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**TOPIC:** University System of Maryland: Intercollegiate Athletics Division I Programs—Financial Results & Status Information and Presidential Assertions on Compliance with Policy Requirements

**COMMITTEE:** Finance

**DATE OF COMMITTEE MEETING:** January 29, 2015

**SUMMARY:** The Board of Regents Policy V-2.10 – Policy on Intercollegiate Athletics was revised in September 2012 expanding student-athlete academic performance and intercollegiate athletics program financial information. For the past two years, materials provided by institutions in accordance with the policy have been reviewed and considered by the Board’s Intercollegiate Athletics Workgroup, which has been considering the adequacy of the policy information requirements and associated Regent oversight responsibilities. At this point, it is important to begin to facilitate providing appropriate and relevant information collected under the policy to the standing committees charged with academic and financial matters so that once the Workgroup has concluded its efforts that a routine for providing BOR standing committees appropriate and necessary information is in place.

Information concerning financial results for the most recent fiscal year and information on financial strength and obligations is due on November 1, and was reviewed by the ICA Workgroup earlier in January. Attached is a set of highlights of the financial information.

**ALTERNATIVE(S):** This is presented for information purposes.

**FISCAL IMPACT:** This is presented for information purposes.

**CHANCELLOR’S RECOMMENDATION:** This is presented for information purposes.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Joseph F. Vivona (301) 445-1923

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ICA Workgroup  
Review of ICA financial materials—Points of Note

January 2015

1. Without transfers from the other self-support activities' resources, each institution other than UMBC reported operating losses for fiscal year 2014. UMES had indicated that it intended to use other self-support activity monies to fund ICA activities, and these funds are reflected as program revenues

| Institution | Net Change in Fund Balances | Operating transfers | Operating (loss) before transfers |
|-------------|-----------------------------|---------------------|-----------------------------------|
| UMCP        | \$488,746                   | \$4,004,956         | (\$3,516,210)                     |
| TU          | (280,637)                   | 72,484              | (353,121)                         |
| UMES        | 16,205                      |                     | 16,205                            |
| CSU         | (448,985)                   | 200,000             | (648,985)                         |
| UMBC        | 54,198                      | 41,875              | 12,323                            |

2. UMCP and UMBC have major facilities approved and in the early stages of development that will be utilized in part by intercollegiate athletics. The debt service burden for UMBC's project will present a challenge in several years, though will be shared with other users of the facility. UMCP's project to renovate the Cole Student Activities Building is expected to be funded in large part by fundraising.
3. Several institutions report significant balances owed by intercollegiate athletics, either externally to System bondholders, or the institution.
4. Presidential affirmations, assurances as to compliance with NCAA regulations, as well as Board of Regents expectations and policy requirements, do not include a statement this year on the newly adopted Policy on Academic Achievement. This policy was adopted subsequent to the date of the assurances.
5. The expense impact of the settlement between UMCP and the ACC concerning the exit fee is reported as a liability of the program in the amount of \$31M.