

MINUTES

BOARD OF REGENTS COMMITTEE ON INTERCOLLEGiate ATHLETICS MEETING

OCTOBER 4, 2018

I. CALL TO ORDER

Committee Chair Jeffrey Portnoy, called the meeting to order at 8:18 a.m. on Thursday, October 4, 2018, at the University of Hawai'i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai'i 96822.

Committee members in attendance: Committee Chair Jeffrey Portnoy; Regent Brandon Marc Higa; Board Vice Chair Wayne Higaki; Regent Douglas Shinsato.

Committee members excused: Committee Vice Chair Stanford Yuen.

Others in attendance: Board Chair Lee Putnam; Regent Michael McEnerney; Regent Randy Moore; Regent Ernest Wilson Jr. (ex officio committee members); Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Academic Planning and Policy Don Straney; Vice President for Budget and Finance/Chief Financial Officer Kalbert Young; Interim UH-Hilo (UHH) Chancellor Marcia Sakai; Executive Administrator and Secretary to the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF THE MINUTES OF THE MAY 18, 2018 MEETING

Regent Higa moved to approve the minutes of the May 18, 2018, meeting, seconded by Board Vice Chair Higaki and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received written testimony from Aidan Matsuura offering comments related to student athletic fees. No individuals signed up to provide oral testimony.

IV. AGENDA ITEMS

A. Coaches Corner – Eran Ganot, University of Hawai'i at Mānoa Men's Basketball Coach

A talk story session was held with UHM Men's Basketball Coach Eran Ganot. Coach Ganot discussed the evolution of the men's basketball program during his tenure. When he started in mid-April 2015, the program was under investigation by the National Collegiate Athletic Association (NCAA) and there were academic and academic progress rate (APR) issues. Today there are no NCAA issues, no academic issues, and the APR and team academics are doing well, which is due in large part to

the academic support system and faculty. The APR was 900 in the first year, 952 in the second year, and is expected to be between 975 and 1000 for the third year.

There have been three sell out games in the past three years, which has not happened since 2004. Revenue was over \$1 million for two of those years. The program had many national television opportunities and non-conference television opportunities. The team toured Australia and there are now three Australian players on the roster.

The team has participated in community service activities including visiting homeless shelters and hospitals, participating in a reading program, and participating in events such as Kids Fest, Special Olympics, and Coaches vs. Cancer. The program places value in developing future leaders, husbands, and pillars of the community. The vision is to set up the program for long-term, sustained success, and to dream big.

Coach Ganot noted the program has done an excellent job with philanthropic efforts. It has become critical to raise funds to comply with various NCAA requirements. Companies such as Hawaiian Airlines, IMG, and Under Armour have invested in the university's athletic programs.

Coach Ganot was asked what one item he would want that he thought would help the program. Coach Ganot shared that the coaches are provided the opportunity to share their visions with UHM Athletics Director (AD) David Matlin. When he was hired, the renovation of Gym II was the dream, and the project is now two months from completion. The most pressing current issues are the locker room, which has not been renovated since 1994, and cost of attendance.

A question was asked regarding the types of majors the players are pursuing. Coach Ganot responded that players are pursuing a broad spectrum of majors including economics, communication, and kinesiology. The synergy and collaboration between players and academic support contributes to the success of student-athletes.

A question was asked regarding the prospect of attracting more corporate support. AD Matlin explained that corporate partners receive advertising and thus, that form of support is not a true donation. With regard to donors, whether a donation goes through a booster club or another avenue depends on donor intent. Coach Ganot noted he had five goals when he was hired: summer school, nutrition, a foreign tour, recognizing success, and honoring the history (of the program). Coach Ganot raised over \$300,000 to support these goals.

Committee Chair Portnoy thanked Coach Ganot and noted that the Coaches Corner has helped the regents learn about the people who lead student-athletes.

B. For Review and Approval

1. Committee Goals and Objectives

This item was deferred to the next committee meeting. There were no objections.

C. For Information and Discussion

- 1. Regents Policy (RP) 7.208, Intercollegiate Athletics**
- 2. New Association of Governing Boards of Universities and Colleges (AGB) Proposal**

Committee Chair Portnoy explained that VP Morton was leading the effort to review the Board of Regents policies and chapters 5 to 8 will be reviewed this academic year. RP 7.208, Intercollegiate Athletics, has not been reviewed for approximately 30 years. He noted that the policy needs to be revised to accurately reflect current requirements and practices.

