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### CMU Athletics Budget Claim Does Not Add Up

In May of 2020, Central Michigan University eliminated its Men's Track & Field program citing an annual savings of \$628,798 to offset financial challenges resulting from the pandemic ([CMU Press Release](#)).

A recent case study presented at the [MIT Sloan Sports Analytics Conference](#) by [Andy Schwarz](#), Chief Innovation Officer at the [Professional Collegiate League](#) and partner at the Economic Consulting Firm [OSKR](#), provides a look at the misleading effects of collegiate athletics accounting procedures. These harmful procedures lead to schools like CMU cutting programs because they believe, incorrectly, the programs are losing significant money.

Though common at many universities, Schwarz singles out Central Michigan as a school facing chronic under-enrollment to reinforce his point. The Michigan Association of State Universities 2020 enrollment reports, which shows CMU's declining enrollment trends, to include its minority populations, supports this position.

In 2020, 29 DI schools cancelled 85 sports (though some were reinstated). Schwarz's claim, for chronically under-enrolled schools like CMU, is these cuts can be counterproductive, and will actually lower the schools' revenue.

According to Schwarz, schools also do a bad job of properly attributing revenues to specific sports, and of making sure that athletics gets credit for revenue it generates. The confluence of those two accounting problems leads to harmful economic decisions being made.

The most significant example of revenue not being attributed to sports is tuition paid by partial or non-scholarship athletes. This money is not calculated as revenue in athletics thereby creating a fictional portrait of what it costs to run a program, relative to the revenue the program brings to the school as a whole. This tuition, fees and other income is hidden within the university's financial statements, thereby creating a misrepresentation by the Athletics Department's net costs to run a program.

**The bottom line of this very involved and insightful study from Andy Schwarz is that CMU Men's Track & Field annual expense, though claimed by the University to be around \$670K, is actually a net gain of around \$91K, after employing what Schwarz calls *better accounting*.**

The depth of the case study can be examined [here](#).

Andy Schwarz can be reached for comment via email [aschwarz@oskr.com](mailto:aschwarz@oskr.com).





Please also reference the [Case for Reinstatement](#) by The Committee to Reinstatement and visit the [website](#) for further information including previous [media coverage](#). To speak with committee members, please contact [ReinstateCMUTrack@gmail.com](mailto:ReinstateCMUTrack@gmail.com).

