

Background

Recently, WSU Athletics proposed to the WSU Board of Regents “an annual University commitment of \$2M to \$3M starting in FY2022 to provide institutional support of intercollegiate athletics” (<https://facsen.wsu.edu/documents/2020/11/athletics-budget-memo-november-bor-meeting.pdf/>). This proposal, part of a larger package of measures designed to balance the athletic department’s budget in the wake of pandemic-related revenue shortfalls, was roundly criticized in public comment on the WSU Faculty Senate blog (<https://facsen.wsu.edu/2020/11/10/athletics-budget-discussion-board-of-regents/>). As well, the WSU Faculty Senate has recently considered a proposal to eliminate the WSU football program on the grounds that the dangers of the sport are incompatible with the principles of higher education (<https://facsen.wsu.edu/2020/09/22/cte-football/>).

Much of the recent debate about intercollegiate athletics at WSU has revolved around the interrelated issues of WSU’s membership in the Pac-12 Conference, the capacity of WSU Athletics to be “self-sustaining” (i.e., to balance its revenues and expenses), and the relative benefits and costs to the university of maintaining a large athletic department, especially one that sponsors football. In the spirit of informing and clarifying these debates, I have collected and attached athletics-related financial data for WSU and its peer institutions (defined below), and prepared a brief summary of these data.

The Data

Athletics revenue and expense figures for the 2018-19 academic year were gathered from USA Today’s *NCAA Finances* (<https://sports.usatoday.com/ncaa/finances/>) and the U.S. Department of Education’s *Equity in Athletics Data Analysis* (EADA) databases (<https://ope.ed.gov/athletics/#/>). Institutions included in this sample are public colleges and universities that are classified as “land grant” and/or “Research 1 (R1)” institutions (WSU is a member of both categories). Membership in AAU is noted in the data, but this did not affect the sample size, as all public AAU members are land grant and/or R1 institutions. Athletics conference and NCAA divisional membership are also identified. Only the USA Today database includes the amount of institutional support provided to a university’s athletic program, and so is the preferred data source; however, these data are also limited to members of NCAA Division I. The EADA data are used for institutions missing from the USA Today database. See p. 3 for complete definitions/explanations.

Summary

(1) Finances

It is important to distinguish between the size of an athletic department’s budget, on one hand, and the level of institutional support it receives on the other. The data clearly indicate (perhaps unsurprisingly) that, on average, the size of an athletic department’s budget is directly correlated with membership in “larger” conferences and competitive divisions: members of Power Five conferences tend to spend more than those in the Group of Five conferences, which tend to spend more than schools competing in FCS football, which spend more than Division I institutions that do not sponsor football, and so on. By the same token, the relationship between institutional support as a percentage of an athletic department’s revenues is inversely correlated with conference/division

membership. Members of larger conferences/divisions, because they can more easily generate revenue, do not rely as heavily on institutional subsidies for operational support.

However, and perhaps most crucially for the debates surrounding WSU and intercollegiate athletics, the relationship between conference/division membership and the total dollar amount of institutional support is curvilinear. Among Power Five members, athletic departments receive, on average, around \$5.3 million in institutional support. This figure increases to \$26.4 million for Group of Five members before decreasing roughly in parallel to decreasing athletic department expenditures at lower competitive levels. The average total amount of institutional support at the Power Five level is most similar to that found at the Division II or Division III levels. This makes logical sense when the capacity to generate revenue through athletics is taken into account: the universities that have the smallest amounts of total institutional support for athletics are either those that have smaller (and less expensive) athletic programs, or those that have athletic programs large enough to generate substantial amounts of revenue.

(2) Institutional profile and cost-benefit of athletics

A prominent component of current conversations about WSU's relationship to intercollegiate athletics is the question of how (or whether) athletics benefits the university, and relatedly, how to characterize the cost of those benefits. Proponents of athletics claim that they drive enrollment and donations to the university, bolster the local (Pullman) economy, and increase the visibility of the university. Critics counter that these benefits are overstated and are not worth the costs, which can be measured not just in dollars but in terms of the institution's academic environment as well as the impact on athletes of playing sports at an elite level while enrolled at the university. There is not, to my knowledge, a decisive study or datum that would satisfactorily resolve this debate. What the data presented on the following pages do indicate is that the overwhelming majority of WSU's peer institutions (96/103) are NCAA Division I members, and a similarly large majority of those (85/96) sponsor football. In turn, this implies that, for institutions like WSU, there is not much in the way of meaningful precedent on which to model alternatives. Consequently, it is also extremely difficult to project how the adoption of any alternative model might affect the university. For better or for worse, universities like WSU have become strongly associated with athletics. Rejecting this association is not a simple or easy task, and taking such a step would require careful planning and consideration.

