

# GEORGIA TECH ATHLETIC ASSOCIATION

## Mandatory Student Fee Committee

December 1, 2021

# DISCUSSION OUTLINE

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**I. Introductions**

**II. Short Video – Students at our Events Student always comes first in Student Athletes**

**III. Student-Athlete: Student is first for a reason**

**IV. Budget and Planning Overview**

**V. Questions**

# CALL PARTICIPANTS

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**Ben King - Student Athlete GT Baseball, Biology 3<sup>rd</sup> Year  
VP - Student Athlete Advisory Board**

**Mark Rountree – Deputy Athletic Director**

**Jim Pierce – Interim CFO**

Video will be played in person for this slide.

# STUDENTS FIRST

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## My Experience:

- Chose Tech over Columbia, Harvard, etc.; Undergraduate Research; Research and Volunteering with other Atlanta based entities; ACC SAAC

## Yellow Jacket Pride:

- Much of what defines Tech revolves around athletics (Homecoming traditions, Reck Club, etc.)
- Unprecedented success in many current sports despite adverse circumstances
- Sense of community provided by student attendance at athletic events

**The Student Fee allows us to continue pursuing excellence, and allows EVERYONE the opportunity to be apart of something extraordinary**

- Story of Sam Crawford
- Story of Ponder and Sanjay

# INSTITUTE STRATEGIC PLAN – VALUES

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**Students are our top priority.**

**We strive for excellence.**

**We thrive on diversity.**

**We celebrate collaboration.**

**We champion innovation.**

**We safeguard freedom of inquiry and expression.**

**We nurture the well-being of our community.**

**We act ethically.**

**We are responsible stewards.**

# BUDGET AND PLANNING OVERVIEW

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- As several of you have heard from other Athletics board and committee meetings, the Covid-19 pandemic hit Athletics extremely hard.
- In FY20, both Athletics and the Institute refunded to students a pro-rata amount of Tuition and Fees. However, Athletics revenues were further impacted by the loss of the ACC men's and women's basketball tournaments, the NCAA basketball tournaments, and the loss of both baseball and softball seasons. (CARES and HEERF Federal support alleviated some of the Institute refunds and losses, however, GTAA received no support from outside sources due to Covid losses.)
- This culminated to a \$13.6M loss that we are still carrying today, and hope and plan to recover from in approximately 7 years, with almost a full 9 to 10 years to recover reserves that the Institute has asked GTAA to maintain.
- In order to balance the FY21 budget, Athletics took drastic cost cutting steps, including requiring the majority of all full-time employees to take unpaid leave, with many taking 29 days of unpaid leave (that is a month and a half of pay).

# BUDGET AND PLANNING OVERVIEW

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- Athletics does not wish to request a fee increase, maintain the fee at \$127 per full time student per semester.
- Athletics has not requested a fee increase since 2010 – 11 years ago.
- Inflation has gone up 21% since our last fee increase (based upon Consumer Price Index.)
- The current 10-year plan has no fee increases in it at all – making a minimum period of 21 years with no fee increase.
- Average CPI inflation rate since 2000 has been 2.99%, assuming the same going forward, plus the actual past 11 years, that would be a 47.5% increase in inflation over the same period where Athletics has supported students and asked for no fee increase.
- From FY10 to our FY31 projection, Athletics is anticipating a total increase in expenses of 137% over that 21-year period (\$117.0M vs \$49.3M), outpacing CPI.

