

**Faculty Athletics Committee**  
**May 6, 2021**  
**Location: Zoom**

**Present:**       **Committee Members:** Rita Balaban, Lissa Broome, Stacey Daughters, Melissa Geil, Kevin Guskiewicz, Dave Hartzell, Daryhl Johnson, Robert Martinez, Aimee McHale, Ed Shields, Keia Sanderson (incoming member), Jay Smith, Abbie Smith-Ryan, Tania String

**Advisors:** Michelle Brown (ASPSA), Debbi Clarke (Provost's Office), Bubba Cunningham (Athletics), Vince Ille (Athletics)

**Student-Athlete Representative:** Maddy Clahane

**Guests:** Martina Ballen (Athletics), Emily Blackburn (Chancellor's Office), Robbi Pickeral Evans (Athletics), Dwight Hollier (Athletics), Leslie Kreizman (ITS), Cricket Lane (Athletics)

I.       Welcome and Introductions

Welcome and Introductions

Committee Chair Daryhl Johnson welcomed everyone to the meeting. All committee members and guests introduced themselves.

II.       Housekeeping Items

Minutes

The minutes for the March meeting were approved. The April meeting was cancelled because of the press conference announcing Coach Williams' retirement.

Team Liaison Update and Connections

Melissa Geil shared that Women's Soccer is participating in NCAA tournament and will play again on Sunday. Geil asked for an update on Gymnastics and Bubba Cunningham said that the Athletics team has followed up with all parties that were mentioned at the SAAC/FAC listening session and will continue to follow up as appropriate. Cunningham noted that the Gymnastics, Rowing, and Women's Golf coaching searches have been approved and will be posted soon.

Dave Hartzell reported that the Men's Soccer team is participating in the NCAA tournament and will play Stanford in Cary tonight. Hartzell met with student-athletes this semester to get feel for how they're doing and if there are any issues that they are concerned about. Hartzell noted that he also made the same connection with the coaches. The student-athletes liked the year-round schedule necessitated by the pandemic and are hopeful that this change might become

permanent. Hartzell noted that Women's Tennis is on a fantastic roll. They continue to see great success.

### FAC/SAAC Listening Session Debrief

Aimee McHale requested that all summaries from the FAC/SAAC Listening Session be sent in to her so that they can be combined and prepared for discussion at an upcoming meeting. Some issues were immediately discussed with Cunningham following the session.

### III. Chancellor Remarks

Chancellor Guskiewicz thanked FAC members for their service this year said he was glad to join FAC for the final meeting of the semester. Guskiewicz congratulated new FAC Chair Melissa Geil and Vice Chair Robert Martinez and welcomed new members Lisa Rahangdale, Keia Sanderson, Isaac Unah, and Erianne Weight. Guskiewicz thanked the members rolling off FAC for their service to the committee and University: David Hartzell, Chair Daryhl Johnson, Ed Shields, and Tania String.

Guskiewicz noted that the University celebrated LDOC yesterday; while it's been difficult, he has been amazed by the strength and resilience of our community and is proud of how far we have come this year. The University successfully kept COVID-19 cases low, limited the spread of the virus, and allowed our campus to focus on our mission of teaching, research, and service. Guskiewicz is looking forward to Spring Commencement with Dr. Kizzmekia Corbett and Dr. Anthony Fauci speaking.

The University has had five sports teams ranked #1 this spring. Both our Men's and Women's Lacrosse teams are ACC champions; Field Hockey is in the Final Four, Women's Soccer has made it to the Elite Eight, and Women's Tennis is the top-seeded team in the NCAA tournament for the first time in their history. University leadership is asking faculty to work with students who have exam conflicts because of post-season competition.

We are preparing for typical campus operations this fall based on what we are hearing from our experts. Employees are returning to campus on July 19 to prepare for students' return. Like the rest of the world it's a complicated time: we can see the light at the end of the tunnel, but we're not at the end of the tunnel yet, although Guskiewicz expressed confidence that we will be able to get there. Guskiewicz ended his remarks by thanking Bob Blouin for his service as Provost. Guskiewicz said that Blouin has been a source of unwavering support, guiding some of our most important and challenging work. Blouin goes the extra mile in everything he does; he's routinely the first person in South Building and the last one to leave each day. Guskiewicz expressed gratitude for his steadfast support and passion for Carolina's mission to serve our state, nation, and the world. Blouin will continue to serve until his replacement is named, most likely by late fall.

