



## Objectives of Today's Meeting

1. Educate the group about the history and dynamics that drive ICA's financial model.
2. Summarize recent revenue and expenses information and FY18 projections.
3. Discuss the proposed FY18 budget, including measures being taken to control costs and enhance revenue.

Division II



Division I  
(FCS)

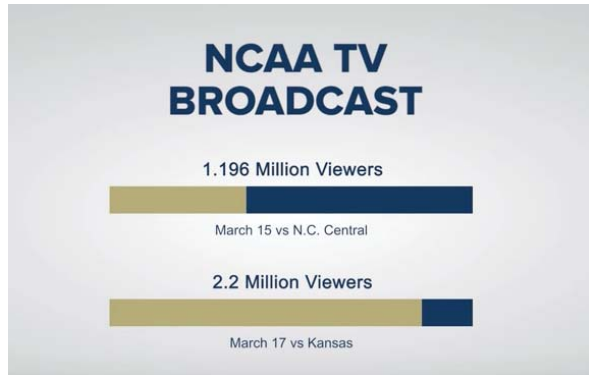
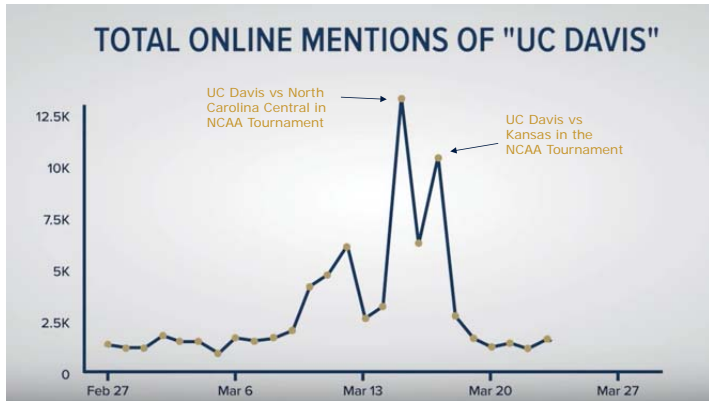
*The San Diego Union-Tribune*

UCSD students vote to fund Div. I sports



UC San Diego athletes celebrate after undergraduates voted to more than double student athletics fees to fund a move to NCAA Division I in sports. (K.C. Alfred)

Nearly 70 percent said yes to Div. I and the accompanying fee hike.



**SCHOOL PROFILE**  
UC DAVIS AGGIES

LOCATION: DAVIS, CA

ENROLLMENT: 35,186

CONFERENCE: BIG WEST

#1 UNIVERSITY FOR VETERINARY MEDICINE

▲ RANKED 6TH BEST PUBLIC UNIV IN NATION

▲ ACCORDING TO WALL STREET JOURNAL

0:04 / 1:38

#AGGIESIDR

BALBU  
COLARBON

UC DAVIS

JADWAL PERMAINAN DI UC DAVIS

GRATIS TIKET MASUK UNTUK MAHASISWA UC DAVIS

UC DAVIS

#AGGIESIDR

加州大学戴维斯分校美式橄榄球队

主场赛程

加州大学戴维斯分校学生免费观看

UC DAVIS



### Revenue Categories

- Student Fees
- Generated Revenue
- Institutional Support

### Expense Categories

- Salary and Benefits
- Scholarships
- Operating Expenses
- Debt Service

### Revenue Categories

- Student Fees
- Generated Revenue
- Institutional Support

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 be right at the Big West average next year. (Source: WinAD Database)

"Allocated revenue"

### Expense Categories

- Salary and Benefits
- Scholarships
- Operating Expenses
- Debt Service

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Some costs in athletics are not within our immediate control.

Many costs are subject to inflationary increases.

## 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 was 0.75% in 2015-2016 (but is skewed lower somewhat because of the medical center). (Source: NCAA Revenue and Expense Report)
- From FY13 to FY15, median generated revenue at the FCS level decreased by 2.2%. (Source: NCAA Revenue and Expense Report)
- UC San Diego students voted in May of 2016 for an increase in student fees to transition UCSD to Division I. (Source: San Diego Union Tribune)

## The San Diego Union-Tribune

### UCSD students vote to fund Div. I sports



UC San Diego athletes celebrate after undergraduates voted to more than double student athletics fees to fund a move to NCAA Division I in sports. (K.C., Alfred)

Nearly 70 percent said yes to Div. I and the accompanying fee hike.

