

Senate Committee on Finance & Planning
Minutes of the Meeting
November 18, 2014

[These notes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions or actions reported in these notes represent the views of, nor are they binding on, the Senate, the Administration or the Board of Regents.]

In these minutes: [Issues regarding intercollegiate athletics; update on public safety]

PRESENT: Gary Cohen, Renee Cheng, Quinn Jergens, Erik Van Kuijk, Dan Feeney, Catherine Fitch, Tracy Peters, Kara Kersteter, Jill Merriam, Jennifer Gunn, Karen Seashore, Paul Olin, Fred Morrison, David Fisher, Lincoln Kallsen, Michael Korth

REGRETS: Russell Luepker, Richard Pfutzenreuter, Samantha Jensen, Megan Wiza, Taylor Barker

ABSENT: Pam Wheelock, Karen Ho, Michael Volna, Laura Kalambokidis

GUESTS: Norwood Teague, director, Intercollegiate Athletics; Beth Goetz, deputy director, Intercollegiate Athletics; Tom McGinnis, chief financial officer and senior associate director, Intercollegiate Athletics; Greg Hestness, assistant vice president and chief of police, Department of Public Safety

Professor Cohen welcomed the committee.

1. Issues regarding intercollegiate athletics

Cohen welcomed Norwood Teague, director, Intercollegiate Athletics, who presented an overview of athletics and the athletic budget at the University.

He noted the University's intercollegiate athletics include:

- 25 sports programs
- Over 750 student-athletes
- A department budget of \$96M

Major expenses for 2014 include:

- Grants in aid - \$10M
- Sport operations - \$13M
- Support unit operations - \$9M
- Facility operations - \$8M

Major revenues includes:

- Ticket sales - \$22M
 - Ticket sales are primarily from football, men's basketball and men's hockey

- National Collegiate Athletic Association (NCAA) and conference distributions - \$28M
 - Includes revenue from tournaments, distributed equally from the Big Ten, and television contracts with Big Ten Network, ESPN, ABC
- Licensing and Sponsorship - \$9M
 - Licensing of the “M” and the Gopher logos; sponsorships include what is sold at the stadium, to networks, and to corporations

Teague highlighted academic progress in athletics, citing:

- Over 3.0 GPA last year for student athletes
- Highest academic progress rate (APR) for a public institution in the country, behind only private institutions Northwestern, Notre Dame, and Duke
- 18 Gopher programs posted perfect APR scores for a single year

Teague presented illustrations of the proposed new athletic village and said that the projects were in the design and fundraising phase. The fundraising goal is \$190M. Teague said it was going well, and they hoped to break ground the summer of 2015. He said the University of Minnesota is decades behind the competition in terms of facilities and directed committee members’ attention to illustrations, which included:

- Indoor football practice facility, dedicated solely to football
- Football support area
- Basketball practice spaces for both women and men
- Academic area

Teague highlighted the Student Athlete Center for Excellence, which would house a leadership program for student athletes and staff. The new center would have 44K square feet (sf), and Teague compared academic centers among top institutions:

- University of Minnesota, currently 1,700 sf, built in 1972
- University of Nebraska, 50K sf (2010)
- Michigan 38K sf (2006)
- Wisconsin, 30K sf (2014)

Teague also emphasized the need for the basketball development center for both the men’s and women’s programs and said the University of Minnesota is the only school in the Big Ten that does not have one. Cohen asked what the basketball center would house, and Teague said offices, locker rooms and training rooms. The men’s and women’s teams would each have a court.

Teague discussed the football development center, saying the University of Minnesota is the northernmost school in the Big Ten and yet does not have an indoor practice facility. Moreover, it has the least amount of space for athletics.

He compared indoor football facilities:

- Minnesota, 22K sf, built in 1985 and shared with eight other sports

- Nebraska, 240K sf, 2005, for football alone
- Iowa, 342K sf, 2014, for football alone
- Michigan State, 255K sf, 2008, for football alone

Cohen asked about the budget for maintaining a significantly larger footprint with the new facilities. Teague said they were working with the President's office on a six-year financial plan, and reviewing operations to see where money could be saved and what budget issues might come into play in the coming years. Tom McGinnis, chief financial officer, Intercollegiate Athletics, said they had thus far budgeted about \$2M/year to service the buildings. The necessary revenue would come from the new Big Ten television contract with ABC, ESPN and Big Ten Network.

Cohen then asked about maintenance on the current facilities. McGinnis said the budget for the current facilities was about \$7.7M/year, \$2M of which is for TCF Bank stadium.

Teague went on to discuss the cost of attendance issue, saying it had been brought to the NCAA. It refers to the gap between what a student-athlete receives in room and board, and what the cost of attendance is at the institution. Beth Goetz, deputy director of Intercollegiate Athletics, said that most institutions would like some sort of consistent number, as there is a risk for litigation with a gap. She believed there would be a change in the language of scholarships, and instead of full grant and aid, support will be defined as the full cost of attendance. The likely effective date will be August 2015.

Professor Morrison asked if this was based on the University's projected cost of attendance or the NCAA formula. Goetz said it was based on university cost of attendance. Thus, McGinnis added, the cost would vary dramatically among institutions. For the University of Minnesota, with 324 scholarships at \$2K each, it would total about \$648K.

