MINUTES
BOARD OF REGENTS’ COMMITTEE ON INTERCOLLEGIATE ATHLETICS MEETING
November 26, 2013

I. CALL TO ORDER

Committee Chair, Benjamin Kudo, called the meeting to order at 1:01 p.m. on
Wednesday, November 26, 2013, at the University of Hawai‘i, Bachman 113, 2444 Dole
Street, Honolulu, Hawai‘i 96822.

Committee members in attendance: Committee Chair, Benjamin Kudo; Committee
Vice Chair, Tom Shigemoto; Barry Mizuno; Regents Vice Chair, Saedene Ota; Jeffrey
Acido.

Others in attendance: Regents Chair, John C. Holzman (Ex-Officio committee
member); Regents Vice Chair, James Lee (Ex-Officio committee member); Executive
Vice President for Academic Affairs/Provost, Linda Johnsrud; Vice President for Budget &
Finance/Chief Financial Officer, Howard Todo; Associate Vice President for External
Affairs and University Relations, Lynne Waters; University of Hawai‘i at Mānoa
 Chancellor, Tom Apple, PhD; University of Hawai‘i—West O‘ahu Chancellor Rockne
Freitas, PhD; and others as noted.

II. APPROVAL OF MINUTES OF THE SEPTEMBER 26, 2013 MEETING

Upon motion by Vice Chair Ota and second by Committee Vice Chair Shigemoto, the
September 26, 2013 minutes were unanimously approved.

III. PUBLIC COMMENT PERIOD

Secretary to the Board, Cynthia Quinn, announced that no persons signed up to
present oral or written testimony.

IV. AGENDA ITEMS

University of Hawai‘i-West ‘Oahu Athletic Program Vision

University of Hawai‘i—West O‘ahu (UHWO) Chancellor Rockne Freitas presented an
updated Athletics Program Vision and Plan for UHWO. The program should reflect the
needs and wants, and ensure critical thinking in students. The Division II athletics
program will consist of Women’s sports (volleyball, soccer, basketball, tennis, golf, and
softball) and Men’s sports (soccer, basketball, tennis, and golf). Men’s sports will overall
need ten sports to qualify for National Collegiate Athletic Division (NCAA) Division II.
Future sports to be added are men’s cross country, women’s cross country, baseball,
water polo, and men’s volleyball. As the campus does not have facilities for athletics,
UHWO will rent facilities near Kapolei, such as the Kapolei Golf Course, the Kroc Center,
the Patsy T. Mink Central O‘ahu Regional Park, and the Waipio Peninsula Peninsula Soccer Park.
The business plan for the program is still being determined. The proposed budget consists of operating costs, coaches' salaries, scholarships, athletics department staff, and trainers, with a total of $2.73 million. UHWO used the University of Hawai‘i at Hilo (UHH) $3 million general fund budget as a template.

Upon inquiry by Vice Chair Ota, Chancellor Freitas said that the athletic program should start in at least two years, upon Board approval. The student population needed to start the Division II athletics program is 2,400 students from UHWO, 4,000 students from UHH, and 1,800 students from Brigham Young University—Hawai‘i (BYUH).

Committee Vice Chair Shigemoto asked if the facility rentals will be included in the operational cost, to which Chancellor Freitas said yes.

Committee Chair Kudo asked if all of the sports will begin simultaneously. Chancellor Freitas said that the sports will be phased in, and ten sports are needed to qualify for Division II athletics. All ten sports will occur in two years upon approval by the Board and Interim President David Lassner. The business plan will dictate timing and transition. UHWO will participate in the PacWest Conference.

Chair John Holzman referred to the Division I program at UHM and asked if the UHWO program and the UHM program will compete against each other. He asked if there is a possibility that the two programs will compete for athletes and allegiance from the student population. He asked if there can be one combined Division I program on O‘ahu that combines both UHM and UHWO. Chancellor Freitas said Division II programs do not recruit Division I athletes. He spoke with the community and various State legislators, all of whom are supportive of having an athletics program at UHWO.

Vice Chair Lee asked about locker room facilities at UHWO, to which Chancellor Freitas said that the Kroc Center has locker rooms, a basketball court, an Olympic sized pool, and a soccer field.

Chancellor Freitas said that an update can be provided in January or February.

Committee Chair Kudo thanked Chancellor Freitas for his update.

**University of Hawai‘i-Mānoa Athletic Update on Strategic Plan, Possible Budget Shortfall, and Financial statements**

UHM Chancellor Tom Apple and UHM Athletic Director Ben Jay provided an update on the strategic plan, budget shortfall, and financial statements for UHM. Jay said that the strategic plan is moving forward on the fundraising side and that athletics is working with UH Foundation (UHF) and ‘Ahahui Koa ‘Anuenue (AKA). AKA is working on a list of applicants to replace Vince Baldemor, President of AKA, by January 1, 2014. UHM Athletics is struggling because of the 2013 football season, but in other sports, such as volleyball and basketball, season tickets have held up. UHM sees promise in both basketball teams. Volleyball is right in the projections. The impact of football is being measured, and UHM will have a better idea after receiving the ticket receipts from the past football game. The coaches were notified that they may need to look at budget
reductions to keep the potential year-end deficit in check. This will be addressed in December 2013 or January 2014. A million dollar deficit is projected.

Chancellor Apple reminded the Committee that he has pledged to support athletics for three years. A million dollar shortfall is the cap, and if the deficit goes beyond that, then areas will need to be cut. He and Jay agreed that capital equipment is the first to be cut. Eventually, if the football revenues do not go up, then some sports may need to be looked at. If the Athletics deficit does not break even in three years, then UHM will approach the Board to see how to cut expenses.

