

# Old Dominion University Athletics

## Strategic Review

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March 31, 2020

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In 2010 Old Dominion University completed a strategic planning process and developed a plan to guide ODU Athletics into the foreseeable future. This plan was initially established to guide the program through 2019. However, as stated in the plan:

“The ODU Athletics Strategic Plan” is intended to be a fluid document that will change as conditions merit. Imbedded in this plan are principles that seek to encourage broad-based oversight and participation in its implementation, monitoring, and constant revision.”

Heading into 2020, every institution and athletic department faces an entirely different world from where they were in 2010. Many forces both internal and external have impacted ODU Athletics. Today’s world is considerably different and ODU, in an attempt to be proactive and visionary, has initiated the process to review and consider modifications to its existing strategic plan to deal with the current landscape of college athletics, NCAA legislation, state and federal laws and guidelines, and the fiscal realities of operating an FBS athletic program. While many factors have changed in the world of college athletics, certain requirements remain in place and must be met. One important consideration is that all Division 1 FBS programs are required to sponsor at least 16 sports with a minimum of 8 being women’s sports.

In addition, Old Dominion University, like any dynamic and progressive organization continually evaluates programs across the spectrum to insure they are productive and fulfill the mission of the university. In today’s climate, being able to adapt to the many external forces is critical if the university and athletic department are going to meet the challenges of a rapidly changing higher education world. As part of Old Dominion’s ongoing campus wide evaluation, the ODU Athletic Department is taking a careful look at every sport and the total athletic program.

As part of this review, individual personal meetings were held with athletic administrative staff, external constituents and university leadership including President Broderick and Vice President for Administration and Finance DuBois. Additionally, a twelve-item survey was completed by 94 respondents (184 were circulated) consisting of athletic department staff, coaches, donors and other ODU constituents. The following thoughts and recommendations are based upon interviews, a review of a limited number of reports and the survey results. Any inconsistencies in the findings can be attributed to attitudes and opinions of the respondents.

While much of this review was completed prior to the onset of the Covid-19 pandemic, the impact of the coronavirus could not be ignored. The already identified financial challenges are exacerbated by the impact of the pandemic and create considerable fiscal uncertainty for Old Dominion University, ODU Athletics and all of higher education. The recommendations in this review only begin to deal with the potential financial impact that could require additional considerations.

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In analyzing the data that was accumulated, the two biggest concerns facing ODU Athletics in the future are: (1) funding a competitive FBS total sports program (2) conference affiliation. Without question the biggest challenge is, "How is ODU going to be able to maintain a competitive athletic program with the imminent financial challenges facing them?" Based on the analysis of the current situation, along with projections and the changing landscape of the NCAA, ODU must take steps to insure a quality athletic program, a great experience for the student-athletes and assist the university in its strategic vision. Following is a review of the challenges facing Old Dominion University Athletics.

## 1. Funding and Financial Resources

Like almost all non-Power 5 programs, a major source of athletic funding comes from student fees. Yet in recent years, student fee support has had major factors surface that impact the ability of the university to allocate resources as in the past. These factors are:

- a. State Legislation - House Bill 1897 sets limits on the percentage of athletic budgets that can be funded through student fees. While ODU has met the standard established by the bill, with the ever-increasing costs of operating an NCAA Division 1 FBS program, it is extremely doubtful if they can continue to meet those requirements without major programmatic changes.
- b. National Trends in Enrollment - As noted in an article by Paul Fain in Inside Higher Ed, "College enrollment in the U.S. has declined for the eighth consecutive year, according to new data released by the National Student Clearinghouse Research Center." The decline in spring of 2019 compared to the previous spring was 1.7% or 300,000 students. While ODU leadership has worked very hard to offset the national trend of decreasing college enrollment, to believe that ODU enrollment will not be impacted could be unrealistic and result in reduced student fee revenue.
- c. Student Fee Funding - The model for allocating student fees is established to provide funding for many different student programs and needs. Everything from recreational sports, sport clubs and student programs and various student activities along with athletics are dependent on student fees for funding. Each student fee funded program faces increased pressure as costs continue to rise.
- d. Loss of Revenue—When ODU made the decision on May 17, 2012 to join Conference USA, many factors weighed in on the decision. However, much has changed. The entire membership of the conference has dramatically changed as aspirational national branded opponents left the conference. In the 2013-14 academic year Memphis, SMU, Houston and Central Florida left the conference and were soon followed by Tulane and East Carolina. The loss of attractive opponents had implications on many fronts. Ticket sales for conference games against the new membership lagged as did national interest. Ability to generate significant NCAA basketball units was greatly diminished which meant significant reduction in conference revenue distribution. Also, interest and dollars for television rights came to a crashing halt causing revenue distribution to plummet from approximately \$4 million a year for each member to \$1 million. Furthermore, dues increased and exposure declined. The change in membership has cost ODU Athletics a minimum of \$2 million annually.
- e. New Expenses - In January 2015, the Power 5 conferences unanimously approved permissive legislation which allowed college athletes to be awarded scholarships

that allow for “cost of attendance” above the traditional tuition, fees, room and board, and books. To remain competitive, ODU Athletics decided to fund cost of attendance for all scholarship athletes at the incremental cost of \$600,000 annually. To remain competitive in today’s environment, an FBS program must continue to provide this benefit to student-athletes. While cost of attendance is the most expensive and easiest new expense to track, other permissive legislation has added to the cost of operating an FBS program. Relaxing requirements for summer school room and board, introducing legislation to allow unlimited food and changing recruiting windows, all have had an impact on budgets and costs of doing business. The cost of supporting over 500 student-athletes will continue to increase.

- f. Student Fee Cap – The Commonwealth of Virginia has capped institutional student fee increases to no more than 3% annually to cover escalating costs of operations, many of which are unavoidable expenses, such as utilities, employee benefits, facility maintenance, technology and contract escalators. All auxiliary service units are restricted within this overall 3% cap for student fee increases.
- g. Most Immediate and Imminent (launching volleyball) - To meet the commitment to comply with Title IX and provide more opportunities for women, ODU has already made the commitment to add volleyball as a varsity sport in the 2020-21 academic year. The cost of adding a Conference USA competitive volleyball program is conservatively estimated as a totally new annual expense of \$1.2 million. ODU has already invested in the renovation of Jim Jarrett Athletic Administration Building as a new facility to host volleyball practice and games. However, the ongoing cost for volleyball must be funded with new or reallocated dollars. Under current conditions, the only options for funding the annual cost of volleyball are the self-generation of incremental revenue, the reallocation of existing resources or incurring additional annual debt on a continuing basis. Failure to maintain a balanced annual budget is not an option. Increased subsidy by the university would be restricted under House Bill 1897.
- h. Financial Health Review of ODU Athletics – During the 2018-19 academic year, Vice President for Finance and Administration, Greg DuBois, commissioned a financial review of the athletic department with a 7-year planning horizon. This review illustrated athletics was consuming their overall athletic reserves at an unsustainable rate. As a result of this review, it was determined that budget adjustments would be required to maintain the financial health of the athletic department and maintain adequate reserve balances as required by the Commonwealth for an auxiliary enterprise.

Keep in mind this financial review and recommendation was conducted without consideration of the impact of adding women’s volleyball, which will begin competition in the fall of 2020.

## 2. COVID-19 (Coronavirus)

While the pandemic of Coronavirus has created an international health care crisis, the economic implications are also staggering. For college athletic departments, the implications are real and require immediate actions to deal with significantly reduced future revenues.

- a. NCAA - The major revenue stream for the NCAA is the Division 1 Men's Basketball Championship and the media rights for the tournament. With the cancellation of all winter sports championships, the NCAA loss of revenue will be significant. In 2019 the NCAA generated more than \$1 billion in revenue with approximately 87% (\$867 million) coming from the Men's Basketball Tournament, the majority of that revenue comes from the huge television rights agreement with CBS and Turner.

In a typical year, the NCAA distributes 60% of its revenue back to the schools through different programs. The one distribution channel most tied to the tournament are shares (units) that are earned by the number of games played in the tournament. Last year this fund returned almost \$169 million to 32 conferences. Without these revenues, the distribution will be smaller if at all. The implications for all athletic programs will be real, but mid-major programs will be most affected. Barbara Osborne, Professor of Sport Administration at the University of North Carolina is quoted in USA Today stating the NCAA will be fine but it is the membership that will be negatively impacted. She states, "All schools will be having huge belt tightening because of this. This is going to affect higher education as a whole and school budgets overall. That is going to impact the institutional subsidy for athletics."

Later in the article, she surmises, "Athletic department budgets will be smaller because conference payouts will be smaller. A lot of mid-majors rely on these dollars. It is not a pretty picture." For any athletic program to expect the same annual distribution from the NCAA and their conference is unrealistic.

- b. Conference Revenue - With the uncertainty of revenue distribution by the NCAA, the loss of all revenue from the men's and women's basketball championship, the inability to deliver content to media rights holders and the potential rebate of corporate marketing dollars, Conference USA estimates the distribution back to the members schools will be reduced by \$1,000,000 for fiscal year 21, and an undetermined impact for future years. With the uncertainty of future revenues, C-USA will be charged with creating a financial model that works. Serious discussions need to take place about conference staffing, conference office salaries, services provided to member institutions, travel, conference championships and tournaments, sports sponsorships and short and long term revenues. C-USA must take the lead in being proactive to develop solutions and collaborations with the NCAA, member institutions and other conferences to insure value to the member institutions. C-USA has established a planning committee to identify and make recommendations for immediate cost containment measures to be implemented in fiscal year 21.
- c. The Loss of Self-Generated Income - With the tremendous impact on the economy, expectations of normal self-generated income from ticket sales, private gifts and corporate sponsorships must be significantly reduced. With the impact on small businesses, hourly wage earners and investment incomes, college athletic departments cannot assume continuing revenues at the same level. Discretionary income, the basis for ticket sales and donations, will certainly be affected by the pandemic. Experts are estimating that revenue for tickets sales, corporate sponsorships and donations will be negatively impacted by a minimum

of twenty percent which for ODU would approximate a \$1.5 million budgetary shortfall.

- d. Additional Costs - With the cancellation of all spring championships, the NCAA has granted an extra year of eligibility for spring sports athletes. As part of this decision, the NCAA will also lift the cap on scholarship awards for each spring sport to allow incoming freshmen the opportunity to receive scholarships. Therefore, the scholarship budgets for spring sports will have to be increased to cover the cost of the new class in addition to the continuing cost of the seniors who will return for the additional year. Nationally, schools are estimating that the cost for the extra year of eligibility will be in the range of \$350,000 to 500,000 for FBS programs. For ODU, the cost associated with the extra year of eligibility for spring sport athletes, is approximately \$500,000.

Additionally, as small businesses struggle to remain in business, the question becomes, what will happen to cost of goods? Transportation, medical costs, supplies and athletic equipment and gear could all be significantly impacted by the economic recession that has been a result of the pandemic.

- e. Loss of University Support - Experts across the country are predicting a (significant decrease in college enrollment and particularly on-campus, in person classes. Intuitively, on-line classes will become even more popular. In a struggling economy, asynchronous on-line classes will provide students the opportunity to work and earn income while pursuing their educational goals. While on-line classes provide tuition revenues, other peripheral revenues, such as housing, parking, food service, etc., generated by on-campus students will decline. This paradigm would create significant challenges for universities which in turn would impact athletic departments. Depending on the actual decrease of enrollment, ODU Athletics' short term financial problems could be exacerbated and the mandated reserve fund balance could be reduced or even eliminated.
- f. Football Season 2020 - With the college football season only 5 months away, there is tremendous uncertainty about what the 2020 football season will look like. Depending on how quickly social gatherings return to normalcy, football will probably be affected in some way. Financially, there are three possible situations that could dramatically impact college athletic departments:
  - i. Complete cancellation of the 2020 season - A month ago, no one expected the college basketball season and spring sports to be cancelled. Yet drastic measures had to be taken. The cancellation of the football season would create a major major shortfall in football ticket sales revenues, priority seat gift requirements, corporate sponsorships and potentially television and bowl revenues to the C-USA. All schools must be prepared for partial or total interruption of the 2020 football season.
  - ii. Partial cancellation of the 2020 season - Depending on many possible variables, the start of the 2020 season could be pushed back. This situation could occur to give the student-athletes the time necessary to physically prepare for competition. Without knowing the exact time when health care authorities will feel comfortable allowing the return to normal social interaction, athletic departments will need to be ready to react and

respond. A shortened season will reduce revenues proportionately to the number of games actually played.

- iii. Competitions without spectators - The possibility exists that health care professionals may support competition but with no fans in attendance. Early in the pandemic, European soccer teams played in empty stadiums. The NCAA initially wanted to proceed with March Madness with only essential staff and close family members in attendance. If this solution was invoked, the financial implications would be extremely challenging as the cost of putting on the games would need to be spent with no ticket revenues.

In summary, Covid-19 will have a dramatic financial impact on college athletic departments. Mid-major programs because of their reliance on NCAA and conference revenue distributions will be the most significantly impacted. Couple the loss of revenue from anticipated reduction in ticket sales, gifts and corporate sponsorships with the increase in cost from additional scholarship responsibility, ODU must take immediate action to insure the most viable financial situation for the future of ODU Athletics and all student-athletes.

ODU must realize that major fiscal challenges must be met head-on with major cost saving measures. With the uncertainty of future revenues along with the uneasiness of long term impact on the financial markets, ODU Athletics must plan to significantly reduce expenses. Elimination of sports, no summer school, nine month contracts, reduced staffing, fewer competitions, smaller teams, reduced scholarships and other cost cutting measures should be considered and possibly implemented.

### 3. Title IX (gender equality).

In 1972, Title IX of the Educational Amendments Act became federal law. Title IX states, "No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving federal financial assistance." As identified by the Office of Civil Rights, universities and athletic departments could be compliant by meeting one of the following three "prongs":

- a. Numbers of men and women participating in intercollegiate athletics are substantially proportionate to their overall undergraduate enrollment.
- b. Where members of one sex are underrepresented, the institution can show a continuing practice of program expansion for the underrepresented gender.
- c. The program accommodates the interest and abilities of the underrepresented sex.

In an article in the Chronicle of Higher Education on October 23, 2019 entitled "Hundreds of Colleges May Be out of Compliance with Title IX. Here's Why", the law suit filed against the University of Kentucky is analyzed and pertinent facts are brought to light. The article questions that while many schools have used prong 2 to meet compliance over the years, the question lingers, "will prong 2 meet compliance to Title IX in the future?" The author's opinion is if a school had generally been trying to continually grow women's athletic opportunities over 47 years, proportionality would have already been accomplished. Neena Chaudhry, General Counsel and Senior Advisor for Education at the National Women's Law Center has the opinion, "No school can meet prong 2. If you are not meeting prong 1 then really it is about prong 3, which is showing you are fully

accommodating the interests and abilities of your female students.” While this article is one person’s opinion, programs must be aware that the future interpretation of Title IX could have major implications for compliance and costs. Currently, with the addition of volleyball, ODU is meeting Title IX requirements through prong 2. Realistically by adding volleyball and potentially 1 to 2 additional women’s sports, the financial implications to continue to be compliant under prong 2 (adding additional female sports) might not be sustainable and could no longer be a viable option.

For an athletic department to meet prong 1, the participation opportunities for men and women need to be proportionate to the undergraduate ratio of men to women. In the 2019 NCAA reporting document, ODU shows 274 opportunities for men and 196 opportunities for women. (Newly added sport of volleyball is not included as competition had not yet been started.) The percentage of opportunities for men is 58.3% while the opportunities for women is 41.3%.

The second part of prong 1 deals with financial aid (scholarships) and the ratio of awards to men and women. The awards need to be somewhere close to one percent of the actual participation opportunities. In the 2018-19 academic year ODU awarded \$6,204,911 to men and \$3,852, 241 to women for a total of \$10,057,152. The ratio of financial aid award (scholarships) is 61.7% to men and 38.3% to women. The minimal recommended ratio to aspire to with the current proportionality should be 59.3 % and 38.3% to women. One way to meet the guideline would be to reduce men’s scholarship awards by \$250,000 and add \$250,000 to the women’s scholarships. This reallocation would qualify to meet the guideline as men’s awards would be 59.2% and women’s awards would be 40.8%.

#### 4. The Future and the Impact on College Athletics

The landscape of college athletics is facing one of the most unsettled times in its history. Court cases as well as state and federal legislation have created incredible uncertainty as to what the NCAA will look like in five years. Huge television rights to the Power 5 conferences provide mind boggling revenue streams for the elite programs and drain those potential resources from the non-Power 5 programs. “Business as always” is very shortsighted and will ultimately cause programs to fail in their mission. To be successful as the collegiate model changes, programs will have to be visionary and unafraid to make hard decisions as to providing resources necessary to maximize the benefit of athletics. Following are significant issues that impact the decision-making on campus:

- a. Name, Image and Likeness (NIL) - On September 11, 2019, California lawmakers passed the Fair Pay to Play Act (SB 206), which allows California college athletes to be compensated for the use of their name, image and likeness for marketing purposes. Since then 13 more states have penned legislation to force the NCAA to allow payment for NIL. On October 29, the NCAA Board of Governors under the pressure of legislators and the media, voted unanimously “to permit students participating in athletics the opportunity to benefit from the use of their name, image and likeness in a manner consistent with the collegiate model

The implications for this decision will greatly affect the way athletic departments operate and could have a significant financial impact, as sponsors and donors re-direct gifts and support away from the department and instead provide support to individual athletes. Until the final decision is settled and guidelines established, the financial effect is uncertain. However, departments must start to plan for a

significant reduction in external dollars as athletes have the right to use agents as marketing representatives to generate NIL dollars. Currently over thirty states have either passed legislation or are considering legislation on NIL.

- b. Court Cases - March 8, 2019, the anticipated ruling in the Alston vs NCAA case was released. Judge Wilken ruled that the NCAA can no longer “limit compensation benefits related to education”. In actuality, the ruling allows student-athletes to potentially receive a scholarship valued at greater than a “full ride” to college. The Alston case was the continuation of the O’Bannon case and demonstrates an ongoing movement forward where the courts are very favorable to the thought of student-athletes being compensated. These two cases are the first steps in paying student-athletes. Because of these cases, the NCAA has drained their reserves and paid over \$200 million to more than 40,000 ex-football players, and men’s and women’s basketball players, who did not receive ‘cost of attendance’. Additionally, the court cases allow each conference to establish their rules regarding education-related compensation.

In another class action lawsuit, the NCAA settled claims by creating a \$70 million fund for the monitoring of current and former college athletes for brain trauma. While this decision did not pay damages, it illustrates the willingness for the courts to impose definitive standards to hold the NCAA accountable and ultimately the member institutions.

- c. Revenues to Power 5 Programs - The Power 5 programs are developing incredibly lucrative television deals that are turning college athletics into a bifurcated system of the haves and have nots. Now more than ever, non-Power 5 programs will have to allocate available resources based on priorities and return on investment if they hope to maintain competitiveness or ultimately have an opportunity to break into the upper echelon of college sports.

The SEC’s new television contract to begin in 2023 with ESPN/ABC will pay the SEC \$330 million per year for the duration of the contract (total \$2.25 Billion). The new payday jumps from \$55 million annually from CBS. Each SEC schools’ conference payout will jump by \$20 million from a current conference distribution of \$43.1 million. This new contract pushes the SEC past the Big 10 as the leader among Power 5 conferences in annual revenue.

- d. The Arms Race – Athletic departments are faced with challenges to compete. With the influx of huge television dollars, significant bowl paydays and major fundraising and corporate partner revenues being generated by the Power 5 schools, Power 5 athletic departments are investing incredible sums of money to differentiate themselves so they become the most attractive destination for the premiere incoming student-athletes. Everything from posh football support building (Clemson opened their \$55 million facility in 2019) to chartering airplanes to all away basketball games to million-dollar salaries for assistant coaches all indicate that college athletic programs have joined the “Arms Race” in a very aggressive and committed way. Athletic departments are re-investing their large revenues into every area that can differentiate them from their peers. The list goes on and on:
  - i. Facilities – Clemson’s \$55 million football support facility is a 142,000 square-foot wonder-world that includes a weight room, meeting rooms, a

nutrition area and player lounge. The Reeves Football Complex includes a nap room, basketball court, wiffle-ball field, miniature golf course, bowling lanes, barber shop, a slide between the first and second floors and a room dedicated only to displaying Clemson's Nike gear.

- ii. Food - NCAA new legislation allows for unlimited food and snacks and have created "fueling stations" in locker rooms and strength and conditioning areas. For example, Wisconsin incurred \$1,232,404 in new costs for breakfast (\$842,000), expanded training table (\$177,504) and fueling stations (\$177,504).
- iii. Lodging - Kansas men's basketball opened a \$12 million-dollar dorm in 2015 to house 16 basketball players, 17 non-basketball students and includes a basketball half-court.
- iv. Travel - Gonzaga men's and women's basketball charters to every away basketball game on a 30 passenger Dornier 328 jet. Almost every Power 5 men's and women's basketball team charters to every away game. Kansas has been known to charter a 76-seat passenger jet with all first-class seats.
- v. Coaches' salaries and personnel - Ohio State currently has 57 coaches and staff just in the football department. Prior to the start of the 2019 football season there were 24 assistant coaches around the country whose base salary was more than \$1 million. Twelve more made at least \$950,000.
- vi. Technology - Programs are investing serious money in developing technology to insure the best possible fan experience and engagement. In 2014 Auburn invested \$13.9 million by replacing an old video board and adding ribbon boards. Additionally, new transformational software uses advanced technology to provide the most modern solutions for every departmental function from compliance to business operations to recruiting to communications.

While Power 5 programs can and have escalated their athletic spending, ODU and other Group of 5 programs must be more responsible and prudent in their financial decision making. Group of 5 programs do not have the luxury of seemingly unlimited resources, so they must be extremely careful to maximize the impact of their limited resources.

- e. Impact of the Political Landscape - The change in leadership on a national level could have incredible impact on universities and athletic programs nationally. Major issues that have been espoused and promised by leading presidential candidates include:
  - i. Free college tuition - How would this impact student fees, enrollment and cost of doing business?
  - ii. Minimum wage - Raising minimum wage to \$15 an hour could dramatically create significant costs to athletic departments.

- iii. Fair Labor Standards Act (FLSA) - Raising the required minimum salary again to near \$50,000 annually would also impact the ability for athletic departments to employ entry level staff or dramatically impact costs.

After aggregating survey information, responses from interviews, budget and other athletic department documents, researching historical success and evaluating the current landscape and future of college athletics on a national level; five findings become very apparent:

1. The current ODU Athletics budget will not allow ODU to support 17 NCAA Division I sports.
2. Men's and women's basketball and football cannot have a reduction in allocation of resources if they are going to continue to be competitive in the competitive world of Division 1 athletics.
3. A reallocation of resources must take place to accommodate the starting of volleyball.
4. Conference membership decisions need to be made that might reduce travel expenses and missed class time while generating more interest (ticket sales) and conference distributions.
5. ODU Athletics must focus on sponsoring fewer sports but support continuing sports with more resources. This strategy will provide a much greater return on investment and a better-quality experience for the student-athlete. It is important to realize that a requirement to be a Football Bowl Subdivision (FBS) program, the NCAA requires a university to sponsor a minimum of 16 sports of which 8 must be female.

To continue to operate with no change will stagnate the department and the effects will be manifested in many negative ways. Strategic decisions particularly about sport sponsorship and allocation of resources must happen. The reality of today and the future is non-Power 5 programs must use available resources to compete in the programs where they maximize return on investment and return on objective. Sports must be carefully evaluated to determine their institutional and departmental value. Just as major brands evaluate programs and make hard decisions based on established criteria, ODU needs to move in that direction. Reallocating at least \$1 million to cover the cost of implementing volleyball as part of the Title IX compliance plan, is an absolute must.

Over the next year, ODU Athletics has the challenge and opportunity to make major decisions that will set the course for the future. ODU must establish priorities and invest in the sports that provide maximum benefit. With the great history, the fertile recruiting geography and one of the top facilities in the country; men’s and women’s basketball significantly provide the best opportunity to make a major beneficial impact for the institution. When looking at aspirational basketball programs (Wichita State, Memphis, San Diego State) that are public institutions, it is clear that those programs have made significant financial investments. In the most recent Department of Education EADA report, the numbers tell the story:

The following charts clearly demonstrate that for ODU to compete in men’s and women’s basketball, and football, they cannot reduce funding for their top 3 programs.

<b>University</b>	<b>MBB Annual Expense</b>	<b>WBB Annual Expense</b>
Old Dominion University	\$3,348,329	\$2,275,571
Wichita State	\$7,513,193	\$2,528,714
San Diego State	\$6,207,228	\$3,054,677
Memphis	\$11,859,500	\$2,517,403

Additionally, with the major investment in football, ODU must continue to invest to position itself as a competitive FBS program and to insure return of investment. Any reduction in investment in football would be unwise and be self-defeating. Looking at aspirational Group of Five programs, ODU cannot reduce their current investment if there is any expectation for future success. Following is a snapshot of aspirational Group of Five football budgets:

<b>University</b>	<b>Budget</b>
Old Dominion University	\$10,694,000
Boise State	\$11,803,000
University of Memphis	\$17,569,000
South Florida	\$13,310,130

Without question, the historic way of “doing business” must be modified if ODU is going to be nationally competitive in NCAA Division 1. Each program (sport) must be reviewed and evaluated to determine its value and future. ODU must have a plan where significant resources be identified and allocated or re-allocated to insure maximum value. The idea that significant new sources of revenue (and maybe some current resources) are available, is risky and improbable. Continuing sports that bring minimal return on investment will drain the sports that bring value and national recognition and exposure.

ODU athletics has only two realistic options to maintain their current success while funding the implementation of volleyball:

1. Reduce every sport by a proportional amount that would provide the approximate \$1.2 million necessary to fund volleyball.
2. Eliminate one male sport that would compensate for the approximate similar cost of starting and operating volleyball.

While neither course of action is desirable, reducing the investment for each sport across the board would create a total athletic program that would struggle in every sport to be competitive. Additionally, it would greatly reduce the quality of student-athlete experience for all 475 student-athletes. The ability to generate the desired benefit of competing at the FBS level would be greatly diminished.

While certainly not ideal, dropping a sport is the only viable course of action. The ability to compete in all remaining sports would not be damaged and the quality of the experience for each continuing student-athlete would be sustained. Basically, replacing one sport with another would provide the best possible process for minimal disruption and allow each of the remaining sports to continue to compete for championships.

After looking at the potential future revenues and the ever-increasing expenses, the only solution for ODU is to reduce sports sponsorships (drop a sport) and monitor conference membership landscape and opportunity. In determining the future of the athletic program, each sport needs to be evaluated based on the established criteria to ensure that no decisions are arbitrary or capricious. The following criteria should be used:

1. The value the sport brings to the university
2. The effect on Title IX
3. The annual cost of operation
4. The ability to compete and win C-USA championships
5. The ability to generate revenues
6. The interest of ODU constituents
7. The ability of the program to expose the ODU brand on a national level
8. The future of the sport and number of NCAA sponsored programs
9. The impact within the athletic department to support that sport

Using the established criteria and realizing that to continue to comply with Title IX guidelines, the following rationale was used to achieve the ultimate recommendation.

1. No women's sports could be eliminated.
2. Men's and women's basketball and football must be maintained.
3. Men's swimming, men's golf and men's tennis do not provide the necessary cost savings required
4. Men's soccer, baseball and wrestling are the only remaining programs that meet the financial requirement of providing a significant budgetary savings. They are the only programs that can be considered. Using the established criteria as a guideline, the following differentiated factors have been identified:
  - a. Men's soccer and baseball compete for championships in C-USA. Wrestling does not.

- b. Sponsorship and participation numbers for NCAA sports comparatively speaking, indicate wrestling has very small participation numbers:
  - i. Baseball 297 programs, 10,827 student-athletes
  - ii. Soccer 205 programs, 6,044 student-athletes
  - iii. Wrestling 75 programs, 2,497 student-athletes
- c. Athletic training indicates wrestling requires considerable support.
- d. NCAA wrestling has recently distributed a plan to modify the wrestling schedule in an attempt to change the trend of sponsorship reduction. Since 2007-08 Division 1 sponsorship has decreased by 16% dropping from 89 schools sponsoring wrestling to 75 in 2018-19.

After reviewing the criteria, the recommended course of action is the sport of wrestling should be discontinued. It is evident that wrestling is losing popularity nationally, does not provide opportunity to win C-USA Championships and the limited number of Division 1 universities sponsoring wrestling and the relatively small number of participants nationally, provide minimal exposure and brand recognition for ODU. Basically, this decision would allow for the resources invested in wrestling to be reallocated to volleyball. This decision would assist in balancing an annual budget that continues to be stressed with even more challenges in the future. This strategy would be significant in ODU's ongoing commitment to Title IX compliance while not negatively impacting ODU's 16 other sports. This decision would also not negatively impact the quality of the student-athlete experience for the 465 other student-athletes.

Another part of the recommendation is that all current wrestlers retain their scholarships as long as they meet certain established academic and behavioral requirements. Additionally, ODU should implement a plan to help current coaches find new opportunities and establish a timeframe to support those efforts. ODU Athletics should discontinue the wrestling program immediately upon the conclusion of the 2019-20 wrestling season.