



UNIVERSITY OF TENNESSEE  
KNOXVILLE, TN



# FACULTY SENATE PRESENTATION

October 20, 2008

# Background on UT

- Member of NCAA Division 1A and Southeastern Conference
- Support 20 varsity intercollegiate sports
- Provide 258.2 scholarships to over 500 male and female student-athletes



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# UTAD Organizational Structure

- Standard University department
- Separate athletic departments for men and women with athletic directors reporting separately to University President Dr. John Petersen
- Fiscal oversight by both State of Tennessee and University policies and procedures
- Annual audits by the Division of State Audit
- Regular assessments of internal controls by University Audit and Consulting



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# Goals

- Athletics seeks to:
  - Graduate all student-athletes;
  - Compete for and win SEC and NCAA titles; and
  - Produce young men and women to be ambassadors for our University and our state.
- Athletics must be fiscally responsible:
  - Self-supporting
  - Receive no state funding or tuition derived dollars.







# UTAD Academic Accomplishments

- Graduated 80 current and former student-athletes in 2007-08 in 27 degree programs.
- Had 233 student-athletes achieve a GPA of 3.0 or higher last semester.
- 15 UT student-athletes received Chancellor Citations and six were named Academic All-Americans.



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# How Male Student-Athletes Compare to Male Student Population

	<u>Male Student-Athletes</u>	<u>Male Student Population</u>
GPA	2.76	2.98
Retention Rate*	83%	84%
Graduation Success Rate**	58%	58% (all students)

\*Male students entering in 2007- Retention rate from Freshman to Sophomore year.

\*\*Freshmen entering UT between 1998-2001.





# UTAD Athletic Accomplishments

- Men's Athletics won 2007-08 Southeastern Conference All-Sports Trophy
- Advanced 17 of 20 teams to post-season competition in 2007-08.
- Won two national championships and two SEC championships in 2007-08.



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# Business Model

- Operate without any state tax or tuition derived dollars
- Leverage football and basketball programs to generate ticket revenues, private gifts and marketing sponsorships.
- Utilize revenues generated by football and basketball success to fund other sports programs and supporting infrastructure.



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# Athletics Operating Revenues

Football Tickets	\$ 22,667,858	25.8%
Men's Basketball Tickets	\$ 5,850,620	6.7%
Women's Basketball Tix	\$ 2,269,083	2.6%
Other Sports Tickets	\$ 238,990	.3%
Development	\$ 26,378,706	30.0%
Marketing/Broadcasting	\$ 9,710,095	11.1%
Conference/NCAA	\$ 8,739,132	10.0%
Licensing	\$ 1,300,000	1.5%
Other Revenue	\$ 9,647,423	11.0%
Student Activity Fees	\$ 1,000,000	1.0%
Total	\$87,801,907	100%



# Athletics Operating Expenses

Sports Operations/Recruiting	\$ 29,881,118	34.5%
Scholarships	\$ 7,574,184	8.8%
Student-Athlete Support	\$ 3,745,448	4.3%
Administration	\$ 11,203,508	13.0%
Marketing/Dev./Broadcasting	\$ 5,416,248	6.3%
Facilities Maintenance	\$ 7,870,456	9.1%
Band/Cheerleaders	\$ 1,031,523	1.2%
Capital Projects/ Debt Retirement	\$ 8,183,668	9.4%
Gameday parking – permits/cleanup/staffing	\$ 1,042,717	1.2%
Other Expenses	\$ 5,216,879	6.0%
Thornton Center Support	\$ 1,825,407	2.1%
University Support	\$ 3,511,701	4.1%
<b>Total</b>	<b>\$ 86,502,857</b>	<b>100%</b>



# Capital Expenditures

- Capital projects are funded through bonds, private gifts and/or project specific revenue.
- Existing debt load is \$126 million as of October 2008.
- Annual debt payments are \$11 million for athletics facilities and \$1.125 for university parking garages.



# Athletics Impact on the Local Economy

- A July 2008 survey conducted by the Center for Business and Economic Research at UT found that UTAD had an economic impact of \$119.5 million on the local economy.
  - UTAD generated nearly \$24.1 million in state and local tax revenue from transactions related to UTAD.
  - Non-payroll expenditures made by UTAD created 1,132 jobs and \$37.6 million in income.
  - UTAD paid \$1.42 million in local amusement taxes and \$2.6 million in state taxes.



# Athletics Impact on the University

Academic scholarships for non student-athletes	\$ 1,375,000
Self-funding of academic scholarships for student-athletes	\$ 7,575,000
Economic impact to University through private gifts to Alumni association for athletic tickets and parking	\$ 4,000,000
Self-funding of all facilities and utilities	\$ 9,200,000
Annual debt service on University parking garages	\$ 1,125,000
Game day parking permits and staffing/clean up of parking areas	
Travel and scholarship expenses for Pride of Southland/Cheer	\$ 1,030,000
Arena Support	\$ 1,500,000
Miscellaneous University program support	<u>\$ 608,000</u>
<b>Total</b>	<b>\$26,413,000</b>



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# Athletics Role in Academic Fundraising

- UTAD Development reports to UT Vice President of Development
- UTAD and academics have developed over 50 joint proposals totaling over \$350 million in total requests.
- All but one of the Campaign for Tennessee gifts over \$5 million have included 50% or more of the designation towards academic programs.





# Support for Athletics



<u>School</u>	<u>Money Provided to Athletics by University</u>
<b>Tennessee</b>	<b>\$1 million in student fees</b>
Auburn	\$4.9 million
Florida	\$2 million
Georgia	\$2.8 million
North Carolina	\$2.364 million
Virginia	\$8.77 million
Virginia Tech	\$3.36 million





# Athletics Support of Campus “Green” Initiatives

- “Good Sports Always Recycle” - Largest college stadium recycling effort in the country – 15 years.
- Working with University to reduce electricity use in athletic facilities.
- “Green” game on Oct. 18

