The Intercollegiate Athletics Committee of the University of South Carolina Board of Trustees met on Thursday, June 11, 2009, at 10:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Herbert C. Adams, presiding; Mr. Arthur S. Bahnmuller; Mr. Mark W. Buyck, Jr.; Mr. Toney J. Lister; Mr. Michael J. Mungo; Mr. Eugene P. Warr, Jr.; Mr. Miles Loadholt, Board Chairman; Mr. Samuel R. Foster II, Board Vice Chairman.

Members absent were: Mr. William C. Hubbard, Chairman; and Mr. Othniel H. Wienges, Jr.

Other Trustees present were: Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. William W. Jones, Jr.; Ms. Darla D. Moore; and Mr. John C. von Lehe, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Planning and Interim Executive Vice President for Academic Affairs and Provost William T. Moore; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Interim Vice President for Advancement Michelle D. Dodenhoff; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Athletics Director Eric C. Hyman; Vice Provost for Faculty Development Christine W. Curtis; Associate Vice Provost for Academic Resources, Edward L. Walton; Associate Vice President for Finance and Budget Director, Division of Business and Finance, Leslie Brunelli; Special Assistant to the President J. Cantey Heath; Director of the Department of Internal Audit Alton McCoy; Assistant to the President and Athletics Director John D. Gregory; Executive Assistant to President for Equal Opportunity Programs Bobby Gist; Chief Financial Officer, Department of Athletics, Jeff Tallant; Executive Associate Athletics Director for External Affairs Kevin O’Connell; Deputy Athletics Director Marcy Girton; Director of Revenue for Development, Department of Athletics, Jeff Crane; Associate Athletics Director for Development, Bryan Risner; Vice Chancellor of Business and Finance, USC Aiken, Virginia S. Hudock; Chair of the University Athletics Advisory Committee Manton Matthews; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Faculty Athletics Representative William (Bill) O. Bearden; Faculty Senate Chair-Elect Patrick D. Nolan; Director of Media Relations, Division of University Communications; and Special Assistant to the President J. Cantey Heath.
Advancement, Margaret Lamb; President of the Student Government Association Meredith Ross; University Technology Services Production Manager, Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Presiding Chairman Adams called the meeting to order, welcomed everyone, and asked Board members to introduce themselves. Ms. Lamb introduced members of the media who were in attendance.

Presiding Chairman Adams stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the Committee; and a quorum was present to conduct business.

I. Athletics Director’s Report: Mr. Hyman stated that the department was trying to build a nationally prominent program and “battle” for championships. He reported that the football team had played in the Outback Bowl; the men’s basketball team was the SEC East co-champs for the first time since 1997; and that the baseball team had made the NCAA Regional Finals and had accomplished their 10th consecutive postseason appearance.

The University had received an award in recognition of its football, men’s basketball, and baseball teams for recording at least a .500 record in all three sports in the same season. The women’s tennis team had advanced to the quarterfinals of the NCAA championships and finished 17th nationally, the best NCAA showing since 1982. Also, the men’s golf team reached the final rounds of the NCAA championships and finished 16th nationally; the women’s indoor track team finished 12th nationally; and the men’s indoor track team finished 20th nationally.

Mr. Hyman reported that student-athlete Lakya Brookins was the NCAA Indoor 60-meter dash National Champion; the men’s outdoor track team ranked 6th nationally; the men’s tennis, women’s golf, and women’s soccer teams participated in NCAA postseason competition; the volleyball team finished with a 21-9 record, its best since 2002; and the women’s basketball recruiting ranked 4th nationally.

During the past five semesters, USC had the highest number of student-athletes on the SEC commissioner’s academic honor roll. The department’s goal was to have champions in the classrooms as well as on the field of competition.

In spring 2009, 17 of 18 teams finished with an APR (Academic Progress Rate) above 925, and 15 teams had an average GPA over 3.0. The men’s basketball team had an average GPA of 3.0 and the football had an average GPA of 2.7. These were the highest on record.

Mr. Hyman reported that the women’s basketball player Brionna Dickerson had been awarded the “Brad Davis SEC Community Service Post-Graduate Scholarship.” This scholarship was the second most prestigious SEC Award and the total amount was $6,000.