Regents’ Chair Holzman asked if the million dollar cap will be absorbed in the UHM budget, to which Chancellor Apple said yes, but he is not willing to go beyond the cap. UHM has tuition-paying students and the students are not going to carry the deficit forward. The million dollar deficit is not withstanding the reduced scholarship cost. Jay said that in the 2013 budget, travel subsidies are budgeted and the recovery of the four percent salary cut used savings from Athletics. Chancellor Apple said that the deficit last year was $3.4 million, so there has been a large change.

Jay said that UHM Athletics is looking at the revenue and fundraising models, and are looking for creative ways to increase season ticket sales. UHM Athletics needs to create value prospects for both new season ticket holders and the regular, consistent season ticket holders. UHM Athletics is experimenting with seating in men’s volleyball; the upper levels may be shut down and the lower rows may be filled in order to create a game atmosphere. This is being examined for football games as well. Shutting down the upper levels will cut expenses and will increase the atmosphere for the fans.

Committee Chair Kudo asked if the next football season’s budget is higher than the current year’s budget. Jay said that UHM Athletics has not received the budgeting for the next season yet, but it remains to be seen. There is discussion of adding a thirteenth game next year, which would be a home game.

Regent Mizuno asked if there has been any discussion with the Aloha Stadium authority. Jay responded that there has been a discussion on what can be done at the stadium and plans further discussions with the stadium board on how UHM can shave expenses.

Committee Chair Kudo asked when the strategic plan will be ready. Jay said that the strategic plan is out and is published on the Athletics website. The game plan is announced and published, and UHM Athletics is following through with the plan.

Committee Chair Kudo asked if Jay had any comment on Chancellor Freitas’ update on the Division II program at UHWO. Jay said that he supports that Chancellor Freitas is supporting a specific population, especially since UHM can only have so many opportunities to support student athletes. He said that UHWO will have students who can play at the Division II level against UHH, BYUH, Chaminade, and HPU. UHWO will have a public institution at low cost that will allow students to fulfill a dream of playing sports in college. This student population will not be playing against UHM at the Division I level.
Chancellor Apple added that he does see the benefits for student athletes, such as building leadership skills. The obvious problem with athletics is funding; the real issue is whether the funding capabilities in the State can support the UHM athletic program.

Chair Holzman said that while there is no question that athletes do as well as students and that the program is great for them, the program wrote off $13-14 million deficit and may lose another $3 million. He is wondering if a new athletic program is a good fiscal decision for the University system. He asked if there is a way that allows athletes to compete without the usual cost. Jay agreed, and said that, in regards to the three year plan, UHM needs to determine what to do in the next three years, and if program reduction is necessary, then it needs to do so. UHM currently has 21 sports and the minimum is 16 sports. The reality is that UHM needs to determine whether it will support all the sports or not under those circumstances.

Chair Holzman said that adding the creation of a new $3 million per year athletic program needs to be looked at because there is a building moratorium and the deferred maintenance backlog. Moreover, competition between UH West 'Oahu and UHM needs to be considered because the programs are on one island and will compete for athletes.

Jay said that the UHM needs to determine the total sport saturation that can be generated.

Chancellor Apple asked if it is possible in the NCAA for two separately accredited universities to have one shared athletic program. Jay said no and added that there are limits to the amounts of scholarships and athletes that the campus can have. The overall question is what is the state willing to support in regards to ticket sales and fan support. Money comes from ticket sales and supports other sports programs. The corporate sponsorship occurs because of football; it takes seven or eight other sports, revenue-wise, to earn what football generates.

Committee Chair Kudo asked about the special activities that will be in conjunction with AKA and the comment on football supporting other sports activities and programs. He asked if there is any rule against selling tickets at different levels. An example would be selling a ticket that would entitle the holder to attend four different sports events throughout the year. It could increase attendance at other events with low attendance. There could be tiers that will allow the consumer to support a number of programs instead of only football. Jay said that there is no rule on how to package tickets. Preferential seating needs to be looked at.

Committee Chair Kudo thanked Chancellor Apple and Jay for their updates.

V. EXECUTIVE SESSION

Personnel Actions Related to the Following:

a. Interim Athletics Director for University of Hawai‘i at Hilo

Legal Matters:
b. Update from legal counsel on contract negotiations with Oceanic Time Warner and related legal matters

Upon motion by Regent Mizuno and second by Committee Vice Chair Shigemoto, the Committee unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2)) and HRS §92-5(a)(4). The Committee convened in executive session at 1:43 p.m. Following a motion to come out of executive session by Committee Vice Chair Shigemoto and second by Regents' Vice Chair Ota, which was unanimously approved, executive session was adjourned at 2:38 p.m.

VI. PERSONNEL

Interim Athletics Director for University of Hawai‘i at Hilo (Attachment B-1; For information only)

Committee Chair Kudo asked for a motion on the next agenda item on personnel actions on Attachment B-1. Committee Vice Chair Shigemoto so moved. Regent Acido seconded the motion. The motion carried upon unanimous vote.

VII. ADJOURNMENT

There being no further business, on the motion of Committee Vice Chair Shigemoto and second by Regent Acido, and with unanimous approval, the meeting was adjourned at 2:39 p.m.

Respectfully Submitted,

Cynthia Quinn  
Executive Administrator and  
Secretary of the Board of Regents