### IV. Athletics Administration

FAC members Stacey Daughters and David Hartzell reported that updates are minimal regarding facilities usage due to the pandemic. They will invite Rick Steinbacher to a meeting next year to share an update once things get back to normal. Daughters and Hartzell introduced Martina Ballen, Senior Associate Athletic Director and Chief Financial Officer for the Department of Athletics.

Ballen gave a review of the Athletics Department budget. She noted that Football and Men's Basketball are the only two sports that generate a surplus. Operating losses span from \$20,000 (JV basketball) to \$2.9 million (women's basketball). The 2020 fiscal year ended with a \$2.6 million deficit. With the onset of the pandemic in March, the department incurred an immediately loss of \$2.3 million. The department's reserves were completely depleted, but did cover this shortfall. The finance team ran a multitude of models and budget scenarios, and there was a consideration of cutting certain sports or reducing scholarships in some sports, although after consultation with the Chancellor and other University leadership, these extreme options were not pursued.

Personnel expenses were reviewed, and a spending and hiring freeze was implemented on March 18, 2020. Staff making under \$100,000 are subject to a three-week furlough. Salaries for those earning between \$100,000 and \$200,000 were temporarily reduced by 10%, while salaries over \$200,000 were reduced by 20%. This resulted in a \$2.5 million savings. The hiring freeze generated about \$1 million in savings. In sports with endowments, half of the spending amount from the endowment went towards the sport's operating budget; other sports received a 10% reduction in their operating budget. Travel allowances, administrative meals and snacks, professional development travel and Nike tournament funding were all cut. Conversations with Vice Chancellor for Finance and Operations Nate Knuffman and Steve Agostini resulted in the delay of debt repayment to the University until 2024.

Ballen noted that Athletics is optimistic for the FY 2022, with the hope of generating at least 60% of normal ticket revenue (\$10 million). Salaries will be moved back to normal levels with plans to budget for a 2 percent salary increase if included in the University budget by the General Assembly. Contracted salary increases have already been accounted for in the main budget. Athletics is also working to ensure that Title IX projects remain underway and funding has been secured for projects such as the Women's Basketball practice facility and locker rooms and the rowing boat replacement program for the Rowing team. With these assumptions, the FY 2022 balance will result in a \$4.1 million deficit. The Ram's Club will provide some assistance with budgetary shortfalls, with the remainder to be covered by the University until the Athletics Department can repay the shortfall.

Ongoing challenges include the financial strains of the pandemic, continued sport sponsorship, Title IX campus composition, Name, Image & Likeness, and the upcoming findings from the *Alston* case.

Financial opportunities include revenue generation options through Aramark, ticket sales, and facilities usage and the hoped for ACC TV Network expansion to Comcast.

## V. Academic Performance

## Process 12.0 Academic Performance Monitoring

Rita Balaban and Tania String did not present any recommendations for changes to the processes themselves, only slight changes to the wording and these suggestions have already been addressed.

## Process 17.0 Honor Court

The NCAA mandates that student-athletes fall under a student conduct entity. Tania String met with Michelle Brown, Marielle vanGelder, and Aisha Pridgen. Minor verbiage edits were made and a sentence regarding SAAC representatives attending student conduct meetings was deleted.

### VI. Athletic Director Update

Athletic Director Bubba Cunningham reported that 30 states have passed laws that permit student-athletes to profit from their name, image and likeness (NIL), but North Carolina is not one of them. The Supreme Court decision in the *Alston* case is expected this summer. It will determine whether the NCAA may limit benefits to student-athletes related to education. Mark Emmert, current NCAA president, was recently given a contract extension. Cunningham believes the NCAA governance structure is not worked as intended. He noted that we tried to move away from the one-school, one-vote model to a system where schools are represented by their conferences, but many are concerned that member institutions no longer have confidence in those decision-making bodies.

Jim Phillips, our new ACC Commissioner, was on campus last week. Cunningham extended thanks to the FAC members who were able to come and meet him. Phillips was able to meet with many coaches, and the Women's Lacrosse, Baseball, and Women's Field Hockey teams. He also had a great conversation with the Student-Athlete Advisory Committee about the pandemic, academics, and competition.