In men’s golf, Mr. Mark Silvers III was named SEC Scholar-Athlete of the Year.

Finally, student-athletes Jamon Meredith and Ryan Succop were inducted into the 2009 National Football Foundation Hampshire Honor Society.
Mr. Hyman expressed the importance of conducting exit interviews with student-athletes in an effort to receive feedback of their experiences while attending the University. Listed below are some of the student’s comments:

My overall experience was once-in-a lifetime here.

The new Academic Enrichment Center is great because it shows student-athletes and parents that academics are important.

It felt like home when I was recruited and it has felt that way the four years I have been here.

As a student-athlete here, from the department, to administration, to head coaches, to academic support, everyone does their best to make sure student-athletes can reach their potential and make the experience as smooth as possible.

So many improvements since I have been here. Facilities have gone crazy. I came four years too early.

With the Dodie and the new baseball stadium, it will be tough for anyone to turn us down.

I feel like I had access to anything I needed, and able to express myself and people would listen.

Academics and athletics great.

Could not imagine going to another school.

Mr. Hyman gave an overview of the YES (Yearly Equitable Seating) Plan.

He reported that an assessment of the program needs was conducted; and it was determined that the athletics’ facilities were substantially below SEC standards. Also, SCOA (Special Committee on Athletics) identified opportunities to generate revenue to address facility needs through seat donation programs. Research was conducted and revealed that 10 of 12 SEC institutions had implemented seat donation or license programs. In addition, a study was conducted of 20 institutions that had previously implemented such programs, and the Athletics Department visited 14 of those institutions.

Mr. Hyman discussed the assets and liabilities of the YES Plan, which was developed by the SCOA approximately 26 months ago. Initially, the YES Plan goal was to generate $11 million in revenue to address facility needs, provide opportunities for better seat locations, and provide opportunities for new season ticket holders. The YES Plan was revised to generate $7.5 million. The downturn in the economy resulted in the YES Plan budget projection of $4 million, but the current Plan generated $6.3 million in revenue.

Mr. Hyman stated that there was a reduction in the number of season tickets sales, and a reduction in number of Gamecock club members. Approximately 56,000 season football tickets were still available for sale. To date, approximately 49,000 season tickets had been ordered, which represented a 12 percent decrease. However, ticket sales were still a work-in-progress. Mr. Hyman stated that the budget estimated $17.4 million but football tickets ordered totaled $15.6 million, which left a difference of -$1.8 million. The higher priced seating, which ranged from $325 to $395, was the first to sell and had virtually sold out (99 percent). High profile games such as Clemson and Florida were expected to sell out. The SEC games (Ole Miss, Kentucky, and Vanderbilt) were expected
to draw good attendance. The games with the most vulnerability would be the 1AA schools and mid-level games, such as Florida Atlantic and South Carolina State.

Mr. Hyman reported that the Gamecock Club membership was down 11 percent. However, the new member acquisition plan had been implemented and had produced 1,000 new members. This year, a season ticket holder could buy two season tickets for less than last year. In the past, to buy season tickets, one had to be a member of the Gamecock Club at the level of Century Club. This year, the Athletics Department had allowed those in the lowest level of the Gamecock Club ($55) to purchase season tickets, as opposed to having to be a member of the Century level ($165). The disadvantage of a membership at $55 was that the ticket holder might have to move seats the next year, whereas a Century Club membership would ensure fans access to those same seats the next year.

Mr. Hyman stated that Mr. Jeff Tallant would present the Athletics Department's budget proposal for FY 2009-10 Budget.

Presiding Chairman Adams stated that the Athletic Director’s report was received for information.

II. Department of Athletics FY 2009-2010 Budget: Mr. Tallant gave an overview of the proposed FY 2009-10 Budget. He stated that the Athletics Department was totally self-supporting, funding all direct and indirect expenses. In addition, the Athletics Department provided funds to the University for the General Fund. All athletic revenues, including Gamecock Club donations, were non-appropriated State funds and were deposited with the University.

