

# ***Department of Intercollegiate Athletics***

## **(White Paper Analysis - 2011)**

### **Introduction**

This is an update to the our 2009 white paper. It includes information regarding contingency plans for possible operating budget reductions at 2%, 5% and 8% levels and the expense areas that might be affected.

Our percentage reductions are based on our full Section I distribution of \$11,353,932. We do believe, however, that the more accurate calculation should be taken from our Section I distribution **minus** our Obligation to the General Fund (\$2,379,044).

Since we must pay back the Obligation to the General Fund, planning for budget reductions using this number causes Intercollegiate Athletics to reduce expenses based on an “inflated” Section I funding amount.

Here is how the 2%, 5% and 8% budget reduction amounts calculate...with Obligation to the General Fund included compared to the amount when it is not included:

<b><u>SECTION I (With Obligation included)</u></b>		<b><u>SECTION I (Without Obligation)</u></b>	
<b><u>\$11,353,932</u></b>	<b>TOTAL</b>	<b><u>\$8,974,888</u></b>	<b>TOTAL</b>
<b>\$227,079</b>	<b>2% Reduction</b>	<b>\$179,498</b>	<b>2% Reduction</b>
<b>\$567,697</b>	<b>5% Reduction</b>	<b>\$448,744</b>	<b>5% Reduction</b>
<b>\$908,315</b>	<b>8% Reduction</b>	<b>\$717,991</b>	<b>8% Reduction</b>

### **FINANCIAL/ORGANIZATIONAL OVERVIEW**

From a budget perspective, the University of Wyoming Intercollegiate Athletics program (\$26 million) remains at or near the bottom (8<sup>th</sup> or 9<sup>th</sup> ...out of nine schools) in the Mountain West Conference. The conference institutions which we compete against are Air Force, Boise State , Colorado State, Fresno State, Nevada, New Mexico, San Diego State,, UNLV and Hawaii (football only).

The UW Intercollegiate Athletic budget is made up of approximately 40% Section I (State) funding and 60% Section II (self generated) funding.

With the \$26 million budget, Intercollegiate Athletics funds 17 sport programs (8 men's sports and 9 women's sports) and a cheer squad. Our sports programs are:

Men's Sports

Women's Sports

Football

Volleyball

Basketball

Basketball

Wrestling

Soccer

Swimming/Diving

Swimming/Diving

Golf

Golf

Outdoor Track

Outdoor Track

Indoor Track

Indoor Track

Cross Country

Cross Country

Tennis

Support organizations (with operating budgets) within Intercollegiate Athletics are: Academic Services, Sports Medicine, Strength and Conditioning, Media Relations, Athletic Facilities, Athletic Equipment Room, Ticket Office, Marketing and Promotions, Athletic Concessions, Game Management, Athletic Directors Office (inclusive of Compliance and Senior Administration), Athletic Business Office and Audiovisual Services.

**OPERATING BUDGET DETAILS**

The Intercollegiate Athletic operating budget can be broken down into the following major categories:

Salaries/Payroll (approx. 125 employees)      \$9,221,378      (36% of budget)

\***Scholarships** (approx . 400 std-athletes)      \$5,452,114      (21% of budget)

Team Travel (17 sports)      \$1,988,089      (8% of budget)

Recruiting travel	\$514,533	(2% of budget)
Medical Insurance/Services	\$409,200	(2% of budget)
Game Guarantees (Visiting Teams)	\$980,000	(4% of budget)
<b>*Spec. Proj.</b> (Equip./ Facility Improvements)	\$343,289	(1% of budget)
Athletic Equipment/Supplies	\$594,990	(2% of budget)
(Uniforms, Practice clothing, shoes, protective equipment, etc)		
<b>*Facility Maintenance</b> (exclusive of payroll)	\$215,400	(1% of budget)
Game Operations	\$260,000	(1% of budget)
Athletic Concessions (exclusive of payroll)	\$253,775	(1% of budget)
Officiating Fees / Travel Costs	\$355,860	(1% of budget)
<b>*Obligation to the General Fund</b>	\$2,379,044	(9% of budget)
Conference Fees	\$400,000	(2% of budget)
MWC Basketball Tournament Expenses	\$150,000	(1% of budget)
<b>*Operating Expenses</b>	\$2,156,177	(8% of budget)

(Telephone, Printing, Repair/ Maintenance , Postage, Freight, Copy/Photo Charges, Subscriptions, Office Supplies, Meetings/Convention travel, Maintenance Agreements, Food Service Costs, Dues/Fees, etc.)