Athletics has multiple teams still competing in ACC and NCAA championships. UNC is hosting the NCAA field hockey championship. Athletics has followed up with the concerns that were shared following the listening sessions with SAAC. Official and unofficial visits by prospective student-athletes will begin June 1. We have protocols and safety checks in place for these visits. Camps will proceed in limited capacity with testing protocols in place. No one under 18 will spend the night on campus for camps. Cunningham thanked Dr. Mario Ciocca for putting in place a safe protocol for both campers and staff.

Seventy former student-athletes have participated in Complete Carolina and 34 have graduated. All others are continuing with the program. Aimee McHale congratulated Michelle Brown and her team for this achievement.

### VII. ASPSA Update

Assistant Provost & Director, Academic Support Program for Student-Athletes Michelle Brown began her remarks by noting that many teams are competing through the final exam period. We've been working with students and faculty members to schedule make up exams when

needed. Accessibility Resources & Services and Advising have offered to help accommodate makeup exam times. Recently, a letter was sent by the Provost to notify faculty in advance that some teams may face exam conflicts.

GSR is due in June. ASPSA has most of the information in the system. Coaches will have an opportunity to review the information and then Chancellor Guskiewicz will have a month to review and then submit to the NCAA.

APR typically comes out in May or June but will be suspended for 2021 and 2022. All penalties have also been suspended but none of our teams are in the penalty range. Unfortunately, the NCAA will not be recognizing the teams in the Top 10 Percent of their sport, which will break some of the streaks that some of our teams have.

Academic achievements are being recognized around this time of year. The awards committee led by Kathy Zambrana has come up with graphics to help recognize these student-athletes on our website and social media. These awards included the AD Scholar-Athlete for each team and the Top 10 Scholar-Athletes overall. The Top 10 were notified last week and are preparing their speeches for distribution in the next couple of weeks.

Vince Ille and Michelle Brown have submitted the Intercollegiate Athletics Report to the UNC System Office which required a great deal of teamwork across campus.

#### VIII. Faculty Athletics Representative Update

Faculty Athletics Representative Lissa Broome began her remarks with an NCAA update, noting that the *Alston* case was argued before the Supreme Court on March 31. Regarding Name, Image and Likeness (NIL), several state bills are set to go in effect on July 1, 2021. There are currently some choice of law issues regarding state laws that relate to NIL. The Uniform Transfer Rule was adopted permitting student-athletes in all sports a one time transfer exception and the opportunity to play immediately at the new school. The NCAA is conducting an equity review for the NCAA Men's and Women's Basketball Tournaments.

At the ACC level, Commissioner Jim Phillips had a successful visit to campus on April 28. The ACC Board of Directors met on March 10, where the ACC Intraconference Transfer Rule was repealed. Their next meeting is scheduled for May 18. Three ACC Postgraduate Scholarships of \$6,000 were awarded to 3 UNC student-athletes: Chris Gray, Men's Lacrosse, Management and Society major with plans to attend KFBS for his MBA; Rachel Jones, Women's Soccer, Public Policy major and President of SAAC with plans to attend law school; and Ally Mastroianni, Women's Lacrosse, double major in Media & Journalism and Communication Studies with plans to attend graduate school in a related field. ACC Governance Groups will meet from May 10 to 14, and agenda items include a Medical Advisory Group Update, a DEI discussion with Derrick Gragg, NCAA Chief Diversity Officer and Mary McElroy, Senior Associate Commissioner and Chair of ACC Champions of Racial Equity (CORE). For the FAR Advisory Committee, agenda items include updates on NCAA Committee on Academics, Working Group on Transfers, and transfer data report, a discussion with three Academic Support Directors (including Michelle Brown), and a review of the ACC FAR Handbook.

At the University level, as Michelle Brown stated, a University-wide email was sent to affected faculty regarding post-season competition conflicts and make-up exam accommodations for student-athletes' finals for up to 14 teams.

## IX. Departing FAC Member Reflections

FAC Member Dave Hartzell thanked the FAC for opportunity to be a member and is grateful for the wealth of knowledge that has been shared in this setting towards the betterment of the student-athletes. The new members are incredibly impressive and will no doubt contribute positively to the FAC. Hartzell thanked the Athletics team for how hard they work to make the department the incredible operation that it is. Hartzell expressed a great deal of confidence in the abilities of Athletics and looks forward to learning about what's in store. Hartzell congratulated Michelle Brown for all the hard work that her team does to support the success of students academically and professionally.

