

Ohio State Projects \$130 Million In Lost Revenue



Ohio State's financial department is taking a significant hit in 2020 per the agenda for the Board of Trustees' Audit, Compliance and Finance Committee meeting set for Aug. 27. In the financial plan for the 2021 fiscal year, Ohio State is projecting a \$130.3 million decline for revenue generated by the athletics department in the 2020 fiscal year. As the plan states, the coronavirus pandemic has played a major role in the decline.

"COVID-19 has had a material impact on fed policy, and interest rates," the agenda reads. "Athletics is declining \$130.3 million over FY 2020 due to the cancelled fall athletics season and related ticket, media, conference, and game guarantee revenue."

The estimate does not take into account a potential spring or winter season for postponed fall sports, which could make up for some of the losses, though a presumed lack of ticket sales for any football games would still present a significant loss in revenue for the university.

While Ohio State has not announced any official cuts yet, the agenda does call for significant restructuring to make up for the lost money, stating that the goal for 2021 is to make "\$175 million in targeted budget reductions on the University side to counteract revenue dilution."

At some universities including Iowa and Stanford, Olympic programs have been on the cutting block. Iowa cut four programs last week and Stanford cut 11 several months ago. Ohio State athletic director Gene Smith has said that he doesn't expect Ohio State will have to cut programs, but that was prior to the postponing of the fall football season, which serves as Ohio State's biggest money maker.

"We have to do some work on our budget," Smith said. "We've got a lot of work to do as we ultimately make some decisions."

Even with the significant loss in revenue, Ohio State is still reporting positive net cashflow of \$248 million for the 2020 fiscal year, though a good deal of that is due to \$170 million in federal stimulus funding.