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Hawkeye Athletics deficit lower than initially anticipated

The University of Iowa athletic department's deficit from last fiscal year was listed at \$44.7 million on Tuesday, down from the \$74.8 million figure projected last September.

Robert Read, Summer Editor
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The University of Iowa athletic department's deficit from the last fiscal year — originally projected to be \$74.8 million — was instead listed at \$44.7 million on state Board of Regents documents released on Tuesday.

The figure comes after the fiscal 2021 budget, approved last September, assumed that fall sports seasons would not be held because of the pandemic and that winter/spring sports would be played with reduced attendance capacity.

The UI did not permit fans to attend fall or winter sporting events. Starting March 24, the Hawkeyes welcomed back fans, in a limited capacity, to outdoor spring events.

The department's conference, multimedia, and philanthropic income was higher than expected, largely because of the eight-game football season the Hawkeyes participated in last fall.

UI Athletics saw \$35.8 million more in income than anticipated last fiscal year.

The department's expenses came in approximately \$6 million over budget. It spent \$1.5 million more than expected on football, \$3 million more on buildings and grounds and close to \$3 million more than planned on administration.

Men's and women's basketball and wrestling are among the UI Athletics expense categories that came in lower than anticipated.

The UI is projecting a return to pre-pandemic operations for the next fiscal year.

"Most revenue sources for FY 2022 are anticipated to return to pre-pandemic levels, with the sports returning to full schedules without fan attendance restrictions," according to the UI athletics portion of the regents budget. "These include ticket sales, multimedia income, athletic conference distributions, foundation support, and premium seat revenue."

The typically self-sustaining UI athletics department borrowed \$50 million from the general fund to assist with its deficit — now finalized at nearly \$45 million.

"The Iowa Athletics Department is arranging \$50 million in financing with the university to bridge the financial shortfall in FY2021, as well as providing for some additional backup in FY2022, during this transitional year," according to regents documents.

Terms of the loan, first reported by *The Gazette* show it must be repaid in 15 years. The loan's total interest rate factor for the first five years is 2.5 percent, with repricing occurring every five years.

The loan agreement, dated June 30, 2021, states the debt will be repaid through net athletics operating proceeds and can be paid back early.

The UI's athletics budget for fiscal 2022 is \$117 million — \$13.3 million more in expenses than in fiscal 2021. The 2020 budget was set at \$120 million, and the year before operating expenses totaled \$146 million.

The fiscal 2022 budget anticipates \$20.4 million in football revenue — the highest of any UI sport. That figure is under the \$22 million in revenue seen in 2020, the last time there was a full 12-game Iowa football regular season with fans in attendance.

The department is projected to spend \$31.6 million (its largest expense) on football next year — above the 2020 budget of \$29.7 million.

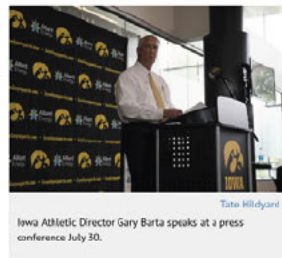
Iowa's men's and women's basketball teams are projected to bring in a combined \$3.5 million in revenue, compared to \$3.6 million in 2020.

The Hawkeye wrestling team's projected revenue is estimated to be in line with what was seen in 2020, approximately \$600,000.

The department's other sports expenses are projected at approximately \$4.7 million for men's programs and \$13 million for women's programs.

The men's expense total is \$6.8 million lower than in 2020, likely because of the UI's decision to cut its men's gymnastics, tennis, and swimming and diving programs, citing budget restrictions brought on by the pandemic.

The UI also initially cut its women's swimming and diving program, but that decision was overturned after members of the team filed a Title IX complaint against the university.



Tata Hildyard
Iowa Athletic Director Gary Barta speaks at a press conference July 30.



About the Writer



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Robert Read is entering his second year as the Pregame Editor at The Daily Iowan. He is a senior at the University of Iowa studying journalism.

