

**INFORMATION ITEM #5**  
Athletics Financial Performance  
(Leslie Brunelli/Anne McCoy/Jon Haarlow)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Athletics Budget Update for FY24

SUBMITTED BY: Anne McCoy, Interim Athletics Director  
Leslie Brunelli, Executive Vice President, Finance & Administration/CFO

SUPPORTING  
INFORMATION: **FY24 Update**

**Revenues**

Athletics has seen significant shifts since the March update. The finalization of 2023 football sales and strong performances from men's and women's basketball have produced increases in overall ticket revenues. Additionally, Athletics has seen increases in other revenues from coach/staff buyout payments and increases in facility fee and concessions revenue. Conversely, season ticket renewals for the 2024 football season have been off pace from previous years and thus causing a projected shortfall in Annual Fund giving. Athletics continues to monitor the impact of ticket renewals for FY24 and FY25. Athletics remains actively engaged in revenue generation strategies to increase revenue for FY24 and will continue to report projected variabilities to the Board of Regents.

**Expenses**

Since the last update in March, Athletics has seen additional variability in financial aid, sports programs, direct admin and dues, and other expenses. Athletics is projecting additional expense overruns, amassed by changes in each of the categories below.

*Compensation*

Athletics projects an overage in compensation due to increased student wages and overtime expense in the fall. This projection is subject to change as additional budgetary changes are implemented throughout the spring semester and continued changes in personnel.

*Financial Aid*

No change since the March update. Athletics is forecasting financial aid

savings due to rosters returning to pre-COVID numbers and alterations made to summer program offerings.

#### *Sports Programs*

As fall sports continue to finalize, Athletics has seen new increases to the overage in recruiting, team travel, equipment, and student-athlete meals. This is in addition to the overage previously reported for student-athlete medical costs.

#### *Direct Admin*

No change since the March update as Athletics projects the expense share obligation from the Pac-12 conference and the fees related to future conference affiliations to result in an expense overage.

#### *Other Expenses*

Since the March update, Athletics continues to see variability and increased costs related to facility operations and team travel ticketing obligations.

#### **Summary**

As a reminder, the Board of Regents approved a \$4M budget shortfall for FY25. Athletics now projects a total budgetary shortfall of \$9.4M for FY24. The FY24 budget shortfall will be covered by future conference revenues as to not further increase the internal cash deficit owed to the University. Athletics continues the regularly scheduled budget discussions with each sport and unit leader, as sport program expenses (recruiting, travel, equipment, student-athlete meals, game expenses) continue to be a priority line item to monitor. Athletics remains proactive in forecasting and anticipating potential impacts to current and future year budgets and will update the Board of Regents and the Athletic Budget Oversight Committee as information is available.

