

GEORGIA TECH ATHLETIC ASSOCIATION

Mandatory Student Fee Committee

November 11, 2022

DISCUSSION OUTLINE

I. Introductions

- **J Batt, Director of Athletics**
- **Brad Stricklin, Senior Associate Athletic Director/CFO**

II. GTAA Mission, Vision, Values

III. Current landscape of Georgia Tech Athletics

IV. Financial Projections

V. Questions

GTAA VISION, MISSION, CORE VALUES

Our Vision:

We develop the young people who will change the world.

Our Mission:

Georgia Tech Athletics develops and empowers student-athletes to live a life of purpose by optimizing achievement in academics, competition, and life.

Our Core Values:

Teamwork

Character

Excellence

Innovation

CURRENT LANDSCAPE

Covid Impact Re-cap:

- As many of you may 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.)
- Despite GTAA taking drastic cost-cutting steps, including requiring the majority of all full-time employees to take as many as 29 days of unpaid leave (month and a half of pay), this culminated to a \$13.6M fund balance deficit. A plan was developed to recover the deficit in approximately seven years to include a loan for a local bank; however, GTAA also has a directive from the Institute to have a \$10 million positive fund balance (reserves) over the next ten years.

CURRENT LANDSCAPE

- GTAA finished FY22 with a \$1.4 million budget plus the principal payment toward operating debt (needed to cover most of the Covid-related operating shortfall) which reduced the fund balance deficit by a total of \$2.52 million. A \$2.05 million reduction to the deficit is budgeted in FY23.
- Athletics will not request a fee increase and maintain the fee at \$127 per full time student per semester.
- Athletics has not requested a fee increase since 2010.
- Budget challenges will be funded through ACC distributions, philanthropic gifts, ticket sales, corporate partnerships and other support.

FINANCIAL OVERVIEW

<u>SOURCES OF FUNDS</u>	FY22 ACTUALS	FY23 BUDGET	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION
1 ACC Distribution	\$ 37,535,646	\$ 41,891,000	\$ 45,480,000	\$ 45,024,000	\$ 50,291,000	\$ 52,047,000	\$ 51,471,000	\$ 56,658,000	\$ 58,677,000	\$ 58,679,000
2 Ticket Sales	12,343,767	10,740,000	13,762,000	16,404,000	14,470,000	13,476,000	14,968,000	15,900,000	15,485,000	15,949,000
3 TECH Fund/Premium	9,636,135	7,843,000	9,012,000	9,995,000	10,294,000	10,603,000	10,921,000	11,248,000	11,585,000	11,933,000
4 Multimedia Rights/Sponsorships	3,527,554	7,289,000	5,828,000	6,181,000	6,423,000	6,822,000	7,252,000	7,717,000	8,218,000	8,759,000
5 Concessions/Catering	1,534,971	2,323,000	2,765,000	3,031,000	3,110,000	2,892,000	3,256,000	3,342,000	3,430,000	3,520,000
6 <i>Student Fees</i>	<i>6,024,950</i>	<i>6,105,000</i>	<i>6,166,000</i>	<i>6,228,000</i>	<i>6,290,000</i>	<i>6,353,000</i>	<i>6,417,000</i>	<i>6,481,000</i>	<i>6,546,000</i>	<i>6,611,000</i>
7 Athletic Scholarship Fund	3,939,570	2,907,000	3,220,000	3,234,000	3,308,000	3,407,000	3,509,000	3,615,000	3,723,000	3,835,000
8 Endowments/Investments	18,672,359	12,919,000	11,621,000	13,322,000	11,549,000	11,278,000	11,728,000	10,827,000	11,335,000	11,827,000
9 Institutional Support	5,840,726	5,446,000	6,693,000	6,872,000	7,055,000	7,267,000	7,485,000	7,710,000	7,941,000	8,179,000
10 Other	1,649,158	7,771,000	10,406,000	7,239,000	4,430,000	4,813,000	4,598,000	4,684,000	4,271,000	4,351,000
TOTAL SOURCES OF FUNDS	\$ 100,704,836	\$ 105,234,000	\$ 114,953,000	\$ 117,530,000	\$ 117,220,000	\$ 118,958,000	\$ 121,605,000	\$ 128,182,000	\$ 131,211,000	\$ 133,643,000
<u>USES OF FUNDS</u>										
1 Personnel (Salary/Fringe)	\$ 34,798,323	\$ 36,760,000	\$ 43,897,000	\$ 44,272,000	\$ 43,269,000	\$ 43,209,000	\$ 43,976,000	\$ 45,535,000	\$ 46,358,000	\$ 47,990,000
2 Scholarships	13,505,928	14,950,000	15,439,000	15,842,000	16,257,000	16,685,000	17,125,000	17,579,000	18,046,000	18,528,000
3 Sports Operations	7,601,470	7,697,000	7,754,000	8,121,000	8,364,000	8,840,000	8,805,000	9,069,000	9,341,000	9,622,000
4 Event & Other Services	9,536,573	9,933,000	10,284,000	9,666,000	9,316,000	8,728,000	10,208,000	10,621,000	11,054,000	11,508,000
5 General & Administrative	11,801,927	14,141,000	14,913,000	15,423,000	15,528,000	15,724,000	16,148,000	16,528,000	16,793,000	17,142,000
6 Plant/Maintenance/Utilities	7,972,175	6,617,000	7,427,000	8,536,000	8,647,000	8,760,000	8,876,000	10,494,000	10,614,000	10,737,000
7 Uniforms and Equipment	1,128,353	1,989,000	2,029,000	2,070,000	2,111,000	2,153,000	2,196,000	2,240,000	2,285,000	2,331,000
8 Debt Service (includes operating debt)	12,938,725	13,147,000	13,210,000	13,600,000	13,728,000	13,859,000	13,982,000	14,116,000	14,173,000	14,173,000
TOTAL USES OF FUNDS	\$99,283,474	\$105,234,000	\$114,953,000	\$117,530,000	\$117,220,000	\$117,958,000	\$121,316,000	\$126,182,000	\$128,664,000	\$132,031,000
NET BUDGET SURPLUS (SHORTFALL)	\$ 1,421,362	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 289,000	\$ 2,000,000	\$ 2,547,000	\$ 1,612,000
Beginning Fund Balance	\$ (13,379,539)	\$ (10,838,177)	\$ (8,788,177)	\$ (6,888,177)	\$ (5,788,177)	\$ (4,558,177)	\$ (1,998,177)	\$ (224,177)	\$ 2,455,823	\$ 5,002,823
Annual budget surplus (shortfall)	1,421,362	-	-	-	-	1,000,000	289,000	2,000,000	2,547,000	1,612,000
Principal paydown of operating debt	1,120,000	2,050,000	1,900,000	1,100,000	1,230,000	1,560,000	1,485,000	680,000		
Ending Fund Balance	\$ (10,838,177)	\$ (8,788,177)	\$ (6,888,177)	\$ (5,788,177)	\$ (4,558,177)	\$ (1,998,177)	\$ (224,177)	\$ 2,455,823	\$ 5,002,823	\$ 6,614,823



