



**SPECIAL CALLED MEETING OF THE BOARD OF REGENTS
AND
PRESIDENTS' RETREAT**

**December 18-19, 2008
Austin and Lost Pines, Texas**

THURSDAY, DECEMBER 18, 2008

SPECIAL CALLED MEETING OF THE BOARD OF REGENTS

9th Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin

- A. CALL TO ORDER IN OPEN SESSION *8:30 a.m.*
1. **U. T. System: Discussion of Chancellor's job duties** *Chairman Caven
Chancellor ad interim Shine*
- B. RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551 (working lunch) *9:00 a.m.*
1. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074
- a. **U. T. System: Candidate interviews, discussion, and appropriate action regarding individual personnel matters related to the Chancellor search, including possible naming of finalists**
- b. **U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents, U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, Chancellor ad interim, General Counsel to the Board of Regents, and Director of Audits), and U. T. System employees**
2. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
- U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
- C. RECONVENE IN OPEN SESSION FOR ACTION ON EXECUTIVE SESSION ITEMS *12:30 p.m.*

D. CONSIDER AGENDA ITEMS

2. **U. T. San Antonio: Discussion and appropriate action regarding the Athletic Initiative Business Plan, which includes development of acreage for an Athletic Complex, addition of a football program, and advancement of 16 intercollegiate sports programs** *12:40 p.m.*
Action **1**
President Romo
Dr. Prior

3. **U. T. Tyler: University Center Expansion - Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost and appropriation of additional funds and authorization of expenditure (Final Board approval)** *12:50 p.m.*
Action **55**
President Mabry
Mr. O'Donnell

4. **U. T. Permian Basin: Request to rename the Helen Greathouse Hall as the Rea-Greathouse Hall** *12:55 p.m.*
Action **56**
President Watts
Dr. Safady

E. RECESS *1:00 p.m.*

THURSDAY, DECEMBER 18, 2008 (continued)

PRESIDENTS' RETREAT

Baron's Ballroom, Hyatt Regency Lost Pines, 575 Hyatt Lost Pines Road, Lost Pines, Texas

A. CONVENE RETREAT

1. **Remarks on goals for retreat and introduction of speaker** *2:00 p.m.
Chairman Caven*
 2. **Remarks related to ideas and thoughts on future directions for higher education** *2:15 p.m.
Dr. Lee Todd, President,
University of Kentucky*
 3. **Response from U. T. System Presidents and Regents and general discussion of Dr. Lee Todd's remarks** *2:45 p.m.
Led by Presidents
Callender, García, and
Powers*
 4. **Innovations in Education Fair** *3:30 – 5:00 p.m.
Presidents
Students
Faculty*
 5. **Reception** (*Baron's Ballroom Foyer*) *5:30 p.m.*
 6. **Introduction of speaker** *6:00 p.m.
Chairman Caven*
 7. **Remarks concerning strengthening U. T. Board capacity for strategic finance** *6:05 p.m.
Jane Wellman, Executive
Director of the Delta
Project on Postsecondary
Costs, Productivity and
Accountability*
 8. **Response from U. T. System Presidents and Regents and general discussion of Jane Wellman's remarks** *6:30 p.m.
Led by Regent Longoria
and Presidents Mabry and
Spaniolo*
- B. RECESS FOR DINNER (*Austin Colony Room*) *7:00 p.m.*

FRIDAY, DECEMBER 19, 2008

- BUFFET BREAKFAST (*Baron's Ballroom*) 8:30 a.m.
- C. RECONVENE PRESIDENTS' RETREAT (*Baron's Ballroom*) 9:00 a.m.
1. **Panel and general discussion of innovations to improve student opportunities and outcomes/success** 9:00 a.m.
Regents McHugh (chairing) and Gary; Jane Wellman; Presidents Cárdenas, Cigarroa, Daniel, and Watts
2. **Break** 10:30 a.m.
3. **Panel and general discussion of what the future holds: identification of needed studies and innovations, evaluation of teaching/effectiveness, individual and collaborative initiatives, rewards systems, and continue searching for provocative ideas** 11:00 a.m.
Vice Chairmen Huffines (chairing) and Rowling; Presidents Kaiser, Natalicio, Podolsky, and Spaniolo
4. **Lunch/Brief recap of retreat issues** 12:15 p.m.
Chancellor Shine
- D. ADJOURN RETREAT 1:00 p.m.

1. **U. T. System: Discussion of Chancellor's job duties**

PURPOSE

Chairman Caven and Chancellor ad interim Shine will discuss the duties of the position of Chancellor.

2. **U. T. San Antonio: Discussion and appropriate action regarding the Athletic Initiative Business Plan, which includes development of acreage for an Athletic Complex, addition of a football program, and advancement of 16 intercollegiate sports programs**

RECOMMENDATION

The Chancellor ad interim, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor for External Relations, and President Romo concur in the recommendation that U. T. San Antonio be authorized to proceed with the proposed Athletic Initiative Business Plan as set forth on Pages 3 - 42.

BACKGROUND INFORMATION

Major strategic initiatives are underway at U. T. San Antonio. A strategic plan, *A Shared Vision UTSA 2016*, was recently published, and its supporting implementation plan is in the final stages. Consultants and senior staff are planning the launch of the University's first capital campaign. Community visibility and support is at an all-time high with voters approving both city and county tax initiatives totaling more than \$22 million for Phase I for construction of the new Competitive Athletic Complex, approved by the Board of Regents on November 13, 2008. Enrollment continues to climb to more than 28,500 and students express a strong desire for an enhanced campus life program. Research expenditures have grown by 125% in the past five years to more than \$30 million per year. These are only a few elements of the rapidly changing U. T. San Antonio campus and surrounding community.

While there is tremendous enthusiasm and optimism about the strategic initiatives mentioned above, the University recognizes that it must address its well-documented strategic challenges to capitalize fully on new and growing opportunities. Challenges include a growing space deficit and infrastructure needs (classrooms, research facilities, and faculty and staff offices). The faculty-to-student ratio must be reduced with additional research and teaching faculty. There must be continued improvement in student success and graduation rates. A comprehensive marketing plan and a strong fundraising program must be developed and implemented to capture heretofore unrecognized or untapped sources of funding and support.

The University's Athletic Initiative, with its three strategies discussed below, is one of many key elements of the University's *2016 Implementation Plan* (the Plan). The Athletics Initiative is directly connected to and supportive of the University's academic mission and is consistent with other elements of the strategic plan. The strategies outlined in the Plan will be strong forces for change to rally supporters for both the University's academic and athletic programs. The intent of this initiative is to engage current students at new levels by providing them an enhanced and more complete university experience, and draw former students and the San Antonio community closer to the University and its continued development.

The U. T. San Antonio Administration is committed to funding the Athletic Initiative through student fees (which students have already approved), corporate and private support, and other revenue streams that do not draw from the institutional academic budget. Moreover, experiences within the U. T. System as well as throughout the country support the notion that athletic fundraising can stimulate rather than divert resources from other institutional developmental efforts by creating excitement and momentum, furthering the engagement and connectivity of alumni and community leaders.

The Plan is organized in the following incremental phases, and U. T. San Antonio will only move forward with each when funds are raised and appropriate approvals are obtained, thus reducing the financial risk of the Plan:

- Strategy 1: Develop a 60-acre, \$84 million Competitive Athletic Complex, including NCAA Division I quality facilities for track, soccer, baseball, softball, tennis, multiuse practice fields, a multipurpose team building, and related infrastructure, which will be located at the 1604 Campus expansion site on the Hausman Road property.
- Strategy 2: Add a Football Championship Subdivision (FCS) football program.
- Strategy 3: Advance the University's existing 16 intercollegiate sports programs to a conference in the NCAA Football Bowl Subdivision (FBS).

Finally, the U. T. San Antonio Athletic Initiative is designed to create an intercollegiate athletics program that is a key element in Universitywide efforts to develop a comprehensive campus life program that benefits U. T. San Antonio students, employees, and alumni and supports the entire San Antonio community.

Supplemental Materials:

- **UTSA Athletic Initiative Business Plan on Pages 3 - 42.**
- **Summary of Athletic Initiative on Pages 43 - 54.**

The University of Texas at San Antonio Athletic Initiative Business Plan

September 2008



NCAA - Division I



**The University of Texas at San Antonio
Athletic Initiative Business Plan
September 2008**

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**The University of Texas at San Antonio
Athletic Initiative Business Plan
September 2008**

The University of Texas at San Antonio (the University) administration and officials have reviewed and approved the following Athletics Initiative Business Plan that will provide for the following:

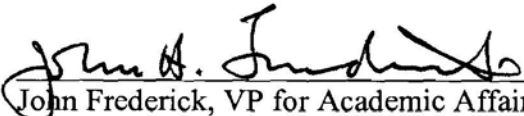
- 1) Develop a Competitive Athletic Complex;
- 2) Add an NCAA Football Championship Subdivision football program; and,
- 3) Advance the existing 16 intercollegiate sports programs to position the University for an invitation to an NCAA Football Bowl Subdivision conference.

The Plan documents the strategic, financial, operational and legal/regulatory issues of the proposed Athletics Initiative. The signatures of those below indicate their support for the project and their review of the issues so identified and documented.



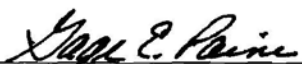
Dr. Ricardo Romo, President

9/2/08
Date



John Frederick, VP for Academic Affairs
& Provost

9/2/08
Date



Dr. Gage Paine, VP for Student Affairs

9/2/08
Date



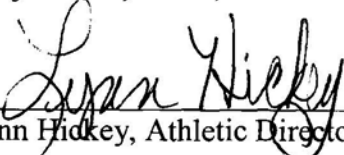
Kerry L. Kennedy, VP for Business Affairs

9/2/08
Date



Marjorie M. French, VP for Advancement

9/2/08
Date



Lynn Hickey, Athletic Director

9/02/08
Date

Introduction

The University of Texas at San Antonio is at a critical crossroad. A strategic plan, *A Shared Vision UTSA 2016*, was recently published, and its supporting implementation plan is in its final stages. An extensive 50-year 1604 campus master plan is nearing completion, and updated master plans for the Downtown Campus and the Institute of Texan Cultures are in progress. Consultants and senior staff are planning the launch of the University's first capital campaign. Community visibility and support is at an all time high with voters approving both City and County tax initiatives totaling more than \$22 million for Phase I of a new Competitive Athletic Complex. Enrollment continues to climb to more than 28,500, while student engagement and demand for enhanced campus life also expands. Research expenditures have grown by 125% in the past five years to more than \$30 million. These are only a few elements of the rapidly changing UTSA campus and surrounding community.

While there is tremendous enthusiasm and optimism about the strategic initiatives noted above, the University recognizes that it must address its well-documented strategic challenges to fully capitalize on new and growing opportunities. Challenges include a growing space deficit and infrastructure needs (classrooms, research facilities, faculty and staff offices, etc.). The faculty to student ratio must be reduced with additional research and teaching faculty. There must be continued improvement in student success and graduation rates. A comprehensive marketing plan and a strong fundraising program must be developed and implemented to capture heretofore unrecognized or untapped new sources of funding and support.

The University's Athletic Initiative, with its three strategies discussed below, is one of many key elements in the University's *UTSA 2016 Implementation Plan*. The Athletics Initiative is directly connected to and supportive of the University's academic mission and consistent with other elements of the strategic plan. The strategies outlined in this Plan will be strong forces for change that will rally supporters for both the University's academic and athletic programs. The intent is to engage current students at new levels by providing them an enhanced and more complete university experience, and draw former students and the San Antonio community closer to the University and its continued development.

The University administration is committed to funding the Athletic Initiative through student fees, corporate and private support, and other revenue streams that do not draw from the institutional academic budget. Moreover, experiences within The University of Texas System as well as throughout the country support the notion that athletic fundraising can stimulate rather than divert resources from other institutional developmental efforts by creating excitement and momentum furthering the engagement and connectivity of alumni and community leaders.

In conclusion, the UTSA Athletics Initiative is designed to create an intercollegiate athletics program that is a key element in our university-wide efforts to develop a comprehensive extra-curricular program that benefits UTSA students, employees and alumni and supports the entire San Antonio community.

Athletic Initiative: Executive Summary

[See **Athletic Initiative: Plan Detail** Section beginning on Page 8 for expanded commentary.]

Project Description:

The Athletic Initiative to enhance the University's intercollegiate athletic program consists of the following three Strategies:

- Strategy 1: Develop an \$84 million competitive Athletic Complex;
- Strategy 2: Add a Football Championship Subdivision (FCS)¹ football program; and,
- Strategy 3: Advance the University's existing 16 intercollegiate sports programs to a NCAA Football Bowl Subdivision (FBS)¹ conference.

Strategic Implications:

The University desires to improve its overall athletics program to enhance the student experience, strengthen ties to alumni and the community, and create a new University peer structure for both academics and athletics. With improved facilities and the addition of football, the University will begin positioning itself to affiliate with more prestigious universities of similar size and academic standing. The University also desires to relocate its existing athletic facilities to utilize current locations near the core of the 1604 campus for future classrooms, faculty offices, research and teaching labs, student recreation, administration offices and residential halls.

The Athletic Initiative directly supports the University's recently adopted strategic plan, *UTSA 2016*. The specific Strategic Initiatives of *UTSA 2016* impacted by the Athletic Initiative include Enriching Education Experiences to Enable Student Success; Promoting Access and Affordability; Serving the Public through Community Engagement; and, Expanding Resources and Infrastructure. See **Strategic Rationale** section beginning on page 13 for additional commentary.

Strategy Descriptions & Effective Dates:

The University has conducted extensive due diligence for its Athletic Initiative, which is now underway in varying degrees by Strategy, as follows:

Strategy 1: Athletic Complex

The University is currently in an extensive 50-year master planning process that recently identified the 125 acre site (acquired in April 2007; one mile southwest of the 1604 campus) as the prime location of the proposed 60 acre, \$84 million Athletic Complex. The fully developed Complex will include NCAA Division I quality stadiums for Baseball, Softball, Soccer, Track, and Tennis, along with practice fields, a Team Building and related infrastructure. See

¹ In December 2006, the NCAA approved a change in terminology to "Football Bowl Subdivision" (FBS) for the former Division I-A classification and "NCAA Football Championship Subdivision" (FCS) for the former Division I-AA group. It is believed that the new nomenclature more accurately distinguishes Division I institutions for purposes of governing football, the only sport for which such a distinction is necessary.

Appendix A for the master plan's Preliminary Conceptual Design of Athletic Complex (Full Site Development).

Note: Appendix A also includes a new arena and a football stadium. The stadium is discussed in the Strategy 2: FCS Football Program commentary beginning on page 10 and a new arena is a future initiative not encompassed by this Business Plan.

According to a recent study by the University's Institute for Economic Development, the Athletic Complex will generate \$193 million for the local economy during three years of construction and the initial five years of operation. The City of San Antonio and Bexar County voters have recently approved \$22.1 million in bond referendum monies (\$5.6 million in City bonds; \$16.5 million in County bonds) for the University to construct Phase I of the Athletic Complex. Phase I is targeted to include a track stadium, soccer stadium, roadway, surface parking, retention basin, and other related infrastructure. See Appendix B for Conceptual Design of Athletic Complex, Phase I. With Phase I funding identified and site selection complete, the University is in detailed conversations with City and County officials to identify an acceptable project scope. The University anticipates proposing the addition of the Athletic Complex, Phase I to the institution's Capital Improvement Program at the November 2008 or February 2009 U. T. System Board of Regents meeting. Anticipated completion of Phase I is 2011. The additional phases of the expansive Athletic Complex will be constructed as external funding is identified.

Strategy 2: Football Championship Subdivision (FCS) Football Program

In November 2006, the University procured a Football Feasibility Study by Carr Sports Associates, Inc. The study addressed NCAA guidelines, organizational recommendations, Title IX compliance, fiscal requirements, facilities, support systems and other implementation issues, including proforma financial statements (see Appendix C) that project a philanthropic funding requirement of nearly \$13 million over the eight year period, from 2009 through 2016, or approximately \$1 - \$2 million annually, to support football operations and move the entire Athletic Department to the next level of NCAA competition. The \$13 million is not an endowment, but will be used to fund Athletic Department operations. Plans are being developed for a fundraising initiative to secure the needed funding. Fee increases as approved by students and the \$13 million in fundraising commitments will provide annual operation budget levels sufficient to sustain a football program in the Southland Conference, the University's current FCS conference affiliation. With appropriate funding identified, the University could conceivably hire a head coach and assistants in 2009, and play an independent football schedule by 2011.

Strategy 3: Advancement of Existing 16 Sports Programs to an NCAA Football Bowl Subdivision (FBS) Conference

The advancement of the University to an NCAA FBS conference is a strategy that will take several years of growth and ultimately will require a conference invitation and approval by the U. T. System Board of Regents. The University's current annual athletic budget is approximately \$8 million, while the average of those institutions participating in an FBS conference is approximately \$20 million. As Strategies 1 and 2 above are implemented and supported by the University community and the San Antonio community-at-large, significant progress will be made to position the University for a FBS conference invitation. Fundraising

beyond the initial philanthropic requirement of \$13 million for operations budget support will be required to make the move to an FBS conference.

Investment & Source of Funding:

The University anticipates funding the Athletic Initiative through a combination of student fees, local government public funds, private donations and corporate sponsorships. Strategy 1 (Athletic Complex, Phase I only) and Strategy 2 of the Athletic Initiative will cost approximately \$35.1 million: \$22.1 million for Phase I of the competitive Athletic Complex, and a \$13 million philanthropic fund raising requirement for operational needs to begin the football program and move the entire athletics budget toward the next level of NCAA competition. Aside from the currently identified \$22.1 million in local government funding from the City of San Antonio and Bexar County, the remaining \$13 million will be raised via a fundraising initiative through a combination of donations and sponsorships, including possible corporate naming rights agreements for the athletic facilities.

In September 2007, the University's student body approved Athletic Fee increases to begin in fiscal year 2009. The student referendum passed by nearly a 2-to-1 margin with a record voter turnout. This student referendum doubles the existing Athletic Fee over the next five to seven years from \$10/semester credit hour (sch) to \$20/sch and capped at 12 semester credit hours. The U. T. System Board of Regents approved the first of these increases in March 2008. The additional fees will be used to enhance the University's overall intercollegiate athletic program, including additional funding needed to add the football program. These fee increases will sustain the new football program and the current 16 sports programs within their existing FCS conference affiliation.

Key Milestones for Success:

As noted in **Strategic Implications** above, the Athletic Initiative Business Plan is integral to the successful implementation of the University's strategic plan in the four major initiatives identified. Specifically, the Plan will aid in the successful advancement and attainment of the University's target goals in enrollment growth, six year graduation rates for first time freshmen, retention rates, transfer students graduation rates, space deficit reduction, and institutional philanthropic fundraising. Additional success criteria can be found in the Athletic Department's 2009 Compact in Appendix F.

Risks to Success & Mitigating Strategies:

Risks include delays in implementing student fee increases, insufficient or prolonged unsuccessful fundraising efforts, construction cost overruns and programmatic issues. To mitigate risks associated with these issues, each phase of the facility improvements, the addition of the football program and steps toward an FBS conference will be initiated only after sufficient funding is secured and appropriate approvals are obtained in accordance with State of Texas requirements and U. T. System Board of Regents *Rules & Regulations*.

Athletic Initiative: Plan Detail

Project Description:

The Athletic Initiative to enhance the University's intercollegiate athletic program consists of the following three Strategies:

- 1) Development of an \$84 million competitive Athletic Complex, including NCAA Division I quality facilities for track, soccer, baseball, softball, tennis, multi-use practice fields, a multi-purpose team building, and related infrastructure;
- 2) Addition of an NCAA Football Championship Subdivision (FCS)¹ football program; and,
- 3) Advancement of the existing 16 intercollegiate sports programs to position the University for an invitation to an NCAA Football Bowl Subdivision (FBS)¹ conference.

Strategy 1: Athletic Complex

The University is currently in an extensive 50-year master planning process that recently identified the 125 acre site (acquired in April 2007; one mile southwest of the 1604 campus) as the prime location of the proposed 60 acre, \$84 million Athletic Complex. The fully developed Athletic Complex will include NCAA Division I quality stadiums for:

- Baseball.....5,000 seats, batting cage and team locker rooms.
- Softball.....2,200 seats, batting cage and team locker rooms.
- Soccer.....5,000 seats, international size field.
- Track.....5,000 seats, international size track and throwing area.
- Tennis.....1,500 seats, 12 outdoor courts.

The stadiums will be designed to allow for additional temporary seating to host larger events. Two additional multi-purpose practice fields with lights (one artificial turf and one natural grass turf) will be used for soccer, football and track practices. A 50,000-100,000 square foot multi-purpose Team Building will include administrative and coaches offices, as well as training rooms, ticket office, locker rooms, weight room, laundry and other facilities serving all Athletic Complex facilities. All facilities will be designed and constructed to maximize cost efficiencies in their construction and ongoing operation. Once fully built out, the preliminary estimate for on-going maintenance and operations of the entire Athletic Complex is \$750,000 annually, which will be absorbed by the Athletic Department's operations budget.

The existing sports programs will continue to practice and play games in their existing facilities until new facilities are completed in the Athletic Complex. Temporary football locker room facilities will be located on the 1604 main campus with practice sessions conducted on current

¹ In December 2006, the NCAA approved a change in terminology to "Football Bowl Subdivision" (FBS) for the former Division I-A classification and "NCAA Football Championship Subdivision" (FCS) for the former Division I-AA group. It is believed that the new nomenclature more accurately distinguishes Division I institutions for purposes of governing football, the only sport for which such a distinction is necessary.

intramural fields or in nearby high school facilities. Preliminary discussions have begun to secure both practice and game facility arrangements for football. Current plans are to play football games in the Alamodome (see relevant commentary under Strategy 2: Football Championship Subdivision (FCS) Football Program.)

With \$22.1 million in funding approved for Phase I of the Athletic Complex and site selection complete, the University is in detailed conversations with City and County officials to secure the funds and begin Phase I of the Athletic Complex at a total project cost not to exceed \$22.1 million. Phase I is anticipated to include a track stadium, soccer stadium, (or combined track/soccer stadium), roadway, surface parking, retention basin, and other related infrastructure. As soon as agreement is reached on the final scope of the project, the University will propose the addition of the Athletic Complex, Phase I to the institution's Capital Improvement Program. A request for U. T. System Board of Regents approval of Phase I is anticipated for November 2008 or February 2009. Anticipated completion of Phase I is 2011. The additional phases of the expansive Athletic Complex will be constructed as external funding is identified.

See Appendix A for the master plan's Preliminary Conceptual Design of Athletic Complex (Full Site Development) and Appendix B for Conceptual Design of Athletic Complex, Phase I.

Note: Appendix A includes a 10,000-12,000 seat arena and a football stadium adjacent to the Athletic Complex. The stadium is discussed in the Strategy 2: FCS Football Program commentary beginning on page 10 and a new arena is a future initiative not encompassed by this Business Plan. The future construction of a new arena is important for the University in order to take advantage of additional revenue from suites, signage, naming rights, hospitality areas and community events. No architectural plans or cost estimates for a new arena have been developed. Once project scope and funding sources are identified, the University will consider the priority and opportunities for the arena.

Supporting Analysis for Athletic Complex:

The construction costs for the Athletic Complex were originally based on preliminary estimates provided by outside contractors. In November 2006, Zachry Construction provided a conceptual construction budget estimate of \$60 million for the Athletic Complex. See Appendix D, Zachry Conceptual Budget Estimate for Athletics Complex. The 2006 estimate has been increased by 40% to account for the rise in construction costs experienced in the San Antonio area over the past two years. The resulting current projected construction costs for the Athletic Complex are therefore estimated at approximately \$84 million, excluding project fees and contingencies.

The University currently provides fields and facilities to co-host non-collegiate events. The existing Convocation Center annually hosts University and community events attended by more than 285,000 people. Nearly 120,000 (42%) are attending community events co-hosted by the University. These events include high school graduations, cheerleading competitions, University Interscholastic League (UIL) basketball playoffs, job fairs and other University co-hosted events. Improved athletic facilities will bring thousands of additional young people to San Antonio and the University campus to participate in and attend NCAA, UIL, international games and local youth competitions. See also Economic Analysis on page 17.

Strategy 2: Football Championship Subdivision (FCS) Football Program

Based upon the community's long-standing support of high school, college and professional football, the University believes there is sufficient season ticket and donor support for an NCAA FCS football program. San Antonio is the seventh-largest city in the country and the largest without either a Division I collegiate football program or a National Football League franchise. The state currently boasts 12 NCAA Division I football programs, but none south of San Marcos. The only scholarship program playing football in the southern third of the state is Division II Texas A&M – Kingsville. Incarnate Word University of San Antonio has recruited its first class of players and will begin playing a NCAA Division II football schedule in 2009. In February 2006, the University engaged Carr Sports Associates (CSA) to assist in determining the feasibility of introducing NCAA Division I football. In November 2006, CSA delivered a detailed study addressing NCAA guidelines, organizational recommendations, Title IX compliance, fiscal requirements, facilities, support systems and other implementation issues. Proforma financial statements, revised since the CSA study, are included in the attached Appendix C and project overall Athletic Program expenses and revenue through the 2016 fiscal year. These financial projections formed the basis for athletic fee increases proposed to students in a September 2007 referendum.

In anticipation of moving the University's athletic programs to the next level of NCAA competition, including the possible addition of a football program, students voted overwhelmingly to double the Athletic Fee during the next five to seven years from \$10/semester credit hour (sch) to \$20/sch and capped at 12 semester credit hours. The first annual Athletic Fee increases approved by students in September were approved by the Board of Regents at its March 2008 meeting. Plans are in place for a fundraising campaign to secure approximately \$13 million in philanthropic commitments over the next five to eight years to add football and move the annual Athletics operation budget toward an FBS conference level. The preliminary planning for the fundraising campaign has begun. A public announcement and public solicitation of donations will be launched once this Business Plan has been communicated to U.T. System officials and appropriate members of the Board of Regents. With appropriate modifications, the University will follow project plans outlined in the CSA Study to implement its football program. Fee increases as approved by students and the \$13 million in fundraising commitments will provide annual operation budget levels sufficient to sustain a football program in the Southland Conference, the University's current FCS conference affiliation.

The University plans to play its initial years of FCS football in the City's Alamodome. The Alamodome hosted the Dallas Cowboys pre-season training camp, the UIL Class 5A and 4A State Championship Games, the Big XII Championship Game, the Army High School All American Game and the Valero Alamo Bowl Game during the past year. The Alamodome is located across Highway 281/IH 37 from the Institute of Texan Cultures, one of the University's three campuses. Many of the football games played in the Alamodome attract 15,000 fans or less. A favorable game atmosphere is maintained by restricting seating in the upper deck and in the end zones.

While no official agreements are in place with the City for use of the Alamodome, City officials have voiced strong support for the University playing its home football games in the Dome, have begun looking for open dates beginning in August 2011, and have begun working with the Athletic Department to formulate initial facility use arrangements and related costs. See

Appendix H: City of San Antonio Letter of Support for Use of the Alamodome. All proposed agreements with the City will be thoroughly reviewed and approved by the University and appropriate U. T. System officials. The University preliminarily expects to play three home games in the Alamodome in the 2011 practice year and six home games per year beginning in 2012. Based on recent conversations with Dome officials, the following informal and preliminary arrangements have been discussed:

- The proposed facility rental fee is approximately \$31,500 per game for building setup, security, ushers, box office personnel, etc.
- The Alamodome will retain all parking and concession revenues.
- UTSA will retain all ticket-related revenue.
- UTSA will have access to a designated number of suites as part of the facility rental fee.

Once the football program is established, additional negotiations and arrangements may need to be made regarding ticket revenue sharing. Approximately \$1.2 million in Alamodome Facility Rental costs have been included in the financial projections in Appendix C for 2011 – 2016.

The University plans to continue to use the Alamodome for its football games until it is either no longer available or until financial support is available for the construction of a stadium. Acreage for a new football stadium adjacent to the Athletic Complex has been identified in the current master planning process. Recent renovations to the Alamodome have extended its projected life for NCAA Championships and other large tourist-destination events. Because of the significant economic impact generated by the Dome, the University anticipates that the Alamodome or a similar City-operated facility will be available for UTSA football into the foreseeable future. Once football is a reality at UTSA and several seasons have occurred, the University anticipates an eventual ground swell of enthusiasm for the institution to have its own football stadium on or near campus. Even though the master planners have included a football stadium in the preliminary conceptual Athletic Complex designs, the eventual cost of a football stadium has not been included in any of the financial projections included in this Athletic Initiative Business Plan. Any opportunity for a stand-alone Roadrunner football stadium will be contingent on a significant gift associated with a naming rights agreement and significant ticket demand. The University has no plans to solicit such a contribution in the near term.

Supporting Analysis for Football Program:

The projected Athletics operations budget requirement to add football and move the existing 16 sports to the next level was identified by an outside contractor in a football feasibility study. In November 2006, Carr Sports Associates, Inc. provided proforma financial statements as part of its NCAA Division I football feasibility study that projected operations funding requirements of nearly \$13 million from 2009 through 2016 (see Appendix C) to move the entire Athletic Department to the next level of NCAA competition and begin the football program.

