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## News

### Sports Subsidies Soar

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Money is harder to come by in virtually all realms of higher education these days, and competition for funds is likely to grow. So at a time when many colleges and universities are freezing salaries and positions and even furloughing employees, it is likely to disturb employees on some campuses that institutional subsidies for sports programs are large and growing.

That analysis is possible thanks to data on sports revenues and expenditures **collected and published** last week by *USA Today*. The newspaper asked universities that play football in the Football Bowl Subdivision, the National Collegiate Athletic Association's top competitive level (formerly Division I-A), for four years' worth of the financial disclosure forms they provided to the association as part of **its regular survey** of sports finances. The NCAA's own report on the data provides information only in the aggregate, but by publishing the data for virtually all public universities that play big-time football -- most private institutions and a handful of publics declined to make their forms public (see below) -- *USA Today* has made it possible to look at the situations at individual sports programs.

While the picture looks different depending on the institution, a few broad patterns are evident and worth highlighting:

- The vast majority of sports programs -- even those that purport to support themselves -- receive significant financial backing from their institutions to operate. Of the 99 institutions in the table below, all but four -- Louisiana State, Ohio State, and Purdue Universities, and the University of Nebraska at Lincoln -- reported receiving at least some revenues in the 2007-8 fiscal year from one of four categories of "allocated" revenues: student fees, direct state or government support, direct institutional support (general fund money), or indirect institutional support (facilities, energy costs, etc.).
- While 65, or two-thirds, of the sports programs reported having more operating revenues than operating expenses in 2007-8 -- meaning that they appeared to turn a profit -- just a quarter showed net profit after excluding the subsidy totals.
- 44 of the 99 sports programs derived at least a third of their operating revenues from student fees, institutional support or other allocated sources -- and 27 derived at least half of their revenues that way. Among the highest: Eastern Michigan, Florida Atlantic, Florida International, Kent State, Miami (Ohio), Middle Tennessee, Ohio, Western Kentucky and Western Michigan Universities, the State University of New York at Buffalo, and the University of Akron drew at least two-thirds of their operating revenues from allocated rather than generated sources (ticket sales, fund raising dollars, television and other deals, etc.).

A few caveats warrant mention.

First, there is legitimate debate in college sports about whether it is reasonable or appropriate to demand that sports programs be self-supporting. Defenders of such subsidies often note that Ivy League and Division III colleges, whose sports programs are generally seen as being part of their institutions' broader educational missions, make no apologies about providing most of the financial backing for those programs, as they would for arts or music or other programs. The more that big-time sports programs are required or pushed to be financially self-supporting, some supporters of the programs argue, the more pressure they may feel to commercialize themselves.

Second, some of the "allocated" revenues that count in this analysis as "subsidies" can be seen as revenue that the sports programs would otherwise be generating on their own. The prime example of this is student fees, which many sports programs receive in exchange for providing free or discounted tickets to students -- tickets that, in some cases at least, they would otherwise be able to sell and produce revenue.

Still, the spiraling costs of college sports programs, and the sometimes surprisingly large and growing share of those costs that are covered with institutional or state dollars, have become a matter of concern on several campuses, and are almost certain to draw attention on others as higher education's fiscal crisis expands. The faculty at the University of California at Berkeley [voted in November](#) to require the sports program there to wean itself off millions of dollars in annual subsidies that had led to [a \\$31 million cumulative deficit](#) that university leaders forgave in 2007. The extent of the deficits became known only because of faculty digging into past sports budgets.

The issue of sports spending has already appeared on the radar screen at the University of Cincinnati, too, where [a universitywide panel concluded](#) that the university's current sports budget (which runs an annual deficit of \$3.5 million) was insufficient for it to compete successfully in the Big East Conference, which it joined recently. To fully compete, the panel said, could require as much as \$11 million more spending a year.

While the panel said it was essential for the athletics department to stop running an annual deficit, several of its ideas for doing so -- including raising student fees and having the university absorb some or all of the department's \$24 million cumulative structural deficit -- would require a bigger commitment of institutional funds, at a time when Ohio's public universities, like many around the country, are facing more budget turmoil, not less.

"This has generated a lot of discussion about athletics vs. academics," acknowledged Sandra Degen, Cincinnati's vice president for research and a co-chair of the panel.

Like most public universities in California, San Diego State University has seen its state support cut sharply in recent years, and, promises from Gov. Arnold Schwarzenegger notwithstanding, more reductions are possible. Yet San Diego State has seen its subsidies for athletics rise from \$11 million to \$16 million in three years. A spokesman said in an e-mail message that allocations from the university's general fund had remained flat, and attributed the increase to a student fee increase designed to add women's lacrosse and keep the institution in compliance with statewide gender equity guidelines. "SDSU's athletic budget allocations from the university's general fund have actually remained flat," said the spokesman, Greg Hand.

