

May 23, 2025

Julio Frenk UCLA Chancellor

Darnell Hunt
UCLA Executive Vice Chancellor and Provost (EVCP)

Re: UCLA Athletics Department Deficit

Dear Chancellor Frenk and EVCP Hunt,

On behalf of the Executive Board of the UCLA Academic Senate, I write to express profound concern about significant ongoing transfer of funds from the campus budget to UCLA Athletics at a time when the academic mission confronts damaging austerity.

UCLA Athletics has a long history of accomplishments. UCLA student athletes have won an impressive 124 NCAA championships since our founding. Hundreds of UCLA student athletes have participated in the Olympics, and UCLA has been represented in every Olympics since its founding except for the 1924 Paris Olympics. The legacy of UCLA Athletics no doubt contributes to the global recognition of our university.

In the past several months, campus has repeatedly been told to expect substantial <u>budget cuts</u>. Faculty feel these budget cuts acutely, from the hiring freeze in our departments, potential cuts to teaching assistants, and looming cuts to federal research support. We have been repeatedly told that campus will not backstop terminated federal grants. We have been told that financial sacrifices are necessary to ensure that there is a UCLA in the future.

How can austerity of this magnitude be imposed on the core academic mission while athletics spending goes unchecked? Athletics has run in the red for the past six years, accruing a staggering \$219 million deficit, even with increasing supplements from campus. In 2024, Athletics generated roughly \$100 million in revenue while accruing expenses of \$180 million. In 2025, UCLA Athletics faces an additional \$22 million in expenditures from upcoming settlement of class action lawsuits against the NCAA. The expected media rights revenue from the Big 10 (\$60-75 million) cannot offset this overspending.

Despite these large deficits, Athletics continues to increase spending. Their \$80 million shortfall in 2024 was partially offset by a campus <u>subsidy of \$30 million</u>. Director Martin Jarmond has never operated UCLA Athletics with less than <u>a \$20 million annual deficit</u>, yet received an upgraded contract with <u>salary exceeding \$1.5 million annually</u>. Numerous news articles have documented costly decisions in Athletics, including <u>six years of underperformance</u> and <u>quiet quitting by Chip Kelly</u>, whose poor decisions included <u>eyebrow raising expenditures on food for the team</u>; hiring and departure of multiple coaches, which are tainted by contract buyouts and investigations for recruiting violations.

Despite increasing annual deficits, Athletics continues to spend lavishly, recently hiring a deputy Athletic Director who plans <u>major investments in fan experience</u> with the dubious hope of increasing revenue. We also note the blanket exemption given to Athletics in the recently issued <u>Travel and Entertainment Restrictions to Reduce Discretionary Spending</u>, and the absence of a blanket exemption for research. We also note the absence of any systematic evidence that increasing athletic spending benefits the academic mission, even indirectly, e.g. through increasing alumni support.

The money that campus administration is funneling into Athletics could instead be used to directly support the academic mission. To put the magnitude of the 2024 Athletics deficit in perspective, \$80 million would be sufficient to provide every ladder faculty member with roughly \$30K in additional research funds. It would alternatively cover nearly all in-state tuition for all doctoral students (\$16,667 per student). It could be used to support an additional 1200 teaching assistants (1 quarter at 50% appointment, level 1, including in-state tuition). All of these potential uses would directly support the academic mission in austere times. Yet the money is instead being directed to bail out a non-academic department that consistently demonstrates poor fiscal management.

We have been offered vague assurances that Athletics will undergo austerity along with the rest of campus, but no details have been given. We request immediate assurance that campus will no longer subsidize the Athletic budget in any form (including providing or authorizing loans.) We also request an explicit plan for Athletics to compensate campus for costs imposed on instructors in mitigating the adverse impact of Big 10 travel schedule on student athlete learning. Finally, we reiterate our previous requests (e.g. here and here and here) for a set of concrete steps to restore meaningful Senate consultation on budget matters, including but not limited to, spending on athletics.

Sincerely,

Kathy Bawn

Chair, UCLA Academic Senate

Cc: April de Stefano, Executive Director, Academic Senate

Yolanda Gorman, Senior Advisor and Chief of Staff to the Chancellor

Andrea Kasko, Immediate Past Chair, Academic Senate Megan McEvoy, Vice Chair/Chair Elect, Academic Senate

Emily Rose, Assistant Provost and Chief of Staff to the EVCP