



**REPORT OF THE
PRESIDENT'S COMMISSION ON
INTERCOLLEGIATE ATHLETICS**

**University of Maryland
College Park, Maryland
November 11, 2011**

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The University of Maryland is the flagship institution of the University System of Maryland and one of the preeminent public research universities in the Nation and the world. Founded in 1856, the University has a long and storied history of intercollegiate athletics. Since 1892, athletic programs have made valuable contributions to the campus and the State of Maryland, not only providing a basis for positive campus spirit, but a point of contact for alumni, friends, supporters, and students.

Recently, the fiscal situation in the Department of Intercollegiate Athletics (ICA) has posed a challenge to achieving excellence for our student athletes and for our athletic program. The economic downturn of recent years and declining revenues have resulted in budget shortfalls. As a result, ICA's expenditures have exceeded its revenues. For several years, the annual operating budget (including facility debt obligations) has been balanced with transfers from ICA's accumulated fund balance (or "reserves"). Reserves are normally used for purposes such as these transfers. The ICA reserves are now depleted and transfers are no longer available to support the deficit. The budget shortfalls will grow in the coming years if the finances and operations of ICA are not changed. As an auxiliary enterprise, ICA must return to being a self-supporting operation.

Determined to address this situation, in July 2011, President Loh appointed the President's Commission on Intercollegiate Athletics. The Commission is composed of members of several of the University's key constituencies: University System of Maryland Regents, University of Maryland College Park Foundation Trustees, University Senate, Athletic Council, Student Government Association, Student Athlete Advisory Council, faculty, staff, alumni, and Terrapin Club. (A list of the Commission members is provided in Appendix A.)

The charge to the Commission was to:

1. Review the finances and operations of ICA and make recommendations to secure (a) greater excellence in academics and athletics and (b) financial sustainability;
2. Make recommendations—based on a consideration of all options—on ways to increase ICA revenues and decrease costs, recognizing that longstanding budget issues may require a multi-year plan to implement any changes and restore budgetary stability;
3. Be guided by the paramount commitment of ICA to the success of our student athletes, so that (a) they are well-supported to succeed in their studies and in their careers after graduation, and (b) every sponsored sport is well-supported to be consistently competitive at the highest level; and,
4. Perform its work as strategically, transparently, and consultatively as possible.

Assuming This Task

The Commission began its work by affirming the importance of intercollegiate athletics to the University of Maryland. The program currently provides opportunities for more than 750 student athletes to participate in high caliber athletic competition on 27 teams; it provides valuable opportunities for student involvement through such non-athletic activities as the Marching Band; it contributes to campus spirit; and it is a treasured tradition that brings alumni and friends of the University back to our community.

The University of Maryland acknowledges that ICA is an auxiliary enterprise that does not receive state funds, and that the department must establish a balanced operating budget, repay the University for the loan to cover its operating deficit, meet its facilities debt obligations, fully disclose annually its activities to various governing bodies, and establish reserves that are appropriate for an auxiliary enterprise of its size and scope. The Commission concurs with these expectations.

In order to complete its work, the Commission met seven times between August 8, 2011, and November 7, 2011.

In addition, five subcommittees were formed.

1. The Student Welfare Subcommittee met with staff in the areas of academic support and career development, and sports medicine. The staff expressed the sentiment that overall morale is good. However, several concerns were raised. One important concern is the need for additional academic advisors. It was suggested by staff that one advisor per 90 student athletes is considered optimal; at UMD, advisors are responsible for more than 155 student athletes each. If new advisors were hired, additional space would be needed. Currently, the academic support unit has 14 sq. ft. per student athlete. In a recent poll of ACC schools, ICA determined that this places the University of Maryland 9th in the Atlantic Coast Conference (ACC) with regard to space committed to academic support.

UMD is one of only three ACC schools without a full-time nutritionist, who some maintain could help prevent unnecessary knee and shoulder injuries and be of assistance to student athletes with diabetic conditions. Sports Medicine has a ratio of 43 student athletes per trainer. In a recent poll by ICA staff, it was determined that the University ranks 79th out of 131 BCS (Bowl Championship Series) schools. The goal for UMD is to have 33 student athletes per trainer, which would place UMD 40th out of the 131 BCS schools. Other comments included the need to have additional capital funds to purchase equipment, including a traction table, better treadmills, and more cold tubs.

The Subcommittee also met with the members of the Student Athlete Advisory Council (SAAC). The student athletes likewise stated that morale in their teams is generally good. But they expressed concern regarding the difficulty in getting

access to tutors in a timely manner (a probable result of the high student to academic advisor ratio), lack of practice fields, and the need for better facilities and appropriate locker rooms. They also suggested increasing advertisement for Olympic sports and involving student athletes to help with fundraising.

2. The Subcommittee on Coaches interviewed 18 of the current coaches. Fifteen (78%) of the coaches rated morale as high vis-a-vis the new ICA leadership, but many expressed trepidation about the future. They praised the openness and transparency of the new ICA administration, and the sense of teamwork. Seven of the 18 respondents indicated that there are too many sports and some should be eliminated because the current number cannot be supported at the highest level. An equal number (7 of 18 coaches) said that cutting sports should be avoided and suggested that other options should be considered. All respondents urged that fundraising efforts be increased.

