

TO: UMKC Faculty Senate and Interim Chancellor and Provost Barbara Bichelmeyer
FROM: Committee of Institutional Efficiency Task Force on UMKC Intercollegiate Athletics
DATE: October 15, 2017
RE: Task Force Report and Recommendations

The Committee on Institutional Efficiency (CIE) Intercollegiate Athletics Task Force (the “Task Force”) began with an initiative originated by the UMKC Faculty Senate Budget Committee in the fall of 2015. The UMKC Faculty Senate’s CIE¹ subsequently adopted this joint effort of faculty and Central Administration representatives (including UMKC’s Athletics Director). After preliminary work in 2016, the Task Force expanded in 2017 to include members of the Faculty Senate Executive Committee (in addition to faculty members previously included). The Task Force refined its project plan and engaged in the detailed work and deliberations that led to this report and recommendations document (this “Report”) over the last approximately seven months. A list of the Task Force Members and information regarding their research and deliberations in 2017 is set forth in Appendix A.

This Report has been approved by a vote of twelve “yes,” zero “no” and one abstained among the thirteen Task Force Members eligible to vote on this Report. The one Task Force Member who abstained on that vote has also abstained on all specific recommendations in this Report. In places below in which this Report refers to the “voting Task Force Members” that means the twelve who did not abstain from all recommendations; accordingly, when reference is made to unanimous approval by, or consensus among, the voting Task Force Members, that means by and among the twelve voting Task Force Members other than the Member who abstained on the voting on submission of the Report and on all specific recommendation. While there was consensus on many aspects of the conclusions and recommendations set forth below among the voting Task Force Members, there were differing views within the Task Force on some points—in instances of significant differences of opinion, the Report states both the majority view and the differing views offered by other Task Force Members.

I. EXECUTIVE SUMMARY

A. Questions Addressed

The project plan for our Task Force called for us to address the following three questions:

- a. 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?
- b. If the answer to a. 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?
- c. If the answer to b. 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?²

¹ The CIE (formerly named COSCO) is a Faculty Senate Committee that studies and provides input on organizational structures and matters of efficiency regarding UMKC administration and support functions—see <https://www.umkc.edu/facultysenate/cosco/index.shtml>.

² In this connection, the project plan stated: “The Task Force is not to assume the answer to a. is yes or that, if it were yes, that the answer to b. is stay in Division I. The idea is for the Task Force to keep an open mind on all of

The voting Task Force Members unanimously agreed to approach those questions in relation to the shared goal of UMKC being an excellent, publicly supported, urban research university, and UMKC's associated academic missions. We also committed to maintain particular focus on preparing all students for life-long learning and contributions to society, and providing them with diverse and supportive student life experiences while at UMKC. In this connection, the Task Force also acknowledged the admonition that at UMKC "we must grow our revenue by retaining our current students and attracting new students with innovative programs and the services students need to support their academic success."³ We conducted our study and analysis of the value propositions and investment in Intercollegiate Athletics with those fundamental considerations and UMKC's long-term strategic planning in mind.

B. Summary of Task Force Conclusions and Recommendations

The following summarizes the Task Force's conclusions and recommendations, which we base on our research, and our analysis and discussion described in detail in Part II below:

- (1) The voting Task Force Members unanimously recommend that for several compelling reasons relating to student life and learning, as well as UMKC's overall standing locally, regionally, nationally, and internationally, and advantages in recruiting and retention of students generally, it makes sense for UMKC to continue to have an Intercollegiate Athletics program, *with a strategic plan well aligned with and supporting UMKC's core missions and strategic objectives*. Moreover, they also recommend that UMKC's institutional decision makers should seek to enlist Intercollegiate Athletics to grow our revenue by leveraging collaboration with other units on campus,⁴ and to play a key role in coordinated efforts to recruit and retain students.
- (2) The voting Task Force Members unanimously recommend that UMKC participate in a "conference" (and not attempt to operate as an "independent"). For reasons set forth in this Report—including our understanding that an "External Study" funded by members of the Kansas City community through the UMKC Foundation is being undertaken that may yield new perspectives and opportunities—we feel it would be premature for us to recommend a specific intercollegiate athletics association or conference for UMKC at this time. However, we do offer suggestions below on how to explore those questions going forward as a strategic plan for the collaborative engagement of Intercollegiate Athletics is developed.
- (3) The voting Task Force Members unanimously agreed that UMKC must reduce its annual investment in Intercollegiate Athletics from General Revenues (tuition and State Appropriation) in view of the University's financial circumstances and resources needs with respect to its core teaching, research

these questions and produce a well-researched report (citing applicable sources throughout), with key considerations studied from the perspectives of the multiple stakeholders involved, and then offer objective data-driven analysis and recommendations." References to source materials are contained in the attached Appendices and in some cases in footnotes to statements in the text of this Report.

³ From Interim Chancellor/Provost Bichelmeyer's August 30, 2017 email to UMKC Faculty and Staff regarding "A note on our budget."

⁴ In his July 21, 2017 notice, President Choi also emphasized the need to "find[] new revenue growth opportunities, improving resource allocation and utilization, and leveraging collaboration...."

and service missions. Nine voting Task Force Members recommend that UMKC should reduce the cash investment from General Revenues from the current approximately \$5.8 million to a figure in the \$3 to \$4 million range.⁵ Three Task Force Members disagree with setting the recommended range of cash investment from General Revenues at \$3 to \$4 million. The latter three Task Force Members argue that such cash investment should not be limited to such \$3 to \$4 million range unless and until exploration of options for UMKC to stay in Division I are exhausted; they would instead recommend a cash investment from General Revenues in the \$4.5 to \$5 million range.

- (4) Although we are not recommending a specific conference, the voting Task Force Members note that we do see strategic benefits to UMKC staying in NCAA Division I if it reasonably can. Specifically, all twelve voting Task Force Members recommend that UMKC stay in Division I if it can accomplish that (i) without exceeding a reasonable “cap” on the amount of UMKC’s “Institutional Investment” in Intercollegiate Athletics;⁶ (ii) without utilizing private donations that demonstrably would otherwise have been made in support of UMKC’s core academic missions; and (iii) on a sustainable long-term basis.
- (5) However, if it is determined that it is not feasible for UMKC to stay in NCAA Division I in a manner consistent with the above conditions as stated in (4), the voting Task Force Members, by vote of eleven in favor, and one abstaining, recommend that UMKC should study various options to transition into an Intercollegiate Athletics conference in NCAA Division II or III.
- (6) As for a reasonable “cap” on UMKC’s Institutional Investment in Intercollegiate Athletics, two of the voting Task Force Members abstained; the other ten recommend that such “cap” include:
 - a. The above-described \$3 to \$4 million cash from net General Revenues.
 - b. Funding from the Student Athletics Fee at the same per credit hour rate as currently in effect (which generates approximately \$1,225,000 based on current enrollment), which may be increased annually up to CPI adjustment (as we understand is currently the case), and subject to increase in excess of CPI adjustment only if approved by vote of the UMKC student body and approved (after special review) by the UM System Curators). **Note:** Three of the ten voting Task Force Members who voted in favor of the “cap” recommendation feel that, if a fee increase for Athletics is put on a ballot for student body vote, the ballot

⁵ The budgeted cash transfer from General Revenues was reduced from \$7.1 million for FY 2017 to \$5.8 million for FY 2018 (a \$1.3 million reduction as a result of budget cutting initiatives discussed with the Faculty Senate earlier this year).

⁶ For purposes hereof we are defining “Institutional Investment” as consisting of only (i) cash from net General Revenues (i.e., from net tuition collected and State Appropriation received) (ii) funding from the Student Athletics Fee, (iii) Unfunded Scholarships/Tuition Discounts for student athletes (treated as an allocation of General Revenues, as under current UMKC accounting), and (iv) in-kind provision of University space/resources (i.e., the indirect support line item that reflects “in-kind investment” in the current NCAA audit reporting format). Thus, the definition of Institutional Investment we use in this Report does not include the following (hereinafter collectively referred to as “Outside Resources”): private donations/gift funds (or earnings thereon); corporate sponsorships; ticket or other sales revenues produced by Intercollegiate Athletics; revenues received from an athletics conference (under revenue sharing or other mechanisms); the NCAA; or any other sources of revenue apart from (i) through (iv) above.

should also include an option to vote for elimination of the Student Athletics Fee; three other Task Force Members strongly disagree with that ballot option opinion.

- c. A reasonable amount of Unfunded Scholarships/Tuition Discounts for student athletes (determined in the context of the Intercollegiate Athletics conference in which UMKC participates, and in compliance with all applicable Division rules);
- d. In-kind investment (e.g., office space) at approximately the same level last reported to the NCAA (\$390,000).⁷

(7) The voting Task Force Members unanimously recommend that if UMKC's General Revenues increase or decrease significantly over time, UMKC's Institutional Investment in Intercollegiate Athletics can and should be re-examined in view of such increase or decrease and set at a then appropriate level to help advance the strategic goals of the University.

(8) While we recognize that UMKC has competed with success in the Western Athletic Conference, there is serious concern about the travel costs and time away from campus for UMKC teams in the WAC as currently constituted. The voting Task Force Members unanimously recommend that:

- a. Regardless of the ultimate decision made as to which association, division and conference UMKC should be in for the long term, UMKC should explore possibilities to be in an Intercollegiate Athletics conference that would include some natural or otherwise profile-raising rivalries and geographic proximities, reduce travel costs and time away from campus for UMKC teams, boost UMKC ticket and other sales revenues, and attract more private donations; and
- b. UMKC institutional leadership should also explore strategic partnerships and/or public/private alliances with local teams, athletic good suppliers, etc. in order to determine if synergies with these groups would enable good alignment with a specific conference that meets those criteria.

(9) We appreciate that with generous support from some members of the KC community an External Study regarding the future of Intercollegiate Athletics at UMKC has recently commenced, with a view to complete it by early 2018. As we have said since we first heard of that proposed study, all twelve voting Task Force Members strongly recommend that UMKC share this Report and our research with the leaders of the External Study and collaborate with them as we all explore options for UMKC to consider.

