

Issues, Ideas and Ideologies

Using Athletics to Bolster Academic Innovations

By: Lee T. Todd, Jr., President

Traditionally known for its athletic successes, UK is leveraging athletics to highlight and enhance its academic enterprise.

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A common business marketing model calls for companies to use existing successful programs to leverage new and innovative ideas. We have adopted that marketing plan here at UK. Traditionally known for its athletic successes, UK is leveraging athletics to highlight and enhance its academic enterprise.

Financial Benefits

We have a unique relationship with our athletics association. If you live outside of Kentucky, it is hard to understand the popularity of our sports programs, particularly football and men's basketball. UK games are the state's hottest tickets.

That popularity gives UK Athletics a boost over many athletic departments. For instance, UK's sports programs are fully self-sustaining, receiving no money from state or university funds. That's a rarity in the current collegiate sports world.

Schools often claim their athletics department funds itself but many of the comparisons do not live up to the true standard of self-support. According to Daniel L. Fulks, an

accounting professor at Transylvania University who studies the economics of college athletics for the NCAA, only 40 of 117 Division I schools show a profit, even though 72 schools claim they do.

Fulks said many schools, 32 actually, report that their revenues exceed expenses despite the fact that these athletic programs receive financial support from the institution. In his 2001 report, "Revenues and Expenses of Division I and II Intercollegiate Athletics Programs," Fulks excludes that institutional support.

UK is one of those 40 schools that "continually show a profit," Fulks said. Here are some financial facts about UK athletics:

The UK Athletics Association only receives \$650,000 from UK's student activity fees in exchange for quality seating at athletic events. They receive no funds from the state or UK's general fund.

The athletics budget is approximately \$51 million in 2004-05. Besides the student activity fund income, UK Athletics generated the rest of the budget through

ticket sales, fund-raising, conference distribution, corporate partnerships and its investment portfolio.

The athletics association spent \$12 million on campus in 2003-04, roughly one-quarter of its budget. Of that amount, \$6 million was spent on athletic scholarships. All UK sports are funded per NCAA limits for a total of 264 scholarships for annual aid for student-athletes. In addition, UK paid for exhausted eligibility (5th year) and summer school for those eligible. UK Athletics also provides scholarships for managers, trainers, graduate assistants, interns, etc. for a total of about 80 scholarships per year. The total number of scholarships paid by UK Athletics is about 340 per year.

UK Athletics receives no financial breaks on tuition and room-and-board, paying "dollar-for-dollar" on expenses. For out-of-state and international athletes, the association pays out-of-state tuition. This is the difference between UK and most other colleges and universities. Fulks said some schools pay in-state tuition for out-of-state athletes.

Having a true self-supporting athletics department gives UK added financial flexibility not afforded many colleges and universities. Football and men's basketball, UK's largest revenue-producing sports, do not simply support their own interests. Revenues attributed to those sports pay for scholarships for all student-athletes on campus. Those revenues also help fund modern training facilities and academic centers for all of UK's athletes.

Even though our athletics association has been considered self-sustaining for many years, it was a recent paradigm shift that enabled it to become a true self-supporting unit. For many years, UK's general fund paid various facility costs for athletics.

Since July 2001, we have had \$72.9 million cut from our state appropriations. Transferring the athletic facility costs to the athletics association made the department truly self-sustaining, freeing up \$2.2 million from the general fund. The move helped offset a portion of those state revenue cuts.

Since the shift, UK has become a national leader in using athletic resources to fund academic needs. In 2002-03, the UK Athletics Association passed a monumental measure by agreeing to give the university \$1 million each year for ten years. The funds will be used to support

non-athletic scholarships and were made available by raising ticket prices for sporting events.

When the Athletics Association negotiated its 10-year, \$80.5 million multimedia rights contract in October 2004, one of the largest in NCAA history, it agreed to contribute \$1.36 million to help fund five new scholarships for UK's Singletary Scholars program. Singletary Scholars are UK's best and brightest academic performers, receiving full tuition, room and board, and a stipend. However, despite increasing enrollment, the program had not been expanded in about 20 years.

Honoring and Attracting the Best

Our athletics association means more than bottom line economics to the University of Kentucky. We have focused on garnering publicity for our academic successes through our already well-publicized athletic events.

One such initiative is our "Class of Kentucky" program. High schools from around the state nominate extraordinary sophomores into the honor program. Facilitated through UK's Office of Undergraduate Admission and University Registrar, the program is designed to help UK locate the state's brightest young minds at an early age. We will monitor their progress throughout high school, hoping to keep our best students in-state when they

choose higher education.

UK Athletics played a major role in this program. We leveraged one of our major athletic sponsors, CHA Health, to sponsor this new academic venture. As part of the program, four other athletic sponsors, WKYT, WAVE, WYMT, and WBKO (local television stations) have agreed to make 30-second television spots on each student, which will air during news broadcasts in the student's region. These features will help us drive the message across the state that academics and leadership are vital to the state's success.

Class of Kentucky participants will be invited to UK's campus each summer for a day-long visit. They will also be recognized at a home football game in the fall.

UK Athletics has been a tremendous steward in supporting programs that attract the best and the brightest to the university.

We have been honoring our all-stars of the classroom using football and basketball games as a platform. Since fall 2001, we have recognized UK's academic elite during the first time-out of every home basketball game and during each football game. Presentations are made to individual students, faculty, researchers and departments.

Athletic events – particularly basketball and football games – are also ideal for

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recruiting top scholars as well as potential professors and researchers. The sense of feeling and community support at games gives those a sense of what it is like to be associated with the University of Kentucky.

Using Athletics to Market Academics

We have been fortunate to use our extensive athletic media coverage to discuss the innovative things happening on campus.

In 2003-04 UK received more than \$1.5 million in free, premium media advertising due to the ever-popular UK men's basketball and football teams.

The UK radio network is the largest collegiate network in the nation with more than 80 radio stations carrying UK games. During halftime of each football and basketball game, the university produces a "UK-at-the-half" feature highlighting the overall achievements of the university. The financial value of the program is \$223,250. During each UK radio network broadcast, UK runs a pair of institutional spots valued at \$58,750.

The same institutional spot also appears on local radio stations free of charge. The estimated value of those spots is \$722,000.

The UK television network also adds significant value to the university. The university received \$104,460 worth of advertising during UK television network

broadcast football and basketball games in 2003-04.

Televised games on local stations for the two sports totaled \$423,000 in estimated value. All of these spots feature the entire university, not just the athletics department. Among other items, the pieces featured UK's academic programs, research initiatives and diversity.

In every football and basketball game-day publication, the university publishes briefs featuring some of the university's many accomplishments.

The Flutie Effect

As reported in the March 15, 2004 edition of "The Wall Street Journal," a successful men's college basketball program means more than just money to colleges and universities. In his article "Score!," Ron Lieber spotlighted what the basketball program has meant to the entire landscape of Gonzaga University.

"Ever since the men's basketball team began scoring big in the NCAA basketball tournament, the university has seen rapid growth in applications, enrollment and donations.

A total of 3,713 students applied to be in the 2003-04 freshman class, more than double the 1997-98 numbers. The current freshman class started with 908 people, up 65 percent from 550 six years ago.

The donations have come in even faster. In the year ended May 31, 1997, the school raised \$8.4 million from alumni and foundations. In the 1999-2000 fiscal year – which started just months after the basketball team came within minutes of making the Final Four – Gonzaga took in \$16.5 million." – *Score!, The Wall Street Journal, May 15, 2004, author Ron Lieber.*

Higher education experts call what Gonzaga is seeing "The Flutie Effect." The name comes from Boston College star Doug Flutie, who completed a "Hail Mary" pass to win a monumental game against defending national champion University of Miami in 1984. BC originally saw a boom in undergraduate applications the following two years after the pass was seen on national television. (In recent years, The Flutie Effect has been hotly debated by scholars, some arguing that BC's surge was directly attributed to the single play, others dispute the fact.)

Lieber further noted that Gonzaga University has also seen a steady rise in average freshman SAT scores. The average score of 1151 from 1997-98 soared to 1182 for the 2003-04 freshman class.

Equating Gonzaga's surge in popularity with the University of Kentucky may not be fair. In a sense, the NCAA tournament put Gonzaga on the map, giving it national exposure that it never saw before.



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The same can not be said of UK. Kentucky is synonymous with college basketball and the NCAA tournament. Having won more men's college basketball games than any other Division I school along with its seven national championships, some may argue that UK is best known for its men's basketball team.

However, like Gonzaga, the University of Kentucky has higher hopes. With continued success on the hardwood combined with a more competitive football team, UK believes it can bolster more than just its bank accounts. We are recruiting higher caliber students, as we look to improve our academic profile.

Athletics and the Community

One of the University of Kentucky's major long-term thrusts is to enhance the university's service to the community. The Athletics Association has been a leader in this aspect. In 2002-03, 250 student-athletes assisted 15,000 in the community through the Community Outreach Program. Student-athletes visited 33 Fayette County schools, and also mentored 16 area "at-risk" high school students as part of the Kentucky Excel Incentive Scholarship, created by former UK basketball player Jamal Mashburn.

In 2004, Head Men's Basketball Coach Tubby Smith announced the formation of "Tubby's Clubhouses." Smith has committed \$350,000 over the next seven years to assist Lexington's low-income, at-risk middle school students to become more technologically savvy. The program is part of the Dell TechKnow program, a 40-hour after-school program where the students learn how to take a computer apart and re-build it. The students learn to install and upgrade software; diagnose and fix basic hardware problems; and how to use word processing and educational software.

Upon completion of the program, Dell gives them the computer and Lexmark gives them a printer.

Using the star power of Coach Smith to encourage at-risk students to feel "cool" about learning technology is a very innovative way to leverage athletic prowess to achieve an academic purpose.

Future Prospects

The University of Kentucky will continue to look at alternative ways for athletics to support academics and the mission of the institution. UK is developing a recognition program for football suite holders at Commonwealth Stadium and other traditional supporters of athletics to donate to academic scholarship funds.

The early results from informal polling of suite holders have been extremely positive.

The Athletics Department also plans to utilize coaches and administrators to seek financial support for the Robinson Scholars Tuition Fund. The Robinson Scholars program provides first-generation college students from eastern Kentucky with support services and scholarship resources that empower them to complete a baccalaureate degree at UK.

An academic donor package is being developed that will offer scholarly supporters the opportunity to attend sporting events, travel with the team to away games, and attend the same events as major athletic donors.

In Closing

In these days of tight budgets, colleges and universities need to do all they can to garner publicity about their many under-publicized academic successes. By leveraging our athletic prowess to help market, recognize and fund our academic initiatives, we can ultimately fulfill the university's most prominent mission of enhancing our academic programs.

We continue to look at alternative ways for athletics to support academics and UK's overall mission.

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