All of the coaches mentioned the need for additional trainers, additional academic tutors, marketing, media and sports medicine staff, a nutritionist, and a sports psychologist.

The coaches expressed their desire to create a closer community with the rest of the University. All of them also spoke of their priorities being rooted in a deep awareness of the integrity of their work. They believe in excellence, honor, accountability, discipline, dedication, respect for others, sportsmanship, and graduating their student athletes.

3. The ICA Organization Subcommittee reviewed the current ICA organization, whose reorganization was begun prior to the work of the Commission. The office of the Athletic Director has been reorganized in order to streamline operations and better serve the student athletes and coaches. Other senior staff members have been

reassigned to fill vacant positions without the need to hire new staff. In addition, the fundraising operation has been restructured to improve its performance. The Commission supports this reorganization.

4. The Financial Performance Subcommittee reviewed in detail every aspect of ICA finances. For the past several years expenditures have exceeded revenues. Reserves have been appropriately utilized to balance the budget. In the most recent fiscal year, it became necessary for ICA to borrow money from the general University auxiliary fund in order to balance its budget. These trends must be reversed if ICA is to achieve a balanced budget and repay the University. The findings of this subcommittee are discussed throughout this report.

5. The Fundraising Subcommittee reviewed the new fundraising organization and plans. The Commission concurred with plans to create a new structure for athletic fundraising. Efforts must be coordinated with the central office in the Division of University Relations to ensure that all are engaged in strategic decisions regarding solicitations and enhanced messaging for increased return on investment. Efforts should be directed toward the enhancement of corporate fundraising. Opportunities for increased use of athletic venues should be pursued. (Additional information may be found in Appendix C.)

The Commission solicited information from a variety of sources. On September 19, an open forum was held to obtain input from the campus and local community; although widely advertised, participation was sparse. Written input was solicited from members of the Terrapin Club via a confidential email account that was set up for direct feedback to the Commission; in total, the Commission received about 50 emails. Commission members also met personally with individuals who wished to provide confidential input.

Fiscal Situation

A recent history of annual revenues and expenses is provided below in Table 1.

Table 1: ICA Revenues vs. Expenditures FY06 – FY11

	FY06	FY07	FY08	FY09	FY10	FY11
Revenues	\$50,445,622	\$52,979,227	\$57,230,489	\$54,561,706	\$52,250,293	\$53,358,301
Expenditures (Includes Debt Service)	\$52,071,911	\$56,402,030	\$59,509,016	\$58,244,772	\$55,192,970	\$61,171,435
Balance Before Transfers	(\$1,626,289)	(\$3,422,802)	(\$2,278,530)	(\$3,683,067)	(\$2,942,684)	(\$7,813,134)
Transfers from ICA Foundation Funds	\$1,626,289	\$3,422,802	\$2,278,530	\$3,683,067	\$2,942,684	\$1,777,648

- FY is the fiscal year from July 1 through June 30.
- FY06-FY10 shortfalls were offset by ICA reserved held in foundation accounts.
- In FY11 \$1.2M was borrowed from non-State auxiliary funds; in addition, ICA reserves held in foundation accounts and other one-time revenues were used to offset shortfall (see Appendix D).

The Commission confirms that after several years of operating budget surpluses, ICA was able to accumulate reserve funds that were appropriately utilized to balance the budget over the past five years. However, starting in FY06 there have been declines in revenues in a number of areas, including football and men's basketball, and in fundraising. Meanwhile, ICA faces the significant challenge of funding increased scholarship costs, overhead charges and personnel expenditures. Table 2 indicates projected deficits should there be no change in operations.