FAC Member Ed Shields echoed the sentiments of Dave. COVID-19 has been the biggest challenge that the University has faced in 50 years, with the 1968 water shortage coming in close second. In his years here, he was very connected to athletics but did not know the importance of FAC until joining the committee. Shields expressed his thanks to the committee for all the important work that they have done.

FAC Member Tania String thanked Daryhl, Kim, Melissa, and Lissa Broome for their continuity and expertise. String thanked colleagues Rita Balaban and Jeff Spang for their teamwork and passion for meaningful advances in the student-athlete space. String noted that working with Michelle Brown and her team has been a fantastic opportunity. String thanked Dwight Hollier and Bubba Cunningham for allowing the FAC to enter your world of athletics and being so welcoming. The FAC team liaisons play a critical role and will continue to do important work for our student-athletes. These efforts forge a strong and meaningful relationship with teams and coaches. A highlight of String's time on FAC was an event about student-athlete mental health that included an excellent student panel and real change at the administrative level towards mental health. String encouraged the FAC to know their work and continue to do it behind the scenes, not just two days before each meeting. This will enable a great deal of satisfaction at the end of the year and the feeling of making a major impact.

FAC Chair Daryhl Johnson noted this committee has been a part of his life for six years; it becomes more than an obligation. Johnson thanked the committee for allowing him to lead and for giving him their trust. Through this position, Johnson was able to meet a number of people in different roles across the university after joining the committee as just a doctor and former student-athlete. Johnson thanked Lissa Broome for sharing her insights and pushing him to lead the best FAC possible. Johnson expressed hope that he was able to leave this committee better off than when he first joined. Johnson expressed pride that the FAC did a lot of good work without agendas and politics, and shared hope that FAC will build upon that culture to do more good in the future. On a personal note, Johnson shared that he has grown professionally because of this committee and the relationships and bonds that have been fostered. This group is action-oriented and Johnson encouraged FAC members to use that motivation and the support of the Athletics team to continue to make an impact across campus for student athletes. Johnson

expressed excitement to work with Cricket Lane on the PATH Med project to enable student-athletes to pursue graduate opportunities in medicine. Johnson encouraged everyone to call on him anytime and thanked everyone who he has learned from and the support that was provided for him.

Lissa Broome read a statement from Melissa Geil thanking Johnson for his service:

Daryhl, I am so grateful for your leadership, your insights, and your mentorship. You're a tireless advocate for our student-athletes and an incredible captain steering our committee through some very choppy waters. You've come to meetings after working night shifts for a week, you've helped PathMed while helping the hospital get recertified for trauma, and you've moved the needle on issues ranging from student-athlete mental health to priority registration. And you've done all of this while raising two incredible future student-athletes of your own. You're also the only person I know who has left a meeting because the helicopter that had just flown over South Building carried an emergency patient that you had to go operate on. And while I don't yet want to imagine the FAC without you, know that you've left us in a better place from which to continue the work that you have begun. We will miss you!

As a token of gratitude, the FAC presented Daryhl with a signed football from UNC Head Football Coach Mack Brown.

The meeting adjourned at 5:30.

Prepared by Lissa Broome and Emily Blackburn

Attachments:

Athletics Budget Presentation  
UNC Stat Sheet  
FAR Update





CAROLINA ATHLETICS

# TOGETHER WE WIN



WE EDUCATE AND INSPIRE THROUGH ATHLETICS





# Faculty Committee on Athletics Presentation

## April 1, 2021

Martina Ballen, Senior Associate Athletic Director, Human Resources & CFO





# Athletic Department Overview



## TOGETHER WE WIN

- **Mission:** We educate and inspire through Athletics
- **Priorities:**
  1. Student Athletes
  2. Coaches and Staff
  3. Carolina Community
- We exist to provide educational and athletic opportunities to over **800 student-athletes through participation in 28 varsity programs (15 women's sports and 13 men's sports with 21 total Head Coaches)**, and to serve the interests of the University by complimenting and enhancing its diversity and quality of life
- Through its athletic programs, the University seeks to unite alumni, donors, fans, faculty administration, and students in a common and shared experience
- **Recruiting Tool** – Not just for Student Athletes, but students from all lifestyles