(10) In addition, though perhaps a bit outside of the Task Force's specific charge, the voting Task Force Members unanimously recommend that UMKC develop a more robust Intramural Athletics

⁷ For purposes of illustration, if the other three components of UMKC's Institutional Investment remained constant the current level of UMKC's Unfunded Scholarships/Tuition Discounts (approximately \$2.7 million) were to continue, those four items, based on current enrollment and tuition and fee rates, would aggregate approximately \$7.315 to \$8.315 million—which equals approximately 52% to 59% of the budgeted amount of \$14.037 million total operating expenses of UMKC Intercollegiate Athletics for FY 2018.

program with wide participation. We believe UMKC can implement such a program without a significant increase in its cash investment in Intramural Athletics. However, we note that we understand that some feel (citing a recent study) that Swinney Recreation Center is at capacity, and may require additional investment to meet student needs now. Others question whether Swinney is currently being fully utilized. In addition, some question the adequacy of other existing UMKC athletics facilities (e.g. one soccer field). Therefore, the Task Force has not drawn any conclusion on specifics regarding the operation of Intramural Athletics or the appropriate dollar range of funding of Intramural Athletics at UMKC. Instead, the voting Task Force Members unanimously recommend that UMKC institutional decision makers consider options for expansion of Intramural athletics at UMKC, and in weighing such options address the apparent differing views of the adequacy of UMKC's athletics facilities under present circumstances, and all other relevant considerations.

II. DISCUSSION AND ANALYSIS

A. Guiding Principles

Both from the outset of our work, and as fiscal challenges increased significantly, we remained mindful that difficult resource allocation choices must be made across the UM System and at UMKC. Indeed, there have already been substantial cuts across many units at UMKC. At the same time, UMKC institutional leadership has asked unit leaders to identify ways to increase existing revenue streams, or create new ones, which can include cross-unit collaborations. In our deliberations, we included discussion of gathering and analyzing both data and perspectives that would help UMKC develop fiscally responsible recommendations that foster such collaborative efforts among Intercollegiate Athletics and other campus units, seek synergies and efficiencies, and utilize a costs-benefits approach in an objective, realistic and mission-oriented manner.

We note that at the beginning of our work and throughout our deliberations, there was general agreement that the current level of expenditures on Intercollegiate Athletics at UMKC is not sustainable without greater ticket revenue, corporate sponsorships and/or donations to offset the costs of the program, as well as a general increase in Outside Revenues. Some significant short-term cost reduction was recently achieved by the Athletics Director and her staff, and explained to us in detail. However, we took a long-term view that raised serious questions about the sustainability of UMKC's Intercollegiate Athletics program with all of its current elements (e.g., all 16 of its sports and continued participation in the WAC). During our deliberations, we were educated on and discussed various financial and other implications and trade-offs of reducing the number of sports or changing the division or conference in which UMKC participates. There is consensus among the voting Task Force Members that such decisions require comprehensive and detailed study of plusses and minuses, and University-wide implications.

Against that background, in carrying out our charge we embraced the following guiding principles:

- An assessment of the value propositions in having Intercollegiate Athletics at UMKC must be done in the context of the University's academic mission and strategic plan, and with a student-centered focus that takes into account the learning opportunities and student life experiences of all UMKC students.

- When considering potential uses of General Revenues, student fees, ticket or other sales, corporate sponsorships, or private donations to help support an Intercollegiate Athletics program, it is critical to consider the opportunity costs involved—i.e., to explore the extent to which such funds might be better deployed for other purposes that generate more positive impact on UMKC’s ability to serve its students, the surrounding communities, and, as a research institution, society. At the same time, we need to consider how a strategic plan might position Intercollegiate Athletics to contribute positively to a net increase in UMKC’s institutional revenues.
- UMKC must continue to honor all currently existing scholarships and contracts. If UMKC were to make a decision to cease having an Intercollegiate Athletics program or, if in continuing such a program some sports were cut or a shift to a different Division made, commitments would nonetheless continue for some three or more years thereafter, and preparations for such a shift might take a year or so. Moreover, we are aware that a decision to transition out of Intercollegiate Athletics, or to continue it but move out of NCAA Division I, might cause many of UMKC’s approximately 240 student athletes to transfer to a university in NCAA Division I. While most of UMKC’s student athletes receive unfunded scholarships for some portion of their tuition, most of our student athletes do not receive full funding (tuition, fees, books, and room & board); thus, planning for potential loss of some significant tuition and fees revenues from such departures would be part of the comprehensive analysis of the implications of such a decision. Accordingly, if elimination of Intercollegiate Athletics or a change in Division were to occur at UMKC, it would be the unanimous recommendation of the voting Task Force Members that a clear transition plan that honors currently existing scholarships and contracts, and that projects the effects of the change (financial and otherwise) for consideration in UMKC’s continued planning and budgeting be developed and presented openly to all involved.

B. Task Force Answers to the Central Questions

1. Should UMKC continue Intercollegiate Athletics and, if so, at what level of General Revenues Subsidy?

Maintaining an Intercollegiate Athletics Program at UMKC.

The voting Task Force Members unanimously agree that UMKC should continue to have an Intercollegiate Athletics program, for which a new strategic plan should be developed and well aligned with UMKC’s strategic planning for its core teaching, research and service missions. There is general agreement that Intercollegiate Athletics has been underutilized as a strategic asset relative to its financial cost. A forward-looking strategic plan should address ways in which UMKC can position Intercollegiate Athletics to help grow our net revenue by leveraging collaboration with other units on campus (including, among others Marketing and Communications). A summary of the research and reasoning on which we base our conclusion that UMKC should continue to have an Intercollegiate Athletics program is set forth in [Appendix B](#).

General Revenues Investment.

We focused on determining a level of Institutional Investment that would reasonably correspond with both the value propositions for Intercollegiate Athletics and the realities of UMKC’s current financial circumstances. In that connection, we offer the following analysis:

- The data we reviewed, along with related presentations at Task Force meetings, tell us that the operating deficits UMKC’s Intercollegiate Athletics operations have run for the last several years are not the product of over-staffing. We believe the staffing is well managed and, if anything, thin. Instead, it seems clear the deficits have been primarily due to sub-par levels of ticket and other sales revenues, corporate sponsorships, private donations, and student athletics fees as compared to many other Division I universities without a football program,⁸ and extraordinarily high travel costs associated with the WAC Conference.⁹
- The annual enlargement of the deficit balance in the Auxiliary Fund account for UMKC Intercollegiate Athletics has slowed down the last few years, and the Task Force appreciates the great efforts of A.D. Carla Wilson and her staff to cut expenses and increase revenues to get closer to a balanced budget—which is a result that circumstances mandate. Nevertheless, we are concerned that the level of UMKC’s Institutional Investment (as defined above) in Intercollegiate Athletics to get to a “balanced” budget is too high in the context of the University’s currently stressed financial circumstances and the resources needed to pursue UMKC’s strategic objectives in its core teaching, research and service missions. Several Task Force Members expressed concern that there is a limit to how much immediate cost savings UMKC can achieve by cuts to Intercollegiate Athletics, and it is possible that we are at or near that savings cap beginning this fiscal year. Indeed, costs may be incurred by any changes, and there needs to be planning to cover those short-term costs starting as soon as feasible. We note that, absent shifts in spending, it appears Intercollegiate Athletics is likely to continue to be highly subsidized from General Revenues, and may continue to run a yearly deficit, especially if the decision is to remain in Division I and a significant increase in Outside Resources does not occur.¹⁰

⁸ UMKC student athletics fee generates about \$1.225 million annually. The median amount of student athletics fees for public Division I institutions that lack football was \$3.968 million in 2015 (Appendix C and references therein). At the same time, the median amounts of Direct and Indirect Institutional Support received by these athletics programs was \$3,224,000 and \$608,000 respectively, compared to \$10,439,847 and \$391,968 in 2015 for UMKC. Consequently, in 2015 the Median Total Allocated Revenues received by public Division I universities that lack football was \$10,274,000 (which was slightly less than the corresponding figure for UMKC). (Appendix C and references therein). If a proposal is made in the future to increase UMKC’s Student Athletics Fee, it would seem advisable to, in that connection, collect and study data to compare the student athletics fees of other universities on a per student and per credit hour basis. We note that collecting the latter data would require careful study, as universities can differ on whether they charge an athletics fee *per se*, charge one student fee and allocate a portion of it to Intercollegiate Athletics or take a different approach in their budgeting and accounting.

⁹ Since 2013, conference travel costs have increased approximately 30%. Conference travel to institutions that are mainly located in the pacific time zones has resulted in an increase in the amount of airline travel and has contributed to an increase in missed class time.

¹⁰ We note that the projected addition to the negative balance of UMKC Intercollegiate Athletics budget for FY 2018, looking at the Auxiliary Fund (operations) and Gift Fund combined, is approximately \$475,593—the net result of a projected (\$1,424,264) operating deficit in the Auxiliary Fund and a projected \$948,671 increase in the Gift Fund. That (\$475,593) net deficit figure is smaller than the annual deficit results in some recent years, but is after taking into account as operating revenues \$5.8 million of cash from General Revenues (in addition to the Unfunded Scholarships/Tuition Discounts in the General Revenues Allocation).

- We understand that UMKC’s currently budgeted Institutional Investment in Intercollegiate Athletics for FY 2018 totals approximately \$10,115,000, consisting of the following four approximate components:
 - General Revenues “cash” transfer to Intercollegiate Athletics Ops: \$ 5,800,000
 - Revenue from Student Athletics Fees: \$ 1,225,000¹¹
 - Unfunded Scholarships/Tuition Discounts: \$ 2,700,000
 - Indirect institutional support (space, etc.) \$ 390,000

\$10,115,000

- There has been substantial discussion within the Task Force of how to view the approximately \$2,700,000 of Unfunded Scholarships/Tuition Discounts UMKC is currently awarding to student athletes. Although technically treated as a General Revenue transfer, it is not a “real cash” item— it represents, in essence, tuition not charged (as opposed to use of cash collected). Thus, unless one assumes that without student athletes UMKC academic units would grant an additional \$2,700,000 (or some substantial portion of that) in Unfunded Scholarships/Tuition Discounts to other students, that is arguably not an opportunity cost proposition. Ten of the voting Task Force Members accordingly believe that if UMKC continues to participate in Intercollegiate Athletics (which, again, the Task Force recommends), there should be an amount of Unfunded Scholarships/Tuition Discounts that is reasonable in the context of whatever conference in which UMKC participates, and in compliance with all applicable Division rules. Moreover, several Task Force members recommend that such analysis be conducted as part of a comprehensive and forward-looking study of the objectives, standards, financial implications, policies, and processes for awarding unfunded scholarships/tuition discounts across UMKC (i.e., not just the ones awarded to student athletes).