The changes made to the original CSA feasibility proforma financial statements have been enumerated in Appendix C.

Strategy 3: Advancement of Existing 16 Sports Programs to an NCAA FBS Conference

A university's public perception is based in part upon its athletic prominence and associated national visibility. Joining an FBS-level conference will build equity in a UTSA degree through

greater national visibility and school loyalty. During most of the fall semester while students in Lubbock, College Station and Austin gather for six or seven home football weekends, UTSA students are left primarily with a cross country meet and volleyball matches to build tradition, camaraderie and school loyalty.

The University currently is a member of the Southland Conference, a non-FBS conference that receives substantially less attention in the national media than FBS conferences such as the Big XII, Big 10 and Southeastern Conference. Joining an FBS conference such as the Sun Belt, Western Athletic Conference or Conference USA with greater national prominence and visibility will require four key improvements to UTSA's current athletic program:

- 1) An annual operations budget of more than \$20 million;
- 2) A men's basketball program that competes for an at-large NCAA Tournament bid annually;
- 3) A competitive football program; and
- 4) Improved athletic facilities.

The UTSA Athletic Initiative Business Plan addresses all four of these programmatic, financial, and facility enhancements.

UTSA Athletics has considered focusing greater national attention on its men's basketball program and possibly foregoing the addition of football. But there are several elements that weigh against that strategy. The competitive level of the Southland Conference makes it unlikely that UTSA could achieve the competitive level and national attention of non-football playing schools such as Villanova, St. John's and Georgetown. These schools are all members of the Big East, an FBS conference that sent eight teams to the most recent NCAA Men's Basketball Tournament. Another nationally prominent non-football playing school, Gonzaga, is a member of the West Coast Conference, which sent three teams to the 2008 NCAA Tournament. Historically the Southland Conference sends only its post-season tournament champion to the NCAA Tournament. The conference's strength of scheduling rarely allows a Southland team to be considered for an at-large NCAA Tournament berth. A Southland Conference team has never received an at-large NCAA Tournament bid.

In short, attaining basketball prominence in the Southland Conference is improbable. The Athletic Initiative Business Plan begins to build the infrastructure and financial support necessary to position UTSA for a move to the Sun Belt, Western Athletic Conference or Conference USA. Football is one of the four critical requirements for membership in one of these geographically acceptable conferences. For the reasons listed above, membership in one of these three FBS conferences offers significant opportunities to UTSA's 16 existing sports – especially men's basketball. It also improves the "student experience" at UTSA. Football in the fall is an important component of the Texas high school experience for most potential students, and collegiate football is part of what makes a campus "feel" like a college. The addition of football and eventual move to a FBS conference improves the UTSA student experience by building greater school loyalty, visibility and camaraderie.

The University's upcoming Athletics fundraising campaign is necessary to move toward the minimum level to be considered for an NCAA FBS conference affiliation. The advancement of

the University to an FBS conference is a strategy that will take several years of growth and ultimately will require a conference invitation and approval by the U. T. System Board of Regents.

Division I-A (FBS) football program eligibility requirements include the following:

- Sponsor a minimum of 16 varsity sports including football. Sponsorship shall include a minimum of six sports involving all male teams or mixed teams, and a minimum of eight sports involving all female teams.
- Schedule and play at least 60 percent of its football contests against FBS members and play at least five home games against FBS opponents.
- Annually average at least 15,000 in actual or paid attendance for all home football contests once every two years.
- Provide an average of at least 90 percent of the permissible maximum number of overall football grants-in-aid per year over a rolling two-year period.
- Annually offer a minimum of 200 athletics grants-in-aid or expend at least \$4 million on grants-in-aid to student-athletes in the athletics program.

If the University is not invited to a FBS conference, UTSA Athletics will continue to compete for Southland Conference and NCAA Division I national championships in its 16 existing sports and for the Division I-AA championship in football. It will also continue to position itself for FBS conference membership by upgrading its facilities and increasing its operations budget to FBS levels. The greatest risk/consequence of remaining in the Southland Conference is lower revenue potential from ticket sales, sponsorships, donations, broadcasting rights, conference payouts and other sources. Revenue growth with the addition of football and the recently approved student fees will place the UTSA Athletics budget at or near the top of the Southland Conference.

As Strategies 1 and 2 above are implemented and supported by the University community and the San Antonio community-at-large, significant progress will be made to position the University for an FBS conference invitation. Men's basketball is extremely important to the University's future conference affiliation. Sizeable conference payouts from the NCAA Men's Basketball Tournament are based upon each conference's performance in the tournament. To attract an FBS conference invitation, the University's men's basketball program must be able to compete for an at-large NCAA Tournament berth each year and demonstrate an ability to win in the Tournament's first round. While all 16 existing University programs must receive additional funding to bring them up to FBS (Division IA) standards, the men's basketball program must receive priority funding consideration for staff salaries, recruiting, travel and facilities throughout the execution of this strategy.

Strategic Rationale:

The Athletic Initiative directly supports the University's recently adopted strategic plan, *UTSA 2016*, in the following strategic initiatives:

- Enriching Education Experiences to Enable Student Success;
- Promoting Access and Affordability;

- Serving the Public through Community Engagement; and,
- Expanding Resources and Infrastructure.

The University is committed to providing students with a university experience that develops the whole person – academically, socially and personally. Providing opportunities for student engagement in a vibrant campus life includes providing athletics programs comparable to universities of similar size and academic standing. With nearly 29,000 students enrolled and more than 70,000 alumni, the University is prepared to embark upon an initiative to take its athletics program to the next level of NCAA competition through the expansion of athletics programs and facilities.

The Athletic Initiative will promote access and affordability, at least through the addition of the football program, as the initiation of an FCS football program will expand student financial aid by up to 63 full scholarships annually. The University's plan is to begin granting football scholarships in fall 2010 and reach the NCAA FCS maximum over a three to four year period. An eventual move to an FBS conference would expand student financial aid by an additional 22 full scholarships up to an NCAA maximum of 85 annually.

Community engagement is the active involvement of the University community through its faculty, staff, students and alumni in strategic partnerships with the broader community to enrich learning and research. Through a three-year, \$90,000 grant from Golf San Antonio and the Valero Texas Open, the Athletic Department in partnership with the P-20 Initiative reaches out to area grade schools and middle schools to encourage students to stay in school, graduate and go to college. Annually, hundreds of area students spend a day on a UTSA campus and attend athletic events as guests of the P-20 Initiative and the Athletic Department. This is just one example of the Athletic Department's commitment to community outreach. The University has proven to be a premier site for hosting statewide, regional and national athletic events. The cooperative development of the competitive Athletic Complex, through local government funding by the City and County, and private philanthropy, will have a direct impact on the local economy, tourism and amateur athletics of \$193 million over its initial three years of construction and five years of operation. These cooperative efforts in concert with the expansion of athletics programs will draw the University and its students, faculty and alumni closer to the forefront of the community's consciousness.

The University currently has the largest space deficit of any public institution of higher education in the state. Expansion and relocation of athletics programs to the Athletic Complex will allow the University to relocate approximately 20,500 square feet currently in the PE Building. Relocation of current baseball, softball, track and tennis facilities to the Athletic Complex will make available approximately 32.7 acres near the core of the 1604 campus for future classrooms, faculty offices, research and teaching labs, student recreation, administration offices and residence halls. Even before its final location and design were determined, more than \$22 million in public sector support was committed to the Athletic Complex as the first of many non-traditional, entrepreneurial partnerships and funding sources being pursued for the Athletic Complex and other athletic initiatives.

Key Personnel:

Key personnel for the execution of the Athletic Initiative include those executing the signature page of this Plan, along with appropriate Facilities personnel, and the Athletic Department's staff and coaches.

The UTSA Athletics Senior Administration headed by Athletic Director Lynn Hickey will be charged with the primary responsibilities for executing the business plan. The senior team consists of Ross Cobb, Associate Athletic Director-Business & Facility Operations; Elizabeth Dalton, Associate Athletic Director and Senior Women's Administrator; Jerry Greeson, Associate Athletic Director-Athletic Medicine; Brad Parrott, Associate Athletic Director-External Affairs and Jim Sarra, Associate Athletic Director-External Operations. This team has considerable experience both in NCAA athletics and private business. In addition to managing UTSA Athletics operations, this team has helped UTSA gain national acclaim for hosting 11 NCAA national championship events over the past 11 years, including the 2004 and 2008 NCAA Men's Basketball Final Fours. The organization chart and bios are included as Appendix G.

Preliminary Timelines:

All of the following timelines are preliminary and subject to available funding and appropriate review and approvals in line with U. T. System Board of Regents *Rules & Regulations*:

Strategy 1: Athletic Complex

Fundraising Initiative	To Commence Fall 2008
Bexar County Venue Tax Election	Complete & Successful
Request to Add Project to CIP & Phase I	
Project Approval	November 2008 or February 2009
Project Design Complete	May 2009*
Board of Regents Approve Design	May 2009*
THECB Approve Project	June 2009*
Construction Documents Complete	February 2010*
Begin Construction	February 2010*
Phase I Completion	October 2011*

*Assumes November 2008 CIP approval.

Strategy2: Addition of Football Program

Fundraising Initiative	To Commence Fall 2008
Athletic Fee Increase Approval	March 2008 – Complete & Successful
Hire head coach and two assistants	Est: Early 2009, assuming funding is secured
Hire five more assistant coaches	Est: Early 2010
Begin practice	Est: August 2010
Play independent football schedule	Est: August 2011
Play Southland Conference schedule	Est: August 2012

Strategy 3: Advancement of Existing Sports Programs to an FBS Conference

Timeline is contingent on the progress and completion of Strategies 1 & 2 above.

FBS Conference Invitation	Unknown
Board of Regents Approval	Unknown

Key Risks and Opportunities Analysis

Student Fee Increase Delays:

Risks for establishing an FCS football program and advancing the existing sports programs include delays in implementing student referendum increases to the Athletic Fee. In a summary of tuition and fee assumptions completed along with the CSA football feasibility study, athletic fees were projected to increase \$1 in every odd number fiscal year and \$2 in every even number fiscal year beginning in 2009. The University's Athletic Fee was established by the state legislature in 2003. Athletic Fee increases require the approval of students in a referendum and subsequent approval by the U. T. System Board of Regents. As stated previously, students voted to double the Athletic Fee over the next five to seven years. In March 2008, the U. T. System Board of Regents approved an increase in the Athletic Fee of \$1 for each semester credit hour up to a maximum of 12 hours per semester in fiscal year 2009, and a \$2/sch increase in 2010.

Insufficient Donor and Sponsor Response:

An additional potential risk to the implementation of a football program and the development of new athletic facilities is insufficient donor and sponsor response to the fundraising initiative. The University's Athletic Department has not attempted a large-scale fundraising initiative in its 27-year history. The University will solicit financial support from its previous donors and alumni. But because of the relative youth of the University and its lack of a broad alumni and Athletics donor base, the fundraising initiative will require substantial support from community leaders and the local corporate community. To date, City and County elected and appointed officials, as well as voters, have responded well to the Athletic Complex appeal for public funds through local tax initiatives.

The Athletic Department has the following three employees dedicated to fundraising: Brad Parrott, Associate Athletic Director-External Affairs, Jim Sarra, Associate Athletic Director-External Operations, and Andrew Haring, Annual Athletic Fund Coordinator. Newly hired Assistant Vice President for Development, Eric Gentry, will supervise the Athletics Fundraising Initiative.

Private fundraising in support of Athletics from 2005-2008 includes: \$77,730 for the Football Feasibility Study and \$814,953 in additional Athletics gifts, not including sponsorships, local government funding, or student fees. The University will begin to emphasize athletics fundraising in direct mail and annual fund telemarketing beginning in Fall 2008. These annual fund solicitations will target past donors and those alumni who have not previously responded to this year's solicitation for the academic units.

The University believes a decisive move to elevate the University's intercollegiate athletics program at this time, through new facilities and especially football, will have a dramatic impact on alumni engagement with, and financial support for, the University across the board, i.e. for both athletics and academics at UTSA. Approximately 80% of UTSA's alumni live in the immediate area, and a stronger athletic program at this time has the potential to significantly increase alumni commitment to UTSA in San Antonio and South Texas. Broadening the base for support through these efforts will be an advantage for UTSA as the University undertakes its new capital campaign.

Construction Cost Overruns:

Another potential risk created by insufficient funding or funding delays is construction cost overruns created by rapidly increasing prices or delays in projected construction. According to industry experts, inflation of construction costs in the San Antonio market currently is running at approximately 20% per year.

Economic Analysis

The competitive Athletic Complex will have a significant economic impact on Bexar County. According to a recent study by the University’s Institute for Economic Development, the Athletic Complex will generate \$193 million for the local economy during three years of construction and the initial five years of operation. Much of the \$22.1 million in County and City funding is based upon the projected Athletic Complex’s impact on the economy, tourism and amateur athletics. See Appendix E: Press Release: Athletics Complex Economic Impact Study. The complete study may be accessed at <http://ccbr.iedtexas.org>.

Once it is fully functional, the Athletic Complex has the potential to become one of the most frequently visited athletic facilities in San Antonio. In addition to serving as the home of the Roadrunners, the University will work with City, County and other agencies to recruit and co-host tourist destination events in the Athletic Complex. The University has a well established history of co-hosting tourist-destination athletic events both on campus and throughout San Antonio, including 11 NCAA championship events during the past 11 years. The economic impact of these NCAA events alone is estimated at more than \$200 million, according to the San Antonio Sports Foundation. The net revenues generated by the Athletic Complex will provide additional resources to the Athletic Department’s operational budget.

Success Criteria

As described more fully in the *Strategic Rationale* section on pages 13 and 14, the Athletic Initiative Business Plan is supportive of and integral to the successful implementation of the University’s strategic plan in the four major initiatives identified. Specifically, the Plan will aid in the successful advancement and attainment of the University’s target goals in enrollment growth, six year graduation rates for first time freshmen, retention rates, transfer students and graduation rates.

Target Goals:

Enrollment Growth	30,000 headcount (2016)
Six Year Graduation Rates for First Time Freshmen	53% (2016)
One-year Retention Rate for First Time Freshmen	79% (2016)
Transfer Students Graduation Rates	20% (2 years of transfer); 45% (3 years); 60% (4 years)

In addition, important to providing for needed growth and addressing the significant space deficit, the Plan, once fully implemented, will free up almost 21,000 square feet of office space and nearly 33 acres of land near the academic core of the 1604 campus. Fundraising related to the Athletic Initiative will stimulate the University’s developmental efforts by creating momentum furthering the engagement and connectivity of alumni and community leaders.

