



KNIGHT COMMISSION  
ON INTERCOLLEGIATE ATHLETICS

*Quantitative and Qualitative Research with  
Football Bowl Subdivision University Presidents  
on the Costs and Financing of Intercollegiate Athletics*

*Report of Findings and Implications*

October, 2009

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## I. PREFACE

The Knight Commission has been an independent voice advocating for the alignment of athletics programs with their universities' educational missions. Although it does not hold official authority over the various organizations involved in the administration of intercollegiate athletics, many of its recommendations have been adopted by the National Collegiate Athletic Association (NCAA), institutional boards of trustees, and other important governing bodies.

The Commission's landmark 1991 report, *Keeping Faith with the Student-Athlete: A New Model for Intercollegiate Athletics*, proposed a new "one-plus-three" model for intercollegiate athletics – presidential control directed toward academic integrity, fiscal integrity, and an independent certification process to verify that integrity. Indeed, the "one-plus-three" model provided a roadmap that the NCAA and university presidents used to implement academic and governance reforms over the past two decades. Its research, reports, and recommendations on issues of concern have consistently won the attention and interest of the national media as well as those responsible for policies regarding the management of intercollegiate athletics at all levels, from individual campuses to major conferences.

Despite the progress made with presidential governance and academic reforms, the escalating costs of competing in big-time intercollegiate sports, especially at Football Bowl Subdivision (FBS, formerly Division IA) institutions, have remained an intractable problem. As then NCAA President Myles Brand observed in his December 2008 NCAA President's Report, "athletics spending has increased in recent years at a pace that ultimately is unsustainable." Or as Nathan Tublitz, a university professor, remarked in an article in the *Eugene Register-Guard*: "What's the justification for a public university directing 60 percent of its capital expenditures over an entire decade toward a non-academic auxiliary unit whose annual budget is only eight percent of the entire university?"

These circumstances made the need for a new study addressing the increasing costs of intercollegiate athletics especially urgent. The current project focusing on FBS university presidents and their views on the financial state of college athletics and the implications of the cost pressures associated with participation in the FBS comes at a critical time. Universities in the FBS experience these pressures most acutely, and the Commission has not conducted presidential-level research since the early 1990s.

The research with the 119 FBS university presidents was completed in two stages. The first, consisting of quantitative research, was conducted from March 18 to May

20, 2009. Ten-minute telephone interviews were completed with 95 of the 119 FBS university presidents, a participation rate of nearly 80 percent, extraordinarily high for a research study with any leadership population, but especially for one involving presidents of major universities. It should be noted that during the 2009–10 academic year, one additional university has become an active FBS institution, bringing the total number to 120.

The second phase consisted of qualitative telephone interviews with FBS presidents who had completed a quantitative interview and agreed to participate in a follow-up discussion. Of the 95 presidents who completed quantitative interviews, 67 (71 percent) volunteered to participate in a follow-up interview. Twenty-two interviews (roughly the number designated in the study design) were completed with this group, with the interviews lasting an average of nearly 45 minutes. This research was conducted between June 10 and July 8, 2009.

The extraordinarily high participation rates of FBS presidents as well as the considerable time and interest they were willing to devote to both the quantitative and qualitative phases of the research suggest beyond any reasonable doubt that issues and concerns regarding the financing of intercollegiate athletics are viewed as matters of profound consequence for the leadership of these universities, which represent many of the most distinguished institutions of higher learning in the country.

## II. RESEARCH DESIGN AND METHODOLOGY

### A. Quantitative research with FBS university presidents

Ten-minute telephone interviews were completed with 95 of the 119 FBS presidents, for a participation rate of 79.8 percent. Interviews were conducted by executive interviewers using Computer Assisted Telephone Interviewing (CATI), which makes possible randomization of lists, carefully controlled skip patterns, and other steps critical to the collection of accurate, unbiased data. Respondents were assured that their answers were completely confidential and would only be reported in the aggregate.

To ensure the highest possible participation, Knight Commission Co-Chairs, William E. “Brit” Kirwan, Chancellor, University System of Maryland and R. Gerald Turner, President, Southern Methodist University, wrote to all FBS presidents, announcing the study, explaining its importance, and urging their participation. Art & Science Group then contacted each president to schedule an interview. In some instances, the Knight Commission contacted presidents who did not respond to interview requests. These efforts helped achieve the very high participation rates realized.

The research instrument was developed in collaboration with Amy Perko, Executive Director of the Knight Commission, Knight Commission members, and the Commission’s Research Advisory Group:

- **Dennis Kramer II**, Graduate Research Fellow, Knight Commission on Intercollegiate Athletics
- **Janet Lawrence**, Associate Professor, University of Michigan, and lead researcher of the Knight Commission-sponsored study of Faculty Perceptions of Intercollegiate Athletics
- **Ted Leland**, Vice President for Advancement, University of the Pacific, and former athletics director, Stanford University
- **Jeff Orleans**, former Executive Director, Council of Ivy League Presidents
- **Welch Suggs**, Assistant to the President, University of Georgia
- **Jane Wellman**, Executive Director, Delta Project on Postsecondary Education Costs, Productivity, and Accountability
- **Andrew Zimbalist**, Robert A. Woods Professor of Economics, Smith College

Prior to fielding the research, the instrument was tested in a number of interviews with former FBS presidents in early March 2009. Appropriate modifications were made based on their suggestions.

The high percentage of FBS presidents who completed interviews ensures that the sample and the research findings accurately represent the views of presidents across a number of important variables, including athletic conference, region of the country, and levels of athletic success. Another key variable used in the analysis was an institution's membership in an equity or non-equity conference. Equity conferences, so called because conference champions receive automatic bids to the highly lucrative Bowl Championship Series, include the ACC, Big Ten, Big XII, Pac-10, Big East, and SEC. Notre Dame is included in this category given their preferential BCS qualification status. Equity conferences have the most lucrative television contracts and have access to other substantial financial benefits not enjoyed by non-equity conferences. The independent military academies are included in the non-equity category. (For ease of reference, in this report presidents of institutions in equity conferences are referred to as "equity presidents," those of institutions in non-equity conferences as "non-equity presidents." Similarly, institutions in equity conferences are referred to as "equity institutions," those of institutions in non-equity conferences as "non-equity institutions.")

Analysis of the data incorporated extensive subgroup analysis by these and other variables. Statistically significant findings of note are included in the report.

The research findings have been discussed at length and additional analyses completed with Knight Commission staff and the Commission's Research Advisory Group. A summary of the initial findings was presented by Art & Science Group and discussed at the May 12 meeting of the Knight Commission in Washington, DC.

## **B. Qualitative research with FBS university presidents**

Twenty-two in-depth qualitative interviews were conducted with FBS presidents who had completed a quantitative interview and agreed to participate in a follow-up discussion exploring in greater depth the questions covered in the quantitative research as well as other issues suggested by preliminary findings from this research.

As noted above, 67 of the 95 presidents who completed quantitative interviews volunteered to participate in a follow-up discussion. While the original study design allowed for completion of 14–20 qualitative interviews, 22 were actually completed.

Selection of the presidents to be interviewed from the larger list of those who volunteered was made with the advice and consent of the Knight Commission and its Research Advisory Group. In making these selections, careful consideration was

given to ensuring a wide range of perspectives; hence, presidents were interviewed with varying levels of experience and at a variety of FBS institutions.

As shown in the table on the following page, of the 22 presidents interviewed, eight were current or former members of the NCAA Board of Directors at the time of the interview, and 12 of the respondents had at least six years of experience as a president at any FBS institution. The respondents tended to be from public institutions (18 of 22), and the athletics budgets they supervised are roughly equally spread across low, middle, and high ranges. Finally, as presidents from equity institutions have more control over policy matters for the entire division, a greater proportion of these presidents (14 of 22, or nearly two-thirds) were included in the qualitative phase of the research.

The discussion guide for the interviews was developed in collaboration with Amy Perko (Executive Director of the Knight Commission), Commission members, and the Commission's Research Advisory Group and was informed by preliminary findings from the quantitative research. Appointments for interviews were made by Art & Science Group through direct email or telephone contacts with each president's office.

The interviews were conducted by the senior partners of Art & Science Group: Benjamin Edwards, Richard Hesel, and David Strauss. Respondents were assured that their answers were confidential and would be reported without attribution and in a way that would not reveal their identity. To ensure that presidents spoke openly the interviews were not recorded. However, extensive notes were taken so that comments were transcribed accurately. Unless otherwise noted, presidents' comments recorded in this report are direct quotations with only slight modifications made to disguise the president's identity or correct minor grammatical inconsistencies or self-corrections.

### Key Characteristics of Presidents Interviewed and the Institutions Represented

<i>Conference Affiliation of Institution Represented by President</i>	
ACC	3
Big 12	2
Big East	1
Big Ten	2
Conference USA	2
MAC	1
Mountain West	2
PAC-10	4
SEC	2
Sun Belt	1
WAC	2
Independents	0
<i>Equity Status of Institution</i>	
Equity	14
Non-Equity	8
<i>Athletics Budgets of Institution Represented by President</i>	
low tier	6
mid tier	9
high tier	7
<i>Years of Experience as President of an FBS Institution</i>	
5 years or less	10
6 to 10 years	7
10 years or more	5
<i>Number of Presidents Representing Private or Public Institutions</i>	
Public	18
Private	4
<i>Number of Presidents Who Are Current or Former Members of the NCAA Board of Directors</i>	
	8



### III. EXECUTIVE SUMMARY

The following provides a summary of key findings from the quantitative and qualitative research.

#### A. THE DILEMMA OF REFORM

It is clear from the quantitative and qualitative research that presidents recognize the need for reform; few, however, are sanguine about the possibilities for positive change. What was striking in many of our findings was the lack of any clear idea of the best way to effect change or the most appropriate entity to move reform efforts forward.