# Athletic Department Financial Overview



- **Funding a broad-based program of 28 sports and over 800 Student-Athletes**
  - ❑ Funding 28 sport programs when only 2 generate a surplus – ***is this sustainable?***

Men's Sports			
Sport	Total Revenue	Total Expense	Net
Football	44,478,127	25,534,680	\$ <b>18,943,447</b>
Basketball	25,331,778	8,243,579	\$ <b>17,088,199</b>
JV Basketball	-	20,272	\$ <b>(20,272)</b>
Baseball	340,160	2,419,606	\$ <b>(2,079,445)</b>
Wrestling	175,275	678,035	\$ <b>(549,011)</b>
Lacrosse	137,718	665,444	\$ <b>(527,727)</b>
Golf	76,032	400,161	\$ <b>(324,129)</b>
Tennis	95,064	616,754	\$ <b>(521,690)</b>
Soccer	115,448	745,275	\$ <b>(629,827)</b>
Fencing	20,163	189,919	\$ <b>(169,757)</b>
Swimming & Diving	124,383	602,990	\$ <b>(478,607)</b>
Track & Field	12,964	769,140	\$ <b>(756,176)</b>

Women's Sports			
Sport	Total Revenue	Total Expense	Net
Basketball	143,436	3,085,216	\$ <b>(2,941,780)</b>
Lacrosse	105,322	668,525	\$ <b>(563,204)</b>
Golf	92,719	430,349	\$ <b>(337,630)</b>
Field Hockey	111,295	993,749	\$ <b>(882,454)</b>
Softball	43,424	740,177	\$ <b>(696,754)</b>
Tennis	95,024	623,961	\$ <b>(528,936)</b>
Soccer	171,855	1,059,205	\$ <b>(887,350)</b>
Volleyball	68,405	771,454	\$ <b>(703,049)</b>
Rowing	8,370	511,206	\$ <b>(502,836)</b>
Gymnastics	94,896	411,457	\$ <b>(316,561)</b>
Fencing	20,163	189,919	\$ <b>(169,757)</b>
Swimming & Diving	124,383	602,990	\$ <b>(478,607)</b>
Track & Field	12,964	769,140	\$ <b>(756,176)</b>

- **Direct Sport Expenses make up over 65% of total expenses (based on 21-22 budget)**
  - ❑ \$32M Sport Program Personnel
  - ❑ \$17.6M Sport Program Operations (Team Travel, Recruiting, etc.)
  - ❑ \$18.9M Scholarships
- **Personnel Expenses account for more than 1/3 of the budget**
- **New Facilities = New Debt - Additional Overhead**





# 2020 / 2021 Budget Challenges



## 2020 Final NCAA Report (June 30, 2020) = **\$2.6M deficit**

- ❑ \$2.3M NCAA Distribution loss (No Men's Basketball Tournament)
- ❑ Additional debt on new facilities (\$1.2M increase in 2020 – Kenan Seats and Video Board)
- ❑ Personnel Costs – Football transition / new staff, buyout, excise tax payments
- ❑ \$400K loss in spring sport ticket sales
- ❑ Losses offset by savings from spending and hiring freeze implemented March 18, 2020 and lack of team travel

## 2021 Budget Challenges – Scenario Planning

- ❑ Pre-COVID expectation = **\$9.3M** deficit (ACC Studio Debt - \$2.4M, \$4M increase in personnel)
- ❑ Conference only football schedule = **\$25M** deficit
- ❑ No football = **\$44M** deficit

## Collegiate Athletics Impact – Reduced Revenue Leads to:

1. Programs cutting sports – less opportunities for student-athletes (over 350 NCAA sports programs cut)
  - Stanford eliminating 11 sports
  - Clemson eliminating Men's Track & Field
  - Iowa eliminating Women's Swimming and Diving
2. Athletic Department Positions Eliminated
  - Louisville cuts over 25% of staff – 85 positions
3. Athletic Department Budgets are slashed





