

APPENDICES

*Report of Findings from Quantitative and Qualitative Research
for Knight Commission*

APPENDIX A

Questionnaire for quantitative research interviews

APPENDIX A: QUESTIONNAIRE FOR QUANTITATIVE RESEARCH INTERVIEWS

- Q1. How do you believe the current economic conditions are impacting athletics departments compared to other units at your institution? Are they having a much greater impact on athletics, somewhat greater impact, about the same impact, somewhat less impact, or much less impact on athletics?
- Q2. Have there been any cuts to your institution's athletics budget this fiscal year?
- Q3. Are you projecting a reduction in athletic revenues next fiscal year as compared to this year?
- Q4. Are you making programmatic changes in athletics to reduce expenses for the foreseeable future, such as reducing staff, grants-in-aid, or teams, but excluding travel?
- Q6. There have been many debates regarding the benefits that intercollegiate athletics programs might provide to Division I universities. Would you say that you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that [INSERT] is a benefit of intercollegiate athletics at your university?
- a. Raising the profile of the institution among elected officials
 - b. Generating additional revenue for uses outside of athletics
 - c. Attracting greater numbers of prospective students
 - d. Attracting higher quality students
 - e. Generating higher levels of giving from alumni and friends for uses outside of athletics
 - f. Enhancing school spirit and campus life
 - g. Gaining national publicity and media attention
 - h. Improving the overall reputation of the institution among other university presidents
 - i. Providing opportunities for socio-economically disadvantaged students
- Q7. Given the trends you see in revenues and expenses, including both operating and capital expenses, do you believe that athletics operations are sustainable in their current form...?

- a. At your institution
- b. At most other campuses in your conference
- c. For FBS universities nationally

IF N0 IN Q7a, ASK:

Q8. Do you believe that your university can control costs or increase revenues to achieve sustainability on your own, or do you feel that wider sweeping changes involving all FBS schools will be required?

IF ON YOUR OWN IN Q8, ASK:

Q8a. Do you feel it is better for institutions to work on their own to achieve sustainability, or would you prefer that all FBS schools work together to achieve sustainability?

IF YES IN Q7a AND N0 IN Q7b or Q7c, ASK:

Q9. Do you believe that most other FBS universities can control costs or increase revenues to achieve sustainability on their own, or do you feel that wider sweeping changes involving all FBS schools will be required?

ASK EVERYONE:

Q10. Analysts have identified areas where potential policy changes can impact revenues and expenses. Would you say that you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that priority should be given to studying...?

- a. Reducing the number of contests for nonrevenue producing sports
- b. Reducing the number of contests for revenue producing sports
- c. Reducing the number of coaches per sport for nonrevenue producing sports
- d. Reducing the number of coaches per sport for revenue producing sports
- e. Reducing the number of or total expenditures on scholarships for nonrevenue producing sports
- f. Reducing the number of or total expenditures on scholarships for revenue producing sports
- g. Reducing the number of sport specific personnel other than coaches or academic support (for example, the director of football recruiting or director of basketball operations)
- h. Changing BCS revenue distribution policies
- i. Changing Conference revenue distribution policies
- j. Changing NCAA basketball revenue distribution policies

- k. Reducing the level of financial commitment required for FBS membership
 - l. Seeking changes to federal legislation to allow some level of control on coaching staff salaries
- Q13. Using the same scale, please tell me the degree to which you agree or disagree with each of the following statements about college athletics at your university.
- a. When trying to control costs, athletics presents unique challenges as compared to schools, divisions, or other parts of the university
 - b. You are confident in the accuracy of the financial information you receive for your institution's athletics department
 - c. You are concerned that the current economic outlook will impact the number of varsity sports your institution can retain in the future
 - d. You are concerned that the current economic outlook will impact whether your institution can continue to compete at the FBS level
 - e. You are concerned about the proportion of allocated revenue or institutional resources, such as student fees or institutional transfers, used to fund athletics on your campus
 - f. Athletic fundraising takes from the same pool of money that would otherwise go to general university fundraising
- Q14. Have you reviewed your athletics programs' dashboard indicators as presented on the NCAA's online financial management tool?
- Q14A. How confident are you in the accuracy of the information available for peer institutions in the NCAA's online financial management tool? Are you completely confident, very confident, somewhat confident, or not at all confident?
- Q15. Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statements:
- a. Greater public transparency of athletics operating and capital costs for individual institutions is needed
 - b. The increasing degree to which private monies are used to fund football and basketball coaches salaries has reduced presidential authority over these decisions at FBS institutions

Q16. Do you feel that the total compensation football coaches receive at your institution is excessive in the context of higher education? How about basketball coaches at your institution? How about the athletic director at your institution?

Q17. Do you feel that the total compensation that football coaches receive at other FBS institutions is excessive in the context of higher education? How about basketball coaches at other FBS institutions? How about the athletic director at other FBS institutions?

READ TO ALL: Finally, just a few more questions for background purposes only.

D1. Did you play varsity intercollegiate sports in college?

IF YES IN D1, ASK:

D1A. What sport or sports did you play?

IF D1A = Football, ASK:

D2A. Was this at an institution that is currently a member of the FBS?

IF D1A not Football, ASK:

D2A. Was this at an institution that is currently a member of Division 1?

ASK EVERYONE:

D3. How long have you been president at an FBS institution, including any prior tenure?

01 2 years or less

02 3-5 years

03 6-10 years

04 11-20 years

05 20+ years

D4. RECORD GENDER

APPENDIX B

Discussion guide for qualitative research interviews

APPENDIX B: DISCUSSION GUIDE FOR QUALITATIVE RESEARCH INTERVIEWS

Q1. Top Issues

What are the top 3 issues you face on your campus regarding the financing of intercollegiate athletics?

Probes for each issue:

- a. Is it unique to your campus? Why or why not?
- b. What steps are you taking to address each issue?
- c. What steps would you like to be able to take?
- d. What do you feel the involvement should be of the governing board, campus administrators, athletic departments, etc? Do you believe these groups are informed about the issues at stake?
- e. What stakeholders do you feel are impediments to your efforts to address each issue?
- f. Is this an issue that can be handled at the campus level, or does it require conference-wide or national action? Why or why not?

Q2. Current Spending assessment

When thinking about the current level and proportion of total university spending on intercollegiate athletics at your institution, do you feel you should spend more, less, or are you satisfied with the current level and proportion? Why?

Q3. Philosophy

Do you expect the athletics department to balance its operating budget each year without relying on institutional funds, such as state funds and student fees?

Do you expect the athletics department to generate net revenue for the university to use outside of athletics?

IF YES: Has your philosophy been impacted by an increase in commercial revenues to your institution's athletics department (e.g., new television contract)?

IF NO: Do you have any concerns about the proportion of allocated revenue or institutional resources (e.g., student fees, institutional transfers) used to fund intercollegiate athletics on your campus? *Follow-up:* And, do you anticipate that the proportion of institutional funds directed towards athletics will increase in future years?

Q4. Sustainability

Is the athletic program you currently have on your campus sustainable in the current economic environment? If not, what changes do you anticipate making and/or what changes have been made in the past year?

In our quantitative study, we found that presidents were much less likely to be concerned with sustainability of current trends on their own campuses compared to other FBS institutions nationally. What do you think accounts for this disparity?

Do you feel it is better for institutions to work individually to achieve a sustainable financial model for athletics or would you prefer that all FBS schools work together?

What realistic actions do you think FBS institutions could take collectively that would be most effective at containing athletics costs?

Q5. Transparency

In our quantitative study, the majority of presidents believed greater public transparency of athletics operating and capital costs for individual institutions is needed? Would you be willing to provide greater transparency of your own institution's athletics operating and capital costs?

If yes, do you have ideas about how this could be done?

How do you think transparency might help in any efforts to contain or moderate costs?

Q6. Cost reduction or containing costs

What is your institution or your conference doing, if anything, to reduce or contain operating costs related to financing intercollegiate athletics? What are the most significant impediments to these efforts?

What do you believe are the most important policies or actions you could take to reduce or contain athletics cost?

If you could do one thing to contain athletics costs at your own institution, what would that be?

If the institutions collectively could do one thing to contain athletics costs, what should that be?

Q7. Revenues/Commercialism

Are there major policy changes you believe need to be made to increase athletics revenues?

Do you have any concerns about the demands placed on athletes for commercial considerations, such as game times, football games on weeknights, late basketball games, number of basketball games or other considerations? IF YES: Describe those concerns. IF NO: Why not?

How about the control and access given to commercial partners, such as marketing and media companies or to broadcast, package, sell, present and deliver intercollegiate athletics competitions? IF YES: Describe those concerns. IF NO: Why not?

Q8. Coaches' Compensation and number of sport specific personnel

Do you believe coaches compensation for football and basketball coaches present problems for all FBS institutions? If so, please describe and explain what, if anything, you think can be done about it. What would you be willing to do at your own institution?

What are your opinions about the proliferation of personnel in sport specific areas such as director of football operations, videography, director of recruiting and player development and similar positions in basketball present problems for all FBS institutions? What do you think can be done about this?

Q9. Benefits of Athletics

In our present study, many presidents indicated they believed that some of the most important benefits of intercollegiate athletics to an institution were increasing the number and quality of prospective students and increasing philanthropic support for the university not just athletics. These observations are at odds with major recent studies conducted on these subjects by respected scholars, including studies funded by the NCAA. Are you familiar with these studies? What do you think accounts for this disparity? Do you have evidence that might indicate your own institution would be an exception?

Q10. Capital Costs

Has your institution delayed any athletics capital projects as a result of the recession? Are you planning any athletics capital projects in the near future?

IF YES: How do you plan to finance these projects?

Have you made any choices between capital projects for athletics and academic units?

What opportunity costs do you associate with these?

Q11. Nonmonetary costs and liabilities

What are the most significant non-monetary costs and liabilities of intercollegiate athletics at your institution?

Q12. Open

Is there anything you'd like to add about intercollegiate athletics in higher education that we haven't talked about?

APPENDIX C

Top line findings from quantitative research

KNIGHT COMMISSION ON INTERCOLLEGIATE ATHLETICS
Summary of top-line findings from quantitative research with FBS presidents

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 membership in an equity and non-equity conference, region of the country, athletics operating budgets, presidential tenure, and levels of athletic success.

A. Overview of study design

- 10-minute telephone interviews
- Interviews completed with 95 of the 119 FBS presidents, a completion rate of 80 percent
- Interviews were conducted from March 18th to May 20th
- Each conference well represented: Over two-thirds of the presidents from each conference completed interviews

B. Overview of most salient findings from quantitative interviews

The results were analyzed using a number of factors, and noteworthy statistically significant differences based on these analyses are provided in the report of findings. A number of analytical variables were based on NCAA data that divides FBS institutions into categories of High, Middle, and Low based on specified factors such as total athletics budget; level of coaches' compensation; and portion of budget comprising allocated revenues (e.g., institutional subsidies, student fees). The findings were also analyzed on the basis of conference and institutional or presidential characteristics such as institutional endowment, enrollment, selectivity, and presidential tenure.

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 because of their preferential BCS qualification status. The institutions in the equity category have larger athletics budgets and rely less on institutional allocations (per information provided by the NCAA). The non-equity conferences include the Mid-American Conference (MAC), Sunbelt, Mountain West, Conference USA, and the Western Athletic Conference (WAC). The military academies are included in the non-equity category. Completed interviews were divided nearly equally between equity and non-equity universities.

C. Summary of Most Salient Findings from Quantitative Research

1. IMPACT OF CURRENT ECONOMIC CONDITIONS

- Nearly two-thirds report current economic conditions are impacting athletics about the same as other units at their institutions, while one-quarter report less impact on athletics. One third of equity presidents report the economy is having less impact on athletics than other units.
- Nearly two-thirds have made cuts to athletics budget in past year.
- Two-fifths (41%) see declining revenues next year.

2. PROGRAMMATIC CUTS

- Over 40% (44%) responded that they do plan to make programmatic cuts such as reducing the number of teams, grants-in-aid, or staff. Over half (55%) non-equity presidents and a third (35%) equity presidents said they plan to make such changes.

3. SUSTAINABILITY OF ATHLETICS OPERATIONS IN CURRENT FORM GIVEN FINANCIAL TRENDS AND CONTROLLING COSTS

- Three-quarters (73%) of the presidents agree that, when trying to control costs, athletics presents unique challenges as compared to other parts of the university.
- Two-thirds (64%) of the presidents feel that given the trends in athletics revenues and expenses, athletics operations are sustainable in their current form at their own institutions.
- However, when asked about sustainability for most campuses in their conference, only half (47%) feel that athletics is sustainable in their current form at most other institutions in their conference, and only 23% feel athletics is sustainable at most FBS universities nationally.
- Presidents from equity conferences (76%) are more likely to report that athletics operations are sustainable in their current form at their own institution. Half of the institutions from non-equity conferences do not believe athletics operations are sustainable in their current form given the trends in revenues and expenses.

4. CONCERNS ABOUT THE FUTURE

- Two-thirds (66%) of the non-equity presidents and a quarter (26%) of the equity presidents are concerned about the proportion of the institutional resources used to fund athletics on their campus.
- Nearly half of non-equity (45%) presidents are concerned that the current economic outlook will impact whether the institution can continue to compete in the FBS level; only one-sixth (16%) of equity presidents are similarly concerned.

5. COACHES SALARIES AND ACTIONS ON THEM

- A very high majority of presidents (over 85%) feel that the total compensation of football and basketball coaches are excessive at other FBS institutions nationally.
- A majority of equity-presidents (61%) consider the total compensation of football and basketball coaches at their institution to be excessive. Less than a third of the non-equity presidents consider their football or basketball coaches' compensation to be excessive.
- Over half (56%) agree that the increasing degree to which private monies are used to fund football and basketball coaches' salaries has reduced presidential authority over coaches salaries at FBS institutions.
- Over half (56%) of presidents do not support seeking changes to federal legislation to allow some level of control on coaching staff salaries. Those who do support this type of action: half of non-equity institutions and a third of the equity institutions.

6. ACTIONS PRESIDENTS ARE WILLING TO CONSIDER TO REDUCE COSTS/INCREASE REVENUES

a. Transparency and NCAA financial management tools

- Over 80% (84%) agree that greater public transparency of athletics operating and capital costs for individual institutions is needed (93 % of all non-equity institutions believe this and three-quarters (75%) of equity schools).
- A very high majority (86%) of presidents report having reviewed the NCAA dashboard indicators and having confidence in the accuracy of the data provided for peer institutions.
- Nearly every (95%) president also report being confident in the accuracy of the financial information they receive from their athletics department.

b. Reducing the number of coaches

- Two-thirds agree priority should be given to studying policy changes that reduce the number of sport-specific personnel other than coaches or academic support (64%) and reduce the number of coaches for revenue-producing sports (66%). Over half (54%) support similar action for coaches of nonrevenue sports.

c. Reduce the number of contests

- Nearly two-thirds (64%) agree priority should be given to studying policy changes that would reduce the number of contests for nonrevenue producing sports. Nearly half (49%) support such action for revenue producing sports.

d. Reducing the number of or total expenditures on athletics scholarships

- Only a third (33%) respond affirmatively when asked about giving priority to studying policy changes that reduce the number of expenditures for scholarships for nonrevenue sports. That number increased to over 40% (42%) when asked about this study area for revenue producing sports.

e. 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 respond affirmatively to giving priority to this area of study.

f. Revenue Distribution

- Nearly two-thirds (62%) support studying policy changes that alter 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 giving priority to studying policy changes that would alter NCAA basketball revenue distribution policies. Three-quarters (75%) of non-equity schools and a third (33%) of the equity schools support such an initiative.

7. BENEFITS OF INTERCOLLEGIATE ATHLETICS TO UNIVERSITIES

- Very high majorities of presidents agree that intercollegiate athletics provides benefits for their universities in a number of areas: enhances school spirit (97%), helps gain national publicity (94%), and raises the profile of their institution among elected officials (93%).
- Over two-thirds agree that athletics provides opportunities for socio-economically disadvantaged students (86%); helps generate higher levels of giving from alumni for uses outside of athletics (72%); helps attract greater numbers of prospective students (82%) and higher quality students (69%); and improves the overall reputation of the school among other university presidents (69%).

8. AREAS OF GREATEST AGREEMENT CONCERNING FINANCES

- Over 85% believe that football (86%) and basketball (87%) coaches' salaries at other FBS institutions are excessive in the context of higher education.
- Over 80% (83%) agree that greater public transparency of athletics operating and capital costs for individual institutions is needed (93 % of all non-equity institutions believe this and three-quarters of equity schools).
- Nearly three-quarters (73%) believe that when trying to control costs, athletics presents unique challenges as compared to schools, divisions, or other parts of the university.
- Two-thirds agree that priority should be given to studying policy changes that would reduce the number of:
 - Sport-specific personnel other than coaches or academic support
 - Coaches for revenue-producing sports
 - Contests for non-revenue producing sports

APPENDIX D

Complete quantitative research report

Knight Commission

Final Report on Quantitative Research with FBS Presidents
on Intercollegiate Athletics Programs

October 2009

ART & SCIENCE
GROUP L.L.C.

Research Methodology

- **Quantitative interviews with Football Bowl Subdivision (FBS) university presidents**
- **95 completed interviews**
- **Phone administered**
- **Surveyed from March 18, 2009 – May 20, 2009**
 - **Note: Many of these interviews were conducted before accurate year-end numbers and future projections (e.g., season ticket renewals) were available to presidents. Responses relating to sustainability of operations in their current form may have been more optimistic than they might have been if the timing had been different. Also, many of the conference meetings had not occurred and given that cost cutting actions were taken by every FBS conference, responses relating to cost-control measures are most likely underreported.**

Research Methodology

- Please note asterisks (*) and lower case letters (a, b, c, etc.) indicate statistically significant differences at the 95% confidence level
 - Any indications with the same letters, for example “ab” vs. “bc,” are not significantly different from each other, but “ab” would be significantly different from “c.”

Research Methodology

- We appended additional data to the survey results to look at the findings in further detail from the NCAA and IPEDS
- Data provided by the NCAA:
 - The NCAA provided the following categorical data on finances and sports sponsored in two or three groups for all 119 FBS institutions (note that an additional university has become an active FBS institution for the 2009–10 academic year, bringing the total number to 120)
 - No individual data was provided, but rather institutions were grouped into two or three equal categories
 - NCAA data provided is for the 2006-2007 fiscal year

Research Methodology

- **Data provided by the NCAA: (continued)**
 - **Total athletics operating budget (rounded to the nearest thousand)**
 - **Low: less than \$23,208,000**
 - **Mid: \$23,208,000 to less than \$45,990,000**
 - **High: \$45,990,000 or higher**
 - **Allocated revenue (student fees, subsidies) as a percentage of total athletics revenues**
 - **Low: less than 11.13%**
 - **Mid: 11.13% to less than 42.84%**
 - **High: 42.84% or more**

Research Methodology

- **Data provided by the NCAA: (continued)**
 - **Delta allocated percentage (percentage change from FY 04-05 to FY 06-07 in the allocated revenues as a percentage of total athletics revenue)**
 - **Low: less than -2%**
 - **Mid: -2% to less than 2%**
 - **High: 2% or more**
 - **Total compensation as a percentage of total operating expenses**
 - **Low: less than 31%**
 - **Mid: 31% to less than 35%**
 - **High: 35% or more**

Research Methodology

- **Data provided by the NCAA: (continued)**
 - **Athletics expense per student-athlete (rounded to the nearest thousand)**
 - **Low: less than \$56,000**
 - **Mid: \$56,000 to less than \$87,000**
 - **High: \$87,000 or more**

Research Methodology

- **Data provided by the NCAA: (continued)**
 - **Total sports sponsored**
 - **Low: less 19**
 - **High: 19 or more**
 - **Delta sponsorship (change in number of sports sponsored)**
 - **Decreased the number of sports**
 - **No change**
 - **Increased the number of sports**

Research Methodology

- **Data provided by the NCAA: (continued)**
 - **Head basketball coaches compensation**
 - **Low: median \$254,000**
 - **Mid: median \$747,000**
 - **High: median \$1,299,000**
 - **Head football coaches compensation**
 - **Low: median \$311,000**
 - **Mid: median \$977,000**
 - **High: median \$1,727,000**

Research Methodology

- **Data provided by the NCAA: (continued)**

NOTE: NCAA coaches' compensation data is defined as follows: Gross salaries, bonuses and benefits provided to head and assistant coaches, which includes all gross wages, benefits and bonuses attributable to coaching that would be reportable on university and related entities (e.g., foundations, booster clubs) W-2 and 1099 forms (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, supplemental retirement allowance, compensation from camps, radio income, television income, tuition remission, earned deferred compensation benefits).

The compensation data used in this study is from the 2006-07 fiscal year and some institutions have changed categories since then.

Research Methodology

- **Athletics success (Top 25 finishes in AP Poll in basketball and/or football for the years 2004-05 to 2008-09)**
 - ▶ **Low/mid: less than 3 top 25 finishes**
 - ▶ **High: 3 or more top 25 finishes**
- **Equity vs. Non-equity conference**
 - ▶ **Equity conferences, so called because conference champions receive automatic bids to the highly lucrative Bowl Championship Series (BCS), include the ACC, Big Ten, Pac-10, Big East, and SEC. Notre Dame is included in the equity category given their preferential BCS qualification status.**
 - ▶ **Non-equity conferences are the Mid-American Conference (MAC), Sunbelt, Mountain West, Conference USA, Western Athletic Conference (WAC), and the military academies.**

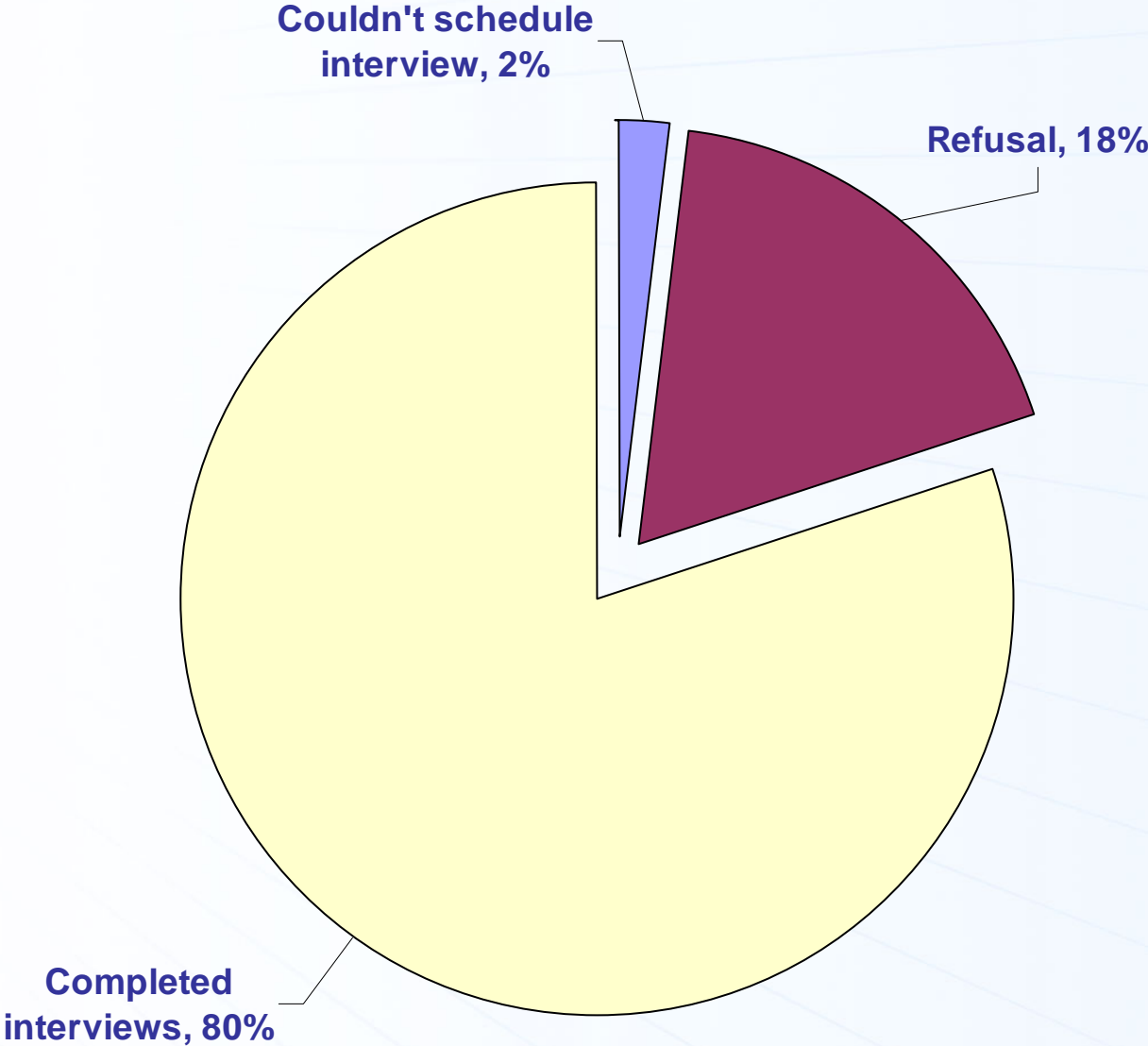
Research Methodology

- **Public or private**
- **Conference**
- **Carnegie Classification**
- **Undergraduate enrollment**
- **Endowment**
- **Acceptance rate (as reported in *US News & World Report*)**
- ***US News & World Report* rankings**

Sample Disposition & Demographic Profile

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GROUP L.L.C.

Sample Disposition



Demographics/Classifications

Total
N=95

% COMPLETE BY FBS CONFERENCE

Western Athletic	100%
Atlantic Coast	92%
Mountain West	89%
Big East	88%
Sun Belt	88%
Conference USA	83%
Pacific-10	80%
Big Ten	73%
Mid-American	69%
Big 12	67%
Southeastern	67%
Independent	66%
Total	80%

Demographics/Classifications

Total N=95

% COMPLETE BY FOOTBALL TOP 25

Top 25 (AP or USA Today)	77%
Non-Top 25	80%

% COMPLETE BY BASKETBALL TOP 25

Top 25 (ESPN/USA Today)	80%
Non-Top 25	80%

Demographics/Classifications

- Gender: 83% male; 17% female
- Length of term as president at any FBS institution: average of 8 years
- Control: 84% public; 16% private
- Equity conference: 54% were from equity conferences; 46% from non-equity conferences
 - Of all FBS institutions, 55% are in the equity conferences
- Carnegie classification: 91% Research/Doctoral; 9% other
- *US News & World Report* ranking: 53% ranked in the top tier National Doctoral institutions; 47% ranked lower than top tier
- Selectivity/Acceptance rate: 30% with acceptance rates of 77% or higher; 35% with acceptance rates of 56% to 77%; 35% with acceptance rates less than 56%
- Endowment: 31% with endowment of \$900 million or more; 33% with \$300 million to \$900 million; 36% with less than \$300 million
- Undergraduate enrollment: 35% with more than 20,000; 29% with 15,000-20,000; 36% with less than 15,000

Demographics/Classifications

	Total N=95	Non-Equity N=44	Equity N=51
GENDER			
Male	83%	80%	86%
Female	17%	20%	14%
LENGTH OF TERM SERVED AS PRESIDENT AT ANY FBS INSTITUTION			
20 years or more	5%	7%	4%
11-20 years	21%	16%	25%
6-10 years	30%	30%	29%
3-5 years	28%	38% *	20%
2 years or less	16%	9%	22%
Mean (years)	8.0	7.9	8.1

NOTE: Asterisk(s) indicate significant difference between Non-Equity and Equity results

Demographics/Classifications

	Total N=95	Non-Equity N=44	Equity N=51	All BCS N=119
REGION				
Southeast	36%	32%	39%	33%
Great Lakes	16%	18%	14%	17%
Southwest	13%	16%	10%	14%
Far West	13%	14%	12%	12%
Rocky Mountains	8%	16% *	2%	8%
Mid East	7%	5%	10%	8%
Great Plains	5%	0%	10% *	6%
New England	2%	0%	4%	2%
CONTROL				
Public	84%	86%	82%	86%
Private	16%	14%	18%	14%

NOTE: Asterisk(s) indicate significant difference between Non-Equity and Equity results

Demographics/Classifications

	Total N=95	Non-Equity N=44	Equity N=51	All BCS N=119
FBS ATHLETIC CONFERENCE				
Atlantic Coast	12%	0%	22%	10%
Conference USA	11%	23%	0%	10%
Mid-American	9%	20%	0%	11%
Western Athletic	9%	20%	0%	8%
Mountain West	8%	18%	0%	8%
Big 12	8%	0%	16%	10%
Pacific-10	8%	0%	16%	8%
Southeastern	8%	0%	16%	10%
Big Ten	8%	0%	16%	9%
Sun Belt	7%	16%	0%	7%
Big East	7%	0%	14%	7%
Independent	2%	2%	2%	2%

NOTE: Asterisk(s) indicate significant difference between Non-Equity and Equity results

Demographics/Classifications

	Total N=95	Non-Equity N=44	Equity N=51	All BCS N=119
Equity Conference				
Yes	54%	0%	100%	55%
No	46%	100%	0%	45%

NOTE: Asterisk(s) indicate significant difference between Non-Equity and Equity results

Demographics/Classifications

	Total N=95	Non-Equity N=44	Equity N=51	All BCS N=119
CARNEGIE CLASSIFICATION				
Research/ Doctoral	91%	80%	100% *	91%
Other	9%	20% *	0%	9%
US NEWS AND WORLD REPORT RANKING				
Top 100 National Doctoral Institution	53%	18%	82% *	55%
Other	47%	82% *	18%	45%
ENDOWMENT				
More than \$900 million	31%	10%	49% *	33%
\$300 to \$900 million	33%	11%	51% *	33%
Less than \$300 million	36%	79% *	0%	34%

NOTE: Asterisk(s) indicate significant difference between Non-Equity and Equity results

Demographics/Classifications

	Total N=95	Non-Equity N=44	Equity N=51	All BCS N=119
UNDERGRADUATE ENROLLMENT				
More than 20,000	35%	23%	46% *	37%
15,000 to 20,000	29%	34%	25%	30%
Less than 15,000	36%	43%	29%	33%
ACCEPTANCE RATE				
77% or higher	30%	34%	27%	30%
56.3% to less than 77%	35%	43%	28%	36%
Less than 56.3%	35%	23%	45% *	34%

NOTE: Asterisk(s) indicate significant difference between Non-Equity and Equity results

Demographics/Classifications

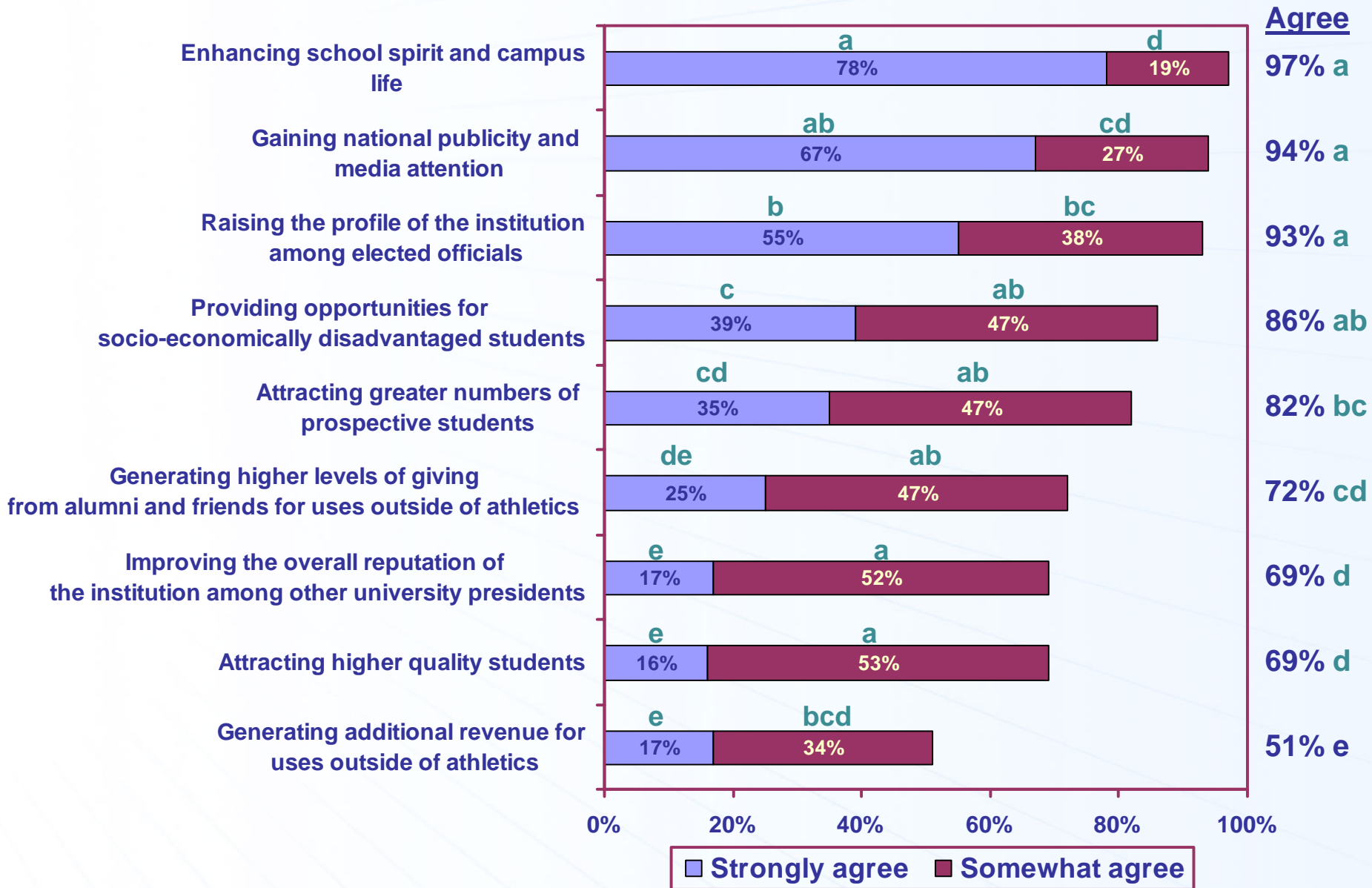
	Total N=95	Non-Equity N=44	Equity N=51
PLAYED VARSITY INTERCOLLEGIATE SPORTS			
Yes	25%	27%	24%
No	75%	73%	76%
SPORTS PLAYED IN COLLEGE			
Track/ Cross Country	7%	5%	10%
Football	6%	7%	6%
Baseball/ Softball	4%	7%	2%
Basketball	5%	7%	4%
Soccer	2%	5%	0%
Tennis	2%	0%	4%
Swimming/ Diving	1%	2%	0%
Other sport	1%	2%	0%
Football at FBS institution	4%	5%	4%
Non-football sport at Div. I institution	14%	16%	12%

NOTE: Asterisk(s) indicate significant difference between Non-Equity and Equity results

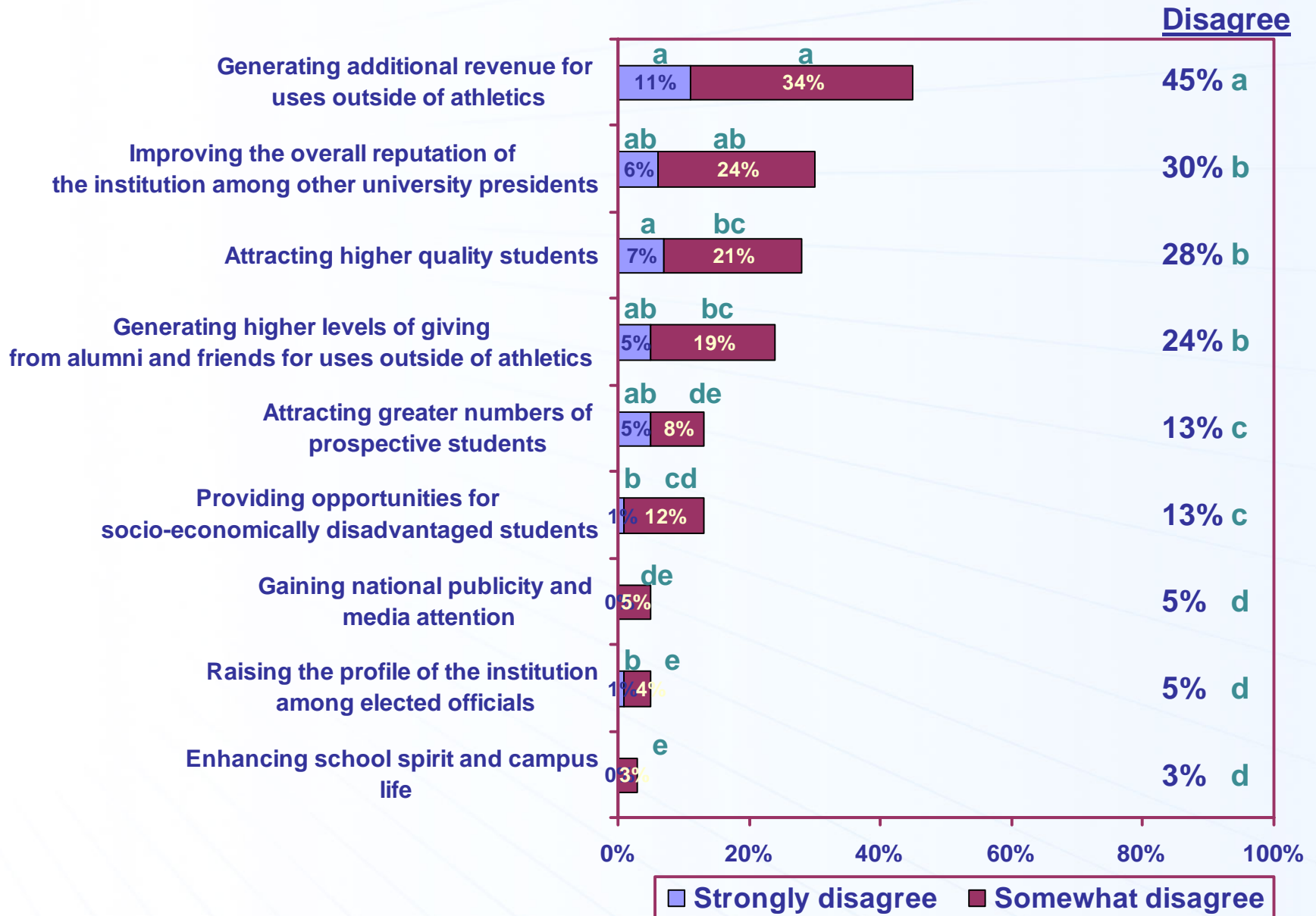
Benefits of Athletics to a University

ART & SCIENCE
GROUP L.L.C.

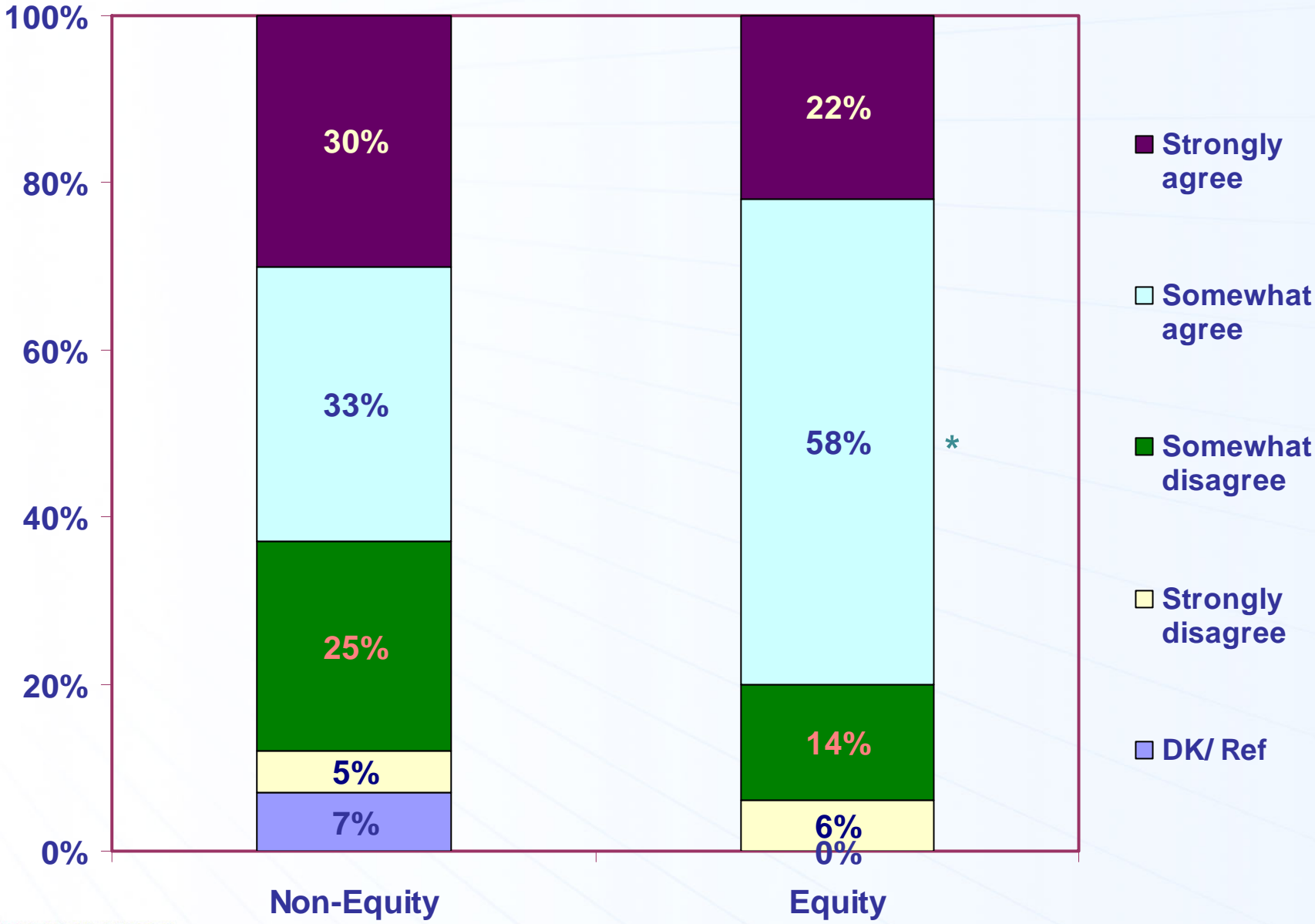
Agreement with statements about intercollegiate athletics programs



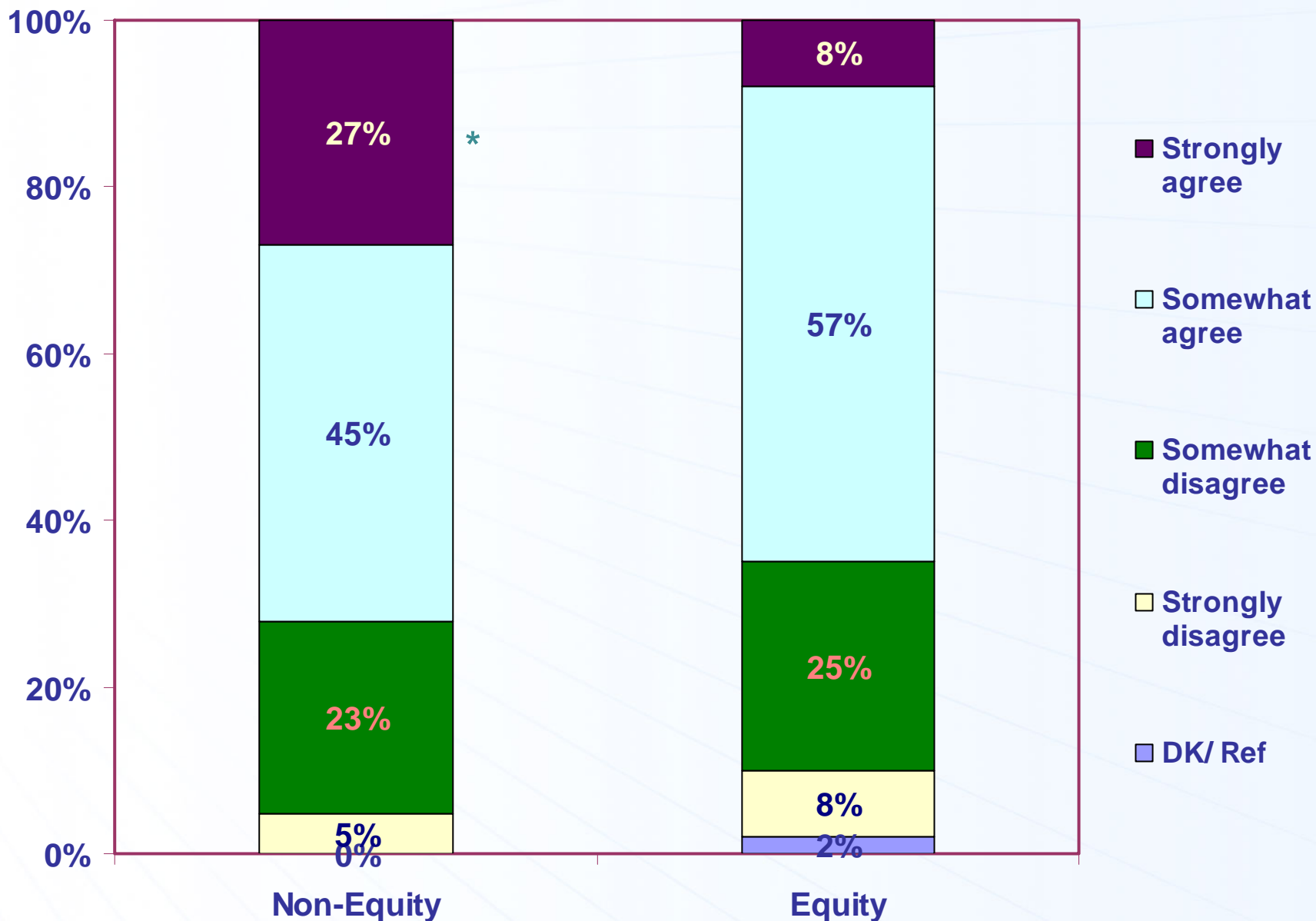
Disagreement with statements about intercollegiate athletics programs



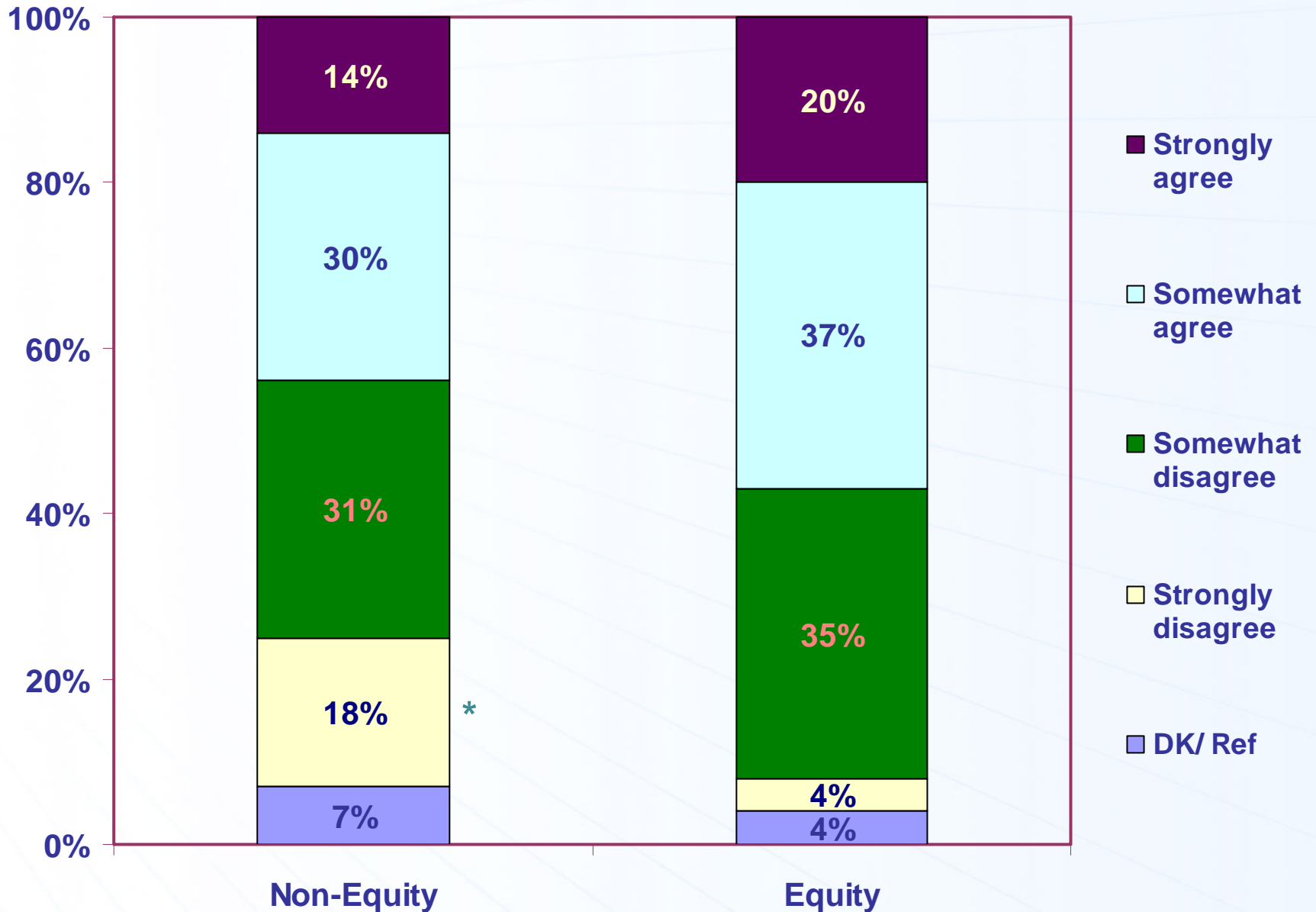
Agreement with statements about intercollegiate athletics programs: Generating higher levels of giving from alumni and friends for uses outside of athletics



Agreement with statements about intercollegiate athletics programs: Improving the overall reputation of the institution among other university presidents



Agreement with statements about intercollegiate athletics programs: Generating additional revenue for uses outside of athletics



Subgroup findings of note

- Presidents from institutions with lower allocated revenue were significantly more likely to agree with the following statements of the benefits of intercollegiate athletics:
 - ▶ Enhancing school spirit and campus life
 - ▶ Gaining national publicity and media attention
- Presidents from public institutions were significantly more likely to agree with the following statements of the benefits of intercollegiate athletics:
 - ▶ Attracting greater numbers of prospective students
 - ▶ Generating higher levels of giving from alumni and friends for uses outside of athletics
 - ▶ Attracting higher quality students
 - Presidents with more tenure at any FBS institution were also more likely to agree with this statement
 - ▶ Generating additional revenue for uses outside of athletics

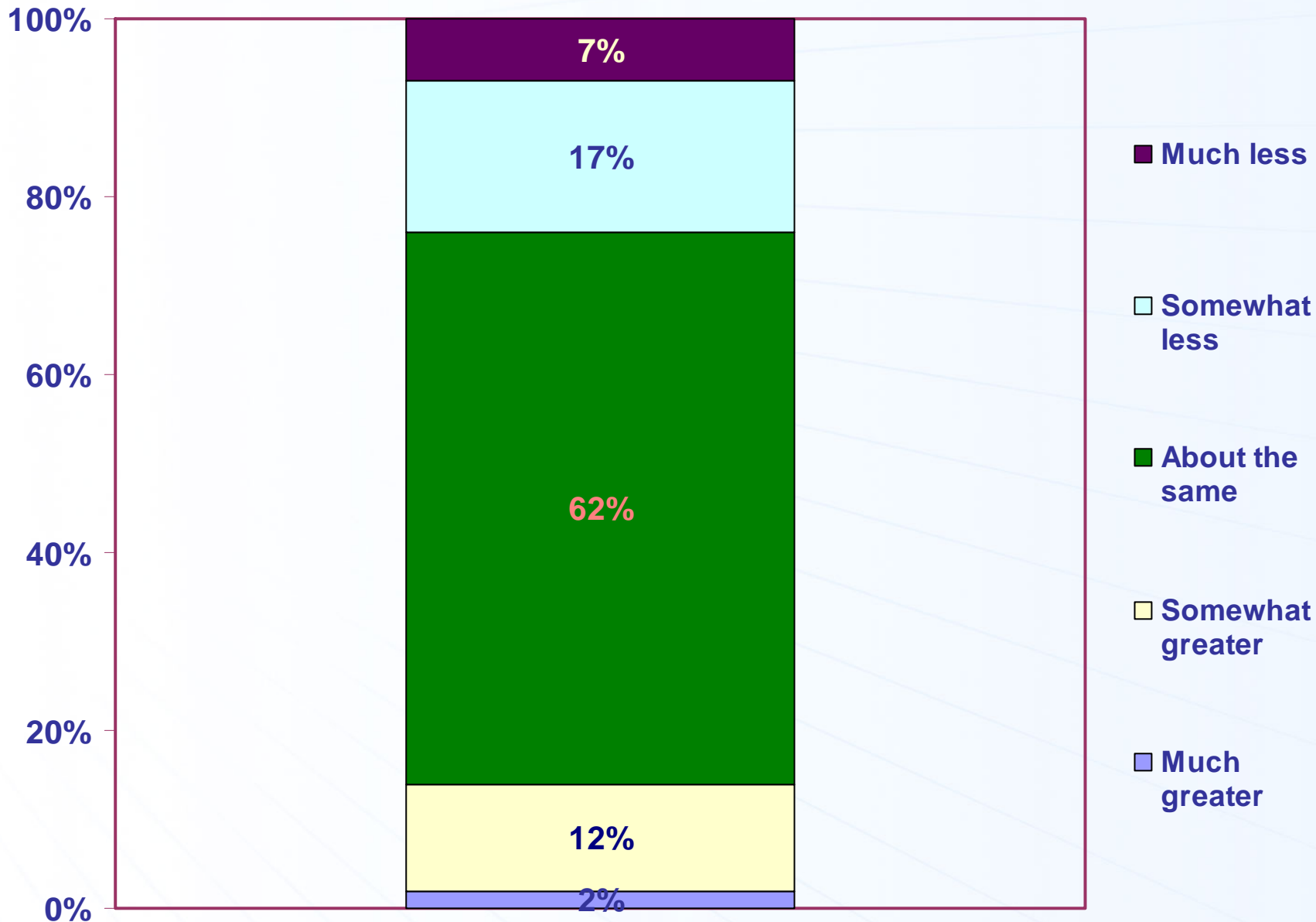
Subgroup findings of note

- Presidents from institutions with lower basketball coaches' salaries were significantly more likely to strongly agree with the following statements of the benefits of intercollegiate athletics:
 - ▶ Improving the overall reputation of the institution among other university presidents
 - ▶ Generating higher levels of giving from alumni and friends for uses outside of athletics

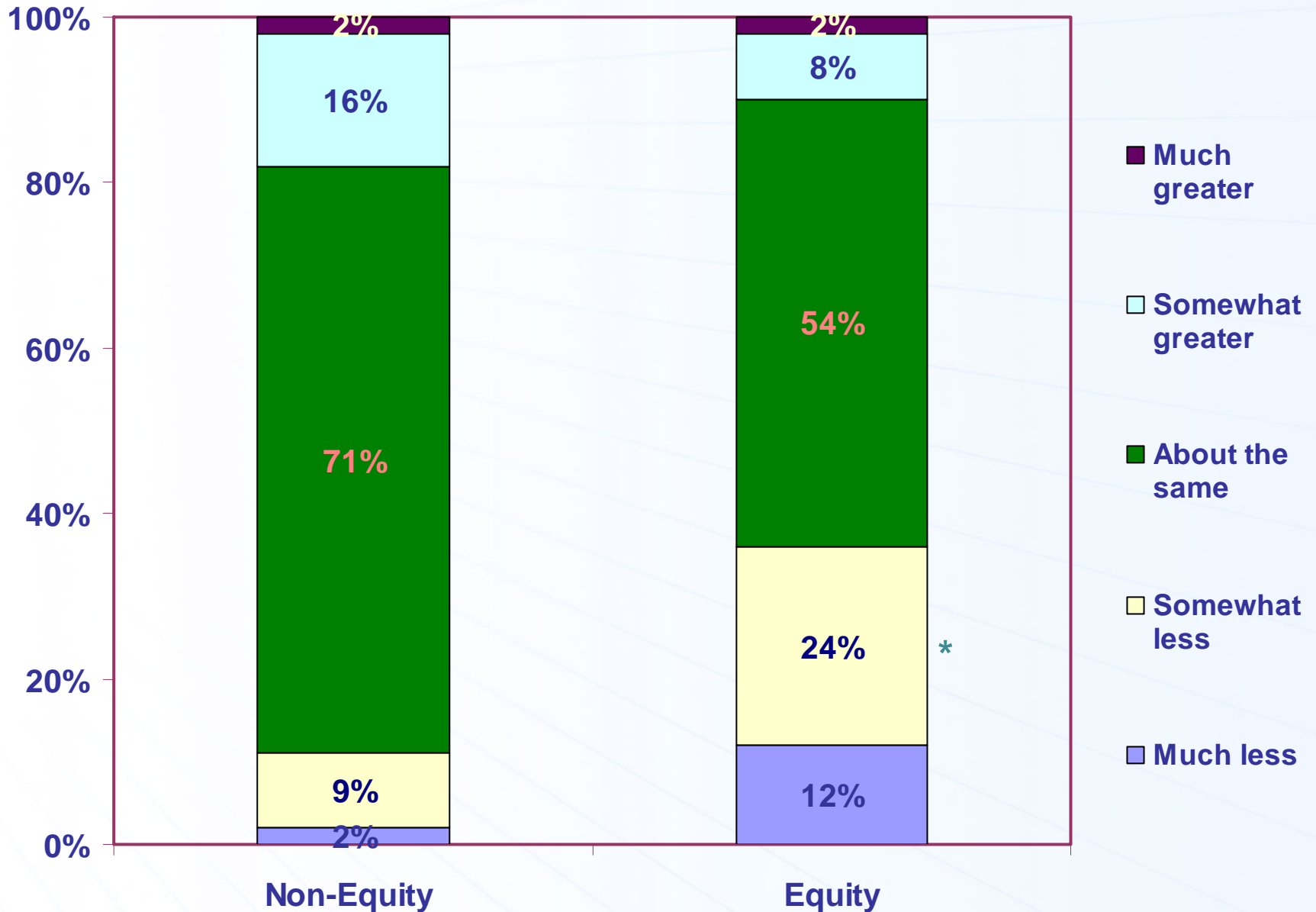
Economic Conditions

ART & SCIENCE
GROUP L.L.C.

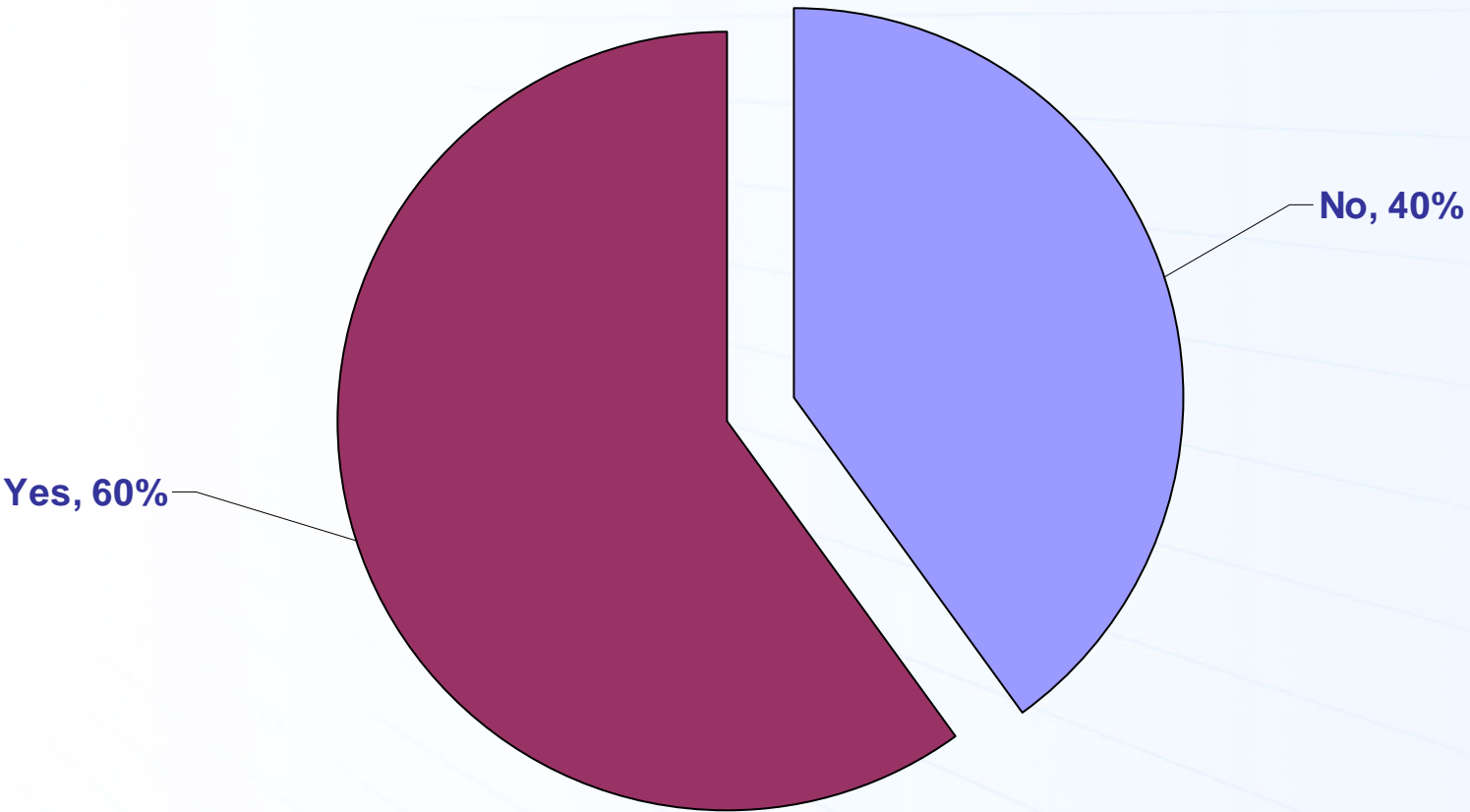
Impact of current economic conditions on athletics departments compared to other units at your institution



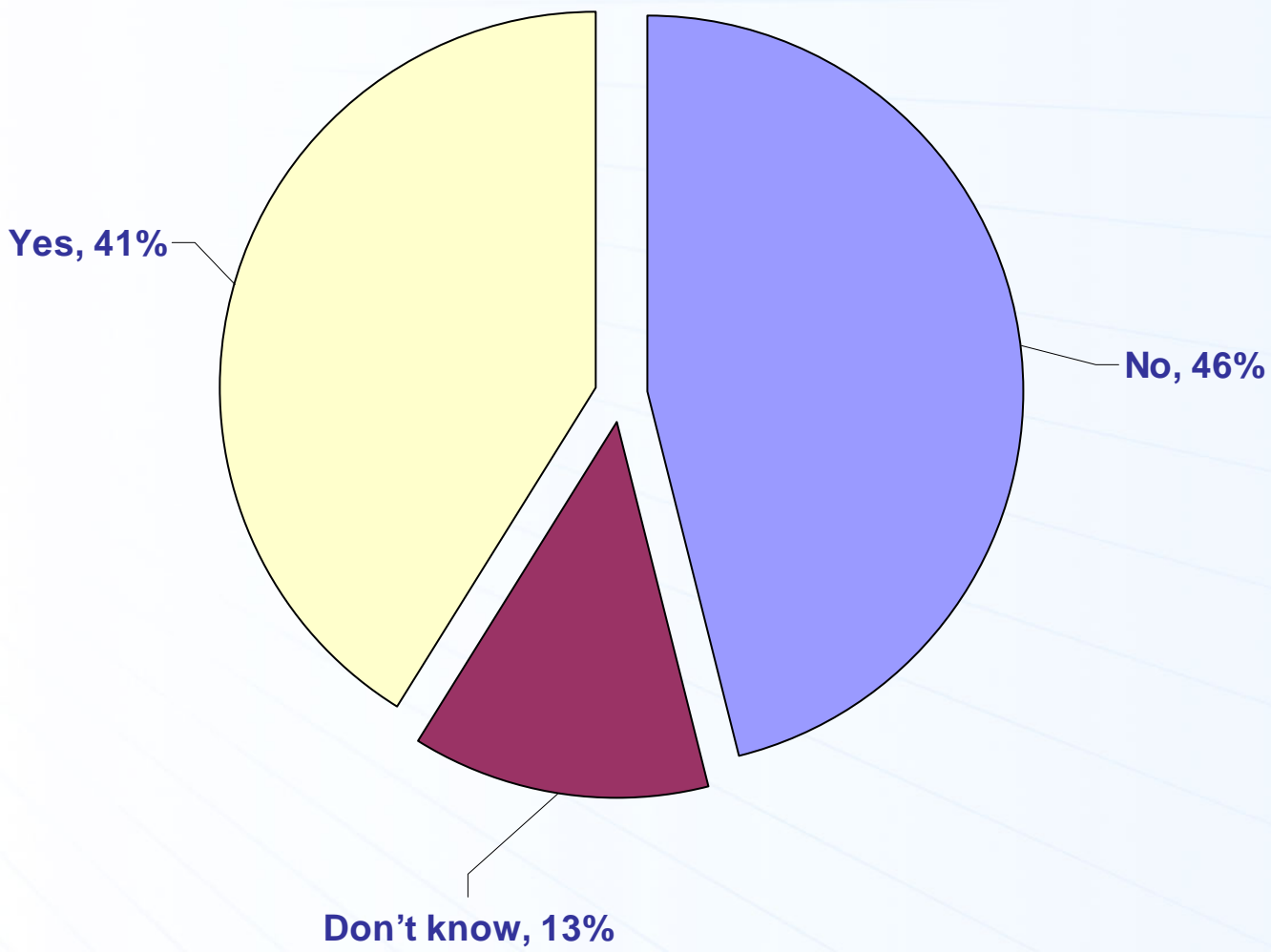
Impact of current economic conditions on athletics departments compared to other units at your institution



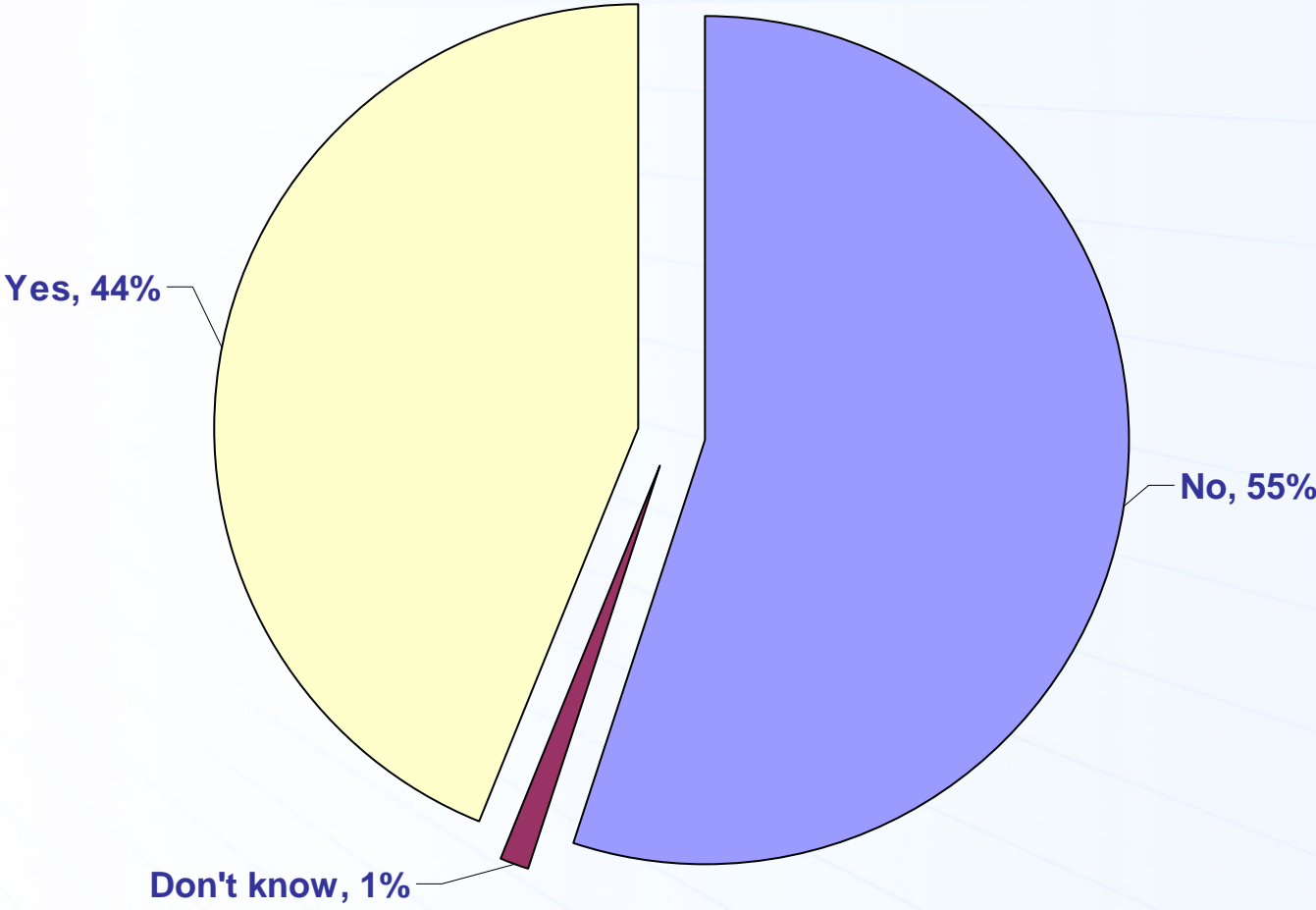
Cuts to institution's athletics budget this fiscal year



Project a reduction in athletic revenues next fiscal year compared to this year



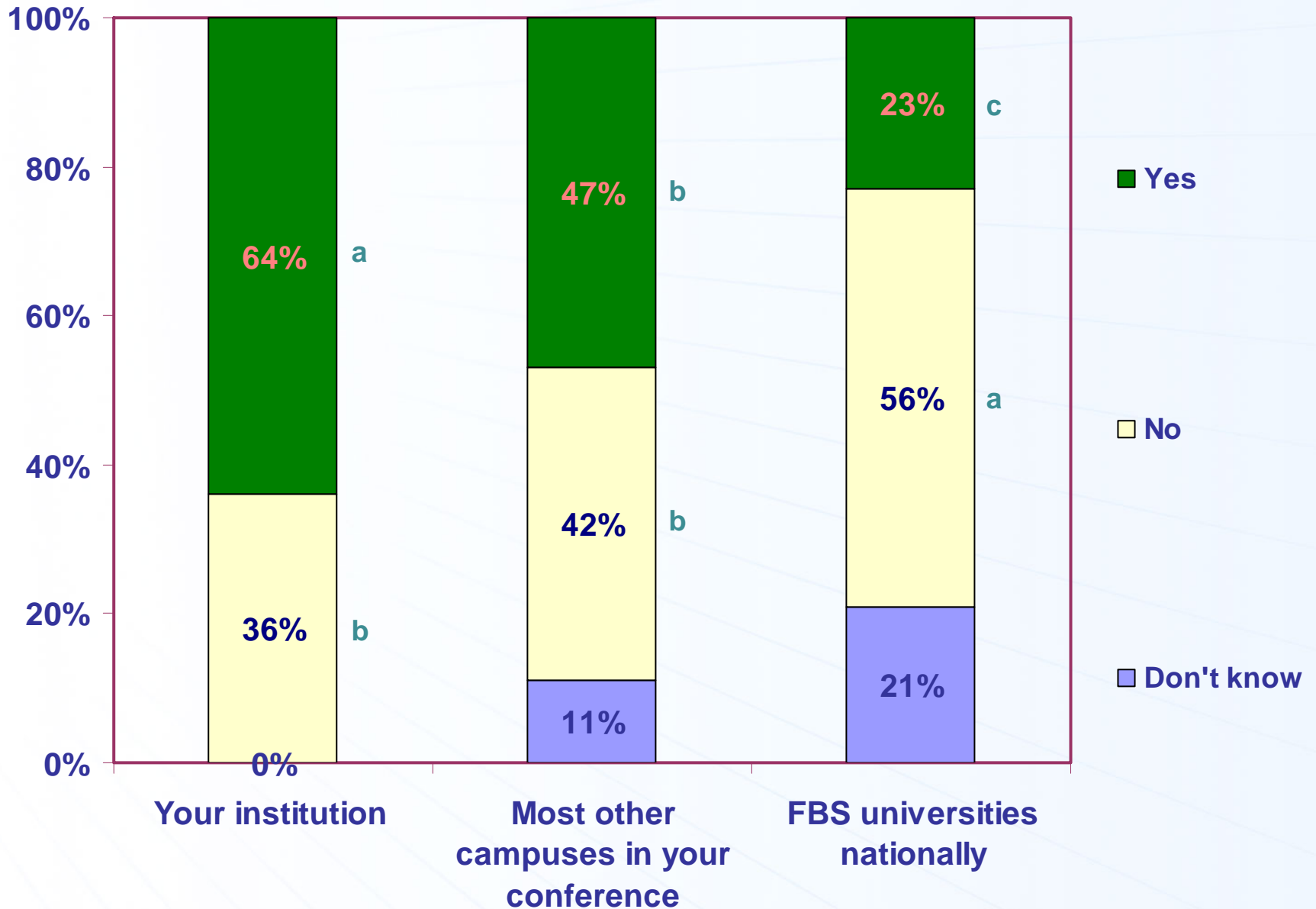
Making programmatic changes in athletics to reduce expenses for the foreseeable future, such as reducing staff, grants-in-aid, or teams, but excluding travel



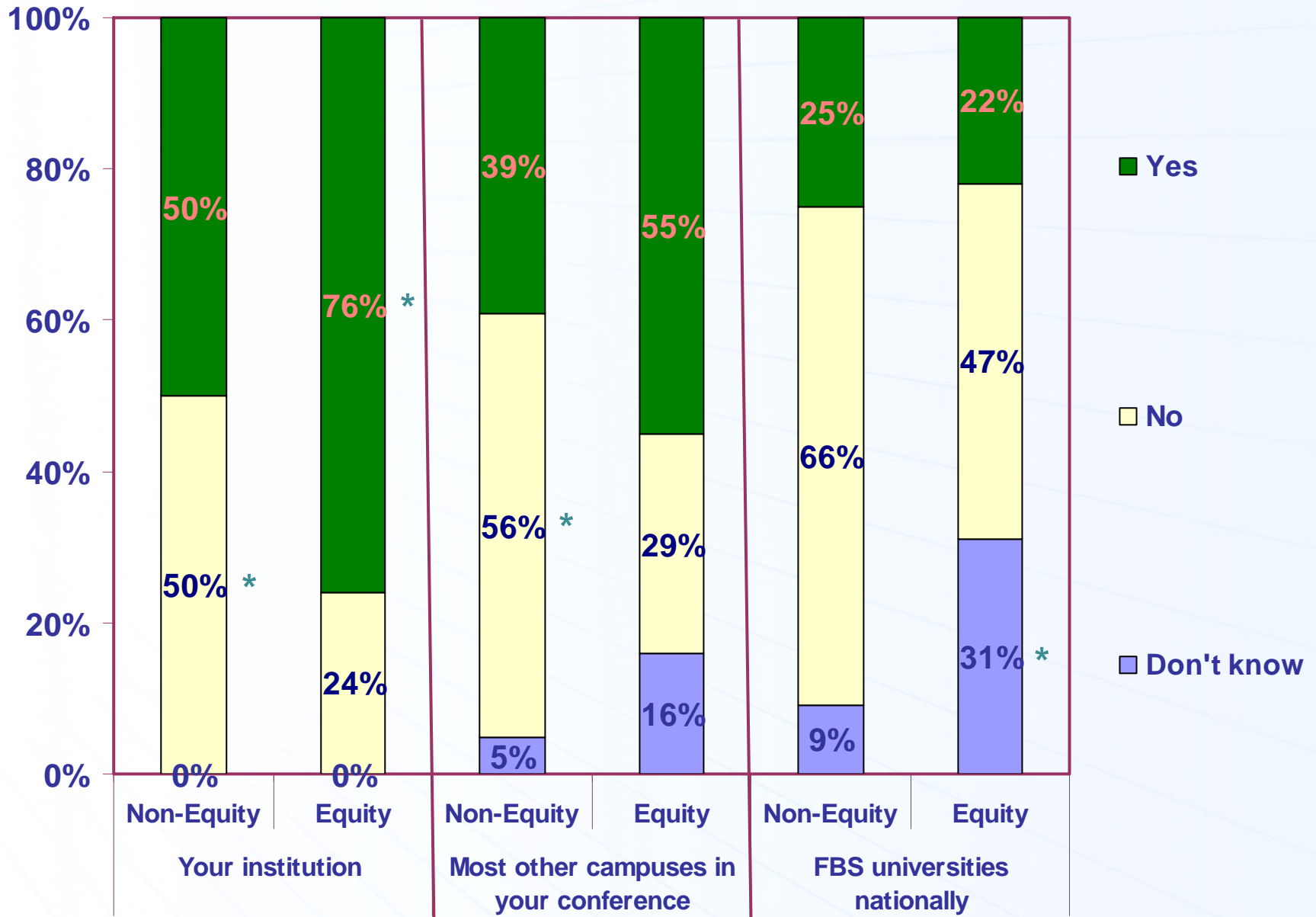
Sustainability of Athletics Operations

ART & SCIENCE
GROUP L.L.C.

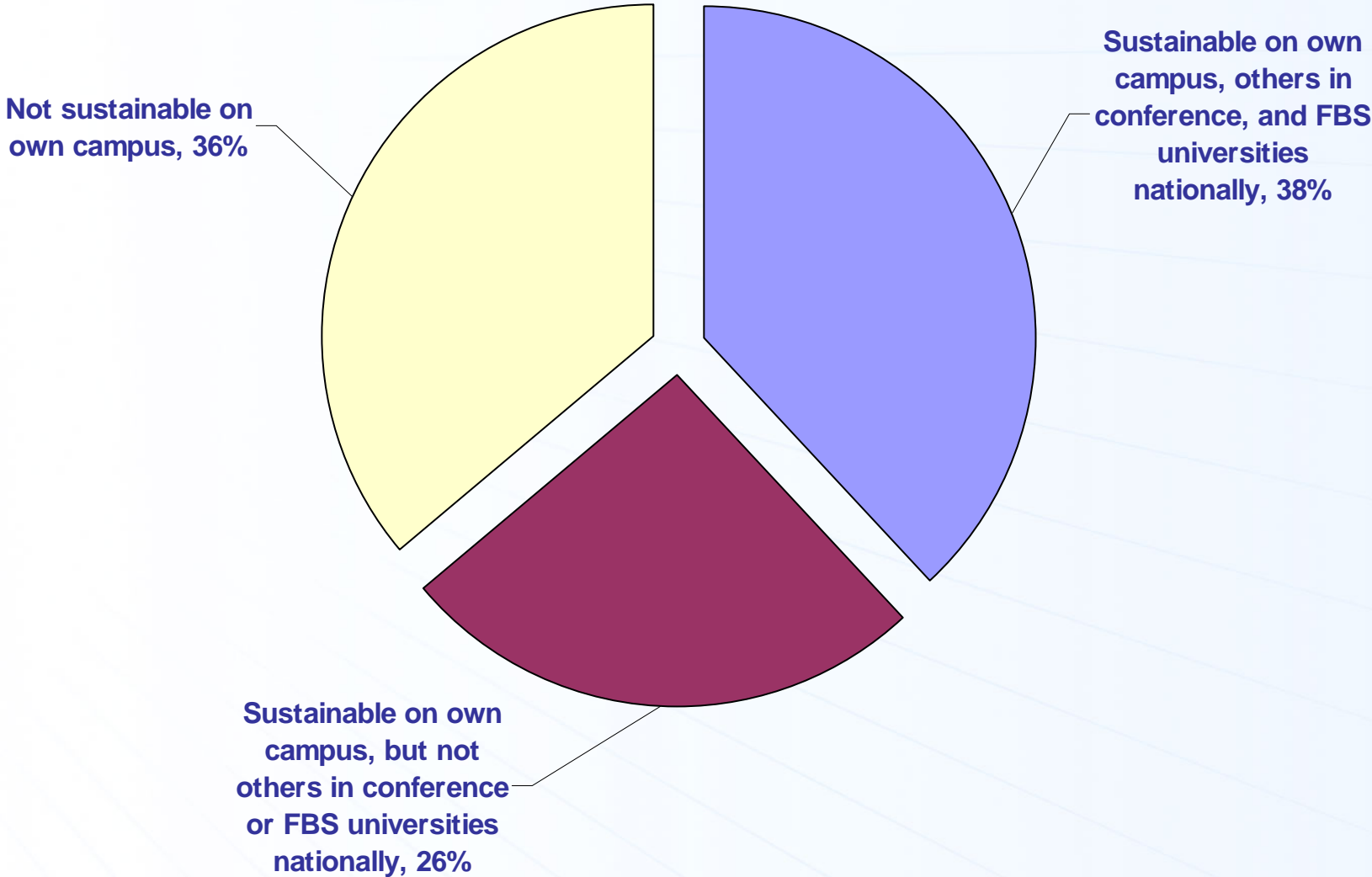
Believe athletics operations are sustainable in their current form at...



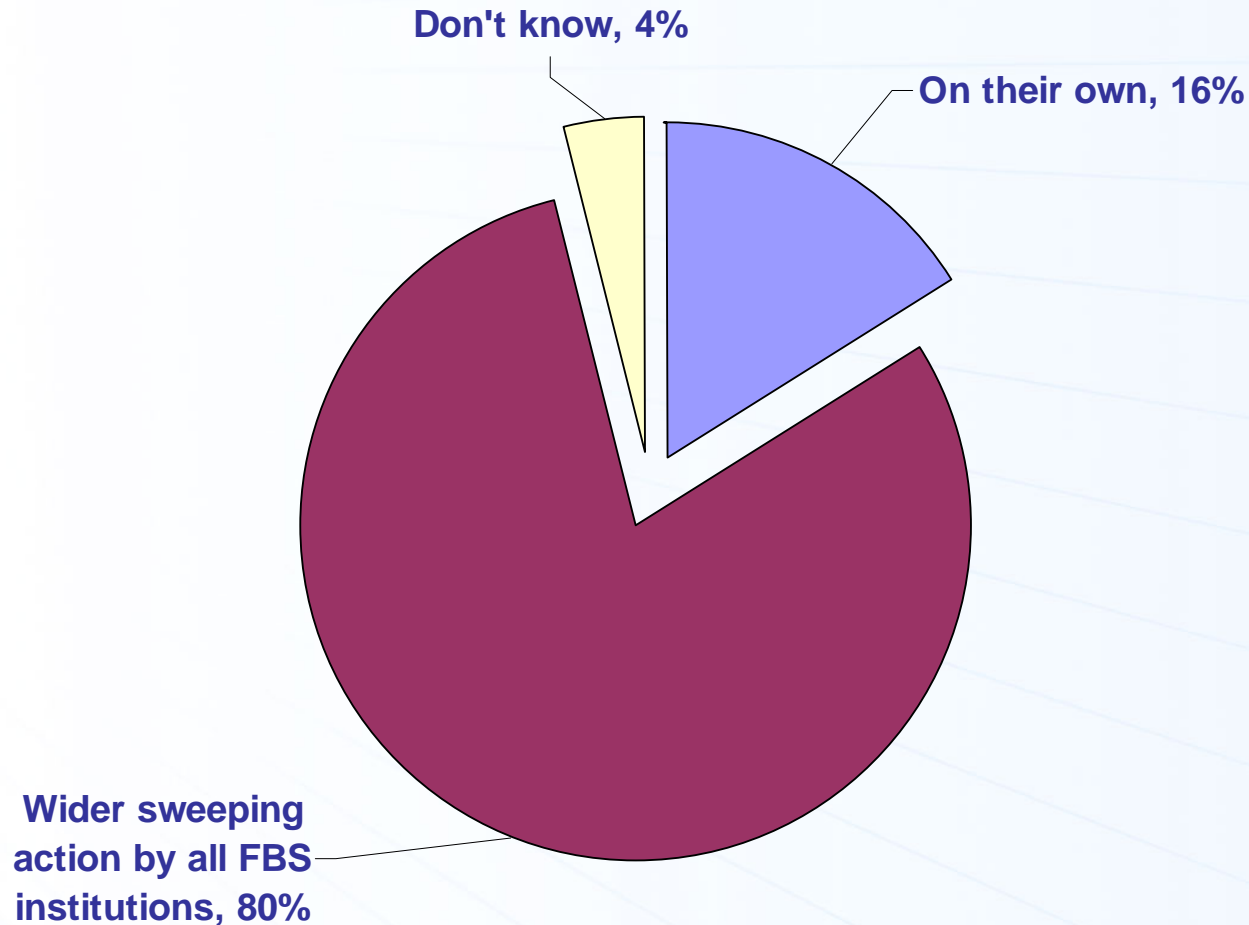
Believe athletics operations are sustainable in their current form at...



Believe athletics operations are sustainable in their current form at...



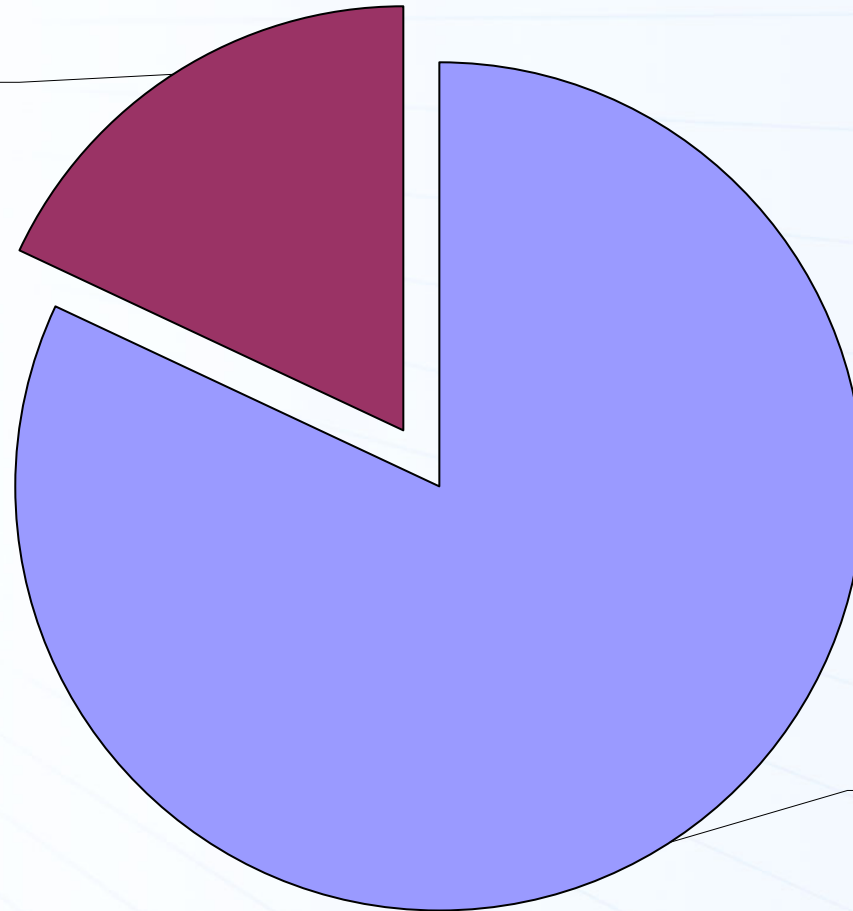
Do you believe that most other universities can control costs or increase revenues to achieve sustainability on their own or are wider sweeping changes required by all FBS institutions?



Q9 Base = Those who believe athletics operations are sustainable on their own campus but not at most other campuses in their conference and/or FBS universities nationally; N = 25 (VERY SMALL BASE)

Do you believe your university can control costs or increase revenues to achieve sustainability on your own or will wider sweeping changes by all FBS institutions be required?

Not sustainable on own campus, but can control on their own, 18%



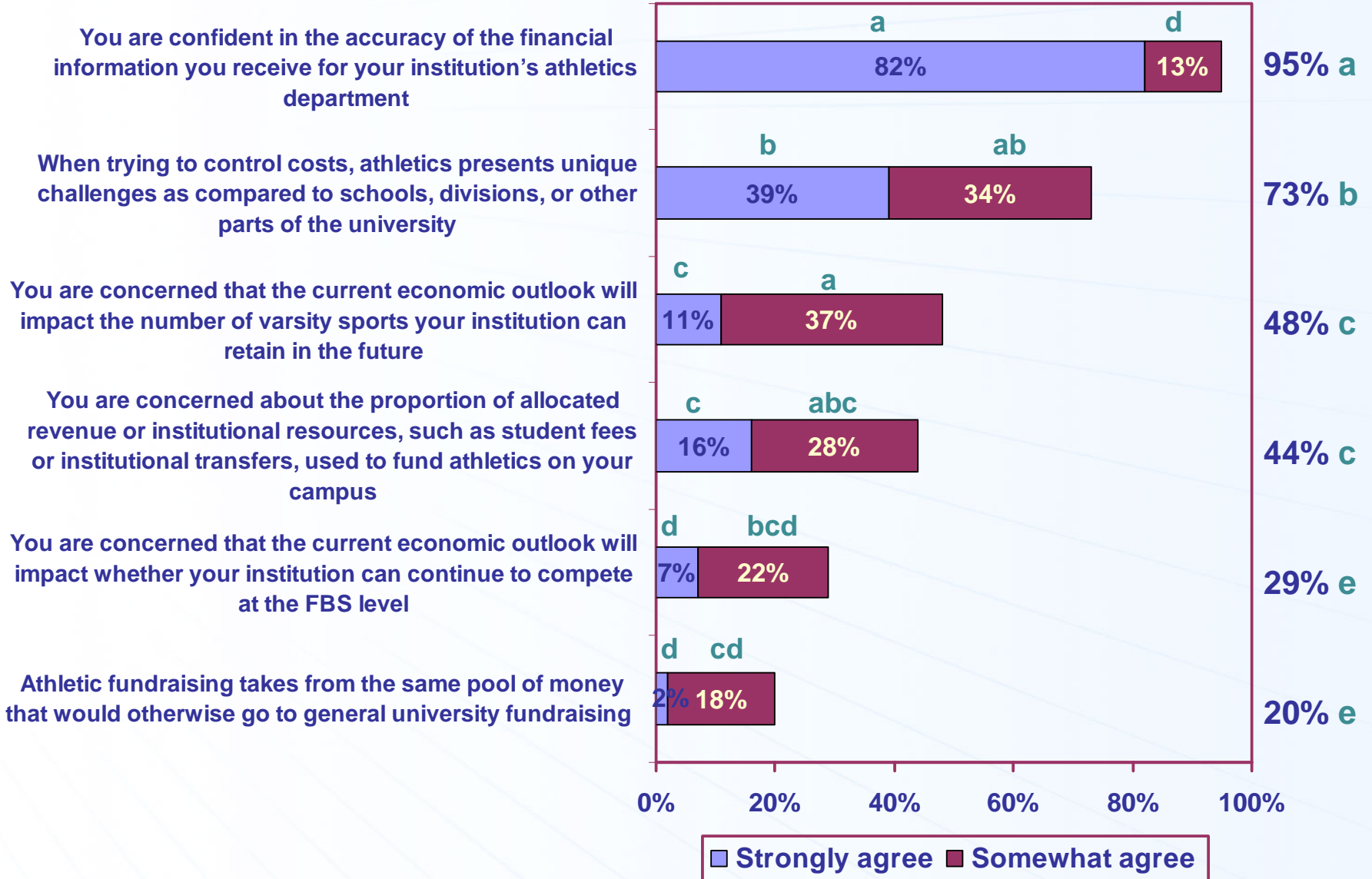
Not sustainable on own campus, feel wider sweeping action required by all FBS institutions, 82%

Concerns with Athletics

ART & SCIENCE
GROUP L.L.C.