While the quantitative research revealed strong presidential support for studies of policy changes regarding a number of concerns, such as the number of coaches and athletic contests, the qualitative research revealed a sense of powerlessness to effect the kind of change that is needed at the conference and national levels to contain the athletics arms race and address critical issues regarding sustainability, such as rapidly escalating coaches' salaries. The quantitative research also shows that a high percentage of presidents who believe that sustainability is problematic for their own institution or for their conference or the FBS as a whole believe that sweeping change is necessary across the FBS.

In sum, presidents would like serious change but don't see themselves as the force for the changes needed, nor have they identified an alternative force they believe could be effective.

While serious problems are recognized, beyond limited actions they can take on their own campuses, presidents are at a loss to describe solutions that will address the broader FBS problems. The following are chief among their concerns:

- Presidents believe they have limited power to effect change on their own campuses regarding athletics financing and the larger problems it has created, much less for the FBS as a whole. Indeed, nearly three-quarters interviewed in the quantitative research believe that athletics presents unique challenges as compared to schools, divisions, or other parts of the university when trying to control costs.
- While antitrust exemption and other political solutions have some appeal, these are seen as political impossibilities by many FBS presidents.

- Outside sources of income for intercollegiate athletics, such as extremely lucrative television contracts, have diminished presidents' authority over athletics and their ability to influence reform.
- While there is some satisfaction with the steps taken by their conferences, there is also serious doubt that the conferences will make decisions or take actions that are against the self-interest of the most successful conference institutions.

A majority of presidents interviewed in the quantitative research favor studying the following policy initiatives to explore how these might help control costs and make FBS athletics more sustainable:

- Reduce the number of coaches and sports-specific personnel for revenue-producing sports (supported by rough two-thirds of presidents).
- Reduce the number of contests for non-revenue producing sports (supported by roughly two-thirds of presidents).
- Reduce the level of financial commitment required for FBS membership (supported by over three-quarters of presidents).
- Change BCS and NCAA revenue distribution policies (supported by nearly two-thirds of presidents).

## B. SUSTAINABILITY

Based on findings from the quantitative and qualitative research, it is clear that the question for a majority of presidents of equity and non-equity institutions alike is not whether or not the current model is sustainable but, given the forces at work, *how long it can be sustained*.

In terms of their own institutions, two-thirds of FBS presidents expressed confidence that, considering current trends in athletics revenues and expenses, athletics operations are sustainable in their current form. However, this confidence was not extended to other institutions in their conferences or to the FBS as a whole. And even in the context of their own programs, nearly half of all respondents (48%) expressed concern that the current outlook will affect the number of varsity sports their institution can retain in the future.

In the qualitative research respondents voiced broad concerns regarding the sustainability of all athletics programs in the face of what a number of presidents described in the qualitative interviews as an "arms race" that is driving up costs for athletics programs and creating tensions that cannot be clearly measured in other

areas. These concerns were shared by a majority of those presidents interviewed regardless of their athletics programs' financial outlook.

Issues identified by presidents as key factors in the accelerating costs of competing at the FBS level include the following:

- Increases in coaches' salaries and privileges as well as the increasing costs of the expanding number of sports-specific personnel.
- Commercialization, including TV contracts and other corporate interests which have injected substantial revenue into intercollegiate athletics.
- Costs of building more and better appointed facilities.

Presidents also identified a number of challenges associated with the increasing costs of FBS participation, chief among them,

- Difficulties in balancing the athletic budget and keeping costs under control. This pressure is increasingly felt by non-equity presidents, two-thirds of whom reported a concern about the proportion of institutional resources used to fund athletics on their campus.
- Insidious and growing cultural divide between academics and athletics in which athletics is in an increasingly privileged position. This has created mounting tensions and concerns about conflicts with institutional mission and values.
- Growing imbalance between the "haves and have-nots" both within equity conferences and between equity and non-equity institutions. Presidents of less competitive institutions feel that their programs are being unfairly exploited.
- Concern that competitive and financial pressures created by the "arms race" are having an increasingly negative impact on student athletes.
- Challenges for some programs to continue to be competitive or even to maintain their Division I status.

### **C. IMPLICATIONS OF INCREASES IN COACHES' SALARIES AND SPORTS-SPECIFIC PERSONNEL**

When asked about salaries across FBS institutions nationally, an overwhelming majority of FBS presidents (85%) indicated that they felt compensation was excessive in the context of higher education for football and basketball coaches.

The qualitative research suggests that presidents see the issue of coaches' salaries as a key contributor to the "arms race" in intercollegiate athletics. *Coaches' salaries are seen as the greatest impediment to sustainability.* In addition to placing strains on the institutional finances, increases in coaches' salaries and, to a lesser extent, increases in the numbers of other sports-specific personnel required for the athletic enterprise in the FBS were seen to create a public-relations challenge with regard to other internal and external university constituencies.

Presidents are pessimistic about their ability to control these costs. A majority (56%) feels that as the use of private monies to compensate coaches has increased, their control over these salaries has decreased. A majority of presidents do not support attempts to change federal legislation to allow some level of control on coaching staff salaries. This seems to be tied to presidents' skepticism about the political possibility of intercollegiate athletics being granted an exemption from anti-trust legislation.

#### **D. BUDGET PRESSURES PRODUCED BY INCREASING COSTS OF OPERATING SUCCESSFUL ATHLETIC PROGRAMS**

Quantitative and qualitative results suggest that the increasing costs of operating successful athletic programs, especially in the current economic climate, present serious challenges to FBS presidents. For presidents of non-equity institutions, which operate with far less athletics revenue, these challenges are especially daunting.

Most presidents reported making athletics budget cuts in the most recently completed fiscal year, and a significant number anticipate continuing declines in revenues through next year. A majority of presidents (62%) believe the recession has affected athletics budgets at the same level as other units of their university. Key factors associated with the recession's impact on FBS campuses include the following:

- The recession affected both public and private funding sources.
- Most universities athletics budgets reductions equated roughly proportionally to cuts being made in other units of the institution.
- Presidents have largely delegated responsibility for determining details of budget cuts to their Athletics Director.
- Despite widespread concern over financial stresses created by the "arms race" and exacerbated by the recession, the most common sentiment expressed by presidents regarding current levels of spending was their desire to increase revenue rather than opt out of the system or push for systemic change.

### E. CROSS-INSTITUTIONAL BENEFITS OF SUCCESSFUL ATHLETICS PROGRAMS

Despite the concerns expressed by presidents regarding the pressures placed on their institution through its participation in the FBS, competing at this level is seen to carry considerable financial as well as less tangible benefits. Although a number of presidents are aware of scholarly research questioning the relationship between big-time athletics and non-athletic benefits, personal experience plays a much more powerful role in defining presidents' attitudes toward athletics than do the results of these studies.

A significant majority of FBS presidents believe that athletics success provides substantial benefits to their institutions. These include tangible benefits such as increasing applications, quality of the student body, and donations to the university. Presidents also see indirect benefits stemming from athletics success, including enhancing school spirit and raising the profile of the institution with regard to the general public, public officials, and other university presidents. Some of these latter benefits are seen to provide leverage for more concrete benefits such as helping to generate higher levels of giving and helping to attract more and better qualified students.

Presidents do not view fundraising for athletics and academics a zero-sum game, in which financial gains for athletics programs are made at the expense of the academic side of the house. Despite research suggesting that athletics are taking a larger share of donations, some 80 percent of presidents expressed the belief that athletic fundraising *does not* take from the same pool of money that would otherwise go to general university fundraising.

### F. TRANSPARENCY

With regard to the financial information currently available, a majority of presidents (95%) agree that they are confident in the accuracy of the financial information they receive from their athletics departments, with a vast majority of these (82%) being *very* confident. Presidents expressed lower levels of confidence regarding the financial information reported by their peer institution (61% were "somewhat" confident this information was accurate).

Their confidence in data currently available notwithstanding, *nearly 8 in 10 presidents agree that greater transparency of athletics operating and capital costs is needed.*

Many presidents, particularly those at public universities already required to comply with state standards regarding financial data, are convinced that their programs

currently practice transparency, although some acknowledged that not all information is readily available. Furthermore, there is a lack of consensus regarding what constitutes transparency and a recognition that it is possible to game the system regarding the nature and appearance of financial data. That said, generally, presidents agree that standards should be set regarding reporting of individual institutional data so that measures are consistent.

Nearly 9 out of 10 FBS presidents have reviewed the NCAA financial dashboard indicators for their institutions. The NCAA is viewed as a key player in providing even greater transparency, particularly in a way that provides a reliable basis for cross-institutional and conference comparisons that would be available to the media and general public.

#### IV. FINDINGS FROM QUANTITATIVE AND QUALITATIVE RESEARCH

This section provides a summary of the major findings from the quantitative and qualitative components of the study. The presentation of findings from the quantitative research is intended to provide a broad understanding of the attitudes and perceptions of presidents of FBS institutions regarding the financial state of college athletics and the implications of financial pressures associated with participation in the FBS. These findings can be taken as representative of the attitudes and perceptions of *all* FBS presidents.

The qualitative findings are based on 22 interviews with FBS presidents (of whom roughly two-thirds lead equity institutions). The findings presented here are intended to give voice to some of the nuances of presidents' perceptions as well as emotional content that may have escaped the quantitative research, either because of format constraints or because of timing – the qualitative research was fielded after the quantitative research and was designed to raise issues not addressed in the quantitative research as well as to explore the quantitative questions in greater depth. (For a more detailed summary of the results of the quantitative research as well as the complete quantitative research report see Appendices C and D, respectively.) With regard to this last point, it should be noted that the impact of the financial pressures brought about by the current economic downturn on institutional budgets were likely more pronounced when the qualitative research was conducted (June–July 2009) than when the quantitative research was fielded (March and May 2009).

The findings are organized around several key themes that emerged from the quantitative and qualitative research. The first section describes the dilemma of reform – presidents' assessment of the need for reform and the entities that are best placed to effect real change. The second section describes presidents' assessments of the current struggle for resources within FBS institutions and their perceptions regarding the causes and consequences of this "arms race" (as it was described by many presidents in the qualitative research). The sections that follow address presidents' perceptions of key issues related to participation in the FBS and the consequences of the attendant financial pressures. These include increasing costs of coaching-related salaries; other budget pressures produced by increasing costs of running competitive athletics programs; the cultural divide between the athletic and academic enterprise; the benefits presidents see accruing to their institution because of FBS participation; and the importance of transparency at the conference and institutional level.

## A. THE DILEMMA OF REFORM

On the whole, presidents recognize the need for reform, but few are sanguine about the possibilities for positive change. What was striking in many of our findings was the lack of any clear idea of the best way to effect change or the most appropriate entity to move reform efforts forward. While the quantitative research revealed strong presidential support for studies of policy changes regarding a number of concerns, such as the number of coaches and athletic contests, the qualitative research revealed a sense of powerlessness to effect the kind of change that is needed at all levels to contain the athletics arms race and address critical issues regarding sustainability, such as rapidly escalating coaches' salaries. In sum, presidents would like serious change but do not see themselves as the force for the changes needed.

### Summary of Quantitative Findings

Four out of five presidents who believe sustainability is problematic at their own institution feel that wider sweeping action is required across all FBS institutions to achieve sustainability. A similar number of presidents who believe that athletics is sustainable at their own institutions but *not* at most other campuses in their conference also feel that wider sweeping action will be required.

Coaches' salaries were identified by a majority of presidents (56%) as an area in which their own authority had been eroded by the influx of private monies to compensate coaches; this view was much less likely to be shared by presidents at institutions with the highest levels of head football coach compensation.

While the quantitative research did not explore questions testing support of specific initiatives that could be taken to address concerns about sustainability and related issues such as coaches' salaries, a number of questions were posed to gauge support for the study of policy changes that might having a bearing on these concerns. These policy changes and the related findings are summarized below.

***Reducing the number of coaches and other sports-specific personnel.*** Two-thirds of the presidents surveyed agreed priority should be given to studying policy changes that would reduce the number of sports-specific personnel other than coaches or academic support (64%) and reduce the number of coaches for revenue-producing sports (66%). Over half (54%) supported similar action for coaches of non-revenue sports.

***Reducing the number of contests.*** Nearly two-thirds (64%) agreed priority should be given to studying policy changes that would reduce the number of contests for non-



revenue producing sports. Nearly half (49%) supported such action for revenue-producing sports.

***Reducing the number of or total expenditures on athletics scholarships.*** Only a third (33%) responded affirmatively when asked about reducing the number of expenditures for scholarships for non-revenue sports. That number increased to over 40% (42%) when asked about this study area for revenue producing sports.

***Reducing level of financial commitment for FBS membership.*** Nearly 80% (78%) of all non-equity institutions support giving priority to studying changes to reduce the level of financial commitment for FBS membership and nearly half (45%) of the equity conferences also responded affirmatively to giving study priority to this area.

***Changing revenue distribution policies.*** Nearly two-thirds (62%) support studying changes to BCS revenue distribution policies. Not surprisingly, 95% of the non-equity institutions support this but only a third (33%) of the equity institutions. Over half (53%) support changing NCAA basketball revenue distribution policies. Three-quarters (75%) of non-equity schools and a third (33%) of the equity schools support such an initiative.

### **Summary of Qualitative Findings**

In the qualitative interviews we were able to broaden the focus to discuss presidents' views regarding actions that could be taken to control the athletics arms race many of them decried as well as their power to affect change on their own campuses, in their conferences, and among FBS institutions nationally. While serious challenges are recognized (see the Sustainability section below), beyond limited actions they can take on their own campuses, presidents are largely at a loss to describe solutions that will address the broader FBS problems regarding sustainability and its associated challenges. Presidents feel that acting unilaterally is not an option given the benefits they believe athletics brings to the university and the external pressures driving the escalation of costs.

To a certain degree, their jobs may be at stake. An equity president noted,

I'm one of the FBS presidents with enough seniority to see the consequences. The presidents who have had their heads handed to them? A high percentage of them had that happen because it was something to do with athletics.

Presidential responses to questions about solutions elicited conversation around a number of themes, most prominently,

- (1) Presidents' belief that they have limited power to effect change
- (2) Frustration over the difficulties posed by anti-trust legislation with regard to controlling costs
- (3) Concern that outside sources of income diminish presidential authority over athletics and the ability to influence reform
- (4) Doubt that the conferences will make decisions or take actions that are against the self-interest of the most successful conference institutions
- (5) Doubt regarding the ability or will of the NCAA to address financial pressures affecting FBS institutions
- (6) Support of the Knight Commission's use of its "bully pulpit"

### *(1) Limited Power of Presidents to Effect Change*

Presidents believe they have limited power to effect change on their own campuses regarding athletics financing and the larger problems it has created. A number of presidential comments suggest the nature of this problem. One comment captured the challenge succinctly: "Presidents of big schools aren't listening and don't want to. There are lots of fans and lots of dough working against that. They don't want to push back against these interests."

One president observed that "no one can or will stick his neck out":

The real power doesn't lie with the presidents; presidents have lost their jobs over athletics. Presidents and chancellors are afraid to rock the boat with boards, benefactors, and political supporters who want to win, so they turn their focus elsewhere.

A more lengthy response came from a non-equity president:

I've only been a president of the university for two and a half years, but I've observed other presidents close-up. There are schools that have much larger athletics budgets and are selling out their games. That empowers athletics in ways that are hard to resist.

Presidents do find the athletic program provides the opportunity to sell the institution to the larger community and they want to preserve that. Presidents are also expected to raise a lot of money from the private sector and they are trying not to alienate their major donors. Even if major athletic donors are not giving to the rest of the university they can make your life miserable. If you have a lucrative TV contract you want to protect that. Frankly, I would love to

have twice the problems I have if it came with twice the revenue.

**(2) *Difficulties Posed by Anti-Trust Legislation for Controlling Costs in Intercollegiate Athletics***

Presidents acknowledged that an anti-trust exemption would make possible cooperation on issues such as coaches' salaries, and in the quantitative research a minority of FBS presidents (nearly 40%) indicated that they would favor giving priority to studying changes to federal legislation to allow some level of control on coaching salaries. There was some agreement in the qualitative interviews that an anti-trust exemption and other political solutions are problematic, which may account for the fact that in the quantitative research a minority of presidents indicated they would support consideration of changes in federal legislation to control coaches' salaries. A few comments from presidents illustrate their thoughts on this issue:

The NCAA has made an effort to restrict coaches' compensation, but it was judged to be a violation of anti-trust laws. That caused real problems for the NCAA. And it proves that no good deed goes unpunished in Washington. There's real reluctance to go that way again. Instead, they're trying to raise consciousness about the issue.

If you try to control the excesses, you get into an anti-trust threat. I don't think seeking changes in federal laws on these matters is a good idea. I'm afraid the market drives everything.

Everybody is afraid because they don't want to be that one that's regulated.

One president articulated the importance of an anti-trust exemption in a particularly direct way:

There's a need to take on the anti-trust issue, because without it the NCAA is limited in how it can affect things like coaches' salaries

**(3) *Concerns about the Impact of Outside Sources of Income on Presidents' Authority over Athletics and Ability to Influence Reform***

Outside sources of income has had a significant impact on big-time intercollegiate athletics as a whole, and hence also on presidents' control over budgets and influence over reform. For instance, TV contracts, which generate substantial revenue for some conferences and their member institutions, often come with scheduling demands that individual universities cannot control. Some FBS institutions must modify their schedules to accommodate weekday games, even though this is seen as comprising

the academic mission of the institution. One president of an institution with an ESPN contract expressed concerns about playing on Tuesday and Thursday nights. Another president remembered “a time when we did all of our own scheduling.” With TV contracts, control of scheduling has been ceded to television interests, and sometimes athletics teams “get back at 5 a.m. for an 8 a.m. class.”

Presidents also feel pressured about the number of games athletics programs are pressured to play. One equity president identified TV as “the key economic driver,” and went on to lament the pressures to extend the season: “I imagine someday, in some form, because of the money, it’s inevitable that the season will be extended with the addition of the playoffs.” Another president agreed that

There are too many games, absolutely. A playoff would extend the season, which is already too long, of a brutal sport. It will cut into their ability to do school work and will mean more wear and tear on those of our athletes who are headed to the pros.

A majority of presidents interviewed in the quantitative research (56%) agreed that their authority over salaries has been reduced as the use of private monies to compensate coaches has increased. For instance, a president of an equity institution had this to say:

In terms of control over big-time college athletics, I don’t believe we have control. Show me a president who won’t meet the demands of a winning coach who has the chance to walk out the door for a higher salary someplace else.

However, it should also be noted that findings from the quantitative research also indicate that presidents at institutions with the highest levels of head football coach compensation were significantly more likely to disagree that presidents have less authority over decisions for coaches’ salaries.

#### *(4) Doubt regarding Ability of Conferences to Effect Change*

While there is some satisfaction with the steps taken by their conferences, there is also serious doubt that the conferences will make decisions or take actions that are against the self-interest of the most successful conference institutions. As one equity president explained,

Our conference presidents have had some discussions about limiting the number of football games. We voted against going to 12 football games. Once

one did it, though, it became inevitable. TV is the key economic driver, and the revenues at stake there are hard to fight.

As for more specific ideas about solutions, a few were offered, but all required the intervention of outside regulatory forces such as the NCAA.

Scheduling needs to change. A school on the East Coast playing one on the West Coast in volleyball – that’s expensive. We need more regional and intra-league scheduling. We play only six conference games in football. Play all the conference schools and allow just a few out of conference. Look what goes on over break – basketball winter shoot-outs, etc. Let kids be kids. Say you can’t play more than x number of games out of conference.

Reform has to come from the NCAA board of directors – a collective solution – either the executive committee for all three divisions – probably not – or the Division I board of directors; that’s where it needs to come.

You can talk about an individual president sticking his neck out and saying no to an athletic director, sacrificing, but.....The NCAA board needs to say we’ll put a lid on this. For example, some FBS schools have enough recruiters to go to sophomores in high school. We need strict limitations on this kind of thing, but there’s a lack of NCAA guidelines.

For solutions you have to go up to the conference or NCAA levels. Conferences are looking to increased media revenue. We’ll look into our own sports channel like the Big Ten has. The downside is if you generate more you’ll spend more.

We have to have fewer teams to qualify for FBS. I think the NCAA should leave that decision to presidents in terms of letting us decide the number of competitive teams we can support. I can only generate revenue with a couple of sports. I don’t make money playing volleyball and field hockey. The bottom line is that we have to be able to have an open and honest conversation about this and the NCAA needs to give me greater latitude as a president to determine how many teams we can support on my campus.

##### *(5) Doubt regarding Ability of NCAA to Effect Change*

Although the quantitative research contained no questions about attitudes regarding the NCAA or the Knight Commission, in the qualitative research many presidents expressed strongly felt opinions about both organizations, raising questions and concerns about the organizations’ ability to take or influence decisive action to address the fiscal challenges of FBS institutions.

Roughly a decade ago, college and university presidents wrested control of the NCAA out of the hands of athletic directors and gave themselves more responsibility and accountability for managing its policies and setting its direction for the good of intercollegiate athletics. This important change does not appear to be reflected in FBS presidents' attitudes toward the NCAA today. In fact, our interviews revealed widespread dissatisfaction among FBS presidents, whose comments tended to hit on two major themes:

- NCAA is too bureaucratic.
- NCAA lacks the will or authority to effect significant change.

### **NCAA bureaucracy**

Those presidents who mentioned the NCAA tended to express concerns that the organization has too many trivial and unfair rules that detract from its mission. As one president with particularly outspoken views on the topic noted,

The NCAA is out of control. You can get in trouble without knowing it. Their rules are like the IRS tax code. It's unfair to the institution and to the athletes. Two kids do something wrong, the whole team is punished. They're supposed to be advocates for student-athletes. But they don't get it. They have no incentive to cooperate, and that's offensive when you pay dues to them.

This president went on to observe that

The NCAA drives the train, whether we like it or not. Baseball stretches from November to June, but it's not okay to do two extra weeks for a football playoff. It makes no sense. The NCAA needs new leadership, a business format. It's bloated and bureaucratic. They set the tone and have missed the boat. Yeah, they give us dashboards, but it's just bureaucratic.

"I think that the huge array of rules in intercollegiate athletics has become virtually unmanageable," lamented another equity president,

They are criminalizing our coaches and administrators. If these rules could be simplified it would improve our administrative oversight and ability to enforce the rules. NCAA has created the largest rule-bound bureaucracy on the face of the earth. There are big problems in athletics and it isn't whether the coach buys a player a cup of coffee.

### **NCAA's Lack of Authority or Will**

The NCAA, as an association, is believed to lack the collective courage or “teeth” to effect real change or take on controversial issues. Presidents with and without experience as participants in NCAA governance expressed similar frustrations:

The NCAA is the logical place to make real change, but I have no faith they will.

I'd love to see the NCAA get a backbone and do something about the BCS, but I don't see it happening. I don't see the NCAA executive committee as the problem. They're good, helpful, and supportive. Our conference can't solve problems with the BCS; they get so little income from them. They've stolen football revenue from the NCAA but nothing happens.

At the national level I don't know that the NCAA is coherent enough to tackle things. But they have to be engaged. The NCAA isn't an impediment; it's just not sufficiently coherent.

You can't solve the sustainability issue without the NCAA, but I don't see them stepping up to the plate.

### ***(6) Support of the Knight Commission's use of its “bully pulpit”***

The Knight Commission is seen by respondents as the “conscience” of intercollegiate athletics. Given the heartfelt concerns expressed about the issues explored in the research, a number of presidents are hopeful that the Knight Commission will take a strong stand on these issues and prompt the NCAA to take action. In fact, a number of presidents expressed a desire for an even stronger collaboration between the Knight Commission and the NCAA.

One president's comment captured the spirit of the way many presidents see the role of the Knight Commission: “I'm a great admirer of the Knight Commission. It's one of the most constructive forces we've had.” Another president who places a high value on the Knight Commission's work noted that the Commission has “contributed to successful academic reform by the NCAA.” But he added that he was disturbed by the lack of communication between the two organizations:

I'd like now to see more communication between the NCAA board and Knight. There's no reason for the current vacuum to exist. You won't find differences in values and objectives between the two entities. There's been a positive environment for the last ten years. The climate's right for dialogue, to

work together – not to the point of losing their separate identities, but the current lack of communication is silly.

Other presidents expressed more positive views about the current relationship between the Knight Commission and the NCAA, as the following comments from two presidents illustrate:

It does seem to me that the Knight Commission and NCAA should continue to do what they are doing in terms of the operating principles and values that need to be emphasized in intercollegiate athletics. Keeping the discussions open and public is probably a bigger contribution than it sometimes feels. Issues need to be kept in front of everyone.

In many regards the Knight Commission has been a strong spur to some serious reflection to what we are and where we're going and has encouraged a gut check to make sure values and actions are aligned. The Knight Commission has been the spur to a lot of thoughtful conversation about what we're doing and how we're managing our affairs. It's a positive voice for people going forward in a thoughtful way.

Some presidents had less sanguine views about the ability of the Knight Commission to influence policy or behavior, which centered on the concern for more action:

I see a lot of words, talking, and studies, but the proof of the pudding is in the tasting. The APR grew out of the Knight Commission, but the schools with money have high APRs and those without money don't. Knight Commission recommendations haven't filtered down to our level. Moral indignation to what end? Until we see the big schools and conferences making a change, we won't make a change.

It would be great if the NCAA had rules about coaches' salaries, but I don't think they will ever have the guts to do that. I'm in favor of the Knight Commission doing what they do if they actually do it and don't just talk about it.

Another president noted that

These issues need to continue to be on the table so the work of both of these organizations is important. It's helpful to have them coordinated as much as possible. Criticism of the Knight Commission is that so often its recommendations are ethereal and unrealistic and don't take into account the reality of the situation we're all in. The Knight Commission needs to be more flexible and willing to take on the tough issues.



Finally some other comments about the role of the Knight Commission and NCAA further illustrate the attitudes and perceptions of university presidents:

Frankly, some of the things Myles Brand has been able to do in terms of elevating the academic issues in intercollegiate athletics would not have happened without the urging of the Knight Commission. This version of the Knight Commission is much less visible. The book is out in terms of whether it can have the same impact as the original. Rather than intercollegiate athletics being de-emphasized or becoming less costly as the original Knight Commission would have liked, it has gone the opposite direction due to the 24/7 hundreds of channels of athletics. TV has really changed intercollegiate athletics.

I've always respected the work of the Knight Commission. I've wondered lately if they're at a point of diminishing returns. Have they lost their "umph" and luster? But this study could be very, very interesting. I'd recommend that they let this study create their next agenda items.

I have a lot of respect for Knight, for Gerald Turner and Brit Kirwan. I'm disturbed by the fact they're considered interlopers by the people in power at the NCAA. Knight must build a stronger, wider base of support. They need to reach out, build their board, find ways to enlist presidents like me who are forced to play, but don't want to play, the game. It can't just be a press release about a new survey of presidents. They need to do tough lobbying, use the media, create a public image of where NCAA athletics has to go.

## B. SUSTAINABILITY AND THE “ARMS RACE” IN INTERCOLLEGIATE ATHLETICS

Respondents voiced broad concerns regarding the sustainability of athletics programs at their institutions as well as at the conference and FBS levels in the face of what a number of presidents described in the qualitative interviews as an “arms race” that is driving up costs for athletics programs. These included apprehensions not only about revenues and expenses but also about a host of other issues, prominent among them the rapid escalation of coaches’ salaries, the increasing cultural divide between athletics and academics on many campuses, and the variability of economic factors outside the control of individual presidents and institutions.

Based on findings from the quantitative and qualitative research, it is clear that the question for many presidents of equity and non-equity institutions alike is not whether or not the current model is sustainable but, given the forces at work, *how long it can be sustained*.

This section presents findings related to presidents’ overall assessment of the sustainability of the status quo as well as their attitudes and perceptions about the financial impact of the “arms race” and its causes. Later sections address specific issues related to these concerns.

### Summary of Quantitative Findings

Based on findings from the quantitative and qualitative research, it is clear that the question for many presidents of equity and non-equity institutions alike is not whether or not the current model is sustainable but, given the forces at work, *how long it can be sustained*.

In terms of their own institutions, two-thirds of FBS presidents expressed confidence that, considering current trends in athletics revenues and expenses, athletics operations are sustainable in their current form. However, this confidence was not extended to other institutions in their conferences or to the FBS as a whole. Less than half of FBS presidents believes athletics operations are sustainable in their current form at most other campuses in their conference. Less than a quarter believes that athletics are sustainable at FBS institutions nationally.

And even in the context of their own programs, nearly half of all respondents (48%) expressed concern that the current outlook will affect the number of varsity sports their institution can retain in the future.

In the qualitative research respondents voiced broad concerns regarding the sustainability of athletics programs at the conference and FBS levels in the face of what a number of presidents described in the qualitative interviews as an “arms race” that is driving up costs for athletics programs.

Not surprisingly, differences of opinion emerge when we examine the responses of presidents of equity and non-equity institutions. Presidents of equity institutions are significantly more likely to believe that the current situation is sustainable at their own institutions (76% for equity vs. 50% for non-equity presidents). Presidents of non-equity institutions were more likely to feel that athletics operations were *not* sustainable at the conference and FBS levels.

The financial pressures of participation in the FBS are more keenly felt by presidents of non-equity institutions, nearly half of whom (45%) agreed that the current economic outlook would affect their institution’s ability to continue to compete at the FBS level. This compared to 16 percent of presidents of equity institutions. Similarly, whereas two-thirds of non-equity presidents are concerned about the proportion of institutional resources used to support athletics, only a quarter of equity presidents expressed such concern.

In terms of what can be done to address the lack of sustainability at FBS institutions nationally, a substantial majority (82%) of presidents who believe sustainability is problematic at their own institution prefer wide, sweeping action involving all FBS institutions to address sustainability issues. Similarly, the overwhelming majority (80%) of presidents who believe athletic operations are sustainable in their current form on their own campuses but not on campuses in their conference and/or at FBS institutions nationally feel that wider, sweeping action will be required.