A suggestion was made that having a discussion about the AGB Draft Statement on Board Responsibilities for Intercollegiate Athletics would help to frame the discussion on the policy.

Committee Chair Portnoy noted that it took approximately one year for the committee to adopt its goals which were based on the AGB draft statement. AGB completed a revised study and issued an updated draft statement with recommendations, which the committee needs to review and determine if it should adopt any of the recommendations or modify policy. The policy and draft statement will be reviewed in greater detail this coming year.

A comment was made about the necessity and urgency of the policies, given the issues facing other major universities related to athletics.

Committee Chair Portnoy suggested the committee segment the various principles and recommendations in the revised AGB draft statement in conjunction with RP 7.208 for further discussion at upcoming committee meetings. There were no objections.

- 3. Student Athletic Fees**

Committee Chair Portnoy expressed the need for a discussion on student athletic fees, including whether fees are necessary and whether students are willing to pay a fee to attend athletic events. Although there is resistance to fees of any type, regents have a responsibility to review the economic viability of the athletics department. Regents also have a responsibility with regard to student fees.

AD Dave Matlin presented a comparison of student athletic fees among Mountain West peer institutions, which included revenues collected from student athletic fees and the fee revenue as a percentage of the total budget. Compared to peer institutions, UHM has the lowest student athletic fee per semester, lowest amount of revenues generated from student fees, and lowest percentage of fee revenue compared to the total budget. In order to increase attendance, an "H Rewards" application was created, and prizes are given to students attending games. The last three football games had the highest student attendance since 2011, which can be attributed to the team winning games, the H Rewards initiative, and other efforts. AD Matlin recently met with the Associated Students of the University of Hawai'i (ASUH) and discussed the importance of ASUH contributing to the discussion on student athletic fees. He will be collaborating further with ASUH.

AD Matlin noted that the fee was established in 2011 and has not been increased since that time. He would like to have a thoughtful conversation with stakeholders regarding an increase and suggested that there be an inflationary index for any future fee.

A question was raised regarding whether the athletic fees for Mountain West peers include anything aside from tickets. AD Matlin explained that the fees were for athletics tickets only.

Questions were raised regarding the value students receive for the athletic fee, and how many events students would have to attend to recoup the \$50 per semester fee. AD Matlin explained that the fee allows UHM students to receive tickets for all ticketed athletic events; there are thresholds for each sport and certain events, and overflow seating is provided if there are seats available. The fee also includes transportation to football games and access to a hosted tailgate area. Students would have to attend 1.25 football games or 5 basketball or volleyball games in a year to recoup the \$50 per semester fee. Approximately 8% of the revenue from fees are invested in student initiatives to incentivize students to attend events.

Regent Moore arrived at 8:57 a.m.

Regent Higa referenced a November 2, 2016, progress update to the Board of Regents on the UHM athletics department financial improvement plan, which stated that only 10% of NCAA Division I public schools athletic programs were self-sustaining and UH had \$5.2 million of additional costs unique to Hawai'i. Regent Higa emphasized the importance of the athletics program and its role in the community and engaging the student body. He also noted the potential opportunity to engage students from other campuses with a broader network of students and alumni.

It was noted that there is no student athletics fee at UHH or the community colleges. A question was raised regarding whether community college students could attend games without purchasing a ticket. AD Matlin explained that community college students would have to buy a ticket to attend a game. Approximately once or twice a year there are discounted tickets available for community college students.

A question was raised about offering an opt-in ticket package to students instead of having a mandatory fee. AD Matlin explained that the athletics fee is mandatory to be consistent with other campus fees and with the practices of peer institutions, and also to maintain financial viability. The athletics department has worked on adding value to the fee. This year, a young alumni program was started that extends the athletics fee to recent graduates, with the goal of increasing attendance among millennials. There has been some traction with the program.

A question was raised regarding a potential fee for community college students. AD Matlin indicated that there is interest in pursuing the implementation of a student athletics fee with KapCC on a pilot basis. If this occurs and is successful at KapCC, the program could be replicated for other campuses.

Regent Higa requested a schedule of all mandatory student fees for every campus. Affordability is an issue and it helps to view fees holistically when considering decisions. Regent Higa cited the U-Pass proposal as being similar to this conversation regarding a fee that will be applied even though not every student uses The Bus. He suggested that the UHSC be provided with a briefing on athletic fees and that student-athletes talk to the UHSC as well. AD Matlin expressed interest in participating in a UHSC meeting to have a conversation and to gauge interest.

