

**East Tennessee State University
Football Task Force Report to
President Paul E. Stanton, Jr.
December 20, 2006**

Background

In June 2006, ETSU President Paul E. Stanton, Jr. established a task force to study the feasibility of returning scholarship football to East Tennessee State University. Football was discontinued as an intercollegiate sport at the end of the 2003 season due to financial constraints being experienced by the University.

The Task Force was comprised of 13 members, including representation from an independent group, Buc Football and Friends Foundation, which formed for the purpose of supporting the return of football to ETSU, and representation from the University community. (See Attachment 1 for a list of the membership.)

The Task Force held five meetings between July and December 2006. At the first meeting in July, the group reviewed its charge as well as cost data for ETSU football and other sports as well as comparative data on costs at peer institutions. At the September meeting, the Task Force divided into three sub-committees to further explore in-depth potential costs for a football program, potential sources of revenue, and potential facility needs.

At the November meeting, the Task Force heard initial reports from each of the sub-committees and determined that it would be important for members of the Task Force to visit some peer institutions to better understand the costs and processes involved in running a successful football program. Institutions visited by small groups included Appalachian State University, Furman University, and Wofford College. In addition, individual members visited Austin Peay State University and Coastal Carolina University.

At the December meeting, Dick Sheridan, former coach of N.C. State and currently a consultant to Old Dominion University and formerly to Coastal Carolina, met with the Task Force to discuss the elements required in establishing a successful football program. Also at that meeting, the Task Force reviewed a spreadsheet of projected costs and revenues to use as a basis for final discussions.

The final meeting of the Task Force on December 20, 2006, brought the Task Force to consensus on this report to President Stanton.

Other activities that were either initiated by or involved Task Force members included a survey of student interest, a survey of faculty/staff interest, establishment of an email address to receive comments from alumni and the community, and participation by Task

Force members in two information sessions on campus – one during Homecoming and one for students. (See Attachment 2 for survey results.)

Introduction

Jerry Robertson began the first meeting of the Task Force with a statement of his philosophy regarding the importance of a viable football program for a university. In part, he expressed the opinion that at issue is more than just a sports program, because there are other essential benefits to a university and community that may be both tangible and intangible. Those who agree with this philosophy would say that a football program serves to attract and retain students, including student-athletes, marching band members, cheerleaders, and their friends. This would result in additional revenue to the university. Other benefits include relationship development between the community and the campus, name recognition for the institution, scholarship opportunities, and enhancement of the student experience.

In consideration of this premise, the Task Force pursued its charge with certain basic assumptions that if football—were it to be returned to ETSU—should:

- Be a competitive program
- Be considered as a total “experience” as an entertainment event
- Be played outdoors
- Not result in reductions in quality and funding of current academic or athletic programs.

Based upon its work and discussions, the Task Force offers the following:

This Task Force believes that reinstating a football program that would be competitive in the Football Championship Subdivision (formerly Division I-AA) would add value to the ETSU community and the University’s stakeholders, but the following issues must be addressed and resolved:

1) Student Athletic Fee

There is a cap on the amount of state/tuition dollars that can be used to support athletic programs in the State of Tennessee. If current athletic programs are to be maintained, new dollars will be required to fund a football program. These monies may be generated from private dollars donated to the athletic programs and/or from an increase in the student athletic fee, which currently stands at \$75 per semester.

Cost projections demand an increased fee that would be phased in over a five-year period and would begin with an initial increase of \$25 or \$50 per semester and increase until a sufficient level is obtained balanced with fund raising, ticket sales, and other potential sources of revenue. Such revenue must also be sufficient to

cover projected expenditures for football and related administrative costs, support Title IX compliance costs and facilities costs.

Increases in the student athletic fee can only be instituted upon positive recommendation from the students and approval by the Tennessee Board of Regents. If the decision is made to move forward with the next step in reinstating football, appropriate approvals must be obtained. The Task Force believes that the increase in the student athletic fee is essential to attain a sufficient level of income to support a football program.

2) Facilities

To make football a total experience for students, players, and the University, the Task Force has identified the need to build or “partner in building” a state-of-the-art, modern stadium that can serve as an economic development tool for the region and constitute a positive component in fielding a competitive team. Stadiums of this caliber are typically built at a cost of \$1000 per seat and include skyboxes and other amenities for fans as well as offices, dressing rooms, and training facilities for the coaches and players. Initial cost projections for a stadium with 10,000 seats are between \$12 million and \$15 million, and should be built so seating could be expanded as needed. Additional costs may be incurred for stadium parking and practice fields.

Based upon its review of successful football programs and in consideration of anecdotal information from students, alumni, and fans, the Task Force recognizes that a location on the ETSU campus should be the first consideration for such a stadium and is the preferable choice. In reality, due to the significant costs of such a facility, the Task Force would encourage the University to explore partnership opportunities with the City of Johnson City. However, it is anticipated that any such arrangement would still result in costs to ETSU of approximately \$5 million to \$6 million to bring such facilities up to required standards.

If a partnership is pursued, and if the stadium is not built on the ETSU campus, then a campus fieldhouse will be needed for offices, locker rooms, training rooms, and other facilities to support the team. Whether a facility is built on or off campus, at least one, and preferably two (one turf and one grass), practice fields will be required. Costs for a fieldhouse would total some \$5 million to \$6 million. A grass practice field costs between \$300,000 - \$600,000 and a turf field will cost at a minimum \$1 million.

Any decision regarding facilities is complicated by the fact that since it is anticipated they will be funded from donations as opposed to a regular revenue stream such as debt service fees, state rules require that all funds be in hand prior to the start of any construction.

3) Budget

The Task Force developed a proposed budget with projected costs and revenues in order to determine the feasibility of reinstating football at ETSU that assumes beginning play in Fall 2010. Costs were derived from calculations based on figures presented from peer institutions and national data sources when available (for example, average salaries for coaches, operating expenses, recruiting expenses, travel, etc.). Assumptions used to develop this budget included the initiation of an additional athletic fee charged to all students as well as private fund raising and other revenue sources.

Other assumptions included a phase-in of scholarships to a full 63 scholarships using a 50:50 in-state to out-of-state ratio and a yearly tuition inflation rate of 5%. A salary inflation rate of 4% per year was used. Administrative support costs are calculations based on the projected workload of adding 63 scholarship players for football plus additional non-scholarship players. The Task Force has less confidence in the Gender Equity projections as there are a number of unanswered questions that must be resolved before final budget figures can be determined. However, the figures provided are illustrative of dollars that will need to be considered.

The revenue projections rely heavily upon the phased-in student athletic fee and include a 2% per year increase in enrollment. Other potential sources of dollars include gate receipts, game guarantees, marketing/promotions contracts, radio network contracts, concession revenue, and new merchandise revenue. The budget does not project any dollars from fundraising efforts; rather, the gap between anticipated revenues and projected costs identified dollars that will be required to fund operations fully.

The budget provided does not factor in costs of facilities as discussed in item two above.

(See Attachment 3 for a sample budget based on these assumptions.).

4) Caveats

In addition to the basic considerations of costs/revenues and facilities, the Task Force wishes to call attention to the following issues/caveats that are critical to a successful return of football:

- a. Title IX/Gender Equity – ETSU has addressed gender equity concerns raised by the NCAA during its certification review in 1997. At that time, the institution had 37 recommendations for which it was required to

develop a plan that would address the deficiencies in gender equity within its athletic programs. In 2006, during the second cycle of the certification process, an NCAA team visited campus and following NCAA review, ETSU was deemed in “full compliance,” with the understanding that it would continue to move forward with implementing its gender equity five year plan.

The University currently uses the proportionality method to address gender equity, viewing this as the most positive approach to ensuring that women athletes, coaches, and staff have the same opportunities to participate in athletic programs as their male counterparts. Continued use of the proportionality rule would require the initiation of 95 additional female scholarships (beyond those already projected) to match the 63 scholarships that would accompany a reinstated football program. This would require the initiation of additional sports programs for females and their associated budgets for staff, operations, equipment, and facilities, phased in over an identified period.

The Task Force believes the University would be well-advised to pursue a Title IX consultant who could conduct an independent review of its gender equity program and suggest ways in which gender equity can be achieved if football is reinstated. Some projected costs for gender equity funding have been included with the attached sample budget for the purpose of illustrating the types of dollars and programs which might be considered. The numbers presented are for operational costs only and do not include related facility costs.

- b. Fundraising – The Task Force believes that a comprehensive fundraising plan must be developed with specific goals and deadlines for achieving these fundraising goals. Football supporters have indicated that it has been difficult to raise funds for a defunct football program and believe that, if there is evidence of Presidential support for returning football to ETSU, effective fundraising can ensue. The Task Force also realizes that for effective fundraising to occur, a complete plan for the program and its facilities must be developed along with a reasonable timeline for implementation plus assigned responsibilities for the fundraising effort.

Fundraising will need to be a multi-pronged effort to include season ticket subscribers with a pledge for multi-year tickets, as well as individual and corporate donors. Evidence of external funding support will be necessary for the University to move forward with a program as student fees alone cannot provide adequate dollars.

- c. Sustainability – The Task Force believes that if a football program is reinstated at ETSU that it should be a sustainable program. For this to occur, it must be completely and adequately funded. Funds that are

donated and pledged to the program need to be at a sufficient level and committed for a sufficient period of time to ensure this adequate funding level.

Further, as noted previously in this report, the program needs to be one that will attract fans and build fan loyalty. A scholarship program that recruits the best local and out-of-state players, a game day event that is more than a ballgame, i.e., is a total “entertainment experience,” and vigorous marketing and media support will be essential to sustain the program over time.

The Football Task Force wishes to express appreciation to President Stanton for his support of this endeavor and his willingness to review the strategic business decision that the University made in 2003.

Members of the Task Force stand ready to respond to any questions or provide additional information as needed.

ATTACHMENT 1

ETSU FOOTBALL TASK FORCE MEMBERSHIP

Dr. Wilsie S. Bishop, ETSU Vice President for Administration and Chief Operating Officer (Co-Chair)

C.M. Boggs, Accounts Manager, Waste Management Service Center;

Jeff Byrd, President, Bristol Motor Speedway and Dragway;

Dr. David D. Collins, ETSU Vice President for Business and Finance, and Chief Financial Officer, ETSU Foundation;

Tim P. Jones, Chairman of the Board, ETSU Foundation, and former General Manager and Vice President of Press Inc.;

Dr. Fred Mackara, President, Faculty Senate

Dr. Richard A. Manahan, ETSU Vice President for University Advancement and President of the ETSU Foundation;

Dave Mullins, ETSU Director of Intercollegiate Athletics;

Dr. Roy S. Nicks, Chancellor Emeritus of the Tennessee Board of Regents and former President of ETSU;

Jerry Robertson, retired ETSU Athletic Trainer now with Watauga Orthopaedics, and Buc Football and Friends Foundation Inc. (Co-Chair);

Josh Shearin, President, ETSU Student Government Association

Dr. Phil Roe, Vice Mayor, Johnson City Commission, and OB-GYN physician

Ken Bates, President of the ETSU Pirate Club

Attachment 2

Student Survey Results

N = 12,516

Response Rate = 30%

EAST TENNESSEE STATE UNIVERSITY
FOOTBALL SURVEY



FOOTBALL SURVEY



Students survey results.

Would you like to have football back at ETSU?	YES	3109	82.9%
	NO	640	17.1%
Would you be willing to pay an additional \$50-125 fee per semester to fund a football program, if the fee is phased in over a period of 5-6 years?	YES	2313	61.7%
	NO	1436	38.3%
If football were restored would you attend the games?	YES	3020	80.6%
	NO	729	19.4%

[COMMENTS >>](#)

Faculty Staff Survey: N = 3,161 Response Rate = 31%

FOOTBALL SURVEY



Faculty/Staff survey results.

Do you favor reinstating intercollegiate football at ETSU?	Strongly Agree	356	36.2%
	Agree	228	23.2%
	Disagree	113	11.5%
	Strongly Disagree	216	22%
	No Opinion	70	7.1%
If football were reinstated, how likely is it that you would attend at least one game per season?	Very Likely (More than 75%)	422	42.9%
	Somewhat Likely (50% - to 75%)	180	18.3%
	Unlikely (25% to under 50%)	81	8.2%
	Very Unlikely (less than 25%)	288	29.3%
	Don't Know	12	1.2%
If football were reinstated, how likely is it that you would purchase a season ticket?	Very Likely (More than 75%)	108	11%
	Somewhat Likely (50% - to 75%)	227	23.1%
	Unlikely (25% to under 50%)	137	13.9%
	Very Unlikely (less than 25%)	474	48.2%
	Don't Know	37	3.8%
How much would you be willing to pay for a season ticket for football at ETSU?	\$120	77	8%
	\$100	160	16.6%
	\$60	189	19.7%
	\$40	92	9.6%
	\$0	443	46.1%
Where should the football stadium be located?	On ETSU campus only	602	67.6%
	In Johnson City, but not on campus	247	27.7%
	In Tri-City Region, but not in Johnson City	42	4.7%

Indicate your degree of agreement or disagreement with the following two statements:

If the football stadium were located off-campus, but in Johnson City, I would be less likely to attend games.	Strongly Agree	132	13.6%
	Agree	156	16.1%
	Disagree	259	26.7%
	Strongly Disagree	204	21%
	No Opinion	219	22.6%
If the football stadium were located in the Tri-City Region, but not in Johnson City, I would be less likely to attend games.	Strongly Agree	342	35.2%
	Agree	231	23.8%
	Disagree	127	13.1%
	Strongly Disagree	87	9%
	No Opinion	184	18.9%

ATTACHMENT 3

EAST TENNESSEE STATE UNIVERSITY
FOOTBALL PROFORMA

\$\$\$Semester in Year 1 Increasing to \$100Semester in Year 3

	07-08	08-09	09-10	10-11	11-12	12-13
REVENUE						
Student Fees	1,225,000	1,249,500	2,548,980	2,599,960	2,651,959	2,704,995
NCAA Scholarship Fee Distributions				150,000	216,000	165,640
Galle Receipts				50,000	75,000	200,000
Game Guarantees				10,000	25,000	100,000
Marketing/Promotions Contracts				6,000	10,000	50,000
Radio Network Contracts				4,000	5,000	10,000
Concessions Revenue						5,000
New Merchandise Revenue						
Total Revenue	1,225,000	1,249,500	2,548,980	2,819,960	2,982,959	3,471,638
EXPENDITURES						
Football Costs	248,360	351,810	620,653	645,479	671,298	698,150
Coach's Salaries			145,000	145,000	145,000	145,000
Team Travel	10,000	48,000	48,000	48,000	48,000	48,000
Recruiting		50,000	300,000	350,000	403,000	403,000
Operations	10,000	298,566	622,794	980,880	1,351,791	1,419,390
Scholarships			40,000	80,000	100,000	100,000
Summer School Aid (25 @ 4000)				25,000	75,000	120,000
Fifth Year Aid (10 @ 12,000)						
Total Football Expenditures	288,360	746,376	1,716,437	2,274,359	2,794,089	2,933,540
Net Revenue over/(under) Football expenditures	936,641	503,122	772,543	545,601	188,870	538,098
Other Administrative Costs	44,869	40,864	564,852	587,446	610,944	635,382
Salaries and Benefits			90,000	94,500	99,225	104,186
Additional Insurance			10,000	10,000	10,000	10,000
Additional Operating Costs						
Total Other Administrative Costs	44,869	40,864	664,852	691,946	720,169	749,568
Total Football and Other Administrative	313,229	793,042	2,441,289	2,966,305	3,514,258	3,683,108
Football Start Up Costs		100,000	500,000			
Over/Under Revenue Before Gender Equity	911,772	356,456	(392,309)	(146,345)	(531,299)	(211,470)
Gender Equity						
Current Approved Plan	265,000	141,000	66,000	46,000	21,400	253,094
Patents New Sports		50,000	225,000	75,000	78,000	81,120
Women's Swimming				75,000	150,000	156,000
Rifle					125,000	250,000
Rowing						
Field Hockey						
Total Gender Equity	265,000	191,000	291,000	430,000	617,760	740,214
Additional Fund Raising or other Revenue Req	646,772	165,456	(663,309)	(578,345)	(1,149,059)	(951,684)