

UNIVERSITY OF CINCINNATI *ATHLETICS*



CATAPULT
CHAMPIONSHIPS ... ACADEMICS ... TOGETHER

RAISING THE BAR...

OUR STRATEGY FOR SUCCESS...

Dear Bearcats Fan,

This position paper may be the most important communication I share with you during my tenure as director of athletics.

Since adopting our *CATAPULT* plan a little over one year ago, our focus has been on establishing a vision for Bearcats Athletics and assembling a leadership team that will achieve our stated ideals. Now we begin the task of positioning our program for long-term success by making some very difficult choices.

This report shares preliminary findings from a study being undertaken by the UC Economics Center for Education and Research on the significant role UC Athletics plays in the vitality of the campus and the economic vibrancy of the region. It also includes benchmark data comparing UC with peer institutions in the BIG EAST Conference and a report card that tracks our progress toward our *CATAPULT* ideals.

Our objective is to gather your input through a series of surveys and public forums which will be administered throughout the year. **Your feedback will inform our long-term strategic decision-making process.**

Among the more crucial actions we will take in the coming months will be:

- Prioritizing the capital needs of the athletics program.
- Reviewing sport/program offerings – including the potential for changing the mix of sports.
- Instituting an economic model to bring about fiscal stability.
- Modifying the priority seating program for men's basketball.

The business decisions we make in the Department of Athletics over the next year will determine our viability as a championship-caliber program for years to come.

That is why your role is vital.

The changing economic landscape in public higher education and college athletics mandates that we not only scrutinize all expenses, but examine ways to increase revenues. We recognize the importance of returning the men's basketball program to prominence and elevating the status of football in order to bring about economic stability. Yet, equally as critical in this endeavor is the need to expand our base of support. Investment from stakeholders in UC Athletics will be the margin of difference in accelerating the timetable for when championships are achieved and determining how consistent we perform at the highest levels over the next decade.

We ask you to participate in our efforts beginning this fall as we collect vital market information and develop a strategic direction for Bearcats Athletics. As a first step, I invite your thoughts and comments: bearcatad@uc.edu.

Thank you for your continued interest and loyal support of UC Athletics.



Mike Thomas
Director of Athletics

On the cover: Renee Hein
Hein won a pair of BIG EAST titles – both indoor and outdoor high jump – and made her fourth appearance at the NCAA championships, the most ever by a UC female track and field student-athlete.

THE STARTING LINE...

ON THE IMPORTANCE OF BEING SUCCESSFUL IN HIGH PROFILE SPORTS

In order for us to achieve championship status across all of our programs we must maximize the revenue generating opportunities provided by football and men's and women's basketball. We have to invest in these programs with the understanding that these teams must be competitive and the game day experience must be exciting to keep fans coming back.

RECAPTURING A WINNING TRADITION IN MEN'S BASKETBALL

Loyal Bearcats fans have stuck with us through a difficult transition period. I believe that loyalty will be rewarded in the near future as Mick Cronin leads the program to the top of the toughest basketball conference in the country. Conference championships and annual NCAA tournament appearances are the standard at UC and we accept the challenge of returning the program to a level that will make all of our stakeholders proud.

THE RISE OF UC FOOTBALL

In many respects, success on the football field and at the box office will be the tipping point to achieving our *CATAPULT* ideals. I feel we are uniquely positioned for a breakthrough with our football program. Competing in a BCS conference, among schools that resonate with our recruiting base, we are poised to elevate UC Football to unprecedented heights.

In Brian Kelly we have a proven winner. He and his staff understand where we are in the development of the program and recognize the need to connect with the community. Let's face it, in Southwest Ohio the football consumer is well-educated and has many options. We know we have to be competitive and play an exciting brand of football to capture our share of the market.

PROVIDING A QUALITY EXPERIENCE FOR ALL STUDENT-ATHLETES

We have an obligation to provide all of our student-athletes and programs with the tools to be successful. As I've noted, football and men's and women's basketball are held to a higher standard because of the need to maximize revenue. For our other sports programs, we must provide resources at a level commensurate with peer programs in the BIG EAST.