## Revenue Summary

	16-17 Proj Actual	17-18 Budget	Change (%)	Notes
<b>Source:</b>				
Student Activities and Services Initiative (SASI)	\$9,335,529	\$9,775,164	-4.70%	
Campus Expansion Initiative (CEI)	\$6,215,152	\$6,511,654	-4.70%	
FACE	\$9,456,266	\$9,527,737	-2.10%	
Student Services Fee	\$2,134,577	\$2,184,394	-2.30%	
Income (General)	\$3,331,845	\$2,950,362	-11.40%	
Tickets	\$466,761	\$466,761	20.20%	
Gamepasses	\$1,119,528	\$124,900	-11.60%	Have already contracted to increase football guarantees in the future
Sponsorships, Licensing, Royalties	\$423,081	\$126,890	-22.90%	Offset by cost savings by outsourcing personnel and radio costs
Camps	\$136,500	\$460,750	36.90%	
Other	\$1,022,244	\$851,747	-11.90%	Less "special event" revenue expected in upcoming year
NCAA	\$3,285,660	\$1,618,949	-50.70%	Changing of distribution timing caused "double payment" in 2016-2017
Institutional Support	\$4,519,894	\$5,217,227	-10.10%	
Save Budget Lecturers	\$602,212	\$602,212	0.00%	
GA Support	\$1,200,000	\$1,800,000	49.38%	
Other Approved Support	\$370,290	\$847,290	128.82%	One time funding to offset loss in game guarantees
Bridge Funding	\$1,600,000	\$1,476,603	-7.70%	
Other Funding PE	\$152,314	\$5,000	-96.70%	
Development Offices	\$389,000	\$285,200	-26.70%	
<b>Gifts</b>	\$6,496,291	\$6,218,290	43.50%	Modified annual giving model and better execution will create lift
Endowments	\$102,040	\$45,000	-16.70%	Child/Marist endowment payout starts in 18-19
<b>Total Sources</b>	<b>\$33,793,664</b>	<b>\$34,009,277</b>	0.6%	

- Modest growth in fee revenue.
- Strong growth in ticket sales and gifts.
- No "double payout" from NCAA.
- Game guarantee drop has been corrected going forward.

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

- **Fundraising**
  - Set a fundraising record for dollars raised in a year. Beat previous record by 20%.
  - First endowed head coaching position in school history.
  - 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 upcoming 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.

## Expenses Summary

Uses	16-17 Proj Actuals	17-18 Budget	Change (%)	Notes
Salaries and Benefits	\$14,306,922	\$14,820,716	3.6%	
GIA	\$7,693,270	\$8,248,822	7.2%	Tuition increase, full cost of attend for MBB/WBB, on-campus room & board
General Operating Expenses	\$8,679,640	\$8,715,187	0.4%	
Team Travel	\$2,491,460	\$2,319,160	-6.9%	Decrease in controllable team travel expenses, to the extent possible.
Fundraising	\$550,781	\$574,185	4.2%	
Medical Expenses	\$415,432	\$474,804	14.3%	Projected increase in health insurance premiums.
Game Day	\$725,559	\$679,261	-6.4%	Officials, cost of running events.
Facilities	\$411,998	\$213,113	-48.3%	Abnormally high in 2016-2017 (Sochor statue)
Schaal/Stadium Operations	\$1,212,392	\$1,052,538	-13.2%	
Recruiting	\$441,079	\$447,554	0.8%	
Team Equipment	\$513,505	\$700,684	36.5%	Football equipment needs; adidas change
Preseason/Between Terms Housing and Meals	\$375,420	\$383,813	2.3%	
Memberships	\$76,187	\$77,083	1.2%	
Camps	\$89,889	\$180,000	78.0%	
PE Operating	\$48,097	\$80,365	67.1%	
Other	\$1,324,837	\$1,552,327	17.2%	Abnormal decrease in 2016-2017
Debt Service	\$1,439,979	\$1,437,091	-0.2%	
<b>Total Uses:</b>	<b>\$92,120,911</b>	<b>\$93,221,815</b>	3.4%	

- The significant cost increase is scholarship expenses (7.2%).
- Controllable expenses, such as team travel and administrative budgets, are being managed lower to the extent possible.
- We are already very efficient with salary when looking at comparable positions across campus.

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

The expected 7% increase from last year is driven by tuition increases, reduction of the least expensive on-campus room & board option, Big West mandated full cost of attendance scholarships for M & W Basketball, football fully using their scholarships this year, and a slight increase in the number of out of state basketball players.