- Turning to the other three components of UMKC’s current Institutional Investment in Intercollegiate Athletics listed figures above, two of the voting Task Force Members abstained from the Task Force’s vote on its overall recommendation regarding a “cap” on such Institutional Investment; the other ten voting Task Force Members voted in favor of recommending the following, while acknowledging that other Task Force Members had some contrary views on some aspects as noted below:
 - The General Revenues cash investment should be limited to \$3 to \$4 million. **Note:** Three Task Force Members (two of whom abstained from voting on the “cap” recommendation) argue that such cash investment should not be limited to such \$3 to \$4 million range unless and

¹¹ At least one Task Force Member does not view the student fees as part of Institutional Investment, but a majority of the Task Force Members agreed it is reasonable to treat them as such in the context of our analysis of what level of General Revenues is appropriate in UMKC’s current financial circumstances. In essence, the majority view of the voting Task Force Members is that the Institutional Investment is an investment from the State Appropriation, tuition, unfunded scholarships/tuition discounts, fees and in-kind UMKC resources as “internal revenues”, and are contrasting that with Outside Revenues as define above (e.g., ticket sales, private donations, and payments received from an athletics association or conference).

until exploration of options for UMKC to stay in Division I are exhausted; they would instead recommend a cash investment from General Revenues in the \$4.5 to \$5 million range.

- The current per credit hour rate of Student Athletics Fee (producing approximately \$1,225,000 supplied to Intercollegiate Athletics based on current enrollment) is reasonable, and UMKC should continue to assess that rate, which may be increased annually up to CPI adjustment (as we understand is currently the case), and subject to increase in excess of CPI adjustment only if approved by vote of the UMKC student body and approved (after special review) by the UM System Curators). **Note:** Of the ten voting Task Force Members who voted in favor of the Task Force’s “cap” recommendation, three feel that, if a fee increase for Athletics is put on a ballot for student body vote, the ballot should also include an option to vote for elimination of the Student Athletics Fee; three other Task Force Member strongly disagree with that ballot option opinion. We also note that we understand UMKC students can attend UMKC Intercollegiate Athletics events for free when tickets to those events (such as basketball games) are sold to others. While we offer no formal recommendation on that point, we suggest that the External Study and UMKC leadership consider whether a change in that policy might or might not be appropriate.
- The in-kind contribution to Intercollegiate Athletics also continue at the same approximate level (\$390,000).
- The sum of the three components of Institutional Support (again the components other than Unfunded Scholarships/Tuition Discounts) recommend by ten of the voting Task Force Members is in the range of \$4,615,000 to \$5,615,000 (depending on the amount of cash investments from General Revenues ultimately set). In concluding that level of cash and in-kind investment is reasonable, those ten Task Force Members considered, in addition to UMKC’s current financial circumstances and opportunity costs issues, among other things, the following data deemed potentially relevant:
 - Our research indicates that in 2015 the median total athletics expenditures were \$15.066 million for public NCAA Division I universities that lack football, \$4.689 million for public NCAA Division II universities that lack football, and \$2.013 million for NCAA Division III colleges and universities.¹²
 - Per 2016 NCAA Audit figures provided to the Task Force by UMKC A.D. Carla Wilson:
 - Our sister universities UMSL (a Division II institution without football, that has approximately 5,500 undergraduate students, and 225 student athletes) and MS&T (a Division II institution with football, that has approximately 6,100 undergraduate students, and 390 student athletes) had total Intercollegiate Athletics expenditures of \$5.515 million, and \$6.424 million, respectively. The sum of the “Direct Institutional Support” and Indirect Institutional Support” for

¹² See description of supporting data in [Appendix C](#).

- Intercollegiate Athletics was \$4.809 million for UMSL and \$5.530 million for MS&T (which, unlike UMKC and UMSL, has a football program).
- Our other sister University, UM-Columbia (a Division I institution with football program, that has approximately 26,000 undergraduate student, and 567 student athletes) had a total of \$94.324 million in operating expenses and a sum of Direct and Indirect Institutional Support of \$1.015 million.
 - UMKC (a Division I institution without football, that has approximately 8,000 undergraduate students, and 236 student athletes) reported for 2016 a total of \$14.706 million in Intercollegiate Athletics operating expenses, and a sum of Direct and Indirect Institutional Support of \$10.746 million.
- Several years ago, Chancellor Morton discussed with the Faculty Senate and the Faculty Senate Budget Committee his plan to decrease the cash expenditure on Intercollegiate Athletics operations from the General Revenues by 50% over five years. At time of those discussions, the annual UMKC General Revenues contribution (apart from unfunded scholarships/discounts) was approximately \$5,900,000. We understand the current level of this item (i.e., budgeted for FY 2018) is approximately \$5,800,000 (following a \$1.3 million reduction from the amount budgeted in FY 2017). Reducing it to a figure within the \$3 to \$4 million would represent a reduction of between approximately 31% to 48% in the cash investment in Intercollegiate Athletics from General Revenues as compared to the currently budgeted amount. Some Task Force Members view such a reduction as fairly well aligned with Chancellor Morton’s five-year plan on this item, and thus as additional support for the majority recommendation; but others do not deem such alignment as relevant support for our recommendation.
 - There are obviously many challenges in endeavoring to compare UMKC with other universities both within and outside of the UM System on an apples-to-apples basis in general, and with respect to Intercollegiate Athletics in particular. Nevertheless, some ranges of expenses and Institutional Investment discerned from our research led a majority of the Task Force Members to conclude that the recommendation of Institutional Investment by UMKC of \$4.615 to \$5.615 million, plus an appropriate amount of Unfunded Scholarships/Tuition Discounts for student athletes, is reasonable. The voting Task Force Members unanimously agree that if UMKC’s General Revenues increase or decrease significantly over time, UMKC’s Institutional Investment in Intercollegiate Athletics can and should be re-examined in view of such increase or decrease and set at a then appropriate level to help advance the strategic goals of the University.

2. Should UMKC Intercollegiate Athletics be in NCAA Division I, II or III and, if so, in what Conference?

The ultimate decision-making process to answer that multi-part question will ultimately require careful examination of alignment with ongoing refinement of UMKC’s strategic planning, and of the External Study which may provide additional data and perspectives, including community perspectives on the importance of Intercollegiate Athletics to UMKC and the region. We thus deferred drawing a conclusion

on the question of whether UMKC should stay in an NCAA Division and conference (as opposed to NAIA or other possible options), and, if so, which Division and conference, until after: (i) UMKC leadership can consider our Institutional Investment recommendation in the context of its overall budgeting challenges, and (ii) the External Study is completed and made available to us. We accordingly decided to offer the following observations and recommendations based on our research and analysis in the hope they will be useful as part of the ultimate decision making process on the Division and conference determinations:

- The Task Force compiled and studied a substantial amount of research on the relative costs and benefits of NCAA Divisions I, II, and III. Related findings/observations are set forth in [Appendix C](#). One conclusion we reached early on in our work, with ample support in the data we studied (including a review of Intercollegiate Athletics spending at nearly 250 schools),¹³ is that, in general, the amount of money currently spent on Intercollegiate Athletics at UMKC is not out of line with other Division I programs that lack football. Indeed, the program is generally parsimonious (particularly with respect to paid personnel/staffing). One potential exception, though, is the above-referenced amount of travel costs incurred from being in the WAC Conference because of the significant distance of UMKC from others schools in the conference; and there was notable concern across the Task Force about both the financial costs and the effects of travel on student success and the budget. This parsimony (apart from the WAC travel costs) led us to conclude that, given the critical need to reduce UMKC's investment from General Revenues (as recommended above), the ability to continue to maintain a Division I will require a substantial increase in Outside Resources, and perhaps a change in conference affiliation as well.
- All twelve voting Task Force Members see advantages in UMKC being a Division I participant if it can secure the resources to do so on a sustainable, long-term basis. Those advantages include greater prospects for (i) higher levels of community support (donations and attendance at events); (ii) enhanced ability to attract student athletes who perform well both on the field and in their studies; (iii) elevated levels of UMKC's name recognition and exposure in the region and nationally; and (iv) increased ticket and other sales, advertising and sponsorship revenues, especially if in a conference with natural rivals or other profile-raising competitors. The Task Force feels that the team conducting the External Study, which we understand has substantial collective experience with NCAA Intercollegiate Athletics across all three Divisions, is well positioned to provide additional information, analysis and quantification of the potential for UMKC to benefit from such Division I advantages. Thus, the Task Force believes that it is in UMKC's interest, and that of its students and the Kansas City community, to collaborate with, and upon completion consider the results of the External Study to help determine the feasibility and desirability of UMKC remaining in Division I on long-term basis that is sustainable within the parameters we have recommend in this Report.
- Two Task Force Members have noted some particular and potential advantages of UMKC staying in Division I (and disadvantages of moving out of Division I) they feel should be considered as the External Study proceeds and UMKC leadership considers all options—their discussion of those points is set forth in [Appendix D](#). Some other Task Force Members have noted some concerns or

¹³ See sources cited in Appendix C.

contrary views regarding some aspects of the discussion above and in [Appendix D](#) regarding advantages of UMKC continuing in Division I, and offer in [Appendix E](#) their thoughts in that regard.