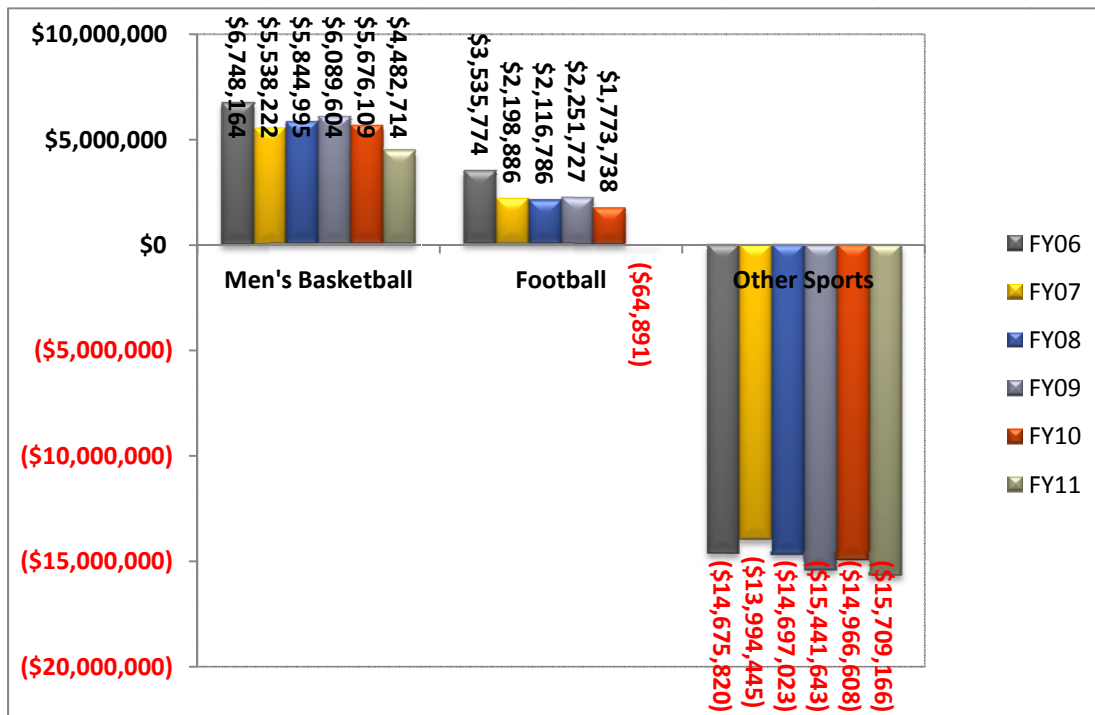
Table 2: Snapshot of Projected ICA Operating Deficit with 27 teams through FY17

	FY10 Actuals	FY11 Actuals	FY12 Budget	FY13 Projected	FY14 Projected	FY15 Projected	FY16 Projected	FY17 Projected
YEAR END SURPLUS / (DEFICIT)	0	(1,242,165)	(2,791,102)	(4,639,346)	(4,424,099)	1,372,265	(2,950,225)	(2,534,002)
CUMULATIVE SURPLUS / (DEFICIT)		(1,242,165)	(4,033,267)	(8,672,614)	(13,096,713)	(11,724,448)	(14,674,672)	(17,208,675)

As can be seen, operating deficits will amount to \$2.8M in FY12, and \$4.6M in FY13; the cumulative deficit at the end of FY13 is expected to be \$8.7M.

In particular, declines in football, men’s basketball and “other sports” net revenues have contributed to this situation. Table 3 illustrates this point.

Table 3: Decline in Net Revenues* by Program, FY06 – FY11

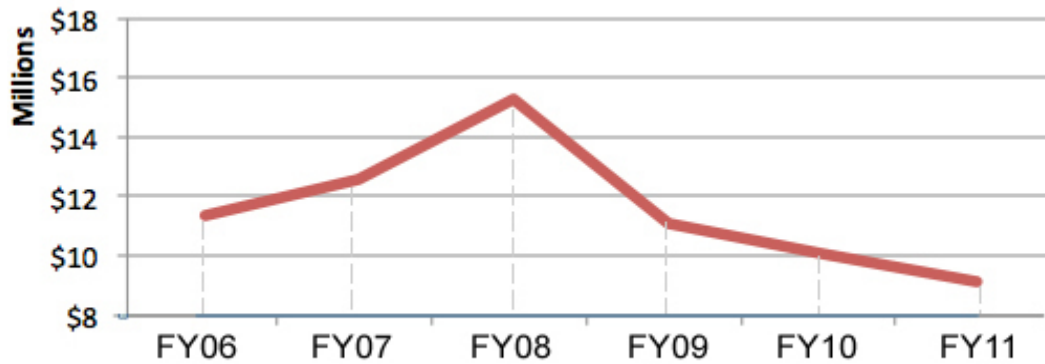


*Net revenues are gross income by sport less direct costs.

The outcomes of fundraising efforts have been declining since 2008, which has resulted in a decrease of 40% from 2008 to 2011 (see table 4 below).

Table 4: Fundraising Revenue, FY06 – FY11

	FY06	FY07	FY08	FY09	FY10	FY11
Total Fund-raising*	\$11,337,657	\$12,569,656	\$15,276,487	\$11,056,355	\$10,090,496	\$9,105,516



*Fundraising revenue includes Terrapin Club, major gifts, and endowment revenue.

Also, the Commission acknowledges that the limited leasing of suites in Byrd Stadium has added to the budget shortfall. Although ICA downsized the full renovation of Byrd Stadium originally proposed in 2004, it was agreed to build the suites in order to increase revenues. Regrettably, the recession hit and this reduced the ability to lease all the suites. The budget impact of not fully leasing the suites in FY11 resulted in revenues falling short of facility debt obligations by approximately \$318,000. If ICA can maximize the leasing of the suites in the future, it would result in revenue exceeding annual debt obligations by approximately \$500,000.