Position statement by Mike Thomas, UC Director of Athletics

ACADEMIC SUCCESS AND SERVICE TO THE COMMUNITY

Our promise to recruits and their families is that every student-athlete will be prepared to thrive when their playing days are over. We will hold student-athletes accountable to achieve in the classroom and use every opportunity to impress upon them the importance of being well-rounded, active members of the community. This is as important as our commitment to championships.

THE CHALLENGE OF MAKING CATAPULT A REALITY

In my first full program year we have concentrated on putting the right people in the right positions and establishing a vision for UC Athletics. We have some extremely tough choices to make as we pursue our *CATAPULT* ideals. Ownership of this program is shared and includes our alumni and friends who have invested in UC Athletics over the years. We will make every effort to get their input before deciding on any course of action.

There are tough calls to make, but I find comfort in the knowledge that the overwhelming majority of Bearcats fans want us to compete for championships with student-athletes and coaches held to exemplary standards of conduct – on the field, in the classroom and beyond.



CATAPULT ideals, as established July 1, 2006

CHAMPIONSHIPS

UC will win a BIG EAST championship in every sport within five years.

ACADEMICS

UC student-athletes will set the pace academically by continuing to lead the general student body in graduation rates and, within a five-year period, will outperform the general student body in grade point average.

TOGETHER

UC student-athletes, coaches and staff will respect and honor the privilege of competing as Cincinnati Bearcats. All participants recognize that UC's goals cannot be achieved without engaging the UC family and the Cincinnati community.

THE GAME PLAN...

Over the next 12-months the Department of Athletics will be faced with making significant decisions affecting the long-term fortunes of the program. Among the more pressing matters that require strategic response are:

I. PRIORITIZING THE CAPITAL NEEDS OF THE ATHLETICS PROGRAM

Prior to 2009 it is expected that the University of Cincinnati will formally announce a comprehensive capital campaign – the largest ever conducted in the Tristate. This campaign will support the university's long-range plan, advanced by President Nancy Zimpher: *UC[21]: Defining the New Urban Research University*.

This unprecedented capital effort will focus on building scholarship and other programmatic support across the university while also addressing facilities and equipment needs. The Department of Athletics will undoubtedly play a large role in the broader university campaign.

The recently completed Varsity Village campaign demonstrates the impact that private philanthropy can have in altering a modern-day college athletics program. The Varsity Village campaign not only served to provide state-of-the-art facilities – it also heightened the collective awareness of UC Alumni and the Cincinnati community as to the influence private support can have in elevating the fortunes of Bearcats Athletics.

We still have additional facility needs which must be addressed. However, we cannot be consumed by the arms race many college programs are caught in, nor can we sit idly by and watch others gain ground, putting us at a competitive disadvantage. We need to be measured when prioritizing our capital undertakings and only proceed when a realistic financial model is in place.

II. REVIEWING SPORT/PROGRAM OFFERINGS

– *Potential for changing the mix of sports*

Any intercollegiate athletics program must reflect the values and goals of the broader institution. As the most visible unit on campus it is important that all of our sports embody the excellence that UC is demanding from every program. Each of our 18 sports programs must be analyzed to determine their relative strength among peers, potential for growth and their ability to achieve and sustain excellence. We must be realistic in assessing whether the desired standard of excellence can be achieved given the resources available. Part of this process will include determining the fit between emerging trends in sports participation in high schools within the region and those we offer at the intercollegiate level at UC.



PROPOSED INITIATIVES FOR CAPITAL CAMPAIGN

Capital

- Convocation Center – primary home for UC Basketball and Volleyball
- Indoor practice facility
- Renovation of Nippert Stadium / expansion of press box and luxury suites
- Expansion of outdoor practice facilities

Operational

- Annual scholarship
- Program specific needs
- Endowment – student-athlete scholarships and other operational needs



III. INSTITUTING AN ECONOMIC MODEL TO BRING ABOUT FISCAL STABILITY

Across the country there is a movement to dramatically reduce levels of state funding of public higher education (see chart below). This transition from “state-supported” to “state-assisted” has forced many changes in how the University of Cincinnati manages its operations. Among the most notable are measures to contain costs and requirements to maximize revenue-generating opportunities. To comply with UC’s plan for fiscal growth, the Department of Athletics, along with every other unit on campus, has instituted a practice referred to as performance-based budgeting.

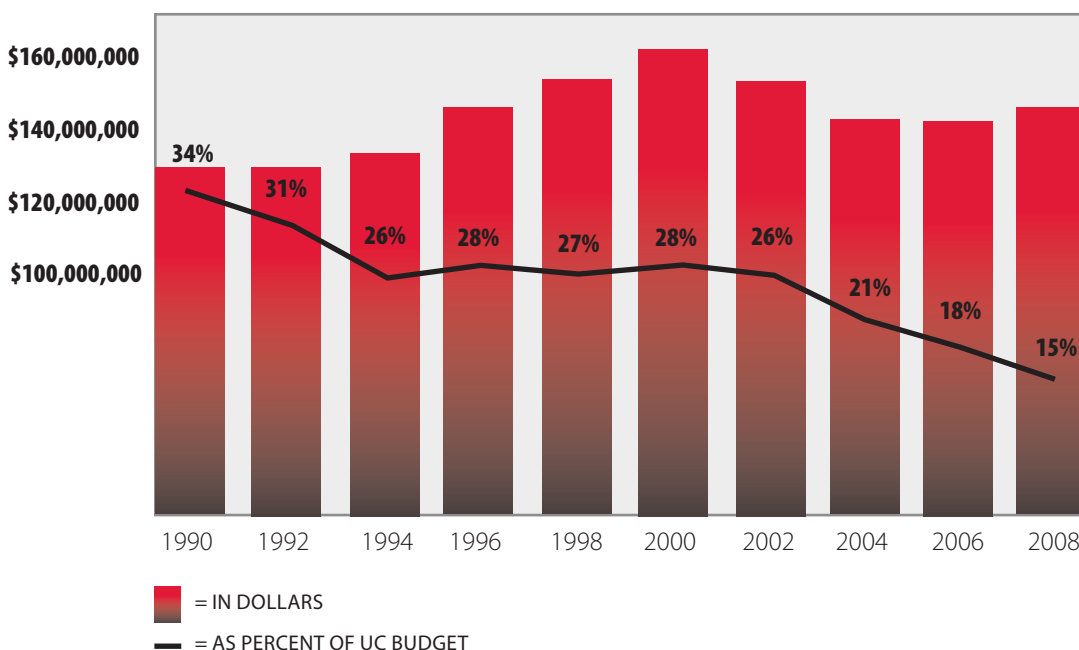
It would be irresponsible and disingenuous to our student-athletes, coaches and stakeholders to hold out the expectation of championships and raising the bar in the classroom and in the community without demonstrating the courage to tighten our operations and stabilize our finances. Creating a culture of accountability is essential so that resources can be directed to those areas that impact performance.

IV. MODIFYING THE PRIORITY SEATING PROGRAM FOR MEN’S BASKETBALL

Consistent with efforts to bring about fiscal stability and ensure that we have sufficient revenues to support our *CATAPULT* ideals, we must examine our process of leveraging premium seating for men’s basketball and football. Beginning this fall we will initiate steps to accurately assess demand for priority seating in men’s basketball; modify gifting requirements and priority point formulas.