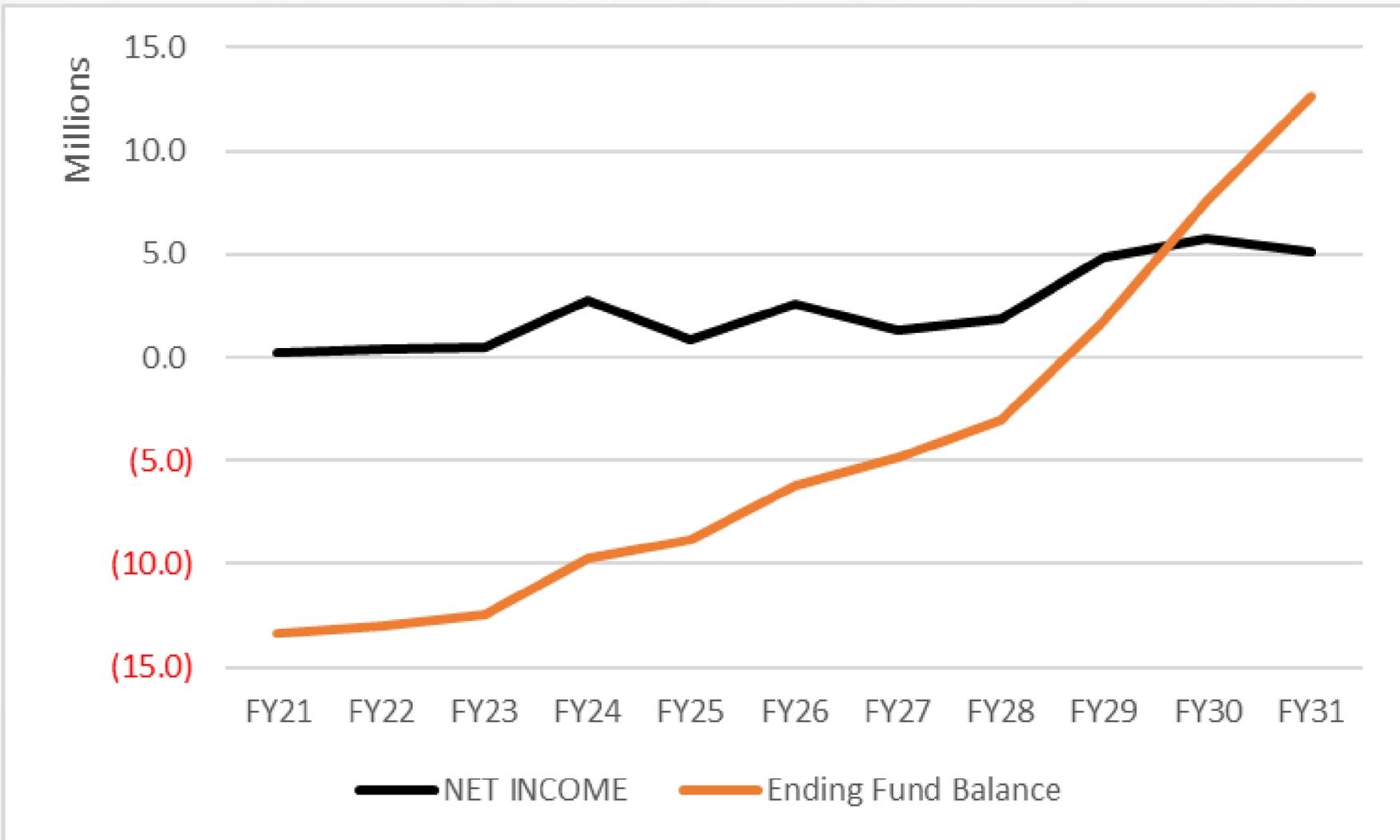
# Board Approved Budget and 10-year Plan

		Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
<b>REVENUES</b>	<b>FY21 ACTUALS</b>	<b>FY22 BUDGET</b>	<b>FY23 PROJECTION</b>	<b>FY24 PROJECTION</b>	<b>FY25 PROJECTION</b>	<b>FY26 PROJECTION</b>	<b>FY27 PROJECTION</b>	<b>FY28 PROJECTION</b>	<b>FY29 PROJECTION</b>	<b>FY30 PROJECTION</b>	<b>FY31 PROJECTION</b>
ACC Distribution	\$35,014,091	\$34,993,000	\$37,130,000	\$41,017,000	\$40,570,000	\$43,974,000	\$45,531,000	\$46,980,000	\$50,489,000	\$52,004,000	\$51,464,000
Tickets/TECH Fund/Premium	\$5,830,885	\$19,531,000	\$22,422,000	\$23,097,000	\$25,617,000	\$24,309,000	\$25,038,000	\$25,790,000	\$26,562,000	\$27,358,000	\$28,179,000
Multimedia Rights/Licensing	\$6,453,892	\$6,254,000	\$7,603,000	\$6,993,000	\$7,460,000	\$7,905,000	\$8,380,000	\$8,886,000	\$9,426,000	\$10,002,000	\$10,617,000
Concessions/Catering	\$508,732	\$1,829,000	\$2,423,000	\$2,471,000	\$2,520,000	\$2,570,000	\$2,621,000	\$2,673,000	\$2,725,000	\$2,778,000	\$2,833,000
Student Fees	\$5,368,400	\$5,906,000	\$5,965,000	\$6,025,000	\$6,085,000	\$6,146,000	\$6,207,000	\$6,269,000	\$6,332,000	\$6,395,000	\$6,459,000
Athletic Scholarship Fund	\$8,896,263	\$2,500,000	\$2,573,000	\$2,648,000	\$2,725,000	\$2,804,000	\$2,885,000	\$2,969,000	\$3,056,000	\$3,145,000	\$3,237,000
Endowments/Investments	\$14,380,370	\$18,670,000	\$11,742,000	\$12,346,000	\$12,960,000	\$12,975,000	\$10,501,000	\$10,934,000	\$11,301,000	\$11,755,000	\$12,226,000
Institutional Support	\$6,156,056	\$4,740,000	\$4,335,000	\$4,464,000	\$3,367,000	\$3,466,000	\$3,570,000	\$3,677,000	\$3,787,000	\$3,901,000	\$4,018,000
Other	\$740,169	\$2,224,000	\$7,693,000	\$7,438,000	\$2,785,000	\$3,032,000	\$2,879,000	\$2,627,000	\$2,976,000	\$2,727,000	\$3,078,000
<b>TOTAL REVENUES</b>	<b>\$83,348,858</b>	<b>\$96,647,000</b>	<b>\$101,886,000</b>	<b>\$106,499,000</b>	<b>\$104,089,000</b>	<b>\$107,181,000</b>	<b>\$107,612,000</b>	<b>\$110,805,000</b>	<b>\$116,654,000</b>	<b>\$120,065,000</b>	<b>\$122,111,000</b>
<b>EXPENSES</b>											
Personnel (Salary/Fringe)	\$29,810,111	\$33,180,000	\$33,558,000	\$34,326,000	\$35,341,000	\$36,280,000	\$37,335,000	\$38,418,000	\$39,336,000	\$40,381,000	\$41,452,000
Scholarships	\$11,621,928	\$13,172,000	\$13,768,000	\$14,282,000	\$14,710,000	\$14,651,000	\$15,090,000	\$15,793,000	\$16,519,000	\$17,269,000	\$17,795,000
General & Administrative	\$8,330,852	\$15,077,000	\$15,285,000	\$15,592,000	\$16,071,000	\$16,210,000	\$16,537,000	\$16,848,000	\$17,213,000	\$17,562,000	\$17,918,000
Plant/Maintenance/Utilities	\$7,607,689	\$5,659,000	\$5,769,000	\$5,864,000	\$5,961,000	\$6,060,000	\$6,161,000	\$6,264,000	\$6,370,000	\$6,478,000	\$6,588,000
Existing Debt Service	\$13,978,959	\$13,223,000	\$13,277,151	\$13,631,024	\$13,774,842	\$13,868,845	\$13,987,130	\$14,120,797	\$14,419,775	\$14,264,672	\$14,433,059
Other	\$11,799,777	\$15,925,000	\$19,736,000	\$20,059,000	\$17,329,000	\$17,499,000	\$17,153,000	\$17,548,000	\$17,953,000	\$18,368,000	\$18,794,000
<b>TOTAL EXPENSES</b>	<b>\$83,149,316</b>	<b>\$96,236,000</b>	<b>\$101,393,151</b>	<b>\$103,754,024</b>	<b>\$103,186,842</b>	<b>\$104,568,845</b>	<b>\$106,263,130</b>	<b>\$108,991,797</b>	<b>\$111,810,775</b>	<b>\$114,322,672</b>	<b>\$116,980,059</b>
<b>NET INCOME</b>	<b>\$199,542</b>	<b>\$411,000</b>	<b>\$492,849</b>	<b>\$2,744,976</b>	<b>\$902,158</b>	<b>\$2,612,155</b>	<b>\$1,348,870</b>	<b>\$1,813,203</b>	<b>\$4,843,225</b>	<b>\$5,742,328</b>	<b>\$5,130,941</b>
<b>Beginning Fund Balance</b>	(13,579,081)	(13,379,539)	(12,968,539)	(12,475,690)	(9,730,714)	(8,828,556)	(6,216,401)	(4,867,530)	(3,054,327)	1,788,898	7,531,226
Net Income	199,542	411,000	492,849	2,744,976	902,158	2,612,155	1,348,870	1,813,203	4,843,225	5,742,328	5,130,941
<b>Ending Fund Balance</b>	<b>(13,379,539)</b>	<b>(12,968,539)</b>	<b>(12,475,690)</b>	<b>(9,730,714)</b>	<b>(8,828,556)</b>	<b>(6,216,401)</b>	<b>(4,867,530)</b>	<b>(3,054,327)</b>	<b>1,788,898</b>	<b>7,531,226</b>	<b>12,662,167</b>



# Board Approved Budget and 10-year Plan – Bottom Line

## Current 10 Year Plan



Reductions in the student mandatory fee would have a significant impact on the above plan of recovery.

# Closer View of Current Year Financials

	<b>FY22 Revenue Budget</b>						<b>FY22 Expense Budget</b>
ACC Distributions	34,993,000	36%	34,993,000	46%		Personnel	33,180,000
Tickets/Tech Fund/Premium	19,531,000	20%	19,531,000	26%		Scholarships	13,172,000
Multimedia Rights/Licensing	6,254,000	6%	6,254,000	8%		General & Administrative	15,077,000
Concessions/Catering	1,829,000	2%	1,829,000	2%		Plant, Maintenance, Utilities	5,659,000
Student Fees	5,906,000	6%	5,906,000	8%		Debt Service	13,223,000
Scholarship Fund	2,500,000	3%		0%		Team Travel & Recruiting	6,822,000
Endowment/Investments	18,670,000	19%		0%		Events & Other Services	7,516,000
Institutional Support	4,740,000	5%	4,740,000	6%		Uniforms & Equipment	1,587,000
Other	2,224,000	2%	2,224,000	3%			96,236,000
	<u>96,647,000</u>	100%	<u>75,477,000</u>	100%			
						Unfunded Scholarship Expense:	10,672,000
						Student Fee Support @8%:	\$835,073.36

# Use of Student Fees

	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Projected Student Fee:	5,906,000	5,965,000	6,025,000
Uses Per Budget:			
Direct student Events <sup>1</sup>	503,300	513,366	523,633
Student Sport Attendance <sup>2</sup>	3,707,000	3,707,000	3,707,000
Band and spirit operational expenses	811,500	827,730	844,285
Allocated portion of unfunded scholarships & meal plan <sup>3</sup>	835,073	851,775	868,810
Title IX operational expenses	TBD	TBD	TBD
Student Employees <sup>4</sup>	580,700	592,314	604,160
Total:	<u>6,437,573</u>	<u>6,492,185</u>	<u>6,547,889</u>

Note 1 - Includes direct expenses, facilities, and related staff costs.

Note 2 - Assumes no change in ticket prices or number of tickets claimed.

Note 3 - 8% allocation of the unfunded expense (8% is the weight of the student fee, outside of endowment support).

Note 4 - Includes all office and sport student direct support, excluding student support for band and spirit.



# FY22 Student Support Events

Event	Location	Attendance	Cost
Football Fan Day	Bobby Dodd	1000+	\$7,400
First Year Move In/Cookout (Aug. 15)	Campus	3000+	\$1,600
FASET Resource Fair for Parents	Exhibition Hall	3000+	\$2,900
Resource Fair	Tech Walkway	5000+	\$2,180
Bobby Dodd House Party	Bobby Dodd	1500+	\$38,000
Annual Sports Hackathons	Student Success Center	100+	\$20,000
GT Convocation	McCamish	3000+	\$120
T-Night	Bobby Dodd	3000+	\$1,200
Graduate Student Tailgate	Peter's Parking Deck	1000+	\$20,000
Georgia Tech It's Friday - campus ride-around with the Reck	On campus	TBD	\$5,600
Field Passes for student organizations	Bobby Dodd	140+	N/A
Football Promotional Items & Giveaways	Bobby Dodd	14,000+	\$50,000
Football season incidentals	On-Campus	See notes	\$70,000
Yellow Jacket Budget		5000 members	\$50,000
General Promotional Items for 2022 Calendar Year		All students	\$10,000
Student Promotions for Football spring game		All students	\$20,000
MBB Promotional Items & Giveaways		All students	\$16,350
WBB Promotional Items & Giveaways		All students	\$12,850
Baseball Promotional Items & Giveaways		All students	\$14,000
Softball Promotional Items & Giveaways		All students	\$2,000
Misc Student Promotional Items & Giveaways		All students	\$159,100
		Total:	\$503,300

# Athletic Events and Student Tickets

Sporting Events	Ave Student Tickets Claimed	Number of Home Events
Football*	8,000	7
Men's Basketball	900	22
Women's Basketball	75	18
Volleyball	230	19
Baseball	300	36

\*Note - The UNC football game at Mercedes-Benz game had student attendance of 8,800!

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Baseball	300	36

\*Note - The UNC football game at Mercedes-Benz game had student attendance of 8,800!

# Conclusion & Questions

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- Athletics is both highly connected and highly dependent upon students.
- Athletics is committed to maintaining a just and consistent cost to the student body, as seen by the 21 year commitment to maintain our fee at a level cost.
- Athletics is committed to maintaining a strong partnership with SGA:
  - We have student representatives on our GTAA Board and Administration & Finance Committee.
  - We continue discussions and action plans with SGA on sustainability efforts.
  - We are actively involved on student engagement and event planning – we are frequently requested to provide locations and events by student groups, and we continue to welcome more!
  - Looking back during pandemic, we believe that Athletics were campus leaders in providing safe events and activities, helping to provide locations and events for social engagement during challenging times.
  - We would like to add quarterly check-ins with SGA leadership and our CFO.
- Athletics is always open to discussions regarding use of and cost of student fees and how it relates to the student experiences.