Regent McEnerney noted that almost all student fees were significantly more than \$50 per semester and suggested that if the fee were extended to community colleges, the UHM student athletic fee should be adjusted for inflation and the fee for community college students should be lower since they do not pay as much in tuition. He also commented that the fee could be burdensome for a student who might never attend an athletic event.

Committee Chair Portnoy indicated that there would be a \$4 to \$5 million deficit in the athletics budget again. The student athletic fee is an essential part of the athletics department budget, and only contributes \$1.5 million of a \$30 million budget. An increase in the fee could help reduce the deficit. He agreed that collaboration and buy-in is necessary, but noted that this is also an economic issue. Compared to UH's Mountain West peers, the student athletic fee at UHM does not provide sufficient revenue.

Regent Shinsato noted the athletics program at UHM is a community and statewide resource and expressed concern that providing an opt-in fee option for community colleges could lead to opt-out discussion for UHM students. AD Matlin explained that in his discussions with ASUH, concerns were expressed about the students shouldering the burden of funding the athletics program. He shared information on the various means by which the department reduced the deficit, including legislative funding, multimedia rights partnerships, travel agreements, various fundraising initiatives, and cost-cutting measures. The department has been working hard to maximize its engagement with various stakeholders. Retail merchandising and fundraising need improvement, but things have been moving forward.

Committee Chair Portnoy asked UHH Athletics Director (AD) Pat Guillen whether any thought had been given to implementing a student athletic fee at UHH. AD Guillen explained that UHH may be the only school in the Pacific West Conference and in the NCAA Division II that does not have a student athletic fee. Legislative funding has helped, but if that source of funding ends, it would be detrimental to UHH's athletics program.

A question was raised regarding student attendance at UHH sporting events. AD Guillen noted that soccer had the best student-participation since he started in 2015, and volleyball is also doing well. He recently received a complaint from a student that was unhappy about paying \$4 to attend a game, and he would like to work with the various constituencies to consider a student athletic fee so students wouldn't have to pay to attend games.

Committee Chair Portnoy indicated that discussions involving student athletic fees needs to start at the campuses and work through administration, chancellors, and the president, with buy-in occurring before a proposal is presented to the board.

Regent Higa noted that student fees help support student government leaders for their service throughout the semester, and it makes sense to do the same for student-athletes.

The committee discussed if UHM athletics had any specific amount in mind for the proposed fee increase and a realistic timetable. AD Matlin indicated that they were considering something closer to \$100 per semester, but more thought and conversation need to occur before any decision is made. VP Young indicated that the athletic fee should be established sufficiently in advance of implementation in order to provide adequate notice to students of at least one semester. He noted that UHM and UHH athletic programs are being subsidized by non-athletic revenues such as tuition. As such, students are paying for athletics whether they realize it or not.

Every \$10 increase in the athletic fee generates approximately \$300,000. The athletics department deficit runs approximately \$2 to \$5 million annually, so increasing the athletic fee alone will not solve the deficit problem. Any fee should be viewed in the context of the cost of attendance. Committee Chair Portnoy added that it is the discretion of the chancellors to decide how much to subsidize athletics with tuition revenue, whereas the athletic fee goes directly to athletics.

Board Vice Chair Higaki indicated that if an increase in the athletic fee is pursued for UHM, there should be a simultaneous discussion regarding an opt-in fee on the community colleges. He noted that allowing community colleges to participate in the athletic fee would be positive, particularly through an opt-in process.

AD Matlin agreed about the need for adequate notification and would like to start the conversation as soon as possible. His preferred goal is fall 2019 and his team will develop a timeline to make that happen.

Board Chair Putnam suggested that when administration brings forth the proposed new tuition schedule that it is provided in the context of total cost of attendance for students, including fees, and affordability as a whole.

VP Okinaga referenced RP 6.201, Authority to Set Tuition and Fees; RP 6.203, Fees, which specifies that athletic fees are established by the board; and Executive Policy 6.208, Mandatory Student Fees, which specifies that Chartered Student Organizations (CSOs) may request that a student fee be established or adjusted.

There was discussion among committee members regarding scheduling another meeting before the end of the calendar year to further address this issue.

V. ADJOURNMENT

There being no further business, Board Vice Chair Higaki moved to adjourn, and Regent Higa seconded, and with unanimous approval, the meeting was adjourned at 9:35 a.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents