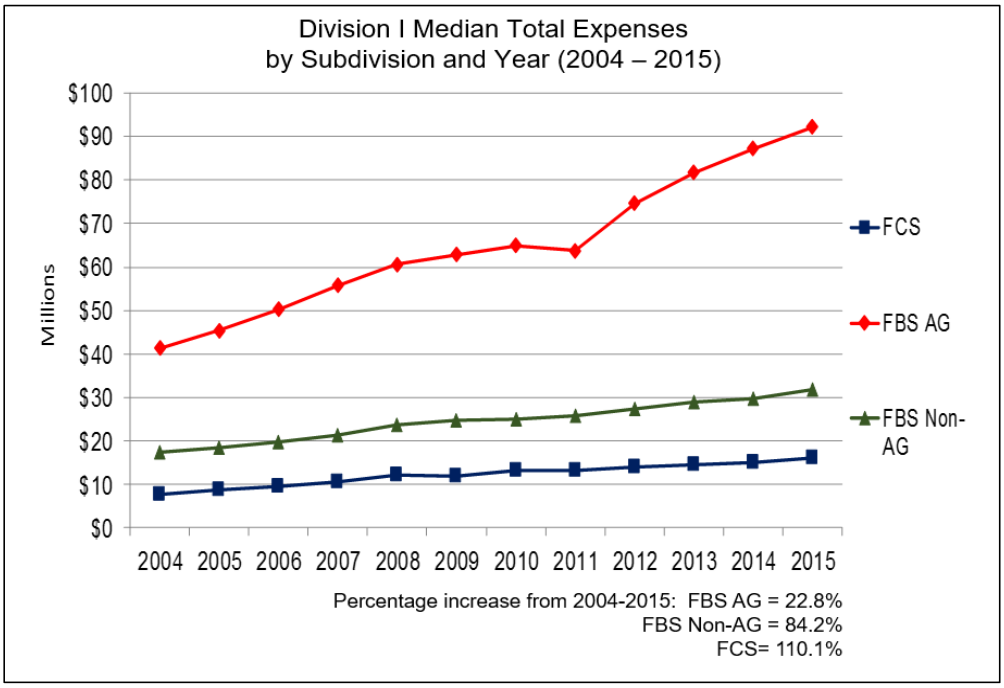
FCS to FBS Reclassification Considerations



There are large financial differences between the FBS autonomy governance (AG) and nonautonomy governance conferences and that gap will only continue to grow (left chart). Any FCS school trying to reclassify to FBS will almost certainly be a non-AQ conference member. Therefore, any analysis comparing FCS to FBS should focus on the top two quartiles of FCS versus the bottom two quartiles of FBS.

Top FCS schools generate median revenues at a slightly lower rate as the bottom FBS schools (chart below), while sponsoring almost five more sports team on average and 170 more student-athletes on campus. Top quartile FCS schools clearly operate with a philosophy to provide more opportunities for varsity competition for their student-athletes than those in the lower tier of FBS.

Bottom quartile FBS schools devote almost twice as much of their total athletics expenses to football than do the top schools in FCS. This pursuit of keeping up in football may be one reason these schools tend to sponsor fewer sports programs. Additionally, national champions in all NCAA sports come from the FBS-AG conferences almost 90 percent of the time. In fact, FCS teams have won twice as many national championships over the past several years than FBS non-AG teams. Thus, moving from FCS to FBS is not likely to increase the odds of national championships for schools that make the move.

Comparison of Median Institution on Various Athletics Department Attributes of Top Two FCS Quartiles vs. Bottom Two FBS Quartiles

	FBS Quartile 3	FBS Quartile 4	FCS Quartile 1	FCS Quartile 2
Generated Revenues	$24,277,998	$10,369,664	$8,881,855	$4,362,021
Total Revenues	$43,273,273	$27,748,687	$28,871,925	$19,617,020
Total Expenses	$43,384,238	$27,336,884	$28,277,667	$19,617,020
Sports Sponsored	18.00	17.00	21.50	18.00
Total Student-Athletes	536.50	470.00	648.50	527.00
% of Budget for Football	27%	28%	15%	20%

Two studies (Frieder and Fulks, 2007; and Orszag and Orszag, 2005) analyzed schools that reclassified and both found that schools did generate more revenue after the move. However, in most most cases, expenses increased by a larger amount than did generated revenues, and the net outcome in both studies was that these schools had to increase subsidies to their athletics departments by between $1-2 million per year. Although the Frieder and Fulks study found an increase in overall student enrollment with the reclassifying schools it reviewed, the Orszag study reported finding no increases to overall student enrollment.

