

Responses to Inquiry Panel Findings and Recommendations

July 2004

Attachment F

As part of the Regents' discussion of The University of Montana athletics deficit, the Board asked for additional information related to the following questions:

- When looking at the CHE Athletics Reports for FY01-03, why did Athletics expenditures increase by \$1.9 million from FY01 to FY02?
- If these increases were primarily one time only expenses related to the national championship season, why did the total expenses not decline in FY03?

Expenditures per MUS Annual Athletics Reports

	FY01	FY02	Difference		FY03	Difference	
Salaries	2,073,172	2,367,929	294,757	14.2%	2,444,087	76,158	3.2%
Benefits	513,723	604,728	91,005	17.7%	638,201	33,473	5.5%
Supplies	287,897	380,617	92,720	32.2%	465,173	84,556	22.2%
Travel	842,409	1,214,465	372,056	44.2%	921,970	(292,495)	-24.1%
Recruiting	170,869	173,366	2,497	1.5%	222,782	49,416	28.5%
Training Table	65,544	72,280	6,736	10.3%	81,692	9,412	13.0%
Home Game/Meet Expense	547,081	933,421	386,340	70.6%	1,269,443	336,022	36.0%
Maintenance/Gen Admin	967,739	1,013,291	45,552	4.7%	881,358	(131,933)	-13.0%
Game Guarantees	105,497	214,704	109,207	103.5%	459,820	245,116	114.2%
Insurance	98,622	0	(98,622)	-100.0%	111,393	111,393	n/a
Communications	106,586	116,742	10,156	9.5%	149,129	32,387	27.7%
Financial Aid	1,811,680	2,090,038	278,358	15.4%	2,307,984	217,946	10.4%
Transfers	171,218	182,343	11,125	6.5%	178,833	(3,510)	-1.9%
Subtotal	7,762,037	9,363,924	1,601,887		10,131,865	767,941	
Foundation Direct							
Quarterback Club	76,513	56,428	(20,085)	-26.3%	36,984	(19,444)	-34.5%
Roundball Club	14,031	30,883	16,852	120.1%	23,137	(7,746)	-25.1%
Lady Griz Hoop Club	19,609	14,127	(5,482)	-28.0%	6,151	(7,976)	-56.5%
Other Sports Fundraising	30,488	18,511	(11,977)	-39.3%	40,316	21,805	117.8%
Athletics Administration	132,061	312,144	180,083	136.4%	204,860	(107,284)	-34.4%
GAA	149,699	256,108	106,409	71.1%	240,062	(16,046)	-6.3%
Subtotal	422,401	688,201	265,800		551,510	(136,691)	
Total Expenditures	8,184,438	10,052,125	1,867,687		10,683,375	631,250	

FY01 to FY02

- 1) Of the \$1.868 million increase, \$266,000 was due to increases in the Foundation Direct payments related to the Stadium turf replacement, Hall of Champions construction, and Dornblazer Track improvements. This leaves an increase of approximately \$1.6 million to reconcile.
- 2) The remaining \$1.6 million increase was due to the following:

Football Salaries	\$52,000	Salary increases, turnover coaches	Schedule A
Men's Basketball Salaries	105,000	Salary increases, turnover coaches	Schedule A
General Salaries	95,000	Salary increases, upgrades, new hires	Schedule A
Other Sports Salaries	43,000	Salary increases, add band, mascot	Schedule A
Benefits	<u>91,000</u>	Rate increases, salary increases	Schedule A
Subtotal Sal & Benefits	\$386,000		

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Supplies	93,000	Band uniforms, computers, printing, other program expense	Schedule B
Football Travel	303,000	Chattanooga, Hawaii	Schedule C
Home Game/Meet Expense	386,000	Comp tickets not included in FY01 report	Schedule D
Game Guarantees	109,000	Football guarantees	Schedule E
Financial Aid	278,000	13% tuition increase, mix	Schedule F
General Admin/other	<u>47,000</u>	Communications, transfers, training table	
Subtotal operating	\$1,216,000		
Total	\$1,602,000		

FY02 to FY03

- 3) Total Expenditures increased by an additional \$631,000. The Foundation Direct payments actually declined by \$137,000 from FY02, leaving \$767,000 to reconcile.
- 4) The remaining \$767,000 increase was due to:

Football Salaries	\$47,000	Salary increases, turnover coaches	Schedule A
Men's Basketball Salaries	(50,000)	Net savings from year of turnover	Schedule A
General Salaries	72,000	Salary increases, upgrades, new hires	Schedule A
Other Sports Salaries	7,000	Salary increases, upgrades	Schedule A
Benefits	<u>33,000</u>	Rate increases, salary increases	Schedule A
Subtotal Sal & Benefits	\$109,000		
Supplies	85,000	Students' textbooks mis-coded (should be in scholarships); Track equipment	Schedule B
Football Travel	(292,000)	No championship travel	Schedule C
Home Game/Meet Expense	336,000	Increase in number of home games, increase in comp tickets & tradeouts	Schedule D
Game Guarantees	245,000	Football, Men's Basketball	Schedule E
Financial Aid	218,000	Tuition increase (less textbooks expense, as noted above)	
General Admin/other	<u>66,000</u>	Communications, Recruiting, Training Table	
Subtotal operating	\$658,000		
Total	\$767,000		

In each of the years illustrated, actual expenses – both by category and in total – are the sum of a myriad of individual transactions. These vary both in volume and in size. Since the individuals who might best have answered these questions are no longer employed by the University, the explanations provided attempt to answer the “Why” questions by identifying the large variances in each category of expense, and relating these to events occurring in each fiscal year. It is also important to note that the MUS Athletics Report was designed to follow the format of the NCAA report, including all “revenues” and “expenses” related to Athletics, but not all booked (at least not heretofore) as University transactions.