

INFORMATION ITEM #4

Fiscal Year 2025 Cougar Athletics Budget Performance Update (Leslie Brunelli/Anne McCoy/Jon Haarlow)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Fiscal Year 2025 Cougar Athletics Budget Performance Update

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

SUPPORTING INFORMATION: The Board of Regents approved the FY2025 Athletics budget in April of 2024. Athletics continues to work with University Finance and the Pac-12 conference to navigate impacts of changes in revenue and expenses, both in FY2025 and beyond, as college athletics continues to change at a pace like never before.

Revenue

Through mid-March of 2025, athletic related revenues are on pace to exceed the originally approved \$74M budget. Athletics anticipates a \$900k ticket revenue surplus driven by the football Apple Cup and men's basketball mini plans. Additionally, Athletics will utilize \$1.6M in personnel buyout revenues to offset expenses related to football personnel and other transition-related expenses. Conversely, reimbursements related to participation in the Holiday Bowl appear to be \$900k lower than the original budget and a true up of the expected conference distribution resulted in a \$700k decrease in projected revenues. Overall revenue, when including the additional \$2M of institutional support, Athletics is projecting \$3.1M in additional resources available for use in FY2025. As a reminder, the Board approved the \$74M in available resources in April of 2024 and was updated on the projected increase to \$77.1M in March of 2025. With the updated projections listed above, Athletics remains in its forecast of a net increase to \$77.1M of available resources for use in FY2025.

Expense

Through the eight months of FY2025, expenditures are tracking towards the revised budget as presented at the March 2025 meeting. Personnel expenses are pacing \$500k higher than the original budget due to personnel leave payouts, additional benefits costs, and coaching transition expenses. Additionally, shared conference expenses have seen an increase of \$200k and the Holiday Bowl expenses are settling at \$300k

higher than the originally presented budget. Furthermore, Athletics anticipates utilizing the full \$2M of additional resources from the mid-year university investment. \$1.5M of the investment will be utilized for sport program and support area expense increases, while \$500k will fund a projected increase in financial aid. Athletics continues to monitor personnel costs and team operating costs such as team travel and recruiting, as these remain areas of concern due to inflation, roster management/NCAA legislation, and post-season participation. Athletics believes the additional expenses incurred will be offset by additional resources and the overall financial plan continues to track towards a balanced budget for FY2025.

As a reminder, Athletics continues to engage monthly with the Athletics Budget Oversight Committee, which includes members of university finance, Athletics staff, and faculty and regent representatives. Athletics remains initiative-taking in forecasting and anticipating potential impacts to current and future year budgets and will provide further updates at the June 2025 Board of Regents meeting.

ATTACHMENT: FY25 Budget Forecast as of March 15, 2025

Forecast as of March 2025

ATHLETIC REVENUE	Budget	April BOR	Variance	Notes
Conference Distribution	38.4	37.7	(0.7)	March distribution true-up
REVENUE ITEMS CONFERENCE/SETTLEMENT	38.4	37.7	(0.7)	
Ticket Sales - Admissions Net of Tax	5.0	5.4	0.4	Increased ticket sales from MBB mini plans
Student Sports Pass	2.0	2.0	-	
Apple Cup	1.2	1.7	0.5	Exceeded expectation for football game at Lumen Field
Donation Support	8.0	8.0	-	
Program/Concessions	0.4	0.4	-	
Other Revenue	1.7	3.3	1.6	Buyout revenues to be used for coaching transition expenses
REVENUE ITEMS WITH PROJECTED CHANGE	18.3	20.8	2.5	
Endowments	1.0	1.0	-	
NCAA Distribution	1.6	1.6	-	
Royalties/Advertising	4.3	4.3	-	
Student Fees - Debt Service	0.6	0.6	-	
Direct Institutional Support - \$\$\$	2.5	4.5	2.0	Institutional Support investment
REVENUE ITEMS WITH MINIMAL CHANGE	10.0	12.0	2.0	
REVENUE BEFORE OFFSETS	66.7	70.5	3.8	
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	1.6	0.7	(0.9)	Bowl revenue shortfall
REVENUE ITEMS = EXPENSE	7.5	6.6	(0.9)	
TOTAL REVENUE	74.0	77.1	3.1	
ATHLETIC EXPENSE				
Scholarships	8.7	9.2	(0.5)	Increased use of aid towards degree completion and medical degree completion
Compensation	25.3	25.5	(0.2)	Leave payout and additional benefits
Debt	11.1	11.1	-	
TOTAL ADMINISTRATION	45.1	45.8	(0.7)	
Recruiting	1.6	1.6	-	
Team Travel	3.7	4.0	(0.3)	
Equipment	0.8	1.0	(0.2)	
Game Expenses	2.6	2.6	-	
Medical Costs	1.7	1.7	-	
Student Athlete Meals	0.6	0.6	-	
TOTAL SPORTS PROGRAMS	11.0	11.5	(0.5)	
Direct Admin Expense	2.1	2.4	(0.3)	Coaching transition relocation expenses
Dues and Memberships	-	0.2	(0.2)	Due to/due from shared conference expenses
DIRECT ADMIN EXPENSE	2.1	2.6	(0.5)	
Guarantee Expense	2.1	2.1	-	
Fund Raising/Marketing	1.1	1.1	-	
Spirit Expense	0.2	0.2	-	
Other Expense	5.1	6.0	(0.9)	Additional expenses tied to institutional investment
TOTAL OTHER EXPENSE	8.5	9.4	(0.9)	
EXPENSE BEFORE OFFSETS	66.7	69.3	(2.6)	
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 Bonus	0.4	0.4	-	
Bowl Expense	1.2	1.5	(0.3)	Increased Holiday Bowl expenses and consignment ticket shortfall
EXPENSE ITEMS = REVENUE	7.5	7.8	(0.3)	
TOTAL EXPENSE	74.0	77.1	(3.1)	
Net Approved Budget	-	-	-	

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