

**Measure #: Measure 68**

**Referendum Title: Intercollegiate Athletics and Athletics Activities Access Fee**

**Ballot Type:** New Fee

**Ballot Author:** Intercollegiate Athletics in conjunction with SCA and Foundation/Alumni Council Subcommittees

**Contact:** Andrea Willer

**Question:**

Shall the undergraduate and graduate students of UCSC enact a new fee of \$38.50 per quarter to support the current and long-term operations of UCSC's intercollegiate athletics program and provide access to students who meet Educational Opportunity Programs (EOP) criteria for athletic-related activities? This fee will sunset in 25 years (Spring 2042).

**Summary Points:**

- Enact a new fee of \$38.50 per student, per quarter. Fee will generate approximately **\$2,002,192.50 per year**.<sup>1</sup>
  - 59% (~\$22.72) to Intercollegiate Athletics will generate approximately \$1,181,293.58 per year.
  - Roughly 30% of Intercollegiate Athletics' budget would come from revenue sources other than student fees.
  - Passing of this fee is required to maintain an intercollegiate athletics program (NCAA Division-III) at UCSC.
- 33% (~\$12.70) Return-to-Aid component will generate approximately \$660,723.53 per year.
- 8% (~\$3.08) will generate approximately \$160,075.40 to provide access for athletics-related activities and services for students who meet EOP criteria (to be allocated by EOP). EOP students currently represent approximately 40% of the student population.
- Fee begins Fall Quarter 2017 with an end date of Spring Quarter 2042.
- Fee will be assessed to all undergraduate and graduate students enrolled in the Fall, Winter, and Spring quarters.
- The goal of this measure is to create long-term continuous support for intercollegiate athletics and increase access to athletic-related activities for students who because of costs wouldn't otherwise be able to participate.
- The Student Fee Advisory Committee has chosen to abstain from comment on this referenda.
- The fee is sponsored for the ballot for undergraduate students by Resolution of the Student Union Assembly and Approval of the Chancellor.<sup>2</sup>
- The fee is sponsored for the ballot for graduate students by Approval of the Chancellor.

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<sup>1</sup> Based on the 2015-2016 fall, winter, spring undergraduate and graduate student enrollment average of 17,335

<sup>2</sup> The following college governments voted to sponsor Measure 68: College 9 Senate, Cowell Senate, Crown Student Senate, Kresge Parliament, Oakes Student Senate, Rachel Carson College Council. The fee has not officially been sponsored for the ballot by college governments as a minimum of 7 out of 10 college governments must sponsor a fee in order for it to be officially sponsored.

## **Background:**

Since 1981, UC Santa Cruz has participated in intercollegiate athletics as a member of the National Collegiate Athletics Association (NCAA), Division-III. The current program consists of 15 women and men's teams of approximately 300 student athletes. By any metric, this diverse cohort of students has been successful academically with a GPA that well exceeds the campus average and a 100% retention rate over the past 5 years. Their sports teams have also had success in competition, earning All-American honors and entry to NCAA tournaments. As a member of Division-III, UCSC does not offer athletic scholarships to student athletes and applicants are not given preference for admissions on the basis of athletic ability.

In 2007, UCSC students voted to pass Measure 31, the Intercollegiate Athletics Sports Team Fee at a fee level of \$5.00 per student, per quarter. This fee is a permanent fee with no end date and would not be impacted by this new fee that is being proposed.

In 2016, a pair of committees from the Academic Senate and a Foundation/Alumni group formed to examine the value of the athletics program, its budget, and possible funding models. Their reports are available online<sup>3</sup>. Their main findings are that the program promotes a successful cohort of student athletes and brings a range of co-benefits to UCSC. The latter includes strong alumni support (i.e. philanthropy), engagement with the local community, national promotion of a positive UCSC image, and success with recruitment, student diversity, and retention. Each committee recommended that the university make every reasonable effort to maintain the program.

On budget expenditures, the committees -- supported by an externally run audit -- found that current practices are generally consistent with other NCAA Division-III institutions and did not identify opportunities for significant reduction of the current budget. They examined standard practices of support through student fees and central funds at other UC campuses and Cal State Universities and explored alternative sources of revenue, e.g. licensing, summer sports camps. Athletics has developed a funding model that is sustainable and consistent with comparable NCAA Division-III programs. The proposed fee, which is smaller than intercollegiate athletics fees at other UC's and CSU's, was derived from this model.

