

Central Connecticut State University (CCSU)
Task Force for the Sustainability of the CCSU Athletics Program
November 28, 2017

Charge

On May 22, 2017, President Zulma R. Toro formed a task force and charged this group with studying the sustainability of the CCSU athletics program. Key elements of the charge, consistent with the University priorities of community engagement, enrollment management, and revenue generation, are as follows:

1. Develop a greater sense of community on campus.
2. Enhance CCSU's relationships with alumni and the local community.
3. Enable CCSU to remain an affordable choice.
4. Enhance the academic experience for all CCSU students.

Athletics Overview

Mission:

The mission of the Intercollegiate Athletics Program at CCSU is to contribute positively to the personal development of students by providing a wide range of opportunities for participation in sports on either a highly competitive NCAA Division I or a recreational level.

The Intercollegiate Athletics Program contributes to the vitality of campus life by providing entertaining, highly competitive sporting events for the campus and community at large. In this sense, it serves as one of the principle centers of campus life because it contributes to the development of campus identity and community.

Athletics are an appropriate and important component of the CCSU experience because they embody many of the intrinsic values and goals of education at our University, in particular, the striving to achieve excellence in all manifestations of human life and the enrichment of the human spirit.

The mission of the Intercollegiate Athletics Program is inextricably tied to the mission of the University. Therefore, as CCSU aspires to become one of the best public comprehensive universities in the nation and the finest in New England, the Intercollegiate Athletics Program similarly aspires to become one of the best athletics programs among comparable universities in the region and nation.

General Information:

The CCSU Department of Intercollegiate Athletics (athletics) sponsors 18 Division I varsity sports (eight men's and ten women's) and participates as a member of the Northeast Conference (NEC). The Blue Devils moved to Division I status prior to the 1986-87 school year. They joined the NEC in 1997-98. Of the nine schools in the conference, CCSU is the only regional public comprehensive university. CCSU has won 51 NEC Championships. Preceding the move to the NEC, the Blue Devils competed as a Division I member of the Mid-Continent Conference. Prior to the transition to Division I, the Blue Devils competed as a member of NCAA Division II. The athletics program began in 1934-35. Women's sports were added in 1971-72.

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Since moving to Division I in 1986-87, the Blue Devils have competed in 34 NCAA Championships (women's soccer, men's soccer, men's cross country, women's cross country, men's golf, men's basketball, women's swimming and diving, men's track, women's track, softball, and baseball). The Blue Devils have recorded Division I NCAA Tournament victories in women's soccer, men's soccer, and softball.

CCSU has approximately 400 student-athletes with 278 receiving financial assistance (fiscal year 2017 data). Student-athletes have an overall average GPA of 3.12 and completed close to 3,800 hours of community service during the 2016-2017 academic year.

As of September 12, 2017, athletics has been without a permanent director. This decision was made, in large part, due to the economic climate of the state and athletics. The present budget situation for athletics is troublesome. Athletics received a budget reduction of \$500,000 beginning with fiscal year 2018. At the close of the first quarter, for fiscal year 2018, the estimated deficit was \$450,000. This deficit will have an impact on recruiting efforts, scholarship dollars offered, and overall operations for the remainder of the fiscal year.

Athletics Financials

University (fiscal year 2017 to 2018 comparison):

Total revenue increased 2% (\$12,550,953 to \$12,795,823). Total expenditures increased .02% (\$12,550,953 to \$12,554,652).

Total University support for athletics decreased approximately 5% (\$12,089,318 to \$11,514,085).¹ University support, excluding scholarship and meal plan waivers, decreased approximately 5% (\$10,747,564 to \$10,262,569). The athletics base budget, less fringe and waivers, decreased approximately 6% (\$8,223,558 to \$7,738,563).

CCSU Foundation, Incorporated:

Between fiscal year 2010 and fiscal year 2017, athletics has generated over \$2,500,000 in unrestricted donations, \$527,000 in program/event revenue, \$1,360,000 in corporate sponsorships, and secured \$325,380 in donations to new and existing endowed funds. Reliance on annual expendable Foundation revenue to fund basic operational expenses and grants-in-aid beyond the scholarship dollars generated by their endowed funds has increased from 79% in fiscal year 2011 to 103% in fiscal year 2017, hitting a peak of 133% in fiscal year 2013. In fiscal year 2011, fiscal year 2012, and fiscal year 2015, every unrestricted dollar raised that year was needed to cover operating expenses; in fiscal year 2013, fiscal year 2016 and fiscal year 2017, the program required transfers to the University in excess of the amount of unrestricted dollars raised that year, meaning any prior accumulated revenue was liquidated.