Conclusion

To summarize:

1. Certainly at the present moment, and probably for the foreseeable future, a self-sustaining athletic department is only possible for Power Five members.
2. Limiting institutional support for athletics is most feasible "in the tails of the curve": either at the Power Five level, where athletics can generate substantial revenue, or at the Division II/Division III level, where total athletic expenditures are smaller.
3. If an overriding concern is the level of institutional support provided to athletics, the only scenario in which leaving a Power Five conference like the Pac-12 makes sense is probably one in which the institution also leaves Division I. For an institution like WSU, such a move is largely without precedent.

Data Sources

USA Today – *NCAA Finances*: <https://sports.usatoday.com/ncaa/finances/>

Dept. of Education – *Equity in Athletics Data Analysis*: <https://ope.ed.gov/athletics/#/>

Financial Category Definitions (from USA Today)

Total revenue - Includes all sources of operating revenue.

Total expenses - Includes all operating expenses.

Total allocated - The sum of student fees, direct and indirect institutional support and state money allocated to the athletics department, minus certain funds the department transferred back to the school. The transfer amount cannot exceed the sum of student fees and direct institutional support that the department receives from the school. (Under NCAA reporting rules, any additional money transferred to the school cannot be considered part of the department's annual operating revenues or expenses.). The NCAA and others consider student fees, direct and indirect institutional support and state money "allocated," or everything not generated by the department's athletics functions.

% allocated - Percent of revenues from allocated sources.

Institutional Designations

LG - Public land-grant institution

R1 - Public university classified as R1 in Carnegie Classification System

AAU - Denotes AAU membership

NCAA Divisions

Division I Football Bowl Subdivision (FBS) -

Must sponsor 16 sports including football

Division I Football Championship Subdivision -

Must sponsor 14 sports including football

Division I non-football -

Must sponsor 14 sports

Division II -

Must sponsor 10 sports

Division III -

Must sponsor 10 sports

More details: <http://www.ncaa.org/about/who-we-are/membership/divisional-differences-and-history-multidivision-classification>

Conference designations

Power Five - Includes the Atlantic Coast Conference (ACC), Big 12, Big Ten, Pac-12, Southeastern Conference (SEC). Also known as the "Autonomy Five". More details: <https://www.espn.com/college-sports/story?id=11321551&slug=ncaa-board-votes-allow-autonomy-five-power-conferences>

Group of Five - Other conferences that compete in FBS football: American Athletic Conference, Conference USA, Mid-American Conference, Mountain West Conference, and Sun Belt.

Institution notes/updates

Temple & Pittsburgh: Pennsylvania law does not require public higher education institutions to respond to open records requests; revenue and expenses data taken from EADA database.

Connecticut: Joined Big East Conference beginning 2020-21; will compete as FBS independent in football.

NJIT: Joined America East Conference beginning 2020-21.

UC San Diego: Transitioning to Division I non-football beginning 2020-21; will join Big West Conference.

2018-19 Athletic Revenue & Expenses for WSU and Peer Institutions

Competitive Division	Avg. Total Revenue	Avg. Total Expense	Avg. Total Allocated	Avg. % Allocated
Div. I FBS - Power Five (53)	\$128,652,852	\$125,536,978	\$5,373,556	4.93
Div. I FBS - Group of Five (22)	\$48,625,490	\$48,297,656	\$26,374,222	55.60
Div. I FCS (11)	\$29,468,709	\$29,426,044	\$20,360,823	66.40
Div. I - no FB (11)	\$22,648,471	\$22,711,853	\$17,624,371	78.99
Div. II - no FB (3)	\$11,708,658	\$11,708,658		
Div. III - no FB (2)	\$2,734,012	\$2,528,724		

