

**INTERCOLLEGIATE ATHLETICS OPERATING BUDGET  
FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

**A Recommendation**

1. **Division and Department:** Intercollegiate Athletics
2. **Introduction:** The proposed budget for Intercollegiate Athletics is presented for approval for the fiscal year ending June 30, 2020.

The ancillary activity presented represents an operation connected with and in support of the educational mission of Oakland University (University). Each ancillary budget is presented in a similar format, using common terminology and revenue, expense, and University Support categories. The “all funds” budget model is used to construct the proposed budget. The all funds model provides a comprehensive picture of the financial activities of each unit. This format depicts operating and capital transactions in the General Fund, Auxiliary Fund, Designated Fund, Expendable Restricted Fund, and Plant Fund. Gifts are included, but the fund balances in permanent endowments are not included as there is no discretion with regard to their use. Distributions from endowments are included.

3. **Previous Board Action:** On June 4, 2018, the Board of Trustees (Board) approved the FY2019 ancillary budget for Intercollegiate Athletics.
4. **Budget Implications:** See the program description for budget implications.
5. **Educational Implications:** See the program description for educational implications.
6. **Personnel Implications:** See the program description for personnel implications.
7. **University Reviews/Approvals:** The Athletics budget was prepared by Intercollegiate Athletics, reviewed by the Financial Performance Review Committee, Budget and Financial Planning office, Vice President for Student Affairs, Vice President for Finance and Administration, and President.
8. **Recommendation:**  
RESOLVED, that the Board of Trustees approve the FY2020 budget for Intercollegiate Athletics, with expenditures and transfers not to exceed the expense total as reflected in the attached budget, except as set forth; and, be it further

**Intercollegiate Athletics Operating Budget For The  
Fiscal Year Ending June 30, 2020  
Oakland University  
Board of Trustees Formal Session  
June 10, 2019  
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RESOLVED, that any expenditure and transfers beyond the approved expenditure total must have prior approval of the President or his/her designee and these amounts will be reported on a periodic basis to the Board of Trustees.

**9. Attachments:**

- A. Description of Athletics Notes & Assumptions
- B. Athletics Proposed Budget – FY2020
- C. Proposed Major Capital Expenditures

Submitted to the President  
on 6/3, 2019 by

  
\_\_\_\_\_  
Steven Waterfield  
Athletics Director

  
\_\_\_\_\_  
John W. Beaghan  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on \_\_\_\_\_, 2019  
to the Board for approval by

  
\_\_\_\_\_  
Ora Hirsch Pescovitz, M.D.  
President

## Department of Intercollegiate Athletics

### Description of Program

The Oakland University (OU) Department of Intercollegiate Athletics has been fully participating in Division I athletics since 1999-2000. In 20 years, the Golden Grizzlies have won 31 regular-season conference championships, 71 conference tournament titles and have had 51 NCAA tournament appearances.

OU has 18 varsity sports: baseball, men's basketball, women's basketball, men's cross country, women's cross country, men's golf, women's golf, men's soccer, women's soccer, softball, men's swimming & diving, women's swimming & diving, women's tennis, men's indoor & outdoor track, women's indoor & outdoor track, and volleyball.

The Golden Grizzlies play their court sports (volleyball, and men's and women's basketball) at the Athletics Center (O'rena) which has a capacity of 4,000, with baseball, softball and soccer games played at the Oakland Athletic Fields. Oakland swimming and diving competes in the Oakland Aquatics Center, which has a capacity of 1,000, and OU's Katke-Cousins golf course is the home course for the men's and women's golf teams. The track & field and tennis programs compete at the Outdoor Recreation and Athletic Complex.

### Key Performance Indicators

NET Tier I Athletic Teams	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Men's Basketball	102	180	209
Women's Basketball	156	192	310
Men's Soccer	159	91	77
Women's Soccer	242	303	262
Men's Swimming/Diving	25*	25*	24*
Women's Swimming/Diving	27*	36*	42*

\* Mid-Major Ranking

NET (NCAA Evaluation Tool) is a rating system utilizing several factors, including game results, strength of schedule, scoring margin, and the quality of wins and losses.

Attachment A

<u>Key Performance Indicators</u> (continued)	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
Number of Student-Athletes	337	326	335
Graduation Rates- All Students/Student Athletes	44% / 63%	47% / 65%	46% / 74%
Graduation Success Rate- Student Athletes	80%	82%	84%

Freshman-Cohort 2009/2010, 2010/2011, and 2011/2012 Graduation Rates: These are the most recent graduating classes for which the required six years of information is available. "All Students" represents all undergraduate students who were enrolled in a full-time program of studies for a degree. "Student Athletes" represents those student athletes who received athletics aid from the university for any period of time during their entering year.

The primary difference between the Graduation Rate and the Graduation Success Rate is that the latter includes transfer students.

FY2019 Explanation of Major Changes

Decreased operating revenues are reflective of a sponsor filing bankruptcy. Increased retail sales are due primarily to higher than anticipated apparel sales by teams. Gifts and grants increased due to an unexpected large gift.

Decreased compensation is due to salary savings for vacant positions, most notably several senior staff positions that have now been filled.

University Support has a net decrease; extra support for televising select basketball games locally was more than offset by lower general fund salaries resulting from vacant positions.

Major capital expenditures for FY2019 are estimated to be \$72,650.

Broadcast equipment	\$ 67,000
Ice machine for sports medicine	<u>5,650</u>
	\$ 72,650

FY2020 Budget Assumptions

The Oakland University Department of Intercollegiate Athletics' budget reflects the revenues and expenditures of its continuing participation in NCAA Division I and league affiliation to The Horizon League. Budget assumptions for FY2020 have been projected based on Horizon League competition:

1. External revenues have been modified to reflect future expectations in the areas of ticket sales, NCAA and Horizon League revenues, and the ongoing third-party sponsorship agreements.
2. Gift revenue changes are reflective of future expectations, helped tremendously by the addition of an Associate Athletic Director for Development.
3. Increase in revenues is due to increased gifts and sponsorships.
4. Increase in compensation is due to merit increases and coaches' bonuses, with an anticipated reduction in casual/temp labor.
5. Supplies and services are projected to increase due primarily to team expenses (equipment, gear, recruiting), professional development, sports medicine supplies, and VIP room upgrades.

**Oakland University**  
**Ancillary Activities Operating Budget**  
**Athletics**  
**Proposed Budget - All Funds**  
**FY2020**

	FY2019 BUDGET	FY2019 ESTIMATED ACTUAL	FY2020 PROPOSED BUDGET
<b>Revenue:</b>			
Operating Revenue	\$ -	\$ -	\$ -
Ticket Sales	215,000	233,069	213,000
Team Guarantees	180,500	275,500	213,000
NCAA/Conference Revenues	727,782	727,782	680,459
Other	1,291,675	1,134,501	1,390,800
Total Operating Revenue	\$ 2,414,957	\$ 2,370,852	\$ 2,497,259
Retail Sales	38,500	65,410	38,500
Gifts and Grants	350,000	380,000	500,000
Investment Income	32,000	33,742	35,000
Total Revenue	\$ 2,835,457	\$ 2,850,004	\$ 3,070,759
<b>Expenditures:</b>			
Compensation	\$ 5,964,724	\$ 5,864,724	\$ 6,177,551
Supplies and Services	2,109,408	2,179,830	2,353,644
Travel	1,150,000	1,170,000	1,150,000
Repairs and Maintenance	10,000	20,321	10,000
Cost of Retail Sales	5,000	3,000	3,000
Equipment	1,000	3,000	3,000
Insurance	186,000	171,754	178,470
Total Expenditures	\$ 9,426,132	\$ 9,412,629	\$ 9,875,665
<b>Net Income</b>	<b>\$ (6,590,675)</b>	<b>\$ (6,562,625)</b>	<b>\$ (6,804,906)</b>
<b>University Support:</b>			
Compensation	\$ 5,318,665	\$ 5,316,255	\$ 5,507,263
Other	1,293,909	1,251,189	1,329,155
Total University Support	\$ 6,612,574	\$ 6,567,444	\$ 6,836,418
<b>Net Income with University Support</b>	<b>\$ 21,899</b>	<b>\$ 4,819</b>	<b>\$ 31,512</b>
<b>Ending Balances prior to Major Cap. Expenditures:</b>			
Restricted Fund Balance *	\$ 259,780	\$ 298,601	\$ 271,203
Unrestricted Fund Balance	117,796	131,647	117,907
Less: Major Capital Expenditures	81,000	72,650	20,000
<b>Total Ending Fund Balance</b>	<b>\$ 296,576</b>	<b>\$ 357,598</b>	<b>\$ 369,110</b>
Endowments/Scholarships		\$ 101,400	
Student-Athlete Funds		197,201	
Restricted Fund Balance *		<u>\$ 298,601</u>	

**Oakland University  
Athletics  
Proposed Major Capital Expenditures  
FY2020**

<b>Item Description</b>	<b>Estimated Cost</b>
Used gators (2) for baseball and softball field maintenance and game operations	12,000
Portable sound systems	8,000
<b>FY2020 Total</b>	<b>\$ 20,000</b>