

Minutes are intended to note; (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audiotape recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at the November-December 2017 meeting.

**BOARD OF REGENTS and its
ATHLETICS COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**
System Administration, Las Vegas
4300 South Maryland Parkway, Board Room
Thursday, August 31, 2017

Video Conference Connection from the meeting site to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Mr. John T. Moran, Chair
 Mr. Trevor Hayes, Vice Chair
 Dr. Patrick R. Carter
 Mr. Cedric Crear
 Mrs. Carol Del Carlo
 Mr. Sam Lieberman

Other Regents Present: Mrs. Cathy McAdoo

Others Present: Dr. Thom Reilly, Chancellor
 Mr. Chester Burton, Chief Financial Officer
 Mr. Dean J. Gould, Chief of Staff & Special Counsel to the Board
 Mr. Nicholas Vaskov, Vice Chancellor for Legal Affairs
 Mr. Joseph Sunbury, Chief Internal Auditor
 Dr. Len Jessup, President, UNLV
 Dr. Marc A. Johnson, President, UNR

For others present, please see the attendance roster on file in the Board Office.

Chair John T. Moran called the meeting to order at 1:00 p.m. with all members present.

1. Information Only-Public Comment – None.
2. Approved-Minutes – The Committee recommended approval of the minutes of the June 1, 2017, meeting. (*Ref. ATH-2 on file in the Board office*)

Regent Crear moved approval of the minutes
from the June 1, 2017, meeting. Regent
Lieberman seconded. Motion carried.

3. No Action Taken-Review of Athletic Department Annual Reports - The Committee reviewed and discussed the athletic department Annual Reports submitted by CSN, UNR and UNLV as required under Title 4, Chapter 24, Section 1, Subsection 9 of the *Board of Regents' Handbook*. The Committee provided feedback to the institutions regarding the Annual Reports. (Refs. ATH-3a, ATH-3b, ATH-3c, ATH-3d, ATH-3e, ATH-3f and supplemental material on file in the Board office)

Mr. Nicholas Vaskov, Vice Chancellor for Legal Affairs, provided an overview of what the athletic departments' Annual Reports will entail.

Chair Moran noted that he had many opportunities to meet with the Athletics Directors and their staff at CSN, UNLV and UNR. He expressed his appreciation for those dialogues and for the materials provided for the Athletics Committee meeting.

Mr. Dexter Irvin, Director of Athletics and Recreation, CSN, presented highlights of the CSN Athletics Department Annual Report including athletic performance for the first year of the men's soccer team and additional competitive highlights from the various sports teams, academic successes, NJCAA (National Junior College Athletic Association) updates, gender equity, the proposed district model for CSN, facilities, social media analytics, financial cost and benefit analysis, and conceptual plans for CSN Athletics.

In response to inquiries from Chair Moran, Athletics Director Irvin confirmed that there is work on a Master Plan for the CSN Henderson Campus and that funds are being raised to install artificial turf on the soccer and baseball fields. The reason behind transitions from a natural turf to artificial is not only to reduce the carbon footprint, but it will also have health and safety benefits for the student athletes and coaches.

Chair Moran asked about the accomplishments of CSN's baseball team. Athletics Director Irvin shared that the baseball team won its conference for at least the third year in a row. The average GPA of the team is 3.1 and they have had a few players drafted, including their top pitcher. Athletics Director Irvin concurred with Chair Moran's amazement of how 85 percent of the student athletes are first generation students. He clarified that CSN is in Region 18 which is comprised of Idaho, Arizona, Utah, Nevada, and parts of California and Oregon.

Vice Chair Hayes asked how much do the students from the other campuses interact with the CSN athletic games. Athletics Director Irvin said there is a lot of student support in that respect and CSN Athletics is currently working on having more of a presence throughout the valley. Vice Chair Hayes said it would be a good idea for CSN to reach out to TMCC and perhaps offer some guidance when soccer and other sports teams get approved for that institution. Athletics Director Irvin agreed and added that CSN is hoping not only to be involved with the establishment of a TMCC Athletics Department, but would also like to see TMCC become a part of their conference.

3. No Action Taken-Review of Athletic Department Annual Reports – *(continued)*

In agreement with Vice Chair Hayes, Regent Del Carlo noted it would be great to have an open dialogue between CSN and TMCC when TMCC makes the transition to having athletic teams.

Ms. Desiree Reed-Francois, Director of Athletics, UNLV, presented an overview of the UNLV Athletics Department Annual Report. She attributed the accomplishments to her predecessor, Ms. Tina Kunzer-Murphy. The report highlights included the strategic plan, the mission statement, academics, athletic successes, budget, equity and diversity, fundraising, the most recent EADA (Equity in Athletics Disclosure) Report and self-reported NCAA violations. She also outlined seven priorities she set to accomplish upon her hire at UNLV which are: (1) create a shared vision to promote a sense of team; (2) meet with each of the 242 Athletics Department staff members; (3) develop a thorough understanding of the institution; (4) analyze the athletics budget; (5) assess the Athletics Department infrastructure; (6) create and fulfill departmental, institutional and community goals; and (7) get up to date with the Raiders Stadium leasing negotiations.