FY23 Student Support Events

Event	Location	Attendance	Cost
FASET Resource Fair for Parents	Exhibition Hall	3000+	\$5,000
Resource Fair	Tech Walkway	5000+	\$2,000
Bobby Dodd House Party	Bobby Dodd/Brock	3000+	\$45,000
Annual Sports Hackathons	Student Success Center	100+	\$20,000
GT Convocation	McCamish	3000+	\$5,000
T-Night	Bobby Dodd	3000+	\$4,200
Run for the Roses - Greek life event	Bobby Dodd		\$4,200
Graduate Student Tailgate - Season long	Peter's Parking Deck	1000+	\$5,000
All Student Tailgate (one game)	Peter's Parking Deck	300+	\$7,500
Georgia Tech It's Friday - campus ride-around with the Reck	On campus	TBD	\$6,000
Field Passes for student organizations	Bobby Dodd	140+	N/A
Football Promotional Items & Giveaways	Bobby Dodd	12,000+	\$45,000
Football season incidentals	On-Campus	6,000+	\$14,000
General Promotional Items for 2023 academic year	Various	All students	\$10,000
Student Promotions for Football spring game	Bobby Dodd	All students	\$20,000
MBB Promotional Items & Giveaways	McCamish	All students	\$13,500
WBB Promotional Items & Giveaways	McCamish	All students	\$13,500
Graduate Student Appreciation - baseball game	Chandler	1000+	\$20,000
Baseball Promotional Items & Giveaways	Chandler	All students	\$10,000
Softball Promotional Items & Giveaways	Mewborn	All students	\$2,500
Misc Student Promotional Items & Giveaways	Various	All students	\$100,000
		Total:	\$352,400

Athletic Events and Student Tickets



Sporting Events	Avg Student Tickets Claimed	Number of Home Events
Football	8,000	6
Men's Basketball	900	22
Women's Basketball	75	18
Volleyball	230	19
Baseball	300	36

Use of Student Fees

	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Projected Student Fee:	6,105,000	6,166,050	6,227,711
Uses Per Budget:			
Direct student Events ¹	352,400	362,972	373,861
Student Sport Attendance ²	3,707,000	3,707,000	3,707,000
Band and spirit operational expenses	742,380	757,228	772,372
Student scholarships (non-athletic) ³	887,072	904,813	922,910
Student Employees ⁴	759,000	774,180	789,664
Total:	<u>6,447,852</u>	<u>6,506,193</u>	<u>6,565,807</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 - student managers, graduate assistants, student athletic trainers, etc.			
Note 4 - Includes all office support and internships, excluding student support for band and spirit.			

Conclusion and Questions

- 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!

