

Minutes of the University Athletics Committee
Friday, June 19, 2015
Board Room, 18th Floor Patterson Office Tower

Meeting Opened and Roll Call

Dr. C.B. Akins, Sr., Chair of the University Athletics Committee, called the meeting to order at 9:04 a.m.

The following members of the University Athletics Committee were present: Trustees C.B. Akins, Sr. (Chair), Sheila Brothers, Bill Gatton, and Kelly Holland; community advisory members Vickie Bell, Paula Hanson, and Davis Marksbury; and faculty representative Joe Fink. Trustee Terry Mobley was not in attendance.

Approval of Minutes

Chair Akins welcomed the committee members and said that the minutes of May 8, 2015, had been distributed and asked for any corrections or comments. Seeing none, Trustee Brothers moved that the minutes be approved. Trustee Holland seconded the motion, and it carried without dissent.

Departmental Report

The University Athletics Committee was joined by Coach Edrick Floreal and the Women's Track and Field team that competed in the National Collegiate Athletic Association (NCAA) Outdoor Track and Field Championship. The team finished second overall with Kendra Harrison and Dezerea Bryant winning the 100 meter hurdles and 200 meter dash respectively. Leah Nugent and Sha'Keela Saunders won bronze medals, and Rebecca Famurewa and Keilah Tyson scored their first NCAA Championship points. Also, Kendra Harrison was named National Track Athlete of the Year, finishing her senior season undefeated in the 100 meter hurdles.

Director of Athletics (AD) Mitch Barnhart reported that the Department of Intercollegiate Athletics was projected to finish in the top 25 of the Directors' Cup standings for the third straight year. Fifteen of the twenty-two teams contributed to the tally, including Softball with its third consecutive Super Regional berth, and Women's Tennis with back-to-back NCAA Tournament trips. Because of that comprehensive success, the Department achieved the goals set as part of the 15 by 15 by 15 Plan, which will end this summer. The men's basketball SEC Tournament championship in March provided the Department's fifteenth conference or national title. Last year's eleventh-place Directors' Cup finish put UK athletics a year ahead of schedule in reaching the top 15 of all-sports standings nationally.

The University's scholarship student-athletes combined for a 3.075 GPA this spring, marking the sixth straight semester of a department-wide GPA of better than 3.0. The academic

success was also reflected in the 63 current and former athletes who graduated last month and all 22 teams surpassing the NCAA cut score with the release of Academic Progress Report in May.

AD Barnhart went on to state that UK Athletics takes its commitment to academics and contributing meaningfully to the University's mission seriously, which is reflected in the progress being made every day on both the Academic Science Building and The New Commonwealth Stadium. The Stadium is scheduled to open in 77 days. There will be new restrooms, concourses, and premium areas. The new state-of-the-art playing surface is also nearing completion.

Construction continues on the new football training facility, which has a planned completion of Summer 2016. With the addition of the training facility and the new stadium, the football program will have the facilities it needs to compete for championships. The goal for all 22 sports programs is to provide facilities that allow our students to become their best. The plans brought before the board for new privately-financed facilities for the baseball and men's and women's tennis programs support the effort to improve facilities offered to student-athletes.

Trustee Brothers recognized that AD Barnhart was one of four winners of the Under Armour Athletics Director of the Year, and one of four finalists for the Athletics Director of the Year for the 2015 Sports Business Award.

Trustee Bryant inquired about the men's golf team. AD Barnhart stated that they did not make it to the NCAA Tournament as a team, but two members of the team—David Snyder and Chip McDaniel—competed individually. He also stated there is a strong in-coming recruiting class, as well as good, experienced golfers returning.

Business Items

The Committee considered FCR 2 Interim Financial Report for the Nine Months ended March 31, 2015 for the Department of Intercollegiate Athletics. Melissa Gleason, Senior Associate Athletics Director of Finance, reviewed the information which included the statement of net position, the statement on revenue and expenses, and the change in net position.

Trustee Brothers moved to accept the interim financial statement as presented. Trustee Holland seconded the motion and the Committee accepted the quarterly financial statements as presented.

