



Statement of Chancellor Philip L. Dubois
Concerning Initiation of an Intercollegiate Football Program
At UNC Charlotte

September 18, 2008

Chair Shaw and Members of the Board:

As all of you are aware, for the better part of the last 21 months, this university has undergone a rigorous and time-consuming review to answer the not-so-simple question of whether UNC Charlotte should add football to our existing and high-achieving array of NCAA athletic programs.

Or not.

After this lengthy process, this I can tell you – I have reached my conclusion.

But before I get to that, I have divided my comments this morning into three sections: No. 1, the context for why the question is on the table to begin with; No. 2, the process I used to reach my conclusion; and, finally, No. 3, my recommendation to you today.

Nearly as soon as I began my duties as UNC Charlotte's 4th chancellor, whether I was meeting students, greeting corporate leaders, or attending an alumni event, one of the first questions I would be asked was: "When are we going to have football at UNC Charlotte?"

Now, I know that any change in university leadership brings about questions of this nature, and I anticipated as much upon my return to UNC Charlotte, especially since I was coming from leading a university with an NCAA Division I-A football program.

And in truth, my initial reaction and intention was to dismiss the “F” question until a much later date to give me the opportunity to properly assess all of the strategic needs of this campus.

But as the question persisted and, in many cases, with great “enthusiasm,” I began to do what Chancellors do – I began to look at the university and my stewardship of it less in the light of its day-to-day management and more in the light of where this institution will be in the 10 or 20 or even 30 years after I’m gone.

Ultimately, I determined that this was a question that needed answering – one way or the other.

Accordingly, upon my recommendation, this Board authorized the appointment of a committee to conduct an assessment of the advantages and disadvantages of initiating an intercollegiate football program at UNC Charlotte. The “Football Feasibility Committee,” as it came to be known, was chaired by the former chairman of this Board, Mr. Malcolm B. “Mac” Everett, and was composed of citizens knowledgeable about the University and the region, and included representatives of the UNC Charlotte faculty, students, alumni, and Athletic Foundation.

The excellent work of the Committee was supported by professional consultants and advisors retained to help the Committee understand the changing landscape of NCAA football and the challenges that might face a start-up program. The Committee held open public forums to gather input from alumni, faculty and staff, and students. Authorized to expend up to \$150,000 to complete its work, the Committee reported total expenditures of \$89,423.

On February 15, 2008, the Football Feasibility Committee recommended by unanimous vote the addition of men’s football as an intercollegiate athletic sport at UNC Charlotte. Beginning initially in 2012 as part of the Football Championship Subdivision (FCS) of the NCAA (formerly known as Division I-AA), the Committee recommended that UNC Charlotte seek to advance to the Football Bowl Subdivision (FBS) (formerly known as Division I-A), in the year 2016. As you know, the FBS is the top level of intercollegiate football competition. Because the terms FCS and FBS have not captured the imagination of the American football public, I

will be using the terms I-A and I-AA for the remainder of my presentation today.

To meet the institution's obligations under Title IX of the 1972 Civil Right Act, the Committee recommended that the Athletic Department add three women's sports over a period of six years beginning in 2012, most probably women's lacrosse, field hockey, and swimming. The Committee estimated that the cost of supporting football and Title IX compliance would require approximately \$7.7 million in 2012 and \$11.5 million in 2016.

The Committee's recommendations included the assessment of a student fee of \$120 beginning in 2009, rising \$60 each year to a total fee of \$300 in 2012 and then adjusted for inflation thereafter. The student fees would be dedicated principally to pay for the operational costs of the program. Other revenues to support operations would include game guarantees, ticket purchases, sponsorships, and private fundraising.

The Committee estimated the capital needs of football – a 30,000-seat stadium and an auxiliary sports facility for coaches, athletic training, and academic support – at somewhere in the range from \$80 million to \$105 million, but did not identify a source of revenue for these requirements. The Committee recommended reviewing the option of playing initially at a renovated Memorial Stadium in Center City Charlotte.

I'd like to publicly thank Mac and his committee for their thoughtful work. They devoted many hours to their analysis and, in doing so, rendered great service to UNC Charlotte. I should also probably thank the many hundreds of other voices I have heard on this subject in the past two years. Their opinions were not always supported with careful analysis, but they were accompanied with plenty of passion and enthusiasm.

Since February, my staff and I have been engaged in an extensive process of "due diligence" that I have shared with this board on several occasions. Dr. Shaw, Members of the Board, I would like to publicly acknowledge the very long hours and the very hard work that the staff at UNC Charlotte have put into this effort. No question has not been asked; no stone has been left unturned. Our diligence has been done, and we hope you are satisfied with that effort.