Mr. Tallant reported that total Transfers and University Support for FY 2009-10 was $12,961,778. The Athletics Department would provide the University financial support for the following programs:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>$ 1,750,000</td>
<td>SEC/ESPN Money - University Scholarships and support</td>
</tr>
<tr>
<td>$ 250,000</td>
<td>Athletics allotment of Trademarks and licensing money</td>
</tr>
<tr>
<td>$ 650,000</td>
<td>Annual payment for indirect cost recovery</td>
</tr>
<tr>
<td>$ 54,808</td>
<td>Annual contribution to Student Affairs/Student Government</td>
</tr>
<tr>
<td>$ 250,000</td>
<td>Annual transfer for University Scholarships</td>
</tr>
<tr>
<td>$ 375,000</td>
<td>Matching Gifts from Foundation to University Scholarships</td>
</tr>
<tr>
<td>$ 614,000</td>
<td>Clemson Football Game Scholarship</td>
</tr>
<tr>
<td>$ 186,000</td>
<td>Annual support to the University band</td>
</tr>
<tr>
<td>$ 3,000</td>
<td>Annual support of University Martin Luther King Celebration</td>
</tr>
<tr>
<td>$ 8,828,970</td>
<td>Estimated grants and aid for all student athletes</td>
</tr>
<tr>
<td>$12,961,778</td>
<td>Total Transfers and University Support</td>
</tr>
</tbody>
</table>

Mr. Tallant stated that total revenues from departmental operations were estimated to be $67,797,383. The admissions (ticket revenue) was projected to be $19,970,213 and comprised 30 percent of the budget; SEC revenues $16,150,000 (24 percent); Gamecock Club revenues $13,372,500 (20 percent); Other Revenues $8,434,350 (12 percent); Premium Seat Payments $7,710,320 (11 percent); Student Fees $1,955,000 (3 percent); and Guarantees
Mr. Tallant projected ticket revenues from the top three University sports programs: Football, $17,348,238; men’s basketball, $1,685,000; and baseball, $875,000.

The estimated football revenue for FY 2009-10 was approximately $20.4 million.

This year, the University would pay $1,280,000 in guarantees to three teams: Florida Atlantic, SC State and Clemson.

Departmental expenditures for FY 2009-10 would be approximately $53,228,221. Total salaries and benefits were $18,833,673 (35 percent); general and administrative $11,789,823 (22 percent); grants-in-aid $8,828,970 (17 percent); team travel $3,904,920 (7 percent); game services $3,122,170 (6 percent); supplies and equipment $2,202,535 (4 percent); guarantees $1,776,450 (3 percent); other services $1,186,490 (2 percent); recruiting $985,210 (2 percent); and general travel $897,980 (2 percent).

Mr. Tallant reported on the Colonial Life Arena operations revenues, expenditures and transfers. The Net Arena Revenues was $5,364,443; Net Arena Expenditures was $4,999,406; Transfer for Arena Construction (suites) $500,000; Other Transfers $45,000; and Transfers from the University $245,000. Therefore, the Net Arena Revenue over Net Arena Expenditures/Transfer to Debit Services totaled $65,037.

Mr. Tallant stated the Colonial Life Arena revenues were as follows: ticket revenue $2,150,909 (40 percent); advertising $1.1 million (20 percent); suites $940,990 (18 percent); concessions and novelties $580,000 (11 percent); box office fees $470,064 (9 percent); and other revenues $152,480 (3 percent).

The Colonial Life Arena operations expenditures were as follows: personal services and fringe benefits $1,764,693 (35 percent); show/event expenditures $1,496,773 (30 percent); utilities $670,000 (13 percent); general and administrative $547,609 (11 percent); management fee $250,000 (5 percent); event and other services $223,668 (5 percent); travel and entertainment $42,921 (1 percent); and supplies and uniforms $3,742.

In summary, Mr. Tallant stated that for FY 2009-10, the Athletics Department’s total revenues were $73,161,826 (including athletics operations and Colonial Life Arena); total expenditures and transfers were $72,118,576; leaving a balance of $1,043,250 in revenues over expenditures and transfers. The beginning Fund Balance was $9,573,870 and ending Fund Balance would be $10,617,120.

Mr. Adams called for a motion to recommend the Athletics Department’s proposed budget to the Executive Committee for inclusion in the University’s FY 2009-10 Budget. Mr. Loadholt so moved. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

There being no further matters to come before the Committee, Presiding Chairman Adams declared the meeting adjourned at 11:30 a.m.

Respectfully submitted,

Thomas L. Stepp

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