

**Report from the Budget Committee
Marco Ciocca, Chair
Faculty Senate**

The committee met on 04/25/2018 in Science Bldg., Room 3136

The following topics were discussed:

1. Approval of the Minutes 3-21.
2. Comments on the special meeting of the Senate 4-16
3. Clarification of President Message about cuts, re: Athletics (see below)

Discussion on the last item

In a message from the President's Office dated 3/25/2018, the campus was updated on the budget cuts expected by the various components of the University.

All was summarized in the following table:

Area	% of Unencumbered Budget	Strategy Total	Unencumbered Budget	Budget
Athletics	21.8%	\$ 2,025,800	\$ 9,310,472	\$ 9,310,472
Regional Stewardship	20.0%	\$ 1,681,556	\$ 8,425,853	\$ 9,388,908
Development and Alumni	14.9%	\$ 460,322	\$ 3,097,725	\$ 3,097,725
Academic Affairs	12.4%	\$13,223,550	\$106,767,611	\$125,306,998
Student Success	9.7%	\$1,964,617	\$ 20,244,484	\$ 75,553,151
Finance and Administration	8.9%	\$1,732,754	\$ 19,476,876	\$ 44,232,844
University	*	\$4,055,535		\$ 19,414,100
Total	15%	\$25,144,132	168,286,076	286,304,198

Faculty members contacted the Budget Committee and expressed an interest in knowing more about the quoted amounts.

In particular, questions were asked about the unencumbered budget of Athletics quoted above and used to arrive at the \$2.0 M or 21.8% cut.

The conclusion we reached is that the unencumbered budgets shown in the table above seems essentially accurate.

In the report to the Faculty Senate of April 2 2018 by the Budget Committee

(<http://facultysenate.eku.edu/sites/facultysenate.eku.edu/files/files/Agendas/2017-18/04-02/budget.pdf> Figures are for 2017), it was stated that Athletics has income from various sources (ticket sales, Rights and licensing, compensation for away games and NCAA guarantees), in the amount of \$4,866,033.

The amount of University funds (the subsidy) that are slated for Athletics is (according to the Budget Committee report as presented on 4-02), is \$12,158,550. Adding the above income to the university subsidy, will yield the \$17,024,583 total budget (these are the data for 2017).

Year	Ticket sales	Contributions	Rights/licensing	Other	Revenue	Students fees	School funds	Subsidy	Total Funds	% subsidized by EKU
2008	\$247,309	\$351,672	\$849,505	\$559,876	\$2,008,362	\$2,447,688	\$6,850,698	\$9,298,386	\$11,306,748	82.24%
2009	\$294,953	\$227,750	\$962,765	\$644,808	\$2,130,276	\$78,217	\$9,177,954	\$9,256,171	\$11,386,447	81.29%
2010	\$260,241	\$318,558	\$985,881	\$889,011	\$2,453,691	\$0	\$9,856,196	\$9,856,196	\$12,309,887	80.07%
2011	\$209,486	\$214,095	\$1,012,015	\$748,457	\$2,184,053	\$0	\$10,251,551	\$10,251,551	\$12,435,604	82.44%
2012	\$265,641	\$315,755	\$1,080,327	\$801,750	\$2,463,473	\$0	\$10,490,887	\$10,490,887	\$12,954,360	80.98%
2013	\$237,505	\$199,692	\$1,302,475	\$820,999	\$2,560,671	\$0	\$9,378,024	\$9,378,024	\$11,938,695	78.55%
2014	\$275,869	\$190,952	\$1,114,833	\$1,018,795	\$2,600,449	\$0	\$10,432,816	\$10,432,816	\$13,033,265	80.05%
2015	\$328,033	\$706,326	\$1,196,310	\$1,603,267	\$3,833,936	\$0	\$10,736,348	\$10,736,348	\$14,570,284	73.69%
2016	\$284,374	\$519,366	\$1,241,486	\$2,520,649	\$4,565,875	\$0	\$12,843,163	\$12,843,163	\$17,409,038	73.77%
2017	\$286,835	\$847,088	\$1,396,581	\$2,335,529	\$4,866,033	\$0	\$12,158,550	\$12,158,550	\$17,024,583	71.42%

The subsidy number above, however, includes athletic scholarships. The President and the Budget Advisory committee

(<http://budgetadvisory.eku.edu/sites/budgetadvisory.eku.edu/files/files/EKU%20Budget%20Advisory%20Report%202018.pdf>)

stated that the full amount of scholarship at ECU (\$36.3M) is captured in the Encumbered budget of Student Success and that Athletic Scholarships are \$6 M.

This means that from \$17,024,583 total budget the \$6M of athletic scholarships need to be deducted as well as any payment was received from the NCAA (approx.. \$1,815,588 from the NCAA report obtained by the budget committee).

This leaves an unencumbered budget (i.e. budget not spent or already allocated) of approximately \$9.2 M, which is essentially consistent with the amount of the unencumbered budget of Athletics declared in the president update and used to arrive at the \$2.0 M cut received by Athletics.

However, this only brings back Athletics to the level of subsidy by the University of 2014 (\$12M - \$2M = \$10 M). In the same period the University has seen a decline in funding from the state, with increased expenditures at any level. The salaries have been stagnant as well and so has any amount set aside for the smooth running of all departments, academic or not (M&O or Maintenance and Organization). Further, everyone's salaries have been eroded by increases in health benefits.

Athletics Expenditures over the same 2014-2017 have shown a definite increase (from table above and as shown in the budget committee report of April 2 to the Senate).

This committee finds that the brunt of this current budget cut are experienced more by everyone, as they are further cuts on ever shrinking budgets during the last 4 years.

Athletics budget went up considerably over the last four years, and going back to the level of subsidy of 2014 does not constitute as substantial a sacrifice compared to the other sectors of the University.

In Attendance

M. Ciocca, E. Liddell, C. Pinion, M. Winslow, R. Swain
Respectfully submitted,