

Stateline Sports Network

ATHLETICS, ILLINOIS

IHSA's Financial Future And Member Schools Loyalty Is Becoming An Issue

□ 0 Comments

(11-6-20) As more and more Illinois school districts decide to not follow the Illinois High School Association's (IHSA) plan to start the 2020-21 basketball season, it puts into question the financial condition of the association and a lack of loyalty and support from its members.

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In a Peoria Journal Star story in late October, **IHSA Executive Director Craig Anderson** said –

“If we had to continue without spectators? We couldn't survive beyond this (2020-21) school year. It would be an incredible challenge to continue as we are. We'd have to take rather significant steps. I don't know that we'd go under, but the services we provide to schools would certainly be reduced.”

The impact continues to grow. (*comment below was before schools decided not to play basketball*)-

“This fall, as of right now, I’d estimate us already at a deficit of \$1.5 million to \$2 million. That’s because much of our fall sports were moved forward to the spring. So we lost revenue from all of our fall sports. That can change. We don’t know yet what will happen with all those spring sports (including the fall sports moved into the spring calendar). If by then we have spectators permitted, that deficit goes down.”

Who is making up some of the financial loss? IHSA member schools were charged this fall by the association with participation fees ...charging \$100 per school, per sport, for entry of each team or individuals into the state playoff series. The last time schools paid a fee was during the 2004-05 school year.

The charging of fees led to a new bylaw proposal to be voted on by the membership to keep an eye on future fees enacted by the IHSA. The proposal was submitted by East Aurora’s Filberto Torres and part of his rationale was ‘*right to the point*’ – **(complete proposal below)**

*If member schools are going to bear the brunt of having to pay fees or assessments, there should be **more accountability and transparency from the IHSA**. Now that the **IHSA needs public taxpayer dollars** from member schools to help fund their association, it is only fair that if schools are asked to disrupt their budgets by adding a cost of entry fees, the IHSA “opens their books” and shows us their financials in a more specific way to see what we are up against moving forward.*

More lack of support for the association comes from school districts who have just decided not to start basketball.

One school district, Hononegah, decided that the IHSA has no ‘*governing authority*’ over them and will not start the basketball season. An email was sent to parents Thursday afternoon from Hononegah Superintendent Michael Dugan and athletic director Steve Cofoid–

the IHSA has no governing authority over Illinois School Districts, and thus the school will follow the guidelines set forth by Illinois State Department of Public Health.

It seems that member schools have left their association ‘*out in the cold*’ during this battle with the Governor and the IDPH.

While member schools of Hononegah’s conference, the NIC 10, pointed out why they would not start the season –

Each individual district has been advised by their insurance carrier to not participate in the IHSA proposed basketball season and follow the Governor, IDPH, and ISBE's directives. A failure to do so would result in a lack of insurance coverage for the season thus placing the districts in a position of liability for violating IDPH's mitigation standard.

The IHSA Board of Directors recently voted to move forward with the basketball season as scheduled. Board members are school administrators from member schools.

After diligent discussion, the Board has made the decision today to follow the recommendation of the IHSA SMAC as it relates to basketball. The Board remains considerate of rising COVID-19 cases in Illinois and understand the importance of adhering to safety guidelines for the good of all citizens. However, the Board has not been presented any causal evidence that rising COVID-19 cases make basketball more dangerous to play by the IDPH or any other health organization nationally or internationally. On the contrary, the IHSA has been looking to bordering states that have sponsored both medium risk and high risk sports in the fall that have noted a low incident rate of COVID-19 spread.

Other states in the region will and some have already started their basketball seasons, including Iowa, Indiana, Michigan and Ohio.

The next weeks and months will decide the future of the IHSA and high school sports in Illinois. If the IHSA does not survive, what will members do in the future? COVID 19 may be claiming another victim...it has been a long 2020.

2020-21 Proposal 2 – 1.400 Powers and Duties of Board

Modify By-law 1.441 – Dues and Assessments

Submitted By: Filberto Torres, Official Representative – Aurora (East)

Summary of Proposed Changes:

- With the IHSA operating in the red and reinstating dues, entry fees and assessments, they must inform schools by May 1st if they are going to charge dues, entry fees or assessments for the following year; so member schools to be able plan and prepare for the cost of dues well in advance and get them in their school budgets.

The IHSA must provide a yearly financial statement itemized with specifics to provide transparency to its member schools so member schools can understand the financial situation of the IHSA better.

Rationale of Submitter:

If member schools are going to bear the brunt of having to pay fees or assessments, there should be more accountability and transparency from the IHSA. Now that the IHSA needs public taxpayer dollars from member schools to help fund their association, it is only fair that if schools are asked to disrupt their budgets by adding a cost of entry fees, the IHSA “opens their books” and shows us their financials in a more specific way to see what we are up against moving forward. If the IHSA cannot manage their funding and budgets, regardless of the reason, schools should be allowed to hold them more accountable when they are forced to bail out the IHSA with their money in the form of dues. The Board of Directors needs to hold IHSA employees accountable and provide more transparency to its member schools just as schools have to do with their funding and financials to taxpayers within their respective districts. We understand that this financial impact will be felt through next year and potentially a couple years down the road as well, so we need more transparency from the IHSA.

Pros:

- • All parties (member schools and IHSA) share the brunt of costs to keep the IHSA afloat
- • Accountability and transparency for the IHSA
- • If schools are going to be charged money, frivolous expenses need to be removed from the IHSA

Cons:

- • None for member schools

Text of By-law with Proposed Changes

Modify By-law 1.441 – Dues and Assessments

The Board of Directors shall be authorized to collect annual dues as provided in this Constitution and levy entry fees and such other assessments on all schools participating in any interscholastic activity as shall be adequate to meet the total expenses involved in the conduct of such activity and such proportionate share of overhead as is deemed necessary. Such dues and assessments shall be considered current funds of the Association and shall be used by the Board of Directors in financing the various activities of the Association.

The determination and collection of all activity fees and the collection and final distribution of receipts from all contests sponsored by the Association shall be left to the discretion of the Board of Directors.

Beginning January 1, 2021, the Board must inform schools of any dues, fees, or assessments by May 1st each school year if they plan to institute them the following school year. Failure to notify schools by May 1st will prohibit the Board from imposing dues, fees, or assessments for the following year.

Beginning January 1st, 2021, and annually moving forward, the Board must provide member schools with an itemized financial report yearly by September 15th for the preceding school year, including, but not limited to:

- All individually itemized IHSA employee salaries, benefits, and expense accounts/reports;
- Expense reports from all IHSA hosted events or meetings;
- Operating expenses;
- *Any and all revenues brought in from state series events – itemized by event;*
- All expenses of all committees, including the Board of Directors;
- All individually itemized pension payments and benefits to retired IHSA employees; and,
- *All sponsorship deals and/or agreements – itemized by company/business/agreement and amount.*

◀ DEFICIT ◀ FINANCIAL ◀ LOYALTY

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