Additional success criteria can be found in the Athletic Department's 2009 Compact. Annually, the Athletic Department submits a compact reflecting the current operations environment complete with success metrics and milestones. See Appendix F: Excerpts from Athletic Department Compact 2008-2009. As the UTSA Athletic Department continues to grow, its annual planning process will reflect its current situation noting both operations challenges, and success metrics and milestones. Other indicators of success are: increased alumni participation in university events, both athletic and non-athletic; increased giving to all components of the university by alumni and friends; increased pride and support for UTSA among current students and across San Antonio (identified by current students as both a need and a desired outcome from football).

There will be other opportunities to celebrate success as each of the individual Strategies of the Athletic Initiative is implemented. With initiation of the \$22.1 million Phase I, the University anticipates leveraging this start with numerous successful fundraising opportunities to complete the Athletic Complex over the next several years. Phase I completion will be an enormous success and catapult the University to successfully implementing the entire Athletic Initiative. The University will celebrate success at the conclusion of each phase of the Athletic Complex.

Similar to the Athletic Complex, the addition of a football program will provide many opportunities for success as there are many phases to the program prior to beginning the inaugural football season. Before the University can officially move forward with the addition of football and positioning all its sports for NCAA FBS conference affiliation, the approximately \$13 million in external funding commitments will need to be identified and secured. The University will not invest any additional funding from institutional resources in excess of the \$1 million currently allocated to the Athletic program from other auxiliary operational sources. Once the funding is secured, the University will, in phases, hire a head coach and assistants, begin practice, play an independent schedule and finally play a FCS schedule.

Advancing the University's Athletic Program to an NCAA FBS conference requires the successful or substantial completion of the first two strategies and will be the culmination of the entire Athletic Initiative. An invitation to join an FBS conference will begin a new initiative and probable fundraising campaign to elevate the annual operations budget to a competitive level with members of the new conference. Because of an existing NCAA moratorium on new FBS conference memberships, this move is not anticipated until 2016 at the earliest.

Exit Strategies

Strategy 1 (Athletic Complex) is primarily a multi-phase construction project. As discussed above, it would only proceed as appropriate funding and approvals are secured. Similarly, the football program will not advance without an initial identification of appropriate external funding to cover operational needs of the program through 2016. If funding from football operations and approved student fee increases are not sufficient to support the program, additional fundraising efforts will be implemented and increases in the student Athletic Fee will be considered. If the Football Program experiences significant operational deficits that cannot be funded by sustained external funding, corporate sponsorships, and student fees, the University's Administration will consider a number of exit strategies, up to and including terminating the Program.

Summary Comments

The multifaceted Plan has been carefully developed to strategically and comprehensively provide a road map to elevating the University's entire Athletic Program, thus enhancing the student experience for athletes and non-athletes alike; strengthening ties to alumni and the local community; and ultimately creating a new University peer structure for both academics and athletics. The University's executive officers have ensured that this ambitious and impactful initiative supports and is appropriately aligned with *UTSA 2016*, the University's strategic plan, in the following four critical areas:

- Enriching education experiences to enable student success;
- Promoting access and affordability;
- Serving the public through community engagement; and,
- Expanding resources and infrastructure.

As such, the Athletic Initiative is far-reaching and will serve as a foundation on which the University can expand and enhance not only its athletic programs, but also accelerate student involvement and success, pride, recognition and partnerships within the community.

Appendices

- A. Preliminary Conceptual Design of Athletic Complex (Full Site Development)**
- B. Conceptual Design of Athletic Complex, Phase I**
- C. Athletics Department Proforma Financial Statements & Key Assumptions**
- D. Zachry Conceptual Budget Estimate for Athletic Complex**
- E. Press Release: Athletic Complex Economic Impact Study**
- F. Excerpts from Athletic Department Compact 2008 – 2009**
- G. Athletic Department Organization Chart & Key Employee Resumes**
- H. City of San Antonio Letter of Support for Use of the Alamodome**

Appendix A: Preliminary Conceptual Design of Athletic Complex (Full Site Development)



Appendix B: Conceptual Design of Athletic Complex, Phase I



The University of Texas at San Antonio
Intercollegiate Athletic Programs Proforma Financial Statements
2008 - 2016

Pro Forma	Decision Year Projected 2007-08	Prep Year 1 Projected 2008-09	Prep Year 2 Projected 2009-10	Practice Year Projected 2010-11	Play Yr. 1 I-AA Projected 2011-12	Play Yr. 2 I-AA Projected 2012-13	Play Yr. 3 Reclas Projected 2013-14	Play Yr. 4 Reclas Projected 2014-15	Play Yr. 5 I-A Projected 2015-16
Revenues:									
Gate Receipts:									
Football Tickets	-	-	-	-	\$250,000	\$262,500	\$275,625	\$289,406	\$303,877
Basketball Tickets - Men	\$44,100	\$46,305	\$48,620	\$51,051	\$53,604	\$56,284	\$59,098	\$62,053	\$65,156
Basketball Tickets - Women	\$44,100	\$46,305	\$48,620	\$51,051	\$53,604	\$56,284	\$59,098	\$62,053	\$65,156
Baseball Tickets	\$4,410	\$4,631	\$4,862	\$5,105	\$5,360	\$5,628	\$5,910	\$6,205	\$6,516
Softball Tickets	\$3,308	\$3,473	\$3,647	\$3,829	\$4,020	\$4,221	\$4,432	\$4,654	\$4,887
Volleyball Tickets	\$3,308	\$3,473	\$3,647	\$3,829	\$4,020	\$4,221	\$4,432	\$4,654	\$4,887
Total Ticket Sales	\$99,225	\$104,186	\$109,396	\$114,865	\$370,609	\$389,139	\$408,596	\$429,026	\$450,477
Guarantees									
Football	-	-	-	-	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Men's Basketball	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Women's Basketball	\$10,000	\$15,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Contributions:									
Roadrunner Club/Annual Fund	\$100,000	\$125,000	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000	\$300,000	\$325,000
Capital Campaign/Major Gifts	\$0	\$1,222,251	\$1,760,859	\$2,119,870	\$1,402,425	\$1,468,990	\$1,154,964	\$1,461,090	\$1,601,230
Marketing/Corp Sponsorships (Net)	\$192,500	\$211,750	\$232,925	\$256,218	\$356,218	\$391,840	\$431,024	\$474,126	\$521,539
NCAA/Conference	\$98,400	\$101,352	\$104,393	\$107,524	\$207,524	\$213,750	\$220,163	\$226,767	\$233,570
Soft Drink Beverage Contract	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000
Athletics Misc./Other	\$5,775	\$6,064	\$6,367	\$6,685	\$7,020	\$7,371	\$7,739	\$8,126	\$8,532
NCAA Tournament Host	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Athletics Revenues	\$995,900	\$2,075,603	\$2,673,939	\$3,095,162	\$3,658,795	\$3,811,090	\$3,587,486	\$4,014,135	\$4,255,349
University Allocation									
Athletic Fee	\$6,142,000	\$6,600,000	\$7,920,000	\$8,615,000	\$9,950,000	\$10,700,000	\$12,100,000	\$12,800,000	\$13,500,000
Tuition Waivers	\$430,000	\$451,500	\$474,075	\$497,779	\$522,668	\$548,801	\$576,241	\$605,053	\$635,306
University Allocation	\$1,020,000	\$1,020,000	\$1,020,000	\$1,020,000	\$1,020,000	\$1,020,000	\$1,020,000	\$1,020,000	\$1,020,000
Total University Allocation	\$7,592,000	\$8,071,500	\$9,414,075	\$10,132,779	\$11,492,668	\$12,268,801	\$13,696,241	\$14,425,053	\$15,155,306
Total Revenues	\$8,587,900	\$10,147,103	\$12,088,014	\$13,227,941	\$15,151,463	\$16,079,891	\$17,283,727	\$18,439,188	\$19,410,655
Expenses:									
Scholarships	\$2,600,128	\$2,835,822	\$3,034,330	\$3,401,050	\$4,136,203	\$4,792,513	\$5,391,038	\$6,020,512	\$6,441,948
Summer School and 5th Year Aid	\$171,735	\$183,756	\$196,619	\$210,383	\$325,000	\$347,750	\$372,093	\$398,139	\$426,009
Guarantees	\$55,000	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$90,000	\$95,000	\$95,000
Salaries and Benefits - Coaches	\$1,693,909	\$1,933,076	\$2,428,817	\$2,806,098	\$2,956,704	\$3,043,556	\$3,133,014	\$3,225,155	\$3,320,061
Salaries and Benefits - Administration	\$1,659,955	\$2,046,333	\$2,247,711	\$2,391,535	\$2,458,350	\$2,526,136	\$2,699,944	\$2,775,562	\$2,854,514
Football: Alamodome Facility Rental	\$0	\$0	\$0	\$94,500	\$189,000	\$194,670	\$200,510	\$206,525	\$212,721
Maintenance & Operations	\$889,199	\$933,656	\$980,342	\$1,079,359	\$1,280,827	\$1,384,868	\$1,491,611	\$1,601,192	\$1,713,752
Equipment & Supplies	\$186,900	\$196,245	\$206,057	\$266,360	\$279,678	\$293,662	\$308,345	\$323,762	\$339,950
Football Start-up - Video	\$0	\$0	\$200,000	\$0	\$200,000	\$0	\$0	\$0	\$0
Travel - Recruiting & Administration	\$218,925	\$250,000	\$325,000	\$400,000	\$420,000	\$441,000	\$463,050	\$486,203	\$510,513
Travel - Team	\$691,130	\$760,243	\$836,267	\$919,894	\$1,220,000	\$1,342,000	\$1,476,200	\$1,623,820	\$1,786,202
Utilities - Convocation Center & PE	\$34,020	\$35,721	\$37,507	\$39,382	\$41,352	\$43,419	\$45,590	\$47,870	\$50,263
Miscellaneous Expense & Reserves	\$345,000	\$362,250	\$380,363	\$399,381	\$419,350	\$440,317	\$462,333	\$485,450	\$509,722
Expense Contingency	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Total Expenses	\$8,545,900	\$10,097,103	\$11,438,014	\$12,577,941	\$14,501,463	\$15,429,891	\$16,633,727	\$17,789,189	\$18,760,655
Net Revenue	\$42,000	\$50,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000

Appendix C: Athletics Proforma Financial Statements and Key Assumptions

**The University of Texas at San Antonio
Athletic Initiative Proforma Financial Statements
Key Assumptions**

Revenues: Gate Receipts/Ticket Sales

Ticket sales are projected to increase 5% annually over current sales levels. Initial football ticket sales are projected at \$250,000 in 2012 and escalating by 5% annually. The University is projecting six home games in each of the regular seasons beginning in 2012. Other than 'football guarantees' below, no additional football-related revenue, i.e., concessions, parking, etc., are anticipated while playing in the Alamodome.

Guarantees

Football guarantee revenue is based on two games against FBS conference teams at \$400,000 per game. A third game may be necessary. Basketball (Men and Women) guarantee revenue is based on Southland Conference average.

Contributions:

Roadrunner Club - Annual Fund

Contribution projections based on 1,000 initial donors in 2008 with an additional 250 donors/year thereafter at \$100 average donation.

Capital Campaign/Major Gifts

Philanthropic fund raising of approximately \$13 million from 2009 – 2016 required for football operations and to elevate the Athletic programs. Annual projections range from \$1.2 million to \$2.1 million.

Market/Corp Sponsorships (Net)

Increase of 10% each year with \$100,000 adjustment for football in 2012.

NCAA/Conference

Revenues are projected to increase 3% each year with additional \$100,000 for football in 2012. Revenues consists of funds distributed to all NCAA member institutions and is partly determined based on the number of sports sponsored, number of grant-in-aids (scholarships) given annually, conference members performance in the NCAA basketball tournament, and a lump sum for "academics" that is the same for all schools.

Soft Drink Beverage Contract

Pepsi currently has the exclusive beverage pouring rights at UTSA, with a contract expiration date in 2010. Without speculating on the terms of a new contract, revenues have been projected flat at \$190,000.

NCAA Tournament Host

Revenues represent funding from the NCAA for hosting NCAA tournaments, i.e., men's & women's final four basketball, etc. While the University anticipates hosting another men's final four or regional tournament during the timeframe of the financial projections, additional revenues subsequent to 2008 have not been projected because the next round of tournament sites has not yet been announced and the impact of the NCAA's format and facility configuration changes has not been determined.

Athletic Initiative Proforma Financial Statements Key Assumptions (Continued)

University Allocation:

Student Athletic Fee

Projections estimated at a 1% increase in student semester credit hours (sch) each year. Athletic Fee cap increases from \$10/sch in 2008 to \$20/sch in 2015 with a \$1/sch increase in odd number years and a \$2 /sch increase in the in even numbered years beginning in 2010.

Tuition Waivers

Waivers increase 5%/annually and represent waivers related to out-of-state scholarship athletes. No significant increase is anticipated with the addition of football as the assumption is that recruiting will be focused on in-state athletes.

University Allocation

Revenues represent funding from Bookstore and Vending auxiliary operations and remains flat at \$1,020,000 annually.

Expenses: Scholarships/Summer School & 5th Year Aid

The University will continue to provide NCAA maximum scholarships in all sports; grants-in-aid will increase 7% per year. Football Scholarships: 20 in FY 2010, 45 in FY 2011, 63 in FY 2012, 75 in FY 2013 and 85 in FY 2014 (90% in-state tuition). Summer School and 5th year aid of \$150,000 with 7% increase per year and additional \$100,000 for Football in FY12.

Guarantees Paid

Guarantees and increases based on estimates from UTSA Athletics staff.

Salaries and Benefits - Coaches

Football coaches begin to be hired in fiscal year 2009. Including the head football coach, approximately 11 coaches will be added for the football program by 2015. Football starting salaries are based on 2006 Sun Belt Conference average. All salaries are increased 3% annually with benefit costs averaging 30% for full-time staff.

Salaries and Benefits - Administration

With the start of the football program, additional administrative support staff will be hired, i.e., Director of Sales, academic advisors, interns, etc. All salaries are increased by 3% annually with benefit costs averaging 30% for full-time staff.

Football: Alamodome Facility Rental

Based on preliminary discussions with City of San Antonio officials, arrangements may include facility 'rental' costs of approximately \$31,500/game for employee staffing costs to operate concessions, parking, security, facility management, etc; the City will keep all concessions and parking revenues; the University will keep all gate/ticket sales; and once the football program is established, other arrangements may need to be negotiated with the City. Projections include 3 games in 2011 and 6 games/year beginning in 2012 with 3% cost escalation/year in 2013.

Athletic Initiative Proforma Financial Statements Key Assumptions (Continued)

Maintenance and Operations

Increase 5% each year with additional costs of maintaining the Athletic Complex phased in annually beginning in 2011, escalating to \$400,000 in 2016. Phasing of the Athletic Complex maintenance is estimated and dependent on percentage of completion of the Complex. Net revenues to be generated by the operations of the Athletic Complex (not included in the projections) will be used, in part, to offset additional maintenance costs.

