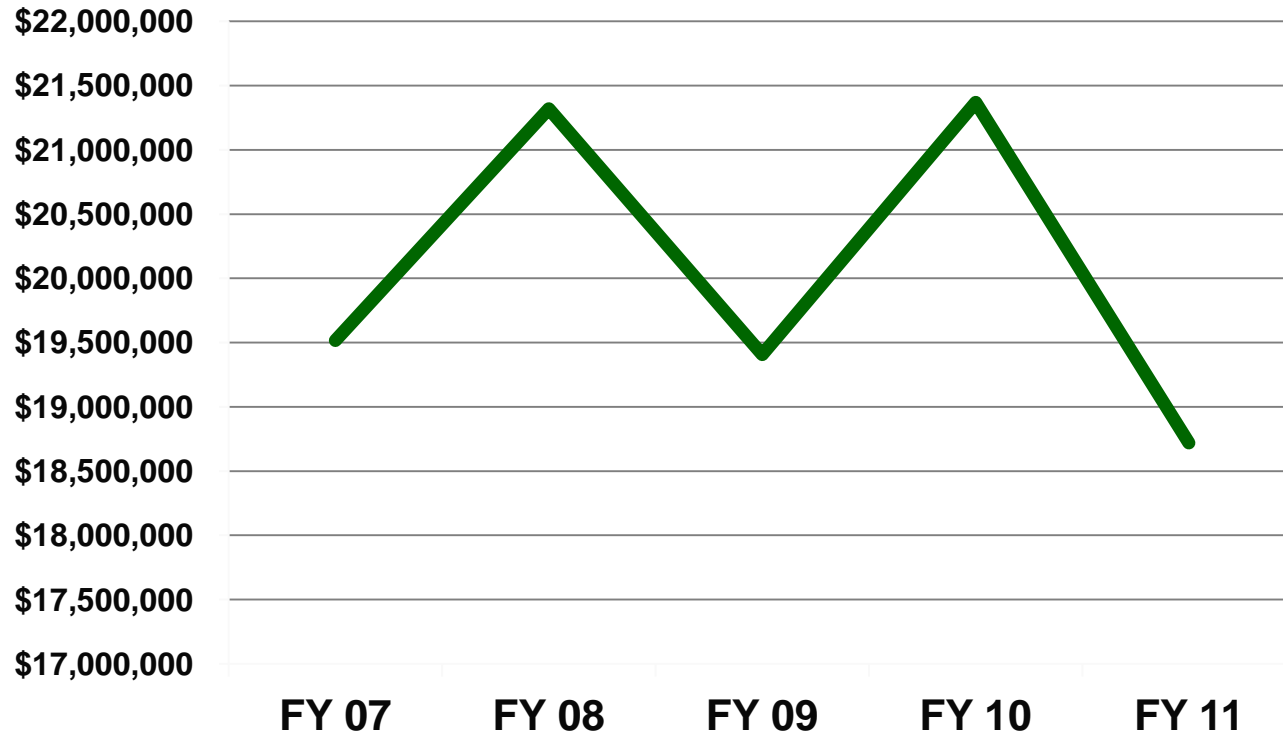


GTAA Presentation to Student Fee Advisory Committee

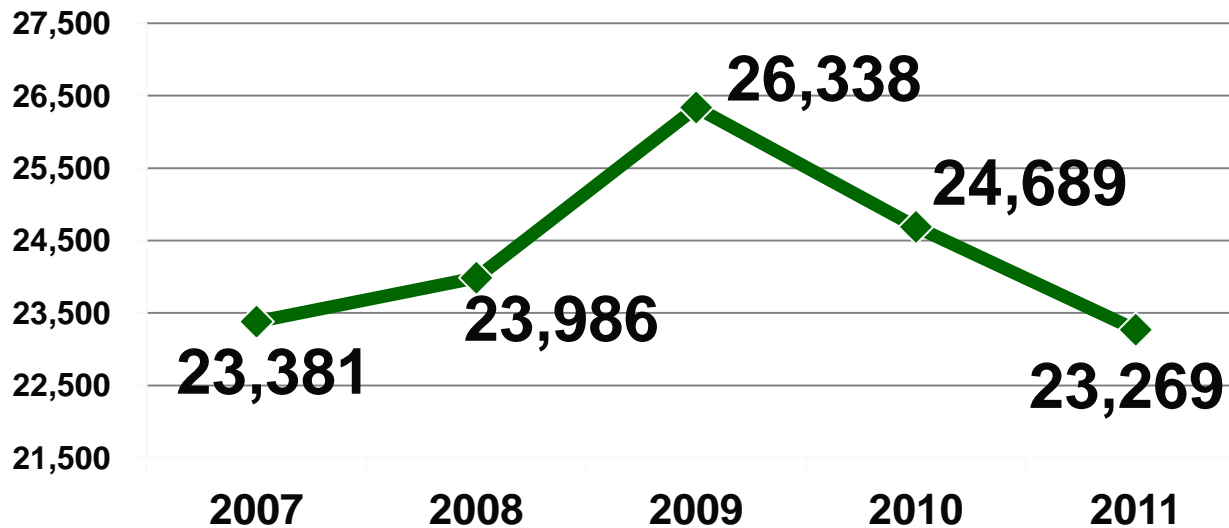


Ticket / Premium Seating Revenue



