Objectives of Today’s Meeting

1. Refresh the group’s understanding about the dynamics that drive ICA’s financial model.

2. Discuss how SASI and Student Services Fee funds are used.

3. Answer your questions.
Financial operating principles

1. Transparent
   - Kevin’s cell phone number is (530)-219-4023.
   - Open invitation to be “AD for the day” and shadow.

2. Frugal
   - Staff salaries that are lower than the campus average.
   - Only one half of one person in the entire organization is used as administrative assistant.
   - Budgets are managed tightly.

3. Clear and easy to understand
   - We want you to know and understand all of the facts.
<table>
<thead>
<tr>
<th>Revenue Categories</th>
<th>Expense Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>Salary and Benefits</td>
</tr>
<tr>
<td>Generated Revenue</td>
<td>Scholarships</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>Operating Expenses</td>
</tr>
<tr>
<td></td>
<td>Debt Service</td>
</tr>
</tbody>
</table>
On average, athletics programs at the FCS level operate with 74% of revenue coming from allocated sources (e.g., fees or institutional support). The Big West average is 77%. UC Davis will at the Big West average this year.

(Source: WinAD Database)
What is different about UC Davis is the high proportion of “allocated revenue” that comes from fees (87%) rather than institutional support (13%; when excluding PE support).

We are growing generated revenue, but this cannot replace allocated revenue.
<table>
<thead>
<tr>
<th>Revenue Categories</th>
<th>Expense Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>Salary and Benefits</td>
</tr>
<tr>
<td>Generated Revenue</td>
<td>Scholarships</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>Operating Expenses</td>
</tr>
<tr>
<td></td>
<td>Debt Service</td>
</tr>
</tbody>
</table>

Some costs in athletics are not within our immediate control.

Many costs are subject to inflationary increases.
Other fundamental financial trends in college athletics:

- No FCS school, and only 7 of the FBS public schools, operates without either student fees or institutional support. (Source: WinAD database)

- The median ratio of athletics expenses to institutional expenses has grown from just over 5% in 2004 to 7.4% in 2015. This ratio at UC Davis is 0.8% in 2017-2018. (Source: NCAA Revenue and Expense Report)

- UC San Diego students recently voted for a similar fee structure to transition UCSD’s athletics program to D1. They will join the Big West Conference in the coming years.
We are increasing generated revenue and will continue to do so.

• Fundraising
  • Beat annual fundraising record by 20% last year. On pace to exceed last year’s total in the current year.
  • Give Day 2017: ICA led all schools and units in revenue and donors. Trying to repeat in 2018!
  • First endowed head coaching position in school history in 2017.
  • Secured largest gift in UC Davis Athletics history in 2018.

• Ticket Sales
  • On track for over 25% revenue growth for the current year.

• Sponsorship
  • Deal with Learfield (third party sales agency) to help increase monetization of sponsorship assets.

• Game Guarantees
  • Forecasting $623k growth in FB next year.
  • Maintaining this year’s elevated levels of revenue ($300k) in MBB.
  • Setting new growth targets for WBB.
We are frugal and vigilant about controlling expenses.

Staff with equivalent job functions and classifications make less money working for ICA than other parts of campus.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Example jobs</th>
<th>Campus Avg</th>
<th>ICA Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blank Assistant 3</td>
<td>Accounting Assistant</td>
<td>$50k</td>
<td>$45k</td>
</tr>
<tr>
<td>Student Affrs Officer 3</td>
<td>Academic Advisor</td>
<td>$62k</td>
<td>$58k*</td>
</tr>
<tr>
<td>Fundraiser 3</td>
<td>Development Officer</td>
<td>$72.5k</td>
<td>$65.5k</td>
</tr>
</tbody>
</table>

*This is the median for this classification in ICA. One salary skews the mean upwards.
Our coaching salaries are modest and appropriately sized for the FCS level of D1.

### Compensation for Head Coaches in 2016-2017

<table>
<thead>
<tr>
<th>Head Coach</th>
<th>UC Davis</th>
<th>UC Irvine</th>
<th>UC Berkeley</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football</td>
<td>$255,000**</td>
<td>No football</td>
<td>$2,900,000*</td>
</tr>
<tr>
<td>M Basketball</td>
<td>$311,000</td>
<td>$535,000</td>
<td>$2,000,000*</td>
</tr>
<tr>
<td>W Basketball</td>
<td>$155,000</td>
<td>Not available</td>
<td>$625,000</td>
</tr>
<tr>
<td>Baseball</td>
<td>$126,613</td>
<td>$210,515</td>
<td>$345,000</td>
</tr>
<tr>
<td>W Volleyball</td>
<td>$107,473</td>
<td>$100,000</td>
<td>$185,000</td>
</tr>
<tr>
<td>M Soccer</td>
<td>$90,185</td>
<td>$94,964</td>
<td>$188,700</td>
</tr>
<tr>
<td>W Soccer</td>
<td>$94,200</td>
<td>$94,802</td>
<td>$137,700</td>
</tr>
</tbody>
</table>

*Includes base salary and reasonably expected non-base compensation.

**Head football coach will earn $262,500 in base salary in the current year.

Source: WinAD Database
Student Activities and Services Initiative Revenue

Estimated 17-18 Revenues:
-$9.8 million (30% of ICA Revenues)

Uses:
- Not earmarked for a particular use within ICA, unlike CEI or FACE.
- Primarily used to support team operating budgets and coach salaries.
- In 16-17, SASI was used as follows:
Student Services Fee

17-18 Allocation:
-$2.16 million (nearly 7% of ICA Revenues)

Uses:
-Not earmarked for a particular use within ICA, unlike CEI or FACE.

-Primarily used to fund career staff, such as athletic trainers, academic advisors, equipment room staff, and other personnel.
Why is SASI and SSF revenue important for UC Davis overall?

• SASI and SSF revenue is part of funding a successful D1 Athletics program.

• Successful athletics at the D1 level creates significant exposure, alumni engagement, and other benefits for UC Davis.
SCHOOL PROFILE
UC DAVIS AGGIES

LOCATION: DAVIS, CA

ENROLLMENT: 35,186

CONFERENCE: BIG WEST

#1 UNIVERSITY FOR VETERINARY MEDICINE

RANKED 6TH BEST PUBLIC UNIV IN NATION

ACCORDING TO WALL STREET JOURNAL