Executive Board

UCLA Athletics Department Deficit

Table of Contents

Exec 2026-06 EB to Chanc and EVCP re Athletics Deficit 1
CPB CPB to EB_Athletics Budget_06-03-2026 4
Exec Administrative Response 6
Exec EB to Chanc and EVCP re Athletics Deficit_2026-02 7
Exec EB to Chancellor and EVCP re Athletics Dept Deficit 05-23-2025 9

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UCLA Academic Senate
Executive Board

June 10, 2026

Julio Frenk
UCLA Chancellor

Darnell Hunt
UCLA Executive Vice Chancellor and Provost (EVCP)

Re: UCLA Athletics Department Deficit

Dear Chancellor Frenk and EVCP Hunt,

At the May 21, 2026, and June 4, 2026, meetings of the Executive Board (EB), members reviewed the Administration's response to EB regarding the Athletics department deficit, dated May 4, 2026. At the May meeting, members voted unanimously in favor of a motion to send this follow-up letter to you to express continued concerns about the ongoing deficit and urge bold and immediate actions to address this crisis. And it is a crisis when one unit comprises ~30-40% of the campus structural deficit and when that unit has the worst deficit of any college athletics program in the nation (Knight-Newhouse College Athletics Database, 2024 data).

We reiterate that the current subsidy from the center to shore up Athletics is harming the academic mission. Our letter from May 2025 noted:

> *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 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.*

To amplify this point, we note that the accumulated Athletics department deficit (estimated at $250-300M) is of an order of magnitude equivalent to the federal grant funds frozen by the Trump administration in 2025, an event that campus rightly treated as an existential threat. The chancellor's office has provided Athletics a direct subsidy or $30 million yearly for at least the last two years. These opportunity costs are highly salient at a moment when the administration is proposing alarming changes to the way our core research and teaching missions are being funded and delivered.

Members reaffirmed that it is vital that the Senate faculty has transparency on this issue. There have been multiple public reports about the Athletics department's budget woes, but there has not yet been clear communication about how this crisis will be addressed. To be blunt, it is exceptionally damaging for UCLA to be imposing drastic austerity measures on academic units over amounts that are a small

fraction of Athletics' overspending. Faculty need clear information about concrete steps to end the subsidy of deficit athletic spending, which is coming at the expense of the academic mission.

Members appreciated that there have been positive developments in this area recently, including your recent announcement to use $50 million of the Under Armour settlement money to address the accumulated past deficit. In addition, the Council on Planning and Budget (CPB) was grateful to receive budget data about the Athletics department in April 2026 from the interim Chief Financial Officer. However, CPB members were disturbed by the persistence and magnitude of the Athletics department budget deficit that continues to accumulate. EB members urge you to develop and share a concrete plan to reduce or eliminate Athletics department expenditures on central funds.

Members discussed administration's points about the campus benefits of both Athletics and the Big 10. One point considered was that Athletics might potentially result in donations that benefit the entire campus. To understand how any donations are affecting UCLA, members ask you to provide two separate tallies detailing how much has been donated to UCLA Athletics and to the campus at large as a result of Athletics. A claim made by the previous Chancellor was that joining the Big 10 athletic conference would provide more revenue to not only the Athletics program, but also the campus as a whole. Members asked you to provide accounting that summarizes how the net changes in revenue and expenses associated with joining the Big 10 have affected the broader campus financially.

Members urged decisive action to reduce the overspending and the pending liquidity crisis. There is concern that many of the steps taken thus far are not of the appropriate magnitude.

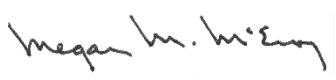
To reiterate, the Executive Board requests the following deliverables by July 31, 2026:

- Concrete plan to meaningfully reduce or eliminate Athletics department spending from the central budget
- Plan for the Athletics department to fully pay back any loans
- Two separate tallies detailing how much has been donated to UCLA Athletics and to the campus at large as a result of athletics
- Data that summarize how the net changes in revenue and expenses associated with joining the Big 10 have affected the broader campus financially

The Executive Board again underscores that our concern stems not from hostility to athletics, but an imperative to protect the academic mission. We are proud of our student athletes and UCLA's long history of athletic excellence. However, that long history of athletics excellence has not included unchecked deficit spending until very recently. It is time for Athletics to return to playing by the same rules as the rest of campus.

We understand the seriousness of the current fiscal situation for the university and the need for difficult changes. However, imposing strict austerity on campus units without addressing the massive overspending by Athletics would be ineffective and unjust.