We fully recognize the personal sensitivities associated with a decision to alter the criteria for assigning seats in Fifth Third Arena among our valued stakeholders. This is why we are proceeding carefully and providing multiple opportunities for Bearcats fans to provide feedback. We respect your views and intend to take every precaution to ensure that the decisions made reflect input from a cross-section of UCATS members, alumni, faculty/staff, students, and members of the Greater Cincinnati community. It is important for all to understand that the driving force behind our examination of the priority seating program is to ensure that all ideals set forth in *CATAPULT* can be achieved and sustained – something we all want to bring about.

LEVEL OF STATE FUNDING TO UC



Source: UC Office of Budget Management

MEASURING OUR IMPACT...

An ongoing study¹ being conducted by UC's Economics Center for Education and Research (College of Business) is examining relationships between university athletics programs in NCAA Division IA schools and other university characteristics. Investigations and preliminary findings include:²

BUDGET AND FINANCES

- **Athletics expenditures are needed** to produce athletics success. There is a significant positive relationship between athletics department budgets and the socioeconomic strength of the student body, instructional expenditures per student, and the university's link to creative class measures, among others.
- The median annual increase of athletics department budgets over the past five years has been approximately 10 percent (compared with a three percent annual increase in the Consumer Price Index).
- There is a very significant link between football success (in terms of winning percentage) and average home football game attendance.

ACADEMICS AND ENROLLMENT

- Student-athletes have **better graduation rates** than the general student body. NCAA data confirms this for all Division I schools, including the University of Cincinnati.
- A university athletics program **increases the prestige and awareness of its academic programs** by college freshmen, leading to increased applications and/or enrollment.
- There is a strong positive relationship between athletics department budgets and a school's graduation rate and median SAT.

REGIONAL IMPACT

- Indicators suggest that a positive relationship may exist between spending on athletics and the economic strength or growth of the metropolitan area.
- Fan support for a university athletics program **contributes to the local economy.**

CONTINUING INVESTIGATION

This research is continuing; future work is intended to determine whether or not:

- Sustained investment in athletics has a **positive impact on general university support** and on the region.
- Alumni **giving by student-athletes** is greater than giving by other alumni.
- Athletics success **increases enrollment** of out-of-state students.



¹ Jim Deddens and Jeff Rexhausen, "Connections Between Collegiate Athletics and Other University Characteristics: Initial Findings," Economics Center for Education & Research, George Vredeveld, Director (August 2007).

² These preliminary findings are subject to change.

ASSESSING THE COMPETITION...

In 2005-06, the BIG EAST Conference welcomed Cincinnati, Louisville, South Florida, Marquette and DePaul as new members, increasing its membership to 16 schools. Since opening its doors in 1979, the league has won 25 national championships in six different sports and 123 student-athletes have won individual national titles. In the first two years of participating in the BIG EAST, UC has won one conference regular-season team title and four individual titles.

As we look to earn a BIG EAST championship in every sport between July 1, 2006 and June 30, 2011, it is important to understand exactly how we compare to our peers on some of the critical factors that influence competitive success.










FINANCES

SUMMARY

- In 2006-07, UC ranked 11th among its BIG EAST peers in number of donors to athletics, and last when compared football-playing schools.
- UC has had the second-lowest budget among football-playing schools in the BIG EAST.
- At less than one percent, UC's ratio of donors to living alumni is the lowest among football-playing schools in the conference.









ATHLETICS DEPARTMENT*


Budgets in Millions, 2005-06

 Notre Dame	\$55.4
 Connecticut	\$49.9
 Louisville	\$45.1
 Syracuse	\$41.3
 Rutgers	\$41.0
 West Virginia	\$39.1
 Pittsburgh	\$33.1
 CINCINNATI	\$28.8
 South Florida	\$24.3
St. John's	\$24.3
Georgetown	\$23.6
Villanova	\$21.4
Marquette	\$19.5
Seton Hall	\$14.9
Providence	\$13.7
DePaul	\$13.1