- In addition, the consensus of the voting Task Force Members is that in considering potential benefits of staying in Division I and potential conference options within Division I, UMKC institutional leadership should also explore strategic partnerships and/or public/private alliances with local teams, athletic good suppliers, etc. in order to determine if synergies with these groups would enable good alignment with a specific Division I conference that meets those criteria.
- The voting Task Force Members unanimously recommend that UMKC should stay in NCAA Division I *only if* that can be reasonably accomplished: (i) without exceeding a reasonable cap on the amount of Institutional Support (but with only ten of the thirteen voting in favor of the cap recommendation described in detail above), (ii) without utilizing private donations¹⁴ that demonstrably would otherwise have been made in support of UMKC’s core academic missions; and (iii) on a sustainable long-term basis. The few Task Force Members who abstained on the specific “cap” recommendation advocate that more study be done before placing such particular financial parameters on a decision to stay in Division I; they suggest that UMKC wait for the results of the External Study, engage in more analysis of potential negative consequences of dropping to NCAA Division II or III, and include in such analysis discussion of the low likelihood of rejoining NCAA Division I if such a change is made.
- The voting Task Force Members unanimously recommend that when considering Division I conferences that might allow continued Division I status for UMKC within the above-described recommend conditions (if such conditional recommendation were followed by UMKC institutional leadership), UMKC should: (a) identify and explore possibilities to enter a Division I conference that includes some natural or other profile-raising rivalries and geographic proximities that would work well in terms of containing travel costs for UMKC teams and boosting UMKC ticket sales revenues, and (b) also identify and explore the potential for strategic partnerships and/or public/private alliances with local teams, athletic good suppliers, etc. in order to determine if synergies with these groups would enable good alignment with a specific conference that meets the criteria in (a).
- We feel it would be premature for us to recommend a particular conference. There was again general consensus among the voting Task Force Members that UMKC institutional leadership should consider the foregoing observations and suggestions, in addition to options on a Division I configuration with a different mix or number of sports than UMKC currently offers. In this connection, we are mindful that the External Study will very likely generate additional Information

¹⁴ With respect to private donations, we recognize that—not just with respect to Intercollegiate Athletics, but across the University with respect to private donations generally—it can be difficult to determine the extent to which some donors might be making choices among contributions to various units or programs. We believe some situations will be much clearer than others will in this regard. We also believe that with the help of the UMKC Foundation and the Advancement office and principal points of contact with the donors, meaningful guidance in this area is obtainable to help UMKC leadership responsibly address the “opportunity cost” point cited by a majority of the Task Force members as a very important consideration in our recommendations.

and analysis relevant to such considerations, and additional observations, suggestions and options. We again unanimously express our strong interest in collaborating with the leaders of that study to assist UMKC in developing answers to these challenging questions that comport well with UMKC's status as publicly supported research university with exemplary focus on the needs, expectations, experiences and long-term success of our students.

3. Should UMKC Drop to NCAA Division II or III and, if so, in what Conference?

If it were determined that the aggregate resources for staying in NCAA Division I in a manner consistent with the Task Force's above recommendation are not reasonably achievable, by vote of eleven voting Task Force Members in favor, and one abstention, the Task Force recommends that UMKC study various options to transition into an Intercollegiate Athletics conference in NCAA Division II or III. We have collected a significant amount of data that would be relevant in exploring options in that eventuality. In addition, we offer the following observations and recommendations:

- Given the budget numbers summarized above, a central challenge is how to bridge the gap between our majority recommendation of a maximum Institutional Investment in Intercollegiate Athletics of \$4.615 million to \$5.615 million plus an appropriate amount of Unfunded Scholarships/Tuition Discounts, and the current total budgeted operating expenses for Intercollegiate Athletics (based on using the definitions and line items in the NCAA audited financial information reporting system) of approximately \$14.037 million (which includes approximately \$2.7 million in Unfunded Scholarships/Tuition Discounts, and thus would be \$11.337 million after excluding the Unfunded Scholarships/Tuition Discounts amount).¹⁵ This will likely require a combination of generating substantial additional Outside Resources through increased ticket and other sales, advertising and sponsorship revenues and private donations to support Intercollegiate Athletics, and some additional costs cutting—though, as noted about, we believe the administrative staffing/overhead expenses are already rather lean.
- Division II and III programs are significantly less expensive than Division I programs.¹⁶ If UMKC cannot reasonably access the aggregate resources needed to maintain a NCAA Division I program, and instead turns to exploring Division II and Division III options, we again unanimously recommend investigating conference possibilities that include some natural or profile-raising rivalries and geographic proximities that would work well in terms of containing travel costs for UMKC teams and boosting UMKC ticket sales revenues and student attendance at Intercollegiate Athletics events.
- In addition, as stated above with regard to Division I analysis, we the voting Task Force Members unanimously recommend that in any “dropping down” scenario, UMKC should also explore strategic partnerships and/or public/private alliances with local teams, athletic good suppliers, etc.

¹⁵ The \$14.037 is an approximately \$700,000 reduction from the FY 2016 UMKC total operating expenses for Intercollegiate Athletics (per NCAA audit financial reporting figures) of \$14.706 million. We note that the 2015 NCAA median total operating expenses Division I universities that lack football was \$15.066 million. (See [Appendix C](#)).

¹⁶ In 2015, the median total athletics operating expenses were \$4.689 million for public Division II universities that lack football, and \$2.013 million for NCAA Division III colleges and universities (See [Appendix C](#)).

in order to determine if synergies with these groups would enable good alignment with a specific conference that meets those criteria. Again, we felt it prudent for us to decline to recommend specific conferences at this time, but suggest that UMKC leadership and the leaders of the External Study collaborate on identifying and carefully examining various options, and measure each for alignment with UMKC's overall strategic planning.

III. ADDITIONAL RECOMMENDATIONS

In addition to our recommendations offered in Part II above in response to the specific questions we addressed per our project plan, we arrived at the following additional recommendations:

A. Improve and Expand Intramural Athletics

Although, per our charge, we specifically focused on Intercollegiate Athletics, during our deliberations regarding athletics and student life experiences at UMKC we discussed Intramural Athletics at some length. Based on those discussions, the voting Task Force Members unanimously recommend that UMKC Administration, with faculty, staff, and student input and participation, engage collaboratively in a comprehensive study of possibilities to improve and expand opportunities for UMKC students to participate in Intramural Athletics in a variety of sports. The social, physical, and community benefits of participation in intramural athletics are well documented. As we envision intercollegiate student-athletes as benefiting from the kinds of discipline and teamwork inherent in their participation, we support extending those benefits to the larger population. We also note that, in addition to serving undergraduate students well, this could also engage more graduate students in the life of the campus more fully.

We believe there is room to create a much more robust and participatory Intramural Athletics program at UMKC. Moreover, many Task Force Members feel UMKC can accomplish that without any associated increase in financial support from General Revenues—specifically, by leveraging the work of a community of interested faculty, staff and students under the guidance, or perhaps even under the direction of UMKC officials with primary positions in the Intercollegiate Athletics program. The timing of this work, coinciding with a re-arrangement of responsibilities in the Student Services office, may be fortuitous. However, we note that we understand that some feel that Swinney Recreation Center is already at capacity, and may require additional investment to meet student needs (as suggested in a recent internal study at Swinney). Others question whether students, staff and faculty currently utilize Swinney fully. In addition, some question the adequacy of other existing UMKC athletics facilities (e.g. one soccer field). Therefore, there was general consensus among the voting Task Force Members that UMKC institutional decision makers should include, when considering various relevant factors affecting possible expansion of intramural athletics at UMKC, how best to address the differing views of the adequacy of UMKC's athletics facilities under present circumstances.

B. Strategic Planning

The voting Task Force Members also unanimously recommend that UMKC should support Athletics with a strategic plan that includes vibrant Intercollegiate and Intramural Athletics programs as a tool for recruitment and engagement of potential and current students, as well as alumni/ae and community interest in and support of UMKC. While the benefit of Athletics seems clear for student athletes, a well-developed plan that details the value propositions of Athletics across the University would aid in

understanding how sustainable expenditures on Athletics relate to student success metrics, recruitment and retention metrics, and marketing and engagement metrics. Accordingly, we suggest that UMKC develop such strategic planning under the direction of the Interim Chancellor and Provost, and with input from various stakeholders across UMKC. Those stakeholders should include the Athletics Director, leaders of Communications and Marketing, Advancement and Development, and Student Affairs and Enrollment Management, the Faculty Senate, the Administrative Council, Student Government, and other interested parties in the many communities with which UMKC engages.

Acknowledgements:

We want to acknowledge that we are grateful to Athletics Director Carla Wilson for her diligence, prompt responses to information requests and thorough presentations during our work. Similarly, we thank Vice Chancellor Lindenbaum, and John Morrissey and Karen Wilkerson in Finance/Budgeting, for the provision of helpful materials, and Brianna Broderick for setting up and curating the Task Force’s Materials Repository. All of us felt the process of information gathering was collaborative, transparent and frank throughout our deliberations.

The CIE Intercollegiate Athletics Task Force respectfully submits this Report for your consideration.

APPENDICES START ON NEXT PAGE

APPENDIX A: Task Force Members, Materials Repository and Deliberations Processes

Task Force Members:¹⁷

Luppino, Anthony (Co-Chair and FSBC¹⁸ Member)

Wilson, Carla (Co-Chair¹⁹ and Director of Athletics)

Stancel, Nancy (as FSEC²⁰ Member)

Read, Sullivan (Member)

Wyckoff, Gerald (as FSEC Member)

Mitchell, Linda E. (as FSEC Member)

Ferguson, Kenneth (Member and UMKC NCAA Faculty Athletics Representative)

Johnson, Mark L. (Member and FSBC Chair)

Morton, Leo E. (Member and Chancellor)

Lindenbaum, Sharon (Member and VC Finance and Administration)

Adegoke, Jimmy (Member)

Grieco, Viviana (Member, FSEC representative)

Wilkerson, Karen (*ex officio* from Finance and Administration)

Morrissey, John M. (Member, and from Finance and Administration)

Kilway, Kathleen (as FSEC Member)

Bichelmeyer, Barbara A. (*ex officio* as Provost)

2017 Meetings: During 2017, the Task Force had meetings on the following dates:

- 4-7-2017
- 4-26-2017
- 5-11-2017
- 6-7-2017
- 6-30-2017
- 8-30-2017
- 9-8-2017
- 9-18-2017
- 9-27-2017

¹⁷ For purposes of the approval vote on this Report, all of the individuals listed here, except for former Chancellor Morton, Interim Chancellor and Provost Bichelmeyer, and Karen Wilkerson, were treated as “voting members” of the Task Force.