Equipment and Supplies

Increase 5% each year with additional \$50,000 increase for football in 2011.

Equipment and Video, Football Start-up

Uniforms, apparel, supplies, equipment to start practice in 2010. Video Start-up in 2011.

Travel - Recruiting & Administration

Increase 5% each year with additional \$75,000 for Football in 2010 and \$75,000 in 2011.

Travel - Team

Increase 10% each year with additional \$300,000 increase for football in 2012.

Utilities – Convocation Center and PE Building

Increase 5% each year.

Miscellaneous Expense and Reserves

Based on historical expenditure levels and increased by 5% annually.

Expense Contingency

Flat \$500,000 annually for unanticipated expenses associated with football program, Athletic Complex and elevating the intercollegiate athletic program.

Net Revenue

Net Revenue in 2010 and forward is available for debt service to support the Athletic Complex build out or for other capital needs to enhance and raise the level of the entire Athletic Program.

NOTE: The changes made to the original CSA feasibility proforma financial statements are as follows: the decision year/adoption of football was moved to 2008 in the Plan from 2007 in the Carr feasibility report; revisions were made to reflect increased Athletic Fee projections; and Total Expenses exceed those in the feasibility report by approximately \$7 million, primarily due to a \$1.2 million increase in Alamodome Facility Rental, \$1 million increase in "Expense Contingency, \$800,000 increase in Travel-Recruiting and Administration, addition of \$2 million in Maintenance & Operations for maintenance of Athletic Complex, \$1.3 million increase in a combination of Salaries & Benefits – Administration and Salaries & Benefits – Coaches, and \$400,000 each in Maintenance & Operations and Scholarships.

Appendix D: Zachry Conceptual Budget Estimate
for Athletic Complex

New Athletic Fields and Facilities
Conceptual Budget Estimate
November 7, 2006

University of Texas San Antonio
San Antonio, Texas



ZACHRY ESTIMATES

Project: UTSA Athletic Facilities November 2006 Budget Conceptual Estimate Location: San Antonio, TX Estimated by: Bart Rogers	TOTAL PROJECT
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Description of the Work	Per Seat	Per SF	Per Lane	Per Field / Court	Total Cost	Comments
Baseball Field	\$2,073				\$10,364,261	
Softball Field	\$2,411				\$5,305,053	
Soccer Field		\$289			\$5,925,379	
Track Stadium			\$759,064		\$6,831,579	
Practice Fields				\$496,077	\$992,155	
Tennis Courts				\$330,377	\$3,964,521	
Multi-Purpose Team Building		\$166			\$16,646,456	
Sitework (other than Fields)					\$9,885,011	
Total Profit					\$2,284,152	4%, included in Totals Above
Total Contingency					\$9,885,011	10%, included in totals Above
SubTotals					\$59,914,415	
Plus 40% for price escalations					\$23,965,766	
TOTALS					\$83,880,181	

Appendix E: Press Release – Athletic Complex Economic Impact Study



The University of Texas at San Antonio
Office of University Communications
One UTSA Circle
San Antonio, Texas 78249-0619
(210) 458-4550
www.utsa.edu/today

DATE: December 4, 2007

CONTACTS: David Gabler, Assistant VP of University Communication
(210) 458-5101 or mobile (210) 241-9973
Marianne Lewis, Director of Public Affairs
(210) 458-5141 or mobile (210) 380-7340

Economic Impact Study Says UTSA's Proposed Athletic Complex Could Pump \$193 Million Into San Antonio's Economy

SAN ANTONIO – The University of Texas at San Antonio's proposed Athletic Complex is estimated to generate \$193 million for the local economy through the construction of the facility and additional athletic events, according to an economic development study released today. These economic impacts would occur over a three-year construction phase and the first five years of operations.

The study findings have been shared with the Bexar County Amateur Athletics Committee. The report was developed as a joint effort between the UTSA Institute for Economic Development and the Tourism Management Program in the College of Business. A study oversight committee of representatives from the hotel-motel and rental car industries and the San Antonio Convention and Visitors Bureau also contributed to this analysis.

UTSA made a request to the Amateur Athletics Committee in September for \$50 million to build the 60-acre Competitive Athletic Complex that will include NCAA quality stadiums for baseball, softball, soccer, track and tennis. The Institute's study estimates the Complex could be fully operational in September 2012. If the university decides to pursue Division I football, a football practice facility also would be a part of the Complex.

"We took a very conservative approach to calculating the impact of the new Complex," said Bob McKinley, associate vice-president for UTSA and director of the Institute for Economic Development. "The results indicate that the facility will positively benefit the community at large and the tourism industry."

"Progress toward UTSA achieving Tier I status and San Antonio achieving Great City status go hand-in-hand, and this Athletics Complex project is a significant step forward for both," McKinley said.

Tom Cannon, director of tourism management program in the College of Business and a key author of the study said the study's projections are based on construction and operational expenditures, UTSA co-hosted athletic and community events, and visitors' spending.

MORE

UTSA Institute for Economic Development Study
Add 1 of 1

The university commissioned the Institute to compile the study to provide a detailed economic and tourism-related financial analysis for the Athletic Complex. This information will help UTSA, local officials, and the public engage in better-informed consideration of this project.

McKinley pointed out that UTSA's athletic programs already contribute more than \$27 million annually to the local economy including athletic program operations and the existing sports visitor base. He added the university will provide the land and ongoing maintenance for the Complex.

This study reflects the initial five years of new UTSA and community athletic events in the Complex," McKinley said. "An athletic facility of this kind should provide many decades of service to the university and the community. For example, the UTSA's Convocation Center has served for more than 30 years as a center for academic, athletic and community events."

According to McKinley, the \$193 million economic impact projected by the study is in four major categories. The three-year construction period would generate a total construction impact of \$120.3 million (direct and secondary spending). The first five years of operation in the new Complex with UTSA hosted athletic events would generate an estimated \$54.6 million in tourism spending (visitors coming in for athletic events), plus \$8.3 million for UTSA co-hosted athletic events, and \$9.8 million for operation of the facility.

"These are projections, but as we've seen with the Convocation Center, it's not only where UTSA plays its home basketball and volleyball games, but also a place for numerous community events," McKinley said. "More than 285,000 people go through the Convocation Center each year. Of that total, nearly 120,000 – or about 42 percent – are attending community events co-hosted by the university."

UTSA has proposed sharing the new Complex in a similar manner for baseball, softball, soccer, track and tennis. As the host university, UTSA has a history of working together with the City, County and San Antonio Sports Foundation to bid for and host NCAA events that bring tourism dollars to the city. The 2008 NCAA Men's Basketball Final Four April 5-7 in the Alamodome will be the 11th NCAA Championship event hosted by UTSA in the past 11 years.

The economic impact of the NCAA events alone has been estimated at more than \$200 million, according to San Antonio Sports Foundation figures. The impact of Final Fours and other NCAA events hosted by UTSA outside of the proposed Complex are not included in the study.

UTSA Athletic Director Lynn Hickey said she was pleased the estimated economic impact of the Complex is projected "to be so significant."

"None of the proposed Complex facilities exist today anywhere in Bexar County. We will work with the City, County and Sports Foundation to recruit tourist destination events to the Complex," Hickey said. "We hope to exceed the Institute's projections through full utilization of the Complex by both UTSA and the community. I believe this Complex can have a significant impact on the next generation of young athletes in the greater San Antonio area."

This study may be accessed at <http://ccbr.iedtexas.org>

- END -

APPENDIX F: Excerpts from Athletic Department Compact 2008-2009

(Complete Athletic Compact provided on request)

STRATEGIC AREA: ACADEMICS

Long Term

Objective: Provide effective services to enhance learning and encourage the academic success of all student-athletes.

Strategies:

- Encourage and monitor the participation of student-athletes in tutoring, mentoring, study hall, group study sessions and grade reporting;
- Increase budgets to support quality tutoring and mentoring assistance;
- Identify and recognize academically successful student-athletes; and,
- Establish an appropriate academic staff to student-athlete ratio

Resources:

Employ and train qualified support staff; increased operations budget; available academic awards, honors and scholarships; and support from coaches and academic units on campus

Progress Measures:

Comparison of various APR, GPA and graduation rates; number of student-athletes on Dean's list, conference academic honor roll, and recognized by conference and NCAA for academic achievement; number of at-risk student-athletes; and number of student-athletes in good academic standing and who meet continuing satisfactory progress standards

Obstacles:

Inadequate space for Academic Center; lack of commitment from coaches and staff for following departmental and individual team academic plans; attrition of UTSA student-athletes from the university and athletics program; errors in academic recruiting evaluations; and funding

Other strategic Academics objectives include:

Short Term

- Maintain an NCAA Academic Progress Rate (APR) above the minimum acceptable score as compared with all other NCAA Division I institutions. Similarly, all UTSA athletic teams will have team APR figures above the NCAA minimum acceptable score for that sport.
- Graduate 50% (925 APR) of all student-athletes. Interim objective will be to increase the graduation rate annually until the 50% (925 APR) objective is achieved.
- Cumulative Athletics Department grade point average (GPA) will be higher than the UTSA cumulative student body GPA.
- Ensure the integrity of the eligibility and certification process encompassing compliance with UTSA, conference and NCAA rules.

Future Initiatives

- Establish a physical facility and environment to house academic services for student-athletes

STRATEGIC AREA: STUDENT ATHLETE WELFARE

Short Term

Objective: Ensure a safe, competitive environment for student-athletes

Strategies:

- 1) Continual inspection and repair of fields and facilities;
- 2) Implement additional travel standards;
- 3) Hire qualified coaching staff members;

- 4) Conduct interviews with Student-Athlete Advisory Committee (SAAC), post-season team meetings and Exit Interviews to ascertain the status of each program and support service within the athletics department; and,
- 5) Staff and coaches are trained in basic first aid and CPR

Resources:

Funding; assistance from University personnel; staff; information gathered from student-athletes; and vehicles with capacity for 8-9 individuals plus athletic equipment

Progress Measures:

Results of team meetings and Exit Interviews; accident and injury reports; and Commissioners Cup results

Obstacles

Funding; cooperation with other University departments/personnel; and facilities

Other strategic Student Athlete Welfare objectives include:

Short Term

- Maintain compliance with gender and minority plans
- Provide education and experience for student-athletes to become productive members of society

Long Term

- 85% annual student-athlete community service participation rate
- Majority of student-athletes depart UTSA with employment secured
- 85% of student-athletes report their athletic experience “meets expectations” or better

STRATEGIC AREA: FACILITIES

Short Term

Objective: Begin design and funding phases for long-range facility improvements (i.e., new athletic complex, academic center and Convocation Center renovations)

Strategies:

- 1) Participate in University master planning process;
- 2) Hire architect for athletics facility master planning;
- 3) Identify and seek potential funding (i.e., city/county bond, hotel/motel tax, retail leases, non-university event leases, donations, naming rights, debt, etc.); and,
- 4) Develop business, political and university coalition in support of community sports destination complex

Resources:

Improving community awareness and image; improving university awareness and project priority; improving athletic department and university awareness of potential funding sources

Progress Measures:

Architect selected and hired; completion of University and athletics master plans; land identification; and, inclusion in 2008 county hotel/motel tax elections

Obstacles

Funding; and lack of previous capital campaign and large-scale funding experience and success

Other strategic Facilities objectives include:

Short Term

- Effectively maintain existing UTSA athletic facilities.
- Make short-term improvements to current facilities (Convocation Center scoreboard; baseball and softball ticket office, concessions, press box, locker rooms and restroom (softball); and academic center, etc.).

Long Term

- Provide athletic game and practice facilities comparable to mid-level NCAA Football Bowl Subdivision (FBS) conference members.

Future Initiatives

- Develop football practice facility and seek long-term agreement with Alamodome for hosting games

STRATEGIC AREA: IMAGE, IDENTITY and PUBLIC PERCEPTION

Short Term

Objective: Establish Athletics as a catalyst to move university to the “next level” institutional peer structure

Strategies:

- 1) Utilize Athletics Advisory Council;
- 2) Develop and implement long range plans for athletic facilities and football;
- 3) Create extensive face-to-face opportunities with potential donors, sponsors and season ticket holders; and,
- 4) Cultivate relationships with local businesses and community leaders

Resources:

Staff; well-placed Athletics Advisory Council and Roadrunner Club members; and increased participation of President and university administration

Progress Measures:

Ticket, donation and sponsorship revenue; sales revenue from licensed merchandise; and, media (newspaper, radio, television and internet) exposure

Obstacles

Lack of support for existing sports programs

Other strategic Image, Identity and Public Perception objectives include:

Short Term

- Establish UTSA athletes as a focal point of school identity.

Future Initiatives

- Create interest from Football Bowl Subdivision (FBS) Conference members and conference offices.

STRATEGIC AREA: ATHLETIC PERFORMANCE

Long Term

Objective: High profile sports win consistently and attract interest from FBS conferences

Strategies:

- 1) Consistent winning of SLC Championships across UTSA teams;
- 2) Field teams in sports offered by other Conferences for maximum consideration;
- 3) Discussions with other FBS Conferences to gauge interest level;
- 4) Raise overall athletics budget;
- 5) Maintain positive, high-profile image within athletics industry

Resources:

Maintain full funding of scholarships to NCAA limits for all UTSA competing teams; increase current funding of team budgets; provide resources necessary to recruit effectively (Life Skills programs, facilities, travel budgets, etc.); provide athletic administrative support in the recruitment process and in dealing with team issues as needed; equipment; Athletics staff (including coaches, trainers and strength and conditioning

Progress Measures:

Discussions with FBS Conferences; and, Invitations from FBS Conferences

Obstacles:

Budget considerations; no football program; and, lack of interest from FBS conferences

Other strategic Athletic Performance objectives include:

Short Term

- Win the Southland Conference (SLC) Commissioner’s Cup
- Qualify for post-season competition and become competitive on a regional level (i.e., Conference and NCAA)

Long Term

- Receive votes in a national ranking
- High profile sports win consistently and attract interest from FBS conferences

STRATEGIC AREA: FINANCE

Long Term

Objective: Maximize revenue potential from NCAA events as host institution.