That “due diligence” has included the preparation of what we called “the devil’s advocate brief” – a series of hard questions that, in essence, took apart the report of the Football Feasibility Committee line by line to question its assumptions and analysis to make sure we were satisfied with the conclusions reached. We prepared a review of all of the available empirical research we could identify on the direct and secondary effects of having a big-time intercollegiate athletics program; it is often believed that having a successful football program increases student enrollment, stimulates alumni fundraising, and the like. As it turns out, conventional wisdom cannot often be confirmed by rigorous empirical research.

Our due diligence included a comprehensive review of the expense and revenue data prepared by the Committee, including re-analysis of the Committee’s projections using inflationary adjustments provided by the NCAA based on the actual recent expenditure and revenue history of Division I-A and I-AA institutions.

Our due diligence extended to the issues surrounding Title IX as our General Counsel prepared a comprehensive review of whether the plan developed by the Football Feasibility Committee would actually meet the requirements of Title IX.

Our due diligence has included an assessment of a variety of facility options, including a visit to Memorial Stadium; an estimate of the cost of modifying the Belk Track and Field facility to accommodate 12,000 and 20,000 spectators; a visit to football facilities at the University of Central Florida and UNC Pembroke; a visit to the new Drag Strip facility in Cabarrus County; and consideration of a variety of options for the required administrative, athletic, and academic support space. As you will later hear, our best current estimate is that the capital requirements are in the neighborhood of \$45.3 million, with four years of construction escalation included.

Finally, our due diligence has included an honest assessment of our potential to raise funds privately. We are a young institution with relatively few donors who have made major gifts of the size that often support major football programs. Many of our most prominent donors for athletics have also been prominent donors to our academic programs. Our alumni are young, with more than half under 37 years of age. All of this has significant

consequences for how we develop and sustain a major initiative like football.

Chair Shaw, Members of the Board, I can say that, in my entire professional life, I have not faced a more difficult decision. And I say that because it has required a consideration of not only what people may say they want today or what we may be able to afford today or what students can legitimately be asked to pay today, but also a consideration of what will matter to this University twenty years from now.

Nearly twenty years ago, our third Chancellor Jim Woodward observed that Charlotte was the largest city in the country that did not have a doctoral granting research university. He set us on the course of building a doctoral granting research university, and look where we stand today. We have eighteen doctoral programs; we enroll over 700 doctoral students; and our faculty is producing a growing body of research and creative activity of national and international significance. U.S. News and World Report has recently recognized us as among the top nine higher education institutions in the country as a “school to watch.” Chancellor Woodward’s vision is becoming our reality today.

Twenty years from now, can we only imagine where we will be? We know we will be an institution with an enrollment of more than 35,000 students. We know we will have an expanded University City campus served by Light Rail. We know we will have a Center City campus with expanded offerings in business, architecture, other graduate disciplines, and continuing education. We may very well have a second Center City site, with professional programs in law, public health, and maybe even medicine. We know we will have an expanded number of doctoral programs, and we will have a comprehensive set of fine and performing arts and cultural programs. In short, we will be a leading urban research university.

Consider the following facts about the national landscape of college football:

- Currently, there are 29 public universities with enrollments of at least 20,000 students in 25 major metropolitan areas similar to the greater Charlotte metropolitan region, with populations of from 1 million to 3 million people; 80% of these institutions

play football at either the Division I-A or I-AA level (74% of the football-playing schools play at the I-A level).

- There are 49 public universities with enrollments of 25,000 students or more; 80% of them play Division I football, with two-thirds of these playing at the I-A level. We will exceed 25,000 students by the fall of 2011.
- There are just 23 public universities with enrollments of more than 35,000 students, the long-term enrollment projection for UNC Charlotte. We can't know what the national landscape for football will look like in 2020 but today, nearly all (91%) of these large public universities play football at the Division I-A level.

If, as my mother used to say, you are judged by the company you keep, then our long-term aspiration must be to have a comprehensive array of undergraduate, graduate, and professional academic programs, leading cultural arts programs, and comprehensive and competitive intercollegiate athletic programs.

So, for me, this is not just a question about whether we will play football in 2012. For me, and I believe as Trustees for you, this should be a question of where UNC Charlotte wants to be twenty years after 2012. This is a long-term question of institutional strategy. Can football contribute to strengthening the reputation of UNC Charlotte, first regionally and then nationally? And can football contribute to strengthening the "ownership" of the Charlotte community of this institution over the long term, thereby creating secondary benefits for our university in terms of political and financial support, research partnerships, employment and internship opportunities for our students, and so forth? I believe that it can.

