

When Mr. Iracane gave me permission to distribute this to the Senate, he asked me to try to communicate to the Senate his concern for all programs of the University, especially the academic program. He seemed much concerned that the faculty not misunderstand his intentions.

January 29, 1983

To: Members of the Board of Regents
From: J. Iracane
Subject: Western Kentucky University Football Program

Joan Krenzin

As a trustee of Western Kentucky University (WKU), I am very concerned about the potential reaction of the WKU community to a reported financial deficit in the football program of approximately \$400,000.

All of us, I am sure, would agree that these deficits, while being primarily accounting deficits, cannot continue indefinitely. Our options for solving this problem, we might also agree, fall into two broad categories - reducing expenditures or increasing revenues.

As a member of WKU's Board vested with a fiduciary responsibility for the financial, intellectual, and emotional well-being of our students and faculty and a broader responsibility for the interests of our alumni and other publics, I feel very strongly that the best solution to the financial problems of our football program is not to reduce expenditures, but rather to increase revenues.

Reducing expenditures is a solution that should be left as a last, desperate option for the University. It would inevitably, I firmly believe, reduce Western's football program to a "club status" activity, which is an unfitting and therefore undesirable result for a university of our stature. In addition, a large part of the fixed costs associated with our current program would remain as a cost item in our budgets and would not, in the future, be offset by any significant football revenues.

What is left to us, then? I believe we are left with the challenge to find creative approaches to augmenting revenues from our football program.

We owe it to our university and our region to take a shot at upgrading our football program, before we decide to "close it down". I am confident that a positive and aggressive approach to solving the problems of our program can produce a financially and athletically successful football organization. Our university deserves and demands such an approach.

Fortunately, the means are readily available to us. The NCAA Division II rules require that four Division II games in each region be televised each year. This poses a fabulously rewarding opportunity for all Division II teams if they can arrange to be chosen as televised game participants. Obviously, significant revenues result from such an appearance. Western Kentucky occupies the enviable position of participating in a favorable Division II region, and therefore has a good opportunity to appear, if its football program is of high enough quality. One appearance on TV can produce as much as \$600,000 for the two participants and \$300,000 for Western Kentucky (previously, as a participant in the OVC, Western only received 1/9 of any potential TV revenues instead of its current 50% split).

Therefore, our goal should be to operate a football program that is a natural choice for TV appearances. To accomplish such a feat, depends again on attracting good athletes who are coached by top professionals.

In the short-run, then, we need to create more football scholarships to attract the good athletes that are currently being taken by our competitor schools. Also, we need to relieve our coaching staff of responsibilities that distract them from their coaching duties. Together these can start us on the path to an improved football program and greater revenue production. At the very least, we must try this approach for several years, and then, if the results don't warrant the investment, we should turn to the distasteful option of downsizing our program.

The specific recommendations are to increase the number of football scholarships to seventy from sixty-five and to relieve our football coaches of all teaching responsibilities. I estimate, very roughly, that there is an accounting (not cash) cost of \$50,000 per year associated with this recommendation. Compared with the potential benefits of these recommendations, however, the costs are minimal.

Creating a high quality football program can accomplish many important objectives. First, and significantly, it can make the program pay for itself, which is critically important in the tight financial situation in which Kentucky's colleges find themselves. A high quality program will allow us to schedule better competition to play against, which will in turn gain us TV appearances, TV revenues, and higher stadium attendance. The funds from higher revenues can then be plowed back into the university's academic programs which of course are the priority activity of any university. Second, sound athletic programs always raise the pride in a school by its staff, teachers, alumni, and surrounding community. Third, the increased pride in the university on the part of its various publics can only help boost its financial and political support. These are intangible, yet real, advantages of strong athletic