## **Our Goals**

1. Provide sufficient and sustainable funding for UCSC Intercollegiate Athletics.
2. Provide a model for EOP to increase the participation of students in athletic-related activities at UCSC (e.g. intramurals, outdoor adventures, sport clubs, etc.).

## **Why is the fee needed?**

Intercollegiate Athletics is currently operating at a deficit, with excessive reliance on institutional support in comparison to other Division-III schools, and with student support that falls short of student support at those schools. With input from stakeholders from across the campus, and the support of alumni and UCSC Foundation

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<sup>3</sup> Special Committee on Athletics Report: [https://senate.ucsc.edu/senate-meetings/agendas-minutes/2016-2017/2016-November-18-Meeting/1852%20-%20SCA\\_Annual%20Report\\_2015-16\\_Final.pdf](https://senate.ucsc.edu/senate-meetings/agendas-minutes/2016-2017/2016-November-18-Meeting/1852%20-%20SCA_Annual%20Report_2015-16_Final.pdf)

Trustees, we have created a new, sustainable business model that will meet the basic needs of the Intercollegiate Athletics program and reduce its dependency on institutional support and ultimately student fees. The revenue gained from the proposed fee is required to achieve this objective and to keep intercollegiate athletics at UCSC. This referendum will bring student fees at UCSC for Intercollegiate Athletics to a level consistent with comparable institutions (NCAA Division-III; public institutions; without football), though this fee will continue to be much less than that paid by students at other UC and CSU schools (which are generally Division-I and Division-II schools).

Many of the co-benefits that derive from an athletics program – student retention, life skills (e.g. leadership, teamwork), student health – apply to general participation in athletics activities. Indeed, physical, emotional, and mental wellness are a foundation of the transformative student experience at UCSC. Athletic-related activities promote the holistic well-being of our students and help foster success in the classroom. The Office of Physical Education, Recreation, and Sports (OPERS) provides athletic related activities and services including but not limited to: intramural and club sports, staff-led outdoor adventures (e.g. kayaking, backpacking, rock-climbing), and Group Exercise Classes. The fees to participate in these programs ranges significantly based on the specific activity. The current range of fees for OPERS-sponsored activities fall between \$2- \$1000. The fees are reviewed and adjusted annually based on the cost to provide the program. The substantial costs of attendance at UCSC, however, limits the participation in these activities of students who have a high financial need. The proposed fee will increase the EOP program’s ability to provide access to students to participate in activities provided by OPERS. The EOP program will determine eligibility and appropriate allocation.

For many students, this will represent their first opportunity to engage in the athletic related activities that support their well-being at UCSC. OPERS’ goal is to enrich the total educational experience by promoting physical activity, encouraging health and wellness, building community, and cultivating leadership. Through our diverse offerings in classes, workshops, outdoor adventure trips, intramural sports leagues, tournaments, clubs, drop-in activities, and recreational facilities, we strive to provide opportunities for ALL UCSC students. At OPERS, there is *"Something for everyone!"*

The following describes the current budget deficit for intercollegiate athletics<sup>4</sup>:

|   | FY 2017(Est.)          |
|---|------------------------|
| <b>Revenue</b>  |                        |
| Institutional Funding (Chancellor's Supplemental Funding) | \$ 1,000,000.00        |
| Student Funding   | \$ 500,000.00          |
| Fundraising   | \$ 140,000.00          |
| Other (Licensing/Gm. Guarantees, Sport Camps/etc.)        | \$ 80,000.00           |
| <b>Total Revenue</b>                                      | <b>\$ 1,720,000.00</b> |
| <b>Expenses</b>   |                        |
| Earnings, Wages and Benefits                              | \$ 1,606,552.53        |
| NCAA Assoc. Costs   | \$ 73,836.16           |
| Equipment, Uniforms and Supplies                          | \$ 84,015.33           |
| Team Travel   | \$ 361,398.89          |
| Recruiting  | \$ 13,930.07           |
| Medical Expenses/Medical Insurance                        | \$ 12,234.21           |
| Other Operating Expenses                                  | \$ 70,224.12           |
| Royalties, Licensing, Advertisements and Sponsorships     | \$ -                   |
| Sports Camps  | \$ 5,106.30            |
| <b>Total Expenses</b>                                     | <b>\$ 2,227,297.61</b> |
| <b>Athletics Annual NET (+ gain/-loss)</b>                | <b>\$ (507,297.61)</b> |