Chair Moran asked about the collaboration between the UNLV and UNR Athletics Departments, specifically regarding the accounting. Athletics Director Reed-Francois answered that not only has she met with Mr. Doug Knuth, Director of Intercollegiate Athletics, UNR, regarding their accounting, the CFO's of both institutions have also been communicating and working on this.

Vice Chair Hayes referred to the "Capital Planning" outline on page five of the UNLV Athletics Annual Report and commented that it is from 2013. Athletics Director Reed-Francois said the outline is the most recent information they have and she decided to include it in the Annual Report. On September 25, 2017, they will begin to work on the mission statement and core values, and will then create the strategic plan which will be ready to present to the Committee in spring 2018.

Vice Chair Hayes referred to page 12 of the UNLV Athletics Annual Report and expressed concern regarding the low GPA on various men's athletics teams. Athletics Director Reed-Francois said that although she cannot speak to what was occurring in fall 2016 or spring 2017, she can share that for summer 2017 the men's basketball team has a 3.25 GPA, and the football team is at a 2.99 GPA. Overall, she agreed with Vice Chair Hayes that the GPA level for the men's athletics teams is an issue they are working on monitoring and addressing.

Vice Chair Hayes referred to page 19 of the UNLV Athletics Annual Report and asked for a breakdown of the numbers within the budget and if the numbers were consistent with what was given to the Committee at the June meeting. Mr. Rhett Vertrees, Associate Vice President, Auxiliary Financial Services and Campus Audit, UNLV, confirmed that the numbers can be reconciled.

3. No Action Taken-Review of Athletic Department Annual Reports – *(continued)*

He said there was a change in the structure of the Athletics Department and with that change, the report was reformatted. Associate Vice President Vertrees offered to send the reconciliation information to the Committee. Vice Chair Hayes believed the report Associate Vice President Vertrees will send will answer a lot of his questions. He added that in the future the Committee may want to discuss creating clear directions for the institutions on what budget information they would like to see from the athletics departments.

Addressing a question from Regent Del Carlo, Athletics Director Reed-Francois acknowledged the hard work of her colleagues on the new UNLV logo over the past year and a half. She said the Athletics Department will be very strategic and fiscally responsible in how the logo will be utilized.

In response to an inquiry from Regent Crear, Athletics Director Reed-Francois said that President Jessup has allocated funding to replace the track surface. UNLV Athletics is also working with Planning and Construction on plans for a new track to hopefully be completed by spring 2018.

Athletics Director Knuth echoed the comments of Athletics Director Irvin in regard to offering the guidance of UNR Athletics to assist TMCC with developing athletics programs in the future.

Athletics Director Knuth presented highlights of the UNR Athletics Annual Report including the mission statement and values, unit missions, coaching staff responsibilities, the role of the athletics administrator, expectations of Wolf Pack student athletes, strategic priorities, a five-year financial analysis with budget/projections and expenditures, the balanced budget statement, the NSHE Internal Controls Report, fundraising, the capital expenditure report and a report of coaches recently hired.

Chair Moran commended Athletics Director Knuth regarding the average 3.0 GPA of the 400 UNR student athletes.

Chair Moran asked for details regarding the coordination efforts of the athletics programs between UNR and UNLV. Athletics Director Knuth said the UNLV and UNR Athletics Departments have been and are very supportive of each other. In terms of aligning operations and accounting reports, both departments will continue to work with the NSHE Audit Department.

Regent Carter was impressed with the four-year APR of both the UNLV women's golf team and the UNR women's cross-country, women's golf and women's volleyball teams. He requested an annual chart of the APR scores be provided to the Committee for tracking purposes. Athletics Director Knuth answered they track the four-year rolling average because that is how the APR is

3. No Action Taken-Review of Athletic Department Annual Reports – *(continued)*

calculated. The NCAA reports on the four-year rolling average and clarified there is a substantial reason why the four-year number is used; however, UNR can create an annual breakdown and add line items of each year, which will add up to the four years, to make it easy for the Committee to view the scores year by year.

Vice Chair Hayes asked if UNR Athletics had any set deadlines for some of their plans presented. Athletics Director Knuth said there are two items currently being developed which are a strategic plan and a tactical plan. The strategic plan is more visionary and long-term - at least a 5-year plan. The tactical plan is a road map for how they will achieve each of the larger goals. It should be complete by fall 2017 and he will share it with the Committee shortly thereafter.

Vice Chair Hayes commented he did not find it acceptable that the UNR men's basketball team had a GPA average of 2.28 in spring 2017.

Vice Chair Hayes referred to page 26 of the UNR Athletics Annual Report and asked about priority seating over the last couple of fiscal years. He wanted to know the reason why there was a cost increase for priority seating in FY17 and why the future projections do not reflect the increase in the following year. Athletics Director Knuth explained that when Mackay Stadium was renovated in FY17, chair backs were installed for the priority seats and the price was doubled for each of those seat donations which greatly increased the revenue. He further explained that their projected revenue for the following year is conservative due to a coaching change and the unpredictability of the fan base.

