

Meeting of the Intercollegiate Athletic Committee November 29, 2011

Minutes

The meeting was called to order by Chair Nathan Tublitz.

Introduction of those attending: Maneesh Arora, Molly Bacon, Ben DeJarnette, Ben Eckstein, Bill Harbaugh, Jeremy Hedlund, Kurt Kruger, Donna Laue, Deanna Linville, Brian McWhorter, Leah Middlebrook, Jim O'Fallon, Dev Sinha, and Glen Waddell, members; Rob Mullens, Jim Bartko, Gary Gray, Garrett Klassy, and Jamie Moffitt, Department of Athletics; Stephen Stolp, Services for Student-Athletes, and guest Manny Garcia.

Jamie Moffitt – Executive Senior Associate Athletic Director – Finance & Administration
Human Resources: Since she took her position in the Department of Athletics last year, the personnel files of all department staff have been reviewed for completeness and accuracy.

Finances: History (briefly): Bonds for \$200M were issued to support construction of the Matthew Knight Arena and the Legacy Fund was established for repayment of the debt and for long-term support of the Athletic Department. The model forecasted the Legacy Fund revenues and Arena event revenue would be sufficient to make \$14M in annual debt payments.

Updated projections show a difference position. The economy slowed and interest rates declined. Although estimated revenue and expenses for the Arena are very close to what was projected, there was significant growth in the department between 2008 and 2010, including adding the Acrobatics & Tumbling and Baseball programs and building PK Park and the Treatment Center, raising the cost base of the department.

It had been forecast that \$5-6M of the debt payments for the Arena would be made by the Athletic department and the Legacy Fund would make up the difference, however in 2010 all the payments were made using Legacy Fund monies. In addition, the Legacy Fund has not had the growth that was anticipated because of the use of the principle funds.

Athletic Director Mullens stated that the UO Department of Athletics follows the definition for self support as created by the NCAA's financial reports. A 6-year plan has been developed to get back on track. No sports will be cut, but the goal is to maximize revenue and control expenses. The FY12 budget was composed using a zero-based format for expenses, including travel, equipment, salaries and long-term deferred maintenance, which estimating 2-3% inflation, reserve funds must be accumulated to cover. \$9M of budget requests were made, but unable to be filled. The current overhead rate assessed to the Department of Athletics is 3% and will be re-evaluated this year.

Two financial reports are prepared annually; one is submitted to the NCAA and the other, the Equity in Athletics Data Analysis, to the federal government.

The IAC Chair Nathan Tublitz suggested to Athletic Director Mullens the possibility that the Athletic Department could contribute some funds to the Presidential Scholarship Fund as agreed upon by the Athletic Department as part of the 2004 Athletic Task Force Report (Recommendation #1). Athletic Director Mullens noted that Task Force Recommendation #1 reads, "The Task Force and the Athletic Department recommend a voluntary financial contribution by athletics to the Presidential Scholarship fund . . . once the long-term financial condition of the Athletic Department becomes more stable and more adequate levels of operating reserves have been generated." The Athletic Department claimed that it is not now in a fiscal position to contribute to the Presidential Scholarship Fund. The Athletic Department further claimed that its finances will be very tight for the next 6 years. Due to a lack of time, discussion of these two statements was deferred to the next IAC meeting.

Professor Tublitz proposed that one possible mechanism to fund the Task Force recommendation would be to add a small surcharge (e.g., \$1.00) to the price of football tickets. Athletic Director Mullens said this may not be economically viable. Professor Tublitz then asked Athletic Director Mullens to brainstorm other possible ideas to fund Task Force Recommendation #1 and bring these ideas back to the IAC at the next meeting in January.

There will not be a committee meeting held in December. The next meeting will be in January.

Meeting adjourned.