Attachment A

	FY24	PROJECTED ACTUAL	PROJECTED VARIANCE
<b>ATHLETIC REVENUE</b>			
Student Services & Activities Fee	0.1	0.1	-
Media Rights	26.8	26.8	-
Conference Distribution	9.7	18.0	8.3
<b>REVENUE ITEMS CONFERENCE/SETTLEMENT</b>	<b>36.6</b>	<b>44.8</b>	<b>8.3</b>
Ticket Sales - Admissions Net of Tax	7.7	7.5	(0.2)
Student Sports Pass	2.6	2.4	(0.2)
Contributions	10.5	9.5	(0.9)
Program/Concessions	1.1	1.3	0.2
Guarantee Revenue	0.3	0.3	-
Other Revenue	2.5	3.6	1.1
<b>REVENUE ITEMS WITH PROJECTED CHANGE</b>	<b>24.7</b>	<b>24.6</b>	<b>(0.1)</b>
Endowments	0.9	0.9	-
NCAA Distribution	1.6	1.6	-
Royalties/Advertising	4.2	4.3	0.1
Student Fees - Debt Service	0.7	0.7	-
Direct Institutional Support - \$\$\$	2.4	2.4	-
<b>REVENUE ITEMS WITH MINIMAL CHANGE</b>	<b>9.8</b>	<b>10.0</b>	<b>0.2</b>
<b>REVENUE BEFORE OFFSETS</b>	<b>71.0</b>	<b>79.4</b>	<b>8.4</b>
Sports Camp Revenue	0.4	0.4	-
Direct Institutional Support - GE Waivers	3.4	3.4	-
Indirect Institutional Support	0.5	0.5	-
In Kind Contributions	1.6	1.6	-
Bowl Revenue	2.6	-	(2.6)
<b>REVENUE ITEMS = EXPENSE</b>	<b>8.4</b>	<b>5.8</b>	<b>(2.6)</b>
<b>TOTAL REVENUE</b>	<b>79.4</b>	<b>85.2</b>	<b>5.8</b>
	FY24	PROJECTED ACTUAL	PROJECTED VARIANCE
<b>ATHLETIC EXPENSE</b>			
Scholarships	9.4	9.0	0.4
Compensation	30.2	30.6	(0.4)
Debt	10.1	10.1	-
<b>TOTAL ADMINISTRATION</b>	<b>49.6</b>	<b>49.6</b>	<b>0.0</b>
Recruiting	1.6	1.9	(0.3)
Team Travel	4.5	5.1	(0.6)
Equipment	0.6	0.7	(0.1)
Game Expenses	2.6	2.6	-
Medical Costs	1.4	1.6	(0.2)
Student Athlete Meals	1.0	1.3	(0.4)
<b>TOTAL SPORTS PROGRAMS</b>	<b>11.7</b>	<b>13.2</b>	<b>(1.5)</b>
Direct Admin Expense	2.0	3.2	(1.2)
Dues and Memberships	2.6	2.9	(0.3)
<b>DIRECT ADMIN EXPENSE</b>	<b>4.6</b>	<b>6.1</b>	<b>(1.5)</b>
Guarantee Expense	1.6	1.8	(0.2)
Fund Raising/Marketing	1.2	1.2	-
Spirit Groups	0.2	0.2	-
Other Expense	6.1	7.2	(1.2)
<b>TOTAL OTHER EXPENSE</b>	<b>9.0</b>	<b>10.4</b>	<b>(1.4)</b>
<b>EXPENSE BEFORE OFFSETS</b>	<b>75.0</b>	<b>79.4</b>	<b>(4.4)</b>
Sports Camp Expense	0.4	0.4	-
Scholarships - GE Waivers	3.4	3.4	-
Indirect Institutional Support	0.5	0.5	-
In Kind Contributions	1.6	1.6	-
Bowl Expense	2.6	-	2.6
<b>EXPENSE ITEMS = REVENUE</b>	<b>8.4</b>	<b>5.8</b>	<b>2.6</b>
<b>TOTAL EXPENSE</b>	<b>83.4</b>	<b>85.2</b>	<b>1.7</b>
<b>APPROVED BUDGET SHORTFALL</b>	<b>(4.0)</b>	<b>-</b>	<b>4.0</b>

Attachment B

<b>Washington State University</b>						
	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24 (3/27)</b>
<b>REVENUES:</b>						
Ticket Sales	9.5	8.6	0.0	9.3	10.2	9.9
Contributions/Endowments	12.4	10.7	8.5	10.7	12.7	10.4
NCAA/Pac-12	34.2	34.7	22.5	38.7	35.9	46.3
Royalties/Advert/Sponsor	4.6	4.3	3.4	4.9	4.6	4.3
Institutional Support	0.0	0.0	0.0	0.0	2.4	2.4
Waivers/Student Fees	5.2	5.2	4.8	5.0	4.4	4.1
Other Revenue	5.8	6.6	0.8	6.4	8.9	7.7
<b>Total Revenue</b>	<b>71.7</b>	<b>70.1</b>	<b>40.0</b>	<b>75.0</b>	<b>79.0</b>	<b>85.2</b>
<b>EXPENSES:</b>						
Compensation	27.7	28.5	25.6	29.1	29.8	30.7
Scholarships	11.0	10.5	11.4	12.2	12.3	12.4
Sport Programs	11.4	10.7	7.4	13.2	16.8	14.3
Marketing/Fund Raising	1.8	1.3	1.2	1.5	2.6	1.8
Debt Payments	9.2	9.2	10.0	10.8	11.0	10.1
Direct Admin/Dues	4.7	4.6	4.6	3.6	4.6	6.1
Other Expense	10.3	12.5	4.8	12.6	13.7	9.9
<b>Total Expenses</b>	<b>76.1</b>	<b>77.3</b>	<b>65.0</b>	<b>83.0</b>	<b>90.9</b>	<b>85.2</b>
<b>Net Income from Operations</b>	<b>(4.4)</b>	<b>(7.2)</b>	<b>(25.0)</b>	<b>(8.0)</b>	<b>(11.9)</b>	<b>0.0</b>
Proceeds from Financing/Savings from Debt Ref	<b>35.6</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net Income After Financing</b>	<b>(4.6)</b>	<b>(7.1)</b>	<b>10.6</b>	<b>2.0</b>	<b>(11.9)</b>	<b>0.0</b>

\*There may be minor differences in subtotals shown above due to rounding to dollars million.