¹⁸ FSBC means Faculty Senate Budget Committee.

¹⁹ Co-Chair through the spring semester of 2017; but as we got into the drafting of this Report in the summer and fall semesters Prof. Luppino chaired that process.

²⁰ FSEC means Faculty Senate Executive Committee.

- 10-12-2017

Other 2017 Deliberations:

The Task Force also did quite a bit of idea sharing and debate through email discussions and exchanges and mark-up of preliminary drafts of this Report.

Repository for Materials:

Materials pertaining to this report are stored in Box:

https://umkc.app.box.com/files/0/f/26572692020/PUBLIC_CIE_Athletics_Task_Force_Box

The materials in that Box repository cover the following categories:

- Athletics Organizational Charts and Financial Reports
- Materials Re: Examination of Costs and Benefits of Athletics at U.S. Universities
- Materials Re: Benchmarking of Finances of Athletics at Other Division I Institutions
- Materials Re: Institutions that Dropped from Division I to Division II Athletics
- Materials Re: Institutions that Dropped from Division I to Division III Athletics
- Other Materials

APPENDIX B: Benefits of Having Intercollegiate Athletics

Overview—Benefits of Intercollegiate Athletics Generally:

The Task Force has taken particular note of an on-point article entitled *College Athletics: Necessary, Not Just Nice to Have* recently posted by Robert J. Sternberg, Provost and Senior Vice President at Oklahoma State University on the website of NACUBO (National Association of College and University Business Officers).²¹ Provost Sternberg discusses several benefits of having competitive sports, including:

- Leadership development
- Spirit
- Pride and loyalty
- Memories
- Lifetime fitness
- Recruitment
- Stress relief and pro-social behavior
- Well-roundedness and balance
- Town-gown relationships
- Alumni loyalty and involvement
- Advancement
- Branding
- Lifelong friendships

Sternberg concludes his article with “Three Caveats for College Athletics” and a conclusion that our Task Force finds persuasive on the value of having a well-managed Intercollegiate Athletics program interwoven with the institutions overall strategic planning:

“College athletics face three serious challenges, and any one of them can destroy the value that they might otherwise bring to an institution.

Disparate missions. If college athletics become disconnected from the academic and leadership-development missions of an institution, the result can be a troubled relationship between the two entities. Pay attention to integrating the athletic programs with the leadership-development functions of the college, rather than allowing them to go on separate tracks.

Conflicting business models. When the athletics' business model is separate from that of the institution—or no model even exists—sports programs can become a drain on the business side of the overall operation. In some cases, they become a source of structural deficit in the university budget. In other circumstances, while there is money to be made, the programs and related revenue do not serve to enhance the functioning of the university as a whole.

²¹ Available at

http://www.nacubo.org/Business_Officer_Magazine/Business_Officer_Plus/Bonus_Material/College_Athletics_Necessary_Not_Just_Nice_to_Have.html.

Reputational risk. College athletics are fertile fields for high-profile ethical scandals. While nearly any aspect of a university can become enmeshed in serious misdealings, athletics violations and scandals tarnish college and university reputations in a way—and to a level—that few other kinds of malfeasance can reach.

All that said, when athletics harmonize with the academic and business missions of a college or university, the effect can be hugely positive. Done right and managed properly, I think college athletics might even be seen as necessary, not just nice to have.”

The Value of Intercollegiate Athletics at UMKC for Student Athletes, Other Students, and the Institution:

As we considered the value propositions at UMKC, in addition to the Sternberg analysis referenced above, we also noted that the mission statement adopted by members of the Patriot League,²² a conference consisting of 11-NCAA Division I intercollegiate athletic programs,²³ models the view that intercollegiate athletics is aligned with the academic mission of its member institutions. Campus leaders of American University, Lehigh University and the College of Holy Cross “viewed athletics as an important extension of the overall undergraduate educational experience.”²⁴

The foregoing are examples of the value propositions supporting a university having an Intercollegiate Athletics Program, especially one that is well integrated with the university’s strategic planning for its core teaching, research and service missions, which led the Task Force Members to unanimously conclude that UMKC should continue to have an Intercollegiate Athletics Program. One Task Force Member offers, in Appendix D below, discussion of particular data, circumstances, and experiences at UMKC that he sees as additional support for both that conclusion and for seeking to maintain a Division I Intercollegiate Athletics program.

²² “The Patriot League promotes opportunities for students to compete in Division I intercollegiate athletics programs within a context that holds paramount the high academic standards and integrity of member institutions, and the academic and personal growth of student-athletes.” Patriot League Mission & Vision, Patriot League, October 2, 2017, <http://patriotleague.org/sports/2016/6/13/ot-mission-vision.html.aspx?>

²³ Member school include American University, Army West Point, Boston University, Bucknell University, Colgate University, College of Holy Cross, Lafayette College, Lehigh University, Loyola University Maryland, and the Naval Academy. Associate members of the Patriot League include Fordham University, Georgetown University, MIT, and University of Richmond.

²⁴ Ward, Lawrence P, "The Patriot model: Intercollegiate athletics and institution-level decision-making" (2011). Dissertations available from ProQuest. AAI3455400. <http://repository.upenn.edu/dissertations/AAI3455400> (Page 54).

APPENDIX C: Comparison of NCAA Divisions I, II, and III

Data for a comparison of the revenues and expenses of the intercollegiate athletics programs at universities in NCAA Divisions I, II, and III were obtained from three documents entitled “NCAA Division I (II or III) Athletics Revenue and Expenses; 2011-2015,” copies of which can be found in the Task Force’s Box repository. Revenues are summarized below in Table 1 and Expenses are summarized in Table 2.

In these documents the NCAA divides Revenues into **Generated Revenues** and **Allocated Revenues**. Generated Revenues are defined as those revenues generated independently by the athletics program, such as ticket sales, concessions, alumni/booster contributions, and NCAA and conference distributions. Allocated Revenues are defined as those revenues allocated by the institution for the athletics program. These include direct institutional support, indirect institutional support (utilities, maintenance, insurance, etc.), student fees, and direct governmental support.

Table 2 summarizes **Median Generated Revenue**, **Median Total Revenue**, **Median Total Expenses**, and **Median Net Revenue Generated** for NCAA Division I, II and III universities. Net Revenue Generated for an intercollegiate athletics program is defined as the difference between Generated Revenue and Total Expenses. Negative values for Net Generated Revenue mean that Total Expenses exceed Generated Revenue.

TABLES FOLLOW ON NEXT THREE PAGES

Table 1. Sources of Revenue -- NCAA Divisions I and II without footballFiscal Year 2015 -- **Median Values**

	Division I without football	Division II without football
Generated Revenues		
Total Ticket Sales	259,000	12,700
NCAA and conference distributions	585,000	20,700
Guarantees and options	224,000	6,000
Cash contributions from alumni and others	736,000	133,800
Third-Party Support	---	0
Other:		
Concessions/Programs/Novelties	17,000	2,400
Broadcast Rights		0
Royalties/Advertising/Sponsorship	286,000	6,300
Sports camps	12,000	16,700
Endowment/investment income	40,000	0
Miscellaneous	139,000	24,700
Total Generated Revenues	2,915,000	350,500
Allocated Revenues:		
Direct Institutional Support	8,469,000	3,075,100
Indirect Institutional Support	962,000	352,100
Student Fees	541,000	0
Direct Government Support	0	0
Total Allocated Revenues	11,764,000	4,103,900
Total All Revenues	15,243,000	4,580,100

Sources: NCAA Division I Athletics Revenue and Expenses; 2004-2015

NCAA Division II Athletics Revenue and Expenses; 2004-2015

Table 2
Summary of 2015 Median Revenues, Expenses and Operating Results

	Median Generated Revenue	Median Total Revenue	Median Total Expenses	Median Net Revenue Generated
Division I without football	2,915,000	15,243,000	15,066,000	-11,764,000
Division II without football	354,400	4,582,900	4,689,200	-4,283,100
Division III without football	---	---	2,012,800	about -2,012,800

Sources: NCAA Division I Athletics Revenue and Expenses; 2004-2015
 NCAA Division II Athletics Revenue and Expenses; 2004-2015
 NCAA Division III Athletics Revenue and Expenses; 2011-2015.

**Table 3. Sources of Revenue -- NCAA Divisions I Universities without football
Public, Private, and Total (Public + Private) Universities
Fiscal Year 2015 -- Median Values for each category**

	Public	Private	Total
Generated Revenues			
Total Ticket Sales	201,000	280,000	259,000
NCAA and conference distributions	512,000	632,000	585,000
Guarantees and options	320,000	136,000	224,000
Cash contributions from alumni and others	653,000	911,000	736,000
Third-Party Support	---	---	---
Other:			
Concessions/Programs/Novelties	11,000	19,000	17,000
Broadcast Rights	---	---	---
Royalties/Advertising/Sponsorship	295,000	286,000	286,000
Sports camps	32,000	8,000	12,000
Endowment/investment income	26,000	54,000	40,000
Miscellaneous	173,000	107,000	139,000
Total Generated Revenues	2,681,000	3,205,000	2,915,000
Allocated Revenues:			
Direct Institutional Support	3,224,000	12,076,000	8,469,000
Indirect Institutional Support	608,000	1,812,000	962,000
Student Fees	3,968,000	---	541,000
Direct Government Support	0	---	0
Total Allocated Revenues	10,274,000	14,013,000	11,764,000
Total All Revenues	13,523,000	17,471,000	15,243,000

Sources: NCAA Division I Athletics Revenue and Expenses; 2011-2015
NCAA Division II Athletics Revenue and Expenses; 2011-2015
NCAA Division III Athletics Revenue and Expenses; 2011-2015.

APPENDIX D: A Case for Intercollegiate Athletics at UMKC and Remaining an NCAA Division I Program

The following discussion is offered by Task Force Members Kenneth Ferguson and Jimmy Adegoke:

Overview:

The two above-named submitters of this Appendix D see tension between the academic mission of an institution and athletic success they feel should be diminished, as they believes those two ideals go hand in hand. If institutional leaders consider employing the Intercollegiate Athletics Department as a partner in collaborative exercise with other campus units, this writer maintains that such involvement will significantly contribute to achievement of UMKC's academic mission and other strategic goals. UMKC's Intercollegiate Athletics Department has taken seriously UMKC's and the NCAA's ideal that student athletes are an integral part of the institution's education mission. This commitment is not new and was clearly evident in UMKC's development of its basketball program.

