

Faculty Regent Report to the Senate

January 23, 2014

Well, it's another January, the week before classes begin and the day before the Board of Regents has its first quarterly meeting, and it is time for what appears now to be an annual tradition: the discussion of the new head football coach's contract (and three times in three years qualifies as a tradition, don't you think?) Here in the faculty ranks, it's sort of like Festivus—time for the annual airing of the grievances. You may find the coaching contract here:

http://www.wku.edu/regents/documents/1_24_14_bor_meeting_agenda.pdf

And here are the high points: Coach Jeff Brohm will receive \$600K base salary and all the usual incentives that have been written into every head football coaches contract since we joined FBS. There is a large buyout, and for the first time a non-compete clause, just in case someone gets any ideas about going back to Louisville to join Bobby Petrino's staff. Perhaps an equally important story, however, is the huge jump in assistant coach salaries for men's football; one of the new assistant coaches makes as much as a couple of deans and several highly-placed people in Academic Affairs. Are these really equivalent positions, given that this is a university, not the NFL? When the dust settles at the April board meeting and all the salaries are revealed, I suspect we'll see another payroll without precedent for a program that does not produce enough revenue to self-support. Once again, regardless of whether our new hire is a good coach, or the players like him, or he doesn't have any baggage, the point remains the same. We can't afford this, and the situation grows more serious every year as you are well aware from our fall enrollment declines and the recent (mostly) disappointing news from the Governor's budget speech on Tuesday which we have to factor in to this discussion.

I will make this short and sweet. WKU continues to make long-term financial commitments to athletics, a shift that escalated last year but of course began in 2006 when the Board of Regents approved the move to FBS football, and all the promises of increased ticket and television revenue that would make this a bold step towards something. Here are three data points that show where this has gotten us in only six years: Athletic spending at WKU has increased by 38% between 2006 and 2011, from \$16.1 million to \$22.3 million annually:

<http://usatoday30.usatoday.com/sports/college/story/2012>

So this hire represents a clear shift towards ever-escalating athletic expenditures. These are all valid concerns, but I'd like to focus on another point as it has the most troubling implications for the future of this institution. Athletic spending at WKU has increased by 38% between 2006 and 2011, from \$16.1 million to \$22.3 million annually:

<http://usatoday30.usatoday.com/sports/college/story/2012/14/ncaacollegeathleticsfinancesdatabase/54955804/1>

Our athletic department is not self-supporting; it is subsidized by student athletic fees. The majority of its revenue--63% or almost two-thirds--comes from student fees and institutional support. So their financial fortunes are not entirely revenue-dependent, but in fact are linked to enrollment. If we lose enrollment or growth, as we have this fall, then that is revenue they don't get. Student athletic fees also represent money that could be available instead for academic endeavors--we all know that the CPE considers the price that students pay for the entirety of their WKU experience, not what percentage of it goes to fund academics versus athletics, or other projects. Every time the university assesses a student fee, those are dollars we cannot use for academics.

Here's another statistic, which large numbers of faculty sent me after several newspapers ran stories about it. Quoting from the *Lexington Herald-Leader's* story on December 4, 2013, <http://www.kentucky.com/2013/12/04/2969621/spending-on-athletics-growing.html>, "At Western Kentucky University, for example, athletics received \$36,238 per athlete from the school in 2011, including student fees, administrative support or general fund expenditures. That number was \$33,177 at Eastern Kentucky University, \$17,257 at the University of Louisville and \$1,682 at UK." According to the Knight Commission on Intercollegiate Athletics WKU spending per football scholarship player has increased over 90% since 2006 while WKU spending per student has remained virtually flat." How can this become a better university when an academic quality indicator remains flat?

You can find the database here:

<http://spendingdatabase.knightcommission.org/fbs/sunbelt/western-kentucky-university>

Finally, according to the Delta Cost Project of the Association of Public and Land-grant Universities (APLU), “Salaries and compensation account for roughly one-third of athletic spending at all Division I institutions, while spending on facilities and equipment accounts for 20 percent,” while “smaller institutions rely more heavily on student fees to cover athletic expenses than their larger counterparts.”

You can find the link here: <http://www.aplu.org/page.aspx?pid=2610>

When this Board passed what was then the largest contract amount in WKU history in an attempt to retain in Coach Taggart, I pointed out that it was the biggest merit raise in our history. Last year’s commitment of 850K plus huge assistant coach salaries and a large buyout clause that will likely be put back into personnel costs (and I will ask about this), and now we have this year’s development which does solve one problem but probably does not decrease escalation in athletic expenditures. This should cause alarm for anyone reading our balance sheet. Enrollment has declined this fall, and our revenue stream is increasingly dependent on recruiting international and out-of-state students for whom there is much competition in the market. Although these are early days for state budget discussions, the proposed budget represents yet another serious funding decline which we obviously hope will be ameliorated in the legislative session. Our expenditures for debt service remain long-term obligations, and we are now using one student tuition stream to fund the debt to build the Honors College/International Student structure—so you can’t spend that tuition on any other needs for the next 20 years. And none of the concerns which faculty have raised this fall have been answered—benefits have not been funded in a few years and last year’s compensation adjustment consisted of making the previous year’s raise permanent. We continue to fall behind, as the small across the board raise did not even cover cost of living or benefits increases and calls for merit pay have not produced it. So how did we find ourselves in this situation? And what does all of this mean? Simply stated, choices continue to be made, as they have over the past decade, to continually fund extracurricular endeavors and other projects at the expense of the academic mission of the university. Prior to 2008, when the money was there to fund faculty growth and academic initiatives, it was spent elsewhere and now it is difficult to make up the difference given the budget climate. So the funding of entertainment over education is not a new trend, but it is one we must reverse immediately. So while the headline-making head coach has moved on to no one’s surprise, our decisions such as this year’s contract continue to demonstrate that WKU is still committed to funding entertainment at all costs, even as our enrollment flattens

and declines, our debt load expands, and our sources of new revenue dry up. I will continue to emphasize what seems both obvious and imperative at this point: WKU must put the money into the academic mission and recognize the faculty and staff who fulfill it are as important as brick-and-mortar and extra-curricular concerns, because when funding is scarce, non-academic projects and extra-curriculars do not teach students, engage in research or public service, or retain the students which is obviously the key to our financial future. We have fallen into what Jeffrey Selinger, in last month's book selection, has termed "the concierge model" of higher education, funding amenities and entertainment to attract students; it is not working and we must regroup now. For these reasons, I cannot support the contract before the Board. Funding entertainment over education is the wrong thing to do, and it is the wrong time to do it. Let's instead focus on what we must in order to be a leading university with international reach. Thank you.

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