

REPORT ON FINANCING OF INTERCOLLEGIATE ATHLETICS

1986-87

Fiscal Affairs Committee
of the Faculty Senate

April 14, 1988

HISTORICAL NOTES

In October 1984, the Faculty Senate adopted a resolution expressing its concern about the increasing costs of intercollegiate athletics. The Senate then charged the Fiscal Affairs Committee to bring forward a report on spending for intercollegiate athletics. This extensive study, which was presented at the February 1985 meeting showed that:

1. Athletics has only a marginal impact on non-athletic contributions.
2. Intercollegiate athletics does very little to influence a student's decision to attend Western.
3. The athletic budget grew by 10% from 1980-81 to 1982-83, and from 1982-83 to 1984-85 it grew by 48%.
4. The deficit between expenditures and revenue in 1980-81 was \$653,244 while in 1983-84 expenditures exceeded revenue by \$1,139,280.
5. The football program played a central role in a "deteriorating" situation.

The 1985 report included the following conclusions:

1. The University's intercollegiate athletic budget is in a state of crisis.
2. Despite a slightly improved revenue picture, expenditures are rising more rapidly than revenue.
3. The University must reassess its expensive commitment to Division I-AA football.

In March, 1986, the Fiscal Affairs Committee presented to the Senate a follow-up report to the extensive 1985 study. The 1986 report included the following:

1. The athletic budget continues to be in a state of crisis.
2. Expenditures continue to exceed budget. Even though the athletic budget was increased by 13.8%, expenditures exceeded budget by 17.4%.
3. While revenues increased a modest amount, 9.9%, unrestrained spending kept pace by increasing 9.2%.
4. While football played a major role in an unhealthy situation, other areas also caught the fever of overspending.

In March, 1987, the report to the Senate stated that the conclusions and recommendations of the Committee in 1985 and 1986 were still appropriate:

1. The athletic budget continues to be in a state of crisis.
2. Expenditures continue to exceed budget (by 22.4%) and revenues even when athletic budgets are increased disproportionately to academic budgets (4.6% athletics to .5% colleges).
3. Revenues have increased, but unrestricted spending still results in high deficits.
4. Football has played a major role in creating an unhealthy and worsening situation.
5. There is a lack of resolve by the appropriate University officials to put a stop to the overspending of athletic budgets--the "control" function of a budget continues to be ignored.

SOURCES OF INFORMATION FOR THE 1988 REPORT

The committee has used the OPERATING BUDGET OF 1986-87 and the TRIAL BALANCE AS OF JUNE 30, 1987 prepared by the Department of Accounts and Budgetary Control.

We would like to thank Dr. Paul Cook, Executive Vice-President for Administrative Affairs, for his cooperation in supplying the above documents and for his time in meeting with members of this committee to answer any questions about these documents.

Too, the Committee appreciates the much work of Ms. Teresa Speth and Ms. Phyllis Causey of the Office of the Dean, College of Business Administration, in getting this report to printed form.

Intercollegiate Athletics Budget versus Expenditures:

	budget 1983-84	spent 1983-84	budget 1984-85	spent 1984-85	budget 1985-86	spent 1985-86	% increase in budget	budget 1986-87	spent 1986-87	% spent over budget
Athletic Director	163,874	163,449	176,933	175,800	168,778	213,634	24.4	209,876	220,264	4.9
Athletic Trainer	105,123	143,022	125,449	169,762	125,359	214,891	7.7	128,781	228,573	77.5
Men's Coordinator	1,807	1,952	1,807	1,687	1,797	2,934	66.8	2,997	2,581	-13.9
Football	632,354	832,116	738,345	889,748	765,988	931,073	5.9	811,493	910,957	12.3
Basketball (M)	285,068	329,579	326,873	345,666	332,351	364,118	15.5	383,899	463,299	20.7
Baseball	84,027	98,757	94,790	128,113	98,339	120,608	17.0	115,021	134,077	16.6
Track and Field (M)	54,468	73,065	56,955	66,850	59,710	78,171	8.8	64,946	81,714	25.8
Tennis (M)	18,111	19,519	18,377	22,251	18,377	23,681	9.5	20,120	24,715	22.8
Golf (M)	28,268	31,199	20,640	23,605	36,580	39,606	-8.0	33,647	28,258	-16.0
Swimming	40,193	45,693	43,812	49,379	44,590	48,228	7.3	47,847	49,077	2.3
Soccer	13,455	16,189	13,230	14,169	19,013	26,639	42.5	27,089	36,241	33.8
Women's Coordinator	3,153	3,455	3,138	2,284	3,111	4,170	26.5	3,936	3,115	-20.9
Basketball (W)	160,844	204,126	212,888	267,392	239,720	280,371	15.2	276,170	326,480	18.2
Golf (W)	21,492	22,198	22,066	25,324	22,483	26,266	8.1	24,293	28,013	15.3
Tennis (W)	19,033	21,716	19,473	21,792	20,007	20,340	12.0	22,409	18,852	-15.9
Track and Field (W)	49,690	47,673	48,586	53,658	50,515	54,669	7.6	54,344	53,903	-0.8
Volleyball	8,551	14,531	10,542	16,265	19,564	32,771	35.4	26,480	38,861	46.8
Rifle Team	14,537	17,258	6,100	3,232	2,662	1,916	-100.0	-0-	2,120	-
TOTALS	1,704,048	2,085,497	1,940,004	2,276,977	2,028,944	2,484,086	11.1	2,253,348	2,651,100	

+23.4%

+17.7%

Comparison of Budget to Expenditures and Expenditures to Revenues:

	1983-84	1984-85	% change	1985-86	% change	1986-87	% change
Budget	1,704,048	1,940,004	+13.8	2,028,944	+4.6	2,253,348	+11.1
Expenditures	2,085,497	2,276,973	+ 9.2	2,484,086	+9.1	2,651,100	+ 6.7
Deficit	381,449	336,973	-11.7%	455,142	+35.1	397,752	-12.6

TOTAL DEFICIT FOR 1983-87: \$1,571,316

Expenditures	2,085,497	2,276,980	+ 9.2	2,484,086	+ 9.1	2,651,100	+ 6.7
Revenue	946,217	1,039,717*	+ 9.9	1,269,413**	+22.1	1,396,784***	+10.0
Deficit	1,139,280	1,237,263	+ 8.6	1,214,673	- 1.8	1,254,316	+ 3.3

TOTAL DEFICIT FOR 1983-87: \$4,845,532

* Includes \$492,773 in student registration fees and student athletic fees.

** Includes \$463,495 in student registration fees and student athletic fees.

*** Includes \$492,342 in student registration fees and student athletic fees.

COMPARISON OF PROJECTED REVENUES TO ACTUAL REVENUES:

	Actual <u>(84-85)</u>	Projected <u>(85-86)</u>	Actual <u>(85-86)</u>	Projected <u>(86-87)</u>	Actual <u>(86-87)</u>
Registration Fees	247,470	225,000	232,530	241,000	245,625
Basketball Ticket Sales	251,292	260,000	266,929	260,000	291,098
Football Ticket Sales	77,581	175,000	86,770	80,000	69,588
Other Receipts	9,849	35,000	2,212	25,000	26,844
Basketball Guarantees and Other	63,303	6,500	247,052	50,500	344,762
Football Guarantees and Other	51,000	80,000	80,000	65,000	65,000
Sports Network	8,810	8,000	9,500	8,000	9,500
Student Athletic Fees	245,303	225,000	230,965	241,000	246,717
Endowment Income	-0-	6,500	-0-	10,500	-0-
100 Club Reimbursement	53,617	62,232	56,407	71,800	61,810
Basketball Ticket Sales (W)	12,724	20,000	31,460	27,000	18,856
Medical Insurance Reimbursement	18,770	-0-	25,588	-0-	16,985
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	1,039,719	1,103,232	1,269,413	1,079,800	1,396,785