At the end of fiscal year 2017, the main athletic operating account carried a negative balance of over \$64,000 as did two individual sport-related operating accounts. All other sports, including

¹ Athletics received a budget reduction of \$500,000 beginning with fiscal year 2018.

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strength and conditioning, had positive balances. Overall, the combined total of all athletic operating funds at the end of fiscal year 2017 was \$106,210. With the exception of fiscal year 2015, when donations were 5.5% lower than the year before, annual revenue has been on a steady incline with fiscal year 2017 revenue being 88% higher than that raised in fiscal year 2011 and 18.5% higher than what was raised in fiscal year 2016. Fiscal year 2017 corporate sponsorships, however, are down 30% from their peak in fiscal year 2014, and are 24% lower than that raised in fiscal year 2016.

Major Issues

The issues below are consistent with the overall charge of the task force:

1. Does/will CCSU have the resources necessary to sustain a Division I athletics program and the additional services required (i.e., sports medicine, strength and conditioning, and academic support, etc.)?
2. What is the ideal structure for athletics that will improve overall operations and decrease financial reliance on the University (i.e., subsidy)?
3. How can athletics be leveraged to enhance progress toward University priorities of academic excellence, community engagement, enrollment management, and revenue generation?

Alternatives for Consideration

The task force considered many alternatives. Discussions included maintaining the status quo, conference affiliation, and the elimination of athletics (focusing instead on club, intramural, and recreational sports). The alternatives below appear to be in sync with the overall charge.

1. Remain at the Division I level and reduce the number of sports sponsored.

There are **advantages** to maintaining Division I status with a reduced number of sports. The elimination of up to four NEC non-priority sports² has the potential to improve the financial picture of athletics and may, over time, reduce the reliance on University support (i.e., subsidy). The anticipated savings may allow for increased dollars for athletic program priorities such as recruiting. Funding could also be redeployed to ancillary services. Opportunities for revenue generation, through the scheduling of guaranteed games, will remain.³ NCAA revenue will continue to be received.⁴ By maintaining Division I status and NEC membership, CCSU avoids paying a conference exit fee.⁵ Revenue generating activities, such as fundraising, should not be adversely impacted and could conceivably increase. The stature associated with being a Division I program remains, possibly enhancing student engagement and campus life. In addition,

² Priority NEC sports: men's and women's basketball, baseball, softball, and men's and women's soccer.

³ Fiscal year 2018 guaranteed game revenue: \$1,038,500 (11-year average: \$430,232).

⁴ Fiscal year 2018 NCAA revenue: \$342,136 plus a possible \$33,000.

⁵ NEC exit fee schedule (football members): a) less than one year from withdrawal date \$725,000, (b) at least one year from withdrawal date \$500,000, and (c) at least two years from withdrawal date \$325,000.

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Division I status contributes to CCSU's position in the CSCU System and the State and pleases many internal and external constituents.

There are **disadvantages** to maintaining Division I status with a reduced number of sports. The campus community may feel that not enough is being done to mitigate the cost of the athletics program. The potential savings, depending on the sports eliminated (non-priority sports: cross country, football, golf, lacrosse, swimming and diving, track and field, and volleyball), is not sufficient to (a) balance the existing athletics budget deficit, (b) improve the competitiveness of the programs that remain, (c) improve the ancillary services, and (d) contribute to *enabling CCSU to remain an affordable choice*. The reduction of sports, depending on the mix, could result in a loss of students. The reduction of sports also has the potential to create ill will among CCSU constituents and stir up negative feelings and feedback, possibly impacting revenue generating opportunities and enrollment.

2. Move to Division II and maintain all 18 sports.

One of the obvious **advantages** of moving to Division II is the potential impact on the University budget. Savings could be realized in the areas of scholarship dollars distributed and the reduction of personnel costs (over time). Additional **advantages** of participating at the Division II level could be realized in the areas of (a) number of competitions per team, (b) shortened seasons (practice and training), and (c) reduced travel expenses. A competitive Division II program could also have a direct and positive impact on enrollment as the "restrictions" and the competitiveness of a Division I program are reduced.

