MINUTES
BOARD OF REGENTS COMMITTEE ON INTERCOLLEGIATE
ATHLETICS MEETING
DECEMBER 19, 2018

I. CALL TO ORDER

Committee Chair Jeffrey Portnoy called the meeting to order at 8:45 a.m. on Wednesday, December 19, 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; Committee Vice Chair Stanford Yuen; Board Vice Chair Wayne Higaki; Regent Brandon Marc Higa; Regent Douglas Shinsato.

Others in attendance: Board Chair Lee Putnam; Regent Simeon Acoba; Regent Michael McEnerney; Regent Randy Moore; Regent Ernest Wilson Jr. (ex officio committee members); President/UH-Mānoa (UHM) Chancellor David Lassner; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Academic Planning and Policy Donald 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 MINUTES OF THE OCTOBER 4, 2018, MEETING

Regent Higa moved to approve the minutes of the October 4, 2018, meeting, seconded by Regent Shinsato and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received no written testimony. No individuals signed up to provide oral testimony.

IV. AGENDA ITEMS

A. Coaches Corner – Charlie Wade, University of Hawai‘i at Mānoa Men’s Volleyball Coach

A talk story session was held with UHM Men’s Volleyball Coach Charlie Wade. Coach Wade discussed how the increase in academic scholarship funds has benefitted the volleyball program in relation to recruitment. The program’s values place an emphasis on players doing their best athletically, academically, and in the community. Coach Wade also highlighted the academic and national athletic achievements of current players.
Regent Acoba arrived at 8:51 a.m.

Committee Vice Chair Yuen commended Coach Wade and his staff for recruiting quality players that are good representatives of the university and ambassadors for students.

A question was raised regarding the attraction for European student-athletes to come to UHM. Coach Wade indicated that the academic reputation of UHM is the main attraction. He noted that the volleyball program goes after high-achieving students locally, nationally, and internationally.

A question was raised regarding whether the addition of the Big West Conference to Men’s Collegiate Volleyball last year has made a difference. Coach Wade said the change in the league was great for men’s volleyball and for the first time, the Big West Conference has representation in the National Collegiate Athletic Association (NCAA) and is a full-fledged Division I league. The ability to play in the post-season championship helps keep players motivated and engaged.

Committee Chair Portnoy thanked Coach Wade for attending today’s meeting and commended him for the program’s athletic and academic achievements, and the student-athletes integration into the community.

UHM Athletics Director (AD) David Matlin noted that the men’s volleyball program has been in two final four volleyball championships in the last 4 years and received many academic awards. AD Matlin noted that Coach Wade is a leader in the athletics department for developing a team culture and assisting others in doing the same, which makes a difference for student-athletes, the athletics department, the university, and the state.

C. For Information and Discussion

1. Student Athletic Fees: Data, Analysis, and Next Steps

Committee Chair Portnoy took this agenda item out of order. There was no objection by the other committee members. He noted that the committee requested the athletics department and administration to review options to increase revenues to support athletics, including student athletic fees. AD Matlin was asked to present a detailed analysis of the student athletic fee.

Director for External Affairs (DEA) Joel Matsunaga presented an overview of UHM athletics department financials; initiatives the athletics department has undertaken towards financial sustainability, including institutional and government support; a history of the UHM student athletic fee; the student athletics benefits package; an update on facilities improvements, expanded programs, and student engagement, including the H Rewards app; benchmark comparison of student athletics fees with peer institutions; and conceptual alternatives for student athletic fee adjustments.

A question was raised regarding what makes Hawai‘i’s student-aid unique. DEA Matsunaga explained that tuition costs in Hawai‘i are higher, especially for non-resident
students. Approximately 75% of UHM student-athletes are non-residents, which is proportionally higher than other schools.

A question was raised regarding whether the revenue performance numbers were an average, specifically the $2.7 million in direct governmental support. DEA Matsunaga explained that the numbers shown are for 2017, and that the athletics department hoped the $2.7 million legislative appropriation would continue.