Support of Student Athletes and Teams

The Commission took very seriously the information gathered by the Student Welfare Subcommittee that related to academic support, health and safety, and media relations. These are summarized on page 3 of this report. These observations were supported in a report of the Equity Athletic Disclosure Act (EADA) dated June 30, 2010. The report shows that the University of Maryland is 13th out of 14 in the newly configured ACC in terms of financial support per student athlete, which includes support of academic needs, fitness, health care, and media relations services. As shown in table 5 below, UMD currently invests \$67,389 per student athlete, as compared to Florida State, which invests \$118,813 per student athlete. The disparity in these numbers is primarily related to the number of student athletes at each institution and the size of their athletic budgets. For example, Florida State supports 19 teams compared to UMD's 27 teams and has an athletic budget that exceeds UMD's by over \$23M.

Table 5: Investment Comparison per Student-Athlete in Newly Configured ACC Institutions projected through FY13 with 27 Teams

<u>RANK</u>	<u>INSTITUTION</u>	<u>TEAMS</u>	<u>STUDENT-ATHLETES</u>	<u>FY10 EXPENSES</u>	<u>INVESTMENT PER STUDENT-ATHLETE</u>	<u>5 Yr. Avg. HEPI Index</u>	<u>INVESTMENT PER SA (FY13)</u>
1	Florida State University	19	633	\$75,209,179.00	\$ 118,813.87	2.70%	\$ 128,699.98
2	University of Miami	18	471	\$50,836,569.00	\$ 107,933.27	2.70%	\$ 116,914.04
3	Clemson University	19	522	\$56,120,942.00	\$ 107,511.38	2.70%	\$ 116,457.05
4	Duke University	26	647	\$68,094,063.00	\$ 105,245.85	2.70%	\$ 114,003.00
5	Wake Forest University	18	410	\$41,364,196.00	\$ 100,888.28	2.70%	\$ 109,282.86
6	Georgia Institute of Technology	17	491	\$46,983,216.00	\$ 95,688.83	2.70%	\$ 103,650.78
7	Boston College	31	700	\$63,291,198.00	\$ 90,416.00	2.70%	\$ 97,939.21
8	University of Virginia	25	816	\$70,870,413.00	\$ 86,851.00	2.70%	\$ 94,077.58
9	University of Pittsburgh	17	607	\$49,218,556.00	\$ 81,084.94	2.70%	\$ 87,831.74
10	University of North Carolina at Chapel Hill	28	859	\$67,375,161.00	\$ 78,434.41	2.70%	\$ 84,960.68
11	Virginia Polytechnic Institute and State University	21	645	\$50,241,096.00	\$ 77,893.17	2.70%	\$ 84,374.40
12	North Carolina State University at Raleigh	22	656	\$47,180,081.00	\$ 71,920.86	2.70%	\$ 77,905.15
13	University of Maryland-College Park	27	763	\$51,418,347.00	\$ 67,389.71	2.70%	\$ 72,996.98
14	** Syracuse University	20	788	\$49,342,459.00	\$ 62,617.33	2.70%	\$ 67,827.51

All data taken from FY10 EADA Report. EADA expenses conform to requirements of the U.S. Department of Education and only include specific expense categories.

*HEPI = Higher Education Price Index

** Syracuse dropped 2 sports (M&W Swimming & Diving) in 2011. The reduction numbers will not be available until the 2012 EADA Report comes out.

Moving Forward

The University of Maryland strives to be excellent in everything, especially the 3 A's – academics, arts and athletics. Therefore, the Commission maintains that ICA must provide the level of support to student athletes, coaches and programs so they can be successful at the highest level – in the classroom and in athletic competition.

The Commission has deliberated carefully to fulfill its charge. The members of the Commission, the Athletic Director, the ICA staff, and the coaches are acutely aware of the personal and emotional impact of these recommendations on student athletes and their families. Even though it is painful to make some of these recommendations, they are made with the desire to ensure the future success of the student athletes and Maryland athletics.

Recommendation 1: Reduce expenses by reducing the number of teams and the cost of administration.

The Commission examined carefully every aspect of ICA's finances. The Commission examined inflation factors and projections for revenue and expenditures; it reviewed projections many years out and made reasonable assumptions about fundraising, inflation factors, fixed costs, and debt service. These projections show that under the current arrangement with the current number of student athletes and with the goals for excellence across the board, ICA cannot balance its budget. It also became apparent to the Commission that our current student athletes are not being supported at a level commensurate to their peers at other ACC institutions. It will take extreme circumstances to change this picture.

The Commission concluded that the only prudent course of action is for ICA to reduce the number of teams not only to reduce expenses, but to increase the level of academic and training support provided to the remaining student athletes. The Commission believes that

some reduction in expenses can be realized through cuts in administrative costs (10% is recommended).

But it also became apparent to the Commission that there would need to be a reduction in the number of athletic teams. The Commission came to the painful conclusion that continuing to support 27 teams, with the current budget, would not meet the goal of having every sponsored team and student athlete be supported at the level needed to succeed in his/her studies and in his/her athletic pursuits in order to compete at the highest levels.