The Committee reviewed FCR 3 Fiscal Year 2015-16 Operating and Capital Budget for the Department of Intercollegiate Athletics which was presented by Ms. Gleason and DeWayne Peevy, Deputy Director of Athletics. Mr. Peevy presented the 2015-16 Men's Basketball ticket prices, which had the first price increase in 3 years. Season tickets for the upper level seating will increase from \$840 to \$950; lower level seating will increase from \$945 to \$1,140. The proposed pricing remains at or below that of men's basketball peers such as Duke, Kansas, and UCLA. Mr. Peevy also explained the 5 Pricing Tiers, or variable ticket pricing concept, for tickets that reflects true demand based on day of the week and opponent. This will allow for more affordable single-game tickets when available for early-season opponents. There will also be a ticket

exchange program that will allow season ticket holders the benefit of re-selling their tickets to games they can't attend through the athletic department's Ticketmaster system.

Trustee Gatton congratulated AD Barnhart and the Department of Intercollegiate Athletics on the establishment of the Southeastern Conference (SEC) Network and inquired about the revenue allotment UK received from the SEC this year versus last year. AD Barnhart stated that the Conference revenue share received this year increased from \$22,000,000 to \$31,000,000; which was not only SEC Network driven, but various means.

Ms. Gleason presented a detailed Fiscal Year 2015-16 Operating Budget for the Department of Intercollegiate Athletics. This budget is included in the University wide budget presented in FCR 3. She detailed new revenue opportunities, explained escalating expenses and pointed out that the Department of Intercollegiate Athletics is 100% self-supporting and receives no State or University funds. The Department's operating budget is less than four (4) percent, and the non-operating and capital budget is just over one (1) percent of the University's budget. The Department contributes over \$1,700,000 annually to non-athletic university scholarships, and \$3,700,000 annually for the Academic Science Building. Over \$15,700,000 of their self-supported budget is spent back on campus. This includes the full rate of 340 scholarships, the University Service Assessment, and the department pays all of their own capital improvements, utilities, maintenance, parking and security on athletic facilities. The continued success of the athletic teams also helps generate over \$2,000,000 for campus in licensing revenue and provides over \$500,000 annually for radio advertising inventory to the University for academic messaging.

AD Barnhart stated that the Department of Intercollegiate Athletics will be working on a phase-out approach to completely diminish the student activity fees the department currently receives to off-set student ticket prices. This will take place within a period of time that is unknown at this time.

Trustee Brothers asked about the Cost of Attendance (COA) line item in the budget being used to assist students to go home in the case of a family emergency. AD Barnhart clarified that the Department of Intercollegiate Athletics has always provided financial support to student-athletes experiencing a family emergency with monies from the Opportunity Fund. COA completely separate and is to assist with incidental expenses that occur outside of what is covered by a scholarship. This federally-guided amount will be driven according to the Financial Aid structure of the university. A student-athlete that receives a full scholarship will receive full COA, while a student-athlete that receives a partial scholarship will receive partial COA. Along with this COA, student-athletes will receive financial counseling that will provide them guidance in utilizing the money more wisely.

Trustee Austin Mullen shared his support and appreciation of the University and the Department of Intercollegiate Athletics for moving toward phasing out student activity fees.

Trustee Gatton made a motion to accept FCR 3 FY 2015-16 Operating Budget for the Department of Intercollegiate Athletics. Trustee Holland seconded the motion it passed without dissent.

The Committee reviewed FCR 9 Design Phase of the Expand Hilary J. Boone Tennis Center Capital Project, cost of design not expected to exceed \$800,000. A new facility would position the tennis programs to take an important and needed step forward. The men's team had a streak of six straight Sweet 16 trips before this season and won the SEC championship in 2012, while the women's team has reestablished itself as a contender with back-to-back NCAA Tournament trips. The two teams have accomplished all this playing and practicing in a facility with much room for improvement.

Trustee Holland moved to recommend FCR 9 Design Phase of the Expand Hilary J. Boone Tennis Center Capital Project for approval to the Finance Committee. Trustee Brothers seconded the motion and it passed without dissent.

Presented in FCR 10 Design Phase of the Construct Baseball Facility Capital Project, the new baseball stadium will seat 4,500 and will be located adjacent to our soccer and softball stadiums on Alumni Drive, and the cost of design expected to not exceed \$4,000,000.

Trustee Brothers moved to recommend FCR 10 Design Phase of the Construct Baseball Facility Capital Project for approval to the Finance Committee. Trustee Holland seconded the motion and it passed without dissent.

These new facilities will make UK an option to host SEC and NCAA tournaments that the current facilities cannot accommodate. As previously stated, both of these projects will be funded with private funds.

Other Business

With no further business, the meeting was adjourned at 10:06 a.m.

Respectfully submitted,

Dr. C.B. Akins, Sr.