



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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MEMORANDUM

TO: The Board of Regents

FROM: Frieda Houser
Director of Budget and Accounting

DATE: January 13, 2010

RE: Montana University System – Athletic Reports

This report revises the amounts reported on December 7, 2009, as a result of the final audited amounts from UM-Missoula being significantly different than the preliminary amounts used to compile the first report.

The following system-wide summaries are available on the January 14, 2010 (Helena) Board of Regents meeting agenda:

- Athletic Income Details - Summarizes by sport and by campus, the revenues and expenditures for the fiscal year ending June 30, 2009.
- Student Athlete Information – Summarizes unduplicated student participation by sport, by gender and by residency. This report also includes a summary by campus of graduation and grade point averages of athletes compared to the general student population.
- Financial Aid Summary – Presents by campus, fee waivers and scholarships awarded to student athletes.

FISCAL YEAR 2009 SUMMARY

The collective financial resources committed for athletics in the MUS is significant: \$42.3 million in revenue and \$42.6 million in expenditures for a one-year non-cumulative operating loss for fiscal year 2009 of (\$266,564). For comparison purposes, the fiscal year 2008 surplus was approximately \$1.2 million.

Athletic spending in state fiscal year 2008-2009, represented 4.3% of the all funds budget for the campuses offering athletics. Direct institutional support of athletics, which includes the value of fee waivers and state appropriations, represented 4.8% of the state fiscal year 2008-2009 current unrestricted funds for the campuses with athletic programs.

All campuses reported operating surpluses, except for UM-Missoula, for the fiscal year ended June 30, 2009. UM-Missoula reported a one-year non-cumulative operating loss of (\$353,779). Included in the loss are management decisions to charge athletic infrastructure expenses against existing fund balance. Since the report does not show any carryover of funds, the spending of fund balance appears as an expense and results in an operating loss.

Of the total revenue, \$17.5 million, or 41 percent, came from direct institutional support, including state appropriated funds for fee waivers and current operations of the athletics department, transfers or allocations made in support of athletics. Ticket sales revenue amounted to \$6.7 million in revenue or 16 percent of total revenue. Other significant revenue sources include contributions and student fees which collectively added \$8.8 million, or 21 percent to total revenue.

Coaching and support staff salaries and benefits were the largest expense with \$12.5 million or approximately 29.5 percent of total expenses. Athletics Student Aid was second with \$10.2 million, about 24 percent of total expenses. Other significant expenses included team travel and direct facilities, maintenance, and rental, which collectively required about \$8.8 million, or 20.6 percent of total expenses.

Football recorded the most revenue (\$14.1 million) and required the most resources (\$11.7 million) in fiscal year 2009, yielding an operating surplus of nearly \$1.6 million system wide. UM Missoula's football program reported approximately \$1.2 million operating surplus. Men's and Women's Basketball were other significant sports, together costing about \$7.7 million and yielding an operating deficit in fiscal year 2009 of approximately \$1.6 million. All Other Sports, as a group, also reported an operating deficit of \$2.2 million on the system level in fiscal year 2009. The non-program specific category contributed approximately \$1.9 million in fiscal year 2009. Significant items in the non-program specific category include direct and indirect institutional support and salaries for staff and administrative positions paid by the campuses.

The amounts spent on Rodeo are disclosed for MSU-Bozeman on a separate tab in the electronic agenda item. The MSU-Bozeman rodeo amounts are not included in the intercollegiate athletics totals because it is governed by a different division than the other sports offered at MSU-Bozeman. The rodeo program is a member of the Intercollegiate Rodeo Association (NIRA) of the Big Sky Region along with the University of Montana, MSU-Northern, UM-Western, Dawson Community College, Miles Community College, Powell Community College and the University of Lethbridge. MSU-Northern and UM-Western rodeo amounts are included in the "other sports" totals because the National Association of Intercollegiate Athletics (NAIA) governs all the sports offered on these campuses. UM-Missoula did not submit a complete report but did disclose that it paid \$16,382 in rodeo fee waivers that were funded by university general operating accounts which include state appropriations. The community colleges are not included in this athletic report.

STUDENT ATHLETES

1,571 athletes participated in 14 different intercollegiate sports in 2008-09. Male athletes represented 67 percent of the athletes and 55 percent of the athletes were Montana residents.

MSU-Billings, MSU-Northern, UM-Missoula, and Montana Tech of UM reported that overall graduation rates of student athletes exceeded overall graduation rates of the general student population. The overall grade point average of student athletes exceeds that of the overall general student population for MSU-Bozeman, MSU-Billings, UM-Missoula and Montana Tech of UM.