

To: Members of the House Higher Education Committee
From: University of Oregon
Date: October 6th, 2023

Re: Answers from the University of Oregon to the House Higher Education Committee's questions.

- **What are or were the notification requirements in the PAC 12 for notification to other teams when teams are moving to another conference?**
 - The Pac-12 Bylaws contain no instructions regarding notification to any other Member or the Conference of a decision to change conferences that will be implemented in the future.
- **Some conferences have requirements for teams to pay a fee to leave the conference. What is the buyout requirement for teams leaving the PAC12?**
 - There is no 'buyout' requirement for teams leaving the Pac-12 Conference. Ten of the twelve teams have chosen not to extend their grant of rights with the Pac-12 beyond August 1, 2024. In the Pac-12, there are no established policies or penalties for teams that fully honor the existing media rights contract term expiring on August 1, 2024. The Bylaws do provide for sanctions should a member withdraw from the Conference prior to August 1st, 2024. No member has done so.
- **For the UofO – What is the increase in revenues from joining the Big 10 in the first year versus current PAC12 revenues? What is the penalty the team would pay if it chooses to move from the Big 10 to another conference during the designated timeframe?**
 - The single media rights deal presented by the Pac-12 Conference to the remaining nine members in August 2023 did not provide stability for UO and our student-athletes.
 - When USC and UCLA announced in June 2022 that they were not extending their grant of media rights with the Pac-12 and Colorado announced they were not extending their grant of rights with the Pac-12 in July 2023, the Pac-12 lost an estimated 40% of its total media value. The single Pac-12 media deal proposed was through a subscription streaming service-only option, with a guaranteed per-school value of \$23 million a year for the rights to football, men's basketball, and women's basketball. This is a \$5 million per school reduction from the Pac-12's current broadcast media rights agreements entered into almost 12 years ago.
 - The proposal included the potential for increased media rights revenues only if ambitious subscription thresholds were achieved and did not include any distribution of Pac-12 sporting events through traditional cable or network TV, significantly limiting the ability of family, fans, recruits, and others to watch UO student-athletes. The media deal offered to the Pac-12 also included an option to cancel the deal within two years if specific subscription metrics were not achieved. The Big Ten media deal with Fox, NBC, CBS, and the Big Ten Network will pay UO \$30 million in FY25 (approximately \$2.5 million more than

we expect to receive from the Pac-12 in FY24) and will average \$32.5 million a year for the first six years.

- The University of Oregon made every attempt over 13 months, along with the other members of the Pac-12, to find a stable media rights deal to extend the grant of rights beyond August 1, 2024. UO offered creative solutions for consideration, including returning to a model of unequal media revenue distribution. Pac-12 leadership shared privately on numerous occasions and also stated publicly that two goals had to be met in the media rights negotiations: 1) the distribution had to be a mix of traditional cable/network tv and streaming, and 2) the average annual value of the deal had to surpass the Big 12 deal (\$30m/school/year). Unfortunately, the deal presented failed to meet either of these requirements.
 - UO has obligated its media rights to the Big Ten from August 2, 2024, for a decade. Should the UO seek to pull back its media rights before the termination of that grant of rights, in the absence of a breach by the Conference, UO would likely owe the Conference substantial monetary damages.
- **What if any discussions have been held between the UofO and OSU since the announcement of the move regarding impacts and ultimate dissolution of the PAC12?**
 - University Presidents, General Councils, Athletic Staff, and Government Affairs staff at the institutions have had limited conversations. There has not been a detailed convening to discuss impacts.
 - **What is the status of any longer term ability to continue the rivalry between UofO and OSU after next year? Football, basketball and other sports.**
 - Wherever possible, the University of Oregon is committed to keeping our rivalry games intact.
 - **What role, if any, do you believe the state should play in regulating these kinds of decisions moving forward? I'm thinking in particular of conference-related decisions, but really any decision made at the local level by administration/local boards that could have major financial implications for both the state and/or other institutions. And should the state involvement be the Governor's office, the HECC, the legislature, or something else?**
 - These decisions are currently weighed and considered through each institution's governance structure. We believe that is the appropriate place for these decisions to be made.
 - **Why did the Pac-12 presidents not accept the initial ESPN offer of \$30 million?**
 - The media rights to the Pac-12 conference were valued at \$35-45 million, as shared by the Commissioner and the Pac-12 media consultant. Pac-12 members asked the conference to enter negotiations with ESPN early in the fall of 2022 and to push for additional revenues that matched the value of the Pac-12 conference.
 - **Are the reports of the \$50 million counteroffer from the Pac-12 to ESPN true?**
 - Negotiations of media rights deals are between the Pac-12 administration and media providers. The University of Oregon was not involved in the direct

negotiations between the Pac-12 and ESPN but understood that \$50 million was the counteroffer that would be proposed.

- **Were all the Pac-12 presidents looped in to the decision of the Pac-12 commissioner to make that counteroffer (if, in fact, that counteroffer was made)?**
 - Presidents asked the Pac-12 commissioner to make a counteroffer and continue negotiations in the hopes of obtaining an acceptable contract.
- **On what programs or for what purposes does UO use the \$20 million that athletics brings to their general fund?**
 - University of Oregon Athletics contributes approximately \$20 million dollars annually to the university's general fund through full-price payment of athletics scholarships, administrative overhead and gift assessments, and other campus services. General fund dollars are the university's base funds to deliver student education and support services. They are the primary support for student financial aid, wrap-around services, and academic support programs. This funds our faculty and staff positions, which allow us to have a world-class education for University of Oregon students and to meet our university's commitment to exceptional teaching, discovery, and service as outlined in our mission statement.