

University of Wyoming Department of Intercollegiate Athletics

FY21 Budget Presentation

**WYOMING
ATHLETICS**



Presented May 2020



University of Wyoming Athletic Department Mission Statement

The mission of the University of Wyoming Department of Intercollegiate Athletics is to provide an environment in which student-athletes complete their undergraduate college education and achieve athletics success at the highest possible level. As Wyoming's only four-year University, we are committed to offering a first-class competitive athletics program at the NCAA Division I(FBS) level that promotes the values of the state and assists in carrying out the overall University of Wyoming mission.



FY21 Goals

- Achieve a 3.1 GPA among all Student Athletes
- All sports achieve a 930 APR or higher
- Compete for MW/Big 12/WAC championships
- Develop leaders who will represent the University and State of Wyoming going forward
- Manage the department in a fashion that has the health and safety of students, staff, and fans as its priority.

We feel it would be prudent to spend this time focused not on what we do well, but rather, the challenges and threats we face in FY21 and how we will manage them.



Current Outlook FY21

The department of athletics is in a precarious position as we look to FY21 and beyond. COVID-19 caused a major disruption to the model of Intercollegiate Athletics. Cancellation of the annual NCAA basketball tournament, which happened last during WWII, cost UW Athletics \$1.1M as the NCAA shares revenue from the event with all member institutions.

UW Athletics does not have the reserves to cover this reduction in funding, so we are requesting the Board of Trustees to support a one-time, \$1.1M transfer from UW reserves so we can finish FY20 within budget.



Current Outlook FY21

The challenge we face comes from two fronts. The State of may soon implement budget cuts to our block grant support. The total reduction in funding for FY21 and beyond remains to be seen.

The impact to our diverse economic revenue streams due to the COVID-19 crisis is also not clear. We generate nearly \$21M from non-state support and all of it will potentially be impacted by a downturn in the economy. These revenue streams include ticket revenue, Cowboy Joe Club contributions, corporate sponsorships, concessions, rentals, special events, game guarantees, NCAA & MWC distributions, etc.



Current Outlook FY21

UW Athletics has already initiated the process of reducing our cost structure through the following:

- Cancellation of technology upgrades to WyoVision \$280K
- Reduction of Summer school programs \$200k
- Reduction of non-traditional athletic seasons \$30k
- Reduction of travel parties for all sports \$5K
- 5 open positions will not be filled in FY21 \$225K
- Elimination of all travel costs associated with professional development programming \$70K
- Elimination of championships in select sports as well as changes to conference and non-conference scheduling practices \$300K
- Elimination of nearly all charter travel for men's and women's basketball \$190K
- 10% salary reduction by Tom Burman beginning May 1, 2020 \$20K

Our identified cost savings measures have the potential to eliminate up to \$1.3M from our cost structure in FY21.

Potential Revenue Enhancement Opportunities:

- Additional guarantee games (Men's Basketball has already scheduled one and is looking for a second which would add approximately \$150K to the budget)
- Craig Bohl has committed \$100K to the Cowboy Joe Club

Our identified revenue enhancement opportunities have the potential to add \$250k to our revenue structure

Cost savings measures and potential revenue enhancement may provide a cushion of \$1.5M for a probable economic downturn, but will not completely offset the financial consequences of the COVID-19 pandemic as shown in the following scenarios.



Scenario 1: Delayed Season

October start – Play all 12 anticipated football games – Approximate \$1.29M Loss

- Additional cold weather games would result in an estimated 20% decline in FB revenue streams
 - FB Ticket Sales (\$545k)
 - FB Concessions (\$40K)
 - Stadium Beverage Sales (\$50k)
 - Cowboy Joe Club Membership (\$630k)
- Additional cold weather games would result in increased game costs
 - Additional facilities support for snow removal (\$10k)
- A delayed season would result in an estimated 2% decline in other sport ticket revenue
 - MBB Ticket Sales (\$10K)
 - WBB Ticket Sales (\$4K)
 - VB Ticket Sales (\$1K)



Scenario 2: Delayed Season

October start – Play only MWC Games – Approximate \$2.27M Loss

Eliminating Weber State and University of Utah home FB games

- Revenue losses
 - 25% loss of TV Revenue (\$825K)
 - Season Ticket Refunds (\$542K)
 - Single Game Ticket Sales (\$605K)
 - Wildcatter Refunds (\$420k)
 - Lost Concessions Sales (\$93K)
 - Lost Stadium Beverage Sales (\$108k)
 - Lost Merchandise Sales (\$15k)
 - 20% decrease in CJC Membership Donations (\$630k)
- Expense savings
 - Game Day Facility & Concessions Costs \$55K
 - Security Costs \$68K
 - Officiating Fees \$41K
 - Home Game Housing \$47K
 - Game Guarantee \$675K