Teague discussed the issue of conference autonomy within the NCAA. There is an effort by the Big Ten, ACC, SCC, Big 12 and Pack 12 conferences to have greater decision-making power as a Big Five group. Many issues for universities in this group are not the same as for smaller schools.

Teague addressed ticket bundling, which was a system for selling tickets for men's hockey, football and men's basketball as a package. Many students complained it was not fair if they only wanted to buy for one sport. Teague said the intent was to reward those who bought all three, but since the plan did not work, ticket bundling has been discontinued and 45 students were refunded their money.

Teague discussed NCAA amateurism rules and the ruling in the Ed O'Bannon case. A circuit judge in California ruled that a student athlete whose likeness appears on television is not owed compensation, and Teague said the ruling will likely be appealed.

Teague also talked about a court case in which the premise is that student athletes are employees of a college or university and should be paid accordingly. The case has not gone before a court. Teague also discussed the push for student athlete unionization at Northwestern University. Cohen clarified that whatever happened at Northwestern does not directly apply to a state university and that any such unionization at a state university in Minnesota requires state

legislation. Professor Morrison said each state has its own laws about public employers, but the National Labor Relations Board (NLRB) has jurisdiction only over private employers, and thus only private institutions. Minnesota law explicitly says what unions can exist at the University, which does not include a union for athletes.

Cohen asked about excessive expenditures for facilities and coaching salaries, and how restraint could be exercised in both. Teague said he did not know how either could be restrained, as it came down to antitrust issues and pointed out that coaches needed to be paid competitively to keep them at the University.

Professor Seashore asked what future issues might affect the athletics program budget. Teague said paying student athletes may become an issue, and Morrison suggested litigation over concussion cases may as well.

Cohen thanked Teague, Goetz and McGinnis for the information, and Teague thanked the committee for the opportunity to visit.

2. Update on public safety

Cohen welcomed Greg Hestness, assistant vice president and chief of police, Department of Public Safety.

Hestness gave background on public safety on campus:

- The University of Minnesota Police Department (UMPD) has 50 sworn officers and about 130 student employees in the Student Monitor Program (SMP)
- The SMP provides basic services of campus patrols on foot and bicycle, staffs the escort service, as well as providing contract assignments at various campus locations
- Public Safety Emergency Communications Center (PSECC) supports the 911 telephone service, manages calls for service, and also monitors 2600 surveillance cameras, 24/7, system-wide
- The center also manages electronic access services to campus buildings during and after hours

Hestness noted some changes in organizational structure, saying that the operations of central security had been decentralized to Facilities Management. Emergency management had been moved to the Department of Environmental Health and Safety.

Hestness went on to say that the Department of Public Safety sought to balance the University's traditionally public and open buildings with current security realities by:

- Creating a full implementation of the building access program
- Converting all occupied buildings on the Twin Cities campus to electronic card access and control
- Making enhancements in public safety emergency communications center
- Adding security cameras

- Replacing the 911 phone system and preparing for Next Gen 911, which will include texting capabilities
- Expanding transportation options for students
- Adding new University Avenue circulator buses and extended weekend circulator hours
- Enhancing Gopher Chauffeur capacity

Hestness elaborated on safety education throughout the campus, saying that Public Safety had partnered with student government and student groups to increase awareness, conducted self-defense workshops, engaged off-campus housing providers about safety and security issues, and created the “SAFE U” awareness campaign. University Services, University Relations, and Boynton Health Center had also worked to make safety information available directly to students, faculty, and staff, in the media, and on the web. Hestness highlighted opportunities for campus engagement, including informal gatherings with the police staff such as coffee and donuts and pizza lunches for students.

Hestness emphasized reducing campus sexual assault initiatives was a priority, not only in prevention but supporting survivors as well. Hestness went on to discuss robberies of persons, saying it was the most likely serious violent crime to affect students. Last fall saw an increase in such robberies in neighborhoods around campus, as usually happens at the beginning of a school year. He said that since then robberies had fallen off, and that that Public Safety was closely monitoring and working proactively with the Coordinated Response Team (CRT) and the 1st & 2nd precincts of the Minneapolis Police Department.

Hestness also discussed deployment of UMPD resources for campus special events, such as concerts, high profile guest speakers, and athletic events. These require significant planning on the part of UMPD and PSECC.

Cohen asked about the effect of the light rail train now running through campus, and noted possible issues including cars, bicycles, and pedestrians. Hestness said he was glad there had been no serious events, but he acknowledged that it was disorderly at crossings. He said the UMPD had been working on raising awareness around the crossings, but such awareness was not yet part of the campus mentality.

Hestness reviewed crime statistics, saying over the last ten years, part 1 crime (most serious) had seen a 35% decline. Over the longer term, Hestness said in 1989 there were nearly 2,100 part 1 crimes and in 2013, it was down to 485, a 77% decline. Hestness said although Public Safety was pleased by the trends, they were not taking them for granted.

Cohen asked if there were any fiscal challenges looming for campus security and policing. Hestness said Public Safety wanted to increase the number student monitors, as the demand for escorts is up 65%. They have also requested raises for the monitors, and this was essentially covered with the savings from the elimination of the Office of Central Security.

Morrison noted that Hestness was retiring in June 2015 and expressed gratitude on behalf of the committee for Hestness’s commitment to the University.

Hearing no further business, the Cohen adjourned the meeting.

Mary Jo Pehl
University Senate Office