Moving to Division II could present numerous **challenges**. CCSU would incur a fee to leave the NEC. It is possible that enrollment could be negatively impacted as existing and potential student-athletes seek Division I opportunities elsewhere. The move to Division II could also alienate members of the CCSU community, possibly impacting revenue generating activities (donations, corporate sponsorships, etc.).⁶

It is also important to note that CCSU will have to be invited to join a conference prior to beginning the transition process.

3. Move to Division II and eliminate certain sports.

Several **advantages** to moving to Division II were referenced in § 2. The impact on the overall athletics and University budgets, with the elimination of sports, would be more pronounced:

⁶ At the close of fiscal year 2017, athletics accounted for approximately 37% (1,689) of University donors and 10% (\$441,080.39) of private dollars generated.

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Several **disadvantages** to moving to Division II were referenced in § 2. The move to Division II, with a reduction in sports, could have a significant impact on enrollment.

4. Move to Division III.

One major **advantage** of moving to Division III would be the elimination of athletic scholarships (academic and need-based aid are the primary means for financial assistance at the Division III level). In addition, expenses could be reduced in such areas as (a) competitions, (b) scheduling, (c) travel, and (d) personnel. A Division III program could be a driver for enrollment.

The **disadvantages** of moving to Division III are similar to that of a move to Division II. In addition, it is possible that revenue generation activities would be negatively impacted as well as event attendance.

Recommendation w/ Rationale

It is the recommendation of the task force that CCSU remain at the Division I level and reduce the number of sports supported. Along with the reduction of sports, economic and structural changes need to be implemented. It is the opinion of the task force that this course of action best aligns with University priorities of academic excellence, community engagement, enrollment management, and revenue generation.

The members of the task force recognize that the current budget does not allow for the appropriate funding for each sport and ancillary activities. In implementing the changes below, the task force recommends that some of the savings be redeployed to the remaining sports and supporting activities.

Recommended Action Items:

Eliminate men's and women's golf at the conclusion of the spring 2018 season. There are presently nine men and seven women participating. Fourteen student-athletes (seven men⁷ and seven women⁸) are receiving some form of aid. The impact from this action is approximately \$331,428 (fiscal year 2017 actual number, inclusive of fringe benefits). Once this action item is fully implemented, it is anticipated that this figure will be reduced by approximately \$75,000 in NCAA funding on an annual basis (as a result of dropping from 18 to 16 sports).

Examine the scholarship administration process and make the appropriate changes. Eliminating 19 new scholarships provided in 2015 (out-of-state scholarship student tuition and fees waiver) will return \$675,070 to the University budget.

⁷ Men's Golf Scholarship Information (2018): 2.71 Equivalency (all athletic aid plus any other countable aid - i.e., private scholarships, academic scholarships, state grants, Sodexo board waivers); 2.59 Revenue Distribution (athletics aid only).

⁸ Women's Golf Scholarship Information (2018): 3.3 Equivalency (all athletic aid plus any other countable aid - i.e., private scholarships, academic scholarships, state grants, Sodexo board waivers); 2.48 Revenue Distribution (athletics aid only).

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Require full and partial (above tuition and fees) athletic scholarship recipients to reside on campus. This action item has the potential to increase net revenue by \$264,705.

The elimination of men's and women's golf, terminating the out-of-state scholarship student tuition and fees waiver, and requiring full and partial athletic scholarship recipients to reside on campus has the potential to impact the athletics/University budget by \$1,196,203, on an annual basis, and once all action items are fully implemented.

There is the potential for savings through the reduction in athletic scholarships offered. In fiscal year 2018, CCSU will offer 145.48 scholarships. This is 59.98 above the NEC minimum of 85.5. Commitments to the existing student-athletes (approximately six golf and 19 out-of-state scholarships) would continue and be phased out as they (student-athletes) graduate. Once fully implemented, absent of any other changes, the 145.48 scholarships would be reduced by 25 for a total of 120.48 scholarships.

After the 25 athletic scholarships reduction, other scenarios could be considered, such as the reduction of additional scholarships. For example, a reduction of approximately 14 additional scholarships has the potential to impact the budget by \$415,000.