Eliminating Louisiana Lafayette and Ball State away FB games

- Revenue losses
 - Game Guarantee (\$200k)
- Expense savings
 - Team Travel \$280k



Scenario 3: Delayed Season

February start – Play all 12 anticipated football games during Spring 2021 – Approximate \$1.29M Loss

- Additional cold weather games would result in an estimated 20% decline in FB revenue streams
 - FB Ticket Sales (\$545k)
 - FB Concessions (\$40K)
 - Stadium Beverage Sales (\$50k)
 - Cowboy Joe Club Membership (\$630k)
- Additional cold weather games would result in increased game costs
 - Additional facilities support for snow removal (\$10k)
- A delayed season would result in an estimated 2% decline in other sport ticket revenue
 - MBB Ticket Sales (\$10K)
 - WBB Ticket Sales (\$4K)
 - VB Ticket Sales (\$1K)



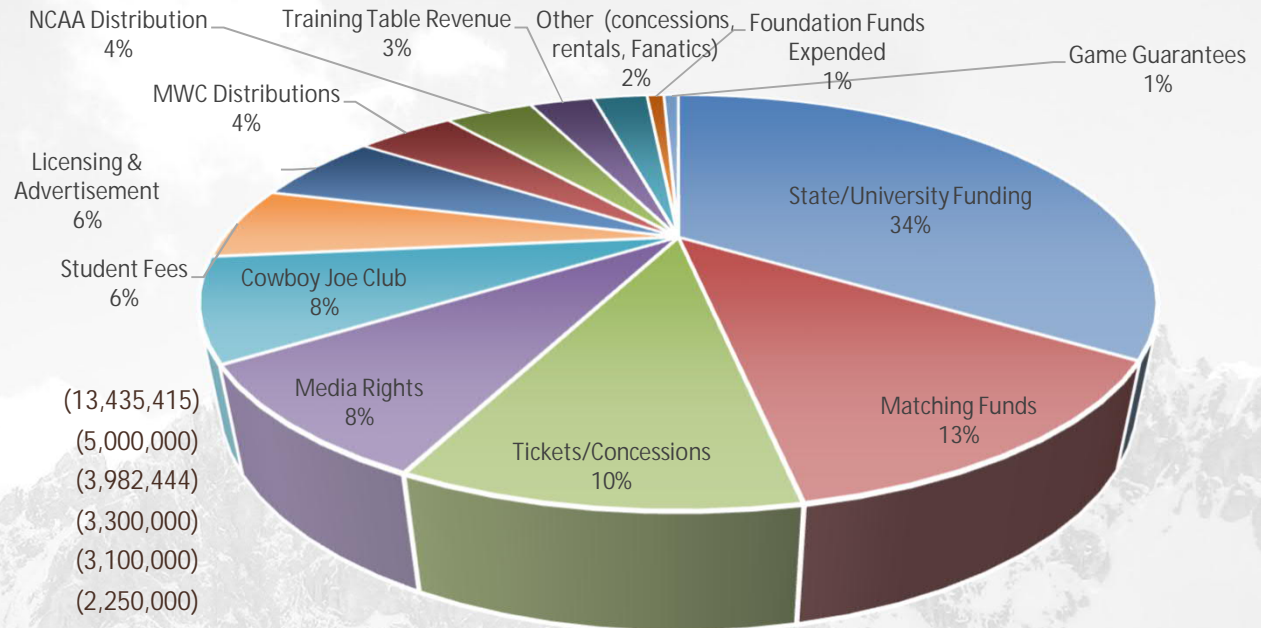
Scenario 4: Cancelled Season

Football season cancelled in 2020 – Approximate \$10.1M Loss

- Revenue losses
 - 80% of TV revenue (\$2.64M)
 - Ticket Sales (\$2.7M)
 - Wildcatter Refunds (\$1.3M)
 - Lost concessions (\$200K)
 - Lost stadium beverage sales (\$200K)
 - Lost Merchandise sales (\$40K)
 - Game Guarantee (\$200K)
 - 50% CJC Membership Donations (\$1.5M)
 - 92% Corporate Sponsorship (\$1.9M)
 - Conference CFP distribution (\$1.6M)
- Expense Savings
 - Official Fees \$192k
 - Game day facility & concessions costs \$165k
 - Security Cost \$210k
 - Home Game Housing \$95K
 - Game Guarantee \$675k
 - Team Travel \$845k