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

## Controllable Operating Expenses: Administrative Units

Administrative Units	2016-17 Budget	2017-18 Budget	Change (%)	Notes
Med Insurance	\$300,000	\$305,000	1.7%	Includes other misc medical; increase in premium
Athletic Training	\$164,145	\$169,884	3.5%	
Strength and Conditioning	\$38,767	\$33,842	-12.7%	
General Admin	\$348,973	\$256,410	-26.5%	Phones, postage, printing, website, moving expenses
Marketing	\$150,000	\$104,339	-30.4%	Video board production moved to Events Budget
Spirit	\$37,476	\$36,560	-2.4%	Cheer, Dance, some Band-uh
Communications	\$72,982	\$60,083	-17.7%	
Digital	\$-	\$13,257		New unit
IT	\$100,000	\$99,715	-0.3%	
Sponsorship	\$10,000	\$-	-100.0%	Eliminated due to Learfield
Events	\$120,936	\$214,506	77.8%	Video board production moved here from marketing; increase to actual operational costs
Facilities	\$229,744	\$213,119	-7.2%	
NCAA Opportunity Fund	\$208,250	\$192,000	-7.8%	Tutoring program
Student Athlete Outcomes	\$40,000	\$30,000	-25.0%	Last year was spent on nutrition that is now covered by sponsorship deal
Equipment	\$37,516	\$69,708	85.8%	Increase due to logging of apparel being centralized
Ticket Office	\$107,375	\$89,052	-17.1%	
Special Events	\$32,950	\$125,185	279.9%	Moved some Development expenses here
Compliance	\$10,004	\$3,140	-68.6%	
Academic Advising	\$21,639	\$8,801	-59.3%	
Development	\$144,027	\$77,452	-46.2%	Moved some expenses to Special Events
Campus funded Development	\$37,500	\$25,000	-33.3%	Campus funded Development expenses
Video	\$27,828	\$-		New unit
Radio	\$101,704	\$-	-100.0%	Eliminated with Learfield
Sales	\$7,261	\$2,480	-65.8%	
Stadium Operations	\$344,802	\$375,396	8.9%	
School Operations	\$633,228	\$585,406	-7.6%	
<b>Totals</b>	<b>\$3,299,278</b>	<b>\$3,118,195</b>	<b>-5.5%</b>	

Administrative unit operating budgets will decrease by 5.5%.

## Controllable Operating Expenses: Team Budgets

Sport Budgets	2016-17 Budget	17-18 Budget Proposal	Change (%)	Conf trn differential	Notes
M Baseball	\$205,976	\$221,829	8%		Increase to be covered by game guarantees
M Basketball	\$350,814	\$363,419	4%		
M Football	\$1,034,136	\$1,084,455	5%		Much more of budget is now covered by gifts (Football Excellence Fund)
M Golf	\$54,465	\$57,273	5%	\$1,280	Location of midwest trip
M Soccer	\$98,505	\$100,815	2%		Increase to be covered by game guarantee
M Tennis	\$69,983	\$68,531	-2%	\$820	
M Track	\$76,754	\$74,452	-3%	\$(10,000)	Increase in team travel costs
M Water Polo	\$69,945	\$90,167	29%	\$7,000	Increase due to conference tour location (\$7k) and conf reg season road trips (\$14k)
W Basketball	\$253,719	\$257,277	1%		
W Field Hockey	\$167,143	\$187,309	12%	\$26,800	Increase solely due to conference tournament on the East Coast instead of Stockton.
W Golf	\$90,609	\$91,000	0%	\$675	Increase due to conference tournament location
W Gymnastics	\$52,070	\$70,775	36%	\$9,280	Increase due to conference championship and location of second trip
W Lacrosse	\$122,583	\$136,857	12%		Increase due to conference alignment; gift to cover increase
W Softball	\$170,069	\$179,065	5%		Team travel cost changes
W Soccer	\$141,461	\$149,143	5%		Team travel cost changes
W Swim-Dive	\$110,269	\$100,503	-9%		Possible change to conference meet (Texas) may introduce an increase
W Tennis	\$63,915	\$62,756	-2%	\$1,640	
W Track	\$132,656	\$132,059	0%	\$(420)	
W Volleyball	\$149,508	\$146,683	-2%		
W Water Polo	\$99,020	\$112,101	13%	\$14,560	Bulk of increase due to conference championship location
X Country	\$76,635	\$78,250	2%	\$1,105	
<b>Totals</b>	<b>\$3,590,235</b>	<b>\$3,764,718</b>	<b>5%</b>	<b>\$52,740</b>	Increase would be 3% if conference championships all in same locations as last year

- Team budgets will increase 5%.
- Inflationary increases from travel costs and significant increases due to location of conference championships.

## Takeaways

1. The proportion of ICA funding from allocated and generated sources is precisely in line with peer schools.
2. We have successfully grown generated revenue and will continue doing so.
3. ICA controls its costs very effectively. Our staff salaries are less than the campus average. Cost increases are due to inflationary items that are not within our control.

**UC DAVIS**  
ATHLETICS