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University of South Carolina
BOARD OF TRUSTEES

Intercollegiate Athletics Committee

June 5, 2015

The Intercollegiate Athletics Committee of the University of South Carolina Board of Trustees met at 2:02 p.m. on Friday, June 5, 2015, in the 1600 Hampton Street Board Room.

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

Other Trustees present were: Mrs. Paula Harper Bethea; Mr. Tommy C. Cofield; Mr. A. C. "Bubba" Fennell; Mr. Hubert F. Mobley; Dr. C. Dorn Smith III; Ms. Molly M. Spearman; and Mr. Thad Westbrook.

Student Government President Jonathan Kaufman was also present.

Others present were: President Harris Pastides; Secretary Amy E. Stone; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Edward L. Walton; Chief Financial Officer Leslie Brunelli; Interim Provost Helen Doerpinghaus; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Human Resources Chris Byrd; Executive Director of Audit & Advisory Services Pam Doran; Chief Communications Officer Wes Hickman; Athletics Director Ray Tanner; University Controller Jennifer Muir; College of Arts and Sciences Dean Mary Anne Fitzpatrick; Chief Operating Officer, Athletics Department, Kevin O'Connell; Chief Financial Officer, Athletics Department, Jeff Tallant; Senior Associate Athletics Director Judy Van Horn; Associate Athletics Director, Academics and Student Development, Maria Hickman; Associate Director of Strategic Planning and Assessment Cameron Howell; Deputy Chief Information Officer Jeff Farnham; Director of Capital Budgets and Financing, Division of Administration and Finance, Charlie Fitzsimons; Director of African American Studies, Department of History, Valinda Littlefield; Chief of Staff, President's Office, J. Cantey Heath, Jr.; University Technology Services Production Manager Matt Warthen; and Board staff members Leah Kososki and Terri Saxon.

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: David

Cloninger and Josh Kendall with *The State*; Scott Hood with *Gamecock Central*; Pete Iacobelli with the Associated Press; 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 called on Mr. Tanner, who introduced Dr. Val Littlefield. She was appointed Faculty Athletics Representative (NCAA/SEC Representative for the University) effective July 1, 2015. She will replace Dr. Zack Kelehear, who recently accepted a position at another institution.

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

II. Department of Athletics FY 2015-16 Budget Summary

Mr. Tanner stated that the FY 2015-16 Athletics Department budget included proposed revenues of \$105,964,600; expenditures of \$88,914,100; and proposed transfers of \$16,281,000; with a projected net increase to athletics reserves of \$769,500 as of June 30, 2016. Increased revenues of \$11.3 million would be generated: \$8.1 million from the Southeastern Conference (SEC) Network and bowl agreements, and \$3.2 million from the University of North Carolina (UNC) football game to be held in Charlotte on September 3, 2015. Mr. Tanner noted for the record that the USC Athletics Department had no input on the ticket prices for the UNC game.

The increased expenses reflected in the budget result from \$1.98 million in coaches and staff salaries; \$1.8 million cost of attendance-grants-in-aid/housing for student athletes; and \$1 million for the SEC Network staff and equipment.

In response to Trustee questions about the SEC Network, Mr. Tanner explained that the SEC Network Plus offered digital viewing; however, it was not yet available in the Columbia area. He noted the University produced more sports events for the network than any other SEC school.

Trustee Allen asked for clarification on the student-athletes' cost of attendance (COA) formula. Mr. Tanner explained that the COA was derived from campus financial aid offices across the country and dictated by the Federal Higher Education Act of 1965, section 472. The COA represents the average cost to attend college for one academic year. It includes tuition and fees, books and supplies, room and board, transportation, and personal expenses. Individual institutions' rates vary based on differences between the COA and the actual cost of tuition. Colleges adjust the COA yearly to reflect changes to these costs. The University's Fall 2015 rate for full scholarship student-athletes is \$4,151; payment is dispersed to their

CarolinaCard biweekly. President Pastides noted that the COA cap is \$5,000. Chairman Buyck requested the committee be provided the SEC's COA and Mr. Tanner said he would do so.

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 2015-16, the Athletics Department will provide the University \$3,660,000 in financial support, including \$3,255,000 for scholarships.