FY21 BUDGETED REVENUES



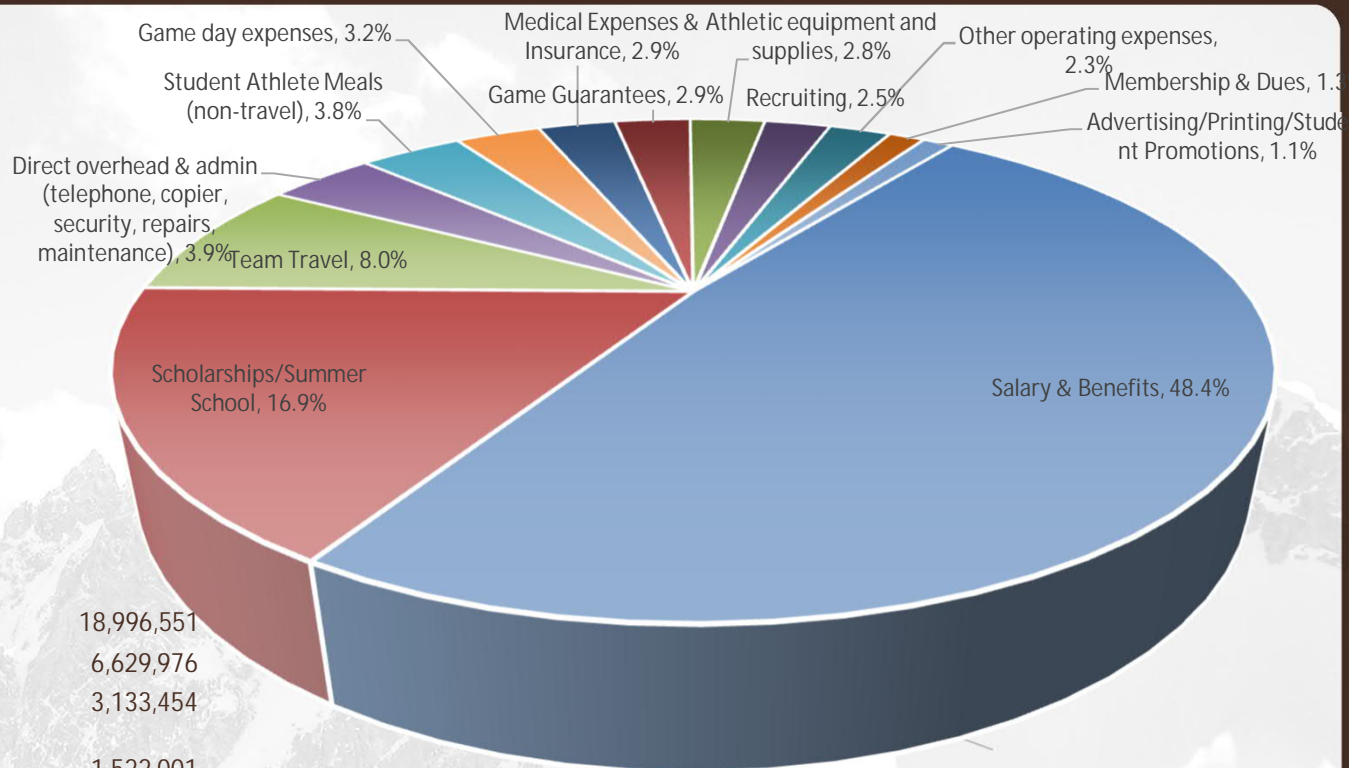
State/University Funding	(13,435,415)
Matching Fund	(5,000,000)
Ticket Sales	(3,982,444)
Media Rights	(3,300,000)
Cowboy Joe Club	(3,100,000)
Student Fees	(2,250,000)
Licensing & Advertisement	(2,217,000)
MWC Distributions	(1,722,635)
NCAA Distributions	(1,566,200)
Training Table Revenue	(1,144,010)
Other (concessions, rentals, Fanatics)	(974,850)
Foundation Funds Expended	(305,200)
Game Guarantees	(265,000)
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	(39,262,754)

Reconciliation:

WyoCloud Budgeted Revenue	(16,046,113)
Add Back Rodeo Transfers	(35,000)
Add Back Pre-Game Meal Income	(178,350)
Add Back Concessions Transfers	(20,000)
Add Back UW Internal FB Tickets	(7,900)
Add Back CJC Transfer	(3,100,000)
Add Back Restricted Revenue	(260,000)
Add Back Scholarship Expense	(6,179,977)
Add Back State/University Funding	(13,435,414)
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	(39,262,754)



