Subsidy Calculation Discussion

In Reference to BOR Policy 4.5.8 &
Business Procedure Manual 15.6

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Subsidy % Calculation

$$\text{Subsidy\%} = \frac{\text{Subsidy}}{\text{Athl. Operating Revenue}}$$

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How to Decrease the Subsidy %?

- Know the formula!
- Decrease the subsidy amount
- Increase the Athletic Operating Revenue

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Subsidy includes:

Direct State/Gov. Support	Student Athletic Fees

Direct Institutional Support (“DIS”):

- Unrestricted funds (10500/10600) used for athletics support, i.e. salaries, post season activities, etc.
- Federal Work Study workers in athletic department
- Transfers from Auxiliary units to support athletics,
- Institutional Endowment Income used by Athletics. (Athletics Endowments are Other Operating Revenue)

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How to Lower the Subsidy Amount?

The Numerator of the Formula

- Reduce institutional support of athletic salaries
- Any other suggestions?

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Athletic Operating Income includes:

Subsidy	Out of State Waivers
Ticket Sales	Game Guarantees
Contributions (incl. in-kind)	3rd Party Provider Benefits
Media Rights	NCAA Distributions
Conference Distributions	Game Day Revenues
Royalties, Licensing & Advert.	Sports Camps
Athletic Endowment Income	Other Athletic Income

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How to Increase Athletic Operating Income?

The Denominator of the Formula

- Increase efforts to secure external donations and sponsorships
- Secure paid competitions
- Run camps thru the Athletic Department
- Any other suggestions?

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Subsidy Limits:

- **10% for NCAA FBS (DI-A) Power 5 institutions (ACC, Big Ten, Big 12, Pac-12 SEC);**
- **65%: NCAA FBS (DI-A) non-Power 5 institutions;**
- **75% for NCAA FCS (DI-AA) institutions;**
- **80% for NCAA Division II institutions;**
- **85% for NAIA and NJCAA institutions.**

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Questions?

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