



**MONTANA UNIVERSITY SYSTEM**  
**Office of the Commissioner of Higher Education**

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**MEMORANDUM**

**TO:** The Board of Regents

**FROM:** Frieda Houser  
Director of Budget and Accounting

**DATE:** January 31, 2008

**RE:** Montana University System – Athletic Reports

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Enclosed are the FY07 Montana University System (MUS) reports related to intercollegiate athletics. The following summaries are included:

- Intercollegiate athletics revenue and expenditures by sport,
- Intercollegiate athletics revenue and expenditures by campus,
- MSU-Bozeman Rodeo Report
- Athletics financial aid expenditures, by campus,
- Student athlete information, including participation and graduation rates, and
- Big Sky Conference expense comparison.

**FISCAL YEAR 2007 SUMMARY**

The MSU-Bozeman rodeo report is presented separately because it is not a National Collegiate Athletic Association (NCAA) sport and not part of the athletic department. The MSU athletic department publishes reports and is audited on the sports participating in the NCAA and to ensure consistency of amounts reported, rodeo is not included in the summary financial totals reported below. Rodeo information is included in this report because it receives state support and it is included in the athletics financial aid expenditures and student athlete information. In FY 2007, Bozeman's rodeo program reported a small operating loss.

The collective financial resources committed for athletics in the MUS is significant: \$38.2 million in revenue and \$36.2 million in expenditures for a one-year non-cumulative operating surplus for fiscal year 2007 of approximately \$1.9 million. The fiscal year 2006 surplus was approximately \$1.5 million.

Individual campus financial operating results reported were mixed with MSU-Northern & UM-Western reporting small operating losses. MSU-Bozeman reported an operating loss for fiscal year 2007 of (\$175,048). MSU-Bozeman expected FY 2007 to be at or near break-even due to the historical Cat-Griz year variances in ticket revenue. Several staff changes in athletics contributed to the operating loss. The remaining three campuses reported operating surpluses from all sources.

Of the \$38.2 million in total revenue, \$15.7 million, or 41 percent, came from direct institutional support, including state appropriated funds for fee waivers and current operations of the athletics department,

transfers or allocations made in support of athletics. The second largest revenue source was from contributions, which accounted for \$5.8 million in revenue or 15 percent of total revenue. Other significant revenue sources include ticket sales and student fees which collectively added \$8.3 million, or almost 22 percent to total revenue.

On the expenditure side, Coaching and support staff salaries and benefits was the largest expense with \$10.2 million of the \$36.2 million in expenditures, approximately 28 percent of total expenditures. Athletics Student Aid was second with \$9.3 million, about 26 percent of total expenditures. Other significant expenditures included team travel and direct facilities, maintenance, and rental, which collectively required about \$6.1 million, or 17 percent of total expenditures.

Football recorded the most revenue (\$13.2 million) and required the most resources (\$10.7 million) in fiscal year 2007, yielding an operating surplus of nearly \$2.6 million system wide. UM Missoula's football program reported approximately \$2.5 million operating surplus. Men's and Women's Basketball were other significant sports, together costing about \$7.0 million and yielding an operating deficit in fiscal year 2007 of almost \$584,000. All Other Sports, as a group, also reported an operating deficit of \$1.3 million on the system level in fiscal year 2007.

*External Revenue and Expenditures* – The \$2.1 million of Total Revenues over Total Expenses at the University of Montana is largely driven by external funds that are not controlled by the University. These external funds include contributions made to the University of Montana Foundation and Scholarship Association that are restricted for specific athletic program purposes, such as scholarships.

## **STUDENT ATHLETES**

Nearly 1,500 athletes participated in 14 different intercollegiate sports in 2006-07. Male athletes represented 65 percent of the athletes and 56 percent of the athletes were Montana residents.

MSU-Billings, MSU-Northern and UM-Missoula reported that overall graduation rates of student athletes exceeded overall graduation rates of the general student population. The overall grade point average of student athletes exceeds that of the overall general student population for MSU-Bozeman, MSU-Billings and UM-Missoula,

## **BIG SKY CONFERENCE COMPARISON**

The Equity of Athletics Disclosure Act (EADA) requires the Secretary of Education to collect information to provide Congress a report on financial and statistical information on men's and women's collegiate sports. The expenditures in the Big Sky Conference Comparison report are from the EADA report for Y07. The report lists amounts spent by sport for teams in the Big Sky Conference.