

USAT Board of Directors
Teleconference Call
February 17, 2011

In attendance:

Bob Wendling
Eric Averill
Candy Cheatham
Steve Sexton
Celeste Callahan
Dave Kuendig
John Lines
Kevin Smeltzer
Brian Harrington
Melissa Merson - ex-officio

Staff:

Andy Schmitz

Absent:

Victor Plata
Jim Ryun
Vince O'Brien

Bob Wendling called the meeting to order at 6.00 pm MST.

2011 Allocation Plan

Andy Schmitz provided an overview to the Board regarding the 2011 Proposed Compensation and 2011 High Performance Budget Elite Compensation Allocation.

The Board discussed the various elements of the allocation plan.

Melissa Merson motioned, Celeste Callahan seconded a substitute amendment to refer the allocation plan to a taskforce made up of individuals designated by the President for the purpose of creating a draft plan.

Record of Board votes:

Eric Averill - no
Steve Sexton - abstain
Candy Cheatham - no
Brian Harrington - no
Kevin Smeltzer - no
John Lines - no
Dave Kuendig - yes
Celeste Callahan - yes

Motion Failed

Board voted on original motion to adopt the 2011 Proposed Compensation and 2011 High Performance Budget Elite Compensation Allocation as submitted.

Record of Board votes:

Eric Averill - yes

Steve Sexton - abstain

Candy Cheatham - yes

Brian Harrington - yes

Kevin Smeltzer - yes

John Lines - yes

Dave Kuendig - no

Celeste Callahan - yes

Motion passed

Celeste Callahan motioned to adjourn at 7:17 pm MST

2011 High Performance Budget Elite Compensation Allocation

2010 Budget Review/Realities

Due to a number of factors, the Sport Performance department was grossly over budget in Elite ITU programming in 2010. This includes our support of athletes at every level of the Elite/Professional pipeline, from Continental Cups up to the WCS. This does not include Elite Other (Winter, Du, Cross, etc.) or the Junior/development programs. The largest contributors to our budget deficit:

▣ increasing costs of international travel, especially with WCS races located in major metropolitan areas where hotel, transportation costs, etc. are very high

▣ large number of qualifiers for development team support: 15 athletes on Project 2012 and 8 athletes on Project 2016 (note: there were a few discretionary designations on these teams, but most met the 2010 criteria – which only required a single performance vs. consistent performance)

Program* 2010 Budget 2010 Actual Budget Deficit

NTPA \$188,500 \$246,574 \$ 58,074

Elite Olympic \$272,250 \$382,872 \$110,622

Elite Development \$125,285 \$297,929 \$172,644

\$586,035 \$927,375 \$341,340

**National Team Program Administration: personal coaching, support staff to races, equipment, uniform shipping, etc.*

Elite Olympic: National Team, WCS travel

Elite Development: Project 2012/2016

2011 Budget

As we prepared the 2011 budget we took two distinct steps to control this deficit spending. (1) tighten our program qualification criteria to create a merit based reward structure based on consistency of performance and (2) budgeted for more realistic spending given the costs of doing business.

(1) The tightened criterion was to enable us to control the “guaranteed” spending we allocate to our athletes. Despite a majority (7 of 10) of P2012 athletes not meeting the “looser” 2010 criteria, we made the decision to provide seed money to these athletes. This \$7,400/athlete was not intended to be a maximum they could receive, but an investment in their 2011 initiatives. Those who were successful and met any number of funding allocation metrics (additional race reimbursement allocations, bonus payment, and automatic qualification for the P2012 or National Teams) would be rewarded with continued support. Those who did not perform would be expected to make a greater

personal investment until which time they did meet the standards indicative of an Olympic trajectory. We did not give any discretionary consideration to athletes at the 2016 level. Our focus needs to be on the 2012 Games.

(2) In our initial 2011 budget, we showcased our clear need for more support in these Elite areas. Unfortunately, three rounds of internal cuts prior to the BOD even seeing our budget left us at an allocation per program essentially equal to our 2010 budget. While we did expect to control costs through the tightened criteria and more judicious decision making with respect to WCS funding (holding athletes accountable to performance; only racing when they are prepared to race at a high level), reducing an overspend of 60% of our original budget while still providing athletes with opportunities similar to 2010 is impossible.

When you add the USOC cuts of \$127,500, this puts us at a deficit of \$468,840 if we spend at the same rate as 2010. (It should be noted that every dollar of USOC funding cut went directly to athlete expenditures in our Elite program, not a dime went to NTPA or youth/junior development.) So, while the \$240,000 is a great help to prop up these programs – it is only half of this expected shortfall if we were to continue to support athletes at the same level as was done in 2010. It is important for athletes to understand that we were not operating within budget in 2010, not even close.

Revised Compensation Model

In an effort to meet the requests of the BOD, the SP staff has prepared a new allocation model. It provides athletes with a bit stronger guarantee of support for the season, but removes flexibility for the staff to allocate funds to the athletes showing the strongest performance as the season unfolds.

The allocation model displays categories of support (largely based on the requirements of our program criteria); however the SP staff feels strongly that athletes and their coaches should have discretion to allocate funds to the greatest areas of need. Thus, any monies listed under “Salary Payment” and “Living Stipend” will be paid to the athletes on a quarterly basis with no need for justification. All other monies will be placed into an athlete budget and can be utilized for any approved spending the athlete wishes. The SP staff will create a list of pre-approved items that can be reimbursed (race travel, coaching stipend, massage, mechanic, chiropractor, etc.) Other items may be eligible, but must be pre-approved by the staff.

Summary of \$240,000 allocation into our budget

As \$120,000 of the \$127,500 of budget reductions hit our Elite Olympic program, a strong effort was to earmark a large percentage of these funds to athletes at the highest level. Even so, \$53,000, or nearly 25% was allocated directly to Project 2012 athlete living stipends. A breakdown of how the \$240,000 was allocated:	\$ 116,000.00
Elite Salary	
2012 Living Stipend	\$ 53,000.00
Domestique Funding	\$ 6,200.00
Elite Olympic Shortfall	\$ 54,000.00
Personal Coaching Shortfall	\$ 10,800.00
\$ 240,000.00	