



**MINNESOTA STATE**  
Board of Trustees

**AGENDA ITEM SUMMARY**

**NAME:** Committee of the Whole

**DATE:** October 16, 2024

**TITLE:** Results of Athletics Advisory Report

Action

Review and Discussion

*This item is required by policy*

**PRESENTERS**

Amy Jorgenson, Chief Audit Officer  
Colleen Lewis, Baker Tilly

**PURPOSE**

The purpose of this meeting will be to present the results of the Athletics Review. We have identified observations and provided recommendations.

**BACKGROUND INFORMATION**

The full advisory report is included in your materials. This report was completed in FY 24 as part of last year's audit plan, but we have not had an opportunity to present it until now.

When we started this advisory review, we attempted to pull financial data from Minnesota State systems but quickly discovered inconsistencies in how athletics data is accounted for, making comprehensive analysis difficult. Instead, we decided to examine publicly available reports which are the NCAA FRS (Financial Reporting System) report and the EADA (Equity in Athletics Disclosure Act) report and use those FY 22 numbers to provide the data in our advisory report. Financial data referenced in the report is from FY 22, which was the most recent data available at the time we completed this work. We also surveyed college and university athletics department employees in FY 24 to obtain non-financial data regarding athletics.

**Highlights of the report:**

*Enrollment:*

On page 15 of the report, we discuss that enrollment of student athletes ranges from 0% of all students for institutions not participating in athletics programs to 31% at Minnesota North College.

### *Academic Performance:*

On page 16, we show almost two-thirds (63%) of institutions surveyed perceived student athletes performed better academically than their peers. About one-third (32%) believed student athletes performed the same as their peers, and 5% felt student athletes performed lower than their peers. Some, but not all institutions track this data and Minnesota State does not have a consistent requirement for this, so we were unable to confirm these numbers. However, we did note Rochester Community and Technical College has developed a student athlete data report which compares performance of student athlete academic progress and student success metrics. We consider this a best practice other institutions could consider adopting.

### *Title IX Impacts:*

On page 18, we discuss Title IX aspect of athletics. One thing to highlight - most Minnesota State institutions do not meet substantial proportionality (i.e., athletics participation is not proportional to enrollment). This does not indicate noncompliance with Title IX, but if institutions do not meet the substantial proportionality, it constrains options when evaluating continuity of athletics teams. We often heard about the importance of involving the Title IX coordinators in any decisions related to athletics teams. This involvement varies from institution to institution, and we made a recommendation regarding this aspect.

### *Evolving Topics:*

On page 19 we highlight the relatively new concept of Name, Image and Likeness (NIL) and the impacts these arrangements can have on donations to athletics. On page 20 we discuss the rapidly evolving concept of treating student athletes as employees and what this could potentially mean for institutions. Trustees should be aware there are several court cases in various stages of litigation which could have impacts on institutions in the future. These are areas to watch as changes continue to happen.

### *Athletics Expenditures:*

Pages 22 – 25 highlight FY 22 expenditures by institution. We graphed colleges and universities separately. The average university expenditure for athletics in FY 22 was about \$10 million and for colleges about \$650,000. This highlights the large difference between the two sectors.

### *Athletics Facilities:*

Page 26 discusses facilities and deferred maintenance across the system. This data is slightly more recent, from FY 23. Notably, there is over \$65 million in deferred maintenance for athletics facilities or buildings containing athletics facilities. This was a hot topic for the colleges and universities we interviewed in depth. Many cited health and safety concerns with their current facilities, others cited strong concerns about the viability of their programs if deferred maintenance needs continued to be pushed out.

### *Athletics Revenues:*

Pages 27 – 30 discuss various aspects of athletics revenues for colleges and universities. Our in-depth interviews with institutions invariably led to concerns about the sustainability of athletics programs due to rising costs, stagnation of revenues, and deferred maintenance issues.