The University, beginning with fiscal year 2020, will eliminate or reduce the approximately \$140,000 funding increase to athletic scholarships that result from escalating tuition and fees and room and board (baseball must remain at 25% of full grant).

Car allowances, speaking stipends, and bonuses for administrators and coaches as well as any other expenditures that do not directly impact student success or overall athletic operations will no longer be contractually granted. This has the potential to save \$77,500 annually (primarily CCSU Foundation, Inc., funds). This funding could be redeployed to address departmental priorities.

Expenses above the base budget will be the responsibility of athletics. Future revenue as a result of cost containment and revenue generation activities will remain in the department. Increases in team rosters, as a means to drive enrollment, will result in an increase to the University budget and consideration may be given to a revenue sharing model with athletics.

Athletics will develop a comprehensive five-year strategic plan, consistent with that of the University. An advisory committee will be formed to work with the administration, coaches, staff, and student-athletes as well as the University Athletic Board (UAB) on the development and implementation of the plan. Annual reviews will be required to ensure that progress is being made toward specific measures and to determine the appropriate action for the following year(s). The budgeting process for athletics, a major component of the new plan, must allocate resources toward priorities and integrate the revenues and expenses handled by the CCSU Foundation, Inc. Integral to the athletics plan will be the development of a formal fundraising/revenue generation campaign. Should the implementation of this plan not produce the desired results, then at the conclusion of year five, other courses of action should be considered.

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The above recommended alternative puts the onus on the department of athletics. The action items listed are certainly not all-inclusive and would require additional details. It will also take time for the financial impact to be completely realized. The phase in of the various activities listed will need to consider contractual obligations, along with the run out of existing scholarship commitments. A critical component of this alternative will be the successful search for a new director of athletics.

Task Force Members

Charlene Casamento, Chief Financial Officer
Carol Ciotto, Associate Professor
Mick D'Arcy, Head Women's Soccer Coach
Chris Galligan, Vice President for Institutional Advancement, Task Force Chair
Scott Hazan, Director, Student Activities/Leadership Development
Princess Livingston, Head Women's Lacrosse Coach
Brittany Mendelson, Student Representative, Women's Cross Country and Track & Field
Jailene Nazario, Student Representative, Student Government Association, Senator
John Patrick, Chairman, President and CEO of Farmington Savings Bank
Paul Resetarits, Professor and Faculty Athletics Representative
Jason Snyder, Associate Dean of the School of Business
Amy Strickland, Associate Athletics Director of Compliance and Senior Women's Administrator
Robert Wolff, Professor

Community Feedback Initiatives

- Petition from student-athletes, favoring Division I status, received October 20, 2017.
- Open meeting with students was held on Monday, October 9, 2017.
- Open meeting with faculty and staff was held on Thursday, September 28, 2017.
- Meeting with the Alumni Association Sports Committee was held on Wednesday, August 30, 2017.
- E-mail to campus community soliciting suggestions, questions, or comments was distributed on Thursday, June 8, 2017.
- Individual meetings with alumni, coaches, faculty members, staff members, and students have occurred since the formation of the task force.



Athletics Program Sustainability Plan

Per 2017 Task Force

- Remain a Division 1 NCAA Program.
- Reduce the number of sports from 18 to 16 at the end of the spring, 2018 season.
- Phase-in reductions/changes of approximately \$2,000,000 on an annual basis, which includes the elimination of 35.5 scholarships. The elimination of scholarships will be phased-in to honor commitments made to existing student athletes who currently receive these scholarships.
- Require full and partial (above tuition and fees) athletic-scholarship recipients to live on campus.
- The University will match dollar for dollar any Athletic Program donations and sponsorship deposited into the Foundation in excess of the 5 year average of \$580,000, up to a maximum of \$150,000 beginning with State Fiscal Year 2020.
- Implement a formal five year strategic plan including a fundraising/revenue generation campaign.
- Create structural change in the management of the University and Foundation, by eliminating expenses such as car allowances and speaking stipends, which are not tied to student success or overall athletic success.
- Conduct an efficiency review which will include a review of staffing levels and mix of part-time and full-time positions.
- Implementation of multi-disciplinary Advisory Committee to enhance the transparency of the Athletics Program.