The FY 2015-16 total revenue from departmental operations reflects a 12.65% increase over the FY 2014-15 budget. The FY 2015-16 total expenditures from departmental operations reflects a 6.53% increase over the FY 2014-15 budget. Mr. Tanner discussed the individual line items in the following revenue and expenditures summary:

<u>Revenues</u>		<u>Expenditures</u>	
\$21,963,000	Admissions/Ticket Sales	\$38,259,900	Personnel Services
\$ 3,200,000	Guarantees	\$11,338,400	Grants-in-Aids
\$ 5,803,500	Premium Seat Payments	\$ 6,473,000	Team Travel
\$ 2,525,000	Student Fees	\$ 656,100	General Travel
\$13,760,000	Gamecock Club Revenues	\$ 1,317,100	Recruiting
\$10,307,500	Gifts and Donations	\$ 6,255,600	Game Services
\$31,175,000	SEC Revenue	\$ 3,807,200	Other Services
\$ 3,795,000	Ancillary Sales	\$ 6,062,000	Uniforms, Equipment & Supplies
\$10,400,000	Sponsorship and Royalties	\$ 6,894,300	Facilities
<u>\$ 3,035,100</u>	Other Revenue	\$ 1,250,900	Guarantees
		<u>\$ 6,599,600</u>	General and Administrative
\$105,964,600	Total Revenues	\$88,914,100	Total Operational Expenditures
		\$ 16,281,000	Transfers
		<u>\$ 769,500</u>	Projected-Net Increase
			To Athletics Reserves
		\$105,964,600	Total Expenditures

Mr. Tanner noted that the inventory of Fall 2015 football premium seating sold out within the first 48 hours on sale; which, he said, showed the desire for premium seats.

Trustee Mobley asked when the University's Under Armour contract would expire. Mr. Tanner responded June 2016; and noted that he was exploring the four-year contract extension option with the University's legal counsel.

The FY 2015-16 projected ticket sales of \$21,963,000 by sport: Football, \$18,581,000; Baseball, \$1,425,000; Men's Basketball, \$1,200,000; Women's Basketball, \$375,000; Softball, \$27,000; Men's Soccer, \$10,000; Volleyball, \$8,500; Women's Soccer, \$6,500; and \$330,000 in handling/order fees.

Trustee Fennell asked for an explanation of the 9.3% increase in the General and Administrative expense. Mr. Tallant responded that most significant was the increase in credit card processing fees due to the implementation of a 10-month payment plan that resulted in more payments by credit card.

Trustee Fennell also asked where the Gamecock Student-Athlete Promise cost was included in the budget. Mr. Tallant said that the cost of the health insurance premium coverage, as outlined in the Gamecock Promise, was included in the line item “Other Services.”

Trustee Westbrook said he thought the “Recruiting” expense line item was low, since it covered all sports. Mr. Tanner responded that the coaches and their staff agreed the budget supported their recruiting needs, and clarified that “recruiting” was not an area where they compromised. He noted that the department owning a plane contributed to lower recruiting costs than institutions without one.

Discussion ensued. Mr. Tanner responded to questions about the Gamecock Promise.

The outstanding athletics’ debt on June 30, 2015, will be \$154,750,000 with a debt service of \$10,429,308 from the following sources:

Football Bond Fee of \$8 per ticket	\$3,405,000
Men’s Basketball \$4 and Women’s Basketball \$1 Bond Fee per ticket	\$ 500,000
Student Facility Fee \$34.50 per semester	\$1,700,000
Interest	\$ 65,000
Athletics – (Operating/Debt Service Fund)	\$4,759,308

The projected outstanding debt as of June 30, 2016, will be \$151,270,000 with estimated annual debt service payments totaling \$10,624,856.

Trustee Warr asked about other SEC institutions’ debt and the debt limits. Ms. Brunelli responded that the information was included in the Barclays Capital Debt Report to the Executive Committee in February 2015. Trustee Whittle said he thought it important to see debt reported in relation to revenue. Trustee Westbrook noted that the debt limit was set by state law, and to change it would require action by the legislature.

Following Mr. Tanner’s presentation, Chairman Buyck stated that the summary was received as information and that it would be included in the University’s FY 2015-16 Budget, which would be considered by the Executive Committee and the full Board on June 19, 2015.

III. Academic Success – Academic Year 2014-15

Mr. Tanner proudly announced that for the 9th straight year, Gamecock student-athletes were No. 1 on the SEC Fall Academic Honor Roll. The women’s tennis team achieved the highest fall semester departmental grade point average (GPA) at 3.589; and the women’s cross country achieved the highest spring semester team GPA at 3.705.

The Fall 2014 departmental GPA was 3.208, making it the 17th consecutive semester in which student-athletes surpassed a 3.0 GPA. Other academic highlights for the semester included: 17 of 18 teams recording a 3.0 or higher GPA; 45 student-athletes making the President's List (4.0 GPA); 194 student-athletes making the Dean's List (3.5 GPA or 3.25 GPA for freshman); and 383 student-athletes making the Athletic Director's Honor Roll (3.0 GPA).

The Spring 2015 departmental GPA was 3.256, with 16 of 18 teams recording a 3.0 or higher GPA; 71 student-athletes making the President's List (4.0 GPA); 158 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).

