

BUDGET PLANNING COUNCIL
MINUTES
June 1, 2007

Present: Bill Decatur, Kathy Krendl, Rich Carpinelli, Joe McLaughlin, Phyllis Bernt, David Thomas, Morgan Allen, Dominic Barbato, Gail Houlette, Wendy Merb-Brown, Aimee Howley, John Day, Gary Neiman, Greg Shepherd, Morgan Vis, and Dennis Irwin.

Absent: Darrell Winefordner and Dawn Copeland

Guests: Tim Vonville, Diane Lucas, Kirby Hocutt, Rob Andrey, and Elizabeth Boyle

Vice President Decatur reviewed the two Preliminary FY 2008 Control Totals – General Fee documents and the Summary of General Fee Scenarios handout.

1) ICA Budget Presentation and Discussion:

Athletic Director Kirby Hocutt and Associate AD for Business Robert Andrey attended the BPC Meeting in response to an invitation from the committee to present information and answer questions.

History

- a) Athletics is a small component of Higher Education
- b) Athletics supports the mission of the university
- c) Ohio University's athletic program is in the top 25 in public institutions to graduate athletes
- d) OHIO program has received several academic and competitive awards this year, although it has been the most challenging year for ICA
- e) Three issues in ICA are 1) Fiscal Responsibility 2) Title IX Compliance and 3) State of Program
- f) The mandate from the President to AD Hocutt was to become fiscally responsible and compliant with Title IX regulations; Ohio University sponsors the second highest amount of programs in the MAC (20) with the lowest budget

Actual Fund Balance (see slide)

- This slide shows the historical summary from FY 2003-FY2006. Discussion relating to this slide included the strategic decision to invest in the football, volleyball, and basketball programs, hire a financial analyst and team physician, the cost of salary increases for the programs and scholarships, and the decision to not distribute the \$1.5M the Board of Trustees agreed upon.

Fund Balance Projection (see slide)

- This slide shows the projected fund balance from FY2007-FY 2012. Comments regarding this slide include the fact that by taking no action a negative fund balance of \$6.5M would occur. Plans for revenue generation include 6% in the area of concessions, marketability, and season ticket sales (football sales have increased 88% and men's basketball 50%); a corporate deal with ISP for \$20,000-\$30,000 over five years; branding

and marketing of apparel; and summer camp revenue. No annual fundraising has occurred at this point in time. AD Hocutt notes that coaching levels are not currently at NCAA permissible levels.

Title IX (see slide)

- The Title IX amendment protects against discrimination and establishes a three-prong test for compliance that includes ‘proportionality’ in respect to headcount for undergraduate enrollment, while also tracking the history of an institution’s expansion of programs for the underrepresented sex. Under the 1995 Plan for Title IX Compliance (slide), Ohio University was certified in 1998 due to increasing female participation opportunities in golf, soccer and lacrosse. The addition of these programs ‘bought’ the university compliance for five year; however, this window will be ending at which time a women’s sport will need to be added. The ‘giving program’ was dissolved in 1996 creating an additional burden.

Other MAC Institutions (slide)

- Information shows that cuts have been occurring in programs at other MAC institutions since 1999. OHIO ranks 38th nationally in athletics participation, but ranks 110th in funding (slide). By eliminating men’s track and field, the count doubled for the students while only affecting half the number of students. Quotes from Ohio Head Coaches (slides) indicate the unacceptable living and traveling conditions for athletes in a Division 1 program.

Vision for Ohio University Athletics

- Steps will be taken to ensure the continued success enjoyed this year. Ohio University will be in compliance regarding “proportionality” next year, although other gender and equity issues are still present. The NCAA review will occur next year, chaired by Vice President Kent Smith—faculty suggest that future committees should incorporate their input by their representation on those committees.

Discussion:

- The \$1M and \$1.9M scenarios were presented to the Student Senate
- Question: How would ICA handle the \$580,000 shortage if the student recommendations were approved? Answer: Private fundraising dollars would have to be used, as well as use of some scholarship dollars which could place OHIO in a participatory mode vs. competitive a competitive one
- “Gap Insurance” expense for athletes
- “Guarantee game” revenue is budgeted toward operational expenses
- 0% scenario = \$1.3 M deficit whereby no reallocation is possible.
- The 0/0 scenario would produce more state dollars and could afford an opportunity to ‘rebalance’ or ‘shift’ dollars to the General Fee Operations
- The actual ICA deficit could be \$1.5 M (not \$500,000); therefore necessitating a multi-year strategy
- Question: Please discuss the positive and negative effects created by OHIO dropping from a Division I to IAA program. Answer: The only potential benefit is savings in

number of scholarships awarded. Savings in the ICA area can only occur in three areas: salary, operations and scholarships. Absolutely no thought has been given to this option.

- \$450,000 is needed by ICA to ‘operationalize’ 12 sports at Division I (minus the four football, volleyball, men and women’s basketball sports)

2) Arts for Ohio Proposal: (see handout from Dean McWeeny distributed through e-mail)

- The proposal is a very good one; however the challenge is how to fund it. Provost Krendl will search for available funds from her area. The future attendance and participation rates in the Arts Program need to be tracked and captured to document the success of the program.

3) General Fee Funding Recommendations:

- A suggestion was made for a \$5 student fee that students could opt out to generate revenue for the Arts, much like the current Legal Service Fee; this type of fee would not be subject to ‘caps’. This could possibly be a “budgeting solution”; however, the potential problem would be an inconsistent budget due to the opportunity to waive the fee. All suggestions of this type would first need to go to the Student Fees Committee.

The next (and final) meeting scheduled is Friday, June 15, 2007 from 10:00 a.m.- noon in Baker University Center 239.