Grants-in-Aid: Selected Sports

	<u>budget</u> <u>1983-84</u>	<u>spent</u> <u>1983-84</u>	<u>% budget</u> <u>spent</u>	<u>budget</u> <u>1984-85</u>	<u>spent</u> <u>1984-85</u>	<u>% budget</u> <u>spent</u>	<u>budget</u> <u>1985-86</u>	<u>spent</u> <u>1985-86</u>	<u>% budget</u> <u>spent</u>	<u>budget</u> <u>1986-87</u>	<u>spent</u> <u>1986-87</u>	<u>% budget</u> <u>spent</u>
FOOTBALL												
Food	117,600	217,898	185.3	125,000	232,226	185.8	165,000	261,777	158.7	165,000	172,540	104.6
Books	7,000	8,386	119.8	7,000	9,714	138.8	7,000	11,114	158.8	11,700	4,789	40.9
Rent	59,280	52,926	89.3	59,280	51,165	86.3	61,425	53,428	87.0	62,400	60,429	96.8
Reg. Fees	113,120	116,841	103.3	121,100	144,533	119.4	128,730	168,574	131.0	136,500	203,915	149.4
Totals	297,000	396,051		312,380	437,638		362,155	494,893		375,600	441,673	
BASKETBALL (M)												
Food	25,200	32,085	127.3	25,200	31,051	123.2	27,000	30,992	114.8	27,000	43,972	162.9
Books	1,900	2,156	113.5	1,900	2,726	143.5	1,900	2,049	107.8	2,850	2,231	78.3
Rent	14,440	13,297	92.1	14,400	13,895	96.5	14,963	14,345	95.9	15,200	17,600	115.8
Reg. Fees	25,020	25,035	100.1	26,780	25,636	95.7	28,792	24,282	85.3	30,190	30,360	100.6
Totals	66,560	72,573		68,280	73,308		72,655	71,668		75,240	94,163	
BASEBALL												
Food	18,480	9,921	53.7	20,160	13,858	68.7	21,840	17,820	81.6	21,840	16,155	74.0
Books	1,100	1,458	132.5	1,200	2,124	177.0	1,300	1,377	105.9	1,950	1,730	88.7
Rent	8,860	12,270	138.5	9,120	7,520	82.5	10,238	9,425	92.1	10,400	13,174	126.7
Reg. Fees	18,556	30,626	165.0	20,760	40,494	195.1	24,792	37,024	149.3	26,290	39,190	149.1
Totals	46,996	54,275		51,240	63,996		58,170	65,646		60,480	70,249	
TRACK and FIELD (M)												
Food	13,440	10,851	80.7	13,440	9,790	72.8	13,440	9,697	72.1	13,440	14,157	105.3
Books	800	1,173	146.6	800	1,426	178.3	800	1,848	231.0	1,200	2,588	215.7
Rent	9,080	4,920	54.2	6,080	4,715	77.5	6,300	4,855	77.1	6,400	5,510	86.1
Reg. Fees	14,488	24,054	166.0	15,500	23,205	149.7	16,482	28,380	172.2	17,480	28,628	163.8
Totals	37,808	40,998		35,820	39,136		37,022	44,780		38,520	50,883	
BASKETBALL (W)												
Food	21,840	13,226	60.6	23,520	18,045	76.7	23,520	19,736	83.9	25,200	24,100	95.6
Books	1,500	1,171	78.1	1,600	1,676	104.8	1,700	1,983	116.6	2,550	1,999	78.4
Rent	11,400	10,181	89.3	12,160	11,836	97.3	13,388	12,754	95.3	13,600	13,234	97.3
Reg. Fees	21,788	12,355	56.7	24,220	20,913	86.3	28,470	21,366	71.5	30,190	20,870	69.1
Totals	56,528	36,933		61,500	52,470		67,078	55,839		71,540	60,203	