I understand and respect those who would argue that the best way to build the reputation of an institution of higher learning is to invest solely in its academic enterprise. But I believe that such a formula has worked for a relatively few well-endowed private institutions and not the vast majority of public institutions, and particularly not for relatively young public urban institutions. Within North Carolina, does anyone doubt that the excellent institutional and academic reputations enjoyed by Chapel Hill, NC State, Wake Forest, and Duke have been strengthened by the prestige of their

athletic programs? Indeed, research completed by UNC Charlotte faculty members Irv Tucker and Ted Amato in 2007 confirms that membership in a high-quality football conference does provide measureable benefits to the academic reputation of a participating university.

As for “ownership,” we don’t need to go too far back in local experience to see how athletic success in either football or basketball readily translates into community support. Appalachian State knocks off Michigan and everyone in North Carolina owns App State. Davidson advances in the NCAA tournament and Davidson is North Carolina’s team. But when has Charlotte really “owned” UNC Charlotte. Be truthful, and you’ll probably admit it was our run to the 1977 Final Four.

Chair Shaw, Members of the Board, I think I should be clear that I am not recommending football for any of the reasons that are often advanced for having it. I do not endorse football because I believe that it will significantly affect the number, quality, or diversity of the students we recruit. We have plenty of outstanding new students coming to our doors and our projections indicate that we will continue to attract them in ever-increasing numbers, with or without football. And, by all of the traditional measures, the diversity and quality of our student body are growing each year. And, as you know, the results of empirical research are quite ambiguous with respect to whether athletic program successes deliver anything more than short-term and relatively modest bursts of success for university student recruitment.

Secondly, I do not endorse football because I believe that it will result in significant private donations to the University, at least in the near term. Not only is the actual empirical literature on that question quite mixed, but so is the institutional experience of schools that are often cited as examples of why UNC Charlotte should start a football program. There is nothing in our institutional history or in our alumni profile that suggests that our coffers will be filled by gridiron gold.

I do believe that football will enrich the student experience here, enliven school spirit, and serve as one more bond of engagement between the students and their university. All of the research we know relating to the factors positively affecting student retention and graduation suggests that student engagement is a key ingredient in helping a student persist to achieve his or her academic degree. The research literature is ambiguous on this question of whether all athletic programs positively affect retention and

graduation rates, but there is some support for this proposition in the case of football. So, although I endorse football principally for its contribution to our long-term strategic institutional goals, it is certainly good to know that it may assist us in the achievement of one of our more immediate near-term goals of improving retention and graduation rates. Moreover, clearly, to be the University we want to be in twenty years, we have to act now.

Therefore, after nearly 21 months of review, including a report by an outside committee, a rigorous internal review, many private conversations with key community leaders, and my own assessment of the best long-term interests of this institution, my recommendation to the Board of Trustees is that you authorize UNC Charlotte to apply for entry into the Football Championship Subdivision (Division I-AA) of the NCAA, with the goal of playing our first full season of football competition in the fall of 2013.

My recommendation comes with some important considerations that differ from the recommendation submitted by the Football Feasibility Committee and they must be made note of here as they will factor into your decision as well.

Importantly, one of these considerations is an outright contingency.

First, I do not believe that it is prudent to announce a specific timetable to move from I-AA to I-A. Although I-A must be our long-term goal, we need to remember that we must walk before we run. We should seek to identify a quality I-AA conference composed of high-quality institutions with which we can build meaningful regional rivalries over an extended number of years that will benefit both them and us. At some future point in time it may be appropriate for this institution to consider movement to I-A, but that move must be dependent upon an assessment of student and community support, the financial health of our program, prevailing economic conditions affecting the University's budget and private fundraising, and conference alignment possibilities in Division I-A.

The financial pro formas I have developed suggest that we could begin play in 2013 by beginning to charge students a fee of \$25 per semester in the fall of 2010, \$50 per semester in 2011 and 2012, and \$100 per semester in the first year of competitive play, 2013. The resulting total annual fee of \$200 is well below the fee of \$300 suggested by the Football Feasibility Committee and consistent with the amount that the vast majority

of students who responded to the student poll in the spring of 2007 indicated that they would be comfortable in paying for a football program.

An annual fee of \$200 represents a 1.4% increase in the total cost of attendance for a resident North Carolina student at UNC Charlotte using 2007-2008 cost data. It would be a 4.7% increase of their resident tuition and fees if implemented in this current (2008-2009) year, so obviously it will be a much smaller proportion of a student's educational bill in 2013.

Additionally, to accept my recommendation requires the Board to accept certain assumptions slightly different than the financial assumptions of the Football Feasibility Committee.

First, as I have mentioned, my proposal would not assume a rapid ramp-up to Division I-A by 2016 but leave that decision open-ended to be determined by a future administration as the circumstances I mentioned above may warrant.

Second, my proposal would defer the implementation of the first Title IX sport – women's lacrosse – until 2016. Field Hockey would follow in 2019 and swimming or another appropriate third sport in 2023. The General Counsel agrees with me that this approach will meet our obligations under Title IX.

