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University of South Carolina
BOARD OF TRUSTEES

Intercollegiate Athletics Committee

June 10, 2016

The Intercollegiate Athletics Committee of the University of South Carolina Board of Trustees met at 11:35 a.m. on Friday, June 10, 2016, in the Alumni Center Boardroom.

Members present were: Mr. Mark W. Buyck Jr., Chairman; Mr. Chuck Allen; Dr. C. Edward Floyd; Mr. Toney J. Lister; Ms. Leah B. Moody; Mr. Mack I. Whittle Jr.; Mr. Charles H. Williams; Mr. Eugene P. Warr Jr., Board Chairman; and Mr. John C. von Lehe Jr., Board Vice Chairman. Mr. William W. Jones Jr. was absent.

Other Trustees present were: Mrs. Paula Harper Bethea; Mr. J. Egerton Burroughs; Mr. Thomas C. Cofield; Mr. A. C. "Bubba" Fennell; Mr. Miles Loadholt; Mr. Hubert F. Mobley; and Mr. Thad Westbrook.

Also present were August E. "Augie" Grant, Chairman of the Faculty Senate; Kent Eddy, Chairman of the Gamecock Club Executive Committee; and Toni M. Torres-McGehee, Athletics Advisory Committee.

Others present were: President Harris Pastides; Secretary Amy E. Stone; General Counsel Walter "Terry" H. Parham; Provost Joan T. A. Gabel; Chief Operating Officer Edward L. Walton; Chief Financial Officer Leslie Brunelli; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Human Resources Chris Byrd; Vice President for Development Jancy Houck; Vice President for Information Technology William F. Hogue; Vice President for System Planning Mary Anne Fitzpatrick; Chief Communications Officer Wes Hickman; Athletics Director Ray Tanner; Palmetto College Chancellor Susan Elkins; University Treasurer Pat Lardner; Executive Director of Audit & Advisory Services Pam Doran; Deputy Athletics Director Charles Waddell; Chief Financial Officer, Athletics Department, Jeff Tallant; Chief Operating Officer, Athletics Department, Kevin O'Connell; Senior Associate Athletics Director Judy Van Horn; Executive Director for the Office of Economic Engagement William D. "Bill" Kirkland; Executive Director of My Carolina Alumni Association Jack W. Claypoole; Senior Vice Provost and Dean of Graduate Studies Lacy Ford; Senior Associate Dean for Arts, Humanities, and Social Sciences Anne Bezuidenhout; My Carolina Alumni Association Senior Director of Operations Kevin Grindstaff; Executive Assistant to the President for Equal Opportunity Programs Bobby D. Gist; Assistant Director

of the Office of Equal Opportunity Programs/Deputy Title IX Coordinator Carl R. Wells; Chief Diversity Officer and Director of Community Engagement, Office of Diversity and Inclusion, John H. Dozier; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Chief of Staff, President's Office, J. Cantey Heath Jr.; USC Aiken Executive Vice Chancellor for Academic Affairs Jeff Priest; USC Aiken Executive Vice Chancellor for Administration and Finance Joe Sobieralski; USC Beaufort Interim Executive Vice Chancellor of Academic Affairs Gordon Haist; Ann Loadholt, wife of Trustee Miles Loadholt; University Technology Services Production Manager Matt Warthen; and Board staff members Debra Allen, Terri Saxon and Ina Wilson.

I. Call to Order

Chairman Buyck called the meeting to order, welcomed everyone, and asked Board members to introduce themselves. Mr. Hickman introduced members of the media who were in attendance: Michael Boddie with the *Daily Gamecock* and John Whittle with *The Big Spur*.

Chairman Buyck said that notice of the meeting had been posted; the press notified as required by the Freedom of Information Act; the agenda and supporting materials circulated to the committee; and a quorum was present to conduct business.

Chairman Buyck said that it was a great time to be a Gamecock with the baseball team having hosted and won the NCAA Regional and was set to host the Super Regional Tournament the next day.

Mr. Tanner began his presentation by showing a video of Gamecock athletes in action.

II. Academic Success – Academic Year 2015-16

During the 2015-16 academic year, including the August 2016, a total of 97 student-athletes graduated, including 18 from football and three former student-athletes.

