

Response to “MSU Athletic Program Budget Overview” (posted on The Source on 12/03/2015)

In an attempt to answer questions raised by the recent *Huffington Post/Chronicle of Higher Education* article, “[The 10-Billion Dollar Sports Tab: How College Students Are Funding the Athletics Arms Race](#),” the Program Budget Overview states “[t]wo factors. . . have a significant impact on” the subsidy percentages listed: “(1) whether the institution charges a mandatory student athletic fee, and 2) the size of the athletic program budget.”

A closer look at the “two factors,” and what they do (and do not) tell us:

Mandatory Student Athletic Fee

According to the Overview, if MSU charged a mandatory student athletic fee, instead of just allocating funds that are paid by students (but not earmarked for athletics), “MSU’s subsidy percentage would be lower.” This is not the case, as the article considers student fees subsidy, not revenue. To quote the relevant portion of the investigative journalism:

Our analysis focused primarily on subsidies — how much a university effectively “donates” or invests in its athletics department to make up for a lack of earned revenue. **Subsidies can come from three sources: student fees, funds allocated by the school, and government support.** Earned revenue includes any income generated through ticket sales, endowments, royalties, and TV and conference distributions, among others. (Wolverton et al., “10-Billion Dollar Sports Tab,” emphasis added)

If you click on any one of the schools listed in the article, you’ll see that there’s a place, in the red, for student athletic fees. Any such fees are clearly counted as a subsidy. You need look no further than #1 and #2 on the list to see that hefty student fees actually *increase* a school’s subsidy percentage.

Strangely enough, the paragraph under the heading “Mandatory Student Athletic Fee” in the Overview actually does more to support the general “take away” of the *Huffington Post/Chronicle* article than refute it. Listed below is the paragraph in its entirety with added comments in red:

MSU does not charge a dedicated athletic fee to students to support the athletic program but instead allocates necessary funds to support the program from the total student tuition and fee revenue collected each year. **The article does not dispute this.** Whether charged as a mandatory student athletic fee or funded from within the tuition revenue, students pay the funds that subsidize athletics. **Yes—and this is precisely the “problem” the article wishes to highlight. The entire purpose of the piece is to ask why students are funding athletics.** However, by not charging it as a dedicated athletic fee the University has the flexibility to use the revenue on the highest institutional strategic priorities each year. **True, but the article also asks why, in these times of budgetary shortfalls and increasing student debt, we are prioritizing sports. Here all we’ve done is imply that we consider athletics one of the “highest institutional strategic priorities.” There may be a reason for the implication, but, left without justification, this tends to make the article’s case, not refute its central claim.** If charged as a mandatory athletic fee, the revenue collected could only be used for athletic programs. In the metric highlighted in the article, this revenue is included as part of the university subsidy instead of as athletic revenue because it wasn’t billed as a dedicated student athletic fee. **The “because” does not follow. Mandatory student athletic fees ARE NOT revenue as far as the “metric” of this**

article is concerned. They are a part of subsidies, just as allocated funds are. If charged as a mandatory athletic fee MSU's subsidy percentage would be significantly lower. Not accurate, unless we create our own metric and put it in place of the article's analysis.

Athletic Budget Size

The Program Budget Overview is right—most of the schools identified as being heavily subsidized (in terms of funding percentage) have relatively small athletic budgets. Considered in isolation, this could be a damning point, as we all know that percentages alone don't tell the full story of cost. (89% appears huge compared to 11%, but that's only if the base figures are comparable. 89% of, say, \$1,000 is going to be far less than 11% of \$1,000,000.) That said noting overall athletic budget size alone doesn't effectively counter the article's claim that we're making our students pay for the escalation of the "athletics arms race" because that comprehensive figure doesn't account for the significant amount students are actually paying in real dollars, especially at "small" schools with "modest" budgets like ours.

The "more relative metric" supplied in the Program Budget Overview arguably puts MSU in a worse light, as it shows that our admittedly smaller student body has to collectively pay roughly 10 times more than that which the much larger UK student body pays. Yes, UK's athletics budget dwarfs ours, but so does their revenue, which is why their athletics subsidy is a mere fraction of ours. If we're truly going to address "value," we need to account for the fact that our students collectively pay "much more" for athletics in actual dollars than their peers at larger schools.

The "more relative metric" graphs also run the risk of being as unintentionally obfuscatory as we intimate the original article is. The fact that Belmont is not included in the Program Budget Overview (or the original article) is explained by the fact that it is a private institution that does not have to make its budgets public. The same is not true for Southern Illinois University Edwardsville, which is included in the original article, and has a much lower subsidy figure overall than MSU, despite being in the same conference and charging mandatory student athletic fees. Up until this point in the draft, the Overview has stressed that overall budget size is key, and it has relied on this contention to show, via the first list after "relative metric," that MSU is a good "value," especially as far as KY schools are concerned. The "more relative metric" implicitly shifts (or perhaps expands) in the second graphic to also account for institutional history and team types when dealing with comparable budgets, a shift that allows the draft to exclude two OVC schools, with comparable overall budgets to ours, as "outliers." This shift may be warranted, but, because "value" isn't fully defined, and because the draft does not specify why the newly introduced elements—and only these newly introduced element—are now key to understanding what can be considered comparable (a concept that is also never fully secured in the draft), the document unfortunately renders its own argument vulnerable. Following the logic of the OVC section, a reader could generate a number of other, related factors, associated with school size, type, and history, that could render MSU an "outlier" as far as KY schools are concerned, effectively negating the intended import of the first list/graphic.

Some final thoughts (or why we shouldn't just dismiss the Overview, flawed though it may be):

I, like so many members of the administration, was not particularly pleased to see MSU mentioned in the *Huffington Post/Chronicle* article, and I earnestly believe that we should correct any error or misrepresentation there may be in this national news story. Right now, though, all we've done is implicitly affirm much of what can be considered a damning exposé of higher education.

If some of us can effectively counter the claims made in the recent article, we can and should, and, when we're done, we should highly publicize our corrective efforts. If we can't, though, we should still take this as an opportunity to have a frank and open conversation about the budget, and see this conversation as a step towards understanding and hopefully agreeing on budgeting priorities. Many of the "indirect benefits" listed in the Overview are far from insignificant, and it would be interesting to see how we might be able to utilize some of these benefits to our advantage in the future, say, when performance funding is a reality and we can point to athletic retention and graduation rates as a real boon. Before we get to that "preferred future," though, we have to have some serious conversations wherein we truly evaluate and weigh *all* the evidence (by, say, comparing the cost benefit of athletic retention and graduation to the cost benefit of another high-retention/high-graduation budget item—Honors—that has been significantly cut in recent years). I hope that we can all seize on this opportunity in order to work together to come up with strategic solutions that facilitate true student success in these trying academic times.