Statistical data demonstrated that institutions with a competitive (successful) intercollegiate athletic program can more than double overall private contributions compared with other higher education institutions.”²⁵ During the period of UMKC's early Division I basketball success, UMKC's institutional leaders could have more effectively solicited private donations, generated student body excitement for UMKC, and increased out of state applications.²⁶ These achievements were beyond the reach of decision makers despite the athletic success which occurred when it moved from the NAIA to Division I in 1986.²⁷

UMKC became a Division I member institution in 1986 with Lee Hunt as its Athletic Director and Head basketball coach.²⁸ Over 4,200 fans attended UMKC's first Division I basketball game on November 30, 1987 against Rice University at Municipal Auditorium.²⁹ UMKC began its NCAA Division I journey as an Independent with no conference affiliation. During the 1991-92 season, UMKC posted a school record of 21-7. That team included two legendary UMKC players, Tony Dumas (first UMKC player drafted to play in the NBA)³⁰ and Ronnie Schmitz (later inducted into the UMKC Hall of Fame)³¹. That team could have easily won the Mid-Continent Conference that year and earn an automatic berth to the first round of the NCAA

²⁵ Adam G. Walker, *Division I Intercollegiate Athletics Success and the Financial Impact on Universities*, 1 (Sage Publishing 2015).

²⁶ *Id.* at 4 (“In addition, and equally as important to higher education, empirical evidence finds that athletics prominence and success were related to increased out-of-state enrollment (McEvoy, 2006).”

²⁷ 2013-14 UMKC Men's Basketball Media Guide, Available at https://issuu.com/nikbusch/docs/webmedia_guide-full/62 (Last Visited 10-14-17).

²⁸ *Id.*

²⁹ Elyssa Brogdon, UMKC Hall of Fame Spotlight - Lee Hunt, Available at UMKC's website, http://www.umckangaroos.com/ViewArticle.dbml?&SPSID=89908&SPID=10780&DB_OEM_ID=18300&ATCLID=3638057 (Last Visited 10-14-17).

³⁰ *Id.* Tony Dumas was the 19th pick by the Dallas Mavericks in the June 1994 NBA Draft.

³¹ Dan Stroud, UMKC Hall of Fame Spotlight - Ronnie Schmitz, Available at http://www.umckangaroos.com/ViewArticle.dbml?&&&SPSID=89908&SPID=10780&ATCLID=3635494&DB_OEM_ID=18300 (Last Visited 10-14-17).

Basketball tournament. Instead UMCK missed being chosen as an at-large team for the NCAA Basketball Tournament, a more difficult means of qualifying for the NCAA Basketball Tournament. UMKC joined the Mid-Continent Conference in 1994,³² and the Mid-Con Conference changed its name to the Summit League in 2008.³³ UMKC moved to the Western Athletic Conference (WAC) in 2014.³⁴

UMKC underwent two NCAA Division I Athletic Certification Studies (1997 and 2007) before the NCAA held a moratorium Athletic Certification Self Study reviews and instead required institutions submit the data electronically. Inefficiencies within UMKC's governance structure revealed during the self studies were improved during the self studies.³⁵ UMKC's 2007 Self Study showed significant improvement over the earlier Self Study with much focus being on improving NCAA Compliance.

UMKC's Committed to the Academic Needs of Student Athletes:

The mission statement adopted by members of the Patriot League,³⁶ a conference consisting of 11-NCAA Division I intercollegiate athletic programs,³⁷ models the view that intercollegiate athletics is aligned with the academic mission of its member institutions. Campus leaders of American University, Lehigh University and the College of Holy Cross "viewed athletics as an important extension of the overall undergraduate educational experience.³⁸ The leadership of those institutions "view[ed] ... athletics as a mechanism to educate and develop student athletes." UMKC's Intercollegiate Athletic Department has also adopted the view that it serves as a vehicle to enhance the education and development of student athletes:

- **UMKC Intercollegiate Athletics' Strategic Alignment with UMKC's Academic Mission.** Student athletes' academic performance and academic outcomes present empirical evidence that

³² *Id.*

³³ Summit League Men's Basketball Tournament, Available at http://www.wow.com/wiki/Mid-Continent_Conference_Men%27s_Basketball_Tournament. (Last Visited 10-13-17,

³⁴ UMKC Press Conference on Move to WAC Set for Thursday, Available at <http://www.umckangaroos.com/ViewArticle.dbml?ATCLID=206364635> (Last Visited 10-14-17).

³⁵ *Id.* For Example, the Self Study Certification provides :

In reality, the "Athletics Foundation" refers to the *group of UMKC employees* who managed income production, including marketing and ticket sales, and fund raising programs for Intercollegiate Athletics. Effective fall 1998, the Vice Chancellor for Administrative Affairs assumed responsibility for income programs, including marketing and sales. Effective January 1, 1999, all aspects of Athletics has been assigned to the Office of the Chancellor. (Emphasis Added).

³⁶ "The Patriot League promotes opportunities for students to compete in Division I intercollegiate athletics programs within a context that holds paramount the high academic standards and integrity of member institutions, and the academic and personal growth of student-athletes." Patriot League Mission & Vision, Patriot League, October 2, 2017, <http://patriotleague.org/sports/2016/6/13/ot-mission-vision.html.aspx?>

³⁷ Member school include American University, Army West Point, Boston University, Bucknell University, Colgate University, College of Holy Cross, Lafayette College, Lehigh University, Loyola University Maryland, and the Naval Academy. Associate members of the Patriot League include Fordham University, Georgetown University, MIT, and University of Richmond.

³⁸ Ward, Lawrence P, "The Patriot model: Intercollegiate athletics and institution-level decision-making" (2011). Dissertations available from ProQuest. AAI3455400. <http://repository.upenn.edu/dissertations/AAI3455400> (Page 54).

Intercollegiate Athletics is strategically aligned with UMKC’s academic mission. The academic profile and academic success of UMKC’s recruited student athletes demonstrate Intercollegiate Athletics’ strategic intentionality in advancing UMKC’s academic mission. UMKC’s Intercollegiate Athletics Department carefully recruits students whose academic predictors forecast academic success, and whose academic profiles are similar to UMKC’s general student body or sometimes slightly better. Intercollegiate Athletics leaders have also demonstrated strategic intentionality by providing academic support to student athletes, which has ensured their academic success.

- In 2014, the GPA of incoming student athletes (3.17) was higher than incoming GPA of all undergraduate students (2.77).³⁹
- In 2015, the average ACT score of student athletes (24) was only a point lower than the general student body (25). The average SAT score for the same year showed that the student body’s SAT scores (1226) was 115 points higher than student athletes (1111).⁴⁰ When the average GPA of UMKC’s student body (3.125) is compared to the average GPA of current student athletes (3.305), student athletes’ GPA is 5.76% higher.⁴¹
- The Intercollegiate Athletic Department’s intentionality regarding UMKC’s educational mission is demonstrated by the academic success of UMKC’s student athletes, who graduate at a higher rate than UMKC’s general student body. UMKC’s Federal Graduation Rate (FGR) demonstrates that UMKC student athletes graduated at a rate of between 3% (2008-09 graduating year) and 21% (2015-16 graduating year) higher than the general student body:

Cohort ⁴²	Graduation Year	Federal Graduation Rate (FGR) Student Athletes	Federal Graduation Rate (FGR) Student Body
1999-2002 Cohorts	2008-09	47%	44%
2003	2009-10	56%	45%
2004	2010-11	64%	46%
2005	2011-12	47%	44%
2006	2012-13	69%	48%
2007	2013-14	59%	51%
2008	2014-15	58%	51%
2009	2015-16	71%	50%

³⁹ Ursula Gurney, Senior Associate Athletics Director for Internal Operations/SWA , UMKC Athletics [I am awaiting confirmation on the data]

⁴⁰ *Id.*

⁴¹ August 25, 2017 Report Comparing UMKC Student Athletes GPA to Undergraduate Student GPA, from Janelle Malik, Programmer Analyst, - UMKC Data Warehouse and the Office of Institutional Research and Planning.

⁴² Data Available at NCAA website <http://web1.ncaa.org/GSRSearch/exec/homePage> (Last Checked 10-1-17)

- Institutions have complained that the FGR does not account for students who transfer from their original institution and graduate from another institution; those students are considered non-graduates at both the institution they left and the institution from which they ultimately graduate. The NCAA measures instead the Graduation Success Rate (GSR). Under the GSR, the institution to which student athletes transfer, unlike with the FGR, is held accountable for the student-athletes transferring into the institution. The GSR, however, does not punish institutions from which the student-athletes transferred in good academic standing. Student athletes who transfer in good academic standing are moved into the new institution's cohort. UMKC's GSR has historically ranked second in GSR standing in the WAC. UMKC's GSR and has never been below 80% and was at its highest (87%) during the 2015-16 graduation year. (See chart below).

Cohort ⁴³	Graduation Year	UMKC (GSR)	CUS Bakersfield (GSR)	Chicago State (GSR)	Grand Canyon (GSR)	NM State (GSR)	Seattle U (GSR)	UT Rio Grande Valley (GSR)	Utah Valley (GSR)
2002	2008-09	84%	53%	38 %	NA%	68%	99%	54%	28%
2003	2009-10	82%	51%	38%	NA%	67%	97%	57%	31%
2004	2010-11	86%	55 %	45%	NA%	66%	95%	56%	33%
2005	2011-12	84%	60 %	53%	NA%	70%	95%	61%	44%
2006	2012-13	84%	60 %	62%	NA%	73%	93%	68 %	62%
2007	2013-14	83%	68 %	65%	57% ⁴⁴	73%	94%	75 %	65%
2008	2014-15	84%	71 %	72%	60%	76%	95%	79%	71%
2009	2015-16	87%	70%	68%	66%	76%	95%	77%	73%

- On September 20, 2017, UMKC Athletics was named the inaugural winner of the Western Athletic Conference Academic Excellence Award for the 2016-17 academic school year. The Academic Excellence Award was given to UMKC because of the academic performance of its student athletes when compared to other WAC institutions. UMKC's academic performance was compared to other WAC school in the following areas: average grade-point average of undergraduate student-athlete, the average grade-point

⁴³ Data Available at NCAA website <http://web1.ncaa.org/GSRSearch/exec/homePage> (Last Checked 10-1-17)

⁴⁴ First became NCAA Division I Institution

of undergraduate student-body versus the average grade-point average of UMKC's student-athletes, and UMKC's recent two-year average of institutional Academic Progress Rate scores.

