

**INTERCOLLEGIATE ATHLETICS OPERATING BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

A Recommendation

1. **Division and Department:** President's Division and Intercollegiate Athletics
2. **Introduction:** The proposed budget for Intercollegiate Athletics is presented for approval for the fiscal year ending June 30, 2023.

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 21, 2021, the Board of Trustees (Board) approved the FY2022 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 reviewed by the Financial Performance Review Committee, Budget and Financial Planning office, Director of Athletics, Interim Vice President for Finance and Administration, Chief of Staff and President.
8. **Recommendation:**
RESOLVED, that the Board of Trustees approve the FY2023 Budget for Intercollegiate Athletics, with expenditures and transfers not to exceed the total as reflected in the attached budget, except as set forth; and, be it further

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Fiscal Year Ending June 30, 2023
Oakland University
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RESOLVED, that any expenditure level in excess of the approved amount that is not funded by a direct revenue increase must have the prior approval of the President or his/her designee and those amounts shall be reported on a periodic basis to the Board of Trustees; and, be it further

RESOLVED, that subject to satisfaction of the requirements set forth in all applicable Board of Trustees policies, the Board of Trustees authorizes the President, the Vice Presidents, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient, and proper in connection with the FY2023 budget and the ongoing administration of the FY2023 budget; and, be it further

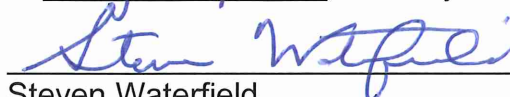
RESOLVED, that any and all such contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

9. Attachments:

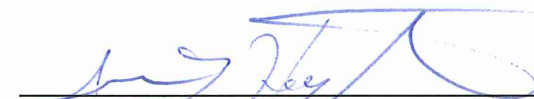
- A. Description of Athletics Budget Notes & Assumptions
- B. Athletics Proposed Budget – FY2023

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Submitted to the President
on August 4, 2022 by



Steven Waterfield
Director of Athletics



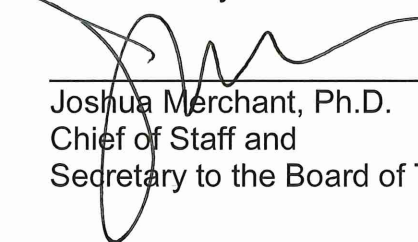
James L. Hargett, Interim Vice President
For Finance and Administration and
Treasurer to the Board of Trustees

Recommended on 8/4, 2022
to the Board of Trustees for approval by



Ora Hirsch Pescovitz, M.D.
President

Reviewed by:



Joshua Merchant, Ph.D.
Chief of Staff and
Secretary to the Board of Trustees

Department of Intercollegiate Athletics

Description of Program

The Oakland University (OU) Department of Intercollegiate Athletics has been fully participating in Division I athletics since the 1999-2000 academic year. In 23 years, the Golden Grizzlies have won 31 regular-season conference championships, 79 conference tournament titles, and have made 56 NCAA tournament appearances.

OU has 19 varsity sports: baseball, men's basketball, women's basketball, men's cross country, women's cross country, esports, 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. Esports competes at GameTime in Auburn Hills.

Key Performance Indicators

	FY2020	FY2021	FY2022
Men's Basketball NET Ranking	222	255	173
Women's Basketball NET Ranking	290	200	225
Men's Soccer RPI Ranking	122	25	81
Women's Soccer RPI Ranking	199	153	157
Men's Swimming & Diving Mid-Major Ranking	15	5	19
Women's Swimming & Diving Mid-Major Ranking	23	15	22

Key Performance Indicators (continued)

	FY2020	FY2021	FY2022
Number of Student-Athletes	332	354	342
Graduation Rates – All Students / Student-Athletes	57% / 76%	56% / 65%	56% / 79%
Graduation Success Rate – Student-Athletes	90%	90%	88%

Freshman-Cohort 2013/2014, 2014/2015, and 2015/2016 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 two rates is that the Graduation Success Rate takes into account the successful completion of graduation requirements for transfer students.

FY2022 Explanation of Major Changes

A positive variance in operating revenues are due to greater than budgeted corporate sponsorships and rental usage. Retail sales was higher due to handling concessions and merchandise internally. Gifts and grants exceeded budget as a result of receiving a six-hundred-thousand-dollar gift towards the Golf Practice Facility. Investment income was lower due to stock market fluctuations.

University support is lower primarily due to an approximately \$167,000 reduction in the Athletics portion of the Pepsi sponsorship.

Increased compensation is due to coaches’ bonus awards from team successes including Horizon League Championships in Men’s Soccer, Swim & Dive, Women’s Golf, and Softball. Supplies and services increased due to increased costs due to inflation, supply chain issues, and decreased availability of transportation specifically charter busses. In addition, team success means more travel to participate in Horizon League and NCAA tournaments. The Horizon League does not reimburse for travel costs when a team qualifies for the postseason and the NCAA partially reimburses when a team participates. The following teams competed in the NCAA tournament for their sport; Men’s Soccer, Swim & Dive, Softball, Women’s Golf, and an individual competitor from Men’s Golf. The NCAA reimbursed some of the costs for lodging and meals, but it was the responsibility of the participating institution to cover costs associated with transportation. The cost of retail sales increased due to concessions and merchandise being done internally.

No major capital expenditures occurred in FY2022.

FY2023 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 FY2023 have been projected based on Horizon League competition:

1. Gift revenue changes are reflective of the expectation that we will be receiving an additional two-million-dollar gift for the Golf Training Facility.
2. The increase in compensation reflects a 2% salary increase and the addition of one new full-time position funded by Athletics funds. Athletics is undergoing a reorganization that will be moving the current Director of Development from athletic funds into general funds after not filling the Associate Athletic Director for Development position. The new position is Coordinator for Concessions & Merchandise. Concessions used to be run by National Coney Island and Merchandise by Rally House. Those businesses were not able to fulfill the duties in FY22 and the RFP returned no bids.

Oakland University
Ancillary Activities Operating Budget
Department of Intercollegiate Athletics
Proposed Budget - All Funds
FY2023

	FY2021 ACTUAL	FY2022 BUDGET	FY2022 ESTIMATED ACTUAL	FY2023 PROPOSED BUDGET
Revenue:				
Operating Revenue	\$ 1,657,683	\$ 2,425,981	\$ 2,706,472	\$ 2,680,924
Retail Sales	8,968	18,500	153,098	140,500
OU Purchased Services	-	-	-	-
Gifts and Grants	1,708,488	800,000	1,222,136	2,500,000
Investment Income	51,298	65,000	58,568	40,000
Total Revenue	\$ 3,426,437	\$ 3,309,481	\$ 4,140,274	\$ 5,361,424
Expenditures:				
Compensation	\$ 5,710,967	\$ 6,211,582	\$ 6,307,093	\$ 6,548,049
Supplies and Services	2,341,332	3,614,594	4,059,739	3,391,792
Repairs and Maintenance	(4,168)	40,000	8,335	20,000
Cost of Retail Sales	-	3,000	49,992	60,000
Equipment	166	-	59,102	-
Insurance	153,345	168,600	146,939	159,849
Utilities	-	-	-	-
Debt Service	-	-	-	-
Overhead charged by OU	-	-	-	-
Other Transfers	-	-	-	-
Athletic Scholarships	4,529,001	4,742,400	4,513,110	4,947,976
Total Expenditures	\$ 12,730,643	\$ 14,780,176	\$ 15,144,311	\$ 15,127,666
Net Income	\$ (9,304,206)	\$ (11,470,695)	\$ (11,004,037)	\$ (9,766,242)
University Support:				
Operating	\$ 5,844,870	\$ 6,730,342	\$ 6,850,041	\$ 6,905,419
Athletic Scholarships	4,529,001	4,742,400	4,513,110	4,947,976
Total University Support	\$ 10,373,871	\$ 11,472,742	\$ 11,363,151	\$ 11,853,395
Net Income with University Support	\$ 1,069,665	\$ 2,047	\$ 359,114	\$ 2,087,153
Ending Balances prior to Major Cap. Expenditures:				
Restricted Fund Balance *	\$ 322,341	\$ 626,265	\$ 1,440,097	\$ 3,531,005
Unrestricted Fund Balance	372,786	70,909	(385,856)	(389,611)
Less: Major Capital Expenditures	-	-	-	-
Total Ending Fund Balance	\$ 695,127	\$ 697,174	\$ 1,054,241	\$ 3,141,394
Endowment Spend Funds			229,276	
Student-Athlete Funds			189,055	
Golf Training Facility			985,130	
Restricted Fund Balance *			\$ 1,403,461	