia rights contracts, corporate sponsorships, annual K-Fund, licensing, ticket revenue from other men's and women's sports, camps, operating fund balance transfer, capital funds balance, post-season, and opportunity fund.

Ms. Gleason discussed the recent changes within the budget for this Fiscal Year, and highlighted the multimedia payment to the Lexington Center, which is part of a new contract, and will result in revenue for Fiscal Year 2019, and this will offset expenses. Other changes include salaries and benefits of \$3.29 million in contractual coach's increases, and a 1.5% campus staff salary increase. She continued, "The increased expense difference in operating expense from the new Baseball Stadium and the old Cliff Hagan Stadium Scholarship changes have increased expenses for tuition and fees, and reduced expenses in fifth-year student aid. Ms. Gleason indicated that the Department was able to retire the debt that originated on the former Commonwealth Football Stadium, now Kroger Field, for the end zone suites.

Ms. Gleason discussed the decrease in revenues due to the budgeted JMI contract signing bonus funds, which were moved to the Baseball Stadium. With regard to Football tickets, every other year there is a drop in revenue due to having University of Louisville, University of Florida, and University of Tennessee as away games versus home games. Concessions have decreased based on ticket projections, and also in conjunction with the increased guarantee in the Aramark contract. There will be a slight increase in revenue for football parking due to additional available spaces, and miscellaneous increased revenue in endowment interest, tailgating, and NCAA funds for academic enhancement.

Ms. Gleason indicated that guaranteed revenue increases will be predominantly driven by the University of Louisville game hosted at Louisville this year, and hosting Championships for Kentucky high school football, volleyball, and men's basketball. There is a budget projection for increased SEC funds, for Bowl participation, SEC Football Championship, the Men's Basketball SEC Tournament, and TV/Broadcast revenue.

In reference to the capital budget, there was a decrease in capital gifts, which was a direct result of the Federal tax law change. This is due to individuals prepaying Capital Gifts in future Fiscal Years by December 31, 2017. \$6.8 million will go to debt service payments and the remainder will be used for any small Capital Projects for the upcoming Fiscal Year 2020. This concluded Ms. Gleason's report.

Trustee Barber asked for any questions. Trustee Blonder inquired about mental health issues for students, and asked if there were plans in the budget to have a student-athlete psychologist available. AD Barnhart indicated that there are sports physicians, nutritionists, a sports performance psychologist, and a clinical psychologist budgeted for the upcoming Fiscal

Year 2019. AD Barnhart assured the Board that the Programs have sufficient access to psychologist services, and have been able to utilize University Services for any situations needing special attention.

Trustee Holland motioned to accept the Athletics Department Budget for the period of July 1, 2018-June 30, 2019 as presented. Trustee Berry seconded, and the motion passed without dissent.

Other Business

Trustee Barber introduced Faculty Representative, Dr. Joe Fink, for a on Student-Athlete Academics update. Dr. Fink discussed a number of issues related to academics at the University of Kentucky. Dr. Fink indicated that University of Kentucky's student-athletes overall GPA resides at 3.0, and the average for student-athlete groups is above the overall average for the entire UK student population across all majors and student-related activities. He continued by discussing that the NCAA's tracking methods of comparison between institutions. The Academic Progress Rate (APR), established in 2003, is unique to Division I institutions, and applies to roughly 140-150 institutions. Dr. Fink noted one of the major requirements with APR is for a team to be eligible to compete during post-season, the institution must have an APR of 930. Vanderbilt University and the University of Kentucky are the only two institutions in the conference that have not had any team fall below the 930 APR score since its establishment in 2003.

Dr. Fink discussed the NCAA Graduation Success Rate (GSR), which is a calculation developed in conjunction with the Federal Graduation Rate, a U.S. Department of Education calculation. The GSR takes into consideration when student-athletes transfer institutions. He noted that graduation rates have continued to increase each Fiscal Year.

Dr. Fink discussed popular academic majors for all University of Kentucky student-athletes. Health Promotion and Kinesiology attract individuals who want to have professions as trainers, coaches, or physical therapists. Another popular major is Community Development and Leadership within the College of Agriculture, Food, and Environment, where students have a desire to change their home communities. Finally, Communication is another popular major for student-athletes for those wanting to pursue Public Relations, Marketing, or looking towards an upper level Sports Management degree.

Dr. Fink continued to discuss ethics and integrity with regard to compliance. Student-athlete information is crosschecked frequently for each individual student through the Athletics Department. He noted an Academic Integrity Group, who meet on campus monthly and is comprised of staff and faculty across campus. This group discuss new academic rules set in place, and how these rules University of Kentucky outcomes for the student body.

Trustee Barber asked for questions, and Trustee Blonder inquired in regard to the CATS Athletic Counselors who will have access to the online Canvas database while monitoring student-athletes. Trustee Blonder asked, "Are there any Family Educational Rights and Privacy Act (FERPA) issues in regard to other students in the course outside of the student-athletes?" Dr. Fink indicated that the student-athletes are expected to sign a FERPA release for their respective CATS

advisor. In regard to Canvas, the CATS counselors can only see the student they are monitoring, but not any information or comments made during the class for any other student.

Trustee Grossman asked how the Athletics Department prepares and plans for scandals that like those that have occurred across the Nation. Dr. Fink replied, “When scandals occur, he responds by asking what does this institution have in place to avoid any issues. He asks if the University has mechanisms in place to assess and ensure the University of Kentucky is in line with the rules and regulations.” President Capilouto added that the University of Kentucky’s compliance office is essential in communicating, reporting, and training everyone. He commended that the Athletic Department for doing an outstanding job in ensuring we abide by all rules and regulations.

Trustee Barber asked for any additional questions, and with no further business, the meeting was adjourned at 5:39 p.m.