



Board of Visitors Athletics Committee Meeting

Minutes

Old Dominion University Board of Visitors
December 8, 2022 at 9:30 AM EDT
@ Board Room, Broderick Dining Commons

Attendance

Members Present:

Bruce Bradley, Ross Mugler, P. Murry Pitts, Yvonne Allmond, Wood Selig, Dennis Ellmer, Elza Mitchum, Brian Holland,

Members Present (Remote):

Jerri Dickeski

Members Absent:

Toykea Jones

Guests Present: President Hemphill, Armistead Williams, Larry Hill, September Sanderlin, Al Wilson, Ashley Schumaker, Don Stansberry, Chad Reed, Alonzo Brandon, Jena Virga, Nicole Turner, Ken Brown, Danielle Cohea, Austin Agho, Bruce Stewart, Nina Rodriguez-gonser, Amanda Skaggs, Annamarie Ginder, Carolyn Crutchfield, Bruce Aird, student rep?

Guests Present (Remote):

Kay Kemper

The meeting was called to order by Ross Mugler at 9:30AM.

I. Approval of Minutes – June 2, 2022 Meeting

Motion: Ross Mugler

Approve Minutes from June 2, 2022 Meeting

Motion moved by Murry Pitts and seconded by Brian Holland. (Aye: Mugler, Bradley, Dickeski, Pitts, Allmond, Ellmer, Holland, Mitchum; Nay - None)

II. Athletics Committee Charter

Motion: Ross Mugler

Approve Athletics Committee Charter and send to Governance Committee for approval at their December meeting.

Motion moved by Murry Pitts and seconded by Elza Mitchum (Aye: Mugler, Bradley, Dickeski, Pitts, Allmond, Ellmer, Holland, Mitchum; Nay - None)

III. Finances/Budget

Ken Brown, ODU Athletics Chief of Staff

Nicole Turner, Associate Athletics Director for Business and Finance

Ken Brown presented the athletics budget for FY23.

Mr. Brown informed the committee that total revenue for FY23 was \$37.8M. He broke down the revenue in ticket sales, NCAA Funding, Student Fees, Foundation transfer for scholarships, foundation transfer for conference affiliation, football guarantees, Playfly contract, and miscellaneous. Student Fees stood out the most at \$23,423,775.

Expenses for FY23 totalled \$37.8M and he broke expensed down into salaries/benefits, supplies and equipment, football guarantee, indirect costs, travel, and athletic scholarships.

Budgets per sport were broken down into operating, salaries/benefits and scholarships.

Mr. Brown noted that travel expenses will decrease as a member of the Sun Belt Conference by \$500,000.

Budgeted ticket revenue was broken down into 4 buckets: football (\$2.6M), men's basketball (\$963,847), women's basketball (\$135,000), other (baseball, men's soccer, woemn's soccer, volleyball (\$70,000).

Mr. Brown noted that we received \$1.8M in football revenue last year vs. \$3.2M this year. James Madison and VA Tech contributed greatly to ticket sales this year.

NCAA FY23 Funding

Mr. Brown informed that the committee that ODU athletics sponsors 16 sports which is the minimum for FBS and that we receive funds for any sport over 13. ODU athletics receives funding for the following:

- Scholarships
- Grant-in-Aid
- Academic Enhancement - Academic enhancement. Used for academic departmetn. Everyone gets the same number
- NCAA Basketball Units - You earn units the more units you earn the more you receive. How many teams you get into tournament. Win conf tournament, gets 141K then for each win an additional 141K. this is mainly for expenses for participating
- CFP (SBC distribution)

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- APR – There are three prongs of which we must meet one to receive academic distribution:
 1. Graduation Success Rate: 90% or greater
 2. Federal Graduation Rate: greater than 13% of student body
 3. Academic Progress Rate: 985 or greater

ODU adheres to #2. The SBC mandates that if you don't meet a criteria, they will divide out 75%.

- Student-Athlete Opportunity Fund Opportunity Fund: Before the pandemic, the fund was at 300K, It is now 265K. This fund was established to further benefit the student-athlete and can cover medical expenses and emergency situations such as travel home for a funeral. The money is generated by men's basketball revenue.

Student fees

Mr. Brown presented a slide with the comparison of student fee revenue in FY18 vs. FY23:

- FY18: \$23, 624,639
- FY23: \$23,423,775

It was explained that there was more student fee revenue in FY18 as student enrollment was higher.

Mr. Brown explained the Cox Bill. The bill sets limits on the percentage of athletic budgets that can be funded through student fees. In Virginian Division I FBS schools, student fees shouldn't make up more than 55% of revenue.

SBC Conference Distribution

The Sun Belt Conference average distribution is \$1.1M.

Mr. Brown noted that the College Football Playoff is expanding from 4-12 teams beginning in 2024-25 which could expend an additional \$240M. ODU's future CFP potential could earn more distribution dollars finishing in 1st, 2nd, 3rd or 4th place.

Bowl Reimbursement: For the Myrtle Beach Bowl last year ODU athletics only lost 11K, Mr. Brown stressed it is not a money losing situation as the conference reimbursed a bowl participating school \$200K and up to \$100K in travel.

Foundation Transfer

The Old Dominion Athletic Foundation transfers funds to the athletics department for Scholarships, conference affiliation, and supplemental salaries.

Mr. Brown provided information on **future guarantees revenue** for football, men’s basketball, and women’s basketball:

Football:

- Liberty: 800K in 2023
- South Carolina: \$1.5 in 2024
- Indiana: \$1.3M in 2025

Men’s Basketball:

- \$80-\$90K per revenue, \$65-\$75K per game (expense)

Women’s Basketball:

- \$15-\$20K per rev, \$12-\$15K per game (expense)

Athletics Revenues Contracts

ODU athletics currently holds contracts with the following:

- Playfly: contract through 2033
- Under Armour: contract through June 30, 2025
- Pepsi (university contract)
- Chartway Naming Rights: 10-year contract ends in 2030

Salaries and benefits:

ODU athletics has approximately 130 full time employees and recently added funding for mental health services for student-athletes.

Other expenses:

Mr. Brown informed the committee that athletics also has the following expenses:

- Conference dues (\$360K for Conference USA, 80K for SBC)
- Cost per game for game management
- Game officials
- Student-athlete secondary insurance
- Indirect cost – pay 11.38% on all expenses except scholarships

Scholarships

Mr. Brown reported that scholarships have a budgeted amount of \$11.1M. The athletic foundation covers 45% of the scholarship budget, which is close to \$5M.

The NCAA maximum number of scholarships is 251.5. ODU athletics has 133 headcount scholarships and 118.5 equivalency scholarships. He noted that men's and women's sailing do not receive athletic scholarships and they are all considered walk on and pay full tuition. The total athletics tuition and fee revenue to the University is \$14M.

Title IX

ODU athletics had 257 male participants for FY22 and 196 for female participants for a total of 453 student-athletes. Athletic aid for FY22 was 57% for male and 43% for females. We will need to add another female sport in the future. Must be within 1% of male vs female scholarships

III. Old Dominion Athletics Foundation (ODAF) Fundraising Numbers

Jena Virga, Executive Director of the Old Dominion Athletic Foundation

Ms. Virga conducted a Peer Institution Analysis of money raised in 2021.

She compared the following for each school:

- Total scholarship bill
- Amount foundation is responsible for
- In state tuition waiver – all athletes would pay in state tuition. The savings for athletics would be over \$3M as 2/3 of our athletes are out of state or international.

Ms. Virga informed the group that the ODAF covers 45% of the 11M scholarship bill.

Statements of Financial Position: Ms. Virga provided information about the company's assets, liabilities, and equity on 9/30/21 vs. 9/30/22. Operating reserves were reduced by \$5M due to COVID. The Athletic Foundation endowment balance was \$35,151,821 on 9/30/22/

Ms. Virga also shared the Statement of Activities showing the earnings and spendings of the Foundation on 9/30/21 compared to 9/30/22. Contributions went up but investment income took a hit.

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In a 2022 fundraising review, Ms. Virga showed cash numbers to date for the endowment, premium seating, capital, restricted, and unrestricted funds. She informed the committee that the most difficult money to raise is unrestricted.

Ms. Virga reported that the cash goal is \$12.5M, and to date the ODAF has raised \$12.27M toward that goal.

The goal for ODAF membership 2,500. Ms. Virga displayed a graph showing the breakdown of giving levels of their donor base from over \$100 to number of donors giving over \$36,856 per year. The majority of donors give under \$5K and they are working hard to expand their donor base.

Ms. Virga reported on the ODAF fundraising totals for the past 13 years (2010-2022). The 13 year avg is \$10,670,012 per year. Capital projects on athletics facilities such as the Mitchum Basketball Practice Center, S.B. Ballard Stadium, and the Bud Methany Baseball Stadium, are particularly successful fundraising years.

Under Dr. Wood Selig's leadership for the past 13 years, the ODAF has raised close to \$140M.

The ODAF is forward focused. Ms. Virga reported to the committee that the ODAF has a fundraising goal of \$120M to support the University campaign goal of \$500M. To date the ODAF has raised 63% of their goal (\$76M).

Ms. Virga closed with an update on the Baseball Stadium Fundraising Initiative reporting to the committee that they have raised \$18M toward their goal of \$20M.

IV. Name, Image, and Likeness (NIL) Update

Danielle Cohea, Senior Associate Athletics Director of Complinance, Conduct, and Regulatory Affairs

Ms. Cohea explained the five traditional elements of a scholarship:

- Room (i.e., on-campus lodging plan or a monthly off-campus stipend check)
- Board (i.e., on-campus food plan or a monthly off-campus food check)
- Books (i.e., required and recommended hard-copy or electronic publications utilized in academic coursework)
- Tuition (i.e., the cost to attend/participate in academic coursework)
- Fees (i.e., institutional and/or per-course charges)

Historically, athletic scholarships have covered tuition, fees, room, board and books for full scholarship SAs and a portion of one or more of these elements for partial

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scholarship SAs. Recognizing the 5 traditional elements don't fully cover the cost to attend college, additional elements have been added over the last seven years.

Ms. Cohea educated the committee on New Funding Elements - Cost of Attendance, Alston Academic Payments, and Expanded Benefits:

Cost of Attendance has been around the longest (2015) and accounts for the "actual cost" to attend an institution (ex. travel, supplies, etc). Each institution determines their own COA which results in differences among competitive peers. ODU does currently provide some COA allotments.

In June 2021, the Supreme Court ruled in NCAA v. Alston that the NCAA could no longer limit education related expenses paving the way for additional academic bonus payments in the form of "Alston Academic Payments" and expanded benefits for SAs permissible per NCAA legislation.

Alston awards are capped at \$5980 and must include an academic nexus. These awards are not currently required by NCAA legislation but are another permissible path for financial support for student-athletes. ODU does not currently provide Alston awards, but we are evaluating. A couple of institutions in the SBC are currently providing Alston awards at a very small level.

Name, Image, and Likeness (NIL)

In July 2021, the NCAA (and numerous states) erased rules which previously prohibited student-athletes from earning income while attending college. Student-athletes can now profit off themselves and their NIL - in the form of business ventures - without losing their eligibility.

How do student-athletes make money?

Provided specific NIL rules are followed, student-athletes can sell their name, image and/or likeness, accepting payment from commercial and/or non-profit entities, in exchange for performing services such as, promoting companies, selling products, making special paid appearances (ads, speeches, banquets, etc.), conducting sports camps, selling signed memorabilia, etc.

Name, image, likeness has allowed SAs to earn compensation based on NIL. There must be actual work performed, it cannot be pay for play and cannot be used as a recruiting inducement.

We have partnered with Icon source to provide a branded marketplace for our SAs to pursue NIL opportunities and with to provide a group licensing program for ODU

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student-athletes. This partnership paves the way for these student-athletes to profit off their Name, Image and Likeness (NIL) through a number of opportunities that will be co-branded with the school's official trademarks and logos.

NIL Collectives are legal entities formed by fans and supporters of college sports.

NIL Collectives may take a variety of legal forms – some have been established as tax-exempt, nonprofit corporations and others have been established as limited liability companies or for-profit corporations.

The collectives are separate and independent from the colleges they are formed to support, so the legal structure and operation of each collective is at the discretion of the collective's founders.

While NIL and collectives have received the most attention nationwide, Alston academic incentives are the best path for an institution such ODU to be most impactful for our SAs. Not only does it provide financial support to our SAs, is also helps our department as an academic incentive. Each institution sets the parameters for the awards and some of the terms can be retention, graduation, academic success, community service, etc.

This is an everchanging landscape with the NCAA.

ODU NIL Facts – wrap up

- Number of ODU NIL Deals: currently, there are 22. Last year there were 100 deals.
- NIL is heavily regulated, Collectives are not. NIL runs through the compliance office. The Compliance Office does not advise, but makes sure NCAA guidelines are met.
- Time commitment is not always something student-athletes are prepared for and most opt out because of this.
- Cost of attendance at ODU: 2900 per student athlete.
- We have a 600k commitment to our student-athletes through cost of attendance.
- ODU's average NIL deal is \$150, nationally it is \$600. Most deals are *In Kind*.

With there being no further business, the meeting adjourned at 10:52AM.