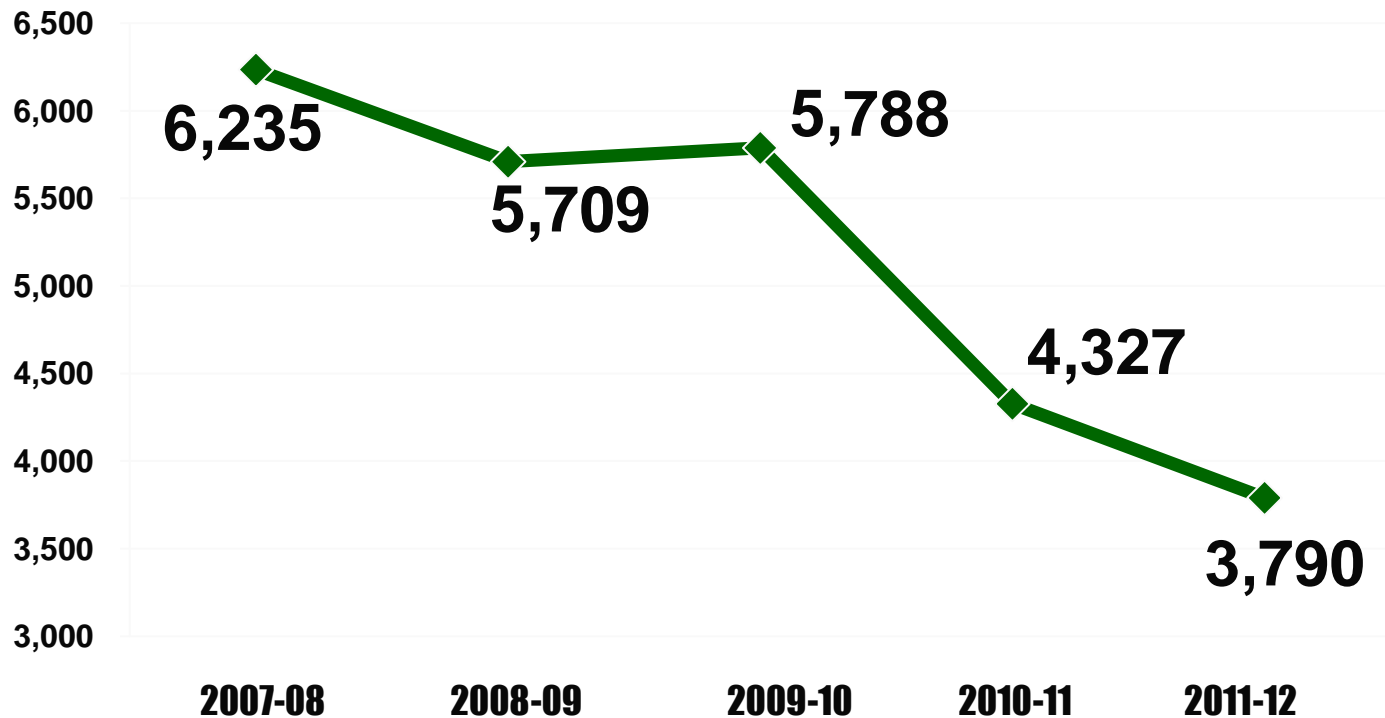
- **Ticketed events generate 35% of total funding received by GTAA**
- **This revenue varies greatly year to year**