DONORS-TO-ALUMNI RATIO**

2006-07

 Louisville	7.45
 Connecticut	4.00
Marquette	3.99
 West Virginia	3.68
 Pittsburgh	3.32
Providence	3.02
Georgetown	2.78
Villanova	2.72
 Syracuse	2.44
 Rutgers	1.45
 South Florida	1.42
Seton Hall	1.33
 CINCINNATI	0.93
DePaul	0.78
St. John's	0.64

 = FOOTBALL PROGRAM COMPETING IN THE BIG EAST

 = FOOTBALL PROGRAM COMPETING INDEPENDENTLY AT IA LEVEL

NUMBER OF ATHLETICS DONORS AND LIVING ALUMNI**

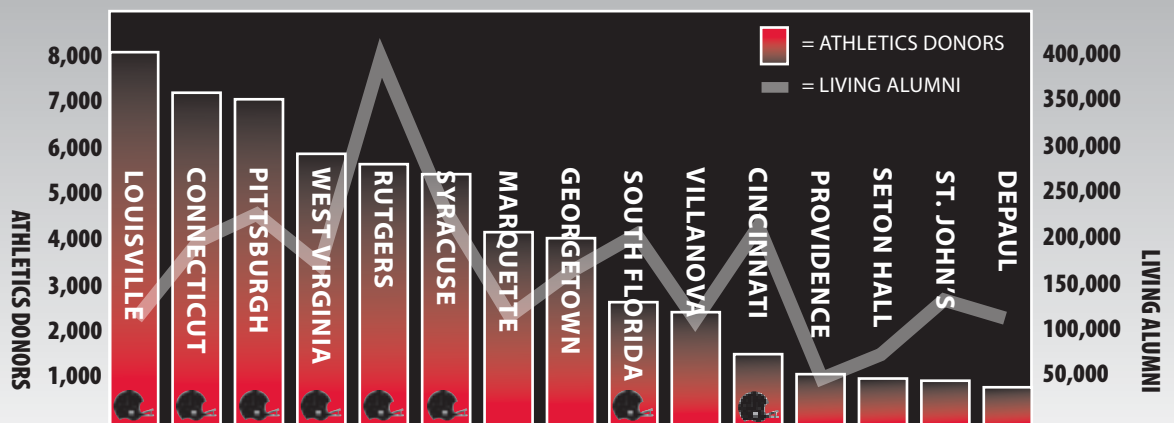
UC ATHLETICS DEPARTMENT BUDGET

2005-06 – \$28.87 million

2006-07 – \$31.0 million

2007-08† – \$34.9 million

† projected



* Source: 2005-06 EADA report

** Source: BIG EAST fundraising study conducted by Marquette University. Numbers for University of Notre Dame not available.

CATAPULT REPORT CARD...

CHAMPIONSHIPS

UC will win a BIG EAST championship in every sport within five years.

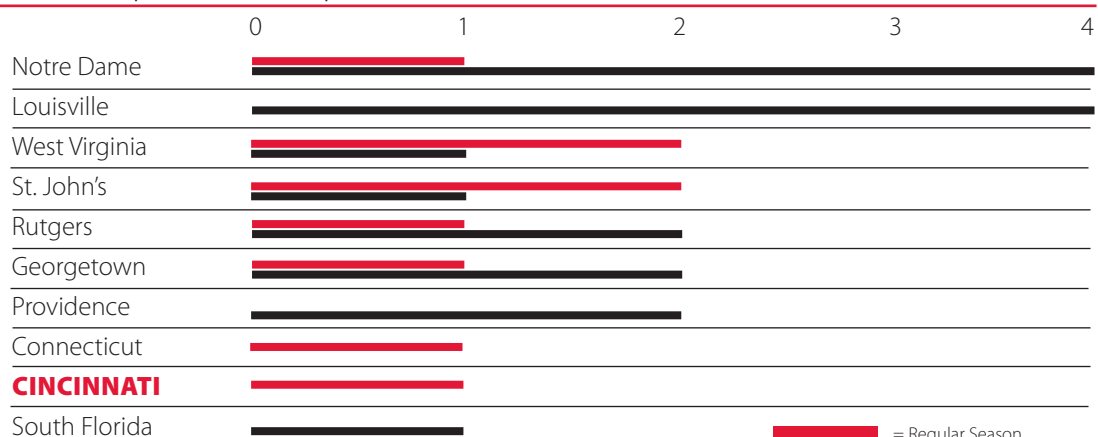
SUMMARY

- BIG EAST championships won: 1, Goal: 18
- Since joining the BIG EAST in 2005, UC has earned one regular season title (2006).