Mr. Tanner proudly announced that for the 10th straight year, Gamecock student-athletes were No. 1 on the SEC Fall Academic Honor Roll. Women's golf achieved the highest fall semester team grade point average (GPA) at 3.739; and women's swimming achieved the highest spring semester team GPA at 3.733. This was a team record for women's swimming.

The Fall 2015 departmental GPA was 3.172, making it the 19th consecutive semester in which student-athletes surpassed a 3.0 GPA. Other academic highlights for the semester included: 15 of 18 teams recording a 3.0 or higher GPA; 66 student-athletes making the President's List (4.0 GPA); 172 student-athletes making the Dean's List (3.5 GPA or 3.25 GPA for freshman); and 360 student-athletes making the Athletic Director's Honor Roll (3.0 GPA).

The Spring 2016 departmental GPA was 3.278. This is the highest departmental GPA in program history, with 15 of 18 teams recording a 3.0 or higher GPA; 78 student-athletes making the President's List (4.0 GPA); 179 student-athletes making the Dean's List (3.5 GPA or 3.25 GPA for freshman); and 386 student-athletes making the Athletic Director's Honor Roll (3.0 GPA). Also in the Spring 2016 semester, women's soccer and men's baseball earned record setting GPAs at 3.637 and 3.186 respectively.

In addition to their academic successes, Mr. Tanner reported that Gamecock student-athletes logged approximately 11,153 hours of community service during the 2015-2016 academic year, which earned them 1st place in the SEC by 4,000 hours. Volleyball earned the Community Outreach Team of the Year, by logging an average of 93 hours per student-athlete. The overall student-athlete average was 21 hours. Mr. Tanner noted that during Columbia's October 2015 flood, student-athletes remained in town and assisted with recovery efforts.

Chairman Buyck stated that this report was received as information.

Trustee Allen asked the total number of student-athletes. Mr. Tanner responded 568 in the Fall semester and 544 in the Spring, encompassing 21 sports teams. Trustee Allen also asked for a report of student-athletes' majors and Mr. Tanner said he would provide that information.

III. Department of Athletics FY 2016-17 Budget Summary

Mr. Tanner stated that the FY 2015-16 Athletics Department budget included proposed revenues of \$112,728,817; expenditures of \$97,484,621; and proposed transfers of \$14,619,500; with a projected net increase to athletics reserves of \$624,696 as of June 30, 2017. Increased revenues of \$7.9 million would be generated: \$5.4 million from the Southeastern Conference (SEC) Network and bowl agreements, and \$2.5 million from sponsorship – Under Armour and Founders Park. A decrease of \$3.2 million in guaranteed revenue resulted from no neutral site game.

The increased expenses reflected in the budget result from \$2.7 million in coaches and staff salaries; \$1 million cost of attendance-grants-in-aid/housing for student athletes; and \$2.2 million for football guarantees.

Mr. Tanner said that the Athletics Department is totally self-supporting, funding all direct and indirect expenses. In addition, the department provides funds to the University's General Fund. All athletic revenues, including Gamecock Club donations, are non-appropriated state funds and are deposited with the University. In FY 2016-17, the Athletics Department will provide the University \$3,653,000 in financial support, including \$3,233,000 for scholarships.

The FY 2016-17 total revenue from departmental operations reflects a 6.38% increase over the FY 2015-16 budget. The FY 2016-17 total expenditures from departmental operations reflects a 9.64% increase over the FY 2015-16 budget. Mr. Tanner discussed the individual line items in the following revenue and expenditures summary:

<u>Revenues</u>		<u>Expenditures</u>	
\$22,694,143	Admissions/Ticket Sales	\$40,948,350	Personnel Services
\$ 0	Guarantees	\$12,347,200	Grants-in-Aids
\$ 5,880,670	Premium Seat Payments	\$ 7,069,300	Team Travel
\$ 2,685,000	Student Fees	\$ 654,472	General Travel
\$13,964,225	Gamecock Club Revenues	\$ 1,551,300	Recruiting
\$10,630,000	Gifts and Donations	\$ 6,500,918	Game Services
\$36,665,000	SEC Revenue	\$ 4,223,650	Other Services
\$ 3,897,000	Ancillary Sales	\$ 5,954,705	Uniforms, Equipment & Supplies
\$12,956,022	Sponsorship and Royalties	\$ 7,747,396	Facilities
<u>\$ 3,356,757</u>	Other Revenue	\$ 3,461,700	Guarantees
		<u>\$ 7,025,630</u>	General and Administrative
\$112,728,817	Total Revenues	\$97,484,621	Total Operational Expenditures
		<u>\$14,619,500</u>	Transfers
		\$ 624,696	Projected-Net Increase To Athletics Reserves

The FY 2016-17 projected ticket sales of \$22,694,143 by sport: Football, \$19,065,143; Baseball, \$1,425,000; Men's Basketball, \$1,350,000; Women's Basketball, \$400,000; Softball, \$32,000; Men's Soccer, \$10,000; Volleyball, \$8,500; other women's sports, \$3,500; and \$400,000 in handling and mail orders fees.

Mr. Tanner and President Pastides responded to Trustees' questions about the increase in the projected SEC revenue by explaining that the viewership was tremendous, and the SEC Network had exceeded its first-year projected budget. In response to additional questions about SEC revenues, President Pastides said he was arranging for SEC Commissioner Greg Sankey and ESPN Senior Vice President, College Networks, Programming Rosalyn Durant to attend a future committee. Ms. Durant, he noted, was a Gamecock alumna.

Mr. Tanner responded to questions about the 176.74% increase in expenditures for guarantees. He explained that most of the increase was attributed to the University of Massachusetts football game guarantee. Discussion ensued regarding the topic of football guarantees.

The outstanding athletics' debt on June 30, 2016, will be \$151,270,000 with a debt service of \$11,799,857 from the following sources:

Football Bond Fee of \$8 per ticket	\$3,500,000
Men's Basketball \$4 and Women's Basketball \$1 Bond Fee per ticket	\$ 600,000
Student Facility Fee \$34.50 per semester	\$1,750,000
Interest	\$ 125,000
Athletics – (Operating/Debt Service Fund)	\$5,824,857

The projected outstanding debt as of June 30, 2017, will be \$194,595,000 with estimated annual debt service payments totaling \$13,610,910.

Trustee Allen asked for an update on the 2016 season football ticket sales. Mr. Tanner responded that currently, 1,800 fewer tickets had been sold compared to the same time period in 2015. An increase in Gamecock Club memberships; however, indicated that more tickets would be sold.

Trustee Fennell expressed his concern regarding the potential increase in debt liability, with the addition of the Football Operations Center. Discussion ensued regarding the Football Operations Center. Mr. Tanner stressed the importance of consolidating football operations, which he said were currently fragmented across campus. Trustee Williams asked if a development effort was being planned to help defer some of the cost. Mr. Tanner responded that since the University had just completed its Capital Campaign, there was not an organized development plan in place. However, he noted that he anticipated pledges for the Football Operations Center of close to \$15 million by the first of October. Trustee Williams urged Mr. Tanner to consider developing a capital campaign effort for the center.

Following Mr. Tanner's presentation, Chairman Buyck stated that this budget summary was received as information and would be included in the University's FY 2016-17 budget, which would be considered by the Executive Committee and the full Board on June 24, 2016.

IV. Athletics Success – Academic Year 2015-16

Mr. Tanner reported the following team athletic successes.

Baseball advanced to the NCAA Super Regional Tournament after earning its 12th regional title. The Gamecocks hosted the Regional and will host the Super, where they will play Oklahoma State.

Men's Basketball Head Coach Frank Martin received the key to his hometown of Miami and Dade County Florida. He also was honored with the 2016 Coaches vs Cancer Champion Award.

Former Women's Basketball player Tiffany Mitchell was the ninth pick overall in the 2016 Women's National Basketball Association's draft by the Indiana Fever, making her the Gamecock's third first-round pick in league history.

Beach Volleyball won a school record of 20 matches during the 2016 season and finished 20th in the nation.

