



Objectives of Today's Meeting

- 1. Refresh the group's understanding about the dynamics that drive ICA's financial model.**
- 2. Discuss how CEI funds are used.**
- 3. Answer your questions.**

Revenue Categories	Expense Categories
Student Fees	Salary and Benefits
Generated Revenue	Scholarships
Institutional Support	Operating Expenses
	Debt Service

Revenue Categories	Expense Categories
Student Fees → "Allocated revenue" Generated Revenue Institutional Support	Salary and Benefits Scholarships Operating Expenses Debt Service
<p>On average, athletics programs at the FCS level operate with 74% of revenue coming from allocated sources (e.g., fees or institutional support). The Big West average is 77%. UC Davis will at the Big West average this year. (Source: WinAD Database)</p>	

Revenue Categories	Expense Categories
Student Fees → "Allocated revenue" Generated Revenue ← "Allocated revenue" Institutional Support	Salary and Benefits Scholarships Operating Expenses Debt Service
<p>What is different about UC Davis is the high proportion of "allocated revenue" that comes from fees (87%) rather than institutional support (13%; when excluding PE support).</p> <p>We are growing generated revenue, but this cannot replace allocated revenue.</p>	

Revenue Categories	Expense Categories
Student Fees Generated Revenue Institutional Support	Salary and Benefits Scholarships Operating Expenses Debt Service
<p>Some costs in athletics are not within our immediate control.</p> <p>Many costs are subject to inflationary increases.</p>	

Other fundamental financial trends in college athletics:

- **No FCS school, and only 7 of the FBS public schools, operates without either student fees or institutional support.** (Source: WinAD database)
- **The median ratio of athletics expenses to institutional expenses has grown from just over 5% in 2004 to 7.4% in 2015. This ratio at UC Davis is 0.8% in 2017-2018.** (Source: NCAA Revenue and Expense Report)
- **UC San Diego students recently voted for a similar fee structure to transition UCSD's athletics program to D1. They will join the Big West Conference in the coming years.**

We are increasing generated revenue and will continue to do so.

- **Fundraising**
 - First endowed head coaching position in school history.
 - Annual giving revenue up 19%; more growth to come.
 - Give Day: ICA led all schools and units in revenue and donors.
 - Continued cultivation of major gift prospects for endowed support.
- **Ticket Sales**
 - Forecasting 29% revenue growth for the current year.
- **Sponsorship**
 - Deal with Learfield (third party sales agency) to help increase monetization of sponsorship assets.
- **Game Guarantees**
 - Forecasting \$105k growth in MBB this year, \$623k growth in FB next year, and setting targets for WBB.

CEI is used to cover athletic scholarships.

UC Davis will always have higher scholarship expenses than peers because of the number of teams we have and the relative price of UC tuition and fees.

Scholarship Spending and Sports Offered for Select Comparison Schools in 2015-2016

	Total GIA Spending		Total Cost of Each Equivalency	Sports Offered	
	GIA costs*	Equivalencies		Total	Football
UC Davis	\$7,290,000	228.82	\$31,859	23	Yes
UC Irvine	\$3,590,000	103.59	\$34,656	18	No
UC Santa Barbara	\$4,650,000	125.47	\$37,061	20	No
Long Beach State	\$2,900,000	114.7	\$25,283	19	No
Sac State	\$4,700,000	218.75	\$21,486	21	Yes
Cal Poly	\$4,760,000	191.5	\$24,856	21	Yes

*Appx values, per WinAD data and NCAA reports

CEI does not cover all of the costs for scholarships...

- CEI covered about 80% of expenses in 2016-17.
- Other sources of funding include endowments and private gifts, institutional support, and NCAA revenues.

And if tuition is increased, an even larger gap in our budget will occur.

We are already very vigilant about controlling expenses.

Staff with equivalent job functions and classifications make less money working for ICA than other parts of campus.

Classification	Example jobs	Campus Avg	ICA Avg
Blank Assistant 3	Accounting Assistant	\$50k	\$45k
Student Affrs Officer 3	Academic Advisor	\$62k	\$58k*
Fundraiser 3	Development Officer	\$72.5k	\$65.5k

*This is the median for this classification in ICA. One salary skews the mean upwards.

Our coaching salaries are modest and appropriately sized for the FCS level of D1.

Compensation for Head Coaches in 2016-2017

Head Coach	UC Davis	UC Irvine	UC Berkeley
Football	\$255,000**	No football	\$2,900,000*
M Basketball	\$311,000	\$535,000	\$2,000,000*
W Basketball	\$155,000	Not available	\$625,000
Baseball	\$126,613	\$210,515	\$345,000
W Volleyball	\$107,473	\$100,000	\$185,000
M Soccer	\$90,185	\$94,964	\$188,700
W Soccer	\$94,200	\$94,802	\$137,700

*Includes base salary and reasonably expected non-base compensation.

**Head football coach will earn \$262,500 in base salary in the current year.

Source: WinAD Database

Demographics of athletics scholarship recipients include significant percentages of students from traditionally underrepresented backgrounds:

- **53% White/Caucasian**
- **20% African American**
- **13% Hispanic**
- **12% Asian**
- **1% American Indian/Alaska Native**

Why is CEI important for UC Davis overall?

- **CEI is part of funding a successful D1 Athletics program.**
- **Successful athletics at the D1 level creates significant exposure, alumni engagement, and other benefits for UC Davis.**