	RECORD		CONFERENCE FINISH	
	Overall	BIG EAST	Reg. Season	Conf. Tournament
Fall Sports	Cross Country (M)		NA	9 of 14
	Cross Country (W)		NA	11 of 16
	Football	8-5	4-3	5 of 8
	Soccer (M)	11-6-2	7-3-1	1 of 8
	Soccer (W)	7-9-2	3-7-1	6 of 8
	Volleyball (W)	22-7	10-4	3 of 15
Winter Sports	Basketball (M)	11-9	2-14	16 of 16
	Basketball (W)	15-14	6-10	11 of 16
	Swimming (M)	5-7	1-2	NA
	Swimming (W)	2-10	0-3	NA
	Track Indoor (W)		NA	NA
Spring Sports	Baseball	28-28	10-16	9 of 16
	Golf (M)		NA	NA
	Golf (W)		NA	NA
	Rowing		NA	NA
	Track (M)		NA	NA
	Track (W)		NA	NA
	Tennis (W)	12-10	10-4	3 of 15

2006-07 BIG EAST CHAMPIONSHIPS WON

of those sports in which UC competes



ACADEMICS

UC student-athletes will set the pace academically by continuing to lead the general student body in graduation rates and, within a five-year period, will outperform the general student body in grade point average (GPA).

SUMMARY

- UC student-athlete GPAs have consistently risen to a current average GPA above 3.0.
- During the 2007 winter quarter, Bearcats student-athletes earned a composite GPA of 3.018.
- Bearcats student-athletes graduate at a rate 15 percent higher than the general UC student body.
- UC has the third-highest variance between graduation rates of student-athletes and the general student body when compared to other public schools with comparable academic missions in the BIG EAST.