Agreement with statements about college athletics

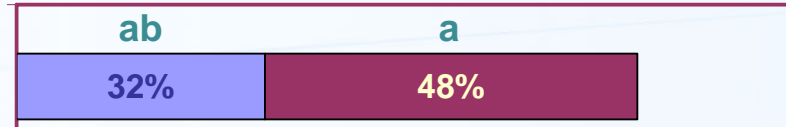
Agree



Disagreement with statements about college athletics

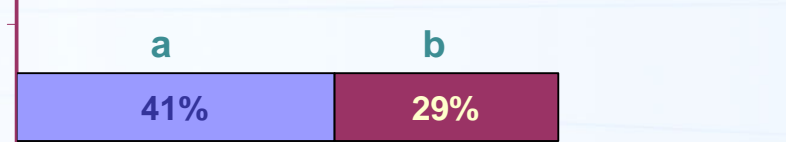
Disagree

Athletic fundraising takes from the same pool of money that would otherwise go to general university fundraising



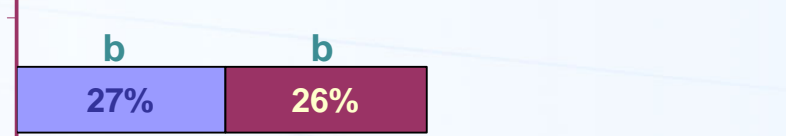
80% a

You are concerned that the current economic outlook will impact whether your institution can continue to compete at the FBS level



70% a

You are concerned about the proportion of allocated revenue or institutional resources, such as student fees or institutional transfers, used to fund athletics on your campus



53% b

You are concerned that the current economic outlook will impact the number of varsity sports your institution can retain in the future



53% b

When trying to control costs, athletics presents unique challenges as compared to schools, divisions, or other parts of the university



27% c

You are confident in the accuracy of the financial information you receive for your institution's athletics department

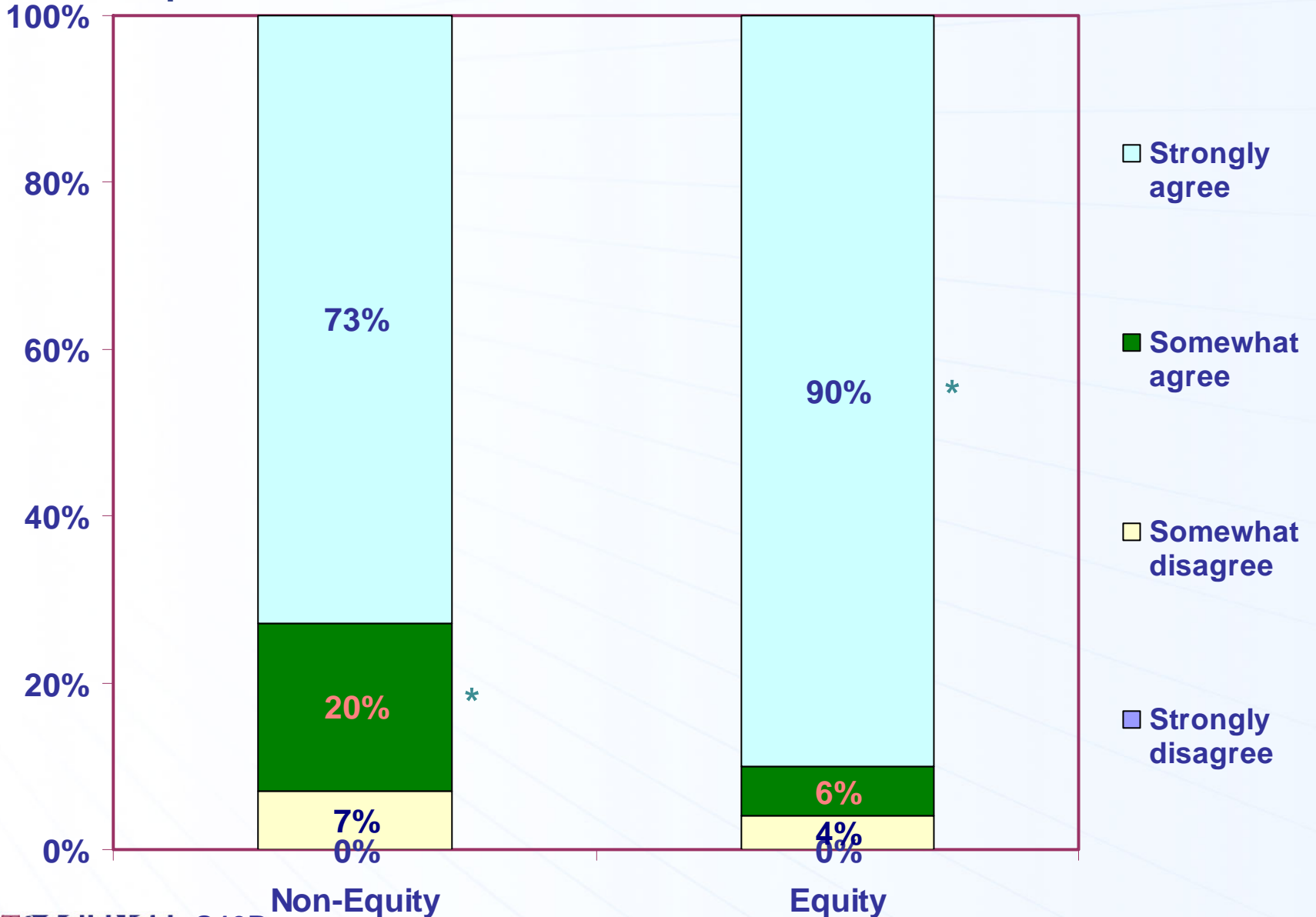


5% d

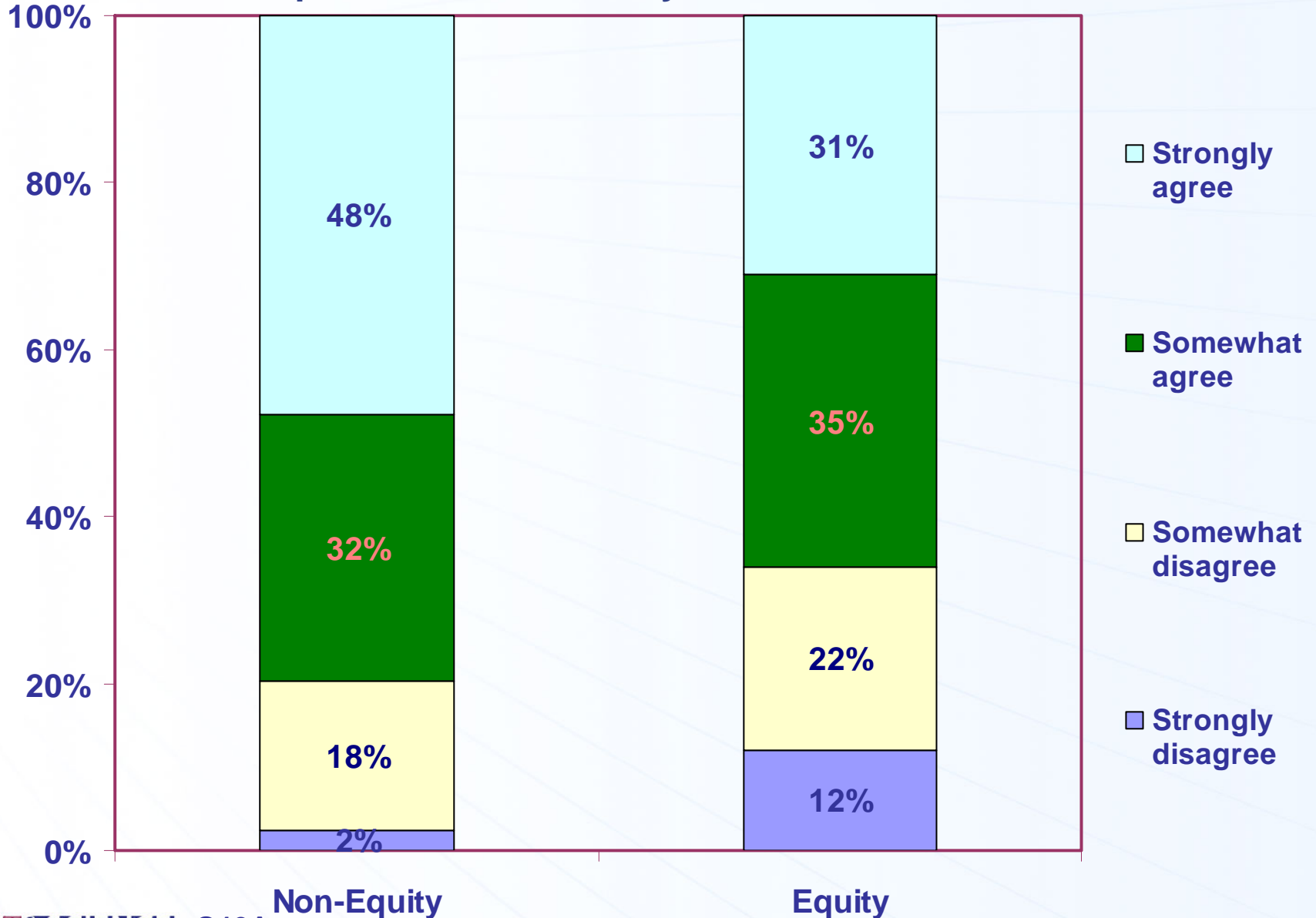
0% 20% 40% 60% 80% 100%

Strongly disagree Somewhat disagree

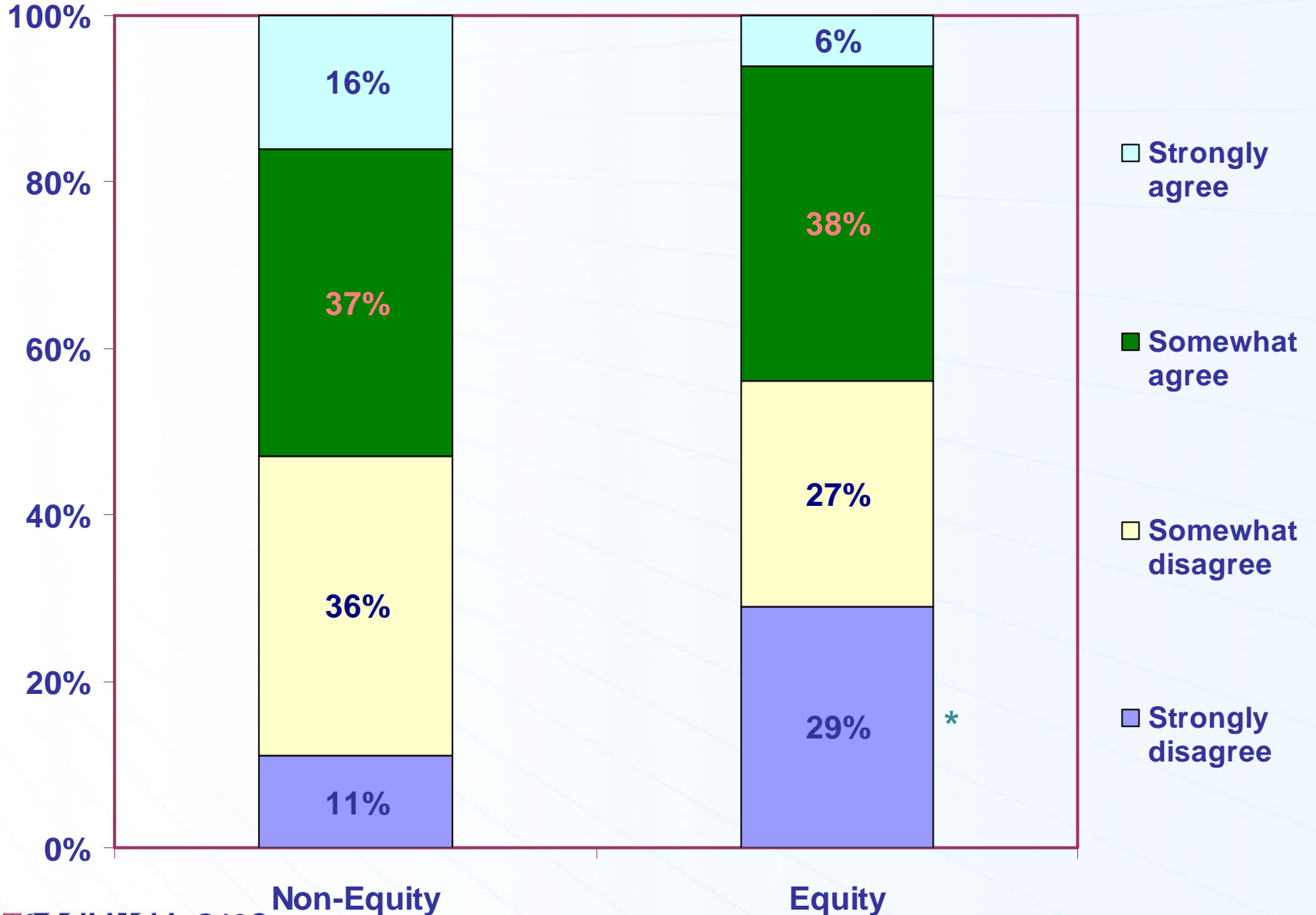
Agreement with statements about college athletics: You are confident in the accuracy of the financial information you receive for your institution's athletics department



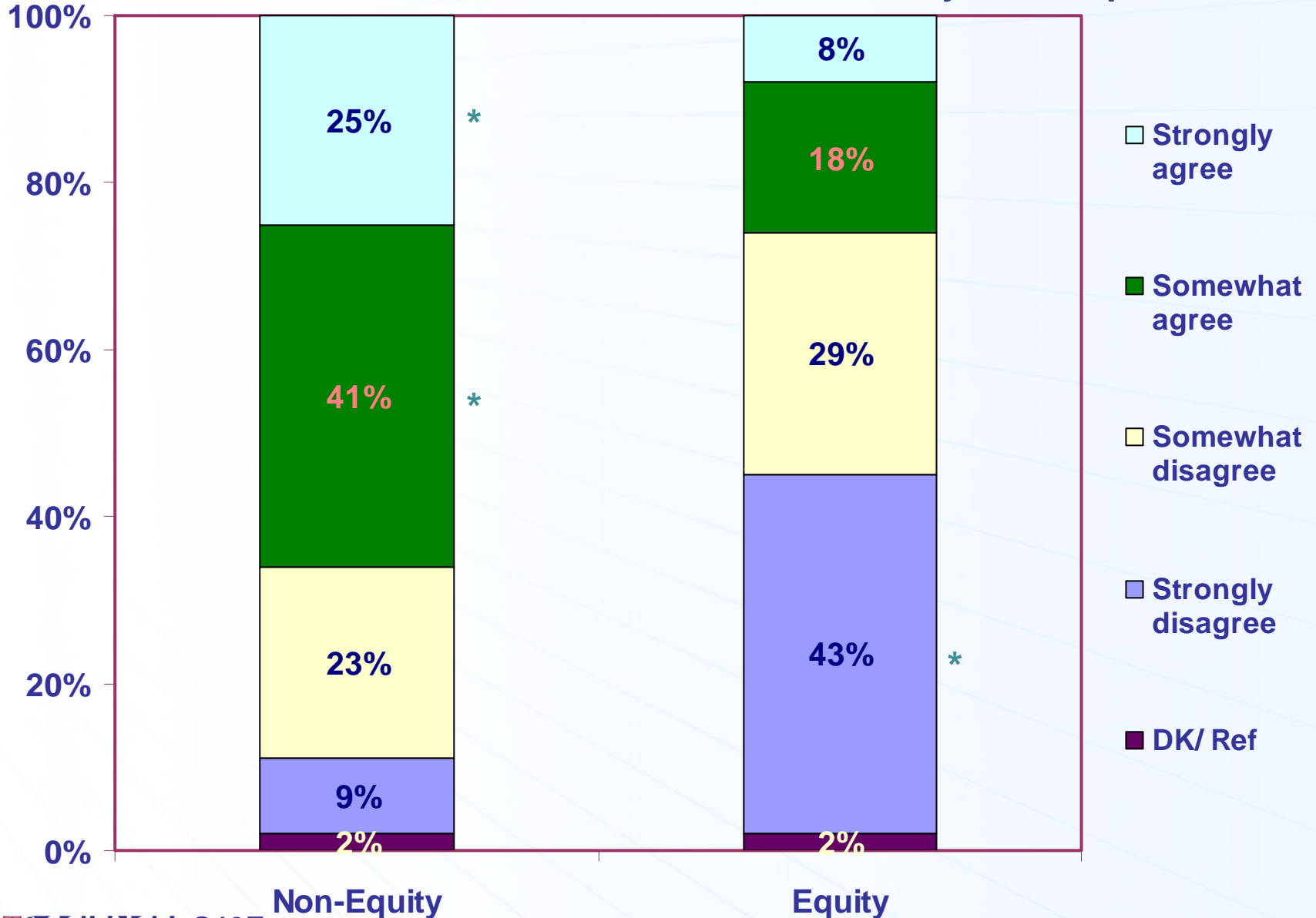
Agreement with statements about college athletics: When trying to control costs, athletics presents unique challenges as compared to schools, divisions, or other parts of the university



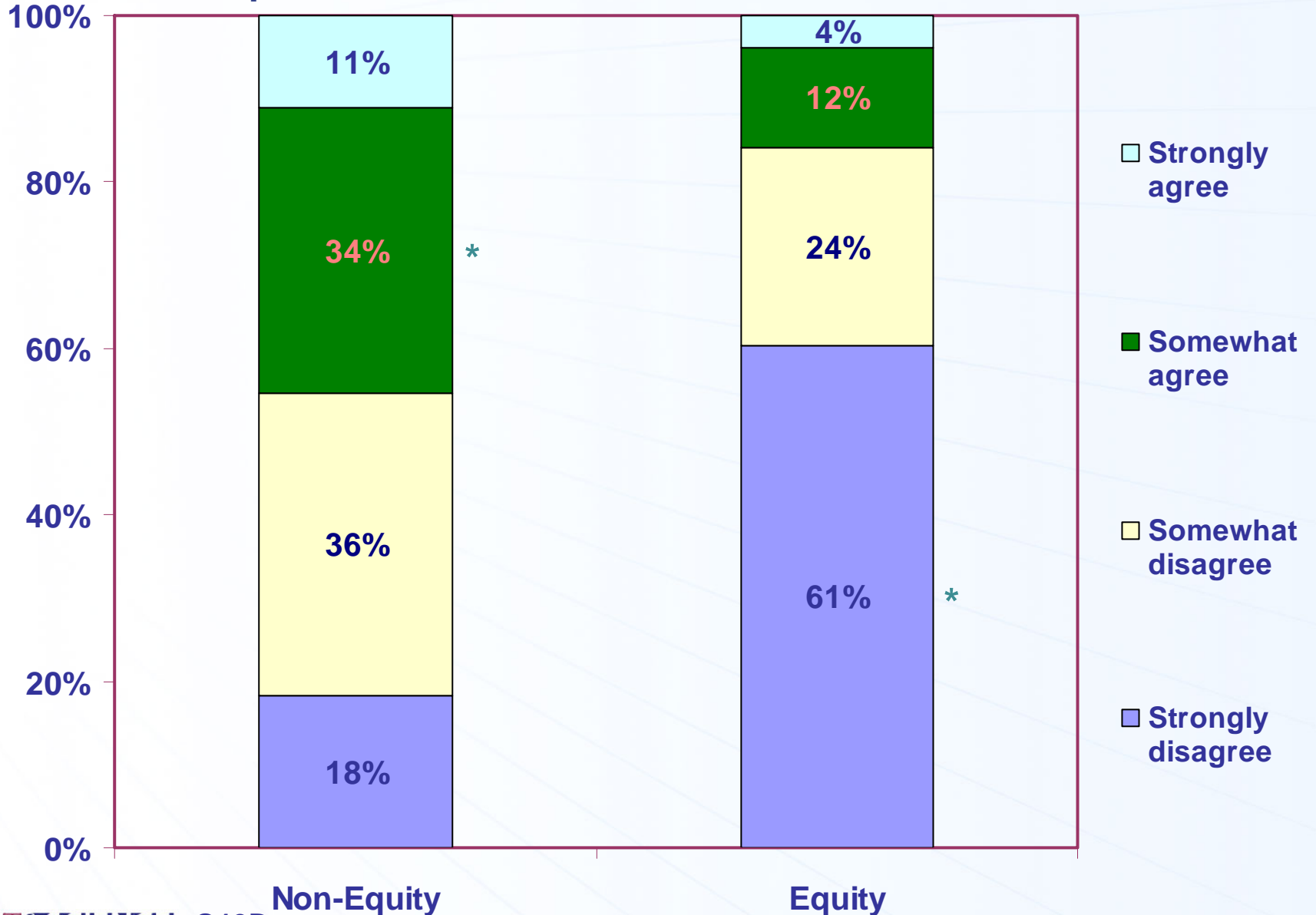
Agreement with statements about college athletics: You are concerned that the current economic outlook will impact the number of varsity sports your institution can retain in the future



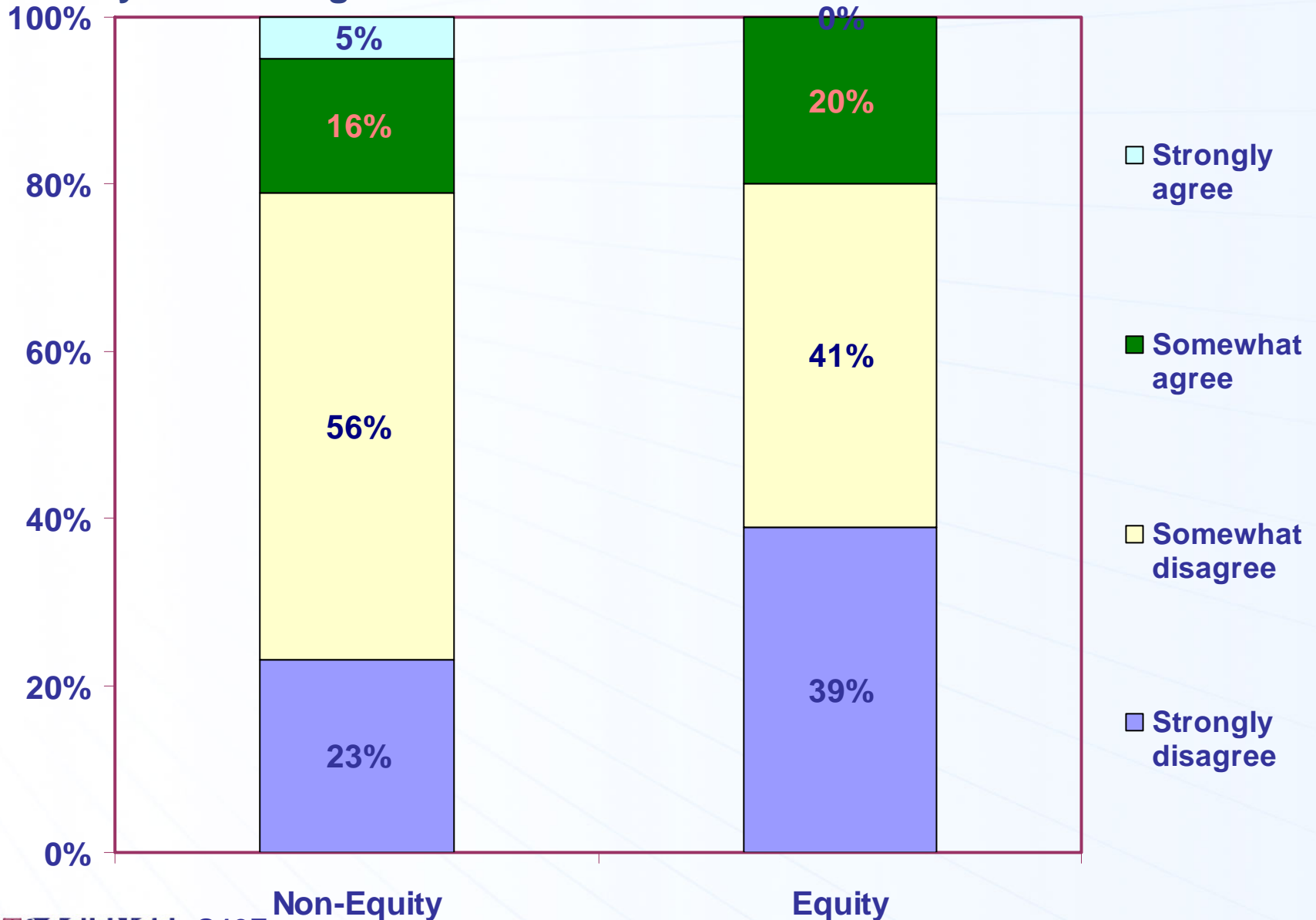
Agreement with statements about college athletics: You are concerned about the proportion of allocated revenue or institutional resources, such as student fees or institutional transfers, used to fund athletics on your campus



Agreement with statements about college athletics: You are concerned that the current economic outlook will impact whether your institution can continue to compete at the FBS level



Agreement with statements about college athletics: Athletic fundraising takes from the same pool of money that would otherwise go to general university fundraising



Subgroup findings of note

- Presidents from the equity conferences were significantly more likely to agree that they are confident in the accuracy of the financial information they receive from their athletics department
- Presidents from the non-equity conferences were significantly more likely to agree that they are concerned about the proportion of allocated revenue or institutional resources, such as student fees or institutional transfers, used to fund athletics on their campus
 - ▶ This was also the case for presidents from the following types of institutions: smaller endowments, lower operating budgets, higher allocated revenue, smaller athletics budgets, and institutions with lower basketball and football coaches' salaries
 - ▶ Presidents from institutions with higher basketball and football coaches' salaries were significantly more likely to disagree with this statement

