

Date: February 2, 2021

To: UO Tuition and Fees Advisory Board
From: UO Department of Athletics
Re: 2021 Athletic Fee Proposal

Background

Since 1987 the Department of Athletics and the Associated Students of the University of Oregon (ASUO) have enjoyed a long-standing partnership to enhance the student experience at UO. This partnership has been formalized through an annual agreement, which allocates a block of seating to UO football and basketball games, as well as complimentary admission to all other UO athletic events to all Incidental Fee (I-Fee) paying undergraduate and graduate students. Last week, as part of their 2021-22 budget process, the ASUO Senate voted to fully reallocate all I-Fee revenues away from the Athletics Student Ticketing agreement to other initiatives. The most recent agreement between Athletics and ASUO transferred \$1,812,259 of I-Fees to Athletics in exchange for student seating at football games (1,849 seats before start of Fall Term and 3,948 seats after the start of Fall term), 1,854 seats at basketball games and complimentary admission to all other hosted UO athletic events. Although the benchmark for this agreement was established to be 80% of the market value of the seating provided, this agreement was most recently valued at approximately 75% of the market value of the seating provided to ASUO.

Athletics is a central component of student life at UO. Our most recent review of student admittance data shows approximately 65% of I-Fee paying UO students utilizing benefits to access at least one athletics event on an annual basis. The support, energy and engagement of the UO student body is a critical component of the success of our student-athletes and athletic programs. Intercollegiate athletics at UO brings students together, as well as provides engagement opportunities with prospective students, alumni, and our local community. When Matthew Knight Arena was designed, creating the best possible student experience and atmosphere was a top priority and resulted in a unique student section which runs the full length of one side of the court at court level. We are proud of the remarkable achievements of our student-athletes and much of that success is due to our student body.

We are fortunate to have a strong national brand and a passionate, generous fan and donor base which has minimized the degree to which UO Athletics must rely on student fees or institutional support on an annual basis. Oregon Athletics receives the lowest combination of student fees and other forms of institutional support in the Pac-12, and one of the lowest in the country. The most recent year (2018-19) of public financial data shows that the other 9 public members of the Pac-12 received an average of \$10.6M of student fees/institutional support, while UO received \$2.2M (\$1.8M of student fees and \$450K of Oregon sports lottery funds). This student fee and institutional support data for the 10 public Pac-12 members is provided in a separate excel attachment, with student fee data on one tab and total institutional support data on the other tab. In recent years, a variety of factors have placed downward pressure on revenues and upward pressure on the expenses required to compete at the highest levels of Division 1.

Proposal

Similar to what is currently done at many of our peer institutions around the Pac-12 and nationally, we are presenting the implementation of a new Athletics Fee beginning with incoming students for the 2021-22 academic year. This fee will provide incoming classes of UO students with the same benefits that have been provided through the previous Athletics/ASUO agreement at the same annual cost per student. We will work with the UO Administration and Division of Student Life to determine how best to manage access to UO athletics events for both the incoming students that pay the newly established Athletics Fee as well as those existing/upperclass students who do not over the next several years. The recent shift in funding priorities by the ASUO creates challenges for UO students who have consistently demonstrated they value access to athletic events on an annual basis. The new Athletics Fee will address those challenges for future classes of students while

also ensuring Athletics maintains the revenue streams necessary to continue to support a positive and accessible experience for our passionate student body. Oregon Athletics compliments the academic mission of the UO and plays a central role in promoting the amazing things happening on our campus, in the recruitment of talented students from around the world, in providing a well-rounded, positive student experience, and in engaging and connecting with our alumni. The Athletics Fee will help enable Athletics to continue to provide the best experience possible for all UO students.

Financial Considerations

Most Recent ASUO/Athletics Agreement: \$1,812,259/year

FY22 Athletics Fee: \$29.50*/Quarter

- Represents the same amount currently being paid per student through the I-Fee

Below are approximate projections of Athletics Fee revenue based on a \$29.50/Quarter fee.

Projected FY22 Athletics Fee Revenue: \$586,147* (applies to FY22 incoming class only)

Projected FY23 Athletics Fee Revenue: \$1,073,289 (applies to FY22 and FY23 incoming classes)

Projected FY24 Athletics Fee Revenue: \$1,458,484 (applies to FY22, FY23 and FY24 incoming classes)

Projected FY25 Athletics Fee Revenue: \$1,800,301 (applies to FY22, FY23, FY24 and FY25 incoming classes)

* Division of Student Life calculated the required per quarter fee amount required (based on projected enrollment) to fund student seating at most recently agreed-upon levels between Athletics and ASUO

Athletic Fee Benefits To Students (FY22 and beyond)

- Football Seating Lottery (1,849 seats prior to Fall Term; 3,948 seats during Fall Term)
 - Applies only to Athletics Fee paying students
 - FY22: Approximately 25% of lottery seats available to Athletics Fee paying students.
 - FY23: Approximately 50% of lottery seats available to Athletics Fee paying students.
 - FY24: Approximately 75% of lottery seats available to Athletics Fee paying students.
 - FY25: Approximately 100% of lottery seats available to Athletics Fee paying students.
- Football Additional Student Seating (2,100 seats; \$120 season ticket and \$10/\$20 single game tickets)
 - Athletics will continue to provide Athletics Fee paying students an opportunity for guaranteed access through heavily discounted student season and single game tickets
- Basketball Seating: 1,854 seats per game will be made available to all Athletics Fee paying students
- Other UO Athletics Events: Athletics Fee paying students will receive complimentary admission
- During FY22, FY23 and FY24 Athletics will work with UO Administration and Student Life to determine how to manage admission for UO students not paying the Athletics Fee. By FY25 most UO Students will be paying the Athletics Fee and will receive the benefits outlined above.