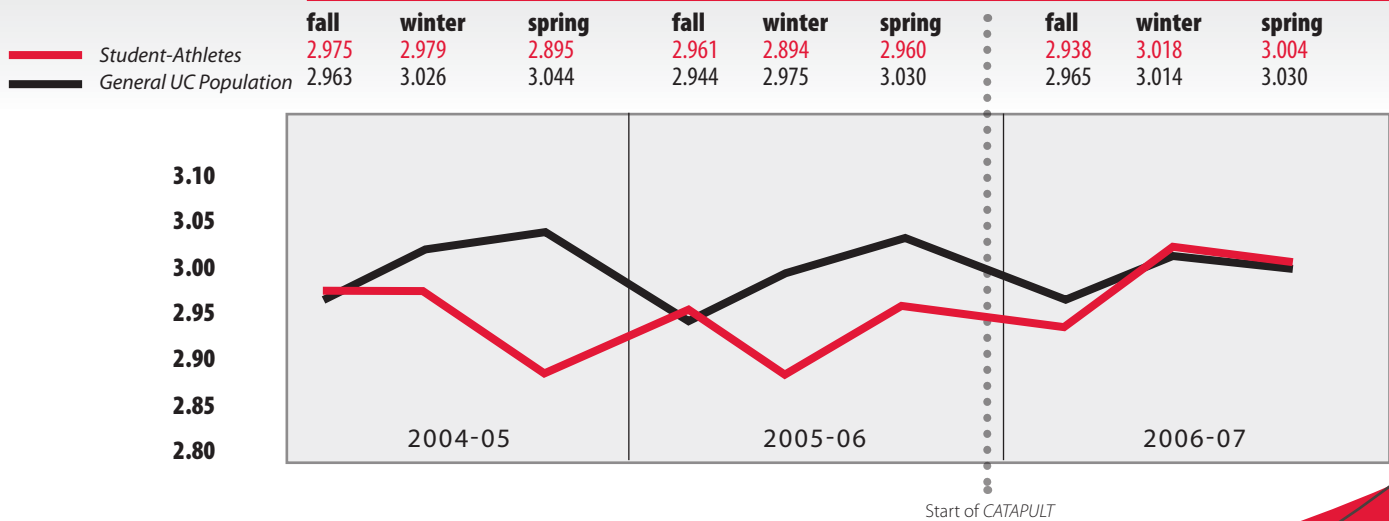
GRADUATION RATES FOR BIG EAST PUBLIC INSTITUTIONS

	Student-Athletes	All Students	Variance*
Louisville	56%	37%	+34%
South Florida	61%	48%	+21%
Cincinnati	58%	49%	+15%
West Virginia	55%	55%	0
Pittsburgh	69%	70%	-1%
Rutgers	67%	71%	-6%
Connecticut	66%	72%	-9%

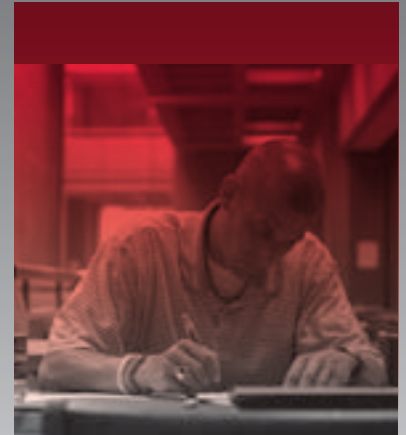
* Percentage difference between graduation rates of student-athletes and all students

Source: NCAA.org

STUDENT GPAs



Source: UC Academic Services



TOGETHER

UC student-athletes, coaches and staff will respect and honor the privilege of competing as Cincinnati Bearcats. All participants recognize that UC's goals cannot be achieved without engaging the UC family and the Cincinnati community.

The Senior Administrative team and head coaches have identified criteria that will be factored into an index to monitor performance in our "together" ideal. This criterion includes:

- Community service hours logged by our student-athletes, coaches and staff.
- Participation at designated *CATAPULT* contests.
- A scorecard tracking the perception of UC Athletics' integration into the campus community.



RALLY CRY...

I hope this report has heightened your appreciation and understanding of the factors that we are carefully weighing. As you have no doubt gathered, the University of Cincinnati is not in a position to provide the Department of Athletics additional state and university funds. The responsibility to make *CATAPULT* ideals a reality rests with us – Bearcats fans, alumni, friends, student-athletes and coaches. I challenge you to become active ambassadors, sharing our case for investment with friends, neighbors and business associates – the entire community. We are all favorably impacted by the success of UC Athletics.

And while not everyone will agree with every difficult step we take, we must find a way to come together like never before. We must begin. We cannot wait. Our window of opportunity may pass.

CALL-TO-ACTION...

STAY INFORMED

Keep yourself educated and informed on key factors impacting the future of UC Athletics.

PARTICIPATE IN OUR SURVEYS AND PUBLIC FORUMS

Participate in efforts to provide feedback to the Department of Athletics as important decisions are considered.

HELP US GROW OUR BASE OF SUPPORT

Step it up. In addition to actively supporting Bearcats Athletics through membership in UCATS and attendance at games, consider volunteering your services as an ambassador for the program and assist in efforts to broaden our base of support.

USF Athletics calls
new student-athlete
training center home

Rutgers to add 12,000 seats, luxury boxes to stadium

University of Pittsburgh Announces 12-Year Facilities Plan

University of Louisville unveils
plans for 22,000-seat downtown arena

Notre Dame Plans Joyce Center Arena Renovation

UConn's Rentschler
Field state-of-the-art

Louisville receives \$10 million boost toward stadium expansion



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