Athletics Fiscal Feasibility Committee (AFFC)

Report and Recommendation to President Michael Spagna

Sonoma State University

June 30, 2026

Executive Summary

In February 2026, President Michael Spagna of Sonoma State University (SSU) asked a group of on- and off-campus stakeholders, called the Athletics Fiscal Feasibility Team (AFFC), to use conclusions drawn from a January 2026 study on the return of SSU athletic programs and the broader fiscal implications of such a return. The charge was to generate scenarios blending sources of funds (revenues), potential uses of funds (expenses), the use of SSU Commitment funds from the State of California ($8 million related to Assembly Bill 102 in June 2025), among capital improvements, start-up costs, and operational expenses, and a recommended, initial sports mix if athletics were to return to SSU. The sports mix must satisfy Title IX and Division II Athletics Conference compliance requirements.

Men's Sports	Women's Sports
Men's Basketball	Women's Basketball
Men's Golf	Women's Golf
Men's Soccer	Women's Soccer
Men's Cross Country	Women's Cross Country
	Women's Volleyball
	Women's Softball

Three scenarios were provided, using the following planning criteria.

- Athletics must generate community interest to generate philanthropic and spectator engagement beyond past levels and maintain that interest;
- Each scenario must be fiscally sustainable based on our best knowledge to date of both sources and uses of funds to support athletics;
- Conservative estimates are used for headcount, other revenues, ticket sales; the AFFC assumed no fee referenda or any additional tuition increases beyond what is in place as of June 2026;
- No sources of funds would be used that displace academic programs as a direct result of identifying institutional sources of funds;
- The hiring of an additional development officer yields fundraising outcomes similar to recent fiscal-year results over five years on average; and
- SSU Commitment funding will be a mix of capital improvements, start-up, and operational funding.

The uses of funds are based on the recent history of SSU athletics before June 2025 (when athletics ended in its original form), the recommended sports mix, planned start-up expenses, and forecasted cost escalations over time.

- Start-up year expenses are forecasted to be $2.836 million in fiscal year (FY) 2026-27, paid for by SSU Commitment funds;
- Over the first five years of athletics restarting, total expenses range from approximately $6.3 million to $7.1 million per year (annual cost inflation of 3% was assumed for years 1 to 5).

To fund athletics, multiple funding sources were considered. Instructionally-related activities (IRA) fees, ticket sales, and other revenues generated by sports spaces and programs were all related to SSU athletics' recent experiences as fund sources. For the future, increased corporate sponsorship revenues and augmented annual and endowment giving by the community, including SSU alumni, are drivers of SSU athletics' projected sustainability. Submitted scenarios for restarting athletics, based on budget parameters and the recommended sports mix, are summarized in Table EX-1. Both scenarios have the same projected expenses; all assumptions are subject to change. Table EX-2 provides summary estimates of the use of SSU Commitment funds for years 1 to 5 after athletics begins at SSU, assuming athletics restarts. Additionally, SSU considers athletics as an important recruiting and retention tool for non-athletic students over time. Scenario 3 is not to restart based on a projected inability to achieve the base case scenario on average.

Table EX-1: Annual Averages, First Five Years, Athletics Operations, SSU

Category	**Base Case (Scenario 1)**	**Stretch Case (Scenario 2)**
Sources of Funds		
Student Fees - IRA Distribution	$1,800,800	$2,057,800
Housing Partnership for Student Athletes	$200,000	$200,000
Direct Institutional Support - Tuition Revenue/State Allocation	$1,233,200	$1,233,200
Corp Sponsorships, Royalties, Sold Advertising, Annual Giving	$1,500,000	$2,000,000
Athletics Restricted Endowment & Investment Income (Earnings)	$304,600	$304,600
Other Revenues	$400,000	$520,000
Total Sources, Annual Years 1 to 5	**$5,438,600**	**$6,315,600**
Use of Funds		
Athletic Student Aid (Scholarships)	$1,045,300	$1,045,300
Coaching Salaries & Benefits paid by the University	$2,720,800	$2,720,800
Support Staff/Administrative Salaries & Benefits paid by the University	$1,338,400	$1,338,400
Team Travel	$682,600	$682,600
Sports Equipment, Uniforms, and Supplies	$246,100	$246,100
Other Operating Expenses	$653,800	$653,800
Total Uses, Annual Years 1 to 5	**$6,687,000**	**$6,687,000**
Net Operational Sources (Uses) Annual	$(1,248,400)	$(371,400)
SSU Commitment Funding for Operations, Annual Average	$500,000	$200,000
Additional Annual Institutional Funding	$748,400	$171,400
Net Sources (Uses)	**$0**	**$0**

Table EX-2: SSU Commitment Funds Use, $8,000,000 provide by State of California

Category	**Base Case**	**Stretch Case**
Capital Improvements	$2,663,700	$4,163,700
Start-Up Costs	$2,836,300	$2,836,300
Operational Expenses	$2,500,000	$1,000,000
Total	**$8,000,000**	**$8,000,000**

The AFFC recommendation is to start with 10 sports and consider expansion only as growth occurs and a financial case is made for each new sport to be self-sustaining. Key caveats for a final determination include:

- Ability to achieve fundraising and corporate sponsorship goals annually, and an endowment level as forecasted may be difficult, especially with a focus on new funding being primarily available for athletics across all sports;
- Inflation at three (3) percent may be slower than actual, but inflation affects both expenses and revenues through IRA fees.
- Assuming SSU can generate consistent headcount growth paying IRA fees, and there is stability in the number of student athletes, sources of funds grow or are stable from those mechanisms; in all cases, SSU headcount needs to grow to provide foundation support for athletics;
- Athletics needs to be integrated with enrollment management strategies to maximize the return on investment in terms of how athletics acts as a broader recruiting and retention tool for SSU students; and
- Corporate sponsorship needs to be consistent and long-term commitments to provide financial stability.