While the recommendation to reduce the number of supported programs is motivated by ICA's financial situation and the necessary capacity to improve student athlete support, other considerations influenced the difficult decision to reduce the number of programs. In addition to overall financial concerns, gender equity interests influenced the selection of programs. The Commission was guided now, as the University has been in the past, by the need to comply with Title IX. Consideration was also given to factors such as whether the Atlantic Coast Conference and the National Collegiate Athletic Association sponsored the sport, the competitive success of the sport, ownership and adequacy of the University's facilities for that sport, proximity and quality of available competition, level of spectator attendance, and the history of the sport at the University. Many of these criteria are in agreement with the criteria referenced in existing Athletic Council policy (see Appendix B).

Using these criteria, individual assessments of sports, and the recommendations of ICA, the consensus of the Commission was that ICA should consider at a minimum eliminating the following six programs, which include eight teams:

- Men's cross country, indoor and outdoor track (3 teams),
- Men's swimming and diving,
- Men's tennis,
- Women's acrobatics and tumbling,
- Women's swimming and diving, and
- Women's water polo.

The Commission recommends that these sports programs be discontinued effective July 1, 2012.

The Commission recommends that:

- all athletic scholarship commitments to current student athletes in these sports be honored through graduation,
- affected coaches' contracts be upheld for the duration of their contract periods,
- while in transition, ICA provide the affected student athletes with support and assistance with transferring to other institutions should they choose to do so, and
- new recruits for fall 2012 who have signed letters of intent have their scholarship commitments honored.

Recommendation 2: Revamp outreach and fundraising activities.

It is apparent to the Commission that ICA needs to revamp its outreach and fundraising operation, and the Department has already begun to reorganize this area. The Commission supports this action. The reorganization addresses four areas: major gifts, annual fund, M-Club, and support staff. The Commission believes that this new, clear differentiation of roles will improve efficiency and establish specific accountability measures.

It should be recognized that the functions of the Division of University Relations and the Alumni Association are closely related to the functioning ICA fundraising activities, including but not limited to the Terrapin Club, M-Club, and “Friends of Programs” groups. Fundraising efforts must be coordinated with coaches and the departments mentioned above and entail the adoption of a shared approach, including data systems and other information.

The focus of athletic fundraising needs to move away from a primarily “benefit” driven effort; e.g., contributing at a specific level to receive access to tickets or events. The donor base needs to be broadened to identify the next generation of gift donors to support scholarships and capital projects. Members of the University of Maryland College Park Foundation Board of Trustees and other friends of athletics should also be asked to assist in securing corporate support.

The Commission understands that football and men’s basketball provide the most revenue for ICA. Both teams are currently in low ebb but the Commission is confident that both teams will become nationally competitive in the coming years. The Commission also recognizes the current difficult economic situation. As the economy begins to recover, ICA should be able to meet or exceed its fundraising objectives.

The Commission believes that the Comcast Center, Byrd Stadium and other athletic venues are viable locations that can be used to enhance revenue as well as provide venues for student entertainment. An infrastructure should be put in place to maximize the use of these facilities as venues for concerts and other large scale meetings and performances. The Commission recommends that ICA work with appropriate parties to consider this option.

The commission recommends that football be recognized as a social event and ICA should provide opportunities in the tailgating arena to build relationships and improve fundraising.

The Commission recommends a target of 2.5% growth each year in the Terrapin Club membership in FY13-20. To achieve this goal, it will entail launching a new website, rebranding of Athletics, sending targeted messages, and using social media. (Recommendations for accomplishing fundraising objectives can be found in Appendix C.)

Recommendation 3: Reinvest resources in the remaining teams to enhance academic support, fitness, health care, and media relations services.

Table 5 indicates that the University of Maryland is 13th out of 14 institutions in the newly configured ACC in its investment in these critical areas. Currently, ICA expends \$67,389 per student athlete for these purposes. Funds that are recovered from downsizing should be invested in support of fitness, health care and media relations services. A reinvestment of funds in these areas will result in spending an average of \$107,849 per student athlete by FY13 and this will move the University to 6th out of 14 in the ACC in its support of student athletes (as shown in table 6 below). If the numbers of trainers and academic advisors within ICA is not decreased, then the support provided to student athletes would increase by reducing the ratio of students to trainers and the ratio of students to academic advisors.

Table 6: Investment Comparison per Student-Athlete in Newly Configured ACC Institutions projected through FY13 with 19 Teams

<u>RANK</u>	<u>INSTITUTION</u>	<u>TEAMS</u>	<u>STUDENT-ATHLETES</u>	<u>FY10 EXPENSES</u>	<u>INVESTMENT PER STUDENT-ATHLETE</u>	<u>5 Yr. Avg. HEPI Index</u>	<u>PROJECTED INVESTMENT PER SA (FY13)</u>
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6	^ University of Maryland-College Park	19	529	\$57,052,535.00			\$ 107,849.78
7	Georgia Institute of Technology	17	491	\$46,983,216.00	\$ 95,688.83	2.70%	\$ 103,650.78
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*HEPI = Higher Education Price Index

** Syracuse dropped 2 sports (M&W Swimming & Diving) in 2011. The reduction numbers will not be available until the 2012 EADA Report comes out.

^ICA Budget Projection figures used for 2013 comparison with reduction.

