

Rationale for the University of Wyoming To Remain Division I-A (FBS)

University of Wyoming Athletics Department “White Paper”

April - 2009

Preface

This section of the University of Wyoming Athletics Department “white paper” addresses the implications of UW remaining at the NCAA Division I-A (FBS) or moving down to the I-AA (FCS) level. While the I-A (Football Bowl Series) and I-AA (Football Championship Series) distinction is applied by the NCAA only in the sport of football, the ramifications of moving down to the I-AA (FCS) level would impact not only football but the entire UW Athletics Department.

Following are a wide variety of reasons why the University of Wyoming should remain Division I-A.

I. Tradition

- A. Wyoming has had a history of success in Division I-A football, including recent success.
 1. Wyoming has won four conference football championships in the past years – 1987, '88, '93, and '96.
 2. The University of Wyoming received national exposure through five bowl appearances and one conference championship game in the past years – the 1987 and '88 Holiday Bowls, the 1990 and '93 Copper Bowls, the 1996 Western Athletic Conference Championship Game and the 2004 Las Vegas Bowl.
 3. Fan Support – Wyoming’s fan following was outstanding for all of its last five bowl games, as well as the 1996 WAC Championship Game.

II. Conference Affiliation

- A. If Wyoming would move down to Division I-AA, it would no longer be a member of the Mountain West Conference, which would result in the loss of several longtime rivalries (e.g. Air Force, Brigham Young, Colorado State, New Mexico, Utah)
 1. The loss of these rivalries would result in significantly reduced fan support.
 2. The impact of losing fan support would dramatically reduce athletic revenues.
- B. Loss of bowl revenue and Bowl Championship Series (BCS) revenue. In the 2008-09 academic year, Wyoming received **\$550,000** from the Bowl Championship Series for being a member of a Division I-A conference and as a result of Utah participating in a BCS bowl game. Even in a typical year, however, Wyoming receives approximately **\$130,000**. If Wyoming would drop to Division I-AA, that money would be reduced dramatically. (See Appendix A attached)
- C. NCAA basketball revenue would be reduced if UW was not a member of the Mountain West Conference.
 1. Wyoming would have to join a conference that sponsored Division I-AA football. This would result in being affiliated with a conference that only receives one bid annually to the NCAA Basketball Tournament.
 - a. Traditionally I-AA conferences in the Western United States receive only one bid annually to the NCAA Basketball Tournament—last year the MWC had three – dropping into I-AA would reduce the money UW usually receives from NCAA Tournament in terms of revenue sharing of conference monies.

- b. Wyoming will receive **\$435,599** from the 2009 NCAA Tournament – a year that saw two MWC teams earn bids to the NCAA Tournament.
- c. Comparing that figure to a I-AA conference in the region with the same number of league members as the MWC, that share could drop by as much as 35% to 40% based on the MWC receiving three bids and a like I-AA conference receiving only one.

D. Conference Basketball Tournament Revenue (See Appendix A attached)

1. The Mountain West Conference consistently generates profits that are shared between all member schools.
 - a. Wyoming's share from the 2009 MWC Basketball Tournament will be approx. **\$100,000**.
2. Conferences that sponsor Division I-AA football generate far less money from their conference basketball tournaments to share among all member institutions. The reasons for this are: (a) the lack of large corporate sponsors (i.e. the Las Vegas Convention and Visitors Bureau) and (b) the fact that I-AA conferences in the West don't determine the site of their conference each year until the regular-season champion has been decided. They struggle to generate revenue from their conference tournament, so they move it each year to the campus of the regular-season champion in hopes of generating larger ticket sales.

III. Television Revenue (See Appendix A attached)

- A. The University of Wyoming's share from the Mountain West Conference television package in the 2009-10 academic year will be **\$1,222,222**.
 1. Wyoming is not responsible for pay for production costs of televising games. The Mountain West Conference's television partners cover those costs on top of the rights fees they pay to the MWC.
 2. Wyoming Athletics will also receive **\$1,250,000**, in 2009-10 from Wyoming Sports Properties for broadcast/advertising rights to our games and radio broadcasts.
- B. By comparison, a Division I-AA conference in the region receives no money from its league television partner and approximately **50% of the corporate sponsorship revenue** allocated to Division IA schools.
 1. Additionally, that I-AA league has to pay for TV production costs of its league television games. That league pays an average of \$20,000 to its television partner for each of five football telecasts during the year and an average of \$15,000 for each of seven televised basketball games.