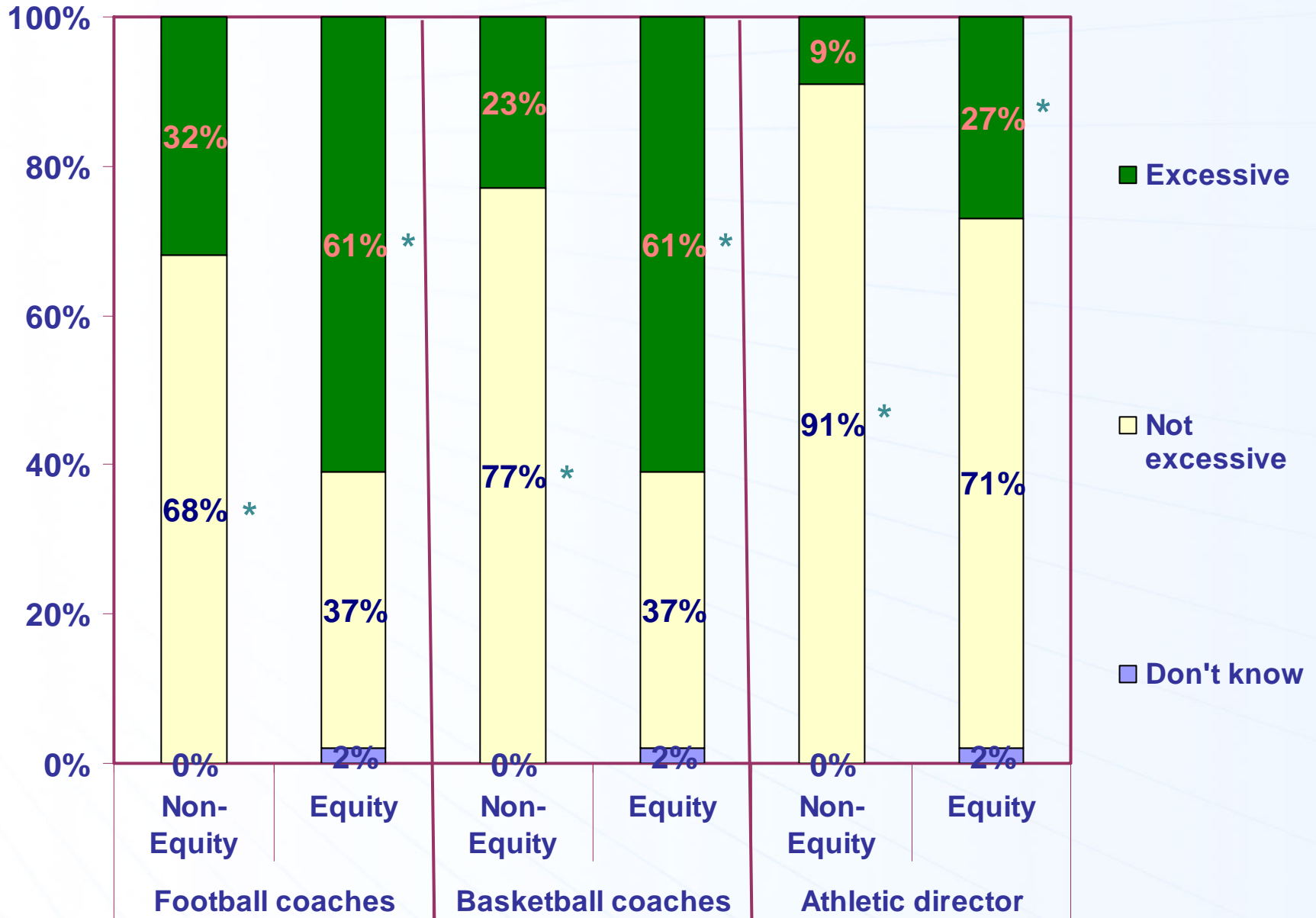
Subgroup findings of note

- Presidents from the non-equity conferences were significantly more likely to agree that they are concerned that the current economic outlook will impact whether their institution can continue to compete at the FBS level
 - ▶ This was also the case for presidents from the following types of institutions: smaller endowments and smaller athletics budgets
 - ▶ Presidents from institutions with higher basketball and football coaches' salaries were significantly more likely to disagree with this statement
- Presidents with less tenure at any FBS institution were significantly more likely to agree that athletic fundraising takes away from the same pool of money that would otherwise go to general university fundraising
 - ▶ Presidents from institutions with higher basketball and football coaches' salaries were significantly more likely to disagree with this statement

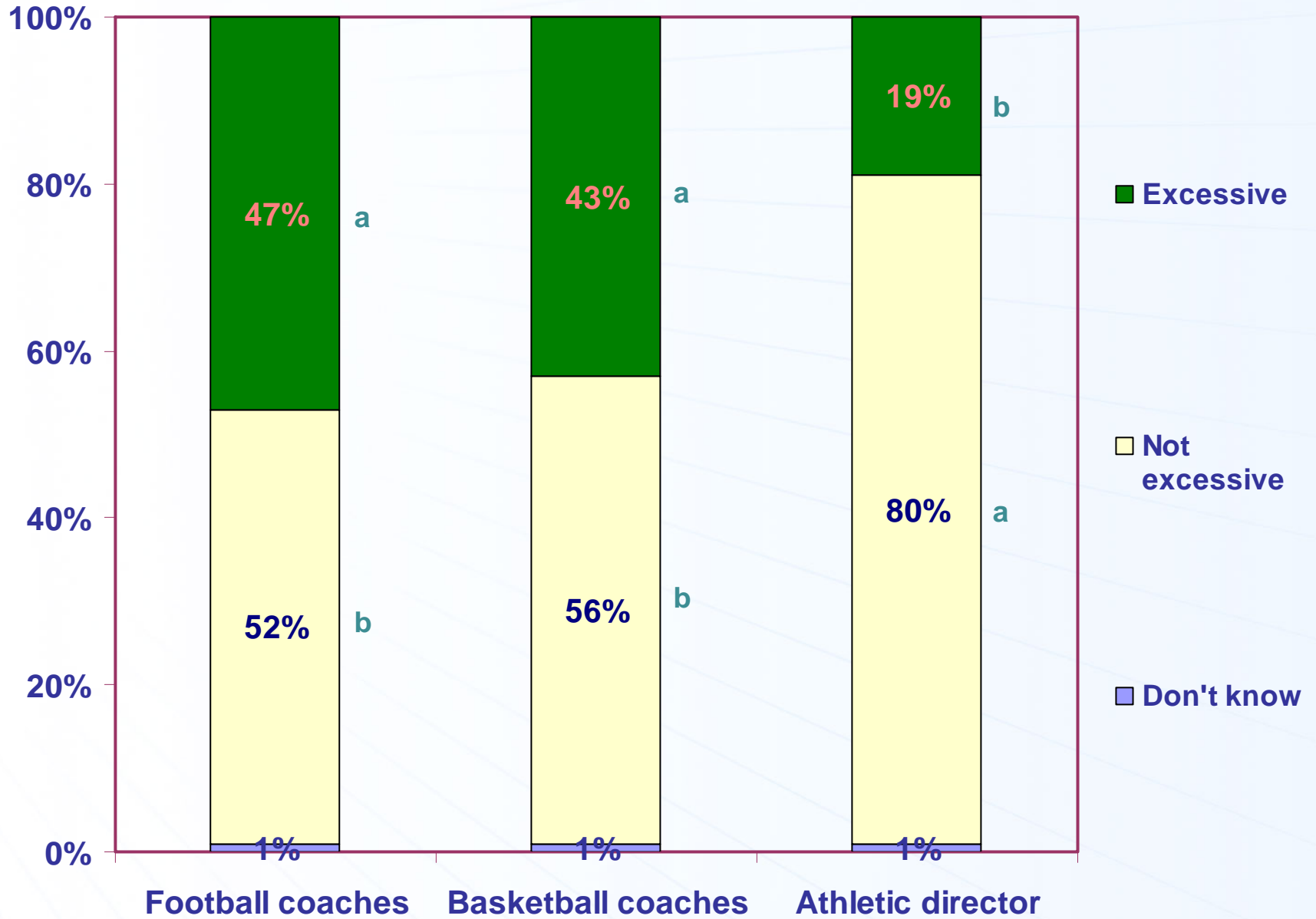
Compensation

ART & SCIENCE
GROUP L.L.C.

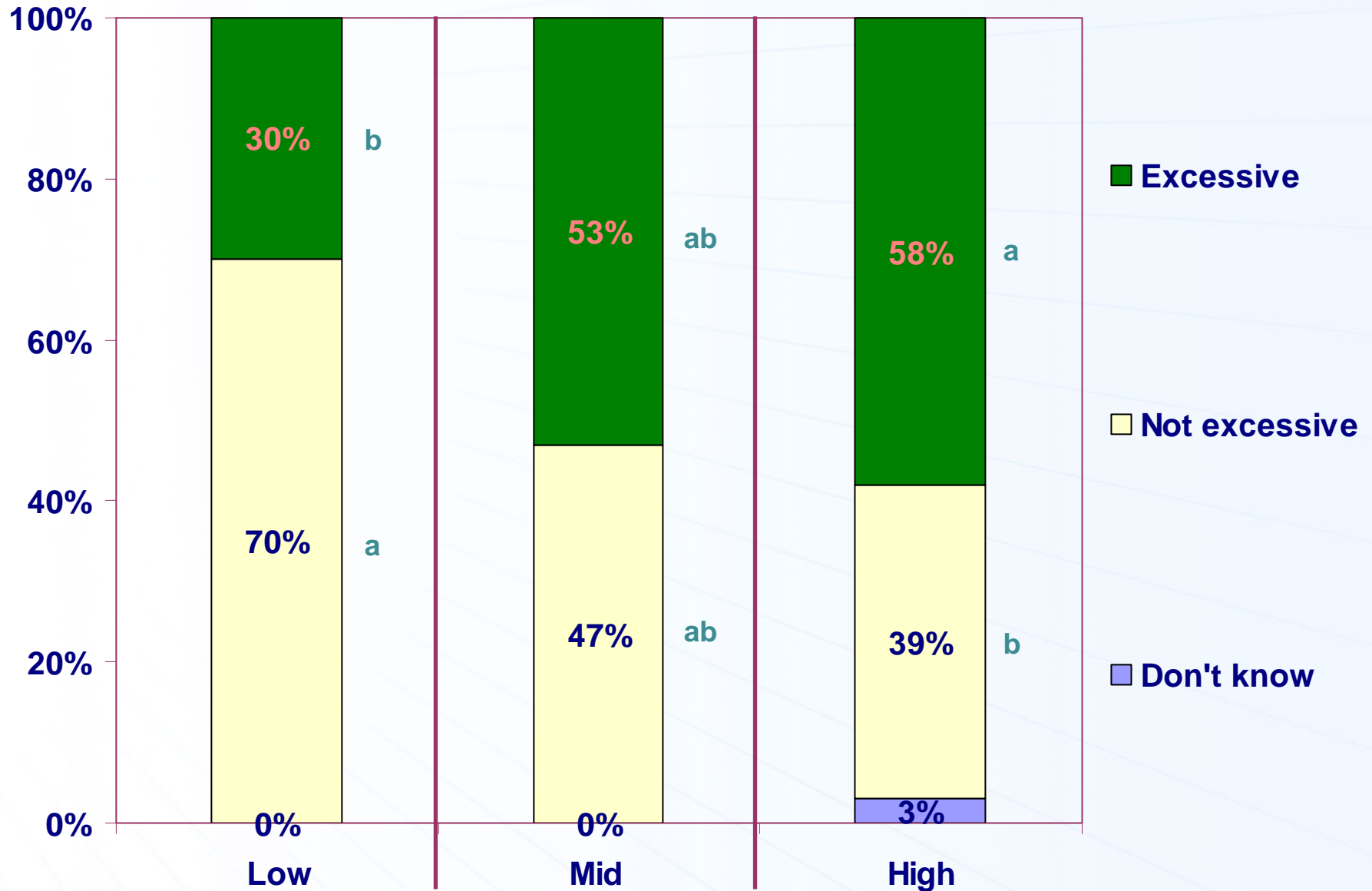
Feel the total compensation for athletic positions at your institution is excessive in the context of higher education?



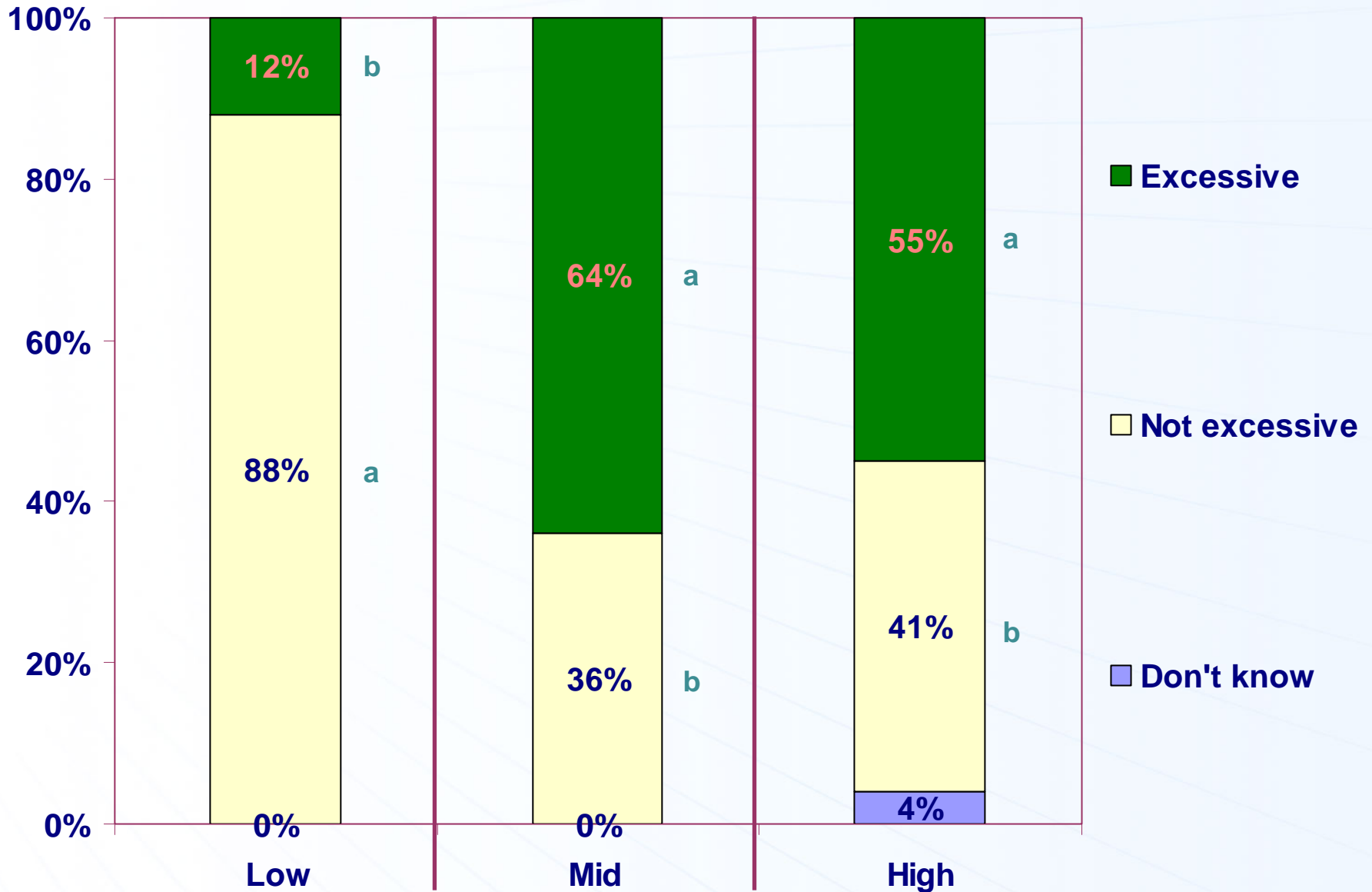
Feel the total compensation for athletic positions at your institution is excessive in the context of higher education?



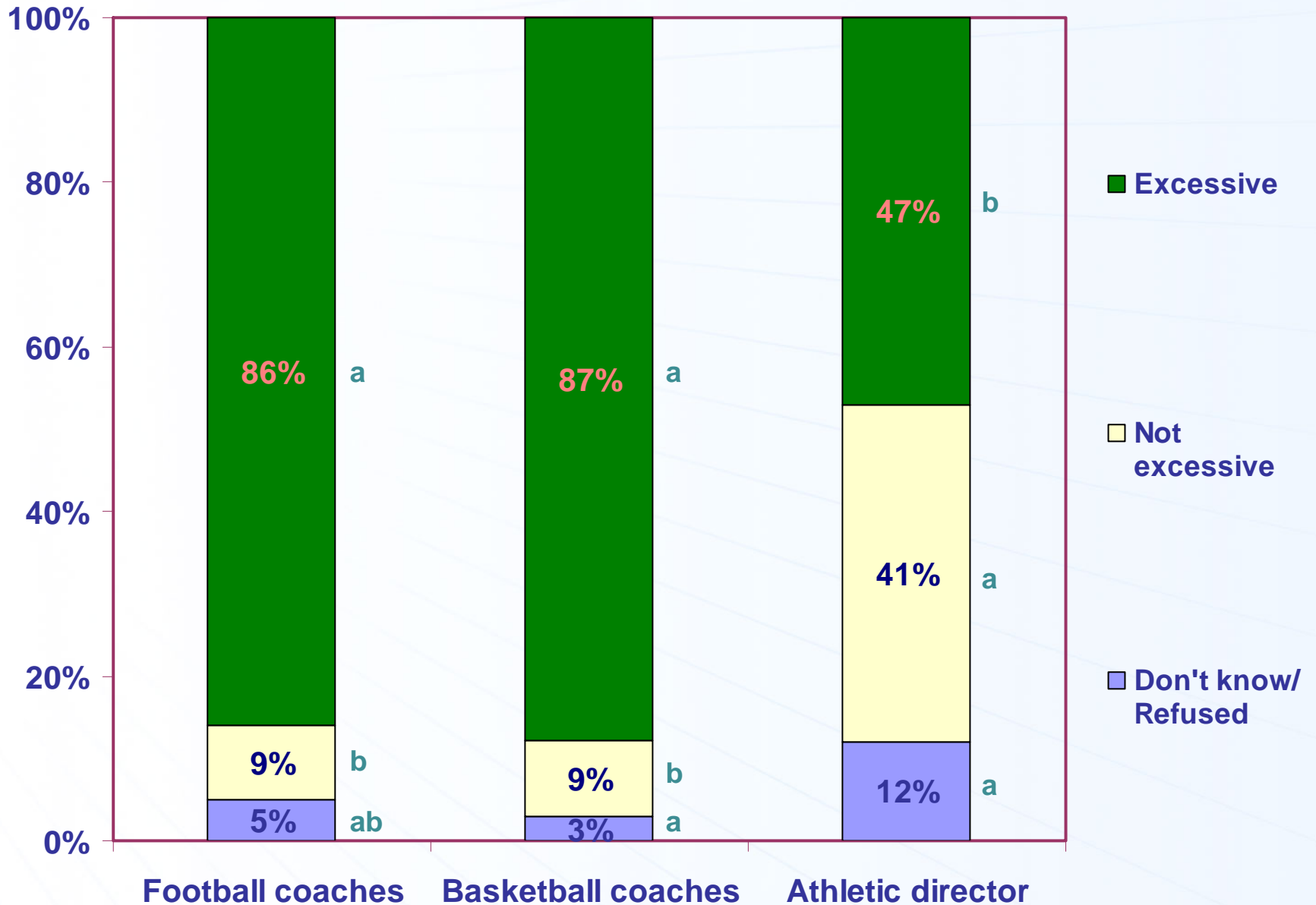
Feel the total compensation for football coaches at your institution is excessive in the context of higher education? - Football Coaches Salaries



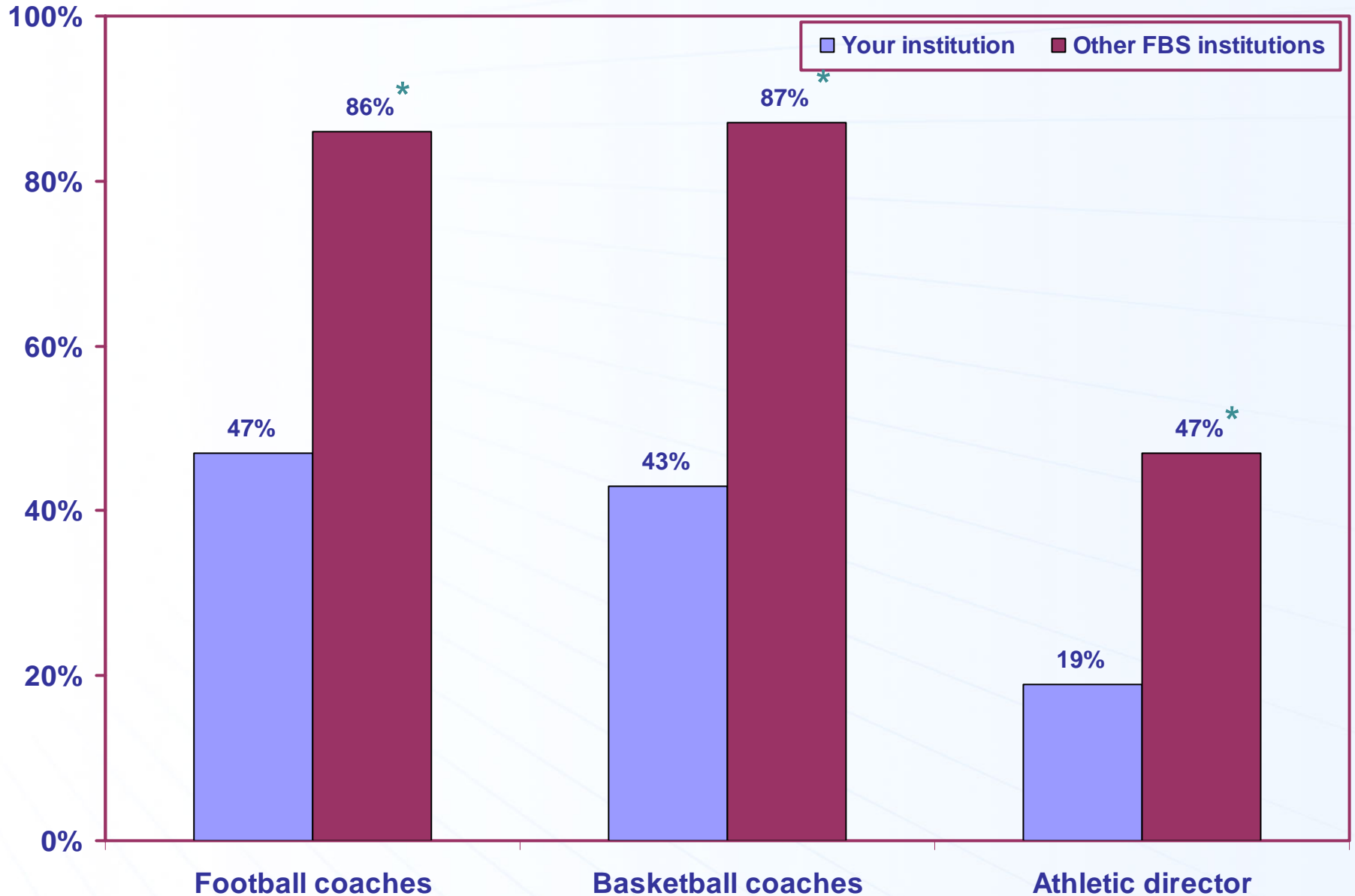
Feel the total compensation for basketball coaches at your institution is excessive in the context of higher education? - Basketball Coaches Salaries



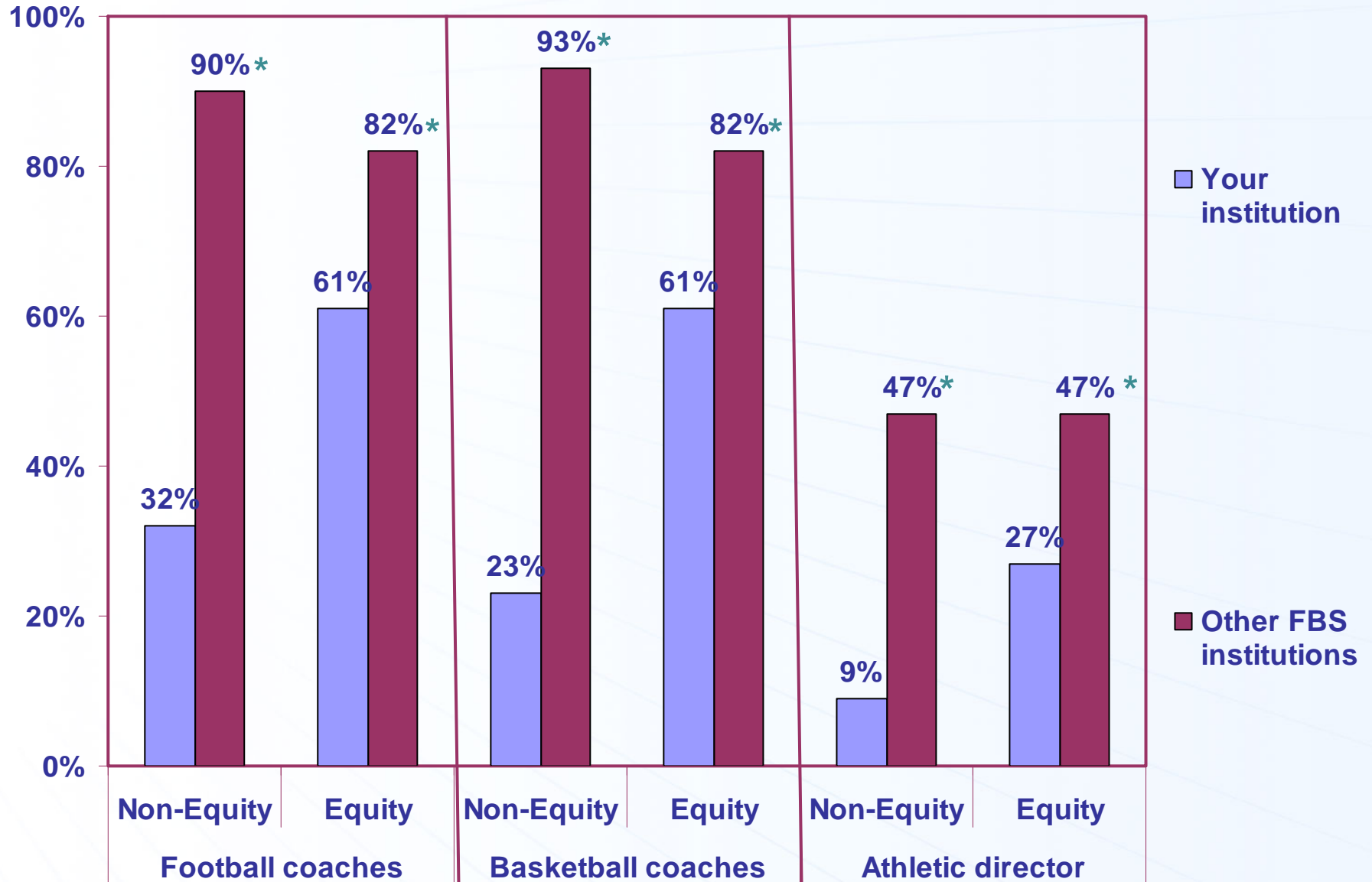
Feel the total compensation for athletic positions at other FBS institutions is excessive in the context of higher education?