- During 2016-17 academic year, 120 UMKC student athletes earned Academic All-WAC Conference distinction for their success in the classroom. To be eligible, a student-athlete must have completed at least one academic year, have at least a 3.2 cumulative grade point average and participated in at least 50 percent of the team's contests.
- Intercollegiate Athletics has also protected the educational welfare of its student athletes by minimizing missed class time and ensuring student athletes have structured study time during away athletic contests. Student athletes are required to be intentional about their education and to develop meaningful student-faculty relationships by requiring each student athlete to communicate with their professors, student athletes' away competition schedules, and encourage them to work with their professors to schedule makeups.

Intercollegiate Athletics a Catalysis in Strategically Positioning UMKC in its Marketplaces:

The following five (5) sets of competitive powers can shape an industry's strategic positioning and influence strategic positioning within a particular marketplace,⁴⁵ and may be considered by institutional decision makers in strategically positioning for UMKC in its academic and intercollegiate marketplaces:

- (1) Intercollegiate Athletics, student athletes, coaches and those working in concert with student athletes to deliver the product can be considered Suppliers
- (2) Prospective student, alumni/ae and other Product Consumers (Buyers)
- (3) Colleges and Universities, Both Within and Outside of UMKC's Region, are UMKC's Competitors
- (4) Other areas for investment of financial resources, e.g. faculty research, student activities, classroom and recreation facilities, etc. (Substitutes)
- (5) Barriers to investment—things that would likely prevent institutional investment in the Intercollegiate Athletics.

Suppliers: Viewing Intercollegiate Athletics as a strategic asset that can assist in advancing UMKC's strategic institutional goals is vital. The strategic goal that applies to student athletes is the same institutional goal that applies to all students: "Place Student Success at the Center". Placing student success at the center requires that institutional leaders strive to provide all students, including student athletes, an optimal learning environment. UMKC's Intercollegiate Athletic Department has adopted the view that athletics is a vehicle for educating and developing student athletes. Empirical data presented demonstrates that Intercollegiate Athletics has historically aligned itself with the UMKC's academic

⁴⁵ Ward, Lawrence P, "The Patriot model: Intercollegiate athletics and institution-level decision-making" (2011). Dissertations available from ProQuest. AAI3455400. <http://repository.upenn.edu/dissertations/AAI3455400> (Pages 100-117). See also Porter, Michael. E. (1980). *Competitive Strategy: Techniques for Analyzing Industries and Competitors* The Free Press. (3-13).

mission. The academic performance of UMKC's student athletes' is evidence of Intercollegiate Athletics' strategic alignment with placing student athletes at the center.

The expectations and goals of the athletics department begins with academic excellence. The educational welfare of student athletes is first emphasized to prospective student-athletes as they arrive on campus for a recruiting visit. Prospective student athletes are given information throughout their visit on the academic support opportunities and expectations, including study hall requirements, computer lab availability and class attendance policy. Student athletes are required to take a minimum of 12 hours per semester and degree applicable classes. Tracking of progress towards degree and certification to ensure eligibility takes place on a per semester basis. The numerous academic awards won within the conference and nationally, by teams as well as individuals, are a testament to the focus that is placed on the educational welfare of student athletes.

The Intercollegiate Athletic Department both recognizes and emphasizes the importance of student athlete's experience and that understanding is reflected in the performance evaluation of coaches who are measured on whether coaches advance institutional goals (emphasizing the educational experience of student athletes). Coaches are evaluated on their support of student athletes in their academic, athletic and social pursuits, as well as on their accountability for student athlete welfare. Academics are of the utmost importance and preparation time for academic obligations supersede athletics endeavors. Students are presented with a plethora of community service opportunities within the Kansas City metro area and are encouraged to engage in experiences with their student peers on campus.

Student athletes complete end of the year reviews that include evaluation of the level of support provided by coaches for student experiences outside of athletics. Such reviews support that coaches put the academic needs of students first and value their experiences outside of athletics.

The work of UMKC's Student-Athlete Advisory Committee (SAAC) provides one example of student athlete engagement and social consciousness. UMKC's student athletes are collecting monetary donations at all home UMKC events to support Hurricane Harvey relief efforts in Houston, Texas. All proceeds will benefit the Houston Food Bank and the Texas Diaper Bank.

Institutional decision makers must also recognize that fielding athletically competitive Division I teams is a vital component of student athletes' experience, because a culture of losing is not good for student athletes, or for the general student body experience.

Buyers: As an educational institution, UMKC must engage with prospective students, students, alumni/ae, and increase its visibility among these important constituents (buyers). When viewed strategically, intercollegiate athletic is a readily available method and an effective tool to both increase UMKC's visibility and to engage these crucial buyers.⁴⁶ Senior Admission leaders may gain added local, regional and

⁴⁶ Lehigh University, American University and College of Holy Cross views intercollegiate athletic programs "as one of the few effective and readily available means to increase institutional visibility and engagement amount their most important "buyers" – students, alumni, and other members of the campus community." *Id.* at 103.

national visibility by enlisting Intercollegiate Athletics to attract the interest of prospective students⁴⁷ in UMKC, its academic offerings, faculty research accomplishments, and increase engagement with enrolled UMKC's students. Intercollegiate athletics has made intentional efforts to engage other members of UMKC's campus by promoting academic units at UMKC's sporting contests.

Added visibility to promote UMKC has been afforded UMKC through strategic collaborative engagement of intercollegiate athletics surrounding high profile intercollegiate contests. According data provided by UMKC's Strategic Marketing and Communications Department, "[a]thletics undeniably contributes significantly to brand awareness and reputation of the University of Missouri-Kansas City and is a key part of the university's overall strategies to attract and retain students and create positive awareness in the greater Kansas City region and beyond."⁴⁸ Reporting on Advertising Value Equivalent (AVE) metric which is commonly used to describe PR value, between September 1, 2016 and August 31, 2017 UMKC and UMKC Intercollegiate received the following media AVE:

- "Athletics" AVE was calculated at \$50.8M (This is Athletics only)
- "UMKC" AVE was calculated at \$69.2 without including Athletics, a joint total "UMKC" AVE calculated at \$120M

The exposure that Intercollegiate Athletics receives from blogs, radio and TV in WAC markets, on Fox Sports and ESPN channels can be another vehicle for strategic collaboration to, for example, run commercials promoting UMKC's academic and other programs.⁴⁹

- Commercials, can run during a UMKC Basketball game highlighting the work of UMKC faculty :
 - "Dr. Cheng's current research focuses on the development of novel drug delivery systems for small-molecule and macromolecular drugs; identification of tumor-specific artificial ligands for targeted drug delivery and tumor imaging; development of peptide modified prodrugs for chemotherapy; therapeutic applications of siRNA for the treatment of breast cancer, prostate cancer, and liver diseases. Much of the effort from his laboratory has dealt with the therapeutic exploration of macromolecular therapeutics, which has poor stability and inefficient cellular uptake."

⁴⁷ *Id* ("With regard to new student recruitment and admissions, senior leaders on each campus described their efforts to position intercollegiate athletics as a valuable tool to help attract greater interest among prospective students.").

⁴⁸ September 18, 2017 Report by Anne Hartung Spenner, Vice Chancellor for Strategic Marketing and Communications.

⁴⁹ According to Anne Hartung Spenner, "UMKC Athletics provides an important platform for telling UMKC's story in marketing and communications efforts, both in terms of Athletics-specific channels and reach but also in terms of promoting UMKC in general, in areas of student recruitment, campus life and core academic values." *Id*.

The CBI tournament on UMKC's campus raised Roos spirit on campus and added to student life experience. UMKC students expressed their support and excitement about UMKC's Men's basketball team's success in making it to the CBI tournament, which had (KSHB Channel 41) TV coverage.⁵⁰

Institutional decision makers may have captured student excitement (produced by UMKC's Men's Basketball team making a national tournament) and could – through more intentional collaboration -- have engaged prospective students, students, alumni/ae and also increase UMKC's visibility among these important buyers during the CBI tournament to advance UMKC's Strategic Goals.

Institutional decision makers could engage Intercollegiate Athletics to gain strategic competitive advantages over its institutional competitors for prospective students and to improve retention of students by increasing on campus school spirit.

Competitors: UMKC's competitor groups are national, regional or local academic institutions. Institutional decision makers can focus attention on institutions that compete against UMKC's Athletic Department or may focus its efforts on competing peer institutions. Knowing UMKC's student body profile and their interests will enable Institutional decision makers to identify UMKC's targeted institutional competitor group and foster collaborative efforts between Intercollegiate Athletics and UMKC's academic, administrative units and student campus leaders to take strategic actions designed to win the competition for prospective students, which will lead to improvements in student retention.

Included below are charts that compare the Federal Graduation Rates (FGR) of the general Student Body at UMKC and UMKC's Student Athletes and the same data for UMKC competitor institutions: the Missouri Valley Conference (Div. I.) and several Institutions that are members of the Great Lakes Valley Conference (Div. II.). These charts should be a beginning point analysis for institutional decision makers in determining how UMKC stacks up against its institutional competitors for prospective students and student retention. Student Athletes rarely leave the institution to which they entered as freshmen to compete athletically. Therefore, one can argue the FGR reflects student athlete retention. In considering the data below, institutional decision makers should consider the correlation between general student retention at UMKC and general student retention at institutional competitors.

- The charts demonstrate that the FGR of UMKC's Student Athletes is higher than the FGR of UMKC's General Student body.
- The charts also demonstrate that the FGR of Student Athletes at most institutions considered UMKC's competitors is significantly closer to each other than is the case at UMKC, possibly signaling a higher student body retention rate at those institutions than at UMKC.