IV. Television Exposure and Exposure to UW Alumni, Potential Donors and Potential University of Wyoming Students (See Appendix B and C Attached)

- A. Mountain West Conference (Division I-A) National and Regional Television Exposure. In the 2008-09 season, the Mountain West Conference television package with CBS Sports, The Mountain and Versus resulted in **66** MWC football games to air nationally as well as **161** MWC basketball games being televised nationally.
- B.
 1. Outside of the conference television package, there were also several bowl games and NCAA tournament games on national network television and ESPN/ESPN2 that featured Mountain West Conference schools.

2. Wyoming's appearance in the 2002 Men's NCAA Tournament, 2004 Las Vegas Bowl, 2007 WNIT Championship Game and 2008 Women's NCAA Tournament provided the University of Wyoming national air time on television, that if purchased in the form of advertising, would be cost prohibitive.

(If Wyoming had been a member of a I-AA conference the Cowboys / Cowgirls would likely not have received a bid to the NCAA Tournament due to the fact that UW didn't win its conference tournament to earn an automatic bid. Division I-AA conferences in the West are traditionally granted only one NCAA tournament bid --- their conference tournament champion.)

C. Division I-AA National and Regional Television Exposure

1. The only national exposure for NCAA Division I-AA football is via the I-AA football playoffs. In basketball, the only national exposure that western leagues which sponsor I-AA football can expect is from the championship game of their league basketball tournament and the NCAA Basketball Tournament. (The only exception would be when I-AA plays on national television against a larger school – a I-A opponent)

a. The I-AA conference we gathered information from had only five football games guaranteed by its conference television partner in 2001-02 and only seven basketball games. All of those games were regional telecasts.

- V. If We Don't Remain Division I-A, There Would be a Significant Reduction in Fund-Raising and Marketing Dollars.
 - A. When it was disclosed in the media that the topic of dropping to Division I-AA was being considered, many existing donors and corporate sponsors of UW Athletics expressed that they would not be willing to contribute as much money if UW dropped to the I-AA level.
- VI. If We Don't Remain Division I-A, There May Also be an Impact on the Number of Radio Network Affiliates that provide coverage around the region.
- VII. At a Time When the University of Wyoming is Striving to Increase Student Enrollment, That Goal Could be Severely Hampered by the Perception That the University is Taking a Step Down in Terms of its Athletics Program
- VIII. If We Don't Remain Division I-A, There May be a Loss of Political Support and Legislative Funding
- IX. We Still Will Have the Expenses Associated with Maintaining the Division I-A Facilities Already in Place on Campus, but we Will be Forced to Maintain Those Facilities with Reduced Revenues
- X. A Major Cost Impact of Dropping To I-AA Would be the Costs Associated with the Replacement of All of our Coaches and many staff members . Current Coaches /Staff (especially FB, MBB, WBB and VB) are at Wyoming in order to work at the Division I-A level. They would not remain in their positions if UW was a I-AA school.

- XI. The Trend in Collegiate Athletics is to Strive for a Higher Division, not to Move Down a Division In fact, we cannot think of a university that has moved down a division in the past twenty years. Many schools have made the decision the Division IA, while very expensive, is worth the cost (for the reasons previously stated). The following are examples of teams that have moved from I-AA (FCS) to IA (FBS) in recent years: Boise State, Idaho, Nevada, Marshall, Western Kentucky, Florida Atlantic and Troy.

Some Potential Cost Savings due to competing at Division I-AA

- I. Reduction of student-athlete scholarships for football by 22 (from 85 maximum scholarships at Division I-A to 63 maximum at Division I-AA). At a cost of approximately \$19,612 per scholarship, that would result in a savings of \$431,464. This, however, is misleading because UW actually receives scholarship funds from athletics...back through the university financial aid office, so reducing scholarship in athletics also reduces a cash flow source to the university as a whole.
- II. Reduction in athletic department expenditures due to smaller game guarantees paid to opponents, decreased travel expense, slight reduction in coaching /support staff (2 employees) etc. could result in some degree of cost savings (approximately \$150,000).

Appendix A

Comparison of I-A and I-AA Revenues & Expenses
That Can Clearly Be Measured by a Change in NCAA Classification

Comparison of Division I-A and I-AA Revenues for 2009-10 Academic Year

<u>Revenue Category</u>	<u>Division I-A (UW)</u>	<u>Division I-AA</u>	<u>Difference</u>
Television Revenue (Conference TV Pkg)	\$1,222,222	0	\$1,222,222
Bowl Championship Rev (BCS)	\$129,259*	0	\$129,259
Conference BB Tournament	\$85,000	0	\$85,000
Corporate Sponsorship Revenue	\$1,250,000	\$625,000	\$625,000
TOTAL	\$2,686,481	\$680,000	\$2,061,481

*The Bowl Championship Revenue that Wyoming receives is larger than a I-AA based on UW's Membership in a I-A conference.