Feel the total compensation for athletic positions is excessive in the context of higher education?



Feel the total compensation for athletic positions is excessive in the context of higher education?



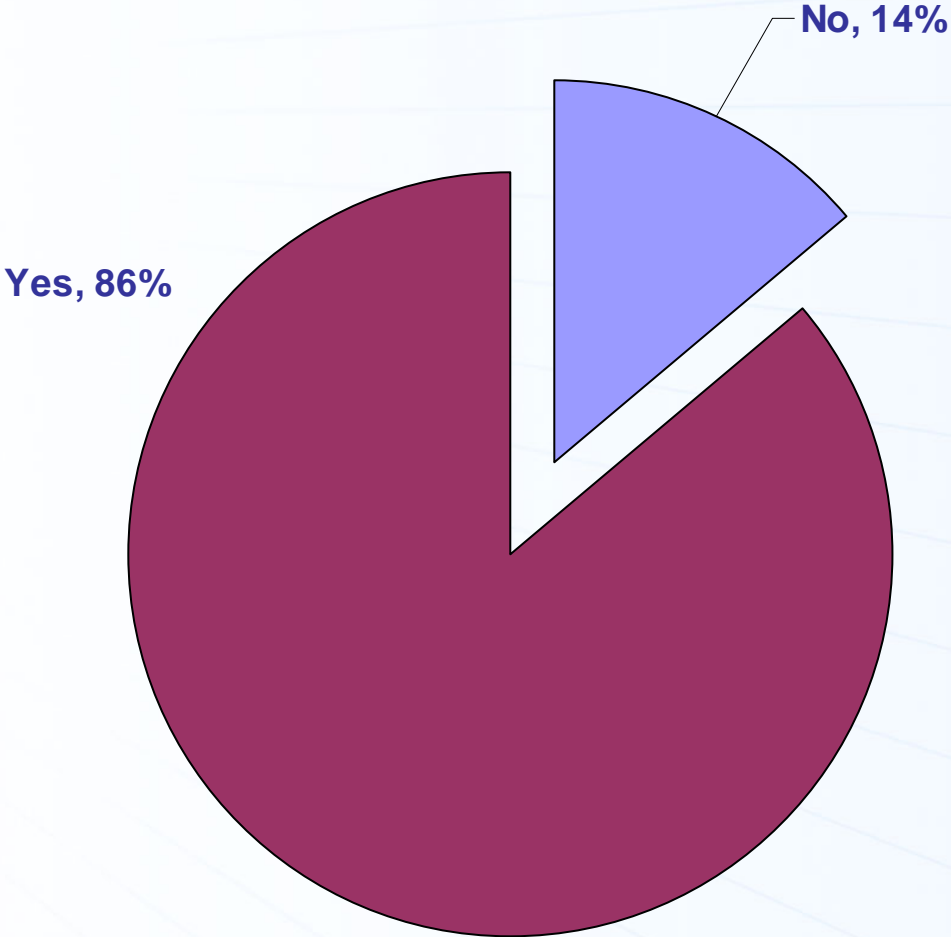
Subgroup findings of note

- Presidents from the equity conferences were significantly more likely to report that total compensation for football coaches, basketball coaches, and athletics directors were excessive in the context of higher education at their own institutions
 - ▶ 79% of equity institutions have at least one coach in the highest coaches' salaries category, compared to only 4% of non-equity institutions
- Presidents from institutions with mid to higher football and basketball coaches' salaries were more likely to report that total compensation for football coaches, basketball coaches, and athletics directors were excessive in the context of higher education at their own institutions
- Presidents from institutions with lower operating budgets, higher allocated revenue, and smaller athletics budgets were significantly more likely to report that total compensation for football coaches, basketball coaches, and athletics directors were not excessive in the context of higher education at their own institutions
- Presidents from private institutions were significantly more likely to report that total compensation for football and basketball coaches were excessive in the context of higher education at other FBS institutions

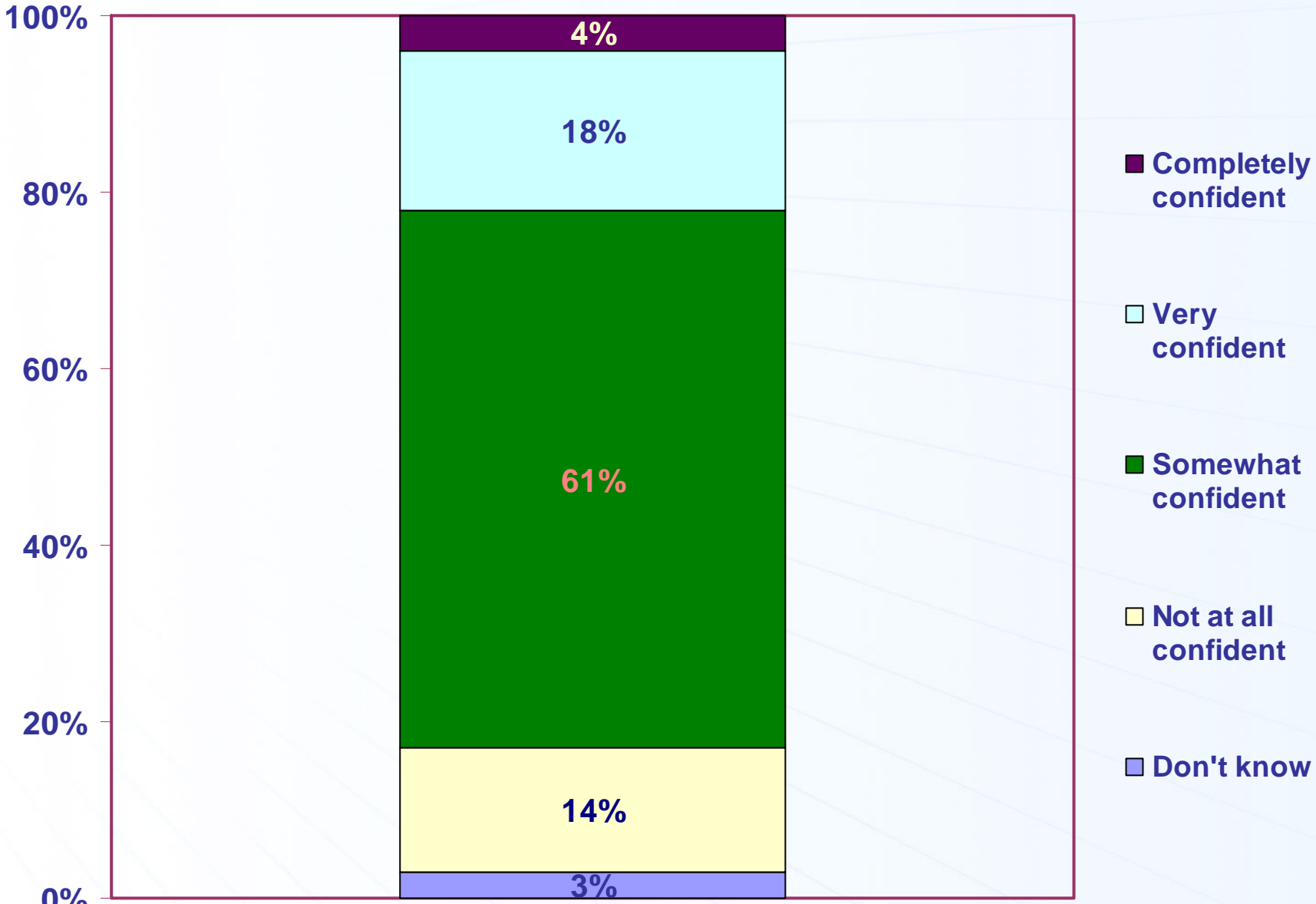
Institutional Data and Policy Changes

ART & SCIENCE
GROUP L.L.C.

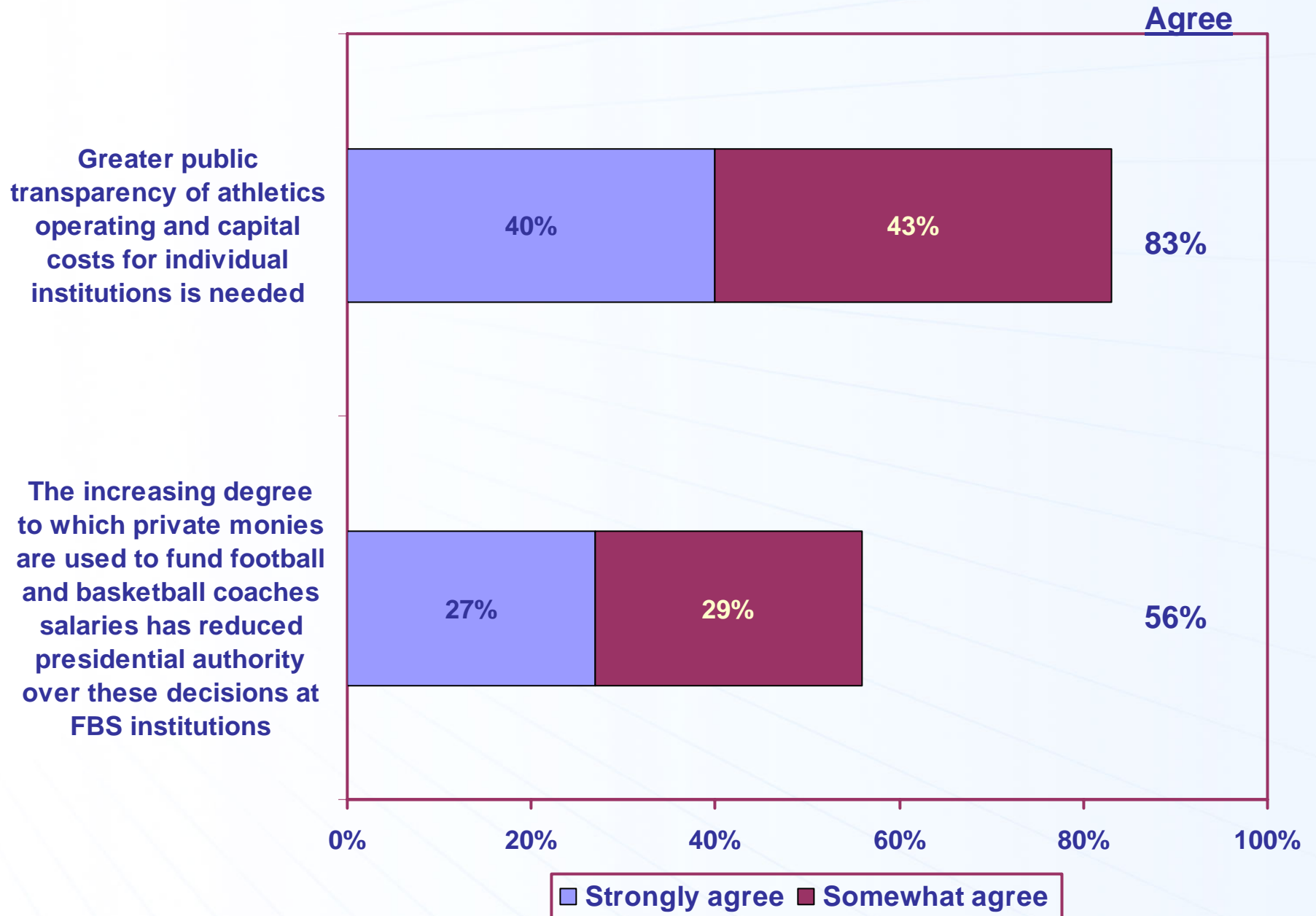
Reviewed your athletics programs' dashboard indicators presented on the NCAA's online financial management tool?



Confidence in the accuracy of information for peer institutions in the NCAA's online financial management tool



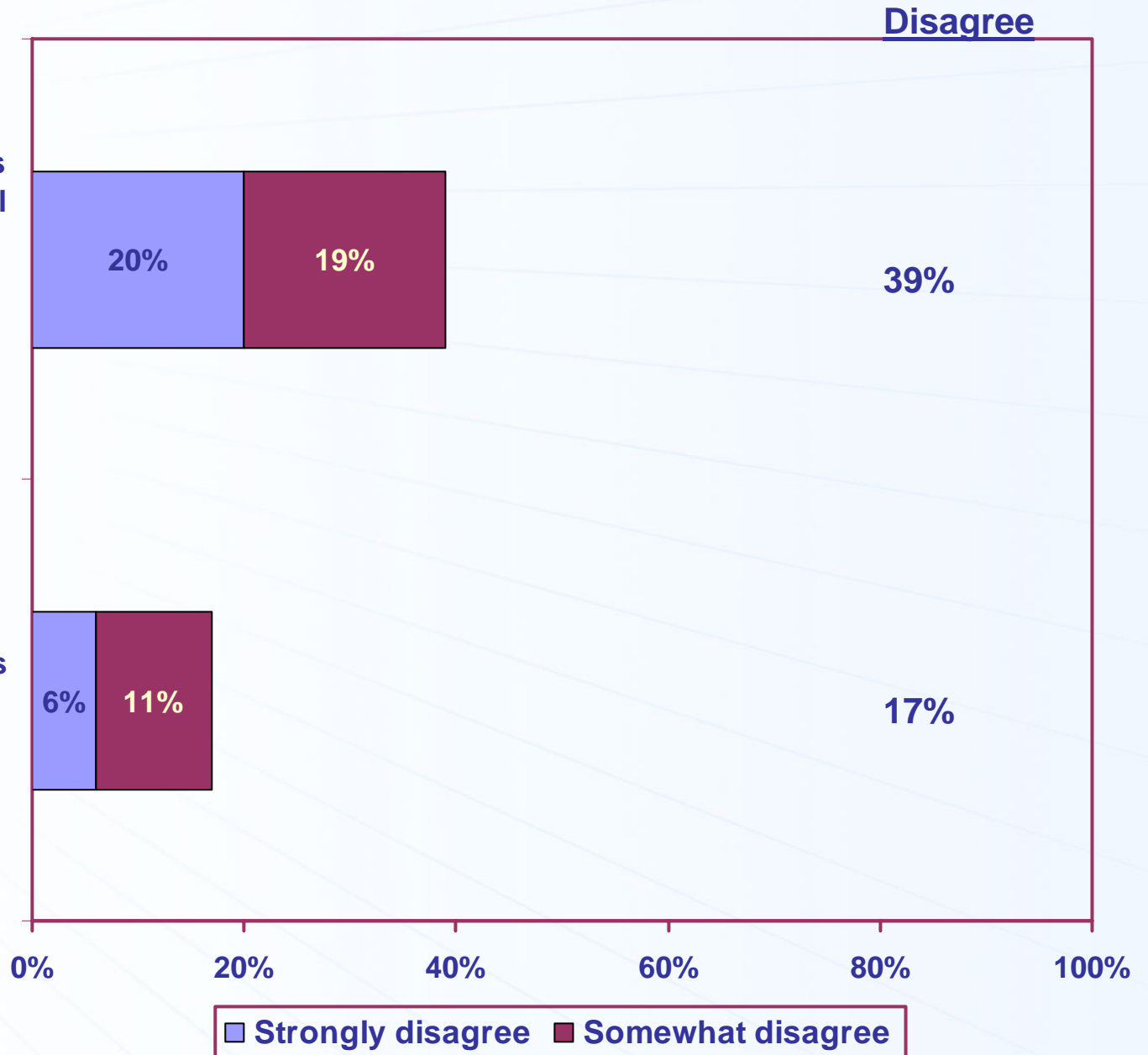
Agreement with statements about athletics



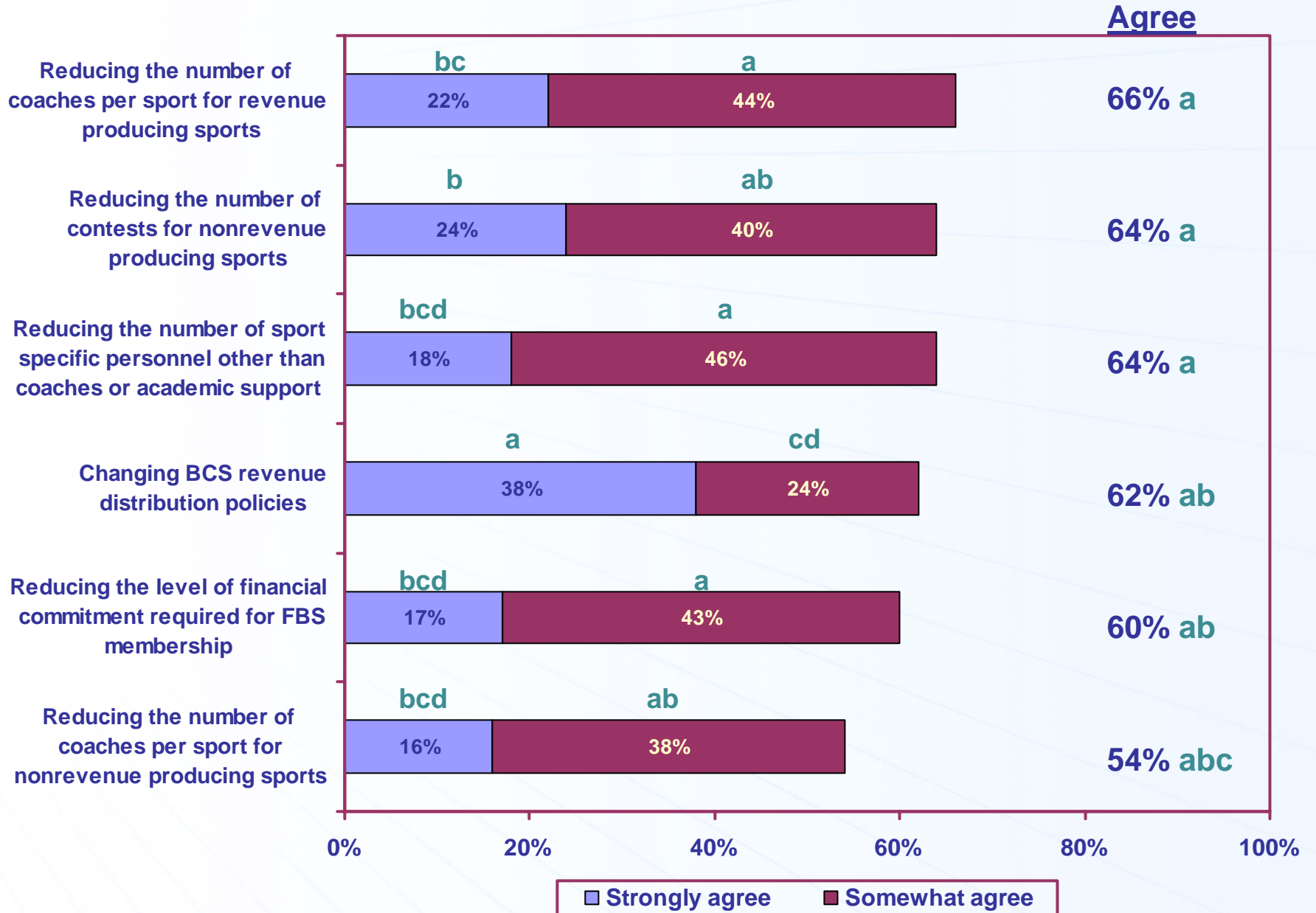
Disagreement with statements about athletics

The increasing degree to which private monies are used to fund football and basketball coaches salaries has reduced presidential authority over these decisions at FBS institutions

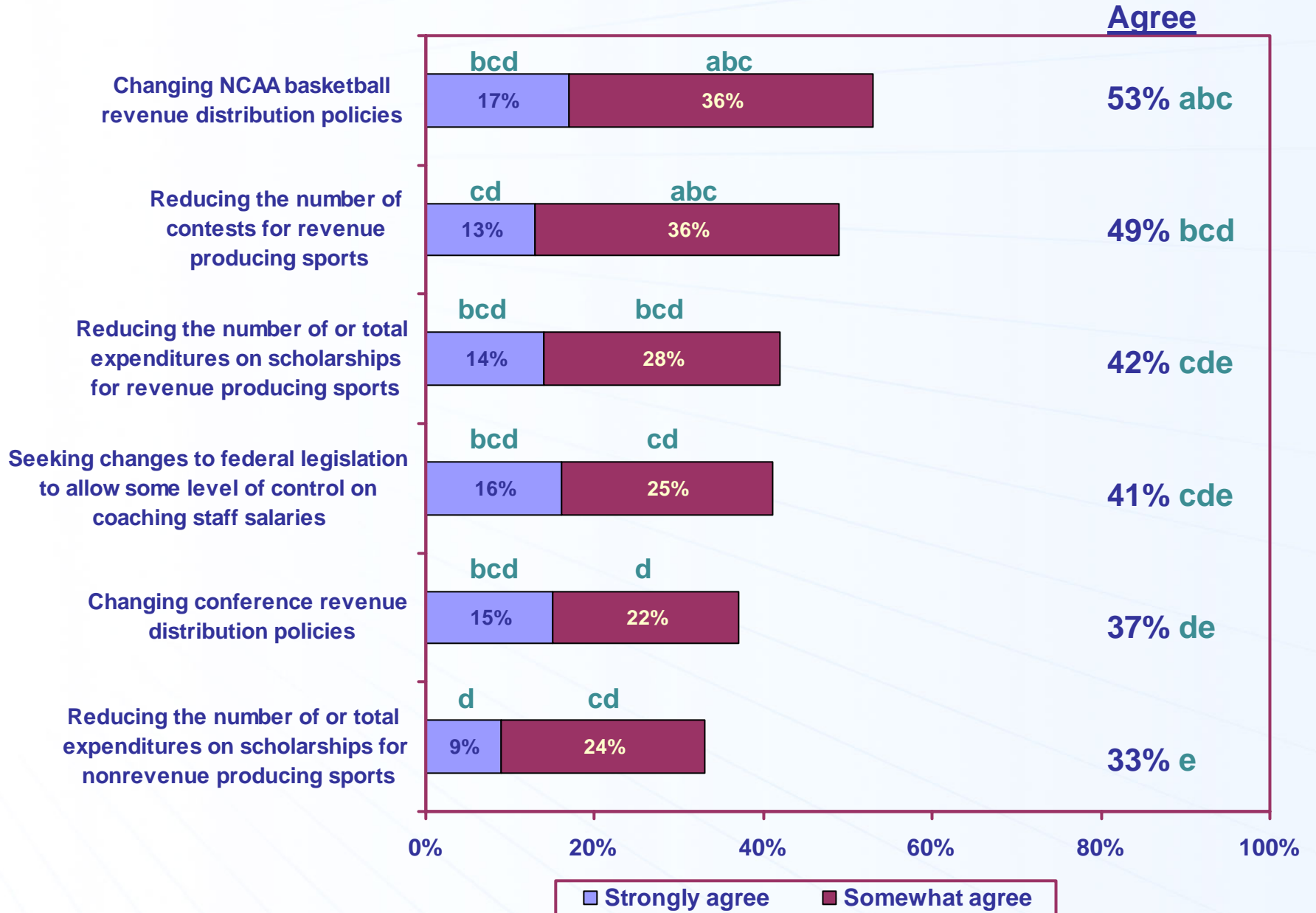
Greater public transparency of athletics operating and capital costs for individual institutions is needed



