

INFORMATION ITEM #2

Athletics Budget (Joan King)

TO ALL MEMBERS OF THE BOARD OF REGENTS

As you know, there have been on-going discussions regarding the budget deficit for Athletics. President Schulz and AD Bill Moos have met several times to consider: Internally- and externally-generated expense increases; expense reductions; University support; and revenue increases. They have agreed to a plan that reduces the yearly gap between revenues and expenditures in FY17, with further reductions in the gap in FY18 and FY19. In FY20, Athletics would once again have revenues greater than expenditures and would begin paying back its accumulated deficit.

The largest internally-generated expense increase is related to debt service for new facilities. Other increases have occurred due to the planned investment in the football program and coaching changes in men's basketball and baseball.

There have been several significant increases in externally-generated expense due to NCAA/PAC-12 rule changes. Some of these are the deregulation of food for student athletes; the requirement that the full cost of attendance be included in scholarship costs; and increases in PAC-12 dues.

This plan also addresses expense reductions related to leaving positions unfilled, the elimination of a Seattle football game, and overall belt tightening.

Recognizing that the University and its students benefit from membership in the PAC-12 conference, the University will begin phasing in support for some of the costs directly related to these benefits. This support, which is scheduled to begin in FY18, will include such things as: Coverage of the President's box in Martin stadium, which is used for donor cultivation; and custodial support for some the Athletic facilities which are used primarily by students. Support in future years would include partial coverage of the PAC-12 dues; funding for the academic support unit within Athletics; and partial compensation for lost revenue due to the creation of the PAC-12 Network. Additionally, a modest student fee to support Athletics may be added beginning in FY18.

In FY19, the plan includes additional revenue from several sources, such as: Increases in single game ticket sales and increases in season tickets for both football and men's basketball; increases in donor funding; Athletic Training Room billing; and beer sales in the stadium bowl. The projected revenue increases total \$2.4 M.

This plan, developed by President Schulz, Athletic Director Bill Moos, Chief Budget Officer Joan King and Associate Director Matt Kleffner, will be the basis for the internal quarterly budget reviews with Athletics and the Budget Office.

	WSU Athletics Plan FY17-FY21				
	FY17	FY18	FY19	FY20	FY21
Base Revenues - Expenses	(12.0)	(11.5)	(9.2)	(9.4)	(7.8)
Changes:					
ATR Billing	0.0	0.2	0.2	0.2	0.2
Single Game Ticket Sales	0.3	0.5	0.2	0.4	0.1
IMGL	0.5	0.7	0.7	0.9	0.9
Beer Sales in the Stadium	0.6	0.6	0.6	0.6	0.7
Cougar Athletic Fund Donations	1.0	1.8	2.0	2.1	2.2
President's Box	0.0	0.3	0.3	0.3	0.3
Academic Support	0.0	0.0	1.1	1.1	1.1
Student Fee	0.0	1.7	1.8	1.8	1.9
M&O support	0.0	0.9	0.9	0.9	0.9
PAC-12 dues cost share	0.0	0.0	0.0	1.0	0.8
Multi-Media Rights	0.0	0.0	0.5	0.5	0.0
Over/(Under) by year	(9.7)	(4.9)	(0.9)	0.3	1.2

WSU Athletics Plan, FY17 - FY21