Third, my proposal would defer the implementation of a marching band program for three or four years, perhaps fewer, depending upon what the budget will permit.

Now some may be asking why we can't just start playing football right away. We have sunshine, we have grass, we have students, we have fans, let's go!

Well, members of the Board, that remains perhaps our greatest challenge. What we don't have is a place to play. And let me spend some time outlining that challenge.

Over the last several months, my staff and I have spent some time refining our estimates of what we believe are the capital requirements for a football program. As detailed on the screen, we estimate those facilities as requiring a total of \$45.3 million (see Attachment A).

Although ultimately we may have to ask our students to pay some small amount to help with facilities, I enter this portion of our discussion with the bias that our students are already bearing a significant responsibility for a football program by covering most of the operational costs through the student fee I spoke about a few minutes ago.

Accordingly, a critical question in moving forward is whether we will be able to identify the resources in our community of supporters to develop the facilities we need to proceed with a football program. But because of the state of the economy at the moment and because of the size of the challenge, that is the reason I have suggested the conservative timetable that I have.

We will, of course, consider fundraising by our 49er Athletic Foundation, and I wish to commend to your attention the excellent campaign plan already developed by an ad hoc committee of that organization under the leadership of the committee's chairman, Larry Ferguson. However, our focus in such an effort must be on individuals and organizations who have been our historic strong financial supporters of 49er athletics or new supporters who are energized by the prospect of 49er football. And we have some reason to believe that there are individuals in this community who, but for the prospect of having a 49er football program, would not otherwise choose to donate to this institution.

We must remember, however, that our institutional mission is not to field a football team; rather, it is to be a major urban research university. Our success in fulfilling that mission is in large measure due to the generous support of our donors who believe deeply in our academic programs and the futures of our students. We cannot allow the addition of football to deter our fundraising efforts from the support of our central purpose, nor can we allow poaching of our prime academic donor prospects for the cause of football. I will take personal responsibility for managing that process with our Vice Chancellor for Development and Alumni Affairs, Niles Sorensen. Our goal is to have Athletics raise approximately \$10-15 million from its traditional base prior to the initiation of competitive play, a "stretch" amount based on Athletics' history but also a goal in keeping with protecting this institution's primary academic fundraising priorities.

We also need to look for financial support from those many individuals who say they want football, some of whom have never supported

this University financially. The cold stark financial reality we face is that those who say they want football are going to have to help pay for football.

Members of the Board, the details of this arrangement will need to be worked out between now and your decision in November, but I propose that you consider that the right to be a season ticket holder be preceded by purchase of a Forty-Niner Seat License (FSL) through a non-transferable \$1,000 donation to the 49er football program. Moreover, I propose that 5,000 of these licenses will need to be sold within 6 months of your approval of the football program for us to move forward. I know that the economy is in a difficult period and we will need to have payment terms that will make the purchase of an FSL more palatable to the average fan. But the reality is that the future of 49er football will depend upon fan and community support and we will need to see that support demonstrated now before we ask our students to lay their dollars on the line.

Finally, even if we are successful in raising \$20 million dollars from the two approaches I've mentioned thus far, you don't have to be a rocket scientist to see that we are well short of the \$45 million we need for football-related facilities. And although 2013 seems far away, we must move expeditiously to figure out how to address the financing of these facility needs if we are to have a football program.

My hope is that community awareness of this problem, particularly among those who want this to happen, will spark some creative thinking about some possible solutions. Over the past few months, we have explored a number of options. We know that the organizers of the Oasis Shrine Classic have an interest in bringing their event back to Charlotte. We have had, as I indicated, staff-level conversations with Mecklenburg County about contributing to needed renovations to Memorial Stadium, and we are open to other partnerships with the county or other organizations. But, as of today, I have only a problem, and no certain solution.

Of course, our preferred solution is to have a campus stadium and sports facility accessible to the community by light rail. We want the community to come to our campus. And with more than 70% of our undergraduate students living on campus or within a mile, we know that we have a ready environment for some exciting Saturday afternoons.

Chair Shaw, Members of the Board, the “F” question has been at the forefront of UNC Charlotte conversation for many years now. I am convinced, after thorough study and careful reflection, that the time to move forward is now.

Football Facility Needs

Completion by 2011-2012

| | |
|-------------------------------------|-----------------------|
| Sports Building (Pre-Engineered) | \$20.36 million |
| On-Campus Stadium (12,000 seats) | \$20.59 million |
| Practice Fields | \$ 2.48 million |
| Upgrade Transamerica Field | \$.30 million |
| Storage Building | \$.10 million |
| Road and Utility Infrastructure | \$.57 million |
| SAC Renovation | <u>\$.90 million</u> |
| | \$45.30 million |