BOWLING GREEN COLLEGE OF BUSINESS ADMINISTRATION

<u>Department</u>	<u>1985-86 Budget</u>	<u>1985-86 Expenditures</u>		<u>1986-87 Budget</u>	<u>1986-87 Expenditures</u>	
Accounting	507,847	470,438		559,598	555,302	
Economics	610,155	565,405		651,500	661,269	
Administrative Office Systems	293,990	293,567		312,579	356,862	
Management & Marketing	626,728	634,548		709,616	603,392	
Finance & Management Information Systems	513,677	531,971		661,369	622,065	
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	2,552,397	2,495,929	(97.8%)	2,894,662	2,798,890	(96.7%)

COLLEGE OF EDUCATION AND BEHAVIORAL SCIENCES

Teacher Education	1,514,396	1,582,342		1,610,750	1,746,348	
Educational Leadership	665,057	640,134		781,767	848,183	
Psychology	1,053,243	1,115,337		1,080,850	1,132,812	
Physical Education & Recreation	645,591	651,882		667,777	707,523	
Military Science	23,360	38,941		23,945	34,243	
Home Economics & Family Living	666,772	728,541		709,192	781,932	
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	4,568,419	4,757,177	(104.1%)	4,874,281	5,251,041	(107.7%)

POTTER COLLEGE OF ARTS, HUMANITIES AND SOCIAL SCIENCES

Art	402,385	463,760		471,719	492,793	
English	1,409,429	1,513,235		1,460,193	1,562,113	
Modern Language & Intercultural Studies	553,648	542,297		552,539	599,766	
History	732,366	725,441		745,361	783,520	
Music	695,372	794,425		729,736	764,284	
Philosophy & Religion	518,528	503,137		519,067	530,922	
Communication & Theatre	806,206	846,218		830,403	909,976	
Journalism	476,401	542,897		528,349	584,699	
Government	435,133	510,976		514,934	546,116	
Sociology, Anthropology & Social Work	838,330	765,551		778,123	778,873	
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	6,867,798	7,207,937	(105.0%)	7,130,424	7,553,062	(105.9%)

OGDEN COLLEGE OF SCIENCE, TECHNOLOGY AND HEALTH

<u>Department</u>	<u>1985-86</u> <u>Budget</u>	<u>1985-86</u> <u>Expenditures</u>	<u>1986-87</u> <u>Budget</u>	<u>1986-87</u> <u>Expenditures</u>	
Agriculture	624,667	665,767	671,519	674,182	
Biology	932,837	950,357	946,561	953,828	
Chemistry	780,413	752,797	779,387	788,009	
Geography & Geology	706,282	747,223	750,952	781,908	
Mathematics	937,192	949,680	998,971	1,031,781	
Physics & Astronomy	596,214	528,771	607,831	553,640	
Industrial & Engineering Technology	1,039,042	1,089,543	1,073,121	1,108,614	
Nursing	655,038	651,792	719,913	737,044	
Health & Safety	561,380	579,959	595,980	606,584	
Allied Health-Dental Hygiene	204,680	227,027	240,611	240,666	
Allied Health-Medical Records	61,412	56,746	65,140	63,392	
Area Health Education System	53,499	5,075	53,499	3,752	
AHES-Community Health	-0-	14,247	-0-	13,201	
AHES-Medical Technology	-0-	6,948	-0-	6,088	
AHES-Medical Records	-0-	12,268	-0-	10,489	
AHES-Dental Hygiene	-0-	6,483	-0-	9,011	
AHES-Dietetics	-0-	4,051	-0-	3,355	
(subtotal AHES)		(49,072)			(45,896)
Computer Science	497,105	474,935	447,674	472,626	
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	7,649,761	7,723,669 (101.0%)	7,951,159	8,058,170 (101.3%)	

