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University of South Carolina
BOARD OF TRUSTEES

Intercollegiate Athletics Committee

June 8, 2018

The Intercollegiate Athletics Committee of the University of South Carolina Board of Trustees met at 11:55 a.m. on Friday, June 8, 2018, in the Alumni Center's C. Edward Floyd Boardroom.

Members present were: Mr. Toney J. Lister, Presiding Chairman; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. Mark W. Buyck Jr.; Mr. Miles Loadholt; Ms. Rose Buyck Newton; Mr. John C. von Lehe Jr., Board Chairman; and Mr. Charles H. Williams. Committee Chairman Mr. Mack I. Whittle Jr. was absent.

Other Trustees present were: Mr. Thomas C. Cofield; Mr. Hubert F. Mobley, Board Vice Chairman; Ms. Leah B. Moody; Dr. C. Dorn Smith III; Mr. Eugene P. Warr Jr.; and Mr. Thad Westbrook.

Also present were: University Faculty Athletics NCAA/SEC Representative Valinda Littlefield; University Athletics Advisory Committee Chairman Deborah Brosdahl; USC Lettermen's Association President Mike Ragin; USC Columbia Faculty Senate Chairman Marco Valtorta; and USC Columbia Student Government President Taylor Wright.

Others present were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Provost Joan T.A. Gabel; Chief Operating Officer Edward L. Walton; Chief Financial Officer Leslie Brunelli; USC Advancement Team Leader Paula Harper Bethea; Vice President for Human Resources Chris Byrd; Chief Communications Officer Wes Hickman; Chief Audit Executive Pam Doran; University Treasurer Pat Lardner; Athletics Director Ray Tanner; USC Beaufort Chancellor Al Panu; Palmetto College Chancellor Susan Elkins; USC Upstate Chancellor Brendan Kelly; Executive Director for the Office of Economic Engagement William D. "Bill" Kirkland; Senior Associate Vice President for Student Affairs and Academic Support Stacey Bradley; Associate Provost for Academic Programs Tena Crews; USC Columbia Budget Director Joe Sobieralski; Office of Equal Opportunity Programs Director Clifford Scott; Director of State Government Relations Derrick Meggie; Chief Financial Officer, Athletics Department, Jeff Tallant; Executive Associate Athletics Director for Sport and Risk Management Judy Van Horn; Senior Associate Athletics Director for Academics and Student Development Maria Hickman; Executive Director for Strategic Initiatives Jack Claypoole; USC Aiken

Executive Vice Chancellor for Academic Affairs Jeff Priest; USC Aiken Vice Chancellor for Finance and Administration Cam Reagin; Athletics Department student intern Evan Katz; Cynthia Lister, wife of Trustee Toney Lister; University Technology Services Production Manager Joe Woodard; and Board staff members Debra Allen and Terri Saxon.

Presiding Chairman Lister called the meeting to order and welcomed everyone. He thanked the committee athletic representatives in attendance: Valinda Littlefield, Deborah Brosdahl, and Mike Ragin; noting that he first met Mr. Ragin when they were 18 years of age.

Mr. Hickman introduced John Delbanco with *The Big Spur*.

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

I. 2017-18 Academic Success

Mr. Tanner proudly announced the Gamecocks posted a multi-year NCAA Academic Progress Rate (APR) score of 950 or better, for the seventh consecutive year and; that nine teams earned a perfect single-year score of 1,000 for the 2017-18 academic year. The baseball team was one of two teams, among the 16 competing for a trip to the 2018 College World Series, ranked in the APR top 10%.

A total of 113 current and former student-athletes participated in the December 2017 and May 2018 graduation ceremonies, Mr. Tanner reported.

The Fall 2017 departmental grade point average (GPA) was 3.230. The women's swimming team achieved the highest GPA at 3.688. Also in Fall 2017: 14 of 18 teams recorded a 3.0 or higher GPA; 76 student-athletes made the President's List (4.0 GPA); 203 student-athletes made the Dean's List (3.5 GPA or 3.25 GPA for freshman); and 366 student-athletes made the Athletic Director's Honor Roll (3.0 GPA). The softball, beach volleyball and men's track teams earned the highest fall GPAs at 3.579, 3.681, and 3.291 respectively.

The Spring 2018 departmental GPA was 3.287, making it the twenty-third consecutive semester in which student-athletes surpassed a 3.0 GPA. The women's golf team earned the highest GPA at 3.869. Other spring academic highlights included: 14 of 18 teams recorded a 3.0 or higher GPA; 69 student-athletes made the President's List (4.0 GPA); 216 student-athletes made the Dean's List (3.5 GPA or 3.25 GPA for freshmen); and 387 student-athletes made the Athletic Director's Honor Roll (3.0 GPA). The

equestrian, women's golf, softball, men's swimming, and men's track teams earned the highest spring GPAs at 3.573, 3.869, 3.590 and 3.334 respectively.