Comparison of Division I-A and I-AA Football Scholarship Expenses for 2009-10 Academic Year

<u>Expense Category</u>	<u>Division I-A(UW)</u>	<u>Division I-AA</u>	<u>Difference</u>
Football Scholarship Expenses	\$1,667,020 (85 X \$19,612)	\$1,235,556 (63 X \$19,612)	\$431,464

Based on the University of Wyoming's average athletic scholarship cost of \$19,612 per scholarship.

Conclusion of Remaining NCAA Division I-A Rather than Moving Down to Division I-AA**Summary of Revenues & Expenses Above:**

Difference in Revenue by Remaining Division I-A	\$2,061,481
Savings on Scholarships by Moving down to I-AA	\$ 431,464
Net Financial Loss if UW Drops down to I-AA	<u>\$1,630,017</u>

Appendix BComparison of I-A MWC Television Appearances and UW Television Appearances – 2008-09

<u>Football Conference TV Packages</u>	Division I-A MWC Appearances	UW Appearances
National TV Exposure - Versus	8	0
- CBS College Sports	10	2
- The Mountain	30	8
- Other television	<u>18</u>	<u>1</u>
Totals	66	11
<u>Basketball Conference TV Packages</u>		
National TV Exposure - Versus	9	0
- CBS College Sports	23	4
- The Mountain	112	16
- Other television	<u>17</u>	<u>2</u>
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Totals	161	22
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Totals (Football and Basketball)	227	33

TOTAL VALUE (IN DOLLARS) TO UW – NATIONAL TELEVISION EXPOSURE **\$12,650,000**

Estimated Worth of Television Exposure in Terms of Equivalent Advertising Dollars

(As Estimated by Mountain West Conference Marketing Department)

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|---|--|
| 1) Nationally Televised Football Game | Worth is estimated at \$1 million per game |
| 2) Nationally or Regionally Televised Basketball Game | Worth is estimated at \$75,000 per game |

Appendix CComparison of Division I-A and I-AA Football Attendance for 2008-09 Academic Year

	Division I-A	Division I-AA	
2008-09 FB Attendance	All 8 Team of MWC	Big Sky Conf.	Wyoming
Total Home Game	1,793,151 (56 gms)	503,346 (50 gms)	127,636 (7 games)
Average Attendance/game	32,021	10,107	18,234

NOTE: Moving to I-AA (subsequent drop in attendance) would result in projected \$853,569 loss in football ticket revenue.

Comparison of Division I-A and I-AA Regular Season Basketball Attendance for 2008-09

	Division I-A	Division I-AA	
2008-09 BB Attendance	All 8 Team of MWC	All Big Sky Conf.	Wyoming
Total Home Game Attendance	1,176,500 (142 gms)	266,204 (118 gms)	82,804 (15 gm)
Average Attendance/game	8,285	2,256	5,520

NOTE: Moving to I-AA (subsequent drop in attendance) would result in projected \$368,990 loss in basketball ticket revenue.

Comparison of Division I-A and I-AA Postseason Football Attendance for 2008-09

	Division I-A	Division I-AA
	MWC	Conference

Postseason FB Attendance

New Mexico Bowl (CSU vs Fresno St)	24,735
Pioneer Las Vegas Bowl (BYU vs Arizona)	40,047
Poinsettia Bowl (TCU vs Boise State)	34,628
Armed Forces Bowl (Air Force vs Houston)	41,127
Orange Bowl (Utah vs Alabama)	<u>71,872</u>
Total Attendance:	212,409
Average Attendance:	42,482

NCAA Division I-AA (FCS) Championship Game

(Richmond vs Montana)	17,823
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Football

(Opponents – if UW were in Division I-AA)

Division FCS (I-AA)

Big Sky Conference

Eastern Washington

Idaho State

Montana

Montana State

Northern Arizona

Northern Colorado

Portland State

Sacramento State

Weber State

Great West Conference

California Polytechnic

California-Davis

North Dakota

South Dakota

Southern Utah

Southern Conference

Appalachian State

Chattanooga

The Citadel

Chattanooga

Elon

Furman

Georgia Southern

Samford

Western Carolina

Wofford

Southwest Athletic Conference

Alabama A&M

Alabama State

Alcorn State

Jackson State

Mississippi Valley State

Arkansas - Pine Bluff

Prarie View A&M

Southern University

Texas Southern

Southland Conference

Central Arkansas

McNeese State

Nicholls State

Northwestern State

Sam Houston State

Southeast Louisiana State

Stephen F. Austin

Texas State

Missouri Valley Conference

Indiana State

Missouri State

North Dakota State

South Dakota State

Southern Illinois

Western Illinois

Youngstown State

Northern Iowa