FY21 BUDGETED EXPENSES



Salary & Benefits	18,996,551
Scholarships/Summer School	6,629,976
Team Travel	3,133,454
Direct overhead & admin (phone, copier, security, repair & maint)	1,522,001
Student Athlete Meals (non-travel)	1,493,168
Game Day Expenses	1,250,326
Medical Expenses & Insurance	1,141,400
Game Guarantees	1,125,000
Athletic Equipment & Supplies	1,114,651
Recruiting	976,024
Other operating expenses	908,584
Membership & Dues	526,154
Advertising/Printing/Student Promos	445,465
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	39,262,754

Reconciliation:

WyoCloud Budgeted Expense	29,481,525
Add Back CJC Transfer	3,100,000
Add Back Rodeo Transfers	35,000
Add Back UW Internal FB Tickets	7,900
Add Back Pre-Game Meal Income	178,350
Add Back Concessions Transfers	20,000
Add Back Scholarship Expense	6,179,977
Add Back Restricted Revenue	260,000
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Rounding	2
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	39,262,754



FY20 to FY21 Budget Variances

Row(s)	Category	FY20 Budget	FY21 Budget	Variance	Explanation
7	Tuition & Educational Fees	\$3.89M	\$3.93M	\$40k	Based on prior year observations we increased the tuition and fee budget slightly to be more reflective of actuals.
8	Sales of Goods & Services	\$9.8M	\$14.4M	\$4.6M	The annual revenue from Learfield to Athletics (\$2.1M) was included in B4400 last year, but B4100 this year. We increased TV revenue in this category by \$2.1M. There were various smaller increases totaling about \$400k in FB and WBB tickets as well as expected conference revenue based on FY19 actuals.
11	Other Operating Revenue	\$2.6M	\$541K	(\$2.1M)	The annual revenue from Learfield to Athletics (\$2.1M) was included in B4400 last year, but B4100 this year.
20	Salaries and Wages	\$13.2M	\$13.6M	\$395k	Contractual increases as well as the UW given 2% raises resulted in a \$395k increase in salaries.
21	Fringe Benefits	\$4.9M	\$5.4M	\$485k	New benefits on the contractual increases resulted in a \$175k increase in new benefits at 49.3%. Contractual increases on benefit change to 53%, UW given 2% raise benefits, and the overall increase to 53% resulted in an increase of \$310k (this is the increase in University funding we are asking for.)
22	Services, Travel and Supplies	\$7.9M	\$10.2M	\$2.3M	Football team travel, recruiting and meals expense was increased \$392k to be in line with actuals. \$280k was added in for remodel of the TV control room. \$220k was added to the sports medicine medical expense budget to be in line with actuals. \$200k was added to the MBB budget to assist with recruiting of new coach. \$40k was added in for credit card charges to be in line with actuals as credit card usage increases. Various team travel accounts totaling \$120k were increased to be in line with actuals. A \$30k loss for potential bowl game was added. \$690k was budgeted in restricted account for FY20 that are in the FY21 operating budget due to funds being exhausted. Game operations services were increased by \$70k to be in line with actual. \$160k of facilities maintenance supplies were budgeted in Repairs & Maintenance FY20, but in Supplies FY21. \$150k of project expense was budgeted in D7700 FY20, but in Services, Travel, Supplies FY21.