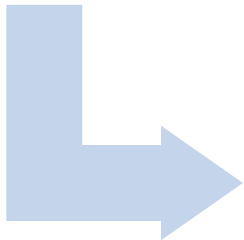
# Athletic Department Timeline



Spring  
2020

## **Cost Saving Considerations:**

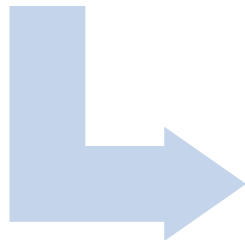
- Evaluation of different ***sport reduction scenarios***
- A significant reduction in men's sports would be required to achieve equity
- Funding would need to be redirected to women's sports (scholarships must align with participation)



Summer  
2020

## **Cutting Sports will lead to:**

1. Title IX issues
2. Legal battles
3. Fewer opportunities (diversity impact)
4. PR nightmare



Fall 2020

## **Who are we?**

- ***Broad-based expectations***
- *Cutting sports is not the solution*
- Continue to find ways to provide opportunities while limiting expense





# Athletic Department Initiatives



## ➤ Spending / Hiring Freeze Implemented March 18, 2020

Athletic Department Cost Saving Initiatives		
Furlough / Salary Cuts	\$2,516,862	3 Week furlough (6%) on staff under \$100K, 10% cut on staff making over \$100K in base salary, 20% cut on staff making over \$200K in base salary
Vacant Positions	\$967,773	Not filling 10+ vacant positions
Endowment Usage	\$589,556	Require sports who have available funds to use a portion of their endowment balances
Sports Budgets	\$505,243	Cutting sports operating budgets 10% if no endowment funds available
Travel Restrictions	\$445,212	Disallowing charter flights for team travel to Virginia, requiring bus travel on trips under 8 hours for Olympic Sports, no foreign trips
No Administrative Meals/Snacks	\$165,000	Average \$165K in administrative meals, snacks, and coffee over the last two years
Temporary Employees	\$223,207	Reducing overtime and temporary employee expenses by 10%
No Professional Development Travel	\$105,000	Average \$105K annually on administrative and professional development travel expenses
Nike Tournament	\$60,000	Not allocating Nike funds for tournaments hosted
<b>Total Expense Reduction</b>	<b>\$5,577,854</b>	

## ➤ University Assistance with Debt – Delaying to FY2024







# 2022 Budget Considerations



## **FY 2022 Preliminary Budget Projection = (\$4,150,782)**

### ➤ Revenue Impacted

- ☐ Assuming 60% Ticket Sales Revenue ~\$10M impact
- ☐ Ongoing discussions with Learfield regarding Post Pandemic Multi-Media landscape
- ☐ Conference Distributions – No Orange Bowl Distribution ~\$2M
- ☐ Leverage Endowments and Fundraising Accounts to help offset decreases in revenue

### ➤ Personnel Expense

- ☐ Salary Reduction and Furlough Plan ends June 30, 2021 – Salaries back to normal levels
- ☐ Coaching Contracts – Six contracts that expire June 30, 2021
- ☐ Legislative Requirements – Potential for salaries to increase based on Governor's proposal
- ☐ Excise Tax - \$1.3M
- ☐ Bonus Obligations

### ➤ Facilities / Debt

- ☐ Additional utilities and maintenance expenses for new and aging facilities
- ☐ No Debt service in FY2022 – University pushed this to 2024

### ➤ Title IX

- ☐ Continued focus on improvements for Women's Basketball (Locker Room, Practice Facility, etc.)
- ☐ Rowing Progress – funding additional boat replacement and travel to Jordan Lake





# 5 Year Financial Outlook



REVENUES	2020-2021 (CURRENT)	2021-2022	2022-2023	2023-2024	2024-2025
Multimedia	\$29,148,000	\$33,762,679	\$40,409,812	\$42,119,482	\$43,894,231
Ticket Sales	\$3,188,707	\$16,194,210	\$25,219,911	\$27,939,812	\$28,778,007
Scholarships	\$18,645,138	\$18,901,138	\$18,310,549	\$19,042,971	\$19,804,690
NCAA/Conference Distributions	\$9,099,754	\$9,531,870	\$11,286,011	\$11,624,591	\$10,006,029
Athletic Fees	\$7,500,000	\$7,600,000	\$7,777,343	\$7,862,881	\$7,949,360
Contracts (Nike Cash)	\$4,580,000	\$4,810,000	\$4,889,631	\$4,893,270	\$4,897,318
Facility Revenue & Finley	\$3,694,737	\$4,030,737	\$4,111,352	\$4,193,579	\$4,277,450
Contributions	\$19,563,928	\$0	\$0	\$0	\$0
Other	\$5,196,524	\$4,691,000	\$2,367,364	\$2,413,572	\$2,461,843
Game Guarantees	\$225,000	\$390,000	\$917,000	\$3,267,000	\$717,000
Concessions	\$300,000	\$1,363,426	\$1,953,928	\$1,950,746	\$2,009,168
Endowment Use	\$1,332,072	\$1,782,516	\$573,766	\$585,242	\$596,946
TOTAL REVENUES	\$102,473,860	\$103,057,576	\$117,816,667	\$125,893,146	\$125,392,043

EXPENSES	2020-2021 (CURRENT)	2021-2022	2022-2023	2023-2024	2024-2025
Sport Program Personnel	\$31,716,084	\$32,346,009	\$34,034,991	\$31,975,091	\$33,004,655
Sports Program Operations	\$17,011,918	\$17,610,761	\$20,158,169	\$22,066,077	\$22,005,743
Scholarships	\$18,645,138	\$18,901,138	\$18,310,549	\$19,042,971	\$19,804,690
Facilities	\$11,339,422	\$11,582,509	\$12,324,159	\$12,570,642	\$12,822,055
Administrative Personnel	\$11,001,029	\$11,651,888	\$11,884,926	\$12,122,624	\$12,365,077
Administrative Expenses	\$4,852,822	\$6,900,677	\$7,038,691	\$7,679,464	\$7,323,054
Intra-University Transf.	\$5,629,206	\$5,766,266	\$5,881,592	\$5,999,224	\$6,119,208
ACC Budget	\$2,278,241	\$2,449,110	\$2,770,629	\$2,853,748	\$2,939,360
Debt Service	\$0	\$0	\$391,816	\$8,090,661	\$8,077,069
TOTAL EXPENSES	\$102,473,860	\$107,208,358	\$112,795,522	\$122,400,503	\$124,460,911

NET	\$ -	\$ (4,150,782)	\$ 5,021,146	\$ 3,492,643	\$ 931,132
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FUND BALANCE	\$ 691,176	\$ (3,459,606)	\$ 1,561,539	\$ 5,054,182	\$ 5,985,314
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# Ongoing Challenges / Considerations



- **Pandemic** – Immediate financial crisis
- **Sport Sponsorship** – Can we continue to support 28 intercollegiate athletic programs? Roster Management
- **Facilities / Debt** – Overhead and maintenance on new and aging facilities – Athletics Debt repayment starts in 2024, Rams Club \$90M Bond obligation funding will prove challenging
- **Scholarships** – Out of state tuition remission / scholarship limits?
- **Title IX** – Challenge with campus composition (60-40 population)
  - We are under a Title IX review and should be strategic in our thoughts and actions
- **Limited Revenue Opportunities** – Ticket Sales, Learfield, Nike, Conference Distributions, Post COVID-19 economic impact
- **Name, Image & Likeness** – Will revenue be redistributed to student-athletes and impact our ability to fund a broad-based program?
- **Alston vs. NCAA** – Student-Athletes no longer capped on education-related scholarship packages
- **Coaches Contracts** – recent updates to meet equity requirements, ensure continuity of staff, and provide competitive salaries





# Opportunities



## ➤ **University Alignment**

- Strong licensing revenue growth
- University 501C3 standing – Implications on excise tax obligation - \$1.3M in 19-20
- Additional Title IX Support (offsetting 60:40 undergraduate population)

## ➤ **Department Considerations**

- Other Compensation Models – split dollar insurance, bonus insurance, opportunities to defer income?
- Rethink organizational structure / budget post pandemic – consolidating units, leveraging resources/staff, centralizing services, outsourcing vs. in house services

## ➤ **Strong Partnerships**

- **Rams Club** – Victory Fund \$10M one-time fundraising goal, Strategic Investment Fund \$3M/year through 2022, additional endowment and membership growth
- **Nike** – Contract through 2028 with apparel and cash compensation
- **Learfield (Multi-Media Partner)** – Contract through 2029 – what will future guarantee look like, additional signage / opportunities in digital space?