Football Season Ticket Sales



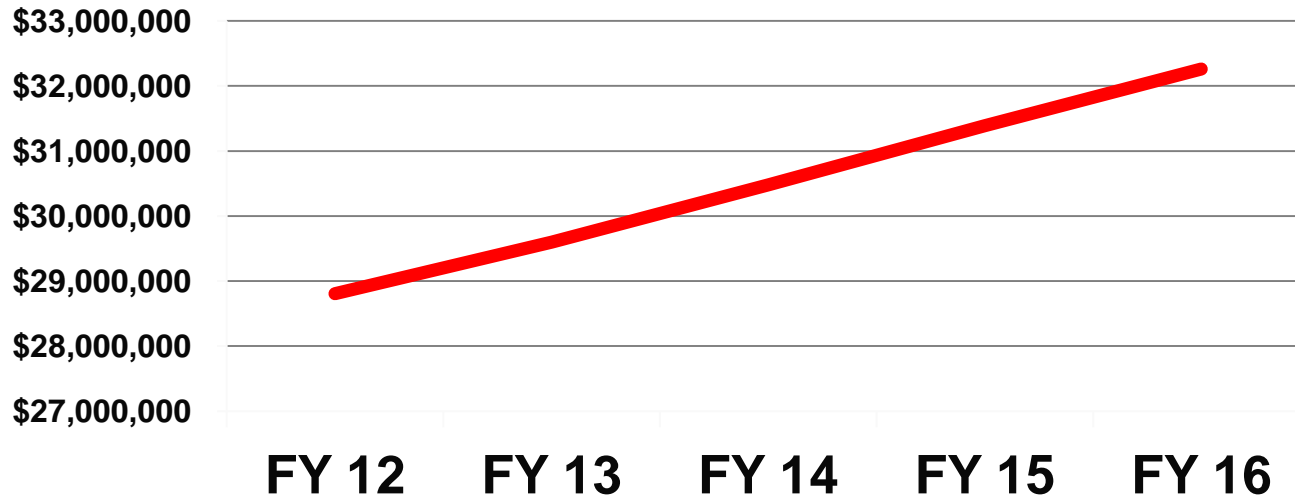
- In addition to variability, event related revenue is also subject to decreasing demand
- In 2011, football recorded it's lowest season ticket sales in five years
- The 2011 total continued a three year trend of decreasing season ticket sales

Men's Basketball Season Ticket Sales



- **Men's Basketball season ticket sales have also declined over the past five years**

Projected Future Personnel / Scholarship Expenses



- **While 35% of the GTAA's revenues are variable (and subject to declining demand)....**
- **50% of the GTAA's annual expenses are non-variable, growing and impacted by factors beyond the control of the GTAA**

SOLUTIONS to Funding Challenges



“Control the Controllables”

- **Reduce expenses: \$2.7 million in expense reductions were made prior to FY 2009-10.**
- **Minimize future expense growth- as indicated on the financial report submitted to the Student Fee Advisory Committee, the GTAA is minimizing expense growth in areas where costs can be controlled.**

From Financial Report Submitted to Student Fee Advisory Committee



	<u>FY 2012</u>	<u>FY 2013</u>
Travel	\$4,802,000	\$4,697,000
Supplies	6,426,000	6,078,000
Repairs & Maint.	250,000	257,000
Telecomm	172,000	177,000
Contract Services	4,300,000	3,650,000
Software	273,000	283,000
Equipment	580,000	596,000
Plant Allocation	<u>1,827,000</u>	<u>1,877,000</u>
	\$18,630,000	\$17,615,000

SOLUTIONS to Funding Challenges



“Control the Controllables”

- **Solidify future revenue streams-**

Stable, growing funding sources are needed to counter the presence of volatile funding sources existing in the GTAA budget.

Solidifying future revenue streams



- **2007: Implemented TECH Fund**
- **2007: Student Fee Advisory Committee approves 75% increase in athletic fee for FY 08 (increased fee from \$128 to \$224)**
- **2008: Entered into agreements w/ IMG College & Russell Athletic thru 2018**
- **2010: ACC signed twelve year agreement with ESPN / ABC**
- **2011: Proposed athletic fee increase...**

ACC Peer Comparison: Athletic Fee Revenue as a % of Total Athletic Revenue



	<u>Athletic Fee Revenue</u>	<u>% of Total Revenues</u>
Virginia	\$11,874,202	18.6%
Maryland	9,408,122	17.2%
Virginia Tech	6,533,756	10.3%
UNC	6,859,868	9.4%
Florida State	6,919,449	9.3%
NC State	4,200,610	8.5%
Georgia Tech	4,643,648	8.4%
Clemson	1,585,556	2.8%

Proposed Student Athletic Fee



- **Requested Increase: \$5 per semester; \$10 for the academic year. Result= total fee grows 3.9%, from \$254 to \$264**
- **If this fee is approved, total fee revenue would grow \$327,000, from \$4,747,000 to \$5,074,000.**

Conclusions



- **Annual athletic fee increases of 4% to 5% necessary to provide GTAA with stable source of funding to offset annual expense increases inherent in athletic budget**
- **Increase requested for 2012-13 would allow Georgia Tech fee revenue to move more in line with amounts received by peer institutions**
- **In the short term, not receiving requested fee increase creates potential that GTAA may have to reduce programs and / or services to assure balanced budget**
- **For the long term, not approving the \$5 per semester increase proposed here would increase the need for more dramatic athletic fee increases to be implemented in future years.**