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A coaching comparison within the SLC illustrated that SHSU is 12% above the conference average. However, two items are important to note: SHSU has two more sports than the SLC average and several sports utilize graduate assistants (compared to SLC peer institutions, which have full-time coaches for similar positions). NACDA Consulting recommended adding seven positions for an FCS program—five full-time coaches and two GA's. The full-time assistant coaches would be in football, men's basketball, women's basketball, softball and cross country/track & field. GA positions would be in football and women's tennis. Initial cost estimates for the seven hires are \$154,474, based on current 2009-10 salary averages. Similar to the administrative salary comparison, the majority of SHSU's coaches are at or above the SLC salary average, with women's basketball as the exception.

Two comparisons were conducted with regard to sports operating budgets (exclusive of salaries and scholarships). NACDA Consulting compared the budgeted operating expense and actual operating expense. There is a significant differential, which requires the athletic department to identify other funding sources to cover the budget shortfalls. This is accomplished through fundraising, game guarantees, corporate sales and maximizing athletic department resources. The budgeted operating expense for the 17 programs is \$595,000, which is currently 54% below the SLC average of nearly \$1.3 million. If the additional revenue is incorporated, the actual operating budget is \$1.1 million, 10% below the SLC average.

A sport-by-sport comparison illustrated that SHSU's operating budgets fall below the SLC average in 15 of 17 sports, with the exceptions of men's basketball (7% above) and football (2% above). For SHSU to move into the upper half of the SLC with regard to operating budgets, it would need to increase actual operating budgets by \$200,000, taking into account the funds generated by the athletic department. If the additional funding is not included, a \$950,000 increase in actual operating budgets would be needed.

Overall, NACDA Consulting projected an increase in SHSU's FCS budget of more than \$1.9 million to place the program in the top third of the conference. This includes new administrative and coaching positions as detailed above, increases in sports operating budgets, as well as incremental increases in administrative operating expense and calculations for financial aid as overall tuition increases each year. This also includes having actual and budgeted sports operating expense match.

Research of opportunities within the FBS initially focused on the FBS requirements and analysis of the current FBS landscape. The primary requirements include averaging 15,000 in football attendance over a rolling two-year period, increasing the number of football scholarships from 63 to 85, and playing a minimum of five home games against FBS opponents. With its 17 varsity programs, SHSU is in compliance with the 16-sport requirement. Of all the FBS requirements, the attendance average is the most significant. Over the past five years, SHSU has averaged 8,762 in football attendance.



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To comply with attendance requirements, the University would have to expand Bowers Stadium, which currently seats 12,500.

Since the start of the study, there has been movement within FBS and potential for further movement in all 11 FBS conferences. Colorado (PAC-10), Utah (PAC-10), Nebraska (Big Ten), Fresno State (MWC), Nevada (MWC) and Boise State (MWC) have all made announcements to change conferences in the past few months. There continue to be discussions of further movement within the FBS-BCS conferences, specifically within the Big 12, Big East and Big Ten. This will cause a ripple effect with the remaining FBS conferences—the Sun Belt (SBC), Conference USA, Mid-American Conference and WAC. As noted earlier, UTSA and Texas State have announced their intention to join the Western Athletic Conference. The conference announced in May at the conclusion of its annual meetings, that one of the discussion items was exploring a 16-team conference. Media reports have speculated that if C-USA expands, it would target Sun Belt institutions as well as Louisiana Tech. This would create opportunities within the SBC.

Due to geographic proximity and membership opportunities, FBS research focused on C-USA and SBC. Top-line analysis illustrated that C-USA would provide a better geographic and rivalry fit with fellow Texas institutions Rice, UTEP, SMU and Houston, all current C-USA members. Institutionally, SHSU fits the profile of C-USA schools with regard to public institution status, total enrollment, gender ratio and tuition and fees. The institution has an added benefit of being less than an hour's drive from Houston and its 2.2 million marketplace. A sport comparison illustrates alignment with C-USA as well, as the conference's average of 16.8 sports fits well with SHSU's 17 programs.

SHSU also is in alignment with SBC with regard to its public institution status, overall enrollment, gender ratio and tuition and fees. There is only one Texas institution (North Texas) currently a member of the SBC, so travel costs/time would be slightly higher for SHSU. The SBC's average of 16.2 sports per institution is in alignment with SHSU.

An in-depth athletics analysis of financial metrics and staffing comparisons indicated that the SBC would be a better fit than C-USA for SHSU in the short-term. The average athletic budget within C-USA is \$26.6 million, which is 70% higher than SHSU's current athletic budget. The highest budget in the conference is \$35.3 million, more than four times higher than SHSU's. In comparison, the average SBC budget for football-playing schools is nearly \$11 million, which is a 26% differential for SHSU. The conference high of \$18 million is 55% higher than at SHSU. Identically to the FCS analysis, NACDA Consulting provided detailed analysis of administrative staffing, coaching staffing and operating budgets as well as sources of revenue to provide a comprehensive review of the two FBS conferences.

The administrative staffing comparison showed that SHSU ranks below both conferences. Within the SBC, SHSU is 18% below the staffing average and 41% below the C-USA



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staffing average. The greatest departmental discrepancy with both conferences is Academics/Compliance and External Relations.

The SBC recommendation is to add eight full-time positions and four graduate assistant positions. External Relations would add the most positions with five. As part of its 2010-11 budget, SHSU has begun the process of adding both personnel and financial support to its External Relations department. The departments with the next highest recommendations were Athletic Training and Academics/Compliance (two new positions each). The initial costs for the recommended hires would be \$334,948, based on current salary averages.

C-USA recommendations for administrative staffing would be 11 new full-time positions and 5 graduate assistant positions, bringing SHSU into alignment. As with SBC recommendations, the focus would be on increased staffing within External Relations and Academics/Compliance. External Relations would add five full-time positions and two graduate assistants, while Academics/Compliance would add three positions. Initial costs for the recommended positions would be \$527,443.

The salary comparison of current administrative positions within the SBC and C-USA demonstrated that SHSU ranks below both conferences in nearly all positions. SHSU compares more favorably in its associate and assistant AD positions. However, positions below those senior titles ranked below both conferences.

The comparison of coaches determined that SHSU would need to add coaches and transition GA positions into full-time positions to be in alignment with both conference averages. Within SBC, it is recommended that SHSU add six full-time coaches and four graduate assistants across 13 sports. C-USA recommendations are to add nine full-time coaches and four graduate assistants across 15 sports. The initial cost for the increased coaching hires would be \$301,144 for the SBC and \$519,544 for C-USA.

The salary comparison showed that SHSU ranks below C-USA for all its coaches across all 17 sports. Within the SBC, the baseball and volleyball coaching staffs are above the conference average, with the softball assistant coach, women's soccer assistant coach, women's tennis head coach and track & field assistant coach also above the SBC average.

A comparison of operating budgets showed a considerable difference between SHSU and the two conferences. SHSU is significantly below both conferences when comparing actual and budgeted sport operating budgets. SHSU's differential in the SBC is \$1.2 million actual and \$1.8 million budgeted. In C-USA, SHSU's differential is \$2.4 million actual and \$3 million budgeted.

A sport-by-sport comparison highlighted that SHSU's budgeted and actual operating budgets are below the SBC conference average in every men's and women's sport. The



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biggest percentage differences occur in men's golf (66% below the conference average) and football (61% below). From a dollar standpoint, SHSU's football budget is more than \$575,000 below the SBC average. Overall, SHSU's actual sports operating budgets are 51% and \$1.2 million below the SBC average.

An area of strength and a foundation that could be used for a potential move to the FBS is that SHSU is fully funded at the NCAA maximum for scholarships in all 17 sports. This will be critical from a competitive standpoint if SHSU makes the transition.

NACDA Consulting researched funding models and sources of revenue to determine areas of improvement and funding sources to move SHSU to the top third within the SLC or to put the institution in a financial position to transition to the FBS. As noted in the staffing analysis, SHSU is understaffed in External Relations and thus, not surprisingly, external revenue lags behind its peer institutions. SHSU ranks 28% below the average SLC external revenue average, which includes ticket sales, fundraising and corporate sponsorship. The differential ranges from 17% for total ticket revenue to 48% for development. Overall, SHSU is \$600,000 below the SLC average.

Due to the lack of external revenue at the FCS level, the differential is more pronounced in the FBS comparison. The average SBC external revenue including game guarantees is \$3.5 million. SHSU falls 50% and \$2.2 million below the average. The C-USA differential is more pronounced, with SHSU falling \$6.6 million below the conference average of \$7.8 million. Regardless of SHSU's final decision with regard to FCS or FBS alignment, the University will need to place more emphasis and focus on developing external revenue, with an initial goal of moving into the top third of the SLC. Student fee revenue is competitive at FBS with both conferences. SHSU projects \$3.2 million in 2010-11 student athletic fees, increasing to \$5.8 million in 2011-12. Institutional support averages \$1.56 million, which is in alignment with C-USA, but falls 41% below the SBC average of \$2.5 million.

To successfully and competitively make the transition to the SBC, SHSU would need a total operating budget of approximately \$13.2 million, which is \$5.1 million higher than its 2009-10 athletic budget.

NACDA Consulting provided a top-line facility analysis with recommendations and benchmarking for SHSU. As referenced earlier, Bowers Stadium would need to be expanded to meet FBS requirements, with a recommended seating capacity of 20,000 to 25,000. Construction estimates for the expansion were \$28-34 million. Three additional recommendations were made regardless of divisional alignment: renovation of the Ron Mafrige Field House at \$3-5 million, renovation of Johnson Coliseum with projected costs of \$15-18 million and construction of a new soccer and track & field complex at \$4-6 million.



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The survey and quantitative interview results suggested a mixed response to moving to the FBS. Internal comments focused on current athletic budgets, lack of staffing within the SLC and a concern about raising the money for facility improvements and annual operating expenditures needed to be successful in the SBC or C-USA. The community focus groups felt that the move could provide a significant benefit to the institution with regard to increasing awareness, re-engaging alumni and increasing external revenue. Community members and alumni commented that the SLC is not the best fit for SHSU and referenced the impending departure of UTSA and Texas State. However, there were concerns about raising the money to be competitive, as well as with the current lack of support for both football and men's basketball. Focus group members said there was an overall apathy towards the athletic department and many felt this would not change until SHSU is more successful within the SLC.

The student focus group mirrored the community group with regard to comments about apathy toward athletics and added that they felt that athletics did not make an effort to promote to the student body. The students felt that there would be initial excitement if SHSU moved to FBS, but that it would be quickly tempered if football and men's basketball are not successful. The faculty and staff focus group consisted of many athletic supporters, but the consensus was that SHSU would be ill-advised to make the transition until it is more competitive, especially in football within the SLC. Concerns over funding sources, fan apathy and success, which mirrored the other groups' comments, also were raised by the faculty.

The survey, which was distributed the first week in May to the SHSU database, exclusive of students, received more than 2,500 responses. Respondents tended to be male, with household incomes greater than \$100,000, live within two hours of Huntsville, alumni of SHSU and supporters of athletics. The results reflected many of the comments from the qualitative interviews and focus groups, with respondents split down the middle with 41% rating the program average and 52% rating it above-average-to-excellent. The impressions of Bowers Stadium were in alignment with the impressions of the athletic department, with respondents split between 37% rating it average and 39% rating it above average.

Less than 50% of the respondents felt that SHSU should make the move to FBS, and 36% stated that they did not have an opinion either way. Within the sub-section of respondents that supported the move to FBS, the primary reason was the increased awareness it would bring to SHSU. More than 60% of those that supported the move stated that they would purchase season tickets and assumed that prices would increase. However, only 48% stated that they would donate to athletics to support the move. The majority of respondents that supported the move desired SHSU to join C-USA versus 20% supporting the SBC.

Non-supporters of the move stated as their primary reason that SHSU needs to be more competitive within the SLC and FCS overall, with 20% noting student apathy and lack of



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community support and 16% expressing financial concerns. Non-supporters tended to be season ticket holders, attending four or more games the previous season, faculty and staff, non-alums, members of the Huntsville community and corporate sponsors. Supporters of the move tended to be single-game purchasers, alumni and male.

As SHSU evaluates its options for intercollegiate athletics, the interviews, focus groups and surveys indicate that the University should remain at the FCS level. This research suggests that the focus should be on increasing financial support to place SHSU in the top third of the SLC within the next 24-36 months, and on making football a perennial nationally-ranked program at the FCS level. Although, there is a unique opportunity to pursue FBS membership, SHSU needs to develop a collaborative, institutionally supported strategic plan to increase support in funding, facilities and personnel for SHSU athletics.