Men's Golf placed 10th in the final Golfstat rankings after advancing to the NCAA Championship Quarterfinals. Matt NeSmith was tabbed a Ping First Team All-American, becoming the first Gamecock to receive the honor. Trustee Warr said he had followed the team this season and commended the team for its accomplishments.

Women's Golf reached the NCAA Quarterfinals, earning its second best finish in program history at an NCAA Championship appearance. Katelyn Dambaugh was honored as a First Team All-American by the Women's Golf Coaches Association.

Softball player Alaynie Page signed a free-agent contract with the defending National Pro Fastpitch Champions, the Chicago Bandits.

Men's Swimming and Diving Akaram Mahmoud won the SEC Championship and finished second in the NCAA Championship in the 1,650-yard freestyle. Mr. Tanner said that Mr. Mahmoud is likely to swim for Egypt in the 2016 Olympics. Tomas Peribonio earned All-American in four different events, a first for the program since 1989.

Men's Tennis player Gabriel Friedrich advanced to the NCAA Singles Second Round and closed the season ranked 49th in the final Intercollegiate Tennis Association Rankings.

Women's Tennis earned a program first by remaining in the Top 10 for four straight weeks. The team also matched a program best with nine SEC wins in the regular season. USC hosted the NCAA Regionals for the first time in 14 years and the Gamecocks advanced to the second round. Hadley Berg and Paige Cline advanced to the NCAA Doubles Quarterfinals, and were named the program's first doubles All-Americans since 1994.

Track and Field earned 13 bids to the NCAA National Championships, where the Gamecocks will be represented by 10 individuals and three relay teams.

Mr. Tanner announced that USC had "unofficially" clinched the first Certified SC Grown Palmetto Series, sponsored by the South Carolina Department of Agriculture. The series places USC and Clemson in competition academically and athletically. The 2015-16 academic year standings to-date: USC 9.0 points; Clemson 5.0 points; and 1.0 points to-be-determined.

Chairman Buyck stated that this report was received as information.

V. SEC Annual Spring Meeting Report

Mr. Tanner reported on the 2016 SEC spring meetings held in Destin, Florida. He said that the SEC Baseball Tournament will remain in Hoover, Alabama, for another five years due to the City of Hoover providing over \$70 million to enhance opportunities for the tournament. This year's tournament set a new SEC attendance record with a total of 150,000 fans present for the games.

Some of the most significant meeting agenda items included: the conference voted to purchase loss-revenue insurance for football games affected by weather; the first chief medical officer of the NCAA, Dr. Brian Hainline, shared information on concussions in the athletic arena; the SEC Network/Disney

reported on the strong viewership; bowl distribution increased to \$25,000 at each level; the transfer misconduct rule was enhanced; Dr. Pastides was appointed the in-coming vice president of the SEC Executive Committee for FY 2016-17; and USC's SEC Network "takeover" day was set for July 29, 2016.

Dr. Pastides commended the 14 member institutions of the SEC for their collaborative efforts to enhance athletic and academic success.

Chairman Buyck stated that this report was received as information.

Trustee Allen asked about the in-helmet quarterback communication proposed rule change. Mr. Tanner responded that the rule change had not yet been adopted; but he was in favor of it and felt it would be approved and implemented soon.

Mr. Tanner noted that starting with the fall football season a new rule allowing the public to view replays simultaneous with game officials would be implemented.

Trustee Cofield asked Mr. Tanner to comment on the SEC's new hire, following this year's NCAA men's basketball tournament selection. Mr. Tanner responded that SEC Commissioner Sankey hired Mike Tranghese as a special advisor to him for the purpose of enhancing the overall quality of men's basketball competition in the SEC.

Trustee Allen asked President Pastides about the discussion held at the SEC meeting regarding a proposed 20-hour rule for student-athletes. The President said that consideration was being given to a time limit by sport. However, no final decision had been made regarding the proposed rule, which he noted would be an NCAA, not just an SEC rule.

Mr. Tanner concluded his presentation by showing another video of Gamecock athletes in action.

VI. Other Matters

Chairman Buyck called for any other matters to come before the committee.

VII. Adjournment

There being no other matters to come before the committee, Chairman Buyck declared the meeting adjourned at 12:25 p.m.

Respectfully submitted,

Amy E. Stone
Secretary