Recommendation 4: Reformat annual reports disclosing ICA expenses, revenues, reserves, and progress toward repayment of the operating and facilities debts so they are more clearly stated.

The University must hold ICA accountable for routine reports about its finances, and for reporting regularly on finances to the Board of Regents, Athletic Council, and other bodies as appropriate. Such reports must contain comparisons with prior year's results and with planned results, and the Athletic Director's explanation about variances from plans and prior year's results. They must also include alerts to financial trends within ICA.

Summary

If these recommendations are implemented, and ICA and the University are successful in their efforts, the Commission expects ICA to begin to show a balanced operating budget in FY15, begin repayment to the University in FY15, complete repayment in FY19, and begin accumulating reserves in FY15. (A summary is contained in Appendix D.)

The Commission expresses its sincere appreciation to Athletic Director Kevin Anderson, all the members of the ICA staff, and especially to the student athletes and coaches for their thoughtful comments, assistance, cooperation, and support.

Intercollegiate athletics are an important part of achieving excellence at the University of Maryland. The Commission is confident that the recommendations outlined in this plan, with redirected financial support to the sponsored sports, will restore the fiscal solvency of ICA and better support the remaining student athletes. However, the Commission understands very clearly that the recommendation to reduce the number of varsity sports is a major disappointment to the affected student athletes, their families, coaches, and supporters. The utmost care and consideration must be given to these student athletes, coaches and staff.

Nineteen teams would remain. By putting into place a balanced and sustainable fiscal and programmatic plan, Maryland Athletics will be able to support the 529 student athletes on these teams at a proper level to ensure their success in competition and in their studies. This will include enhancements in academic support, health services, and media relations support.

Above all, Maryland takes great pride on its outstanding student athletes, coaches and staff. The University's commitment to excellence is unwavering, and the Commission is confident that this report provides a blueprint for the successful future of Maryland Athletics. Maintaining, and eventually exceeding, that level of excellence requires decisive action and a bold and compelling vision for the future. With hard work, focus, and determination, and the continuing dedication and support of Terps everywhere, a leaner, stronger athletic program can be built at the University of Maryland, a program upon which Terrapins everywhere can be rightly proud.

APPENDIX A

University of Maryland President's Commission on Intercollegiate Athletics

Co-chairs:

Mr. Barry P. Gossett

Board of Regents; chair, University System of Maryland Foundation; chairman, Acton Mobile Industries, Inc.

Dr. Linda M. Clement

Vice President for Student Affairs

Members:

Mr. John M. Brophy

Past Chair and current member, UMCP Foundation Board of Trustees; former president, Lockheed Martin Integrated Solutions Company

Ms. Dominique M. Dawes

Co-Chair, President's Council on Fitness, Sports and Nutrition; Olympic gold medalist in gymnastics

Dr. Patricia S. Florestano

Chair, Educational Policy Committee, Board of Regents; former Maryland Secretary of Higher Education

Dr. Nicholas J. Hadley

Faculty Athletic Representative; chair, University Athletic Council; Professor of Physics

Dr. Eric S. Kasischke

Chair, University Senate; Professor of Geography

Mr. Clifford M. Kendall

Immediate past chair, Board of Regents; chairman, VSE Corporation; former chairman and CEO, Computer Data Systems, Inc.

Dr. James C. McShay

Associate Director, Stamp Student Union; Director, Office of Multicultural Involvement and Community Advocacy

Ms. Missy Meharg

Head Coach, field hockey; elected chair, UMD Coaches Council; member, UMD Athletic Council

Dr. Karabelle Pizzigati
President, Terrapin Club; chair, Parents as Teachers National Center, Inc.; former president,
National Association of State Boards of Education

Mr. Harvey L. Sanders
Chair, UMCP Foundation Board of Trustees; former chairman, CEO and president, Nautica
Enterprises

Dr. Lee Thornton
Professor and former Interim Dean, Philip Merrill College of Journalism; Interim Associate Provost
for Equity and Diversity

Ms. Martha R. VanLieshout
President, Student Athlete Advisory Council; majoring in government and politics

Dr. Donna L. Wiseman
Professor and Dean, College of Education; former chair, President's Commission on Women's Issues

Dr. Ann G. Wylie
Senior Vice President and Provost; Professor of Geology

Mr. Kaiyi Xie
President, Student Government Association; majoring in mathematics and bioengineering

Contact:

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APPENDIX B

Athletic Council Policy Manual

Current as of 09/06/11

SECTION XII. CRITERIA AND PROCEDURES TO BE USED IN DECIDING TO EXPAND AND CURTAIL PROGRAMS

The Department of Intercollegiate Athletics may be examined with regard to possible sports' expansion or curtailment. The University Community may initiate requests for new sports. New sports may be added or a present program may be expanded or curtailed based on an evaluation process using the following criteria:

- Appropriate balance of scholarship for men and women student-athletes;
- Atlantic Coast Conference and NCAA sponsorship;
- Availability of facilities;
- Availability of quality coaches;
- Funding demands, including the related need for support staff and travel;
- History of the sport at the University (i.e., a club sport, intramural sport, or prior varsity sport);
- Interest level of participants and spectators;
- National trends;
- NCAA mandate; and
- Proximity and quality of available competition.