SUMMARY OF COLLEGE EXPENDITURES

Bowling Green College of Business	2,552,397	2,495,929	2,894,662	2,798,890	
College of Education	4,568,419	4,757,177	4,874,281	5,251,041	
Potter College	6,867,798	7,207,937	7,951,159	8,058,170	
Ogden College	7,649,761	7,723,669	7,130,424	7,553,062	
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	21,638,375	22,184,712 (102.5%)	22,850,526	23,661,163 (103.5%)	
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		+5.6%			

Findings

1. In a memo of November 3, 1987, to Dr. Alexander on the subject of 1986-87 income and expenditures in athletics, Dr. Cook wrote: "Jim Feix and the coaches have worked together in carefully monitoring income and expenditures in athletics."
2. Athletics (according to information provided by the Office of Athletic Director) serves the following number of students: full scholarships 107; partial scholarships 142; equivalent full scholarships 158. Dr. Cook, in his memo to Dr. Alexander, says: "Mr. Feix and several of the coaches note that the expenditures by student-athletes exceed the amount of the partial grant-in-aid they receive." Ms. Pam Herriford, Assistant Director of Athletics noted: "A number of students are drawn to Western by sports (especially the non-revenue sports) where there are little or no grant-in-aid available."
3. The budget for athletics at Western comprises about 3% of the University's total budget.
4. Western Kentucky University ranks on the low-side in budgets in all sports, except Women Basketball, of the Sun Belt Conference universities.
5. Athletics received an increase in budget of 11.1% (page 3); the colleges received an increase of 5.6% (pages 6 and 7). Some of the increase in athletics budget is "artificial/locked-in"--the same number of scholarships (grants-in-aid) are offered, but food, registration fees, rent and books increase in cost.
6. Expenditures for intercollegiate athletics exceeded the budget by 17.7% (page 3); expenditures for the colleges were over by 3.5% (pages 6 and 7). Note: Expenditures for telephone and employee scholarships (a minor cost) are budgeted centrally by the university; all units at Western have virtually unlimited telephone spendings; in this report these costs are not included in "budget" columns but are included in "spending" columns for both athletics and colleges.
7. Revenue exceeded budgets more than expenditures exceeded budgets (page 3).
8. The budget for the Office of Director of Athletics (page 3) increased 24.4% over 1985-86. This increase was due to "Salaries--regular" which increased from \$129,820 to \$161,175 (24.2%). Telephone expenses of this office were \$8,410.
9. The overage of expenditures over budget for Trainer (page 3) resulted from an increase in the insurance premium, which was bid after the budget was prepared, and medical/dental services.
10. Most of the overage for Football (page 3) was in the registration fees (page 5). There were more out-of-state students than were anticipated in the budget. The expenditure for food in the football program (page 5) was slightly over budget--this resulted from extra expenditures for food for those who try out in the fall. Telephone expense of the program was \$24,052.
11. The expenditures over budget for Men Basketball (page 3) resulted from NIT and NCAA tournament performances--the University was reimbursed for these expenditures. The expenditure for food in this program was over by 62.9% - this item was partly caused by the tournament participation, so was reimbursed. Telephone expense was \$14,672.
12. The expenditures over budget for Baseball and Men Track & Field (page 3) resulted mostly from the mix of in-state and out-of-state registration fees. Telephone expense of these programs were \$1,595 and \$2,507 respectively.
13. The expenditures over budget for Soccer (page 3) resulted mostly from team travel and residence hall rent. Telephone expense was \$1,914.
14. Much of the overage of expenditures over budget for Women Basketball (page 3) resulted from tournament participation--the University was reimbursed for some of the overage. Telephone expense was \$7,629.
15. The overage of expenditures over budget for Women Golf (page 3) resulted from an unanticipated increase in charges for use of golf course and team travel.
16. The overage of expenditures over budget for Volleyball (page 3) occurred in several areas--more significant were travel, supplies, game officials.
17. The overage of expenditures over budget for Rifle Team (page 3)--this team no longer exists--resulted when one of the former team members remained in school for 1986-87, a move not anticipated.