In addition to academic successes, Mr. Tanner reported student-athletes logged approximately 7,100 hours of community service during the 2017-2018 academic year, earning first place in the SEC for the past four consecutive years. He noted the 7,100 hours were approximately 3,000 hours ahead of the 2nd place finisher. For the third consecutive year, the volleyball team earned the SEC Community Outreach Team of the Year.

At this point in the meeting, Mr. Tanner recognized Senior Associate Athletics Director for Academics and Student Development Maria Hickman and thanked her for being an outstanding academic student-athlete leader.

Trustee Cofield commended Mr. Tanner and his staff for the amazing student-athlete academic accomplishments.

II. Department of Athletics FY 2018-19 Budget Summary

Mr. Tanner said the FY 2018-19 Athletics Department Budget included proposed revenues of \$119,728,612; expenditures of \$109,907,215; and proposed transfers of \$9,332,702; with a projected net increase to athletics reserves of \$488,695 as of June 30, 2019.

Mr. Tanner discussed the FY 2018-19 budget highlights. A projected decrease in revenues from the FY 2017-18 budget resulted from a \$2 million decrease in Guarantees, due to no neutral site football games in the 2018 season; and a \$3.5 million decrease in Sponsorship, Media Rights & Royalties, due to receiving a one-time signing bonus in FY 2018 from IMG that was designated for the purchase and installation of the new video board at Colonial Life Arena. He explained \$49 of the \$50 increase in the cost of a 2018 season football ticket will be applied directly to debt service. An increase in revenue of \$1.4 million is projected in the SEC distribution due to the SEC Bowl and the ESPN TV football contracts. There was also an increase in Gifts & Donations due to gifts for football operations and seat donations, he said.

The increased expenses in the FY 2018-19 budget are a result of a \$5.1 million increase in coaches and staff salaries; \$1.5 million for football guarantees; and a \$560,000 increase in Facilities due to higher operating costs associated with opening of the Football Operations Center in 2018.

Mr. Tanner said 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 athletics revenues, including Gamecock Club donations, are non-appropriated state funds and are deposited with

the University. In FY 2018-19, the Athletics Department will provide the University \$4,822,796 in financial support, including \$2,000,000 for scholarships.

The total revenue from departmental operations for FY 2018-19 reflects a 1.74% decrease over the FY 2017-18 budget. The FY 2018-19 total expenditures from departmental operations reflect a 6.81% increase over the FY 2017-18 budget. Mr. Tanner discussed the individual line items in the following revenue and expenditures summary:

<u>Revenues</u>		<u>Expenditures</u>	
\$20,158,762	Ticket Sales	\$49,745,715	Personnel
\$ 0	Guarantees	\$14,612,800	Grants-in-Aids
\$ 6,350,000	Premium Seat Payments	\$ 3,440,500	Guarantees
\$ 2,832,250	Student Fees	\$ 6,709,800	Team Travel
\$13,387,600	Gamecock Club (net)	\$ 515,700	General Travel
\$12,100,000	Gifts and Donations	\$ 1,855,400	Recruiting
\$41,595,000	SEC/NCAA Distributions	\$ 2,548,200	Team & Department Functions
\$ 4,370,500	Ancillary Sales	\$ 7,283,300	Uniforms, Equipment & Supplies
\$14,445,000	Sponsorship, Media Rights & Royalties	\$ 7,506,200	Event/Game Services
<u>\$ 4,489,500</u>	Other Revenue	\$ 1,599,200	General Services
		\$ 8,508,900	Facilities
		\$ 1,121,300	Marketing Services
\$119,728,612	Total Revenues	<u>\$ 4,460,200</u>	General and Administrative
		\$109,907,215	Total Operational Expenditures
		\$ 9,332,702	Transfers
		\$ 488,695	Projected-Net Increase to Athletics Reserves

The FY 2017-18 projected ticket sales revenue was \$20,034,472. Budgeted ticket sales of \$20,158,762 by sport for FY 2018-19 include: Football, \$16,585,762; Baseball, \$1,350,000; Men's Basketball, \$1,300,000; Women's Basketball, \$425,000; Softball, \$45,000; Men's Soccer, \$16,000; Women's Soccer, \$12,500; Volleyball, \$9,500; and \$415,000 in handling and mail orders fees.

Mr. Tanner commended Deputy Athletics Director Charles Waddell for being instrumental in securing the projected revenue for home football games.