The Director of Athletics evaluates and makes recommendations for a program's institution, expansion, or curtailment to the President. The recommendation may include the following information:

- Estimated cost savings or expenses to be incurred;
- Impact on facilities, as well as staffing;
- Reasoning for the proposed change; and
- Review of a particular sport's previous revenue/expense record.

The Athletic Council reviews the proposal and provides comments to the Athletic Director and President. The President of the University will make the final decision.

Approved 11/8/88

APPENDIX C

President's Commission on Intercollegiate Athletics Recommendations for Enhanced Fundraising

1. Implement new organizational structure for athletics fundraising; recruit and hire all vacant fundraising positions for athletics.
 - A. The new organizational structure will better align the Terrapin Club to allocate well trained professional staff to focus on targeted segments of fundraising efforts. The reorganization into four (4) areas: major gifts, annual fund, M-Club, and support staff, will improve both accountability and efficiency within the unit. The structure is based on national best practices.

A staff member has been promoted to the position of Executive Director of the Terrapin Club and will lead all of the development efforts. He will also focus specifically on the major gift area of development. The major gift team includes a major gifts staff member, another staff member who was reassigned to focus on major gifts, and someone who was recently hired.

- The annual fund, under its new head, will work to improve its performance.
 - The new Executive Director of the M-Club will work to transition the M-Club from giving/promotion or recognition of former student athletes, to accomplishing fundraising through the organization. He will also support other development efforts (both major gift and annual fund, as appropriate, based on his longstanding relationships with University donors).
 - The support staff will aid each of the three fundraising areas to ensure that the fundraisers' time is being spent on fundraising and that efforts are maximized to increase revenue.
- B. Reinvestment in fundraising: 10% of funds raised will be reinvested in development efforts (this would put UMD in line with its top tier ACC peers.)
 - a. 3 new positions
 - M Club position
 - Customer Relations Manager
 - Corporate Fundraiser
 - b. Upgrade in technology
 - Paciolan upgrade (ticketing/marketing/fundraising software)
 - New member initiative
 - Website redesign to improve functionality and aesthetics

- c. Data investment
 - In coordination with the central office in University Relations, use outside resources to analyze data to make strategic decisions with solicitations and messaging for increased return on investment.
 - d. Training
 - Staff education and investment to enhance overall skills.
2. Conduct a top-to-bottom resource analysis for the Terrapin Club, M-Club, Friends team organizations, etc. and create fund improvement plans for all groups. Conduct peer reviews focusing on best practices and spending comparisons to guide the decision process.
 3. With new organizational structure in place, identify and cultivate next generation of major gift donors for solicitation of major gifts in support of capital projects and scholarships.
 - a. Double the amount of donor visits,
 - b. Focus on being out of the office actively engaging donors daily,
 - c. Institute new ideas and national best practices,
 - d. Create matrix for accountability, based on national best practices, whereby all events, initiatives, mailings, communications, and investments are measured by at least one the following:
 - Visit Goals (monetary and number of visits),
 - Performance Goals for non-fundraising staff
 - Number of new members,
 - Number of renewing members,
 - Amount of new donations, revenue pledged or given,
 - Amount of upgrade revenue pledged or given,
 - Amount of renewed donations pledged or given,
 - Amount of converted referrals accumulated and their revenue contribution,
 - Amount of click throughs, open rates, or impressions,
 - Amount of attendees for stewardship events, and initiatives.
 - e. Data base access
 - Modeling of other programs,
 - Working with University Relations to obtain needed data to meet fund raising goals.
4. Launch a coordinated outreach campaign with the Terrapin Club and the Alumni Association using a shared approach, in particular sharing data for the alumni data base:
 - a. Joint Application Process (currently being tested/piloted in Montgomery County),
 - b. Shared event hosting and resource collaboration.

5. Target a 2.5% growth each year in the Terrapin Club in FY13- FY20. The following will be put in place to assist with this effort:
 - Launch new athletics website,
 - Rebranding of athletics,
 - Better identify resource needs,
 - Target messages:
 - Develop new branding campaign that tells ICA's story through the student athletes.
 - Use branding and messaging to educate donors (potential and current) about purpose of Terrapin Club and impact of dollars raised.
 - Capitalize on state pride message to capture state-wide "friends" market.
 - Create a membership culture (expanding ways to be involved); make membership easy and customizable.
 - Refer friends and sphere of influence to be more engaged (use members to be extensions of the Terrapin Club office).
 - Utilize newly formed districts, engage donors and prospects through volunteers and community based initiatives by regional demographics.
 - Engage members using social media.
 - Redesign website based upon member feedback for use as a membership and fundraising tool.
 - Improve segmentation of data base.
 - Establish an annual report (transparency and accountability).
 - Create internal and external partnerships.
 - Establish Standard Operating Procedures (SOP) for Terrapin Club.
 - Create community/grassroots tactics for increased fundraising among non-alumni and non-engaged alumni.
 - Develop new impression initiatives (massive electronic campaign).
 - Employ new technology (video, interactive sites, etc.) to solicit and steward donors.
 - Assess new dues schedule and sync with Comcast reseating (every 4 years).
 - Utilize internal resources to promote exposure, budgetary cost savings, and maximization of current spending.
6. Create an increased role for the M-Club in all major events and programs both in the Terrapin Club and the alumni association:
 - a. Utilize M-Club athletes as ambassadors for Terrapin Club, Alumni Association and other university wide programs and events,
 - b. Utilize M-Club athletes for specific donor and prospect visits,
 - c. Implement M-Club reunions (resources will be needed for this initiative).