In this time period, including the August 2015 ceremony, a total of 111 student-athletes graduated, including 25 from football and seven former student-athletes.

For the Fall 2014 semester, the women's track and the men's basketball teams earned record setting GPAs at 3.501 and 3.299 respectively. Three teams earned record setting GPAs in Spring 2015: football, 2,938; men's swimming, 3.378; and sand volleyball at 3.503.

Mr. Tanner recognized and thanked Senior Associate Athletics Director Maria Hickman for her accomplishments as the person responsible for academic and student development at the Dodie Academic Enrichment Center. Ms. Hickman received a round of applause.

IV. Athletics Success – Academic Year 2014-15

Mr. Tanner reported the following team athletic successes.

Women's Basketball accomplishments included many firsts, including the first National Collegiate Athletics Association (NCAA) Final Four appearance; first SEC Tournament title; program's first school record of 34 wins. In addition, the team finished the season 3rd in both the Associated Press (AP) and the USA Today Coaches Polls – highest finish in the program's history; was ranked No. 1 in the country for 12 weeks; and earned the best attendance record in the nation with an average of 12,293 fans per game.

Junior Tiffany Mitchell received the 2015 Dawn Staley Award. This award was established to annually recognize the nation's best guard in Women's Division I college basketball by tying one of the most accomplished women's basketball players in the world from the Philadelphia public league, to the nation's best guard in women's college basketball. Mr. Tanner said the fact that Ms. Mitchell received an award named for her coach was very special. In addition, Ms. Mitchell became the first Lady Gamecock finalist for all three national "Player of the Year" awards: Wooden Award, Wade Trophy, and the

Naismith Award.

Senior Aleighsa Welch was picked in the Women's National Basketball Association's (WNBA) draft by the Chicago Sky. Although she was cut, Mr. Tanner said, he had no doubt that because of her ability and character she would eventually earn a spot in the WNBA.

Coach Dawn Staley was named the Head Coach of the 2015 USA Basketball Women's U19 World Championship Team. She also was named the Assistant Coach of the USA Basketball Women's 2016 Olympic Team, which is scheduled to compete in Rio de Janeiro, Brazil.

Baseball was ranked second in the nation in total attendance and fourth in average attendance. First Baseman Kyle Martin was named Second Team All-American by Collegiate Baseball, and First Team All-SEC.

Men's Basketball had its first winning season since the 2008-09 Season. In addition, fan attendance averaged 11,520 fans per game, ranking the team 4th in the SEC and 33rd in the nation.

Cross Country earned the top GPA in the nation for Division I, at 3.79; and the All-Academic Team honors for the 14th straight year.

Equestrian earned its 3rd National Collegiate Equestrian Association (NCEA) National Championship. In addition, Katherine Schmidt, Amber Henter, Sam Chiodo, and Layla Choate earned First Team NCEA All-American honors; and Head Coach Boo Major was named the NCEA National Coach of the Year.

Football – The Gamecocks' 24-21 defeat of Miami in the 2014 Duck Commander Independence Bowl, earned them a 4th straight bowl win – a school record. In addition, USC is 15-5 against its top four rivals (Clemson, Florida, Georgia, and Tennessee) in the past five years.

The following Gamecocks were drafted by the National Football League (NFL): A. J. Cann, Jacksonville Jaguars; Mike Davis and Rory Anderson, San Francisco 49ers; and Corey Robinson, Detroit Lions. Dylan Thompson signed as an undrafted NFL free agent with the San Francisco 49ers and Damiere Byrd with the Carolina Panthers. A. J. Cann also was named a First Team All-American; and Damiere Byrd was a William V. Campbell Trophy and College of Sports Information Directors of America (CoSIDA) Academic All-District team finalist.

Men's Golf placed 13th in its third consecutive NCAA championship appearance. Matt NeSmith became the second Gamecock to win individual medalist honors at the SEC Championship.

Women's Golf was ranked No. 1 in the nation for six weeks, the first time in the program's history; and won the NCAA regional tournament in its sixth consecutive NCAA Championship appearance.

Justine Dreher was named First Team All-American, SEC co-Scholar-Athlete of the Year, and First Team All-SEC. Head Coach Kalen Anderson was named SEC Coach of the Year.

Trustee Fennell requested that head coaches' names be included on team sports slides in future presentations.

Sand Volleyball celebrated its second year as a varsity sport, finishing 17th in the nation.

Men's Soccer was 6th in the nation in total attendance and 5th in average attendance. Mikkel Knudsen was named Conference USA Freshman of the Year. Head Coach Mark Berson received the 2014 Bill Jeffrey Award from the National Soccer Coaches Association of America (NSCAA) for his long-term service to collegiate soccer.