Questions were raised regarding whether there had been prior efforts to have the fringe benefit costs covered by changing the source of funding for positions from special funds to general funds. DEA Matsunaga explained that there was an effort last year that was unsuccessful. This year’s board-approved budget also included the request, but the Governor did not include it in the budget request that was submitted to the Legislature.

A question was raised regarding whether the athletics department taking over management of student engagement from the Student Athletic Fee Committee resulted in cost savings. DEA Matsunaga explained that the overall budget remained the same, but there are management cost savings, which are directed into other benefits that students enjoy.

Regent Higa commented that communication needs to occur with student leaders regarding the value of the athletic fee and benefits that are included. He heard positive feedback from students who have enjoyed the H-Zone application.

A question was raised regarding funding for intramural sports and a suggestion made that the athletics department consider administering the program and funding it through the athletics fee as an added value for students. President Lassner explained that intramural sports are under the jurisdiction of the UHM student recreation services and are funded by general funds and tuition.

Questions were raised regarding the student’s perceived underperformance in philanthropy for athletics. AD Matlin explained that there is room for improvement, but UHM is generating more revenues than peers such as the Group of Five and Big West. This year, ‘Ahahui Koa Ānuenue (AKA) will contribute between $400,000 and $500,000 more to athletics than last year. There have been improvements under the new leadership of AKA.

Questions were raised regarding the average student attendance in the last three years for football, volleyball, baseball, and basketball. AD Matlin explained that student attendance has increased this year, but football attendance decreased after the first few games despite the team’s winning performance. There needs to be more student engagement and improved marketing, but overall attendance has increased slightly this year.

Questions were raised regarding whether non-student ticket revenues go back to the athletic department, and whether tickets prices have increased. AD Matlin explained that approximately $5.8 million in ticket revenues was generated, which is $1.2 million above the Mountain West. The athletics department utilizes a supply and demand
model and has performed analysis regarding ticket pricing; some ticket prices have increased while others decreased.

The committee commended AD Matlin and the athletics department for their efforts to increase revenue and decrease the deficit. Suggestions were made to include more information on student-driven investments, annual enrollment projections, and how projected revenues will be invested, and to include an expense performance summary similar to the revenue performance summary that itemizes expenses that are directly comparable to other athletics departments, and the benefits that students receive as part of the athletic fee at other institutions.

Regent McEnerney pointed out that the accounting rules related to other post-employment benefits that are now in place resulted in an assignment of just under $1 billion to the university’s financial statements. Fringe benefit costs are still a university obligation even if they are not specifically in the athletics department budget.

A question was raised regarding the percentage of the athletic fee that directly benefits students. AD Matlin explained that 92% of the fee supports the general athletics program and 8%, or $130,000, is reinvested into student initiatives.

A question was raised regarding the timeline for any proposed adjustments to the athletic fee. AD Matlin responded that the plan is to have more discussions with stakeholders and return to the board with a proposal in the near future.

B. For Review and Approval

1. Committee Goals and Objectives

The committee goals and objectives were taken up in conjunction with the AGB articles on board responsibilities for intercollegiate athletics (see below). There were no objections.

C. For Information and Discussion

2. Association of Governing Boards Articles on Board Responsibilities for Intercollegiate Athletics

The committee reviewed the articles and discussed whether the board had an appropriate vision and view of the role of the board in intercollegiate athletics, and areas where current practice and regents policies may vary from recommendations. Specific items from the articles will be put on agendas for discussion at upcoming committee meetings, along with consideration for revisions to Regent Policy 7.208.

Discussion occurred on the need for a matrix of measurements of success for the athletics program; the importance of current issues relating to concussions and health, and the role the board plays; the meaningfulness of metrics on academic performance; identifying what the university can learn from other schools; and receiving recommendations and feedback from the administration. President Lassner commented that public interest has caused some boards to interfere in internal
management, and noted that he meets at least monthly with AD Matlin, who alerts him to potential issues.

V. ADJOURNMENT

There being no further business, Regent Higa moved to adjourn and Regent Yuen seconded, and with unanimous approval, the meeting was adjourned at 10:02 a.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents