

A MESSAGE FROM THE COMMISSIONER

FINANCIAL MATTERS



This week, we introduced our 2019-2020 Budget to the CIF Southern Section Council for first reading. It was a different budget from any budget we have submitted in the last 10 years. The reason for that is we had to include a sport fee increase of \$25 per sport to be implemented over the next two school years: \$15 per sport for the 2019-2020 school year and \$10 per sport for the 2020-2021 school year. Keep in mind that we have not made any adjustments to the \$50 per sport fee we currently have in place for our member schools since that concept was introduced during the 2008-2009 school year. The primary factor behind the decision to increase sport fees in fulfilling our responsibilities to submit a balanced budget for next year, we could no longer ignore the significant decline in attendance at our championships that we have experienced over the past four years. Specifically, ticket sales have gone down from 603,391, during the 2014-2015 school year, to 457,321 during the 2017-2018 school year. That translates to approximately 50,000 less tickets sold each year and results in a dramatic loss of revenue for our organization and for our membership. Also, with our 2018-2019 Fall Championships completed, we are already approximately 25,000 less tickets sold this year than where we were last year at this time.

Through the years, we have always had to focus on attendance at our championships due to a deeper systemic issue related to our financial structure. Our revenue is highly leveraged on playoff attendance, as approximately 50% of our income comes from what we refer to as our revenue sports of Football, Boys and Girls Basketball and Boys and Girls Volleyball, where admission is charged for every playoff contest in those sports, and Championship Finals in our other sports that are hosted by our organization. After we pay all game expenses, all net revenues from those contests in the revenue sports, and Championship Finals in the others, are shared with 60% of the net revenue going to our organization and 40% going to the participating schools. Of further concern is there are some important factors that have a major impact on attendance that we have little, if any control over, which include match-ups, travel and weather. Match-ups are influenced by seeding, who wins or loses, distances between the schools involved and acts of Mother Nature. When those factors work in our favor, then the numbers speak for themselves and everyone profits. For example, when we sold over 600,000 tickets during the 2014-2015 school year, we returned 100% of their sport fees to every member school in our section. However, when some of those factors may not work in our favor, as evidenced by the last four years, we all lose.

Therefore, the proposed sport fee increase over the next two years is designed to not only address short-term issues, like falling attendance, but also long-term ones, like our heavy reliance on championships revenue. Always know that we will continue to aggressively explore existing and new revenue sources such as: increased rights fees from television and web broadcasts, an area growing in demand, and more marketing opportunities through our relationship with CIF Sports Properties, while never wavering from our strong commitment to control expenses in every line item of our budget. Also, never forget that if attendance does trend upward, and we must all continue to do our best to make that happen, we will all see a direct benefit from that possibility.

In closing, the fundamental principle that guides us all is we are in a true partnership between our organization and our member schools. We are in this together and must steadfastly support each other in the best interests of serving the young men and young women we are so fortunate to serve. I am glad to know that I can count on you to do all you can in that effort.

Thank you very much for your help and support and good luck always.

Rob Waigal

