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News

Seething Over Sports Subsidies

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Faculty leaders at Ohio University are lobbying the administration to significantly reduce the amount of money from the institution's operating budget used to subsidize its intercollegiate athletics program, arguing that the program's "unsustainable expenditures" jeopardize the university's ability to "prioritize academics."

Ohio University is a member of the Mid-American Conference in the National Collegiate Athletic Association's Football Bowl Subdivision (formerly Division I-A). Of the more than 100 institutions in the FBS, Ohio's intercollegiate athletics department received the **fourth-highest subsidy** -- 75.02 percent of its total budget -- from its institution's operating budget last academic year (see box below).

Monday, the university's Faculty Senate approved a **resolution** stating that "the current funding model for intercollegiate athletics is incompatible with the academic mission of higher education institutions." It further recommends that the university "seek rapid and meaningful alternatives to the current 'arms race' approach to intercollegiate athletics funding, with the objective of meaningfully reducing [the] institutional subsidy."

Ohio is not alone in its use of institutional subsidy to maintain its athletics program. Ten of the top 21 **most-subsidized college athletics programs** last academic year were members of the Mid-American league. Only a small number of institutions, such as the sports powerhouse Ohio State University, do not receive any institutional subsidy for their athletics programs. In some of these cases, athletics programs actually funnel money back into their institutions. This highlights a disparity between so-called "mid-major" conferences and "major" conferences, putting greater pressure on institutions with smaller and less-well-known athletics programs to rely on institutional subsidies to remain in the NCAA's top tier.

These subsidies are becoming an issue of increasing concern for many faculties at a time of institution-wide budget cuts on many campuses. For example, the faculty at the University of California at Berkeley **voted last year** to require that its athletics program wean itself off millions of dollars in annual subsidies that led to a **$31 million cumulative deficit**.

Joe McLaughlin, Faculty Senate chair and an English professor at Ohio, said the issue of institutional subsidy for athletics has upset many faculty members there, given recent overspending by the intercollegiate athletics department.

"Academic and nonacademic units are being asked to make cuts," said McLaughlin, adding that the university put a **freeze on tenure-track hiring** last week. "It's just difficult to lead faculty through this process when there's a unit on campus that's not being asked to live within its means."

Ohio's intercollegiate athletics department has a cumulative $7.5 million deficit -- about a third of the institution's larger $21.3 million "structural deficit." After a thorough analysis of the athletics budget from 2005 to 2008, *The Post*, the university's student newspaper, **reported** that "while the [intercollegiate athletics] department's budgets appeared balanced on paper, planners routinely omitted major expenditures."

An Unbalanced Budget

Ohio University's sports program leaned heavily on institutional funds in 2008-9:

Total Revenues	$19,450,560
Institutional Subsidy	$14,591,522
Subsidy as % of Revenues	75.02%
Total Expenses	$20,297,059

Though university officials affirmed the student newspaper's report, they argue that the institution has been working to address this issue for years and has made the athletics budget more transparent. Roderick McDavis, Ohio's president, did not wish to comment directly for this article. Speaking on behalf of the president, Becky Watts, his chief of staff, noted that the athletics budget will be balanced by July 1, the beginning of the new fiscal year, and that its $7.5 million cumulative deficit should be paid off in five years.

McLaughlin, however, remains concerned about financial decisions that the McDavis administration has made at Ohio. (It should be noted that the administration and the faculty **have been at odds** over **many issues** in recent years.) For instance, by state law, the university could increase its combined tuition and fees by a total of only 3.5 percent this fall; the university decided to raise both the tuition and the fees by that proportion, instead of increasing one more than the other. McLaughlin characterized this as taking potential funds away from the university's academic divisions to help pay off athletics debt with general fee revenue -- since the latter can be used only to pay for nonacademic services on campus. But the dollar amounts are relatively small: Tuition is being raised by $90 from $2,559 per full-time quarter to $2,649, and fees are being raised $18 from $513 per quarter to $530.

"We live in an era of strategic planning and prioritizing," McLaughlin said. "That's just been exacerbated by the economic crisis. Our strategic plan talks a lot about academic excellence and maintaining and improving faculty to enhance that excellence. It doesn't talk a lot about athletics. When it comes time for budgetary decisions, new money is flowing to athletics in a way that it isn't flowing elsewhere. Also, there are very few people on campus who believe that once the athletics budget has been balanced, they will be held strictly accountable in balance."

Despite the general fees increase, students will notice cuts to student services, as about 45 percent of these fees go to support intercollegiate athletics and filling its deficit. Robert Leary, president of the Student Senate and a senior classics major, noted that, among other changes, the student center's hours would be reduced, several of its student employees would be let go, and its diversity offices -- such as those for lesbian, gay, bisexual and transgendered students, for example -- would be forced to close for a month.

Still, Leary noted that the Student Senate recently passed a **resolution** expressing its support for the general fee increase, partially as a method of ensuring that these student services would not be cut further. Though recognizing that a great deal of these funds will be used to ease the athletics budget deficit, he said that most students remained committed to the university's athletics program.

"There is a misconception by a lot of faculty that athletics is being held harmless," said Leary, noting that there was significant student outcry when the university cut four sports teams in 2007. "That's just not true. Their budget is being cut. The amount they can spend next year has been reduced tremendously. I know [Ohio] doesn't have the most prestigious athletics program, but having a Division I sports program does contribute to the overall experience here at the university. I know a lot of students who are supporting athletics through all of this."

McLaughlin said that he and most faculty members do not advocate moving Ohio out of Division I to save money. He admitted there is likely not a "local solution" to the runaway athletics spending and argued that he would like to see the MAC discuss how to wean its members' athletic programs off of institutional subsidy, given how many of them rely on it to sustain themselves. The ideas outlined in the Faculty Senate resolution include "salary caps for coaches and athletic administrators, weighted to reflect the size of the university."

Watts argued that McDavis does not believe there should be a "set target" for the institutional subsidy of the intercollegiate athletics department. Still, she noted that he has encouraged the department to "explore different ways to increase revenue opportunities," such as raising ticket prices and renegotiating broadcast contracts.

"We have a goal of increased self-sustainability for athletics," said Watts, noting that McDavis has already had conversations at the conference level about money saving practices for its members. "We also, however, have a commitment to staying in Division I-A."

— **David Moltz**