7. In coordination with appropriate campus entities, create and implement a Terrapin Club fundraising initiative for current students and parents:
 - a. Enhance and enlarge the Student Terrapin Club,
 - b. Sustain new focus from Outreach Committee (Terrapin Club Board Subcommittee) to engage constituencies,
 - c. Create opportunities to give Terrapin Club message at orientation and graduation,
 - d. Support leadership development for the initiative,
 - e. Reach out to student athlete parents annually,
 - f. Increase student athlete education of the Terrapin Club,
 - g. Allow for access to priority seating at athletics events.

8. In coordination with appropriate campus entities, create a nationally coordinated fundraising initiative for corporations:
 - a. Work with University Relations and other relevant entities on campus to expand corporate relationships,
 - b. Identify key corporate “champions” for each corporation who can assist in developing strategies for corporate support university-wide.

9. Maximize the Comcast Center as an entertainment venue, while insuring no disruption to ICA’s mission.

10. Prepare to launch new drive for seating and suites for football and basketball creating increased support for Terrapin Club:
 - a. Comcast reseating, lifetime seating,
 - b. Single game suite sales (accounting for \$100,000 in revenue this fiscal year),
 - c. Planning for Byrd reseating,
 - d. Planning for re-parking.

11. With all the recommendations and reorganization, develop an annual and long-range (5-year) business plan to identify strategies and tactics, and measure the activities and expenses of the department and staff as well as results of fundraising activities.

APPENDIX D:

Projected ICA Operating Results with 19 Teams through FY20

Projection Based on 19 Teams		MBB Reseat*				MBB Reseat*	FB Reseat**			MBB Reseat*
	FY11	FY12	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Actuals	Budget	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Operating Revenue	44,252,785	49,066,994	48,318,583	49,627,174	56,983,639	54,626,345	57,125,742	58,691,319	62,353,497	60,224,355
Gift/Fundraising Income	9,105,516	10,054,328	9,789,458	9,825,979	9,979,289	10,990,827	10,594,231	10,598,013	10,845,572	12,188,257
Total Revenue	53,358,301	59,121,322	58,108,040	59,453,153	66,962,928	65,617,173	67,719,973	69,289,332	73,199,069	72,412,612
Total Expenditures	58,210,337	58,887,720	57,052,535	57,736,493	58,778,951	59,745,709	61,522,563	63,395,927	65,350,199	67,344,936
Operating Balance Before Transfers and Debt Service	(4,852,035)	233,602	1,055,505	1,716,660	8,183,977	5,871,464	6,197,410	5,893,405	7,848,870	5,067,676
Total Debt Service Expense	2,961,098	3,024,704	2,813,412	2,673,805	2,663,499	4,005,932	3,755,570	3,702,549	3,686,447	3,696,713
Net Balance: Gain / (Loss)	(7,813,134)	(2,791,102)	(1,757,907)	(957,145)	5,520,478	1,865,532	2,441,840	2,190,856	4,162,423	1,370,963
Transfers from ICA Reserves in UMCP Foundation	1,777,648	0	0	0	0	0	0	0	0	0
Other One-Time Revenues	4,793,320	0	0	0	0	0	0	0	0	0
Loan from non-State auxiliary funds to cover operating deficit***	1,245,000	2,791,102	1,757,907	957,145						
YEAR END SURPLUS / (DEFICIT)	2,835	0	0	0	5,520,478	1,865,532	2,441,840	2,190,856	4,162,423	1,370,963
Repayment of non-State auxiliary funds					2,760,239	932,766	1,220,920	1,095,428		
CUMULATIVE ICA SURPLUS / (DEFICIT)	(1,245,000)	(4,033,267)	(5,791,174)	(6,748,319)	(3,988,080)	(3,055,314)	(1,834,394)	(738,966)	1,342,246	2,027,727
TRANSFER TO ICA PLANT/ CONTINGENCY FUND IN UMCP FOUNDATION	0	0	0	0	2,760,239	932,766	1,220,920	1,095,428	2,081,212	685,481
CUMULATIVE ICA PLANT/CONTINGENCY BALANCE IN UMCP FOUNDATION	389,889	389,889	389,889	389,889	3,150,128	4,082,894	5,303,814	6,399,242	8,480,454	9,165,935

*Comcast Center reseating of men's basketball season ticket holders.

**Byrd Stadium reseating of football season ticket holders.

***Interest owed the University is not shown in these numbers.