Strategies:

- 1) Thoroughly evaluate potential financial rewards from upcoming NCAA host university opportunities
- 2) Complete financially feasible bid applications by NCAA established deadlines and make presentations
- 3) Leverage appealing NCAA event tickets with donors, season ticket holders and corporate sponsors
- 4) Continue relationships with San Antonio city official and local organization officials to assist in the bid process

Resources:

Well established relationships with San Antonio city and local organization officials; well established relationships with NCAA event staffs; available San Antonio city facilities; and, previous successful NCAA Championship plans, bids and events

Progress Measures:

Monthly and annual ticket, sponsorship and donor revenue; and, attendance and ticket revenue from NCAA events

Obstacles:

Diminished availability of UTSA athletics administrator to facilitated bid process; lack of community support for certain sports; decreasing host university financial rewards from NCAA; age of city facilities; strict NCAA rules on marketing the Championship by an institution; UT System restrictions; and, UTSA bureaucracy

Other strategic Finance objectives include:

Short Term

- Increase student athletics fee to fund football
- Increase donor revenue
- Increase ticket revenue
- Increase corporate sponsorship revenue
- Evaluate and submit financially viable NCAA championship bids

Long Term

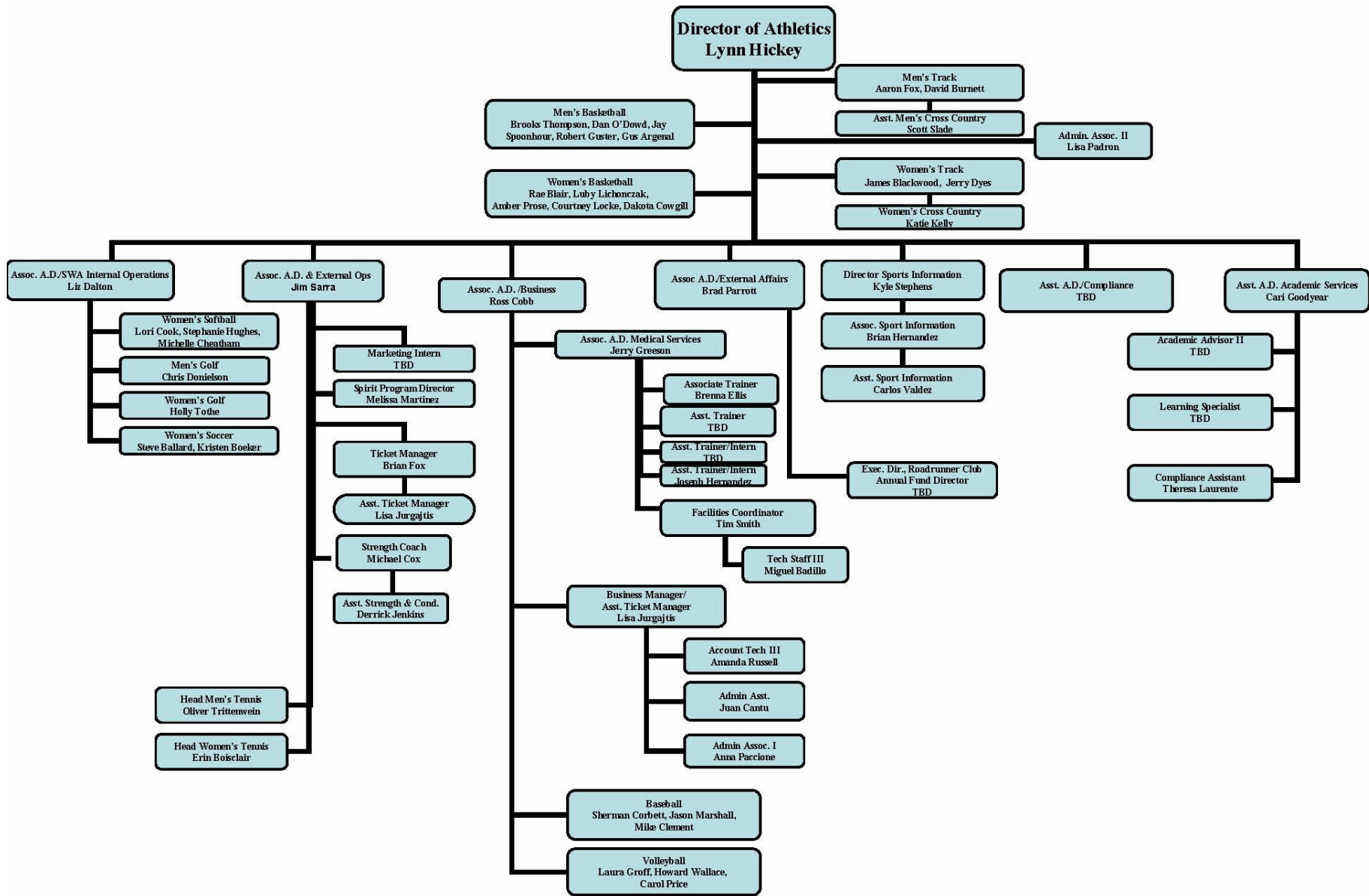
- Increase athletics budget to a competitive NCAA Football Bowl Subdivision (FBS) level
- Implement sustainable financial plan for funding athletic facility and football program

Future Initiative

- Increase athletics budget to a competitive NCAA FBS level

NOTE: Complete Athletic Compact provided upon request

UTSA Intercollegiate Athletics Organizational Structure – Fall 2007



Lynn Hickey **Director of Athletics**

Lynn Hickey has made student-athlete welfare one of her top priorities as she continues to work to bring the UTSA Athletics Department to the upper echelon of the NCAA Division I standings.

Under Hickey's direction the last eight years, UTSA has claimed two Southland Conference all-sports championships while consistently winning both team and individual awards in all 16 sports sponsored by the university.

Hickey has led the charge for UTSA and its hosting of numerous NCAA Championship events. Since her arrival on campus, UTSA has served as host institution for the 2001 NCAA Men's Basketball Midwest Regional, the 2002 Women's Final Four, the 2003 Men's Basketball South Regional, the 2004 Men's Final Four, the 2005 Women's Volleyball Championship, the 2006 Women's Basketball South Regional and the 2007 Men's Basketball South Regional. Future championship events include the 2008 Men's Final Four and the 2010 Women's Final Four. When the calendar is turned to 2010, UTSA will have hosted 11 NCAA Championship events in a 13-year period.

In 2007, Hickey was named to the NCAA Division I Men's Basketball Committee, one of the most prestigious appointments in all of collegiate athletics. The 10-member committee oversees administration of the NCAA Division I Men's Basketball Championship, including the selection and seeding of teams for the tournament. Hickey became just the second female ever selected to the committee, joining UNC Charlotte Athletics Director Judy Rose, who served from 1999-2003.

Hickey has been honored nationally for her hard work at UTSA. She was named the National Association of Collegiate Women Athletics Administrators 2005 Division I-AAA Administrator of the Year. Hickey earned her second national award in June 2006 as the National Association of Collegiate Directors of Athletics (NACDA)/General Sports TURF Systems Division I-AAA West Region AD of the Year (ADOY). She also was selected to and completed the Masters Leadership Program of San Antonio and Bexar County.

"UTSA is very fortunate to have an athletic leader with both the administrative and coaching experience of Lynn Hickey," UTSA President Dr. Ricardo Romo said. "Lynn not only is a leader who can take our athletic program to the next level, but she is also well respected nationally and serves as an excellent role model for all student-athletes at this university."

In serving as the fourth athletics director in UTSA history, Hickey assumed the lead athletics role at one of the youngest NCAA Division I universities in the country (UTSA began athletic competition in 1981). The only female Division I athletics director that oversees both men's and women's sports in the state of Texas, she served as President of the Southland Conference in 2002-04 and as the SLC's representative to the NCAA Championship/Competition Cabinet.

"It has been an exciting eight years," said Hickey, who served on the Women's Basketball Rules Committee from 2003-06, the last two as Chair. "We have made some good strides to bring the

program to prominence nationally. San Antonio is an outstanding city and is a tremendous asset to the unlimited potential of the UTSA athletics program.”

Hickey came to San Antonio from Texas A&M University, where she served as senior associate athletic director/senior woman administrator since 1994. At Texas A&M, her responsibilities included event management and marketing and promotions for 16 of the university’s 19 Division I sports. She also represented the Big 12 Conference as a member of the NCAA Championship Cabinet.

From 1984-94, Hickey served as head women’s basketball coach for Texas A&M. She directed the 1993-94 Aggies basketball team to the NCAA Tournament Sweet 16, becoming the lowest-seeded team to ever reach that milestone. Texas A&M finished the year ranked No. 19 in the CNN/USA Today Top 25 poll. Following the season, Hickey relinquished her coaching duties to accept the promotion to senior associate athletic director. She finished her coaching career with an overall mark of 279-167 in 15 years of collegiate coaching.

Before her stint at A&M, Hickey was head women’s basketball coach at Kansas State University from 1979-84. She averaged more than 23 wins per season in posting a 125-39 (.762) record over five years and led the Wildcats to five consecutive NCAA Tournament berths. She was inducted into the Kansas State Athletics Hall of Fame in September 2004.

A native of Welch, Okla., Hickey graduated summa cum laude from Ouachita Baptist University in Arkadelphia, Ark., with a bachelor’s degree in education. She was an All-American for OBU’s nationally-ranked basketball team and a member of the USA National Team in 1973. Hickey and her husband, Bill, have one daughter, Lauren Nicole.

Brad Parrott **Associate Athletic Director for External Affairs**

Parrott is in his sixth year as the school’s associate athletic director for external affairs after serving as the director of community relations for one year. In his current position, he is responsible for fundraising, community relations and strategic planning.

He spent 23 years with SBC (now AT&T) prior to arriving at UTSA in September 2001. In his last assignment at SBC, he was Area Vice President-External Affairs managing community and government relations operations throughout South Texas.

Prior to that Parrott worked in a variety of positions with SBC, including corporate communications, government relations, media relations, economic development, external affairs, advertising, employee communications and consumer affairs.

Parrott is a 1975 graduate of the University of Central Oklahoma with a bachelor’s degree in journalism. While in college and before joining SBC, he was a sports reporter for the *Oklahoma City Times* for four years.

Ross Cobb
Associate Athletic Director for Business

Cobb is in his sixth year at UTSA and his twelfth overall in college athletics. He came to UTSA from Georgia Southern University where he served as the Assistant Athletic Director for Business.

Prior to Georgia Southern, he served for five years as the Sports & Information Systems Controller for The Landings Club, Inc.; a private golf club located in Savannah, GA. He also served in a variety of athletic administration roles at Northwestern State University in Natchitoches, La. from 1993-1997.

Cobb has a Bachelor's Degree in Finance and a Master's Degree in Business Administration, both from Georgia Southern University.

Elizabeth Dalton
Associate Athletic Director and Senior Woman Administrator

Dalton is in her eighth year at UTSA. She came to UTSA from Notre Dame where she was a football administrator since 1997, assisting head coach Bob Davie in the administrative duties pertaining to recruiting and day-to-day operations.

Prior to Notre Dame, she served as the field director of the Texas A&M University 12th Man Foundation for one year. From 1991-96 she was the staff administrator for recruiting/football operations for the Aggie football team.

Dalton graduated from San Antonio MacArthur High School. She played soccer at Texas A&M where she earned a bachelor's degree in kinesiology in 1990 and a master's degree in 1992.

Jim Sarra
Associate Athletic Director for External Operations

Sarra is in his third year at UTSA. He came to UTSA from the University of Maryland where he was a Senior Associate Athletic Director for Compliance and Student Services. Sarra was responsible for the day-to-day operations of the compliance office as well as supervision of the Men's Golf program.

Prior to Maryland, he served in many different administrative roles at Washington State University, Portland State University, TCU, Ball State, Northwestern University and St. Bonaventure University.

Sarra earned a bachelor's degree in elementary education and master's degree in advanced teacher education from St. Bonaventure University in 1989 and 1990 respectively. He also earned a master's degree in sports management from Western Illinois University in 1993.

Jerry Greeson
Associate Athletic Director for Athletic Medicine

Greeson, A.T.C., is in his 20th year as director of sports medicine at UTSA. Greeson and his staff provide sports medicine assistance for all 16 sports at UTSA

A native of Austin Texas, he graduated from the University of Texas at Austin and worked as an athletic trainer at Austin Westlake High School before coming to San Antonio. He holds a master's degree from Texas State University (formerly Southwest Texas State University).

Greeson also directed the sports medicine area for the following NCAA events; 1997 Men's Basketball Regional, 1998 Men's Final Four Basketball Championship, 1998 Men's Golf Regional, 2001 Men's Basketball Regional, 2002 Women's Final Four Basketball Championship, 2003 Men's Basketball Regional, 2004 Men's Final Four Basketball Championship, 2005 Women's Volleyball Championship, 2006 Women's Basketball Regional, 2007 Men's Basketball Regional, 2008 Men's Final Four Basketball Championship.

APPENDIX H: City of San Antonio Letter of Support for Use of the Alamodome



September 3, 2008

Lynn Hickey, Director of Athletics
University of Texas at San Antonio
6900 North Loop 1604 West
San Antonio, TX 78249-0691

Dear Lynn,

The City of San Antonio and the Convention, Sports, and Entertainment Department that operates the Alamodome is pleased to support the integration of Division I AA football to UTSA. It is our intention to help grow this new and exciting sports opportunity that will benefit both UTSA and the citizens of San Antonio by adding to our mix of sporting events at the Alamodome. In order to develop such a program, we realize the financial constraints for a start-up football program at UTSA will be a major concern when entering into a temporary lease of the Alamodome. We believe that attendance, while understandably small in the beginning, will grow over time, allowing each entity to meet its respective financial goals. As UTSA focuses its attention on attendance, the Alamodome will expect to aggressively pursue revenue opportunities (catering, concessions, etc.) that not only covers operational costs but results in an eventual financial gain for the CSEF Department.

While we expect to discuss particulars in the future, know that the CSEF Department is committed to partnering with UTSA to make this exciting opportunity a reality.

Sincerely,

Michael J. Sawaya, Director
Convention, Sports and Entertainment Facilities

President's Statement on the Expansion of the Intercollegiate Athletics Program

The University of Texas at San Antonio

The University of Texas at San Antonio has a history of great success. UTSA was established less than 40 years ago to provide access to public higher education for San Antonio and South Texas. In recent years, we have expanded that mission by offering graduate programs, world-class research opportunities and professional training. UTSA has more than 28,000 students on three campuses and has an alumni base of more than 70,000 worldwide. Our history of excellence and performance places us on a trajectory that will take us to national research university status within the next 10 years.

We recently completed a thorough strategic planning process based on our vision of becoming a national research university. We have also completed a detailed implementation analysis and plan for accomplishing the goals set forth in the strategic plan. The strategic plan and its implementation call for the expansion of our undergraduate and graduate programs, as well as its necessary infrastructure.

Very importantly the strategic plan also addresses the need to enrich our campus life program which is essential in the recruitment and retention of our students. The expanded student life program includes recreational and leisure facilities and programs, more residence halls, improved advising and engagement programs, and an enhanced athletics program that includes football. I believe that this plan for the entire athletic program, including football, is an important part of our goal to expand educational opportunities, to enrich student life and to better engage our alumni and the San Antonio community. Very simply we consider that our campus has matured to the point where the time is right to expand athletics at UTSA. Further we believe that a strong Division I athletic program, including football, will complement our mission to serve San Antonio and South Texas.

