

LUPPINO PRESENTATION RE: CIE ATHLETICS TASK FORCE AT MAY 2 FACULTY SENATE MEETING

Overview:

- Will report on three initiatives as the result of CIE Task Force meetings with Faculty Senate Executive Committee on April 7 and April 26:
 - Task Force Project Plan for report and Recommendations re: long-term role and funding of Intercollegiate Athletics in the context of UMKC's missions and strategic planning.
 - Coordination of that Task Force work with a study of UMKC Intercollegiate Athletics funded by private donation.
 - Immediate (FY17-18) cuts in expense budget of Intercollegiate Athletics and reduction of the amount of subsidy to Intercollegiate Athletics from General Revenues.

Task Force Project Plan for Report & Recommendations:

- Addresses three questions:
 - Should UMKC continue to have Intercollegiate Athletics and, if so, why and with what approximate level of institutional subsidy, if any, from UMKC's General Revenues?
 - If the answer to the first question is yes, should UMKC stay in NCAA Division I or drop down to a lower Division—and, if the latter, which conference(s) might be a good fit, and why?
 - If the answer to the second question is stay in Division I, should UMKC endeavor to switch to a different conference and, if so, which conference(s) should it explore and why?
- Approach is rigorous, data-driven research and analysis:
 - Many relevant materials collected by Task Force last year.
 - More being compiled now.
 - Administration has provided everything Task Force has requested to date and will continue to respond promptly to further information requests.
 - Faculty and Administration have been submitting reports, studies, and relevant literature to Task Force. Box site repository created with folders corresponding to the Table of Contents I circulated. Faculty invited to submit materials to the Task Force—Senate will circulate instructions on how to submit them.

KC Study by community leaders to make rec on what UMKC athletics should look like? next page

- Timetable: plan is to deliver Task Force Report and Recommendations to Provost, Student Government, Faculty Senate, and Administrative Council by August 15, 2017. Schedule for meetings and deliverables will be consistent with that timetable.

Donor-Funded Study:

- Chancellor described to Task Force and Faculty Senate Executive Committee at April 26 meeting, and will elaborate on it here today.
- Idea is to study potential for Intercollegiate Athletics to enhance student experiences and UMKC standing in the community in ways that are both consistent with our academic missions and in line with objectives that private donors would support financially.
- Task Force feels strongly that (1) faculty perspectives and other key information and ideas being assembled by the Task Force should be shared with the leaders of the Donor-Funded Study as it is developing, and (2) the leaders of the Donor-Funded Study should similarly be sharing perspectives and key information with the Task Force as both groups proceed with their work. Chancellor agrees and is committed to facilitating that regular interaction.
- While there was consensus that there will need to be considerable interaction and cooperation between the Task Force and the members of the Donor-Funded Study team, the two are independent and there is, at this time, no commitment that the Task Force will necessarily agree with, endorse, or accept the recommendations of the Donor-Funded Study.

Expense Cuts in the Short Term and Reduction in General Revenues Subsidy of Intercollegiate Athletics:

- Task Force and Faculty Senate Executive Committee met for nearly four hours on April 26. The principal focus of the meeting was on exploration of cuts in expenses for FY 2018 and FY 2019 that would reduce the subsidy from General Revenues for Athletics Tuition Scholarships and Intercollegiate Athletics Operations. For FY 2017 those two items were budgeted at approximately \$2,700,000 for the Tuition Scholarships piece and \$7,100,000 for the Operations piece, for a total General Revenues subsidy of approximately \$9,800,000.

Total Operating budget is ~17.5M for 260 Athletes

- Athletics Director Carla Wilson presented in detail several different potential "cuts" scenarios.

- Quality of information was excellent and extremely helpful. Task Force/Senate Executive Committee members suggested some additional presentation features for context (which will be added).
- Consensus was that the methodology/format will also be very useful in looking at “cuts plans” scenarios of other Central Administration and Support Units in shared governance initiatives on resource allocations and fiscal responsibility.

- For FY 2018 A.D. Wilson first presented cuts to certain items in the Intercollegiate Athletics Operating Expense Budget that UMKC is able to make without having to eliminate any UMKC sports for the time being. Based on additional information provided by A.D. Wilson since the April 26 meeting, those combined measures would reduce the subsidy from General Revenues by approximately \$1,300,000. That is 13.3% reduction in the two-part (Operations and Tuition Scholarships) combined subsidy from General Revenues that was budgeted at approximately \$9,800,000 for FY 2017.

- The cuts in the I.A. Operating Expense Budget represent an approximately 9% decrease in that Budget as compared to FY 2017 (\$1,300,000 divided by I.A. Operating Expense Budget of approximately \$14,500,000), and are a mixture of:

- Eliminating or not refilling 5 full-time positions
- Reducing travel expenses (team, business, training and development)
- Reduction in various venue expenses
- Reduction in equipment
- Miscellaneous expense reductions (cell phones, desk phones, supplies)
- Reduction in scholarships (\$250,000) apart from Tuition Scholarships (such non-tuition scholarships being part of the I.A. Operation Expense Budget) by moving that \$250,000 to donor-funded *(new scholarship money)*

- With respect to FY 2019, in addition to the \$1,300,000 reduction from FY 2018 continuing, A.D. Wilson has reported since the April 26 meeting that additional revenue generation (i.e. ticket sales, corporate sponsorships and donor gifts) along with scholarship reductions and maintenance of other expense reduction measures will be required to produce further reduction in institutional support—based on her analysis and discussions with Chancellor Morton a further reduction of approximately \$500,000 in FY 2019 seems feasible.

- A.D. Wilson also presented some scenarios that would involve cutting some sports. The consensus of the Task Force was to continue to study those in conjunction with the Task Force’s work on its Report and Recommendations and the Donor-Funded Study, and to, in that connection, be mindful of the following considerations in quantifying/analyzing the projected/potential effects of cutting sports:

This approach by A.D. Wilson would be good approach for other Admin Units.

- Expense savings apart from Athletics Scholarships.
- Savings from having fewer Athletics Scholarship, but only after honoring obligations to students with previously awarded Athletics Scholarships.
- Title IX considerations.
- Loss of UMKC revenues from NCAA payments associated with having certain sports.
- Potential loss of net tuition and fees revenues if student athletes on less than a full scholarship transfer to other colleges/universities because their sports are eliminated at UMKC.
- Effects on diversity.
- Potential for unmet financial need of student athletes of eliminated sport(s).
- Contract obligations to various parties.
- The fact that such some of the foregoing considerations can result in differences between short-term effects (i.e., in year of elimination of the sport and for a few years thereafter) and long-term effects.

Summary and Next Steps:

- Approximately \$1,300,000 reduction in General Revenues subsidy for FY 2018.
- Projected \$500,000 further reduction in the General Revenues subsidy for FY 2019.
- Defer drawing conclusions on cutting any particular sports pending analysis in conjunction with Task Force Report and Recommendations and Donor-Funded Study—WITH THE UNDERSTANDING THAT BOTH OF THOSE ARE TO BE COMPLETED BY AND PRESENTED AT THE FIRST FACULTY SENATE MEETING OF THE FALL SEMESTER.

HAPPY TO TAKE QUESTIONS AND HEAR MORE FROM A.D. WILSON AND MEMBERS OF THE TASK FORCE AND FACULTY SENATE BUDGET COMMITTEE WHO HAVE BEEN INVOLVED IN THESE RECENT DISCUSSIONS.