Div. I FBS - Power Five	Conference	FB Conference (if different)	Designation(s)	Total Revenue	Total Expenses	Total Allocated	% Allocated
Alabama	SEC		R1	\$164,090,889	\$185,317,681	\$2,654,551	1.62
Arizona	Pac-12		LG, R1, AAU	\$105,091,389	\$100,565,835	\$21,886,167	20.83
Arizona State	Pac-12		R1	\$121,698,840	\$118,404,377	\$19,356,134	15.90
Arkansas	SEC		LG, R1	\$137,497,788	\$129,620,361	\$0	0.00
Auburn	SEC		LG, R1	\$152,455,416	\$139,260,711	\$5,261,252	3.45
California	Pac-12		LG, R1, AAU	\$87,500,758	\$106,676,734	\$0	0.00
Clemson	ACC		LG, R1	\$133,861,515	\$131,978,513	\$5,602,440	4.19
Colorado	Pac-12		R1, AAU	\$94,935,198	\$98,413,284	\$12,283,025	12.94
Florida	SEC		LG, R1, AAU	\$159,706,937	\$141,829,002	\$2,261,773	1.42
Florida State	ACC		R1	\$152,757,883	\$150,147,316	\$15,607,019	10.22
Georgia	SEC		LG, R1	\$174,042,482	\$143,299,554	\$3,508,850	2.02
Georgia Tech	ACC		R1, AAU	\$85,802,112	\$96,334,831	\$8,257,182	9.62
Illinois	Big Ten		LG, R1, AAU	\$118,565,501	\$120,168,951	\$8,652,815	7.30
Indiana	Big Ten		R1, AAU	\$127,832,628	\$114,822,135	\$2,954,505	2.31
Iowa	Big Ten		R1, AAU	\$151,976,026	\$146,282,275	\$650,000	0.43
Iowa State	Big 12		LG, R1, AAU	\$95,411,884	\$95,315,376	\$2,054,314	2.15
Kansas	Big 12		R1, AAU	\$121,553,307	\$108,881,800	\$1,746,274	1.44
Kansas State	Big 12		LG, R1	\$89,919,822	\$83,079,244	\$0	0.00
Kentucky	SEC		LG, R1	\$150,435,842	\$144,886,246	\$0	0.00
Louisville	ACC		R1	\$139,955,824	\$151,167,940	\$5,923,817	4.23
LSU	SEC		LG, R1	\$157,787,782	\$148,977,880	\$0	0.00
Maryland	Big Ten		LG, R1, AAU	\$108,796,303	\$108,785,924	\$25,363,715	23.31
Michigan	Big Ten		R1, AAU	\$197,820,410	\$190,952,175	\$261,773	0.13
Michigan State	Big Ten		LG, R1, AAU	\$140,010,865	\$135,655,740	\$885,690	0.63
Minnesota	Big Ten		LG, R1, AAU	\$130,456,454	\$129,450,256	\$7,972,732	6.11
Mississippi	SEC		R1	\$108,442,428	\$113,013,400	\$3,095,396	2.85
Mississippi State	SEC		LG, R1	\$112,273,809	\$98,832,615	\$0	0.00
Missouri	SEC		LG, R1, AAU	\$106,610,244	\$108,398,447	\$1,015,000	0.95
NC State	ACC		LG, R1	\$92,724,548	\$90,100,025	\$6,851,989	7.39
Nebraska	Big Ten		LG, R1	\$136,233,460	\$124,148,206	\$0	0.00
North Carolina	ACC		R1, AAU	\$107,812,619	\$110,809,706	\$9,163,374	8.50
Ohio State	Big Ten		LG, R1, AAU	\$210,548,239	\$220,572,956	\$0	0.00
Oklahoma	Big 12		R1	\$163,126,695	\$157,958,270	\$0	0.00
Oklahoma State	Big 12		LG, R1	\$95,335,482	\$95,008,483	\$87,640	0.09
Oregon	Pac-12		R1, AAU	\$127,508,498	\$128,943,543	\$452,924	0.36
Oregon State	Pac-12		LG, R1	\$82,058,386	\$82,364,021	\$11,811,725	14.39
Penn State	Big Ten		LG, R1, AAU	\$164,529,326	\$160,369,805	\$0	0.00
Pittsburgh	ACC		R1, AAU	\$98,866,362	\$98,866,362	\$0	0.00
Purdue	Big Ten		LG, R1, AAU	\$110,844,907	\$102,026,477	\$0	0.00
Rutgers	Big Ten		LG, R1, AAU	\$103,251,280	\$103,167,344	\$29,859,395	28.92
South Carolina	SEC		R1	\$140,695,659	\$136,879,732	\$0	0.00
Tennessee	SEC		LG, R1	\$143,765,903	\$142,976,173	\$0	0.00
Texas	Big 12		R1, AAU	\$223,879,781	\$204,234,897	\$0	0.00
Texas A&M	SEC		LG, R1, AAU	\$212,748,002	\$169,012,456	\$0	0.00
Texas Tech	Big 12		R1	\$96,625,347	\$95,132,604	\$3,517,672	3.64
UCLA	Pac-12		R1, AAU	\$108,412,967	\$127,339,042	\$2,577,213	2.38
Utah	Pac-12		R1, AAU	\$99,526,695	\$96,000,514	\$12,594,513	12.65
Virginia	ACC		R1, AAU	\$110,219,117	\$112,621,238	\$18,429,801	16.72
Virginia Tech	ACC		LG, R1	\$96,772,489	\$93,961,068	\$10,278,338	10.62
Washington	Pac-12		R1, AAU	\$133,792,677	\$131,317,636	\$4,151,964	3.10
Washington State	Pac-12		LG, R1	\$71,691,339	\$76,258,966	\$5,462,015	7.62
West Virginia	Big 12		LG, R1	\$102,680,928	\$98,249,890	\$3,902,899	3.80
Wisconsin	Big Ten		LG, R1, AAU	\$157,660,107	\$154,621,828	\$3,029,000	1.92
AVERAGE				\$128,652,852	\$125,536,978	\$5,373,556	4.93

Div. I FBS - Group of Five	Conference	FB Conference (if different)	Designation(s)	Total Revenue	Total Expenses	Total Allocated	% Allocated
Alabama-Birmingham	C-USA		R1	\$36,494,381	\$35,697,117	\$23,108,800	63.32
Buffalo	MAC		R1, AAU	\$45,977,952	\$45,933,053	\$32,128,806	69.88
Central Florida	American		R1	\$69,121,887	\$67,916,343	\$31,739,067	45.92
Cincinnati	American		R1	\$68,845,672	\$66,832,326	\$29,702,420	43.14
Colorado State	Mountain West		LG, R1	\$56,081,379	\$54,289,162	\$23,735,343	42.32
Connecticut	American		LG, R1	\$80,900,404	\$80,814,173	\$43,856,484	54.21
Florida International	C-USA		R1	\$37,018,133	\$35,374,928	\$28,557,998	77.15
Georgia State	Sun Belt		R1	\$35,546,650	\$38,399,491	\$25,616,310	72.06
Hawaii	Big West	Mountain West	LG, R1	\$48,399,854	\$51,340,094	\$21,248,285	43.90

Div. I FBS - Group of Five (cont'd)	FB Conference (if			Total Revenue	Total Expenses	Total Allocated	% Allocated
	Conference	different)	Designation(s)				
Houston	American		R1	\$75,049,955	\$73,678,308	\$48,372,196	64.45
Massachusetts	Atlantic 10	Independent	LG, R1	\$49,461,013	\$48,445,234	\$38,931,699	78.71
Nevada	Mountain West		LG, R1	\$43,653,404	\$43,436,728	\$14,383,554	32.95
Nevada-Las Vegas	Mountain West		R1	\$50,784,275	\$50,445,250	\$23,562,155	46.40
New Mexico	Mountain West		R1	\$40,832,286	\$40,832,286	\$15,260,126	37.37
New Mexico State	WAC	Independent	LG	\$28,010,801	\$28,011,103	\$17,375,408	62.03
North Texas	C-USA		R1	\$40,758,582	\$39,908,256	\$28,103,022	68.95
South Florida	American		R1	\$55,045,769	\$53,569,756	\$32,033,551	58.19
Southern Miss	C-USA		R1	\$25,687,189	\$25,687,189	\$11,521,618	44.85
Temple	American		R1	\$60,004,621	\$60,004,621		
UT El Paso	C-USA		R1	\$33,481,654	\$32,980,563	\$20,797,127	62.11
Utah State	Mountain West		LG	\$41,558,060	\$40,798,434	\$23,496,368	56.54
Wyoming	Mountain West		LG	\$47,046,852	\$48,154,020	\$20,328,318	43.21
AVERAGE				\$48,625,490	\$48,297,656	\$26,374,222	55.60

Div. I FCS	FB Conference (if			Total Revenue	Total Expenses	Total Allocated	% Allocated
	Conference	different)	Designation(s)				
Albany	America East	CAA	R1	\$23,074,542	\$22,060,609	\$18,546,741	80.38
Delaware	CAA		LG, R1	\$47,945,793	\$47,947,933	\$41,863,972	87.32
Idaho	Big Sky		LG	\$19,200,033	\$20,728,355	\$12,447,352	64.83
Maine	America East	CAA	LG	\$22,820,882	\$22,763,763	\$15,485,826	67.86
Montana State	Big Sky		LG, R1	\$23,181,126	\$23,222,276	\$11,682,550	50.40
New Hampshire	America East	CAA	LG, R1	\$32,127,418	\$32,206,158	\$23,078,144	71.83
North Dakota State	Summit League	Missouri Valley	LG	\$27,252,716	\$27,489,584	\$8,123,914	29.81
Rhode Island	Atlantic 10	CAA	LG	\$28,579,307	\$28,114,099	\$21,280,021	74.46
South Dakota State	Summit League	Missouri Valley	LG	\$23,406,082	\$23,075,994	\$9,982,251	42.65
Stony Brook	America East	CAA	R1, AAU	\$35,579,464	\$36,515,041	\$29,216,351	82.12
UC Davis	Big West	Big Sky	R1, AAU	\$40,988,440	\$39,562,673	\$32,261,928	78.71
AVERAGE				\$29,468,709	\$29,426,044	\$20,360,823	66.40

Div. I - no FB	FB Conference (if			Total Revenue	Total Expenses	Total Allocated	% Allocated
	Conference	different)	Designation(s)				
Binghamton	America East	n/a	R1	\$23,086,827	\$21,806,087	\$18,847,220	81.64
George Mason	Atlantic 10	n/a	R1	\$30,579,233	\$30,579,233	\$24,812,893	81.14
Illinois-Chicago	Horizon League	n/a	R1	\$18,895,228	\$18,456,047	\$15,143,690	80.15
Milwaukee	Horizon League	n/a	R1	\$15,826,484	\$14,409,939	\$13,221,141	83.54
New Jersey Inst. of Tech.	Atlantic Sun	n/a	R1	\$17,574,760	\$17,256,398	\$15,917,188	90.57
UC Irvine	Big West	n/a	R1, AAU	\$22,330,644	\$22,310,597	\$17,669,315	79.13
UC Riverside	Big West	n/a	R1	\$23,210,693	\$24,204,996	\$21,054,175	90.71
UC Santa Barbara	Big West	n/a	R1, AAU	\$23,118,249	\$24,879,412	\$15,981,620	69.13
UT Arlington	Sun Belt	n/a	R1	\$16,035,977	\$17,371,036	\$12,315,090	76.80
Vermont	America East	n/a	LG	\$22,722,443	\$22,729,644	\$17,006,012	74.84
Virginia Commonwealth	Atlantic 10	n/a	R1	\$35,752,646	\$35,826,994	\$21,899,733	61.25
AVERAGE				\$22,648,471	\$22,711,853	\$17,624,371	78.99

Div. II - no FB	FB Conference (if			Total Revenue	Total Expenses	Total Allocated	% Allocated
	Conference	different)	Designation(s)				
Alaska Fairbanks	GNAC	n/a	LG	\$5,875,700	\$5,875,700		
UC San Diego	CCAA	n/a	R1, AAU	\$16,947,118	\$16,947,118		
Wayne State (MI)	GLIAC	n/a	R1	\$12,303,155	\$12,303,155		
AVERAGE				\$11,708,658	\$11,708,658		

Div. III - no FB	FB Conference (if			Total Revenue	Total Expenses	Total Allocated	% Allocated
	Conference	different)	Designation(s)				
UC Santa Cruz	CAC	n/a	R1, AAU	\$2,775,559	\$2,539,637		
UT Dallas	ASC	n/a	R1	\$2,692,465	\$2,517,810		
AVERAGE				\$2,734,012	\$2,528,724		

No athletics	FB Conference (if			Total Revenue	Total Expenses	Total Allocated	% Allocated
	Conference	different)	Designation(s)				
CU Denver	n/a	n/a	R1				
The Graduate Center (CUNY)	n/a	n/a	R1				