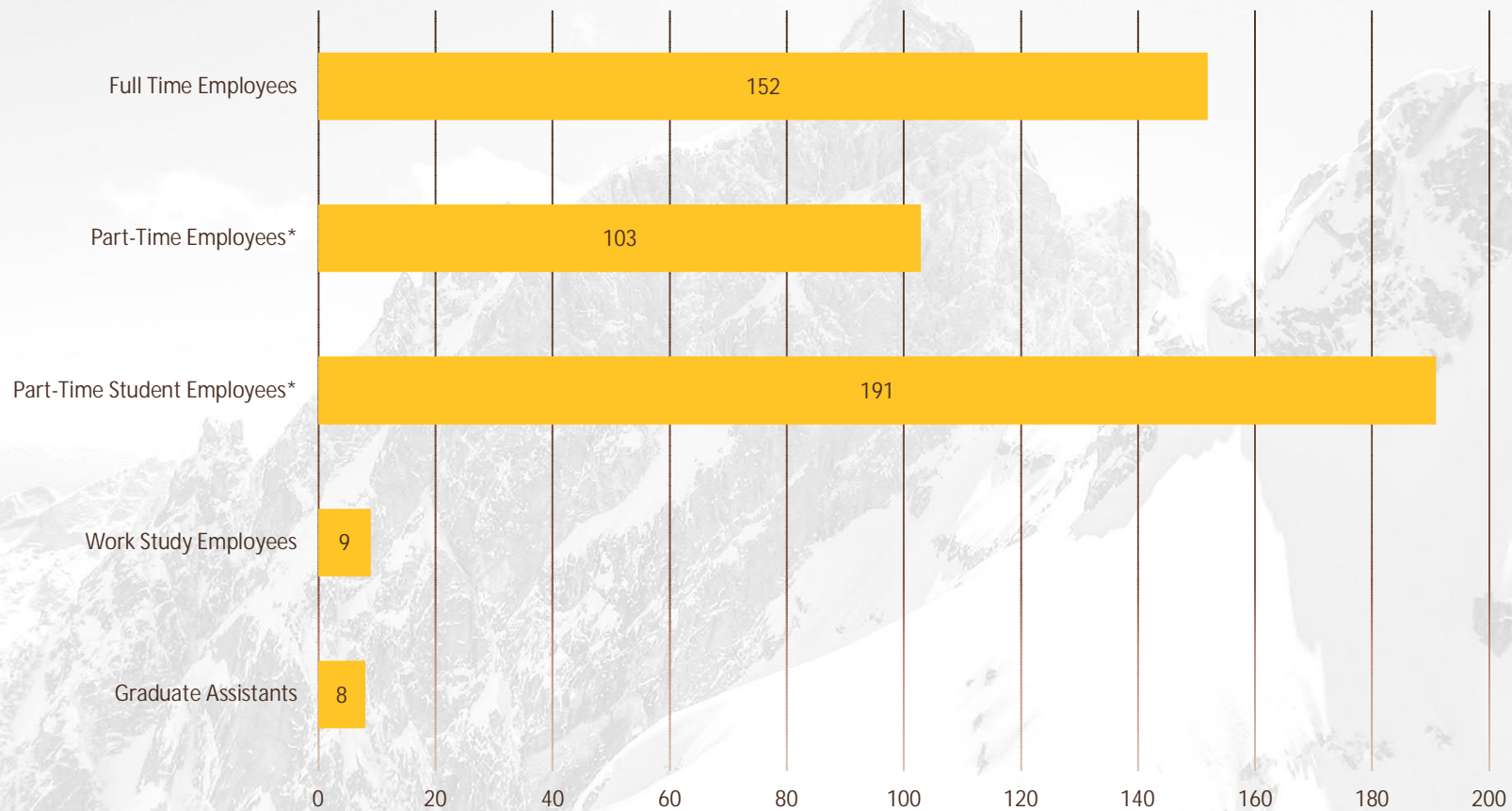
FY20 to FY21 Budget Variances

Row(s)	Category	FY20 Budget	FY21 Budget	Variance	Explanation
23	Repairs & Maintenance	\$340K	\$168K	(\$172K)	\$160k of facilities maintenance supplies were budgeted in Repairs & Maintenance FY20, but in Supplies FY21.
24	Int., Claims, Other Exp., Subcontracts, Depr. & Amort	\$2.1M	\$1.8M	(\$300K)	\$80k of misc. project expense was removed from the budget in FY21. \$220K of projects were budgeted in Int. Claims, Other Exp. FY20 and in Supplies, Services FY21.
25	Cap. Exp., Discont. Op., and Other Non-op Exp.	\$900K	\$250K	(\$650K)	Debt service was decreased \$650K.
29	Internal Allocations & Sales	\$657K	(\$2M)	(\$2.6M)	Interdepartmental transfers from Cowboy Joe Club totaling \$3.1M (contra-expense) were moved from D7740 to D7600. \$400k less was budgeted to be transferred from CJC in FY21 than in FY20.
30	Provisions for Replacement & Depreciation Grouping	\$150K	\$0	(\$150K)	\$150k of project expense was budgeted in D7700 FY20, but in Services, Travel, Supplies FY21.
32	Transfers To/From Operations Grouping	\$3.5M	\$0	(\$3.5M)	Interdepartmental transfers from Cowboy Joe Club totaling \$3.1M (contra-expense) were moved from D7740 to D7600 and \$400k less was budgeted to be transferred from CJC in FY21 than in FY20.
36	Statement of Activities Net Result	\$12.98M	\$13.43M	(\$450K)	\$147,578 of the increase is attributed to the UW 2% raises. The remaining \$307,642 is additional requested funding to cover the benefit increase from 49.3% to 53%.



Employees

Number of Employees



* Part time employees include all Event and Game Day Only workers