The reports that the university submitted to the NCAA, replicated in [USA Today's database](#), indeed show San Diego State's student fee allocations to athletics rising from \$5.3 million in 2004-5 to \$6.3 million in 2007-8. But the reports also show "direct institutional support" to athletics nearly doubling, from \$5.3 million in 2004-5 to \$10.1 million in 2007-8.

"We are well aware of the fact the increasing general fund allocations to athletics cannot be an option given California finances," Edith J. Benkov, director of French and Francophone studies and chair of the San Diego State University Senate, wrote in an e-mail message.

In addition to virtually all of the private institutions that compete in the Football Bowl Subdivision -- including universities like Duke, Notre Dame, Stanford and others -- several public institutions declined to provide their NCAA financial forms to *USA Today*. They include the three state-related institutions in Pennsylvania -- Pennsylvania State and Temple Universities and the University of Pittsburgh -- and the U.S. Naval Academy.

More up-to-date financial data on the institutional subsidies to sports programs could be available soon, as NCAA members were required to submit their 2008-9 financial reports to the NCAA last week.

#### Big-Time Sports Programs and Institutional Subsidies

	Total Subsidy, 2005	Total Subsidy, 2008	Total Operating Revenue, 2008	Subsidy as % of Operating Budget	Total Operating Expenses, 2008	Profit/loss, pre-subsidy	Profit/loss, counting subsidy
Arizona State U.	\$10,195,482	\$11,678,755	\$54,833,180	21.30%	\$54,296,002	\$537,178	-\$11,141,577
Arkansas State U.	3,084,406	3,329,116	8,392,852	39.67%	10,388,098	-1,995,246	-5,324,362
Auburn U.	982,349	5,195,136	89,311,824	5.82%	69,841,200	19,470,624	14,275,488

Ball State	10,513,606	10,042,675	22,125,129	45.39%	19,441,780	2,683,349	-7,359,326
Boise State U.	6,466,612	9,149,761	25,578,051	35.77%	25,607,867	-29,816	-9,179,577
Bowling Green State U.	11,055,482	10,971,257	19,387,291	56.59%	17,789,360	1,597,931	-9,373,326
California State U. at Fresno	5,354,106	6,432,445	27,530,567	23.36%	28,856,248	-1,325,681	-7,758,126
Central Michigan U.	11,841,935	13,824,715	21,103,460	65.51%	21,636,204	-532,744	-14,357,459
Clemson U.	1,639,758	3,936,484	59,180,652	6.65%	60,050,712	-870,060	-4,806,544
Colorado State U.	6,329,144	9,894,238	23,759,185	41.64%	23,953,191	-194,006	-10,088,244
East Carolina U.	9,839,851	12,056,711	29,268,128	41.19%	27,625,195	1,642,933	-10,413,778
Eastern Michigan U.	17,135,653	21,396,376	24,971,850	85.68%	25,153,393	-181,543	-21,577,919
Florida Atlantic U.	11,453,831	11,081,707	16,574,905	66.86%	16,275,735	299,170	-10,782,537
Florida International U.	12,131,586	15,691,580	20,230,654	77.56%	18,475,489	1,755,165	-13,936,415
Florida State U.	4,796,773	6,590,629	73,458,494	8.97%	65,583,105	7,875,389	1,284,760
Georgia Institute of Technology	2,534,562	4,855,809	54,511,968	8.91%	54,800,099	-288,131	-5,143,940
Indiana U.	1,700,460	1,426,911	57,155,333	2.50%	50,920,826	6,234,507	4,807,596
Iowa State U.	3,765,158	4,051,768	38,621,346	10.49%	38,642,012	-20,666	-4,072,434
Kansas State U.	2,949,040	3,189,559	49,113,706	6.49%	41,362,747	7,750,959	4,561,400
Kent State U.	12,373,580	13,384,016	18,106,791	73.92%	18,891,134	-784,343	-14,168,359
Louisiana State U.	0	0	85,018,205	0.00%	81,150,829	3,867,376	3,867,376
Louisiana Tech U.	4,816,297	8,114,039	14,656,982	55.36%	14,631,914	25,068	-8,088,971
Marshall U.	6,974,362	9,204,910	23,103,224	39.84%	23,575,610	-472,386	-9,677,296

Miami U. (Ohio)	14,462,096	16,665,051	23,307,295	71.50%	23,320,946	-13,651	-16,678,702
Michigan State U.	3,154,288	3,536,893	81,390,686	4.35%	83,444,368	-2,053,682	-5,590,575
Middle Tennessee State U.	11,386,377	14,737,696	19,656,265	74.98%	19,656,265	0	-14,737,696
Mississippi State U.	3,588,585	4,710,861	30,440,090	15.48%	30,432,972	7,118	-4,703,743
New Mexico State U.	8,074,837	16,103,229	25,379,586	63.45%	28,298,002	-2,918,416	-19,021,645
North Carolina State U.	2,398,416	3,380,687	45,632,223	7.41%	43,892,285	1,739,938	-1,640,749
Northern Illinois U.	10,634,413	15,435,450	23,342,006	66.13%	22,448,970	893,036	-14,542,414
Ohio U.	10,713,478	14,591,522	19,450,560	75.02%	20,297,059	-846,499	-15,438,021
Ohio State U.	5,429	0	115,737,022	0.00%	114,264,848	1,472,174	1,472,174
Oklahoma State U.	4,174,287	4,644,017	98,874,092	4.70%	89,801,118	9,072,974	4,428,957
Oregon State U.	6,567,352	10,199,008	52,875,339	19.29%	52,128,314	747,025	-9,451,983
Purdue U.	677,093	0	64,253,784	0.00%	59,217,169	5,036,615	5,036,615
Rutgers U.	19,881,954	22,237,281	52,012,491	42.75%	51,748,813	263,678	-21,973,603
San Diego State U.	11,161,382	16,874,292	32,118,251	52.54%	31,405,858	712,393	-16,161,899
San Jose State U.	9,179,715	11,931,024	18,816,240	63.41%	17,386,449	1,429,791	-10,501,233
State U. of New York at Buffalo	14,397,205	17,001,122	21,859,641.00	77.77%	21,854,374	5,267	-16,995,855
Texas A&M U.	839,348	3,264,000	92,476,146	3.53%	77,426,317	15,049,829	11,785,829
Texas Tech U.	5,185,154	5,881,749	52,599,785	11.18%	51,275,866	1,323,919	-4,557,830
Troy U.	6,593,246	9,139,826	14,327,947	63.79%	14,327,947	0	-9,139,826
U.S. Air Force Academy	8,417,045	16,579,598	30,604,249	54.17%	31,174,646	-570,397	-17,149,995

U.S. Military Academy	7,664,306	10,484,048	29,398,220	35.66%	24,888,651	4,509,569	-5,974,479
U. of Akron	10,272,310	13,813,933	18,711,948	73.82%	18,858,092	-146,144	-13,960,077
U. of Alabama	2,550,605	9,457,262	123,769,841	7.64%	123,370,004	399,837	-9,057,425
U. of Alabama at Birmingham	9,106,614	12,399,602	22,430,831	55.28%	21,509,018	921,813	-11,477,789
U. of Arizona	4,206,016	5,469,311	49,241,506	11.11%	46,211,393	3,030,113	-2,439,198
U. of Arkansas at Fayetteville	1,429,833	1,518,452	66,174,916	2.29%	64,632,499	1,542,417	23,965
U. of California at Berkeley	5,184,678	7,451,464	64,333,065	11.58%	64,282,315	50,750	-7,400,714
U. of California at Los Angeles	2,535,330	2,856,743	66,088,264	4.32%	66,088,264	0	-2,856,743
U. of Central Florida	13,756,337	18,676,064	39,715,730	47.02%	38,825,507	890,223	-17,785,841
U. of Cincinnati	5,642,852	10,699,504	32,281,546	33.14%	36,369,715	-4,088,169	-14,787,673
U. of Colorado at Boulder	3,162,568	7,836,559	52,631,896	14.89%	48,368,255	4,263,641	-3,572,918
U. of Connecticut	9,526,832	11,185,218	55,218,003	20.26%	55,025,374	192,629	-10,992,589
U. of Florida	3,753,327	4,431,187	106,607,895	4.16%	98,775,583	7,832,312	3,401,125
U. of Georgia	3,028,878	3,073,606	85,554,395	3.59%	71,993,533	13,560,862	10,487,256
U. of Hawaii	1,862,355	9,822,971	37,427,263	26.25%	35,133,798	2,293,465	-7,529,506
U. of Houston	12,437,318	17,547,745	30,988,450	56.63%	30,988,450	0	-17,547,745
U. of Idaho	6,638,118	7,673,036	15,208,208	50.45%	15,610,442	-402,234	-8,075,270
U. of Illinois	4,708,707	4,202,696	67,818,403	6.20%	63,458,807	4,359,596	156,900
U. of Iowa	3,632,198	2,287,795	81,515,865	2.81%	71,602,594	9,913,271	7,625,476
U. of Kansas	3,186,282	3,893,956	82,976,047	4.69%	65,748,366	17,227,681	13,333,725

