

APC Fiscal Integrity Subcommittee Meeting
November 9, 2016
1:00 pm

In attendance: Robert Schuhmann, Bill Sparks, Josh Johnson

Associate AD Bill Sparks began by reviewing FY16 final budget report. Overall, Athletics finished the year with revenues approximately \$9,000 ahead of expenses, on a total budget of approximately \$34M. It was not the best of years, but obstacles presented were overcome and the department operated within budget. For the year, noted/significant positive budget items were as follows:

- Additional football television revenues (\$763K)
- Additional state matching funds (\$1M)
- Multiple sport operational expense savings from lower scholarship costs (\$500K)
- Women's basketball operational expense savings (\$231K)
- Decrease in athletic facility expenses (\$117K)
- Decrease in consignment ticket purchase expenses (\$258K)

Significant negative budget items for the year included:

- Football ticket sales shortfall (\$150K)
- Decrease in grant-in-aid savings (\$1M)
- Increased men's basketball expenses (\$408K)
- Academic Counseling expense increases (\$328K)
- Increase in Athletic Director's office expenses (\$94K).
- Increase in game management expenses (\$134K).
- Increase in weight room expenses (\$199K)

Pursuant to the weight room expenses item, Mr. Sparks noted a conscious decision was made on part of the strength and conditioning coaching staff to invest in the student nutrition center and sports performance programs. These additional costs are anticipated in future years, with completion of the High Altitude Performance Center, which will provide dedicated areas for nutrition and sports performance management.

Dr. Schuhmann inquired as to which sports performance monitoring programs were purchased. Mr. Sparks noted two such systems: OmegaWave and Catapult. OmegaWave monitors and tracks physiological measures, such as heart rate, lung capacity and blood flow, among others. Baseline measures are recorded for student-athletes prior to and after practice and competition for analysis. Catapult measures and tracks physical abilities, such as vertical leap, start-stop quickness and acceleration, among others. Again, baseline measurements are taken and compared to in-game or practice performance to detect and analyze problems or possible injuries, such as concussions.

Mr. Sparks then moved to the current year. The first quarter for FY17 had little activity, due to football and other fall sport seasons just getting underway. Activity will pick up significantly in the second and third quarters.

Just one impact item was noted for the quarter, which was a carryover of NCAA Student Opportunity Funds of \$8K. This item represents a change in the method in which these funds are handled. Previously, these funds, which are made available to NCAA institutions to provide for unanticipated student expenses, such as travel due to a family emergency, or emergency medical/dental care, were only remitted to the Athletic Department upon submission of associated paperwork and supporting receipts to the Mountain West Conference office. These funds are now remitted to the Athletic Department at the beginning of the fiscal year, and any funds not used may be carried over to the subsequent year.

Next, Mr. Sparks talked about the most recent football ticket report received. He noted the year began shaky, with season ticket sales lower than budget by \$81K, but single-game sales have made up this deficit. Sales for the Air Force game exceeded budget by \$121K, and the Boise State game by \$103K. While the most recent home game against Utah State came in under budget by \$60K (due to a late start dictated by coverage on ESPN2), pre-game sales for the final game, versus San Diego State, are already ahead by \$12K, with a week and a half yet to go.

For the year, sales exceed budget by \$6,500. Sales for the 2015 season were \$150K under budget.

Bill also talked about basketball and other sport ticket sales. Basketball has just started, so it is tough to measure against budget. The volleyball team is having a great season, with a chance to win the conference title. Ticket sales reflect this performance, with 174 season tickets having been sold, which is above previous years' numbers. Wrestling season ticket sales, at 124, are also a positive note.

