

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 10 – H

DATE: June 27-29, 2017

SUBJECT: NCAA Division I Athletic Budget Projections

The two NCAA Division I institutions have now implemented multi-year contracts for several head coaching and athletic director positions. Multi-year contracts create long-term commitments for salaries, and provide those performance-related incentive packages that result in a potential increased financial liability. To address this, SDSU and USD have identified how they plan to meet these longer term contractual commitments in their budget projections.

Attached you will find three-year athletic budget projections for SDSU and USD that demonstrates how they have budgeted to accommodate the increased compensation liabilities. Also included is a summary of the multi-year contracts that have been approved to date. In future years, the projections will be compared to the actual revenue and expenses.

INFORMATIONAL ITEM

**South Dakota State University
Athletic Revenue & Expense Projections**

University Income	Actual	%	Projected	%	Projected	%	Projected
	FY16	Change	FY17	Change	FY18	Change	FY19
General Funds	\$3,629,014	4.5%	\$3,792,244	-1.2%	\$3,745,833	-0.6%	\$3,721,908
Institutional Funds	\$42,306	321.7%	\$178,401	3.0%	\$183,753	3.0%	\$189,266
General Activity Fee	\$2,479,735	-3.4%	\$2,394,462	1.1%	\$2,421,630	2.3%	\$2,476,509
Revenue from Athletics	\$7,046,251	38.8%	\$9,782,847	-6.2%	\$9,172,810	7.4%	\$9,850,627
Foundation & Fundraising	\$2,532,826	34.1%	\$3,395,313	1.5%	\$3,445,587	-8.1%	\$3,166,840
Total Income	\$15,730,132	24.2%	\$19,543,267	-2.9%	\$18,969,613	2.3%	\$19,405,150
Expenditures							
Basketball	\$2,446,971	11.1%	\$2,718,894	-1.1%	\$2,688,892	2.4%	\$2,754,557
Football	\$2,888,289	17.8%	\$3,401,570	1.5%	\$3,452,982	2.4%	\$3,534,790
Track	\$911,285	5.6%	\$962,213	0.1%	\$962,766	2.4%	\$985,922
Softball	\$501,850	7.6%	\$539,752	0.0%	\$540,000	1.8%	\$549,838
Tennis	\$330,049	12.7%	\$371,863	-3.5%	\$359,000	18.3%	\$424,642
Golf	\$551,155	-13.7%	\$475,856	-4.9%	\$452,773	3.5%	\$468,406
Baseball	\$582,668	3.8%	\$605,016	-1.6%	\$595,259	2.0%	\$607,009
Swimming	\$545,152	5.1%	\$573,087	-0.9%	\$567,795	3.5%	\$587,483
Volleyball	\$385,719	7.3%	\$413,722	0.1%	\$414,308	2.5%	\$424,570
Wrestling	\$445,456	14.5%	\$510,134	8.3%	\$552,386	3.6%	\$572,185
Soccer	\$532,126	5.3%	\$560,124	3.4%	\$578,983	2.3%	\$592,301
Equestrian	\$621,300	15.7%	\$718,632	7.1%	\$769,879	1.0%	\$777,761
Admin Scholarships	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Administration/Support	\$4,582,772	67.3%	\$7,664,741	-8.9%	\$6,981,828	1.5%	\$7,086,252
Total Expenses	\$15,324,792	27.3%	\$19,515,604	-3.1%	\$18,916,852	2.4%	\$19,365,717

Athletic Revenue Includes: Gate receipts, Guarantees, Concessions/Vending, Advertising, Program Sales, Sports Camps, Sponsorships and other miscellaneous sources of revenue

Mutli-year Contract Base Salary Commitments

	%		%		FY19
	FY17	Change	FY18	Change	
Basketball (Men's & Women's)	\$515,000	6.8%	\$550,000	7.3%	\$590,000
Football	\$220,000	9.1%	\$240,000	6.3%	\$255,000
Wrestling	\$130,000	7.7%	\$140,000	7.1%	\$150,000
Volleyball	\$0	NA	\$73,000	3.0%	\$75,190
Athletic Director	\$240,000	8.3%	\$260,000	3.8%	\$270,000
	\$1,105,000	14.3%	\$1,263,000	6.1%	\$1,340,190

University of South Dakota
Athletic Revenue & Expense Projections

	Actual	%	Projected	%	Projected	%	Projected
	FY16	Change	FY17	Change	FY18	Change	FY19
University Income							
General Funds	\$3,991,658	4.8%	\$4,181,723	0.0%	\$4,181,723	3.0%	\$4,308,633
Institutional Funds	\$1,620,337	48.1%	\$2,400,236	7.2%	\$2,573,382	1.5%	\$2,611,983
General Activity Fee	\$1,643,409	-8.4%	\$1,505,789	82.3%	\$2,744,879	1.4%	\$2,784,482
Revenue from Athletics	\$3,815,939	19.4%	\$4,555,271	-15.7%	\$3,839,282	3.6%	\$3,976,264
Foundation & Fundraising	\$1,184,193	2.5%	\$1,213,734	4.0%	\$1,262,000	14.6%	\$1,446,500
Total Income	\$12,255,536	13.1%	\$13,856,753	5.4%	\$14,601,266	3.6%	\$15,127,862
Expenditures							
Basketball	\$2,222,248	18.2%	\$2,626,140	8.8%	\$2,857,987	2.4%	\$2,927,600
Football	\$3,299,578	7.4%	\$3,543,530	2.0%	\$3,616,117	6.8%	\$3,862,639
Track	\$1,246,706	7.5%	\$1,340,487	10.4%	\$1,480,197	2.7%	\$1,519,945
Softball	\$542,194	7.5%	\$582,606	4.0%	\$605,969	2.7%	\$622,475
Tennis	\$280,338	10.7%	\$310,213	7.2%	\$332,412	2.8%	\$341,577
Golf	\$352,510	12.6%	\$397,091	3.8%	\$412,233	2.7%	\$423,541
Baseball	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Swimming	\$662,915	12.7%	\$746,962	10.5%	\$825,365	2.4%	\$845,156
Volleyball	\$581,147	8.7%	\$631,460	10.8%	\$699,422	2.7%	\$718,435
Wrestling	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Soccer	\$522,660	10.6%	\$578,159	9.6%	\$633,859	2.7%	\$650,856
Equestrian	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Admin Scholarships	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Administration/Support	\$2,461,456	18.7%	\$2,921,453	7.6%	\$3,143,638	2.4%	\$3,218,615
Total Expenses	\$12,171,753	12.4%	\$13,678,101	6.8%	\$14,607,199	3.6%	\$15,130,839

Athletic Revenue Includes: Gate receipts, Guarantees, Concessions/Vending, Advertising, Program Sales, Sports Camps, Sponsorships and other miscellaneous sources of revenue

Multi-year Contract Base Salary Commitments

	%		%		FY19
	FY17	Change	FY18	Change	
Basketball (Men's & Women's)	\$460,000	3.0%	\$473,800	3.0%	\$488,014
Football	\$255,000	3.0%	\$262,650	3.0%	\$270,530
Volleyball	\$80,000	3.0%	\$82,400	3.0%	\$84,872
	\$795,000	3.0%	\$818,850	3.0%	\$843,416