

Report from the Faculty Senate Athletic Committee

January 20, 2021

Members: Wayne Silver (Chair), Sue Rupp, Sherry Moss, Michael Cartwright, Jane Albrecht (WFU representative to *Coalition on Intercollegiate Athletics (COIA)*)

DUTIES

The Faculty Senate Committee on Athletics (FSCA) will examine and address issues raised in the Report of the Steering Committee of the Coalition on Intercollegiate Athletics (COIA) and its four appendices (March 2013) paying particular attention to whether and how recommendations and best practices found in the Report should be implemented in Wake Forest University and its Faculty Senate. The FSCA will also address related issues concerning the likely effects that changes in intercollegiate athletics (e.g. the litigation regarding the payment of college athletes; ACC conference reorganization; contemplated reforms in the NCAA; etc.) will have on the University. Two additional charges of the FSCA are to foster transparency and an increased role for faculty governance in various aspects of the Wake Forest Athletics Program.

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We met with Athletic Director, John Currie on November 20th, 2020. We gave him these questions before we met. His answers follow.

1. What is the financial relationship between the University (especially the College) and Athletics. In a recent Faculty Forum, Hof Milam talked about this relationship. The question has come up for as long as anyone can remember. There are numerous rumors and speculations that have played a role in the Faculty's suspicion of Athletics. We've read about the new ACC Network and the large amount of money that it brings in for ACC schools. Is Athletics totally self-sufficient? If not how much money flows from the University to Athletics? Hof said that the University covers all of the athletic scholarships to the tune of 14-15 million dollars a year. Is this figure correct? Does this number change from year to year? Hof also said that because of declining Athletics' revenue, the University is providing more funds than normal. Is the correct? In this era of financial constraints, how would you explain to the Faculty why increased support of athletics is essential?

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- *Athletics is not business, it is an enterprise. If it was a business, it would have to show a profit.*
- *Basketball and football pay for all the other sports.*
- *Wake receives 30 million dollars a year as it share from the ACC.*
- *Athletics cannot operate without money from the University. About 16 million dollars is for scholarships.*
- *Athletic Facilities is no longer separate from University Facilities.*
- *Doesn't like to use the term Department any more.*
- *~ 400 athletes with tuition costs of ~16 million dollars.*
- *Non-scholarship athletes contribute 12 million dollars in tuition to Wake Forest.*
- *Athletics has ~200 employees. 40 were furloughed and Currie and Clawson have taken pay cuts.*
- *Athletic buildings are built only when the money is available from private donations.*

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2. We read in the Winston-Salem Journal the article, “*Examining racial inequality at Wake Forest: Brotherhood in the locker room doesn’t always extend to the rest of the University*”. This was very troubling and must be looked into. We understand that the Faculty Athletic Committee is doing that and we would like to be informed of that examination. Perhaps some of this inequality is not only due to race but also to the sometimes adversarial relationship between Athletics and the rest of the University.

- *Black athletes report being discriminated against by white students.*
- *Black and white athletes work together very well at Wake Forest.*
- *Many white students come to Wake Forest with little experience being in a diverse world.*

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3. We are interested in questions of athletes health. Can you tell us what Wake Forest Athletics policies are in regards to head and other injuries? Who pays for medical treatment of injuries? Insurance? Wake Forest? Student? If the student's injury is severe and they can't play anymore do they always keep their scholarship?

- *Wake Forest Athletics practices a medical autonomy model. All medical decisions are ultimately under the supervision of team physician Dr. Chris Miles of Wake Forest Baptist Health.*
- *Athletes use their own family insurance and well as Wake Forest insurance to pay for medical treatment.*
- *Medical scholarships are available for students who are no longer able to compete.*

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4. What is the game plan for dealing with Covid-19? Why doesn't Athletics report the number of athletes and staff who have tested positive like so many other schools do? How and why did Athletics and the University decide to continue with the athletic programs, particularly revenue sports, in the time of Covid.

- *Our student-athletes told us they wanted to play and they (and their families) stated that they felt safer here and in competition, than if not. All student-athletes had the opportunity to “opt-out” of their sport this year without negatively impacting their scholarship or position on the team.*
- *Wake has spent ~ 1.5 million dollars on COVID testing for athletes.*
- *Collective fulfillment of the ACC media contracts helps sustain the enterprise as media rights fees comprise the majority of ACC revenue that is in turn equally distributed to the membership. For a variety of reasons Wake Forest actually played the fewest regular season football games in the ACC but will still receive an equal share of the ACC distribution. All members are making best effort to compete, but not compromising health and safety, and there are no individual school financial “penalties” if one cancels a game.*

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5. How is Wake Forest dealing with the coming Name, Image and Likeness changes? On GODEACS.COM it says that the new Stride Program is to teach student-athletes about how to build personal brands. It also says that Wake Forest Athletics will partner with Spry “to help its compliance staff with NIL management, reporting and transparency”. Are these two partnerships at odds with each other?

- *Dealing with NIL will not be as big a challenge for Wake as it will be for larger schools with bigger brands.*
- *The challenge is to allow students to profit off their NIL but still comply with NCAA rules and regulations.*

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Follow up questions submitted on December 8th, 2020

1. With significant financial constraints to academic departments because of Covid (17% temporary cuts, 10% permanent cuts) how would you explain to the Faculty why increased support of athletics is essential? Has Wake Athletics cut budgets in addition to the furloughs you mentioned?

Athletics reduced its operating expenditures by about 50% from July 1 2020- Dec 31, 2021 versus 7/19-12/19. That reduction comes close to matching the loss in revenue from no fans at football (and canceled home games). Personnel expenses were down as well. As you know, effective Jan 1 2020 we consolidated athletics grounds, facilities, & maintenance into the central office under Vice-President Shennete. There is a transfer out of the athletics budget to facilities to offset these expenses.

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3. An article in the WSJ about the Athletic budget at Virginia Tech spurred us to ask these questions.
 - a. What is Wake Athletics annual budget?
 - b. How much is lost due to reduced ticket revenue?
 - c. Does Wake Athletics lose money if any particular game(s) are canceled?

As for lost revenue from game cancellations, currently we believe that we (the ACC) should get most of the budgeted football tv revenue. With the men's basketball games that have been cancelled thus far we can expect that the ACC revenue distribution relative to men's basketball will be reduced, but the percentage overall tied to basketball is much less than football.

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4. How has Wake Athletics dealt with the associated non-financial costs of Covid, like the emotional and mental well-being of students ? For example, did athletes get to see their families over the holidays? Were (are) they living in isolation in dorms or hotels?

All student-athletes had the option to go home over break and nearly all did. Coach Clawson sent the football team home on Dec 30 after the game and they aren't coming back until next week which is a much deserved and much needed break for all of them (and the staff). Our athletics psychologist Dr. Rachel Conway has kept a very full book of business throughout the pandemic! With the support of the university counseling center Dr. Conway has been really proactive about communicating with student-athletes and ensuring they have avenues for mental health support. She has been a regular, masked up of course, at the Best Western Plus.