## ➤ **Revenue Generation Options**

- Expanded Concessions Offerings – Aramark Contract
- Premium Space Sales
- Enhanced Gameday Experience
- Ticket Sales
- Facility Usage

## ➤ **ACC TV Network**

- Hopeful that Comcast will come on as a provider – increasing distribution from ACC
- Additional Go Heels productions on campus will increase revenue





# QUESTIONS?



**Faculty Athletics Representative Update  
May 6, 2021**

**NCAA**

1. *Alston* case argued before the Supreme Court on March 31, 2021
2. NIL
  - a. Federal bills
  - b. State bills – some with effective dates of July 1, 2021
    - i. Choice of law issues regarding state laws (FL resident competing for UNC; NC resident competing for FSU; SA resides in NC but forms a corporation or LLC under FL law to handle NIL)
  - c. NCAA legislation?
  - d. NCAA waivers?
  - e. UNC's preparations and relationships with outside firms
3. Uniform Transfer Rule adopted
4. NCAA Men's and Women's Basketball Tournaments – equity review

**ACC**

1. Commissioner Jim Phillips visited UNC (and FAC) on April 28
2. Board of Directors met March 10
  - a. Repealed ACC Intraconference Transfer Rule
2. Board of Directors meeting May 18
3. ACC Postgraduate Scholarships (3, \$6,000 scholarships per school). UNC recipients:
  - a. Chris Gray – Men's Lacrosse, Management and Society major. Plans to attend KFBS for his MBA.
  - b. Rachel Jones – Women's Soccer, Public Policy major. President of SAAC. Plans to attend law school.
  - c. Ally Mastroianni – Women's Lacrosse, double major in Media & Journalism and Communication Studies. Plans to attend graduate school in a related field.
4. Governance Groups (ADs, SWAs, FARs) meeting May 10-14
  - a. Medical Advisory Group (MAG) update
  - b. Diversity and inclusion discussion with Derrick Gragg, NCAA Chief Diversity and Inclusion Officer and Mary McElroy, Senior Associate Commissioner and Chair of ACC CORE (Champions of Racial Equity)
  - c. Lessons learned from COVID-19 (especially regarding efficiencies that could be considered for permanent changes)
  - d. ACC SAAC Report
  - e. NIL update
  - f. Legal update
  - g. Sports wagering update
  - h. FAR Advisory Committee items



- i. Updates on NCAA Committee on Academics, Working Group on Transfers, and transfer data report
- ii. Discussion with three Academic Support Directors (including Michelle Brown)
- iii. Review of ACC FAR Handbook

## **UNC**

1. Message from Provost to affected faculty regarding potential post-season competition conflicts with finals for up to 14 teams
  - a. Timing of make-ups



# CHAMPIONS

UNIVERSITY OF NATIONAL

## STAT SHEET

**1789** THE NATION'S OLDEST  
PUBLIC UNIVERSITY

FOUNDING MEMBER OF THE  
ATLANTIC COAST CONFERENCE

**54** **38** WOMEN'S  
TEAMS  
**NATIONAL  
CHAMPIONSHIPS**

**3** **1** ACADEMIC  
ALL AMERICAS

**28** TOTAL SPORT  
PROGRAMS

**67** INDIVIDUAL NATIONAL CHAMPIONS

**96** NATIONAL PLAYERS  
OF THE YEAR

**54** NCAA CHAMPIONSHIP  
MOST OUTSTANDING  
PLAYERS

**113** TAR HEEL  
OLYMPIANS

REPRESENTING 12  
DIFFERENT COUNTRIES

**1288** FIRST-TEAM ALL-AMERICAS

**264** ACC  
REGULAR SEASON  
CHAMPIONS

**216** ACC  
TOURNAMENT  
CHAMPIONS

**8000** COMMUNITY SERVICE HOURS PER YEAR

MORE THAN  
**850** STUDENT-ATHLETES

TAR HEELS HAVE GONE PRO  
IN AT LEAST 12 DIFFERENT  
LEAGUES, INCLUDING:

NBA WNBA NFL  
MLS NWSL MLB  
WTA ATP PGA  
LPGA PLL WPLL

COMPLETE  
CAROLINA

**70** FORMER STUDENT-ATHLETES FROM 8  
DIFFERENT TEAMS HAVE RETURNED  
TO UNC TO FINISH THEIR DEGREE

**37** GRADUATES