⁵⁰Rae Daniel, UMKC preps for first postseason CBI tournament, fans excited (Mar 14, 2017) <http://www.kshb.com/news/local-news/umkc-preps-for-first-postseason-cbi-tournament-fans-excited> (Last visited 11-04-17).

STUDENT BODY FEDERAL GRADUATION RATES

Cohort ⁵¹	Graduation Year	UMKC (FGR) Div. I Student Body	Drake U (FGR) Div. I	Loyola (FGR) Div. I.	MS&T FGR Div.II.	MO-Southern FGR Div.II.	William Jewell (FGR) Div.II.	Rockhurst University (FGR) Div.II.
1999-2002 Cohorts	2008-09	44%	69%	66%	62%	36%	NAIA	63%
2003	2009-10	45%	76%	68%	63%	34%	NAIA	70%
2004	2010-11	46%	73%	67%	65%	35%	65%	74%
2005	2011-12	44%	78%	70%	67%	33%	63%	74%
2006	2012-13	48%	63%	70%	65%	33%	69%	67%
2007	2013-14	51%	60%	71%	70%	37%	59%	69%
2008	2014-15	51%	64%	73%	63%	37%	60%	69%
2009	2015-16	50%	63%	74%	65%	30%	62%	71%

STUDENT ATHLETES FEDERAL GRADUATION RATE

Cohort ⁵²	Graduation Year	UMKC (FGR) Div. I. Student Athletes	Drake U (FGR) Div.I.	Loyola (FGR) Div. I.	MS&T (FGR) Div.II.	MO-Southern (FGR) Div.II.	William Jewell (FGR) Div.II.	Rockhurst University (FGR) Div.II.
2002	2008-09	47%	71%	75%	67%	50%	NAIA	53%
2003	2009-10	56%	89%	76%	66%	44%	NAIA	60%
2004	2010-11	64%	76%	86%	72%	48%	63%	82%
2005	2011-12	47%	67%	84%	68%	56%	65%	73%
2006	2012-13	69%	86%	76%	63%	56%	75%	71%
2007	2013-14	59%	83%	78%	75%	49%	60%	84%
2008	2014-15	58%	78%	76%	72%	49%	55%	72%
2009	2015-16	71%	72%	75%	70%	32%	56%	78%

⁵¹ Data Available at NCAA website <http://web1.ncaa.org/GSRSearch/exec/homePage> (Last Checked 10-1-17)

⁵² Data Available at NCAA website <http://web1.ncaa.org/GSRSearch/exec/homePage> (Last Checked 10-1-17)

The data is not intended to be a definitive research paper concerning the subject, but to recommend an investigative path institutional decision makers may pursue in determining the strategic value of intercollegiate athletics and how that industry (sports industry) may be enlisted to strategically position UMKC to compete with and against institutional competitors for prospective students and to improve student retention goals.

UMKC brand competes with the brands of other universities in UMKC's local, regional and national markets. One question institutional decision makers should consider is UMKC's branding position and whether other institutions are outcompeting UMKC for market branding in Kansas City and how UMKC has or plans to respond to that competition. In December of 2016, UMKC launched an 8-day campaign "Kansas City Day" in collaboration with Charlie Hustle. The promotion guided UMKC to local and national prominence when it was recognized for its exclusively designed jersey. The jersey was ranked 5th in the nation by NBC Sports for the best alternative college basketball uniforms.⁵³ Institutional leaders should build on this notoriety to promote UMKC and improve UMKC's competitive edges for prospective students, develop stronger merchandizing base, and licensing presence in UMKC's markets.

Substitutes: Substitutes for Intercollegiate Athletics involve other areas for investment of financial resources, e.g. faculty research, student activities, classroom and recreation facilities, etc. To make wise financial decisions regarding Intercollegiate Athletics, UMKC's institutional decisions makers must comprehend the strategic value of its NCAA Division I institutional unit, and the potential for economic or other perceived benefits other UMKC units may gain by either moving its Intercollegiate Athletics program to another NCAA Division or by not providing institutional support commensurate with UMKC's Division I status.

Institutional valuations of Intercollegiate Athletics must be balanced against detriments to UMKC's brand, the potential hits to its reputation within the Kansas City community (and both regional and national communities), and the potential loss of strategic positioning by not retaining its NCAA Division I status or in not funding Intercollegiate Athletics at a level commensurate with UMKC's Division I status.

What are substitutes to investing in intercollegiate athletics? Would investing in these substitutes, while under investing in intercollegiate athletics, yield long term profits -- if we define profits to also include effective achievement of institutional strategic objectives? Would moving out of NCAA Division I (or not funding intercollegiate at a level commensurate with its Division I status) make UMKC more or less attractive than the institutions UMKC competes against for students, leaders, and faculty?

UMKC would suffer real economic losses if its moves to another NCAA Division from Division I. According to UMKC's Athletic Director, NCAA allocations to Intercollegiate Athletics was approximately \$792,000 for the 2016-17 academic year:

⁵³ Scott Phillips, PHOTO: UMKC drops one of the best special uniforms college hoops will see this year, (December 3, 2016), <http://collegebasketball.nbcsports.com/2016/12/03/photo-umkc-drops-one-of-the-best-special-uniforms-college-hoops-will-see-this-year/> (Last Visited 10-5-17).

Academic Enhancement Fund -	\$134,000
One-time Academic Distribution -	\$361,000
Sport Sponsorship -	\$106,000
Grants in Aid -	\$101,000
Student Opportunity Fund -	<u>\$ 90,000</u>
Total -	\$792,000

The NCAA has established a novel Division I revenue distribution model based on the academic achievement of student-athletes. UMKC will also forgo supplementary economic opportunities available through the NCAA’s Academic distribution model if it moves to another NCAA Division. This novel distribution model will begin with the 2019-20 academic year. UMKC would earn an NCAA academic unit for distribution under the new distribution model by meeting any of the three standards below:

- Division I APR for the previous year is equal to or greater than 985.
- The Graduation Success Rate for the most recently available year is equal to or greater than 90 percent.
- The difference between the student-athlete and student body percentages in the most recently published Federal Graduation Rate is equal to or greater than 13 percentage points.

UMKC has already met one of those criteria for distributions under the NCAA’s Academic distribution model (UMKC’s student-athletes’ FGR is greater than 13% higher than the student body’s FGR). UMKC’s student athletes’ FGR is 21% higher than the FGR of the general study body. Money will be distributed to each Division I conference with no restriction on how it is spent. See potential distribution graph below:



Barriers: Barriers include things that would likely prevent institutional investment in the Intercollegiate Athletics. Financial costs represents one barrier that limits an institution's ability to give more attention to or place greater emphasis on athletics. Financial costs, however, is a critical reason Institutional Decision Makers should take a balanced approach to investing in athletics. A balanced approach to institutional investment requires first recognition that Intercollegiate Athletics can be a strategic institutional asset, and an assessment of how to effectively leverage Intercollegiate Athletics to enhance new revenue production and achievement of strategic institutional goals.

The Task Force determined the deficit problem faced by the Intercollegiate Athletic Department is due to (1) To sub-par levels of ticket sales; (2) the need for an increase in corporate sponsorships (3) Sub-par levels of private donations; and (4) the extraordinarily high travel costs associated with being in the WAC.

Both sub-par levels of ticket sales and private donations can be remedied by UMKC's strategic engagement of Intercollegiate Athletics (with other institutional units) to increase revenues for both UMKC's other units and UMKC's Athletic Department.

Identified above are only some of the natural synergies between Intercollegiate Athletics and other campus units. The Task Force recommends UMKC's institutional decision makers expand on the analysis above to strategically enlist Intercollegiate Athletics as a vehicle to advance institutional strategic goals, increase new revenue production, and to encourage other institutional units to collaborate with each other and Intercollegiate Athletics to advance UMKC's strategic goals, local, regional and national visibility, to enhance its attractiveness to prospective students, and to generate new revenue production.

Example of such collaborative potential include:

- Collaboration between intercollegiate athletics and other campus units to increased revenue through licensing arrangement;
- Collaboration between intercollegiate athletics and advancement to tie premium game season ticket to donations, so that better seats are available when season ticket holders ticket purchases are tied to donations to the athletic-academic scholarship;
- Collaboration between Advancement to utilize contacts of coaches and the Director of Athletics for cultivation and gift purposes;
- Collaboration between intercollegiate athletics and other campus units to increased corporate social media sponsorship;
- Collaboration between intercollegiate athletics and other campus units to increased revenue from advertisements sales;
- Collaboration between intercollegiate athletics and other campus units to increased revenue through trademarks and royalties agreements;
- Collaboration between intercollegiate athletics and other campus units to increased revenue from food, concessions and parking?

These five (5) competitive factors may be applied by institutional decision makers to UMKC and UMKC Intercollegiate Athletics to positively shape UMKC's future and strategically influence its competitive positioning within the market for prospective student, improve student retention, and make UMKC a more attractive educational institution than UMKC's competitors.

APPENDIX E: Some Task Force Members' Observations Re: Division I at UMKC

The following discussion is offered by Task Force Members Sullivan Read and Gerald Wyckoff:

We would like to point out that UMKC has had a Division I Intercollegiate Athletics program for more than 25 years and, consequently, many of the perceived advantages of participating in Division I have existed for that length of time. We feel that these perceived advantages have yet to produce the kind of financial benefits (such as increased donations, increased ticket and other sales, advertising, and sponsorship revenues, and increased tuition due to increased student recruitment) anticipated by other members of the Task Force, and note that:

- (i) In this connection it is difficult to attach a dollar value to many of the perceived benefits of remaining in Division I and we are skeptical that the financial benefits of remaining in Division I would outweigh the significant additional costs of a Division I program compared to a Division II or III program (see Appendix C regarding comparative costs); and
- (ii) In addition, these questions must not be evaluated solely on the basis of financial concerns, but instead should include consideration of the value of the athletic experience of the student-athletes. In this regard, there are numerous high-profile urban research universities that are very successful at student recruitment and receive very substantial private donations to academic programs, while participating in Division II or III athletics, and at which student-athletes have excellent and satisfying athletic experiences the equal of those of student-athletes at many Division I universities.