Bill then presented the latest schedule of proposed budget cuts for FY18, which has been reduced to \$1M. Approximately half of this (\$505K) is to come from personnel/payroll, with most of this achieved through staff attrition. Proposed reductions in this area include:

- Retirement and non-replacement of one Cowboy Joe Club office associate
- Phase-out of a facilities project coordinator position (pertaining to landscaping)
- Not filling one academic coordinator position
- Reduced men's basketball coaching staff payroll
- Shifting funding for the salary for the Assistant AD for Business Operations from Section I funds (University funded) to Section II (self-generated funds). Dr. Schuhmann noted this amount may actually be larger when including savings from not funding benefits for this position. Mr. Sparks, citing a lack of clarity on this, did not include benefits.

Other cuts include the following:

- Elimination of the dance team and reductions in cheer squad size and equipment/supplies budget (\$10K)
- Reduced team travel and nutritional expenses (\$150K), achieved through a change in focus on regional vs. national travel for away contests, reduced bus travel for regional conference football games (e.g. Air Force) and a focus on lower-cost nutrition items.
- Elimination of iPads provided to student athletes (\$45K). Most students already possess an iPad or tablet device when arriving on campus, which leads to unnecessary leasing costs for iPads. This program was not as valuable as originally thought.
- Reduced practice gear expense across all sports (\$75K)
- Reduced number and amount of game guarantee payouts for men's and women's basketball (\$75K).

- Reduced marketing and promotions expenses through elimination/reorganization/renegotiation (\$87K). Successful efforts were made to renegotiate/modify contracts with advertising and promotions providers. A marketing contract with Advantage was phased out completely and most marketing was brought back in-house. The contract for web design/maintenance was re-bid, resulting in savings of \$7,500.
- Reduced facilities operations expenses (\$22K). Certain contract work was eliminated and work will be performed utilizing in-house facilities staff.
- Reduced support staff travel for regular and postseason competition (\$30K). Only essential staff to travel.

Mr. Sparks noted that one item that was removed from consideration for budget reduction was recruiting, as this relates to the focus by President Nichols on increasing student enrollment. He noted, upon inquiry from Dr. Schuhmann, that the amount originally included was approximately \$75K.

Mr. Sparks next presented images of the planned renovations of the Arena-Auditorium and the new High Altitude Performance Center. Dr. Schuhmann asked whether food would be provided in-house, in the new nutrition center. Mr. Sparks indicated this would eventually happen, when funds allowed for providing an in-house nutrition staff, including a chef and food-prep staff. Currently, the Athletic Department is using UW Food Services for catering needs.

Finally, Mr. Sparks presented an update on the Athletic Department's beer sales proposal, which the trustees will consider and vote on November 17 at 8:00 a.m., during their next regular board meeting. He stated that he has presented the Athletic Department's proposal to several groups across campus in recent weeks, including AWARE and their A-Team Coalition. This group indicated this week they will not oppose, nor support, the Athletic Department's efforts.

Mr. Sparks also noted that the Wyoming State Liquor Commission has offered to provide ID scanning equipment to the Athletic Department, and that they may also be able to provide grant funds for ID controls (wristbands, stamping, ID checks, etc.) and training. Other controls to be in place would include a two-beer limit per person per transaction, ceasing sales at the end of the third quarter of contests (or the 10:00 mark of the second half of men's basketball games) and discontinuation of open containers in stadium parking lots at kickoff of football games. These controls have the support of local law enforcement.

Additionally, in coordination with UW Safe Ride, efforts will be made to offer and advertise designated-driver programs within contest venues during games. These efforts include placing kiosks at multiple places within War Memorial Stadium and the Arena-Auditorium where fans can sign-up and/or receive information on available programs, as well as offering a phone number and mobile app to fans to request a ride home. Mr. Sparks noted funding for these efforts is available from the US Department of Transportation.

Dr. Schuhmann inquired as to how many other schools currently sell beer during games. Mr. Sparks indicated 54 out of 128 currently do so, with UC Berkeley having the matter under consideration. He also pointed out this number has risen considerably in the last five years.

There being no further business, the meeting was adjourned at 2:10 p.m.