UTSA has received substantial support for the addition of a Division I football program. Our students approved, by a record margin, a fee to help fund a football program and other athletic enhancements. The City of San Antonio and Bexar County pledged \$22.1 million to build a new athletic complex as well as help fund additional athletic improvements.

Community support in San Antonio and South Texas has been overwhelming. Civic leaders, parents and prospective students ask about our progress in fielding a team. Everyone is enthusiastic about a Division I football program at UTSA.

As UTSA enters its first capital campaign, our efforts to seek increased levels of philanthropic support for the university will be strengthened by the addition of a football program. Talk of a Division I football program has already engaged donors and volunteers from both our alumni and business community. Our working goal of \$100 million for the capital campaign includes \$15 million for expanding our athletics program. UTSA's campaign

leadership team supports our efforts to include athletics as part of the fundraising initiatives. Our Development Office is under excellent new leadership and we have increased the number of development officers in support of academic and athletic fund raising goals. These additions will be of benefit now and for the future Development Campaign.

I am mindful of the challenges ahead in simultaneously implementing our strategic plan, its implementation plan, the athletic plan and its football program. I have carefully thought about the resources needed to achieve our goals. But we see these endeavors as achievable and complementary efforts and as part of a multi-phase long term program that will allow the University to realize its full potential.

As a first generation college student who attended UT Austin on an athletic scholarship, I know well that a comprehensive athletics program can open the doors to higher education and greater opportunity for a better life.

My hope is to extend these opportunities to all who are a part of the UTSA community as we build together the next great Texas university.

**The University of Texas at San Antonio
Brief Summary of Athletic Initiative Business Plan
November 2008**

Athletic Initiative Business Plan (the Plan) Strategies:

Strategy 1: Develop a 60 acre, \$84 million competitive Athletic Complex, including NCAA Division I quality facilities for track, soccer, baseball, softball, tennis, multi-use practice fields, a multi-purpose team building, and related infrastructure;

Strategy 2: Add a Football Championship Subdivision (FCS) football program; and,

Strategy 3: Advance the University's existing 16 intercollegiate sports programs to a NCAA Football Bowl Subdivision (FBS) conference.

The Plan is organized in incremental phases, and UTSA will only move forward with each when funds are raised and appropriate approvals are obtained, reducing the financial risk of the Plan.

Strategy 1: The Athletic Complex

Strategy 1, development of the Athletic Complex, has been partially funded with \$22.1 million in bond referendum monies from the City of San Antonio and Bexar County. UTSA owns all of the land that it needs for the expansion of the program. The development of the Athletic Complex will free up 20,500 sq. ft. of needed academic space and significant acreage in the core of the 1604 campus.

UTSA has the support, politically and financially, of the city and county as evidenced by the approved \$22.1 million bond referendum for Phase I of the Athletic Complex.

The Athletic Complex will have a significant economic impact on Bexar County, generating \$193 million for the local economy during three years of construction and the initial five years of operation.

Funding: Strategy 1 is a multiple-phase construction project. Phase 1 will include a track stadium, soccer stadium, roadway, surface parking and other infrastructure and can be fully funded with the \$22.1 million in hand. Additional arenas and fields (baseball, tennis, practice fields, etc.) will represent future phases of Strategy 1 and will be added only as funding for each is secured. Strategy 1 will have no impact on the University's debt capacity, and there are no immediate plans to access RFS debt for the Plan.

Strategy 2: The Addition of an FCS Football Program

Strategy 2, the addition of a Football Championship Subdivision (Division I AA), is justified by the following assumptions:

UTSA is located in the seventh largest city in the U.S., with no competing professional or Division I football programs. The expansion of the athletic programs at The University of Central Florida in Orlando, Florida has proven that this can be done.

UTSA has an experienced athletics department with some Football Bowl Subdivision (Division I A) football administration experience and has also effectively managed a number of national sporting events, including recent NCAA basketball tournaments. Additionally, UTSA has access to a first-class football facility in the Alamodome with favorable economic terms.

UTSA has the support of its students as evidenced by their overwhelming approval to double the athletics fee to add football and move to the next level of NCAA competition. The athletics fee will cover about 2/3 of the total athletics budget over the life of the model. The remaining revenue comes from UTSA's long standing \$1 million contribution from auxiliary funds, and athletic revenues such as ticket sales, game guarantees, sponsorships, concessions, NCAA revenues, etc. UTSA also has a large and local alumni base.

UTSA's overall financial performance has improved significantly over the past three years and as of the eleven months ending July 2008, the institution had the second highest operating margin of the UT System academic institutions.

The Plan's proforma financial statements, based in part on Carr Sports Associates' November 2006 football feasibility study, are conservative and provide for opportunities to mitigate potential operational shortfalls.

***Funding:** Strategy 2 depends on the success of a fundraising initiative to secure approximately \$13 - \$15 million in philanthropic commitments over the next five to eight years to add football and move the annual Athletics operation budget toward an FBS conference affiliation. This amount will support annual operating expenses and scholarships at a level of approximately \$1.2 million per year. Recent fees, as authorized by students will supplement the \$13 million needed to sustain a football program in the Southland Conference, UTSA's current conference affiliation. This funding will allow UTSA to hire a head coach and assistants, play an independent football schedule by 2011, and play a Southland Conference football schedule by 2012.*

Strategy 3: Advancement of UTSA’s Existing 16 Sports to an NCAA Football Bowl Subdivision (FBS) Conference

This strategy will take several years of growth and is also contingent upon a conference invitation and approval by the UT System Board of Regents. UTSA’s current annual athletics budget is \$8 million, while the average of those institutions participating in the FBS have an annual budget of \$20 million. As Strategies 1 and 2 are implemented and supported by both the university and San Antonio communities, progress should be made to position UTSA for an FBS conference invitation.

Funding: Fundraising beyond the initial philanthropic requirement of \$13 million for operations budget support will be required to ultimately make a move into the FBS conference.

UTSA Student Performance Data

The data sets below are for the past three years showing our freshmen to sophomore retention rates (Table 1), our four, five, and six year graduation rates (Table 2), and academic indicators for our incoming freshman (Tables 5 and 6). All of this data, except the academic indicators for Fall 2008, pertain to students admitted prior to the implementation of our new academic standards. Because none of these data sets include transfer students, who tend to be highly successful at UTSA, or our increasing numbers of graduate students, additional data is provided to show a more complete picture.

Table 1
Retention Rates - UTSA Degree-Seeking Students

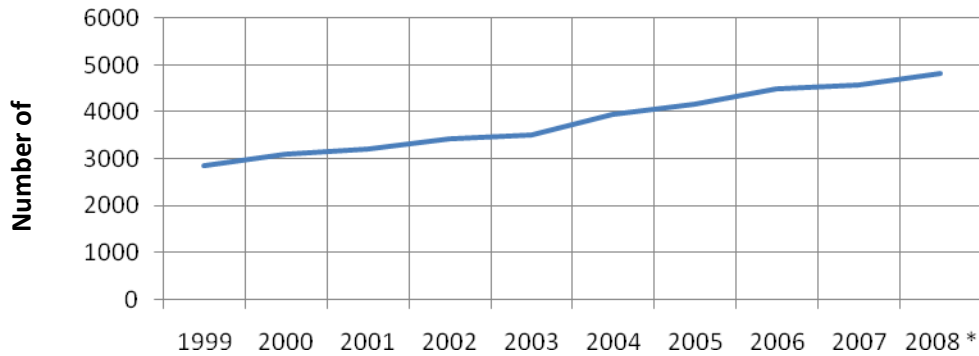
Term	# in Cohort	Retained in 1 Yr	
		#	%
Fall 2005	3,454	2,254	65.30%
Fall 2006	3,597	2,379	66.10%
Fall 2007	3,838	2,502	65.20%

Table 2
Graduation Rates of UTSA Degree-Seeking Students: First-Time Freshmen

Term	# in Cohort	Graduated in 4 yrs		Graduated in 5 yrs		Graduated in 6 yrs	
		#	%	#	%	#	%
Fall 2000	1,724	120	7.0%	361	20.9%	485	28.1%
Fall 2001	1,678	128	7.6%	384	22.9%	525	31.3%
Fall 2002	2,488	216	8.7%	556	22.3%	764	30.7%
Fall 2003	2,971	259	8.7%	661	22.2%		
Fall 2004	3,437	271	7.9%				

What the percentages do not show is the clear increase in the number of UTSA graduates and the number of first time freshmen students who are completing their degrees at UTSA. Figure A shows the increase in degrees attained by UTSA students by calendar year from 1999 through 2007. The total number of degrees issued since Spring 1999 (including Spring and Summer 2008) totals 36,152. The total number of degrees awarded by UTSA since its inception is 71,958. Thus, in the last nine years of UTSA’s 40 years of existence, we produced over 50% of our graduates.

Figure A



*2008 includes Spring and Summer actual graduates and the estimated number for Fall 2008.

The following tables and figures compare the total number of graduates from the 2000, 2001, and 2002 cohorts. (Table 3, Figures B and C)

Table 3

Term	Graduated in 4 years	Graduated in 5 years	Graduated in 6 years	Total Graduated
Fall 2000	120	361	485	966
Fall 2001	128	384	525	1037
Fall 2002	216	556	764	1536

Figure B

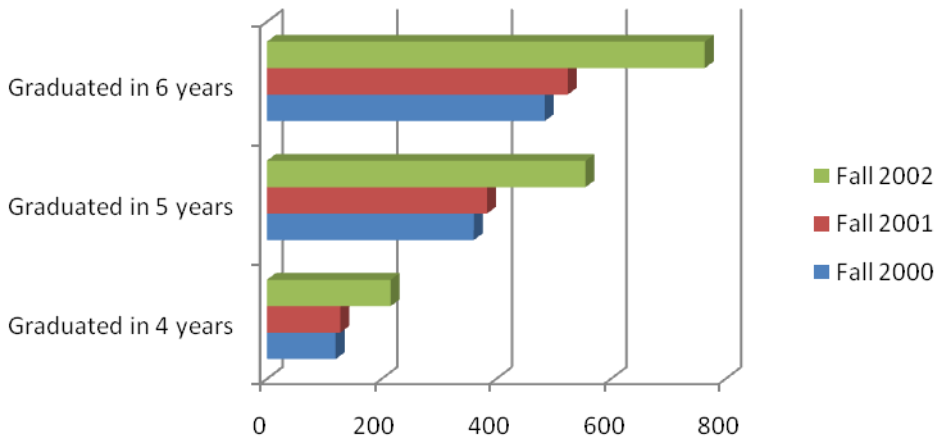


Figure C

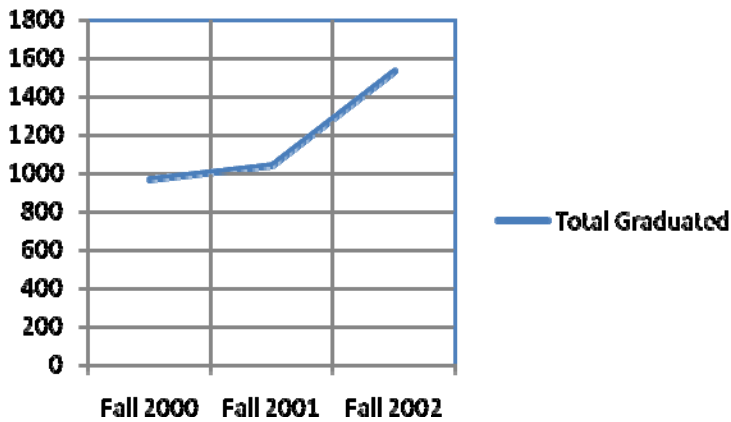


Table 4 shows the high school rank for UTSA degree seeking students for the past three years. This includes Fall 2008, the semester in which our new admissions requirements were implemented. The figures following (D and E) show positive change in the percentage of students in the top quarter and a decline in the percentage of students in the second, third, and fourth quarters which indicates that better prepared students are now entering UTSA.

Table 4

**High School Rank for UTSA Degree Seeking
(Fall 2005 - Fall 2008-Preliminary)**

UTSA Degree Seeking (Full Time)*	Fall 2006		Fall 2007		Fall 2008 (preliminary)	
	#	%	#	%	#	%
Top 10%	350	10.3%	323	8.9%	362	11.1%
11-25%	748	22.0%	743	20.5%	802	24.5%
<i>First Quarter</i>	<i>1,098</i>	<i>32.3%</i>	<i>1,066</i>	<i>29.4%</i>	<i>1,164</i>	<i>35.5%</i>
Second Quarter	1,114	32.8%	1,250	34.5%	1,050	32.1%
Third Quarter	857	25.2%	968	26.7%	772	23.6%
Fourth Quarter	326	9.6%	336	9.3%	289	8.8%
Total	3,395	100.0%	3,620	100.0%	3,275	100.0%

Figure D

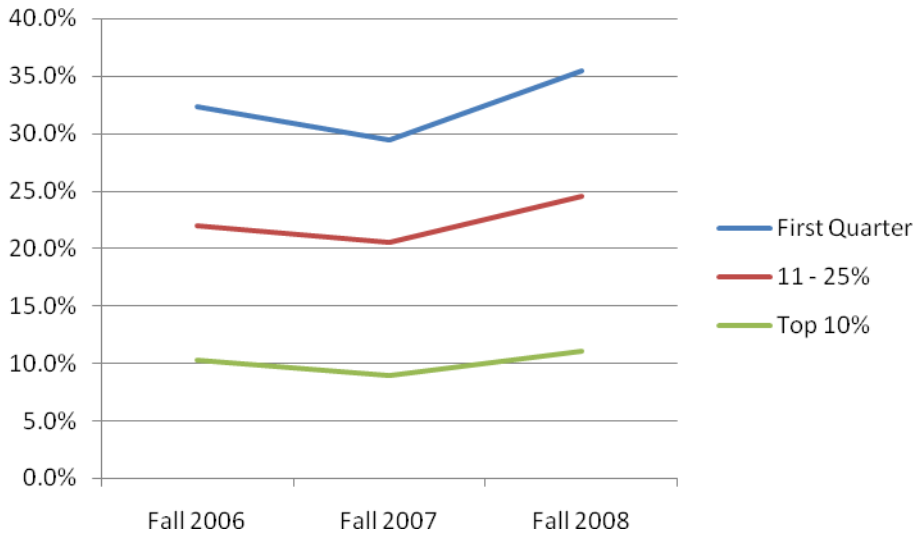


Figure E

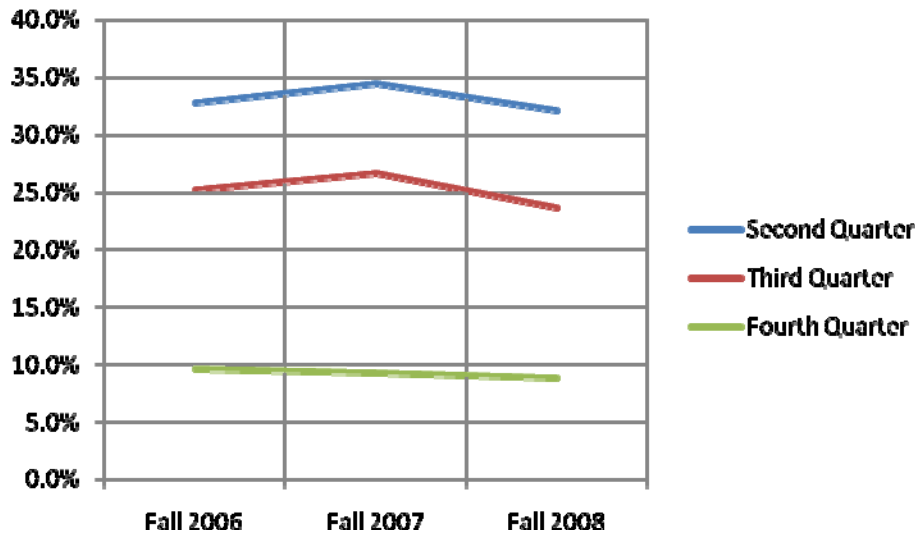


Table 5 shows the slight increase in both the mean and the median SAT scores in the past three years.