Sincerely,



Megan McEvoy

Chair, UCLA Academic Senate

Encl

Cc: Kathy Bawn, Immediate Past Chair, Academic Senate
April de Stefano, Executive Director, Academic Senate
Tim Groeling, Vice Chair/Chair Elect, Academic Senate
Samantha Luu, Executive Assistant to the EVCP
Emily Rose, Assistant Provost and Chief of Staff to the EVCP
Julie Sina, Chief of Staff to the Chancellor

UCLA Academic Senate
Council on Planning & Budget

June 3, 2026

To: Megan McEvoy
Chair, Academic Senate

From: Richard Desjardins
Chair, Council on Planning and Budget

Re: Athletics Budget

At its meeting on June 1, the Council on Planning and Budget (CPB) met with UCLA Athletics Director Martin Jarmond, Interim VCCFO Reem Hanna-Harwell, and Chief of Staff to the Chancellor Julie Sina. Following the presentation and discussion, CPB members expressed deep concern regarding the scale and magnitude of UCLA Athletics' ongoing structural deficit, which has now persisted for multiple years and has reached approximately $80 million annually. The Council is alarmed that this significant financial imbalance has been allowed to continue for so long without decisive corrective action.

CPB members were particularly troubled by the tone of the discussion from Athletics leadership, which acknowledged substantial structural pressures and constraints but appeared largely resigned to the problem's persistence. The Administration's stated plan to "consider the issue further in the coming year" is wholly inadequate given the severity of the situation. This is not a routine budgetary matter, it is a financial emergency that requires immediate, concrete intervention.

The Council strongly urges campus leadership to treat this as a crisis and to develop and present near-term action plans (for example, Plan A, Plan B, and Plan C) within the next 30–60 days. These plans must include specific, measurable steps to bring Athletics spending in line with realistic revenue projections.

Key issues that must be addressed in the near term include:

- Comprehensive and transparent budget reporting: CPB still lacks the detailed, multi-year financial data necessary to understand the drivers of the deficit. No Athletics budget conference was held this year, and previously scheduled meetings were repeatedly delayed or cancelled. This lack of transparency is deeply troubling and prevents the Council from fulfilling its responsibilities.

- Legally obligated expenses and contractual commitments: Athletics expenses have grown approximately 25% annually since 2018, far outpacing revenue growth. Many of these costs stem from multiyear coaching contracts with substantial payout clauses and other binding

commitments. The Council believes the campus must immediately begin scaling back operations and future commitments where possible, including aggressive negotiation or restructuring of existing contracts, even if it requires difficult decisions.

- Unsustainable trajectory: Even with the proposed use of the $63 million Regental endowment (from the Under Armour settlement) and the $250 million taxable bond, Athletics faces an annual shortfall that cannot be closed through revenue growth alone. Members noted that NIL and revenue-sharing are recent developments and do not explain years of accumulated deficits. Borrowing against settlement funds, previously described as temporary, now appears to be a permanent subsidy, a significant tradeoff that diverts resources from UCLA's core academic mission.

CPB members are unified in the view that continuing to operate on a "spend now and hope for future success" basis is no longer viable. The prolonged deficit has already imposed real opportunity costs on academic programs, faculty, and students. Further delay is unacceptable.

The Council on Planning and Budget stands ready to receive substantially more complete financial information and a clear commitment to near-term action.

If you have any questions, please do not hesitate to contact me at desjardins@ucla.edu, or via the Council's analyst, Elizabeth Feller, at efeller@senate.ucla.edu.

cc: Kathleen Bawn, Immediate Past Chair, Academic Senate
Tim Groeling, Vice Chair/Chair Elect, Academic Senate
April de Stefano, Executive Director, Academic Senate
Elizabeth Feller, Associate Director, Academic Senate
Members of the Council on Planning and Budget

Subject: Response to Senate Executive Board Letter Concerning Intercollegiate Athletics Unit Deficit

Dear Megan, Tim, and Kathy,

Thank you for your letter of February 23 and for the continued engagement of the Executive Board on this important issue.

The Chancellor and EVCP take the concerns you have raised regarding the financial position of Intercollegiate Athletics very seriously, particularly in the broader context of the campus's fiscal environment. We share your commitment to ensuring that financial decisions are aligned with UCLA's core academic mission and guided by principles of accountability, transparency, and long-term sustainability.

We recognize that the questions you have raised regarding expenditure levels, the role of central resources, and the availability of clear financial information, are both important and complex. These issues are shaped by structural changes in intercollegiate athletics, existing contractual obligations, and evolving conference dynamics, and they require a deliberate and comprehensive approach.

In the near term, Athletics is being included in enhanced campus-wide fiscal oversight processes. This includes additional review of current-year expenditures and steps to ensure that spending decisions are aligned with broader institutional priorities and constraints.