## **Summary of Qualitative Findings**

### ***Genuine concern about long-term sustainability***

Consistent with the results of the quantitative research, the qualitative findings indicate that the financing of intercollegiate athletics is a major concern of FBS presidents. This is so especially, but not exclusively, among those of institutions that are less competitive by virtue of their membership in a non-equity conference and lack of access to lucrative television contracts.

In light of the quantitative findings, it is interesting that in the qualitative interviews several presidents of equity-conference universities with national success in football and basketball were quite vocal about the challenges all institutions face with regard

to sustainability over the long run. A president of a university with a particularly successful equity program warned,

We'll get to the point where we literally can't do it. And we're one of the rich schools. TV contracts won't continue to grow. The money will cut itself off. We're going the way of NASCAR, which priced itself out of its market by building too many training facilities and the like.

An equity president leading an institution with relatively few financial problems – it operates in a highly successful conference and has a balanced athletic budget – expressed concerns about his institution's ability to stay financially healthy over the long term:

It seems sustainable *at the moment*, but it is dependent on so many things – gate receipts and the success of our teams. It's good that our athletic department supports itself, but the links between sports and private support are worrisome if our teams don't continue to be competitive. If we were to continue having a less good football team than our fans would like us to have, then I would be worried if ticket sales dropped. There are so many variables, so I wouldn't want to blithely say it's sustainable.

This president went on to add,

Everybody who says they are doing okay is scraping by and they are driving up the costs and the pressure on athletics. There are campuses on which the subsidy to athletics is significant and raises some questions about having to make cuts in other areas such as academics and administrative staff because athletics is subsidized.

Perhaps the most pointed assessment of the situation was provided by another president of an equity institution who went further, claiming that not only is the current situation unsustainable but a number of other presidents are simply in denial about the depth of the problem:

I think there are a lot of heads in the sand. A lot of presidents don't get as deeply into it as they need to. There are a lot of money games played in terms of how you account for things in athletics (facilities maintenance, etc.). There are a lot of places even at the FBS level that are running headlong over a cliff.

### *The impact of the “arms race”*

The level of presidents’ concerns over the scramble for resources to cover increasing athletics costs is expressed perhaps nowhere better than in a phrase volunteered by a number of presidents (around half of those interviewed in the qualitative research). These presidents characterized the current situation as an “arms race.” When asked about his greatest concerns regarding financing intercollegiate athletics at his campus, one president bluntly stated – “The arms race.” As he went on to explain,

there are pressures to do more in order to compete with other conferences. We’ve doubled athletics expenditures in the last five-year period. That’s unchecked and starts to challenge the integrity of the enterprise.

Other presidents used similar language in expressing their concerns:

The pressure to join the arms race is a real concern, especially for very successful mid-majors. How do you keep up with the big dogs? Of course the coaches tell us all it takes is money, which is in short supply around here these days.

The problem is, it’s such big money. It’s an arms race that’s self-perpetuating.

The arms race in coaches’ salaries and facilities is going to create all kinds of problems particularly when you see coaches paid \$4 million.

The so-called arms race in college athletics and the kind of money that is spent on facilities and accoutrements *is* a real arms race.

### *The widening gulf between “have” and “have-nots”*

One of the consequences of this “arms race” is, as some presidents characterized it, a widening gulf between the “haves and have-nots,” in other words, those programs that succeed and enjoy high levels of revenue as a consequence and less successful programs that do not receive the same level of financial benefit yet incur the high costs of competition. As noted in the quantitative summary at the beginning of this section, given the economic outlook at the time the interviews were conducted, nearly half of the presidents of non-equity institutions (45%) were concerned that their institutions would not be able to continue to compete at the FBS level, as opposed to a much smaller percentage of equity institutions (16%).

A president of an equity institution expressed his concern regarding the difficulties smaller schools face in competing against larger, better resourced institution: “I think we are living through a time when the disparity between the haves and have-nots

has grown.” He explained that even in his conference several members are struggling:

And look at the preponderance who are not in the six equity conferences — and half the schools that *are* do not have the big stadiums or outside support we have, but they are still trying to compete at this level.

A president of a non-equity, “have-not” institution suggested that the “‘haves’ have to recognize that it is in their best interest” to allow broader distribution of revenue:

Have to look at revenue distribution. \_\_\_\_\_ gets [over \$10 million] in revenue distribution. I get [less than \$500,000]. The rest of us can’t run our programs. The big boys won’t have a breather game with people like us because we won’t be around.

Presidents widely recognize that increased commercialization sustains the have/have-not dynamic. As one president of a non-equity institution put it:

I’m most concerned about the increased commercialization and the effect of that on the growing disparity between the haves and have-nots. . . . There’s a widening gap between the equity conferences and all the others, and it’s hard to see how we’ll sustain this arrangement.

Other presidents of non-equity institutions expressed grave concerns over the possible consequences of the widening gap between the haves and the have-nots:

Our athletic program is always on the edge; we start in the hole and make it up over the year. Those of us not in BCS conferences simply do not get the same kind of revenue that BCS conferences get. We make up our budget shortfall by increasing gifts, building attendance, or making budget reductions during the year. I don’t know how long this can go on.

If the economic recovery doesn’t happen in the next year or two, several schools will do away with football at the least and maybe their entire athletic programs at the worst.

Even some equity universities find themselves in the “have-nots” category, competing with institutions with “much broader and deeper resources to draw from due to their markets.” Presidents of more wealthy equity institutions also recognize the challenges facing athletic programs with fewer financial resources:

Our athletic department has been self-sufficient for five years. But that clearly has to do with a successful football program and our stadium capacity. I don’t

know how a struggling, lower-conference school would deal with this. It must come out of education and general funds elsewhere.

Although our conversations revealed that many presidents were concerned about the inequities of the system, not all presidents find this situation troubling:

The stress of the economic environment will separate the haves and the have-nots. There will be institutions that can't continue to compete at the Division I level. And that's not the end of the world. It'll be fine if Division I gets smaller and Division II gets larger.

### *Concern about commercialization*

As indicated above, in the qualitative interviews there was wide agreement across FBS presidents that commercialization is a key factor in the intercollegiate arms race and has placed enormous pressures on FBS institutions, with disturbing consequences for the institutions' academic mission. Some presidential comments illustrate the nature and depth of these concerns:

I'm most concerned about the increased commercialization. . . . It undermines our academic missions and institutional values. When I say commercialization I primarily mean TV contracts worth hundreds of millions of dollars and corporate sponsorships.

Commercialization is one of my greatest concerns. As the pressure to build the budget grows, it becomes more enticing to rely on big corporations. . . . The pressure's such that we're encouraged to get more revenue no matter what. The standards and values of the athletic department aren't always the gold standard or the community's values.

Commercialization is a big challenge. The Spanier Commission did some good work but we don't feel like we solved it. It's the job of each university to decide when they've sold their soul.

College sports have been commercialized. Yet with things like the multi-billion SEC contract, schools are feeding the alligator in hopes that he'll eat them last. It's gotten to the point where it's all about the business, not about graduating students or developing the leader or person on the field.

Things are leaning heavily toward the "corrupting" end of the continuum. They've become too dominant over the academic enterprise, too influential, too powerful.

### *A desire for more revenue*

Interestingly, despite the concerns expressed throughout the qualitative research regarding the insidious effects of high spending levels perpetuated by the intercollegiate arms race, the most common sentiment expressed by presidents about the financial challenges they face regarding intercollegiate athletics was their desire to increase revenue rather than push for systemic change, take bold measures to contain costs, or opt out of the system:

I'm very satisfied with the current spending level. If anything we should find more to spend on athletics.

Two things concern me. How do we generate more revenue through football and basketball ticket sales and how do we increase fundraising? In general, how do we create a balanced budget for intercollegiate athletics?

I'm not upset at where we are, but trying to get the best deal for all involved – make sure athletics is becoming as self-sufficient as possible is a goal we're moving towards. In fact, we're hiring a professional fundraiser for athletics to supplement the athletics budget.

One president simply looked forward to a recovery that would provide additional resources:

As we re-grow the university's budget, athletics will benefit. But at some point in the future, we need a one-shot infusion of money or a continuing increase in the athletics budget or find an endowment because our athletics program lives on the edge. We could have a bump in their base budget.

### *A growing cultural divide between athletic and academics*

Although not addressed in the quantitative research, an important issue related to sustainability that emerged from the qualitative research was presidents' perceptions regarding the negative impact big-time intercollegiate athletics can have on the larger mission and values of higher education and its potential divisiveness within the university community. "[My] primary concern is about athletics' role in higher education," one president declared:

There's too much identification of a university with non-academic aspects, distracting from values of higher education and from desirable values in society.

A number of presidents, largely those from equity institutions, expressed a serious concern about what they describe as a disturbing and growing cultural divide



between academics and athletics. On their own campuses, they said, athletics is increasingly in a privileged position, creating mounting tensions. Some comments from presidents illustrate some of these issues:

Our biggest battle is not about revenue, it's about the balance between academics and athletics. We're in a situation right now in which the athletic association has more money and disposable money than it has ever had. On the academic side there is less flexibility at any time since World War II. This creates very disparate cultures. Athletics can spend and do whatever it wants to do, and the academic core of the campus, which is operating under much greater constraints, sees that. The rationalization of those two cultures is one of the most difficult things we face.

We've had coaches with significant increases when faculty have had none. Faculty see coaches with new cars regularly provided by the athletics association and boosters. . . . On the academic side there is a whole list of unmet needs for research space, classrooms, etc. Even the way the athletic facilities look versus the academic side of the house creates pressures.

This may be particular to our campus, but it's a symbolic issue that's real, namely that there's an imbalance of privilege between athletics and academics.

One president of an equity institution believes his institution has achieved an appropriate academic/athletic balance, described the tensions that budget disparities were producing at his institution:

When I came to [the university] faculty salaries were low. There was a certain amount of tension on campus because faculty thought athletics got too much money. But we've done a lot with faculty salaries so those tensions have lessened. Some faculty understand why you have intercollegiate athletics and why you invest there. At [my institution] the tensions are not acute, and the coaches are not trying to foist students on admissions that shouldn't be admitted here.

A number of presidents expressed concern that the pressures of the "arms race" might also affect the sustainability of other important goals, the academic success of student-athletes and compliance with NCAA standards and regulations designed to ensure that student-athletes are able to have access to a quality educational experience. Indeed, concern about the interests of athletes and their academic progress was a subject of interest for many equity and non-equity presidents. As one equity president observed,

My biggest concerns about the current pressures have more to do with the academic experience of athletes. I think we are, but I'm not sure that we're doing right by our students. Pressure on athletes to use time for other things rather than academics is huge.

Another president of an equity institution described the "runaway costs" of big-time athletics as

vicious – the demand to win, land TV contracts, and play in big towns; outrageous coaches' salaries rival the pro's. And it's all about winning. [This results in] cutting students' academic time, creating sham courses, etc.

An equity president was more explicit about his concern for compliance in the current arms race. He noted,

NCAA compliance issues are the biggest problem destroying the bridges between academics and athletics. We need a climate of full compliance. Faculty are offended when an assistant coach breaks a rule.

A non-equity president expressed the concern more broadly:

We're drifting away from the intent of intercollegiate athletics, which is to give students a chance to compete in athletics in college and get a good education. We're undermining the public's confidence in the integrity of intercollegiate sports.

### C. IMPLICATIONS OF INCREASES IN COACHES' SALARIES AND SPORTS-SPECIFIC PERSONNEL

Coaches' salaries appear to be a "lightning rod" issue for many presidents. This issue along with increases in the number of other sports-specific personnel required for the athletic enterprise in the FBS, was identified by presidents as a key contributor to the "arms race" in intercollegiate athletics.

#### Summary of Quantitative Findings

When asked about salaries across FBS institutions nationally, *over 85 percent of FBS presidents indicated that they felt compensation was excessive for football and basketball coaches, nearly half for athletic directors.* Data indicate only minor differences between the perceptions of presidents of equity and non-equity institutions.

However, when asked about whether the total compensation for athletic positions at their institutions was excessive in the context of higher education, the responses differed significantly depending on the level of compensation.

The NCAA provided data that placed the 119 institutions into categories of high, mid or low compensation. The majority of institutions in the high compensation tier are equity-conference institutions. As a result, presidents at equity institutions were significantly more likely to identify their own institutions as providing excessive compensation packages to their football and basketball coaches (60% vs. between 23% [for basketball] and 32% [for football] for non-equity presidents).

A majority of presidents (56%) agree that presidential authority over salaries has been reduced as the use of private monies to compensate coaches has increased. However, presidents at institutions with the highest levels of head football coach compensation were significantly more likely to disagree with this statement.

Interestingly, despite their broad concerns, a majority of presidents (56%) oppose attempts to change federal legislation to allow some level of control on coaching staff salaries, and 42 percent strongly opposed such an initiative.

#### Summary of Qualitative Findings

##### *Coaches salaries seen as greatest impediment to sustainability*

In the qualitative research presidents commonly expressed considerable concern, and even alarm, about coaches' compensation. As the quantitative findings anticipated, this sentiment was especially strong among equity presidents, even though three-

quarters of equity presidents believed athletics were sustainable at their own institution.

Presidents view the upward trends for coaches' salaries as well as the increasing costs of the expanding number of sports-specific personnel as one of the greatest threats to sustainability. As the quantitative research demonstrates, most of the concern about the issue at their own institution is concentrated among presidents of equity institutions, as coaches at these schools are among the most highly compensated. Comments from presidents of some of these institutions reflect the range and depth of concern over this issue.

My number one concern is the arms race that has sent coaches' salaries and contracts out of control.

Coaches go out and get competing offers. That leads to a new salary structure. Then women's basketball says, "Me too." They want gender equity in every sport. You're negotiating everything that spins off the initial large contract. Then we have to compete with the pros. Boosters say, "You can't lose that coach." It's a cycle that has become unconscionable. All the coaches have agents, and I'm afraid some agents are our boosters.

The future of athletics on our campus is sustainable. I think other programs will be sustainable, but the arms race in coaches' salaries and facilities is going to create all kinds of problems particularly when you see coaches paid \$4 million dollars, particularly when you're hiring faculty at salaries of \$60,000 to \$70,000 a year. Universities are supposed to be moral enterprises and teach values. It's hard to justify paying a coach those excessive amounts of money when that person doesn't reflect the values of higher education.

My two huge concerns are the cost of personnel—coaches' salaries—and the cost of facilities. The first is more worrisome than the second. The second comes up in big one-time chunks and is more predictable. The growth in the number of people serving the coaches, and the growth in coaches' salaries, is ongoing. The only way to keep up is with donors. . . . But even if we fill the stadium every game we can't break even.

The budget crisis that's hit the world doesn't seem to even have registered with some of our coaches. But I don't see a dramatic shift: If the market isn't shifting now, I don't know when it will.

The escalation of salaries is a great concern, but it's not clear there are any mechanisms to deal with it. It's hard for me to explain these salaries, but I will pay them.

There's been an explosion of salaries, multi-million, multi-year contracts. It drives everything: fundraising needs, ticket prices, exposure, need to win. If you don't win a championship, the team is no good, and you need a new coach.

The big financial problem is salaries, causing problems and distracting from educational trust. Coaches get raises while faculty pay is frozen.

Qualitative findings support the quantitative results demonstrating that presidents of equity institutions are more concerned about costs associated with coaching at their own institutions than were their non-equity peers. Not surprisingly, the quantitative research also indicates that presidents of institutions that offer higher compensation levels to coaches are also more concerned about excessive coaches' salaries.

The qualitative research provides some valuable insights about this judgment. Non-equity presidents indicated that their salary structures and costs were much more reasonable than those of equity institutions. Furthermore, differences between coaches' and faculty salaries were considerably smaller, making coaches' salaries a less divisive issue on their campuses. These caveats aside, non-equity presidents also affirmed that salaries at other institutions, especially equity universities, were a concern. The escalation of salaries among equity competitors makes it harder, they suggested, to retain and recruit successful coaches. As one non-equity president put it,

I don't think it is sustainable just because of the salaries. Today there was an article about coaches' salaries. It's a total arms race and I don't know how we can keep up with this arms race. It's not a problem here, but it could be.

One non-equity president put the issue of excessive coaches' salaries in a different context, expressing concern shared by other presidents about the dramatic disparities in salaries on their campuses between coaches in football and basketball as compared to those of other sports teams:

It's ridiculous, utterly insane that we can find coaches for soccer, wrestling, etc., for what are not even real salaries, not a living wage. Absolutely, we're pressured in football and basketball.

As became clear in the qualitative interview, presidents view the increasing levels of coaches' salaries as a problem not only for their budgets, but also for how their institutions are perceived by internal and external constituencies:

Coaches' salaries are not only a financial problem, they present a PR problem. It's an arms race, keeping up with others. And they keep creeping up. The general public and legislators think these high salaries are ridiculous, though that doesn't seem to make a difference.

I am concerned because there is no ceiling for how much you pay a football or basketball coach. We make it clear when we are searching for coaches that there is only so much we can pay and that limits the field of candidates. But I'm concerned about the public perception created by high salaries for college coaches.

#### **D. BUDGET PRESSURES PRODUCED BY INCREASING COSTS OF OPERATING SUCCESSFUL ATHLETIC PROGRAMS**

Quantitative and qualitative results suggest that the increasing costs of operating successful athletic programs, especially in the current economic climate, present serious challenges to FBS presidents. For presidents of non-equity institutions, which operate with far less athletics revenue, these challenges are especially daunting.

##### **Summary of Quantitative Findings**

In the quantitative research a substantial majority of presidents report that current economic conditions have affected athletics budgets at the same level as they have affected other units of their universities, and nearly two-thirds report having made athletic budget cuts in the most recently completed fiscal year.

It should be noted, however, that while most presidents believe cuts to athletics have been proportional to cuts in other programs across the university, a quarter of all presidents feel that the economic downturn has *not* affected athletics to the same degree. This belief is more pronounced among equity presidents, of whom a third feel that athletics have been less affected.

Nearly three-quarters of FBS presidents feel that athletics, as compared to other parts of the university, presents unique challenges with regard to controlling costs. And equity and non-equity presidents alike are concerned that current financial pressures would affect the number of varsity sports their institutions could retain in the future.

The effects of financial pressures were more pronounced with regard to non-equity institutions. Over two-thirds of non-equity presidents are concerned about the proportion of allocated revenue or institutional resources used to fund athletics (compared to roughly a quarter of equity presidents); nearly half of the non-equity presidents were concerned that the economic outlook would affect their ability to compete at the FBS level. Given these concerns, it is not surprising that over three-quarters of non-equity presidents supported giving priority to studying changes that would reduce the level of financial commitment required for FBS membership (as opposed to just over half of equity presidents).

## Summary of Qualitative Findings

### *Impact of recession is strongly felt*

Consistent with findings from the quantitative research, most presidents acknowledged in the qualitative interviews that the current recession is having a significant impact across the institution. As one president of a private institution put it, “In the current economy we’re facing budget concerns in every area and struggling with how to grow the [athletic] program without growing the budget. This applies to everything across the university.”

Presidents reported, not surprisingly, the financial pressures have affected public and private funding sources. A significant amount of funding for athletic programs at some public institutions comes from the state – one president estimated that 40 percent of his institution’s athletics budget was supplied by state funds. A president indicated that 17 percent of the state budget for intercollegiate athletics had been cut and that he was having difficulty finding ways of compensating for this cut on the program level.

We’re a public university [and] a big issue is that our overall funding is down. That means cuts in athletics more or less pro rata. The cost of tuition is going up. And since athletics pays for their scholarships, they’re getting a double whammy, beyond their control. I wish we had better gate receipts and more fundraising.

Given the restrictions regarding use of public funding for athletics already in place for many public institutions, drops in private funding are perhaps the most disturbing. One president, who claimed that his university cut its athletic budget by over a third, cited the difficulties in raising additional money through season ticket sales, which have dropped because of the economy:

Intercollegiate athletics is entertainment so when you look at your personal budget and the cost of living is going up and you didn’t get a raise, athletic events and other entertainment get cut from the family budget. Now the same people that sat in our stands now tune in on the radio instead.

Most presidents indicated that they have been requiring cuts in athletics roughly proportional to cuts being made in other units of institution. A number of presidents felt that athletic departments had responded collegially to across-the-board cuts:

We don’t face resistance on campus because our people understand that we are cutting [tens of millions of dollars] from the university budget so we have not found any broad-based resistance. They understand that everyone has to



do their share. Fortunately, we have a lot of coaches who are dedicated to the university.

We're making across-the-board cuts, and athletics is not singled out for greater cuts. Any resistance to the cuts is just noise – Stand in line, because we've had to make cuts across the board.

In none of our interviews did presidents indicate that they dictated how cuts in the athletics budget were to be made, and some said explicitly that they left the details of budget decisions to the athletic directors:

We want to make sure that our athletics department can deliver competitive sport programs in 16 sports programs so we have to protect the coaches and athletes around those athletic endeavors. I didn't tell the AD what to cut, I simply gave him a number and he came back to me with his proposed cuts.

### *Pessimism about achieving balanced athletic budgets*

Irrespective of the current economic climate, many presidents have set a goal of balancing the athletic budget without subsidies from the academic side of the house, but few are optimistic that such a goal can be achieved. One non-equity president summarized the situation as follows: "Our goal is to get the athletics department to balance its budget, but I'm not sure we're ever going to get there." Other non-equity presidents expressed similar views:

Actually we do expect the athletics department to balance its budget. But in recent years we've had to augment their budget \$1-2 million a year. We have done that out of discretionary funds. . . . But we're about tapped out on those other sources.

Quite frankly, for most mid-major institutions it's a problem. When you look at sources of revenue – ticket sales, external giving – and look at operating expenses (state funds and student fees) all of us are struggling to balance our athletics budget, and we're not seeing much light at the end of the tunnel.

Hardly anybody here expects athletics to balance its budget. That's a complete myth. About one-third of the budget is from the state, student fees account for another third, and the last third is from the university at large.

For many presidents, attempts to cope with financial pressures endemic to FBS athletics (and exacerbated by the recession) have required significant adjustments to academic and athletic budgets. To meet requirements for FBS participation (as well as other concerns) presidents have to observe a somewhat complicated calculus,

which includes a number of variables, not the least of which is the number of athletic programs required for Division I status. A president of a non-equity institution explained the challenges he faced as leader of an institution that faced severe budget pressures but could cut only one sport if the school was to remain in Division I:

We have already cut travel, and our major coaches are paid well below the national marketplace. We, of course, cover a substantial part of our budget with private money in the form of direct gifts and some trade agreements, but these people are having their own financial problems.

Another president questioned the 16-team requirement for Division I membership:

If you force me to keep 16, then I have to pay what I need to support those programs. But what if that number were 10 or 12? Couldn't we still have a successful program?

Title IX requirements were also mentioned as a part of this calculus. For example, one president reported having to cut a men's sports team several years ago and now, because of shifting enrollment, having to add new women's teams to achieve gender balance. Other presidents acknowledged the challenges of having to cut men's teams and add women's teams that do not produce revenue.

### E. CROSS-INSTITUTIONAL BENEFITS OF SUCCESSFUL ATHLETICS PROGRAMS

Despite the concerns expressed by presidents regarding the pressures placed on their institutions through its participation in the FBS, competing at this level is seen to carry considerable financial as well as less tangible benefits. Although a number of presidents are aware of scholarly research questioning the relationship between big-time athletics and non-athletic benefits, personal experience plays a much more powerful role in defining presidents' attitudes toward athletics than do the results of these studies.

The research available to presidents includes a number of studies conducted by highly regarded organizations and respected scholars. These show that there is very little correlation between success in intercollegiate athletics and increases in student quality or non-athletic philanthropic support of universities. For example, Robert H. Frank, Henrietta Johnson Lewis Professor of Management and Professor of Economics at Cornell University's Johnson School of Management, published in May 2004 a review of the numerous empirical studies that have attempted to measure the various aspects of the relationship between athletic success and success in other domains. Frank, one of the nation's most highly respected economists, reports that, while the findings in these studies are mixed, "if athletics does generate the indirect benefits in question, the effects are almost surely very small." He goes on to note that "policies that would create incentives for all institutions to reduce their spending on big-time athletic programs would free up resources for other purposes at no cost to either alumni giving or size of applicant pools."

These findings support those of a number of other studies including "The Empirical Effects of Collegiate Athletics," conducted on the behalf of the NCAA by a team including Peter Orszag (current Director of the Office of Management and Budget, then a senior fellow in economic studies at the Brookings Institute). Examining institutional data covering nearly a decade, this study concluded that increased spending on or success in football did not strongly correlate with increased levels of giving to athletics over the medium term. Similarly, no significant correlation was found between these factors and average SAT scores of incoming students. An updated study released in February 2009 found little to change the original study's central conclusions.

#### **Summary of Quantitative Findings**

The quantitative research reveals that high majorities of FBS presidents believe that athletics success provides substantial benefits to their institutions, including subjective benefits that resist or have not been subject to quantification as well as

those that have been the subject of the kind of scholarly research discussed above. For example, a very high proportion of FBS presidents believe that athletics success enhances school spirit (97%); helps to gain national publicity (94%); raises the profile of their institution among elected officials (93%); and improves the overall reputation of the school among other university presidents (69%). A high percentage of presidents also believe that success in big-time intercollegiate athletics provides more measurable benefits such as generating higher levels of giving for uses outside of athletics (72%); attracting greater numbers of prospective students (82%); attracting higher quality students (69%); and providing opportunities for socio-economically disadvantaged students (86%).

With regard to fundraising, it is notable that 80 percent of presidents expressed the belief that athletic fundraising *does not* take from the same pool of money that would otherwise go to general university fundraising.

As presidents' attitudes regarding the relationship between athletics success and donations as well as student interest and quality were at odds with nearly all of the most respected scholarship on these topics, the presumed benefits of intercollegiate athletics were a special focus of the qualitative discussions.

### **Summary of Qualitative Findings**

#### ***A strong conviction about the non-monetary benefits of intercollegiate athletics***

The qualitative research is fairly consistent with the quantitative findings. Almost without exception, the presidents interviewed expressed a strong belief in the non-monetary value intercollegiate athletics bring to the entire university. These include enhancing school spirit across key constituencies and increasing visibility nationally and among elected officials. A significant percentage of university presidents also feel that successful teams have or can have a measurable, positive financial impact on their institution – through increased opportunities for fundraising and by increasing application volume and student quality.

While overall the patterns in the qualitative findings are consistent with the quantitative finding that presidents believe big-time athletics provide benefits to their institution, the qualitative interviews also suggest that presidents recognize that the impact of athletics on their institution is in some ways difficult to assess. Most of the presidents we interviewed would probably agree with one president's assessment: "It's complicated."

*Athletics as the “Front Porch” of the university*

For many presidents, intercollegiate athletics is the institution’s “front porch” or “front door” – the most visible part of the institution and one that provides an entrance into the university for prospective students and other key constituencies.

Our sports are the front porch of the university.

When we were ranked in the top ten it got us on the front of the sports section of a major publication and that gives me a front door to students.

It’s the front porch to the university, a really welcoming and healthy aspect of college life.

Visibility. It allows you to market the university.

Strong athletics gives you the ability to get on center stage in the spotlight, and if you’re smart enough to leverage that to help the academic side of the university you can be even more successful than if you treat academics and athletics as separate worlds.

Two presidents (both of equity institutions) provided the following brief anecdotes:

It gives huge brand identification. I was in Vancouver last week and someone came up to me familiar with the [university mascot] and our basketball program. So there are huge benefits to that.

No other topic gets as much coverage [as athletics does]. I spoke to a group of 30 high-rollers, half well-placed people in the judiciary. In the Q&A, first question was about medical school, but second was about the quarterback for the football team.

*Intercollegiate athletics part of the fabric of many FBS institutions*

Intercollegiate athletics is not only a front door; it is an important part of the fabric of many FBS institutions, promoting community across the institution’s key constituencies, including students, alumni, elected officials, and the public: “It has a lot to do with keeping the whole [university] constituency bound together.” As one equity president put it,

It’s an integral part of our DNA. It’s part of the student and faculty experience. It has shaped us since our founding. It’s a good thing. It gives you the ability as president to say, “Look at all the energy we have, think what we can do if we channel it all.” Where else can you build a sense of community with 85,000 people gathered for a family reunion?

Or, to describe the benefits in more comprehensive terms,

Intercollegiate athletics creates a different type of *esprit de corps* – it’s a uniting force on campus. When football, basketball, and volleyball season roll around it brings the community together and lifts morale at a time when the economy is challenging. Athletics keeps alumni connected to the university. When I speak around the state, I’m always asked about athletics. People pick up the paper to see how our sports programs are doing. It gives our university name recognition on both a state and national level. And getting more national prominence is something that helps.

Another president described the role of athletics in the institution as “intangible, social glue”:

Alumni are active, engaged. . . . Athletics builds allegiance to the institution and brings national prominence and pride.

### *Impact of intercollegiate athletics on applications, enrollment, and academic success*

As noted above, some presidents consider a successful and visible athletics program to have a direct impact on academic success, for instance, helping to raise student application volume (86% of presidents in the quantitative research) and the quality of the student body (69%). As one equity president put it,

I believe intercollegiate athletics has had positive effects on enrollment, student engagement, and the like. The 2006 football season, for example, dramatically increased student interest in [the university]. The next summer there was a 65 percent increase in number of students and parents visiting campus. The number of applications went up and the quality of students increased as measured by GPA and test scores.

Another equity president expressed the contribution a successful football program has made to his institution: “*Athletics has played a major role in advancing us academically.*”

Since we [won the bowl game], I can tell you, we’ve been in enrollment growth. We’ve tapped into high schools in the markets where our athletes come from. We’re getting top scholars from those schools and have had dramatic success in those out-of-state high schools.

A few dissenting voices were heard from presidents participating in the qualitative interviews. For example, while one acknowledged that “there’s some bump in

applications when we win,” he went on to say that the claims of boosters were exaggerated, explaining that his institution also saw increases in applications “when we weren’t winning,” and that, furthermore, even these gains in applications didn’t “necessarily cause meaningful increases in enrollment.”

### *Impact of intercollegiate athletics on fundraising*

Findings from the qualitative research suggest that presidents’ perceptions regarding the fundraising benefits of intercollegiate athletics programs are somewhat more complicated than a cursory reading of the quantitative findings may suggest. Some presidents expressed strong disagreement with the idea that athletics success translated into more money for non-athletic interests, and some provided powerful anecdotes supporting the value of athletics as a fundraising tool. More often, presidents tended to steer discussion to less tangible benefits, stressing the positive impact of athletics in terms described above. Whatever opinions presidents may have articulated about the relationship between academic and athletics fundraising, it is clear that the vast majority (80%) do not believe that donations for athletics programs are made at the expense of the academic side of the house.

A number of presidents spoke with confidence about how their athletics success had translated directly into financial benefits for their institution:

All five of our top donors have an interest in athletics. They are very pro intercollegiate athletics. That is another way we communicate with them. As we invite them and they come to athletic events, it gives us another opportunity to talk about other important things that need funding at the university.

You raise money where you can and play the game. Raising money for athletics doesn’t take it away from academics. In fact, gifts to the University doubled across the board – for academics and athletics – during my time here.

Even in this recessionary year, last year was a record [for fundraising] and this year topped that record. . . . I have a donor who gave \$500,000 to athletics and then turned right around and endowed a chair in an academic program for \$3 million.

Alumni are active, engaged. There’s some splash over from athletic givers to academic things.

A few presidents openly questioned findings of the NCAA and other studies purporting to show a lack of correlation between athletic success and institutional fundraising. Indeed, the findings suggest that presidents’ perceptions are strongly

shaped by personal experiences they have had in successful fundraising situations rather than by data produced in research studies. As one president observed,

My experience makes me contest the findings of the studies. A successful, clean, ethical program is a positive beacon for the university. It's a marketing and branding plus, clearly. If we hadn't gone to the Bowl my ability to raise money for the academic side wouldn't have been there. I've done most of my fundraising in the football sky box.

One cited an internal study of a large pool of athletics donors conducted by his university showing that half of these donors also gave money to the rest of the university. Although he acknowledged that the "interest in athletics and its correlation to gifts to the university is a bookkeeping challenge because sometimes the connection isn't obvious," this president nonetheless maintained that interest in athletics constituted an important contribution:

Whether it's athletics that gets people engaged and excited about academics or the other way around – and I'm not sure which way the current flows – it's not as autonomous as I once believed. There surely are places where great athletics doesn't translate into funding for other parts of the university, but that is not the case here.

Interestingly, some presidents were more inclined to believe that athletics success had a greater positive impact on application volume than on fundraising:

Alumni expect sports and get pride from them, though that doesn't translate into giving. I was [an athlete] in college and got a lot from it, but I have a hard time knowing what the value is for the institution. It increases the number of applications but not the academic profile of the entering class. The fundraising gains are to athletics only.

It's convenient for presidents not to believe that athletics doesn't increase fundraising to other parts of the university. But I do think it positively affects enrollment and your image, but I don't think it affects fundraising.

A president of an equity institution who has nearly three decades of experience "as a senior administrator in positions that involved fundraising" expressed skepticism about the fundraising benefits of athletics programs:

I've never believed that. I think there is some cross-over benefit in building a pool, but it is minimum and marginal. Most athletic donors give to athletics. There are exceptions. I know people who have given \$2 million to athletics



and \$5 million to academics, but I could name those donors on my fingers. . . . President looks for anything to justify the disparities.

Expressing a similar sentiment, another president remarked that,

Winning has not helped with allocations from the legislature; it's increased the love, but there's no money available in these times. And it hasn't helped, or hurt, [our] capital campaign. We've raised some funds for athletics, but that hasn't affected university fundraising.

Finally, as noted above, it's clear that most presidents do not see fundraising for athletics and academics as a zero-sum game in which financial gains for athletics programs are made at the expense of the academic side of the house. Apropos of the quantitative finding that 80% of FBS presidents believe athletic fundraising *does not* take from the same pool of money that would otherwise go to general university fundraising, a non-equity president remarked, "I see athletics and academics as separate pots of fundraising. I'm a resource to both."

## E. TRANSPARENCY

While most presidents have confidence in the accuracy of financial data provided by their own institutions and have some confidence in that provided by their peers, a great majority of presidents agree that *greater transparency of athletics operating and capital costs is needed*.

### Summary of Quantitative Findings

With regard to the financial information currently available, a majority of presidents (95%) agree that they are confident in the accuracy of the financial information they receive from their athletics departments, with a vast majority of these (82%) being *very* confident. Presidents expressed lower levels of confidence regarding the financial information reported by their peer institution (61% were “somewhat” confident this information was accurate).

Their confidence in data currently available notwithstanding, *eighty-four percent of the presidents surveyed believe that greater transparency was necessary*, with 93 percent of non-equity and 74 percent of equity presidents supporting greater transparency.

As the NCAA dashboard indicators on athletics costs are an important tool supporting greater transparency, it is important to note that nearly every president (86%) reported having reviewed these NCAA indicators.

### Summary of Qualitative Findings

#### *Strong support for transparency*

Consistent with the quantitative findings, a very high majority of the presidents interviewed expressed the conviction that greater transparency of the finances of intercollegiate athletics is needed at both the institutional, conference, and national levels. The sentiment for transparency was strongly felt, as reflected in the following representative presidential comments:

I totally agree that greater public transparency is needed. I’m amazed that intelligent people really believe that athletics makes a lot of money for the university. I believe in transparency in terms of the university and athletics budget and having the kind of comparative data that is becoming available is very important.

I absolutely think there should be great transparency. If you can’t defend those decisions openly then you’ve probably made a bad decision.

We already are transparent. We're bombarded with open records requests, and half are athletic. The rub is there's a lot of misunderstanding around here about how athletics is paid for, so I'm constantly explaining it. Our own employees as well as the general public are asking.

Transparency will help. If our public is fully aware of the money and other issues, it will support proper values. My university is very transparent, and that helped me take resources away from athletics in the face of difficult economic times.

It should be noted, however, that some presidents do not feel that transparency in itself would solve the problems posed by big-time intercollegiate athletics:

Things are absolutely transparent at my university. Finance and athletic functions work together closely within the administration. In terms of solving the problem, greater transparency wouldn't do it.

We have a high level of transparency [under] a strong freedom of information law. . . . Contracts, salaries, etc. are available to the press. But that is not really a motivating factor; it hasn't been here.

We're past the stage where transparency is the answer. For example, the newspaper published salaries, yet everyone accepts the situation, even as schools face budget crises.

The question, thus, is not whether transparency is desirable, but how it plays out. For example, many presidents, particularly at public institutions that are subject to state "sunshine" laws regarding financial data, believe that their institutions already practice transparency. A number of presidential comments reflect this view:

We put everything online. You can figure out every dime spent at the university including athletics.

We're a public university in a state that is very much into freedom of information. So all the data about athletics is open to the public.

Let's call it like it is. Most of the big-time players are public so they have to be transparent. Athletic budgets are there online. We're pretty transparent here.

We are about as transparent as it gets. You can't cut four programs and not tell people why. We tell people what we are doing and what we plan to do so the public knows exactly what is going on.

But a few presidents pointed out that the *de facto* transparency that exists for public institutions may not provide easy access to financial data regarding intercollegiate athletics. As a one president noted,

Sure, the data is there, but people have to work pretty hard to find it. And it's not easy to compare one institution against another without a lot of digging. You would think the media would be all over these data, but they don't seem to want to do the work necessary to uncover it.

Only one president thought that greater transparency might accelerate the pace of the athletic arms race:

I have mixed views about it. The goal of transparency is to control costs, but there is as much a chance that it will become a basis for individual athletic programs to argue for more resources. For example, if one institution is spending 30 percent more than a competitor on coaches' salaries, that competitor might see these data and argue that they need more to compete. Then it could become the basis for any athletic department to argue for greater funding.

A number of presidents expressed concerns about the completeness, reliability, depth, and comparability of the data that's available on individual institutions. For example, as one president noted,

We have a value to be transparent. But when I looked at the data for our competitors, I couldn't find out what they were paying their athletic directors or the amount of support coming from booster clubs. That's important information they were unwilling to share.

Another president noted, "We must be sure we do it so clearly that we're comparing apples to apples. We set up our conference that way but it took several years to get it right. We'd be best off to work with NACUBO [National Association of College and University Business Officers]. They've been good about this sort of thing."

### *An important role for the NCAA*

As the quantitative research indicated, nearly nine out of ten FBS presidents have reviewed the NCAA financial dashboard indicators for their institutions. The NCAA is seen as a key player in providing even greater transparency, particularly in a way that provides a reliable basis for cross-institutional and conference comparisons that would be available to the media and general public.

As one equity president noted, “None of my friends at other institutions want to do this because their numbers are so much higher. The NCAA could publish this information and I would be supportive of that.”

A non-equity president agreed:

I would very much support the NCAA making the dashboard information on individual institutions open to the public. Currently, the dashboard allows you to get group information, not individual information. But it’s only accessible to people on the inside. The NCAA should make this information open to the public on an individual institutional basis.

Another president made the same argument, and noted,

The NCAA is a membership organization and what it tries to do is talk back to the members and say these are tools we think you should use. The message back is to do the right sorts of things. Making financial information accessible to the public is a strong step in that direction.