Analyses have been done regarding the football success of teams that have reclassified and there have been 28 such teams from 1978-2016. The results for those, on average, have not been good. The average winning percentage dropped from 58% in the FCS to 46% in FBS. Similarly, those teams had winning seasons 65.6% of the time in FCS and only 36.5% of the time in the FBS. With the exceptions of Boise State, Nevada and Appalachian State, the football fortunes of teams that have reclassified have been fairly poor.

Schools Transitioning from FCS to FBS from 1978-2016

		FCS								*FBS*							
School	Year	Wins	Losses	Ties	Win Pct.	Years	Wins/ Yr.	Win. Seasons	Post-season	Wins	Losses	Ties	Win Pct.	Years	Wins/ Yr.	Win. Seasons	Post-season
Akron	**1987**	53	47	1	.530	9	5.89	6	0	132	211	3	.386	30	4.40	5	2
UAB	**1996**	32	18	2	.635	5	6.40	4	0	86	135	0	.389	19	4.53	3	1
Arkansas St.	**1992**	80	79	5	.503	14	5.71	6	3	125	171	1	.423	25	5.00	7	6
Boise St.	**1996**	134	75	0	.641	18	7.44	15	5	209	59	0	.780	21	9.95	19	17
Buffalo	**1999**	20	35	0	.364	5	4.00	5	0	59	154	0	.277	18	3.28	2	2
UCF	**1996**	44	25	0	.638	6	7.33	6	3	133	123	0	.520	21	6.33	11	8
UConn	**2002**	128	133	2	.490	24	5.33	10	1	89	95	0	.484	15	5.93	6	5
Fla. Atlantic	**2006**	28	30	0	.483	5	5.60	2	0	48	86	0	.358	11	4.36	2	2
FIU	**2006**	15	29	0	.341	4	3.75	2	0	41	93	0	.306	11	3.73	2	2
Idaho	**2006**	134	79	0	.629	18	7.44	15	11	82	166	0	.331	21	3.90	5	3
La.-Monroe	**1994**	110	71	3	.606	16	6.88	11	4	95	174	0	.353	23	4.13	1	1
Louisiana Tech	**1989**	62	56	2	.525	11	5.64	5	3	170	159	4	.517	28	6.07	13	7
Marshall	**1997**	138	97	3	.586	19	7.26	11	8	155	97	0	.615	20	7.75	12	11
Middle Tenn.	**1999**	141	96	2	.594	21	6.71	15	7	106	111	0	.488	18	5.89	8	6
Nevada	**1992**	122	47	0	.722	14	8.71	13	7	164	139	0	.541	25	6.56	15	13
North Texas	**1995**	88	99	3	.471	17	5.18	8	4	89	172	0	.341	22	4.05	4	6
South Fla.	**2001**	27	17	0	.614	4	6.75	3	0	109	86	0	.559	16	6.81	10	8
Troy	**2002**	84	27	0	.757	9	9.33	8	6	93	91	0	.505	15	6.20	7	5
Western Ky.	**2009**	191	156	2	.550	31	6.16	18	8	55	47	0	.539	8	6.88	6	4
Massachusetts	**2013**	226	172	0	.568	35	6.46	23	8	9	39	0	.188	4	2.25	0	0
South Ala.	**2013**	25	15	0	.625	4	6.25	3	0	23	27	0	.460	4	5.75	0	2
Texas St.	**2013**	145	181	0	.445	29	5.00	7	2	18	30	0	.375	4	4.50	1	0
Georgia St.	**2014**	10	35	0	.222	4	2.50	1	0	10	27	0	.270	3	3.33	0	1
UTSA	**2014**	19	15	0	.559	3	6.33	2	0	13	24	0	.351	3	4.33	0	1
Appalachian St.	**2015**	292	154	0	.655	37	7.89	31	20	22	5	0	.815	2	11.00	2	1
Ga. Southern	**2015**	299	118	0	.717	33	9.06	30	19	14	11	0	.560	2	7.00	1	1
Old Dominion	**2015**	52	20	0	.722	6	8.67	5	2	15	10	0	.600	2	7.50	1	1
Charlotte	**2016**	12	22	0	.353	3	4.00	0	0	4	8	0	.333	1	4.00	0	0
		2711	**1948**	**25**	**.581**	**404**	**6.71**	**265**	**121**	**2168**	**2550**	**8**	**.460**	**392**	**5.53**	**143**	**116**

In conclusion, the data show FCS schools are able to provide more sports and more opportunities for student-athletes, giving a well-rounded collegiate experience. The overall sports success rates favor more FCS teams than FBS non-AQ teams. Additionally, the net operating results that exclude allocated support for FCS schools continue to outperform the FBS non-AQ teams (right chart).