Mr. John Nunn, Chief Financial Officer, UNR Athletics, clarified for Vice Chair Hayes that the Athletics Department incurred the costs for the Mackay Stadium renovation and the scoreboard starting in FY16-17. This would explain the seemingly drastic changes in the budget over the past few fiscal years listed under the "Transfers In-Debt Payments" line item on page 26 of the UNR Annual Report.

Vice Chair Hayes stated the budget report before the Committee has not been updated and asked when a revision of the report would be submitted. Dr. Marc A. Johnson, President, UNR, answered they had made a late submission of the updated report to the Board office. The revised report will be presented in the September 2017 Business, Finance and Facilities Committee meeting.

4. Information Only-UNLV Athletic Department Budget Deficit Reductions – The Committee received a report from UNLV concerning actions it has recently taken to reduce the athletic department's accumulated budget deficit (*Ref. ATH-4 on file in the Board office*).

Dr. Len Jessup, President, UNLV, shared his belief in the value of investing in athletics, as it not only unifies the institution, but also engages the community and

4. Information Only-UNLV Athletic Department Budget Deficit Reductions –
(continued)

ties the institution and the public together. He also believed the allocation to the UNLV Athletics Department is an appropriate amount to invest compared to what other institutions throughout the nation invest in their athletics departments.

Athletics Director Reed-Francois presented information, based on comparative data from 2015-2016 in the Mountain West Conference for public institutions, on funding for athletics departments at other institutions. Based on that data, in FY16 UNLV was the third lowest in the entire country in regard to institutional aid.

President Jessup said they are currently working on the new budget model for UNLV Athletics, which will include the amount contributed from institutional support and establishing a hard-set number that will not be changed throughout the entire year. He also provided a breakdown of the financial sources for UNLV Athletics which included the general improvement fee and the state general fund money.

Chair Moran asked for a brief explanation of the two state general fund accounts and the accounting behind both. Mr. Chris Viton, Controller, UNLV, answered the amounts for both state general fund accounts were originally budgeted with the set amounts to allow expenses to be consumed for facilities. It is an allocation from other facility operation and maintenance budgets within the state general fund.

Chair Moran asked how the amounts which come out of the different funds were determined. President Jessup answered that they used to determine the amounts at the end of the year, but are revising that and will now set the allocation amounts at the beginning of the year for the purpose of having a more solid budget plan. He confirmed for Chair Moran that the upcoming end-of-year NCAA report will include all of the updated funding and budget information.

President Jessup continued the report which included an explanation of the additional funding sources: the excess student fees for student athlete financial aid and the central administrative overhead assessment. He noted in the past year athletics was slightly over in expenses and revenue was low, which is what threw off the budget and extra institutional support was provided; however, they are committed to returning to balanced budgets going forward.

Regents Lieberman, Crear and McAdoo shared their support for the new athletics budget model and strategy presented by President Jessup.

Regent Carter asked if institutional support will be listed as one line item, or as a breakdown of funding sources in future budget reports. President Jessup said they are able to provide a breakdown of funding for this item.

4. Information Only-UNLV Athletic Department Budget Deficit Reductions –
(continued)

In response to a comment from Athletics Director Reed-Francois, Regent Carter expressed the importance of both UNLV and UNR reporting their accounting for the institutional support in the same way.

Chair Moran said the Board is considering revisions to the Bylaws concerning accounting reports for the athletics departments to ensure that not only will it be easy to compare between UNLV and UNR, but that they are in compliance with the NCAA requirements.

Vice Chair Hayes said it is a good idea to budget in advance as opposed to budgeting at the end of the year. He requested a detailed historical record of at least 3-4 years on the institutional revenue and bail-out support provided to UNLV Athletics.

Regent Del Carlo agreed with Vice Chair Hayes and said it would be beneficial to see a five-year pattern.

5. Information Only-New Business – Chair Moran requested that the institution Athletics Directors and System Staff review the list of athletic department related reports that are due for review by the Committee under Title 4, Chapter 14, Subsection 9, of the *Board of Regents' Handbook* and determine if revisions need to be made to that list, including (a) the information required, and (b) the timing of when those reports are reviewed by the Committee. He requested that any recommendations for changes to the policy be presented to the Committee for review and consideration at its next meeting.

Chair Moran requested that the Committee receive a report about ways to achieve greater consistency in athletic department financial data, accounting and budgeting, including an update on efforts underway to achieve such consistency.

Regent Crear left the meeting.

Vice Chair Hayes supported the New Business items proposed by Chair Moran.

6. Information Only-Public Comment – None.

The meeting adjourned at 2:26 p.m.

Prepared by: Winter M.N. Lipson
Special Assistant and Coordinator to the Board of Regents

Submitted for approval by: Dean J. Gould
Chief of Staff and Special Counsel to the Board of Regents