**\*Note that most if not all of the funds from these categories are paid back to the University and returns back into the University “cash flow”.**

### **BUDGET CHALLENGES**

With utilization of the Intercollegiate Athletics budget distributed as previously outlined, a number of challenges present themselves as we move forward.

In order to position our programs to be able to achieve “competitive athletic excellence,” resources must continue to be available and/ or improve both in our sport programs and our support services areas.

In the body of our previous white paper document, it was identified that it is extremely important to have appropriate funding for:

- Top level facilities
- Salary/incentive compensation to attract and retain highly qualified coaches and staff
- Travel / recruiting budgets that allow us to overcome the limitations of our remote geographic location
- Funds to keep our academic / compliance services, strength and conditioning, sports medicine, equipment room, and athletic facilities support operating at the highest level of support possible.

Intercollegiate Athletics must also continue to find ways to generate more Section II (self generated funds), which unfortunately is tied to having successful “winning” programs. Fans (ticket purchasers), corporate sponsors and donors all provide higher levels of financial support when they can become excited and passionate about a team’s success.

### **PROGRESS AND ACCOMPLISHMENTS**

Over the last few years, a number of coaching changes (football, men’s basketball, volleyball, wrestling and soccer) have been decided upon. These changes are beginning to produce positive results :

1. Football just finished 8-4 (first time since 1998) and will be participating in a bowl game for the second time in three years.
2. Football also finished third place (5-2) in the Mountain West Conference with their only conference losses against nationally ranked Boise State and TCU.
3. Women’s soccer had the best season in the sports program’s history including making it to the finals and playing in the championship match of the Mountain West Conference Championships.

4. Women's volleyball finished the season...tied for third in the Mountain West Conference and advanced to the semi-finals of the Mountain West Conference Championships.
5. Men's basketball is currently off to an 8-1 start to their season and the crowds/energy in the Arena Auditorium is gaining momentum as the team approaches their conference season.
6. Wrestling continues to impress with the program's development and ability to produce nationally ranked wrestlers and NCAA / All American caliber student athletes.

The development and improvements being accomplished by our various sports programs will lead to the higher levels of attendance, larger investments by corporate sponsors and greater levels of giving by our donors.

### **FUTURE BUDGET PLANNING**

Unfortunately, in the short term, the university, the state and the nation are dealing with a number of economic challenges. Although the State of Wyoming finds itself in better financial position than most of the U.S., that does not mean that we should not analyze, evaluate and prepare plans, in case the state and the University's financial situation worsens.

Intercollegiate Athletics, as a division of the overall university, has analyzed its financials, established some future strategies and developed several budgetary contingency plans. Such plans come with areas of concern and potential consequences, so we are certainly hopeful that the university does not reach the point where these plans become a necessity. With that said, the following are our budgetary contingency plans:

#### **BUDGETARY CONTINGENCY ACTIONS**

- Suspension/elimination of technology improvements within sport programs and support areas
- Reduction of Athletic Equipment and Supplies in sport program's operating budgets
- Reduction/suspension of Special Projects funding (Facility enhancements, special equip. purchases, etc)
- Reduction of office supplies budget for all athletic areas
- Reduction of Meetings and Conventions funding in all sport/departments (including professional development)
- Reduction in team travel expenses to all sports programs

- Reduction in recruiting expenses to all sports programs
- Elimination of winter training funding for some sport programs
- Reduction of scholarship funding for several sport programs
- Reduction of summer school funding for all sport programs
- Reduction of fifth year aid funding for all sport programs

### **SUMMARY**

We believe that the Department of Intercollegiate Athletics is entering a period where recent personnel decisions and strategic funding investments are starting to produce some very positive results within our sports programs.

In the upcoming months, however, we will be faced with some significant changes in NCAA legislation, such as the “cost of attendance” expense adjustment that will add to our operating budget, additional expenses of \$350,000 to \$600,000 on an annual basis.

In addition, the Mountain West Conference has lost BYU, Utah and TCU to other conferences...and Boise State, Air Force and San Diego State are considering the possibility of joining the Big East. New members such as Fresno, Nevada and Hawaii will help the Mountain West remain a viable conference, but the television package through CBS College Sports and the Mountain Television Network, may be voided entirely or be re-negotiated based on the viewership capacity of the re-configured conference membership. The financial impact of a re-negotiated contract, could lower the television package as much as 50%, which would reduce the amount provided to each conference institution from \$1.2 million dollars annually to \$600,000.

With these daunting financial challenges already facing us in the immediate future, any implementation of future budget contingencies, on the heels of the recent FY 2009 budgetary reduction, would result in some significantly negative consequences for the Department of Intercollegiate Athletics.

Intercollegiate Athletics hopes that the state and the university’s financial position does not reach a point where such decisions becomes necessary.