Women's Soccer made the NCAA Elite Eight for the first time in the program's history, and was one of the "Top 32" recipients of the NSCAA College Team Academic Award. Sabrina D'Angelo is the program's first two-time First Team All-American. In addition, Ms. D'Angelo was named to the NSCAA Scholar All-American First Team. Savannah McCaskill was named SEC Freshman of the Year.

Softball participated in the NCAA Tournament for the third straight season. Alaynie Page was named National Fastpitch Coaches Association (NFCA) First Team All-American, and First Team All-SEC. Victoria Williams was selected Capital One Academic All-District.

Swimming and Diving placed 19th at the 2015 NCAA Championships, with Akram Mahmoud, Tomas Peribonio and Cole Miller earning All-American selections.

Men's Tennis – Senior Kyle Koch was named the SEC Scholar-Athlete of the Year, and Second Team All-SEC.

Women's Tennis advanced to the second round, in the team's 21st consecutive appearance in the NCAA Tournament.

Track and Field senior Jeannelle Scheper earned a gold medal at the SEC Outdoor Championship, recording the season's best high jump in the world. Also at the championship, Dondre Echols earned a silver medal in the 110-hurdles and Markus Leemet a bronze in the decathlon. Assistant Coach Delethea Quarles was named Head Coach for Team USA Women's Track and Field. They are scheduled to compete in August 2015 in the International Association of Athletics Federations (IAAF) World Championships in Beijing, China.

Volleyball placed 5th in attendance nationally by filling the Carolina Volleyball Center to 103.23% of capacity.

In addition to their academic and athletic successes, Mr. Tanner reported that Gamecock student-athletes logged approximately 9,000 hours of community service during the 2014-2015 academic year. He concluded his presentation by showing another video of Gamecock athletes in action.

Chairman Buyck stated that this report was received as information.

V. SEC's Annual Spring Meetings Report

Chairman Buyck called on President Pastides for a report on the 2015 SEC Spring Meetings held in Destin, Florida. President Pastides said the meeting was SEC Commissioner Mike Slive's last, since he will retire for health reasons. Former SEC staffer Greg Sankey will transition into the position effective June 1, 2015. He noted that Mr. Sankey had been an integral part of Commissioner Slive's efforts to reshape the SEC's governance, enforcement and compliance program; and was nationally known as a voice for student-athlete wellbeing. President Pastides said that Mr. Sankey had agreed to meet with the Board of Trustees in 2016, possibly during an Intercollegiate Athletics Committee meeting.

President Pastides reported that the most significant meeting announcement was the \$455.8 million revenue distribution, the highest in the SEC's history. The increased revenue, he explained, was due in part to the SEC Network growth and successful bowl game appearances. He noted that the SEC on ESPN had the single most productive and successful opening in the history of cable television.

The SEC Network Takeover is a two-week programming initiative dedicated to airing programming selected by SEC schools. All 14 schools will craft their own 24-hour schedule, which may include classic games, films, ESPN original content and some school-produced content. President Pastides said that USC's "takeover" day is July 9, 2015, and that Senior Associate Athletics Director Charles Bloom will direct the programming.

President Pastides announced that newly appointed SEC Network Director Roz Durant, was a USC alumna with a degree in journalism. She plans to attend the ribbon-cutting ceremony for the USC College of Information and Communications' newly renovated building.

In an effort to increase SEC basketball competitiveness, President Pastides said the SEC announced that the number of permanent opponents on each team's men's basketball schedule would triple from one to three.

Trustee Allen said he understood that the SEC approved requiring an independent medical advisor in the press box for all SEC and non-conference games to monitor for head injuries. He asked for an explanation of the advisor's authority. President Pastides responded that in addition to the game referees and coaches, the advisor will have the authority to call a player off the field based on what the advisor

witnesses from the press box. The thought, he clarified, was that the view from above was different from the field. He noted that the advisors would most likely be contract neurologists.

Trustee Fennell asked if the Athletics Department's projects were on budget and schedule. Mr. Tanner responded yes.

On a final note, Mr. Tanner announced that in recognition of the University's 25th anniversary as a member of the SEC, current and former Commissioners Sankey, Slive and Kramer will visit USC the weekend of the Gamecock's September 26 football game with Central Florida. Plans were underway for a program the night before the game. President Pastides said the Board would be invited.

Chairman Buyck stated that this report was received as information.

VI. Other Matters

Chairman Buyck called for any other matters to come before the committee. Secretary Stone reminded the Board that transportation was available in front of the building for a tour of the new Alumni Center. Following the tour of the Alumni Center, Trustees would tour the property off National Guard Road behind Gamecock Park that was recently acquired by the USC Development Foundation.

VII. Adjournment

There being no other matters to come before the committee, Chairman Buyck declared the meeting adjourned at 2:54 p.m.

Respectfully submitted,

Amy E. Stone
Secretary