We are also actively assessing a range of actions to address the unit's financial position. This includes careful evaluation of expenditure controls, potential revenue opportunities, and the appropriate role of central resources in a manner consistent with the broader fiscal discipline being applied across the institution. These considerations are ongoing and will inform decisions in the coming budget cycles.

With respect to transparency, we agree on the importance of providing greater clarity regarding the Athletics financial model. We are developing materials that will offer a clearer overview of the unit's financial structure, key drivers, and general trajectory. We expect to share this information with Senate leadership in the next academic year and to use it as a basis for more informed discussion, while also ensuring appropriate protection of sensitive contractual and personnel-related information.

We appreciate the Executive Board's emphasis on consultation and shared governance. We are committed to continued engagement with the Senate as this work progresses and will ensure there are opportunities for discussion as additional information becomes available.

Thank you again for your thoughtful engagement.

With appreciation,
Julie Sina
on behalf of Chancellor Julio Frenk and EVCP
Hunt

UCLA Academic Senate
Executive Board

February 23, 2026

Julio Frenk
UCLA Chancellor

Darnell Hunt
UCLA Executive Vice Chancellor and Provost (EVCP)

Re: UCLA Intercollegiate Athletics Unit Deficit

Dear Chancellor Frenk and EVCP Hunt,

At their meeting on February 19, 2026, the Executive Board (EB) reviewed the attached letter dated May 23, 2025, where EB expressed concerns about the ongoing deficit in the Intercollegiate Athletics campus unit. EB members voted unanimously in favor of endorsing the earlier letter and sending this one.

In the May 23, 2025, letter, EB made clear that it is enthusiastic about campus athletics teams and student-athletes, however it also advised against the use of central core funds to subsidize the Intercollegiate Athletics unit. EB requested details about how the unit would undergo austerity along with the rest of campus as well as immediate assurance that campus will no longer subsidize the Intercollegiate Athletics unit budget in any form (including providing or authorizing loans.) EB did not receive a response.

Since May 2025, and during a time of growing campus deficit, it appears the situation has grown more concerning as expenses continue to rise: Chancellor Frenk approved a renewal of the men's basketball coach with a raise to $4.5M per season and a $22.5M buyout if fired before the end of March 2026; Chancellor Frenk approved an additional subsidy of $30M from central resources to cover the Intercollegiate Athletics unit's deficit and also "paid the remaining deficit, bringing the balance to zero" (the Athletics deficit had "run to $241.1M over the past seven fiscal years"); the City of Pasadena is suing UCLA for breach of contract regarding the Rose Bowl, which creates additional expenses to the campus; Chancellor Frenk approved a five-year $33.75M contract with a $3.7M "hiring bonus" for a new football coach who has brought a significant number of new hires with him; and the campus paid its first of three $10M "Calimony" payments to UC Berkeley for its unexpected move to the Big 10. These additional expenses are what is known from public reporting because there has not been full transparency on this matter for many years.

EB reaffirms its advice that the campus should not direct any money to subsidize or underwrite the deficit created by the Intercollegiate Athletics unit, and that doing so contradicts the current campus economizing measures. At a time of austerity, EB advises spending core funds on academic units to protect teaching and research.

EB again requests information about your plans to a) enact austerity measures on the Intercollegiate Athletics unit similar to the latest 10% cut to all other administrative units, b) discontinue any subsidy to this unit, and c) publicly share information about the Intercollegiate Athletics unit's past, current, and proposed budgets.

EB strongly advises a full and transparent accounting of the budget situation with the Intercollegiate Athletics unit with the goal of restoring trust on this fiscal matter.

Sincerely,
Megan McEvoy
Chair, UCLA Academic Senate

Encl.

Cc: Kathy Bawn, Immediate Past Chair, UCLA Academic Senate
April de Stefano, Executive Director, UCLA Academic Senate
Tim Groeling, Vice Chair/Chair Elect, UCLA Academic Senate
Samantha Luu, Executive Assistant to the EVCP, UCLA
Emily Rose, Assistant Provost and Chief of Staff to the EVCP, UCLA
Julie Sina, Chief of Staff to the Chancellor, UCLA

UCLA Academic Senate
Executive Board

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 budget cuts. 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 subsidy of $30 million. Director Martin Jarmond has never operated UCLA Athletics with less than a $20 million annual deficit, yet received an upgraded contract with salary exceeding $1.5 million annually. Numerous news articles have documented costly decisions in Athletics, including six years of underperformance and quiet quitting by Chip Kelly, whose poor decisions included eyebrow raising expenditures on food for the team; 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 major investments in fan experience with the dubious hope of increasing revenue. We also note the blanket exemption given to Athletics in the recently issued Travel and Entertainment Restrictions to Reduce Discretionary Spending, 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, 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