

Minutes*

**Special Meeting
Senate Committee on Finance and Planning
Tuesday, December 4, 2001
2:15 – 3:15
229 Nolte Center**

Present: Charles Speaks (chair), Prince Amattoe, Brittny McCarthy Barnes, Stanley Bonnema, David Chapman, Daniel Feeney, Gary Jahn, Terry Roe, Rose Samuel, Susan Carlson Weinberg

Absent: none counted for a special meeting called on short notice

Guests: Professor Arthur Erdman (Faculty Consultative Committee); Vice President Tonya Brown, Laurie McLaughlin, Carol Flanigan (Office of the Vice President and Chief of Staff)

Other: none

[In these minutes: statement on athletics]

Professor Speaks convened the meeting at 2:15 and asked for a motion that the Committee go off the record for the entire discussion. The motion was made, seconded, and approved unanimously.

The Committee discussed the information and data about the Twin Cities athletic programs that Vice President Brown had provided at the previous meeting. Committee members considered revenues and deficits, the guiding principles for athletics that Dr. Brown had abstracted from previous regental and other policy statements, management structures, and the relationship of athletics to academic programs.

The Committee then turned to a draft resolution that had evolved from a discussion at the Faculty Consultative Committee the previous week. After considering various alternatives for language to be used, the Committee agreed on wording and approved the statement unanimously.

The final language that was approved, after discussion with the Faculty Consultative Committee and a number of email exchanges among various Committee members, was as follows:

STATEMENT ON TWIN CITIES INTERCOLLEGIATE ATHLETICS

Faculty Consultative Committee
Senate Committee on Finance and Planning
December 6, 2001

* These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

The Faculty Consultative Committee (FCC) and the Senate Committee on Finance and Planning (SCFP) have reviewed carefully the financial data concerning the Twin Cities campus intercollegiate athletics programs. Both committees wish to applaud the spirit of consultation brought to the presentation by the administration. We especially thank Vice President Tonya Brown for the candor and honesty she demonstrated in speaking with us. We appreciate her having asked us to provide advice in an effort to assist the institution in dealing with a deeply troubling problem.

Before we make specific responses to the substance of the report from Vice President Brown, we affirm that intercollegiate athletics can play a positive role at a university. The Committees also endorse a guiding principle that the University should meet, or exceed, the requirements of Title IX with respect to gender equity. Further, the Committees recognize and endorse the variety of benefits that athletics offer to the institution. The question for us is not about the legitimacy or appropriateness of intercollegiate athletics on campus; it is about the cost.

The Committees are deeply disturbed by the financial situation of the Twin Cities intercollegiate athletics programs. An annual subsidy that has now become more than \$10 million from institutional operating funds is inappropriate and casts into stark relief the issue of institutional priorities.

The current practice of providing an annual subsidy to intercollegiate athletics from institutional operating funds should be evaluated in the context of other institutional priorities, financial obligations, and opportunity costs. University priorities are not in the right order when \$10 million is allocated to athletics while improvements related directly to the core mission languish because of a lack of funds.

We recognize that the University, with the best intentions, has tried with the subsidy to assist the athletic programs to reach a level of excellence. The review sponsored by Vice President Brown, commendable for its realism, can only lead to the conclusion that it is time to change course; institutional resources no longer permit this magnitude of institutional financial support to intercollegiate athletics.

As alarming as anything about the financial situation in intercollegiate athletics is the trajectory. Even with the \$10-million annual subsidy from institutional funds, the athletics programs are projected to have an additional annual deficit of \$9 million in five years owing simply to increases in fixed costs. There is no indication that new revenues will be available to cover that deficit, much less to reduce the current level of subsidy. Quite to the contrary: The administration has been frank in acknowledging that it cannot identify any potential source of sufficient new revenues.

All departments of the University face constraints in a time of financial difficulties and are unable to do all that they want or need to do. All departments must live within their budgets. In our judgment, the intercollegiate athletics programs must do the same. Given the extraordinarily bleak financial prospects facing athletics, we do not believe the University can continue to honor all five of the guiding principles for athletics outlined by Vice President Brown.

We recognize that reducing the institutional investment might mean curtailing opportunities for students in intercollegiate athletics. At the same time, we believe strongly that an annual institutional subsidy of approximately \$10 million cannot be continued. Because the subsidy comes from institutional funds, which include tuition, non-athlete students are contributing money to the operation of the athletic programs. We also recognize that students have been asked to pay double-digit tuition increases for 2001-02 and probably for 2002-03; we cannot justify continuation of this level of support for athletics when students' cost of education is increasing at this rate. If one believes it difficult to ask students to pay increased tuition in order to help support needed faculty and staff salary increases, it is simply impossible to justify using tuition revenues to help pay the operating costs of intercollegiate athletics.

Any pullback in institutional support will be painful for the University as well as for the individuals in the programs. But the University is at the point where it must get its priorities in order; as it does so, spending decisions must follow.

We conclude that we have no alternative to a recommendation that the University take action to scale back the use of institutional funds for intercollegiate athletics. We believe that the administration and the Advisory Committee on Athletics should consult with those responsible for the management of the intercollegiate athletics programs on what alternatives might be available. But we firmly believe the University must do whatever is necessary, in the very near future, to reduce its present and projected financial commitment to athletics.

Adopted unanimously by the Senate Committee on Finance and Planning December 4, 2001.
Adopted unanimously by the Faculty Consultative Committee December 6, 2001.

It was also agreed:

-- That Professors Speaks and Massey would set up a meeting with President Yudof and Vice President Brown sometime before Dr. Brown makes her presentation to the Board of Regents on December 14.

-- That the Committee wished to hear from the two Twin Cities athletic directors, Mr. Moe and Ms. Voelz.

Professor Speaks commended the Committee for what it accomplished and adjourned the meeting at 3:45.

-- Gary Engstrand

University of Minnesota