U. of Kentucky	639,686	568,996	71,727,243	0.79%	71,079,982	647,261	78,265
U. of Louisiana Lafayette	3,232,589	6,066,824	11,499,015	52.76%	11,026,554	472,461	-5,594,363
U. of Louisiana Monroe	2,915,857	4,181,610	9,030,596	46.30%	9,242,021	-211,425	-4,393,035
U. of Louisville	4,685,393	8,408,683	56,540,896	14.87%	55,145,760	1,395,136	-7,013,547
U. of Maryland at College Park	7,500,191	11,299,546	59,624,100	18.95%	56,844,987	2,779,113	-8,520,433
U. of Memphis	4,657,928	10,161,144	34,379,023	29.56%	34,379,023	0	-10,161,144
U. of Michigan	0	58,817	99,027,105	0.06%	85,496,004	13,531,101	13,472,284
U. of Minnesota	9,039,997	9,410,450	68,951,691	13.65%	63,968,805	4,982,886	-4,427,564
U. of Mississippi	2,470,885	3,224,929	34,769,709	9.28%	34,769,709	0	-3,224,929
U. of Missouri at Columbia	2,804,250	2,657,770	55,566,932	-5.22%	51,779,677	3,787,255	1,129,485
U. of Nebraska at Lincoln	0	0	75,492,884	0.00%	74,981,110	511,774	511,774
U. of Nevada at Reno	8,122,873	9,479,118	24,383,923.00	38.87%	24,051,345	332,578	-9,146,540
U. of Nevada at Las Vegas	9,596,488	19,044,324	38,377,947	49.62%	37,934,266	443,681	-18,600,643
U. of New Mexico	8,107,987	12,010,006	35,979,959	33.38%	36,477,159	-497,200	-12,507,206
U. of North Carolina at Chapel Hill	5,515,513	8,051,919	66,148,186	12.17%	65,929,532	218,654	-7,833,265
U. of North Texas	4,315,679	4,691,283	10,243,090	45.80%	16,449,462	-6,206,372	-10,897,655
U. of Oklahoma	150,000	150,000	77,098,008	0.19%	76,945,882	152,126	2,126

U. of Oregon	1,369,845	1,168,411	56,623,901	2.06%	56,259,942	363,959	-804,452
U. of South Carolina	854,387	1,987,931	66,545,953	2.99%	64,516,437	2,029,516	41,585
U. of South Florida	10,276,888	12,821,262	34,935,813	36.70%	32,809,603	2,126,210	-10,695,052
U. of Southern Mississippi	7,466,994	6,913,343	18,712,687	36.94%	18,671,620	41,067	-6,872,276
U. of Tennessee	7,546,536	13,382,629	101,806,196	13.15%	100,507,146	1,299,050	-12,083,579
U. of Texas at Austin	3,027,310	1,832,229	120,288,370	1.52%	110,996,365	9,292,005	7,459,776
U. of Texas at El Paso	10,759,894	11,375,111	25,269,243.00	45.02%	25,707,421	-438,178	-11,813,289
U. of Toledo	10,542,525	10,550,952	19,082,009	55.29%	17,811,494	1,270,515	-9,280,437
U. of Utah	6,002,786	7,112,517	27,447,140	25.91%	27,928,663	-481,523	-7,594,040
U. of Virginia	7,973,032	11,119,358	64,396,612	17.27%	65,838,543	-1,441,931	-12,561,289
U. of Washington	1,460,173	1,849,894	60,729,016	3.05%	57,330,671	3,398,345	1,548,451
U. of Wisconsin at Madison	5,454,018	5,262,870	95,118,124	5.53%	93,008,125	2,109,999	-3,152,871
U. of Wyoming	10,638,025	13,233,339	24,547,609	53.91%	24,876,915	-329,306	-13,562,645
Utah State U.	6,137,955	7,813,467	13,496,893	57.89%	14,595,321	-1,098,428	-8,911,895
Virginia Tech U.	6,165,427	6,529,417	64,412,343	10.14%	59,157,745	5,254,598	-1,274,819
Washington State U.	7,563,143	9,090,504	39,621,060	22.94%	36,495,847	3,125,213	-5,965,291
West Virginia U.	2,780,626	3,652,315	54,262,716	6.73%	49,052,709	5,210,007	1,557,692
Western Kentucky U.	10,047,994	13,704,025	19,957,909	68.66%	19,957,909	0	-13,704,025
Western Michigan U.	14,201,835	15,478,356	21,990,723	70.39%	21,635,009	355,714	-15,122,642
Totals	\$627,735,906	\$831,536,404	\$4,657,324,391		\$4,458,150,759	\$199,173,632	- \$632,362,772

Source: [USA Today survey of NCAA reports](#)

— [Doug Lederman](#)

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