

Resolution on Intercollegiate Athletics at UC Berkeley

Whereas, Although it is widely believed that the Department of Intercollegiate Athletics (DIA) earns a profit for the Berkeley campus, its financial statements reveal that it significantly outspends its revenues every year, depleting precious campus resources;

Whereas, For the most recent 5-year period for which the DIA has released detailed data (2003-08) its cost to campus has been at least \$10 million every year except for 2007-08 for which the cost was \$7.4 million;¹

Whereas, Current estimates for the most recent fiscal year (2008-09) indicate that the cost to the campus is expected to be a record high of approximately \$13.5 million and is expected to be even higher for the current fiscal year (2009-10);²

Whereas, The DIA has cost the campus approximately \$160 million since 1991;¹

Whereas, The DIA is authorized to operate as an Auxiliary Enterprise on a financially self-supporting basis;³

Whereas, The DIA's services are provided directly to only approximately 900 among 35,000 students (or 2.5%) at the Berkeley campus;

Whereas, Student-athletes are given a wide range of special privileges and perquisites not accorded to regular students, including course enrollment priority, exclusive tutoring, exclusive conditioning and practice facilities, subsidized superior residence facilities, personal transportation, hotel stays before home games, and more;

Whereas, The Berkeley campus is about to incur a much larger \$457 million debt risk through external financing of \$321 million⁴ to renovate the California Memorial

¹ Computed from UC Berkeley Senate CAPRA estimates and DIA financial statements as shown on: http://budgetcrisis.berkeley.edu/?page_id=16

² The DIA has not provided us detailed financial information for the 2008-2009 fiscal year; only this estimate.

³ [Auxiliary Enterprises](#) “are those non-instructional services provided to individuals, primarily students, in return for specific user charges. These services include student housing, **intercollegiate athletics**, food services, and parking. Auxiliary Enterprises are self-supporting and are not subsidized by the state”, Governor’s Budget 2009-10; http://www.ebudget.ca.gov/StateAgencyBudgets/6013/6440/program_description_50.htm
[1](#)

⁴ Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Berkeley Campus, Meeting of the UC Regents, Sept. 17, 2009, document GB, page 3.

Stadium and \$136 million⁵ to construct the Student-Athlete High Performance Center (SAHPC), a facility with access that will be restricted to only 450 student-athletes, less than 1% of the students, staff, and faculty on campus;⁶

Whereas, This \$457 million dollar debt is being arranged to be repaid by the DIA, despite the fact that the DIA operates at a loss;

Whereas, Recreational activities and facilities, which could benefit the mental and physical health of all students, staff, and faculty in the UC Berkeley campus community, are underfunded and understaffed;

Whereas, The scholarly literature⁷ shows that it is a misconception that intercollegiate athletics earns money for universities and even the NCAA reports that increased spending on athletics does not increase alumni donations to the university (which prompted the NCAA president to advise college presidents to reconsider their institutional spending on sports);⁸

Whereas, Refereed journal articles conclude that the evidence shows increased giving to athletics often brings with it a decline in academic fundraising at the same institution;⁹

Whereas, Only one-third of Cal's men's basketball players and one-half of the football players graduate¹⁰ and Cal's football graduation rate is near the bottom of the Pac-10 Conference;¹¹

⁵ Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Student Athlete High Performance Center, Berkeley Campus, Meeting of the UC Regents, Feb. 3, 2009, document GB1A, page 3.

⁶ *ibid.*, page 9.

⁷ List of references at: http://budgetcrisis.berkeley.edu/?page_id=16.

⁸ The *Empirical Effects of Collegiate Athletics*, reports commissioned by the NCAA, by Robert E. Litan, Jonathan M. Orszag, and Peter, R. Orszag, 2003 and by Jonathan M. Orszag and Peter, R. Orszag, 2005.

⁹ Jeffrey L. Stinson and Dennis R. Howard, "Scoreboards vs. Mortarboards: Major Donor Behavior and Intercollegiate Athletics", *Sport Marketing Quarterly*, 2004,13, pp. 129-140.

¹⁰ 2008 NCAA Division I Federal Graduation Rate Data, http://web1.ncaa.org/app_data/inst2008/107.pdf

Whereas, The second largest line item (after health care) in the annual student registration fee (paid by both undergraduate and graduate students) is for Intercollegiate Athletics, amounting to \$2 million annually, provided to the DIA by non-athlete students to benefit the approximately 900 athletes and to subsidize ticket prices for event attendees;

Whereas, Competitive intercollegiate athletics is not part of the core UC mission of “undergraduate education, graduate and professional education, research, and other kinds of public service, which are shaped and bounded by the central pervasive mission of discovering and advancing knowledge”¹²; and

Whereas, The university is facing historically severe financial pressures, putting core-central activities at risk;

Be it therefore RESOLVED, that:

- 1. *The faculty recommends that the Chancellor put Intercollegiate Athletics on its intended self-supporting basis, taking immediate action to effect the following:***
 - a. All funding of Intercollegiate Athletics from campus subsidies and the use of student registration fees cease immediately (or as soon as possible to the extent permitted by existing contract constraints).
 - b. The DIA cease annual deficit spending and the Berkeley campus not permit Intercollegiate Athletics to spend beyond its actual annual direct revenues.¹³
 - c. All DIA coaching compensation be subject to full furlough unless the DIA has a net annual profit based on direct revenues¹³ large enough to cover the furlough amounts.
- 2. *The faculty recommends that the Chancellor take immediate action to ensure that Intercollegiate Athletics develop a viable plan, by the Spring meeting of the Berkeley Division of the Academic Senate, to retire the cumulative debt to the Berkeley campus.***
- 3. *The faculty recommends that the Chancellor and the development staff urge donors to prioritize academics at the Berkeley campus.***
- 4. *The Academic Senate establish a Senate Intercollegiate Athletics Oversight Committee composed solely of Senate members to oversee the DIA operations, to promote transparency and clarity, and to confirm the satisfactory accomplishment of the above items.***

¹¹ “In classroom, Bears must finish what they start”, by Tom FitzGerald, *San Francisco Chronicle*, Sunday, November 30, 2008, <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/11/30/SPKG146T55.DTL>

¹² University of California Academic Plan, 1974-1978

¹³ Direct revenues do not include any campus subsidies or student registration fees.

Respectfully submitted,

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