The outstanding athletics' debt on June 30, 2018, will be \$178,200,000 with a debt service of \$12,757,656 from the following sources:

Football Bond Fee of \$15 per ticket	\$5,874,750
Men's Basketball \$4 and Women's Basketball \$1 Bond Fee per ticket	\$ 650,000
Student Facility Fee \$34.50 per semester	\$1,850,000
Interest	\$ 200,000
Athletics – (Operating/Debt Service Fund)	\$4,182,906

The projected outstanding debt as of June 30, 2019, will be \$173,600,000 with estimated annual debt service payments totaling \$12,762,556.

Trustee Williams said the Intercollegiate Athletics Committee should have more oversight of the Athletics Department's budget. Mr. Tanner said he would work with Chairman Whittle to accomplish the request.

Mr. Tanner recognized Mr. Tallant and his staff for the budget development.

Following Mr. Tanner's presentation, Presiding Chairman Lister stated the budget summary was received as information and would be included in the University's FY 2018-19 Budget, which would be considered by the Executive Committee and the full Board.

III. 2017-18 Athletic Success

Mr. Tanner began his presentation by showing a video of Gamecock athletes in action, including highlights of former women's basketball standout A'ja Wilson's accomplishments.

Mr. Tanner announced that for the third consecutive year, USC clinched the 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 Athletics Marketing Department was named one of three finalists for the 2018 Marketing Team of the Year Award by the National Association of Collegiate Marketing Administrators.

The Baseball team defeated the University of North Carolina – Wilmington to advance to the NCAA Super Regionals.

For the third time in the past four seasons, Women's Basketball advanced to the NCAA Elite Eight. It also became the first team in league history to win four consecutive SEC Tournament titles. A'ja Wilson became the program's first National Player of the Year after sweeping the awards from all organizations. Also, Ms. Wilson was the first pick in the Women's National Basketball Association's 2018 draft, by the Las Vegas Aces, becoming the first #1 pick in the program's history.

Beach Volleyball Head Coach Moritz was named the Coastal Collegiate Sports Association Coach of the Year. His team finished the season ranked 8th nationally.

Equestrian Megan Overberg was named the SEC Scholar-Athlete of the Year.

Men's Golf made its eleventh appearance in 12 seasons in the NCAA regionals.

Women's Golf earned its twentieth straight NCAA postseason berth after being selected to the San Francisco Regional. Ainhoa Olarra captured the individual title at the SEC Championship.

Men's Tennis advanced to the second round of the NCAA Tournament.

Women's Tennis Associate Head Coach Jeff Nevolo was named the Intercollegiate Tennis Association National Assistant Coach of the Year by the apparel company, tasc Performance. The team advanced to the NCAA Sweet 16 and finished the 2018 season ranked #12 nationally.

The following Gamecock athletes were medal winners at the SEC Outdoor Track and Field Championship in Eugene, Oregon: Otis Jones, Bronze in the 800m; Josh Awontunde, Silver in the shot put; and Armand Woodley, Bronze in the pole vault.

Mr. Tanner concluded the presentation with a motivational student-athlete video.

IV. SEC Annual Spring Meeting Report

Mr. Tanner announced Dr. Pastides was elected president of the Southeastern Conference (SEC) at the SEC's spring meeting and will serve as president of the Executive Committee, composed of SEC university presidents and chancellors.

Mr. Tanner reported the Graduate Transfer Rule, which allows players who have received their degrees from SEC schools to move within the conference and play right away without the need for a waiver, was passed in the meeting.

President Pastides noted since he now serves as president of the SEC, Mr. Tanner is prohibited to serve as an Athletics Director on the Executive Committee. Therefore, Mr. Tanner was named the Dean of the SEC Athletics Directors, and his impact is felt not only in the SEC, but nationally.

President Pastides reported one of the most pressing topics covered at the SEC spring meeting was TV contracts. He reported the SEC did well this year, with Cox Cable taking on the SEC network in New York City and New England area; and with the CBS agreement to air the USC vs Georgia football game on September 8, 2018. He noted lobbying efforts were underway to get ESPN to host Game Day on the Horseshoe prior to the Georgia game.

President Pastides said SEC Commissioner Greg Sankey was happy to meet with the committee regarding the U. S. Supreme Court's overturning of the banning of alcohol and gambling at athletic venues.

Presiding Chairman Lister said all reports were received as information.

V. Other Matters

Presiding Chairman Lister called for any other matters to come before the committee. Trustee Smith said he was impressed with Associate Athletics Director for New & Creative Media Justin King's accomplishments.

Trustee Burroughs said he appreciated the financial information Mr. Tanner provided, and he looked forward to the committee receiving budgetary and financial information more than once a year.

Mr. Ragin said he was honored to serve as president of the Lettermen's Association and to be able to sit at the table for the committee meeting. He thanked Mr. Tanner for the respect and for the opportunities provided to the association.

VI. Adjournment

There being no other matters to come before the committee, Presiding Chairman Lister declared the meeting adjourned at 12:40 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary