

**NCSU Faculty Senate**  
**Resources and Environment Committee**

**Meeting of November 17, 2020**

Beverly Armwood (Associate Athletics Director, Business Operations) met with the committee to discuss the impact of the covid pandemic on NCSU Athletics. We were informed that NCSU Athletics is a self-supporting Auxiliary unit, but that it has been hit hard by the pandemic, especially because of the loss of revenue from ticket sales (especially football) and related apparel sales. And, the Department was spending more for covid testing, with estimates that it would cost ca. \$2 million this academic year. In late October, the projected budget deficit was already \$20 million. For the year, the rough estimate is that the deficit would be \$25-35 million, but this is difficult to calculate precisely because revenues for the football program are not yet clear, and the basketball season remains unpredictable.

Help with the shortfall is coming from several forms:

    Ticket donations (from current ticket holders): ca. \$3.1 million.

    Salary reductions (\$1.5 million) and furloughs (\$3.5 million) = ca. \$5 million.

    Wolfpack Club campaign: ca. \$3 million.

But the deficit problem remains serious, and additional cuts might be needed. Associate Director Armwood said that there is some hope that the Wolfpack Club will launch another campaign for donations. Committee members asked about what the Athletic Department was considering to cover this projected deficit. We were informed that this is under discussion/negotiation. It is likely that Athletics will ask to borrow money from other Auxiliary Industries and (perhaps) from the University.

Committee members raised questions about the importance of student fees (ca. \$650/year/student). We were informed that this constitutes ca. 7% of the Athletics budget. And, questions were raised about the claim that Athletics is self-supporting. Were university attorneys, for example, utilized by Athletics? In some cases, we were told, this was the case.

**Upcoming Meetings:**

Adam Breuggemann and Barbara Moses have agreed to meet again with the committee on December 15 to discuss the instructional budget.