<sup>4</sup> Based on FY2017 UCSC Intercollegiate Athletics Budget forecasts and audited budget trends from FY2014-FY2016

**How the fee will be used:**

The proposed \$38.50/per quarter fee will be used as follows<sup>5</sup>:

| <b>% of \$38.50 Fee</b> | <b>Detailed Description of How Fee Will be Spent</b>                      | <b>Approx. \$ Amount per Qtr.</b> | <b>Approx. amount per year</b> |
|-------------------------|---|-----------------------------------|--------------------------------|
| 33%                     | Return-to-Aid per University of California Policy PACAOS-80 section 81.20 | \$12.70                           | \$660,723.53                   |
| 59%                     | Support UCSC Intercollegiate Athletics Operating Budget                   | \$22.72                           | \$1,181,293.58                 |
| 8%                      | Provide access for EOP students to athletics related activities           | \$3.08                            | \$160,175.40                   |
|                         | <b>Approx. Grand Total of Funds Generated per Yr.</b>                     |                                   | <b>\$2,002,192.51</b>          |

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<sup>5</sup> Based on 2015-16 3-Quarter Average Enrollment: 17,335

### UCSC Athletics Revenue & Expenses 3 Year Forecast

|  | FY 2018            | FY 2019            | FY 2020            |
|--|--------------------|--------------------|--------------------|
| <b>Revenue</b>   |                    |                    |                    |
| Institutional Funding  | \$500,000          | \$500,000          | \$500,000          |
| Student Funding  | \$1,640,510        | \$1,640,510        | \$1,640,510        |
| 20000 University Student Services Fee                                  | \$250,000          | \$250,000          | \$250,000          |
| 20360 Student Programs Fee M7  | \$35,000           | \$35,000           | \$35,000           |
| 20370 Intercol Athletics Sports Team Fee                               | \$174,217          | \$174,217          | \$174,217          |
| <b>Intercollegiate Athletics &amp; Athletics Activities Access Fee</b> |                    |                    |                    |
| <b>(Proposed)</b>  | <b>\$1,181,293</b> | <b>\$1,181,293</b> | <b>\$1,181,293</b> |
| Sport Camps  | \$40,000           | \$60,000           | \$60,000           |
| Other (Fundraising/Licensing/Tix Sales/etc)                            | \$80,000           | \$123,393          | \$184,111          |
| <b>Total Revenue</b>   | <b>\$2,260,510</b> | <b>\$2,323,903</b> | <b>\$2,384,621</b> |
| <b>Expenses</b>  |                    |                    |                    |
| Subtotal Earnings, Wages and Benefits                                  | \$1,607,451        | \$1,665,416        | \$1,712,965        |
| NCAA Assoc. Costs  | \$75,313           | \$78,325           | \$79,892           |
| Equipment, Uniforms and Supplies                                       | \$85,696           | \$89,123           | \$90,906           |
| Team Travel  | \$368,627          | \$383,372          | \$391,039          |
| Recruiting   | \$14,209           | \$14,777           | \$15,073           |
| Medical Expenses/Medical Insurance                                     | \$12,479           | \$12,978           | \$13,238           |
| Other Operating Expenses   | \$71,629           | \$74,494           | \$75,984           |
| Sports Camps   | \$5,208            | \$5,417            | \$5,525            |
| <b>Total Expenses</b>  | <b>\$2,240,610</b> | <b>\$2,323,903</b> | <b>\$2,384,621</b> |
| <b>Athletics Annual NET (+ gain/-loss)</b>                             | <b>\$19,900</b>    | <b>\$0</b>         | <b>\$0</b>         |

Endorsements:

Education Opportunities Program (EOP): "I am writing to confirm and document the endorsement from the Educational Opportunity Programs (EOP) team and community. We appreciate the partnership to expand opportunities for EOP students which is an important component of the referenda. Thanks for reaching out to us and including us in this initiative and we are pleased to provide an endorsement from EOP. "

- Assistant Vice Provost for Student Success Pablo Reguerin

Kresge Parliament