Table 5

UTSA Degree Seeking (Full Time)*	Fall 2006		Fall 2007		Fall 2008 (preliminary)	
	Mean	Median	Mean	Median	Mean	Median
SAT Total	991	980	988	980	996	990
ACT Composite	20	20	20	20	20	20

Current Activities Supporting the Implementation of the UTSA Strategic Plan 2008-2009

Funding sources are indicated in parentheses. E&G funds represent both state appropriated and tuition and fee funding; T&E is “time and effort.

Academic excellence:

- increasing number of full-time faculty to lower student:faculty ratio (E&G funds)
- adding endowed positions for faculty to enhance quality (private philanthropy)
- accelerating faculty search process to improve quality of faculty appointments (T&E)
- stabilizing corps of non-tenure-track faculty through better compensation, three-year contracts (E&G funds)
- increasing use of distance education technology to optimize classroom use, accessibility of courses for students (E&G funds, incentive funding)
- enhancing library acquisition budget (E&G funds, incentive funding)
- reinvigorating Teaching and Learning Center to improve instruction (E&G funds)
- recognizing teaching through awards, System initiative (System funds)
- revising periodic program review process of academic departments (T&E)

Student success:

- developing enrollment management plan for the university (T&E)
- improving coordination of freshman advising and college advising (T&E)
- recruiting prospective graduate students in San Antonio, South Texas (T&E, E&G funds, private philanthropy)
- raising scholarship funds through special events (President's Dinner, Great Conversations) (private philanthropy)
- devising alternative pathways to UTSA in collaboration with community colleges (T&E)
- refining student orientation programs (T&E)
- reviewing and eliminating curricular barriers to student degree completion (T&E)
- increasing on-campus student employment opportunities (E&G funds)

Research productivity:

- improving administrative processes for sponsored projects (T&E)
- upgrading annual evaluation, promotion and tenure review criteria and processes (T&E)
- reviewing and optimizing research space usage (T&E); building Engineering II labs (TRB, PUF funding)
- strategizing special opportunity faculty appointments at senior level (E&G funds, private philanthropy)
- aligning internal distribution of F&A funds to stimulate greater research activity (E&G funds)
- upgrading aging computer networking equipment (E&G funds, incentive funding)
- developing core instrumentation facilities (F&A funds, private philanthropy)
- developing additional research partnerships with UTHSC-SA, SWRI, SWBF, and others (T&E)
- adding graduate programs to the curriculum (T&E)
- establishing research fellowships for graduate students and postdocs (private philanthropy)

Campus facilities:

- developing campus master plan for future development (E&G funds)
- constructing Engineering II laboratories (TRB, PUF funding)
- program planning for proposed STEM instructional building (T&E; requesting TRB funding)
- reclaiming underutilized spaces for classroom usage (T&E)
- adding prefabricated modular buildings to expand classrooms, offices (E&G funds)
- leasing space at University Heights to liberate space in campus core (E&G funds)
- renovating library space to create learning commons (E&G funds)
- planning for automated retrieval system for library to optimize space usage (T&E; E&G funds)
- building addition to Multidisciplinary Studies Building to expand access to student services (E&G funds)
- completed new residential complex (Laurel Village), expansion of dining commons (Roadrunner Cafe), and University Center phase III expansion (student and user fees)
- planning construction of new soccer field, track complex (local government bond funds)

Faculty Comments about Adding Football to the Athletics Program

There have been numerous opportunities for faculty to provide feedback on the athletics initiative that includes the addition of football as one of its components:

- the president and the provost have held more than a dozen focused group sessions as part of Project Innovation at which participants have an opportunity to raise concerns, or make constructive suggestions related to the operations of the university;
- the provost has made 15-20 presentations of the strategic implementation plan to groups of faculty, staff, and administrators at which the enhancement of athletics is among the topics covered; and
- the provost has met with the Faculty Senate Executive Committee and discussed faculty perspectives on the addition of football.

While faculty viewpoints range from concerned to enthusiastic, most appear to be supportive of the initiative. Among the perspectives they have shared:

- The introduction of football will enhance school spirit and campus life.
- The growth of our athletics program will provide additional granting opportunities for the Department of Health and Kinesiology.
- Private donations made to football may reduce the fund raising that goes to academics.
- Football games will provide UTSA with additional opportunities to cultivate prospective donors.
- If football is not successful (i.e. a “winning team”), then it will lose money.
- We should concentrate on developing championship teams in other, less expensive sports.
- It is more important for a university in Texas to have a football team than any other sports team.
- We need to be careful how we develop a football program— we will not be a BCS team anytime soon.
- Having a football team may make it easier for UTSA to recruit good students.

Deans’ Comments about the Addition of Football to the Athletics Program

The deans have been an intimate part of the strategic implementation plan development process. They have also had opportunities to share their views concerning the university’s athletics plans at the Executive Leadership Council (ELC) meetings (most recent one on October 27) and at a regular informal lunch with the provost (most recent one on October 29).

The deans primarily express concern about the near-term impact on private fund raising and on the process for prospect management and assignment; however, they also acknowledge that football would likely enhance the long-term prospects for philanthropy. They would be assured

by enforcing a strict prospect management system that would protect them from having their chief prospects poached by Athletics. There is also some concern that the introduction of football at this time will appear to some in the community as an abandonment of the university's effort to become a premier research university, which they view as the number one priority. Again, they also acknowledge that football could be a catalyst for helping the university achieve greater visibility and a higher profile, which may shorten the time to becoming a research-intensive institution.

In general, the deans view the initiation of a football program as inevitable and would like to ensure that it becomes a win-win for academic program funding.

A Development Perspective from Randa Safady

I want to reiterate again that the Development Office, which is now under good leadership and is currently staffing up to have enough experienced gift officers to represent the various academic units, should help alleviate some of the "athletics vs. academics" fundraising concerns that are common and valid on university campuses. Since UTSA historically has not raised significant dollars for its schools and units, the deans (and likely the faculty senate) may not have experienced the direct positive effects of a high-performing fundraising program on the academic arena. Consequently, we could expect some degree of apprehensiveness and concern that athletics fundraising will compete with dollars needed for academics. That will be mitigated when the faculty and academic programs become direct beneficiaries of private philanthropy. VP for Advancement Marjie French is recruiting new front line fund raisers who will serve the schools and units, and she is building a central development infrastructure designed to create a new climate of philanthropy for academic and athletic programs at UTSA. She is skilled and experienced and has received support from the president to make investments in essential areas. There is no reason that UTSA should not continue to make progress toward becoming a top tier research institution *while* enhancing its athletics presence, but the burden is on development, the president, the development board, and the deans and senior faculty to ensure that one effort doesn't happen at the expense of the other. If well-conceived and executed, UTSA's academic and athletic fund raising priorities can be achieved.

3. U. T. Tyler: University Center Expansion - Amendment of the FY 2009-2014 Capital Improvement Program to increase the total project cost and appropriation of additional funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. System Board of Regents approve the recommendations for the University Center Expansion at The University of Texas at Tyler as follows:

Project No.: 802-227
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: January 2009

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$15,300,000	\$15,300,000
	Unexpended Plant Funds		<u>\$ 2,200,000</u>
			\$17,500,000

- a. amend the FY 2009-2014 Capital Improvement Program (CIP) to increase the total project cost from \$15,300,000 to \$17,500,000; and
- b. appropriate and authorize expenditure of additional funds of \$2,200,000 from Unexpended Plant Funds.

BACKGROUND INFORMATION

Previous Board Actions

On August 15, 2005, the project was included in the CIP with a total project cost of \$11,000,000 with funding from Revenue Financing System Bond Proceeds. On November 10, 2005, the Board approved the design development plans and appropriated funding. On May 5, 2006, the Chancellor approved the total project cost increase from \$11,000,000 to \$11,900,000 with the additional funding of \$900,000 from Student Union Fees. On July 26, 2006, the Executive Vice Chancellor for Business Affairs approved the Student Union Fees funding source revision to \$900,000 from Revenue Financing System Bond Proceeds and funding was appropriated. On November 16, 2006, the Board approved a total project cost increase from \$11,900,000 to \$15,300,000 and funding was appropriated from Revenue Financing System Bond Proceeds. The Associate Vice Chancellor for Facilities Planning and Construction approved the nonhonorific name change to University Center Expansion on May 9, 2008. On October 23, 2008, he authorized the project for institutional management.

Project Description

This project consists of renovation of the first floor of the existing University Center building and an expansion to meet increased space needs. The project includes expansion of food services, a bookstore, increased space for meetings, and offices for support staff. The first floor renovation includes updating building systems including HVAC, plumbing, electrical and telephone/data as well as the installation of a fire sprinkler system.

The original contractor for the project was not going to complete the project in the required timeframe. A new contractor has been hired and will complete the work prior to the end of January 2009. Due to accelerated work premiums, schedule recovery, and additional services, the required additional funding of \$2,200,000 will increase the total project cost to \$17,500,000.

4. U. T. Permian Basin: Request to rename the Helen Greathouse Hall as the Rea-Greathouse Hall

RECOMMENDATION

The Chancellor ad interim concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and President Watts that the U. T. System Board of Regents rename the Helen Greathouse Hall in The Wagner Noël Performing Arts Center at U. T. Permian Basin as the Rea-Greathouse Hall.

BACKGROUND INFORMATION

On August 23, 2007, the Board authorized acceptance of a \$2 million gift from the Helen Greathouse Charitable Trust for construction costs for The Wagner Noël Performing Arts Center and approved the naming of the multiuse recital hall in the proposed facility as the Helen Greathouse Hall. The recital hall will be approximately 3,600 square feet and will seat 200.

As trustee of the Helen Greathouse Charitable Trust, Wells Fargo Bank, N.A. now wishes to complete this \$2 million commitment with funding from The Rea Charitable Trust of which they are trustee, as well as from the Helen Greathouse Charitable Trust.

The Rea Charitable Trust is being established through the generosity of Isabel McClintic Rea and Bryce Rea, Jr. Their estate plans provided for creation of a charitable remainder annuity trust, which benefited their son, Charles Rea, until his death on October 27, 2008. The remainder of the annuity trust is to be used to create The Rea Charitable Trust for promotion of the arts.

In 2002, Bryce and Isabel Rea made a \$30,000 gift to the U. T. Permian Basin Music Program, and then gave \$45,000 in 2003, 2004, and 2005 for the program as well. Mrs. Rea died in 2005 and Mr. Rea died on January 16, 2006, at which time the charitable remainder annuity trust was created.

The \$2 million commitment will be fulfilled by or before December 31, 2011, with \$1 million from the Helen Greathouse Charitable Trust and \$1 million from The Rea Charitable Trust. Contingent upon Board of Regents' approval and delivery of an amended Gift Agreement, Wells Fargo Bank, N.A. will provide the first payment of \$350,000 on this commitment from the Helen Greathouse Charitable Trust by December 31, 2008.

LEE T. TODD JR., PRESIDENT
University of Kentucky

Lee T. Todd Jr. became the 11th president of the University of Kentucky on July 1, 2001. He is a native of Earlington, Ky. and a graduate of UK and the Massachusetts Institute of Technology. President Todd is the sixth UK alumnus to hold the presidency. He is a former UK engineering professor; a successful businessman who launched two worldwide technology companies, both based in Kentucky; and a public advocate for research, technology and an entrepreneurial economy in the Commonwealth.

President Todd is Chair of the Board of Directors and Executive Committee for the National Association of State Universities and Land-Grant Colleges (NASULGC). He also is President of the Southeastern Conference (SEC) Executive Committee. President Todd serves on the Equitable Resources Board of Directors and is chair of the Kentucky Council on Postsecondary Education's STEM (Science, Technology, Engineering, and Mathematics) Task Force. He is chair of the National Consortium for Continuous Improvement in Higher Education's (NCCI) Leveraging Excellence Award selection panel. President Todd also is a member of the Business Higher Education Forum and the Council on Competitiveness.

November 2008



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Jane Wellman is the Executive Director of the Delta Project on Postsecondary Costs, Productivity and Accountability, a research and policy organization located in Washington, DC. The Delta Project's mission is to improve productivity in higher education through more effective management of resources without compromising student access or quality. Wellman is widely recognized for her work in public policy and higher education, at both the state and federal levels, with particular expertise in state fiscal policy; cost analysis; strategic planning; state and federal regulation of higher education; accountability metrics and performance reporting; and quality control including accreditation.

In addition to research and writing, she consults with national and international organizations including the National Center for Public Policy and Higher Education, the State Higher Education Executive Officers, the Association of Governing Boards, the American Council on Education, the National Governors Association, the U.S. Secretary of Education, and the Organisation for Economic Cooperation and Development. She is a member of the Board of Directors for the Association of American Colleges and Universities, and a member of the Board of Trustees for Argosy University.

Prior to beginning the Delta Project in 2007, Wellman served as a Senior Associate with the Institute for Higher Education Policy in Washington, D.C., was Vice President for Government Relations with the National Association of Independent Colleges and Universities, Deputy Director of the California Postsecondary Education Commission, and staff director of the California Assembly Ways and Means Committee. She began her career in higher education finance and planning at the University of California office of the President, and obtained her Master of Arts and Bachelor of Arts degrees from the University of California at Berkeley.