Agreement with giving priority to studying the following policy changes

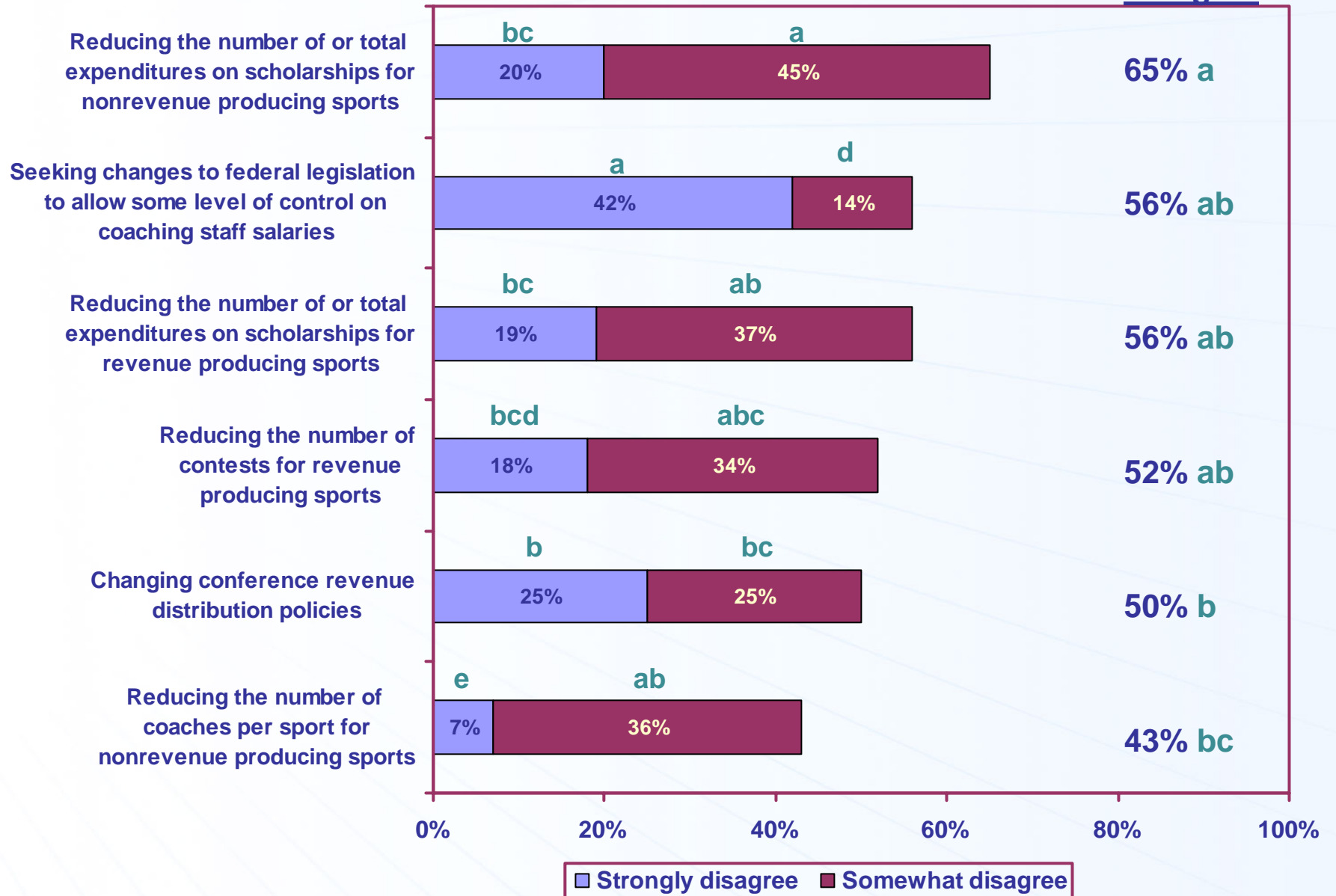


Agreement with giving priority to studying the following policy changes, cont.

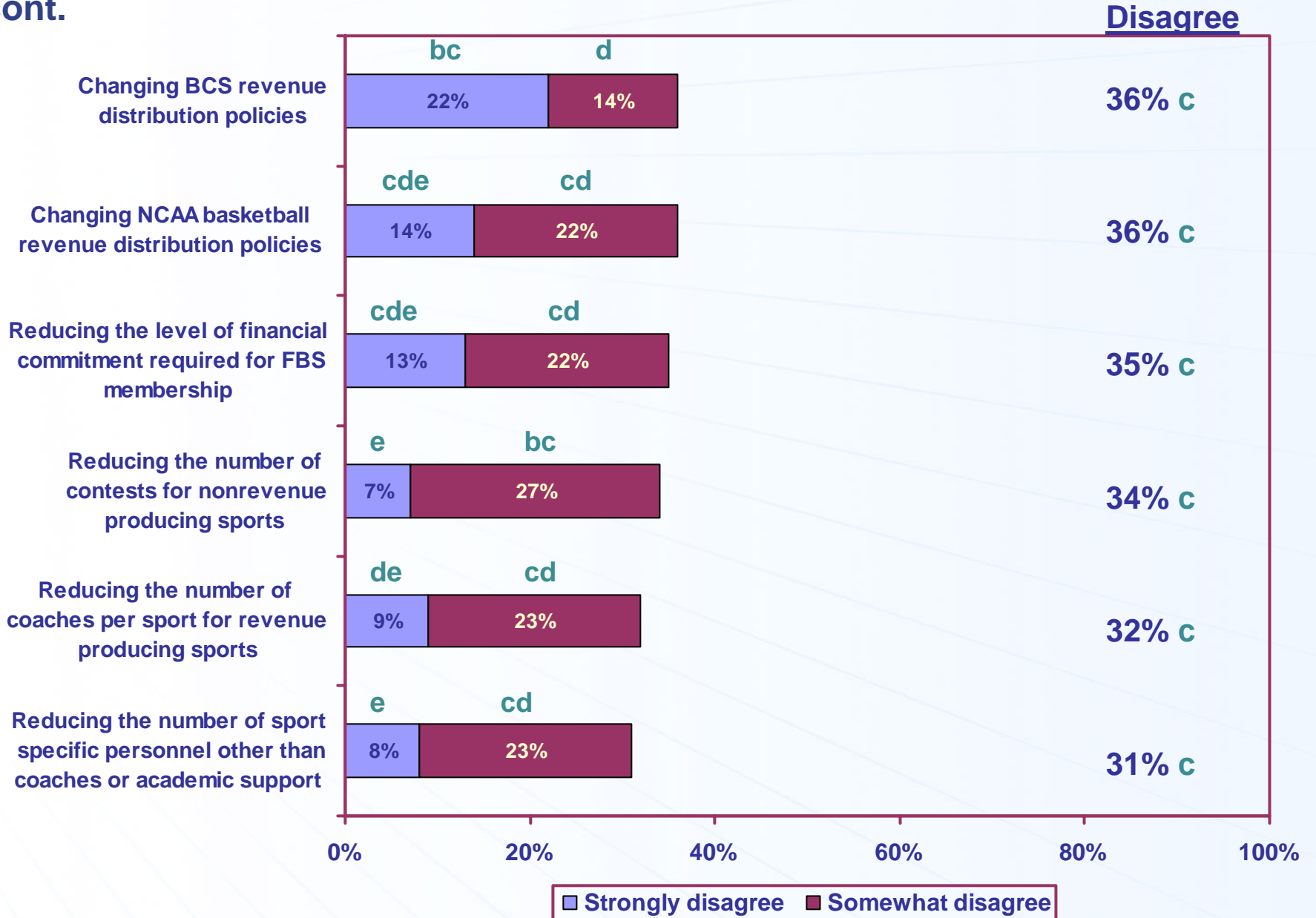


Disagreement with giving priority to studying the following policy changes

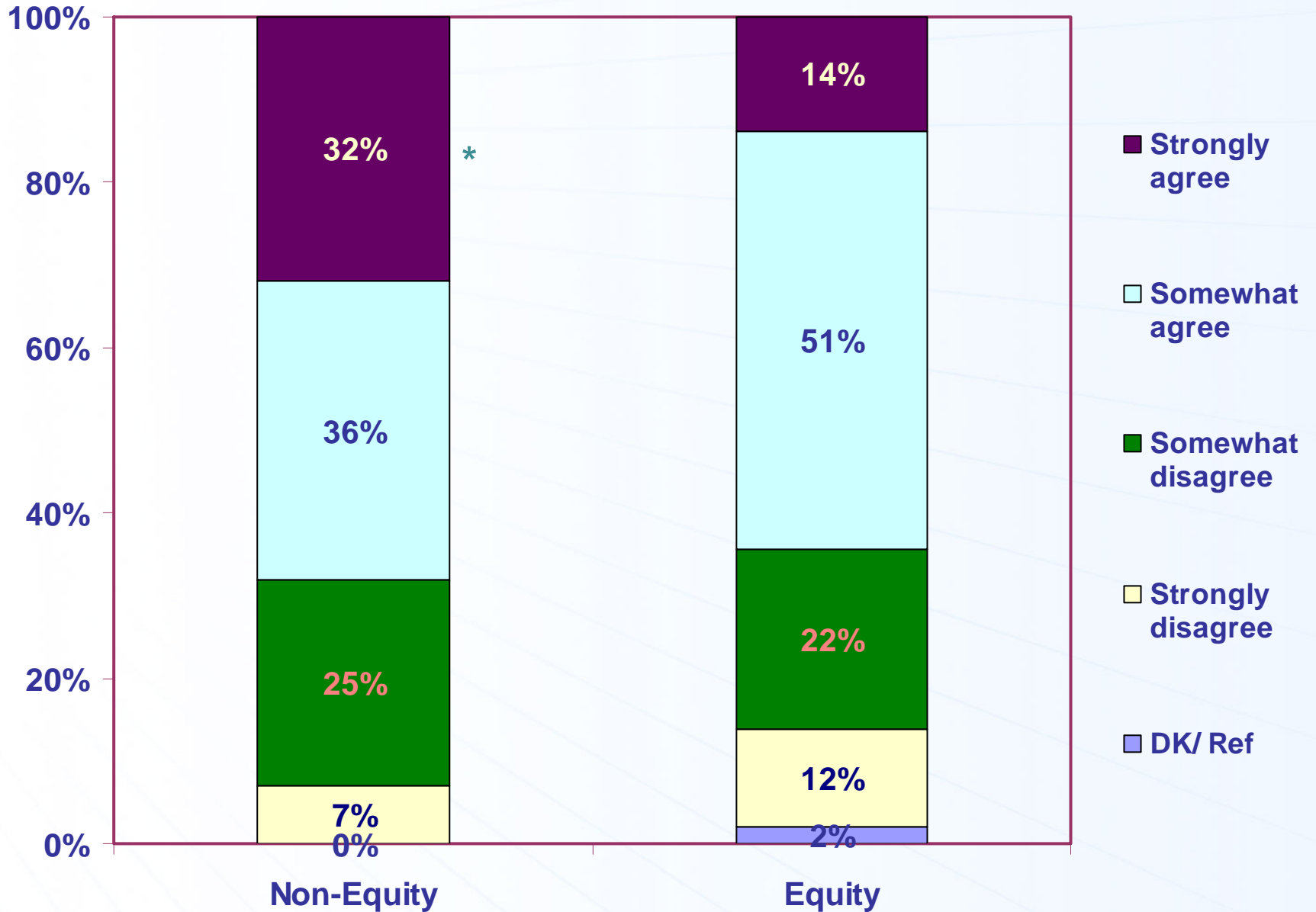
Disagree



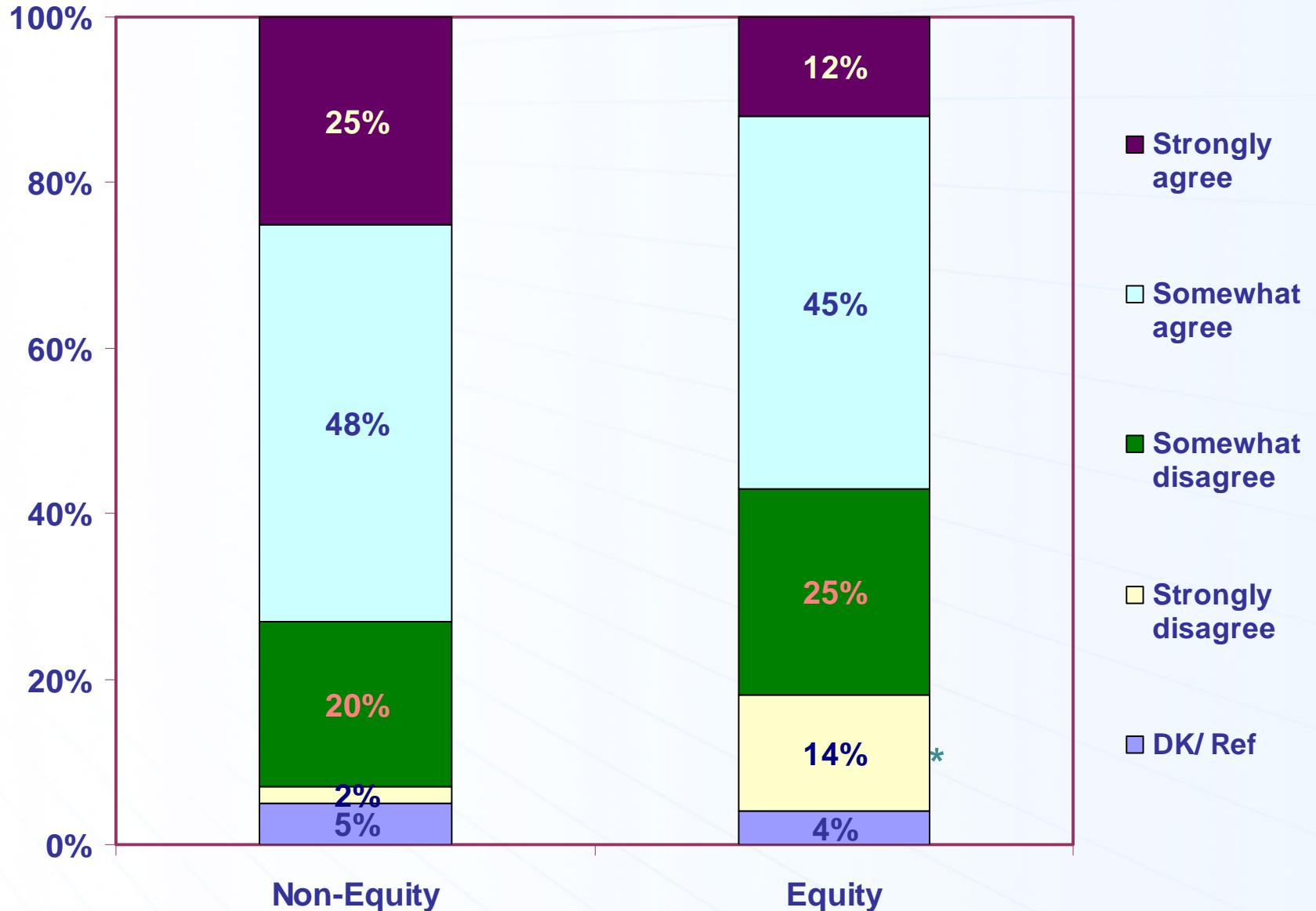
Disagreement with giving priority to studying the following policy changes, cont.



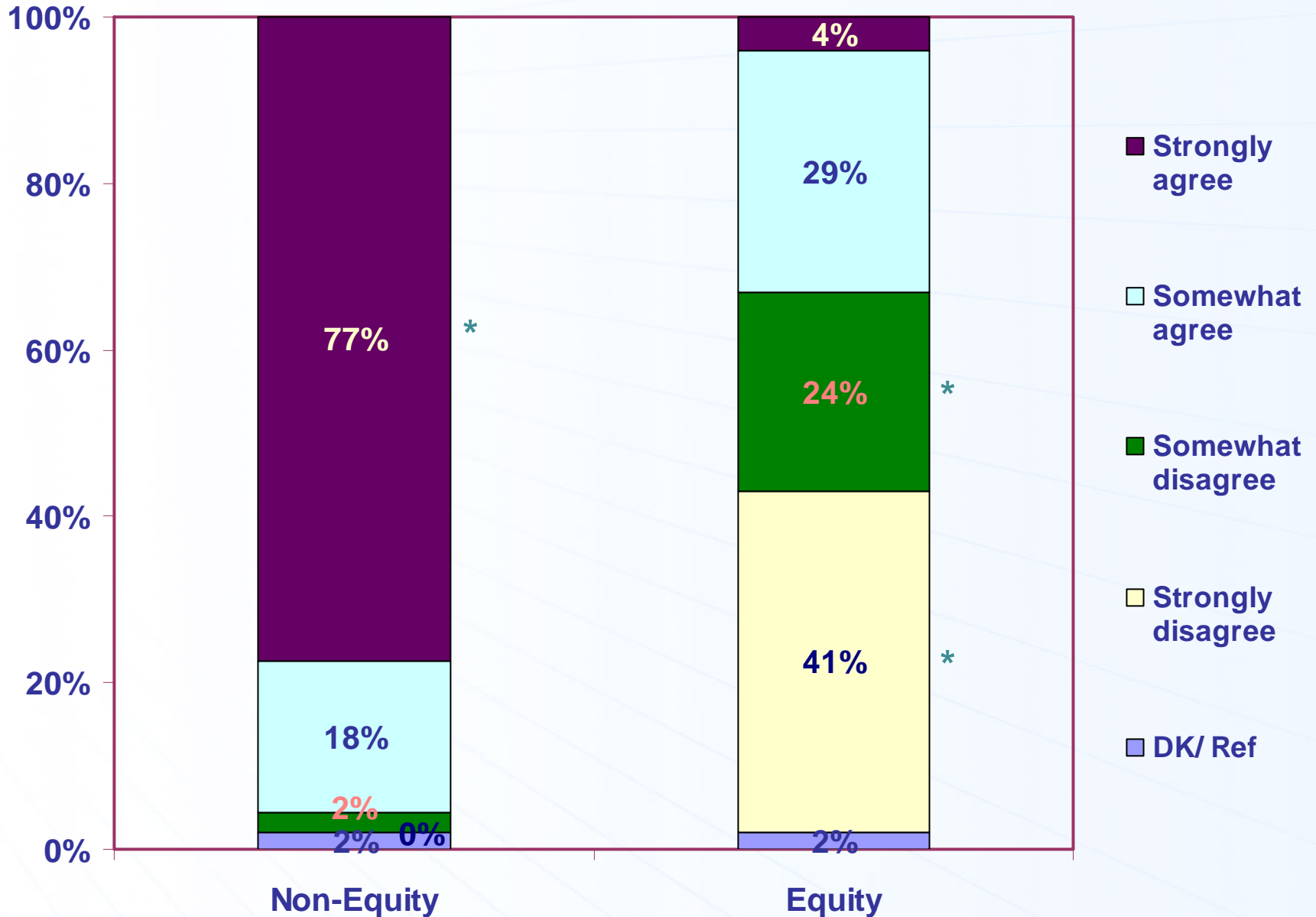
Agreement with giving priority to studying the following policy changes: Reducing the number of coaches per sport for revenue producing sports



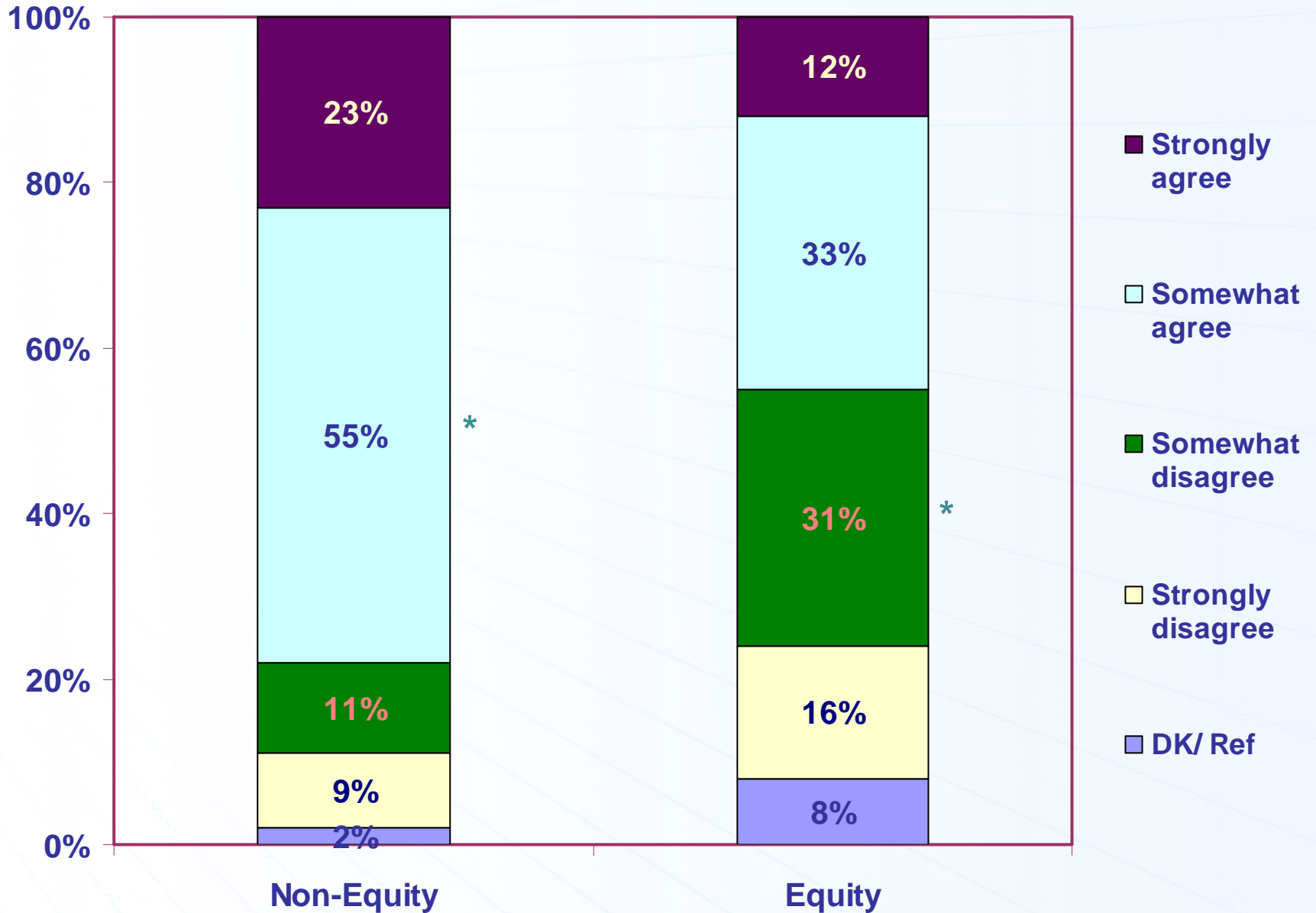
Agreement with giving priority to studying the following policy changes: Reducing the number of sport specific personnel other than coaches or academic support



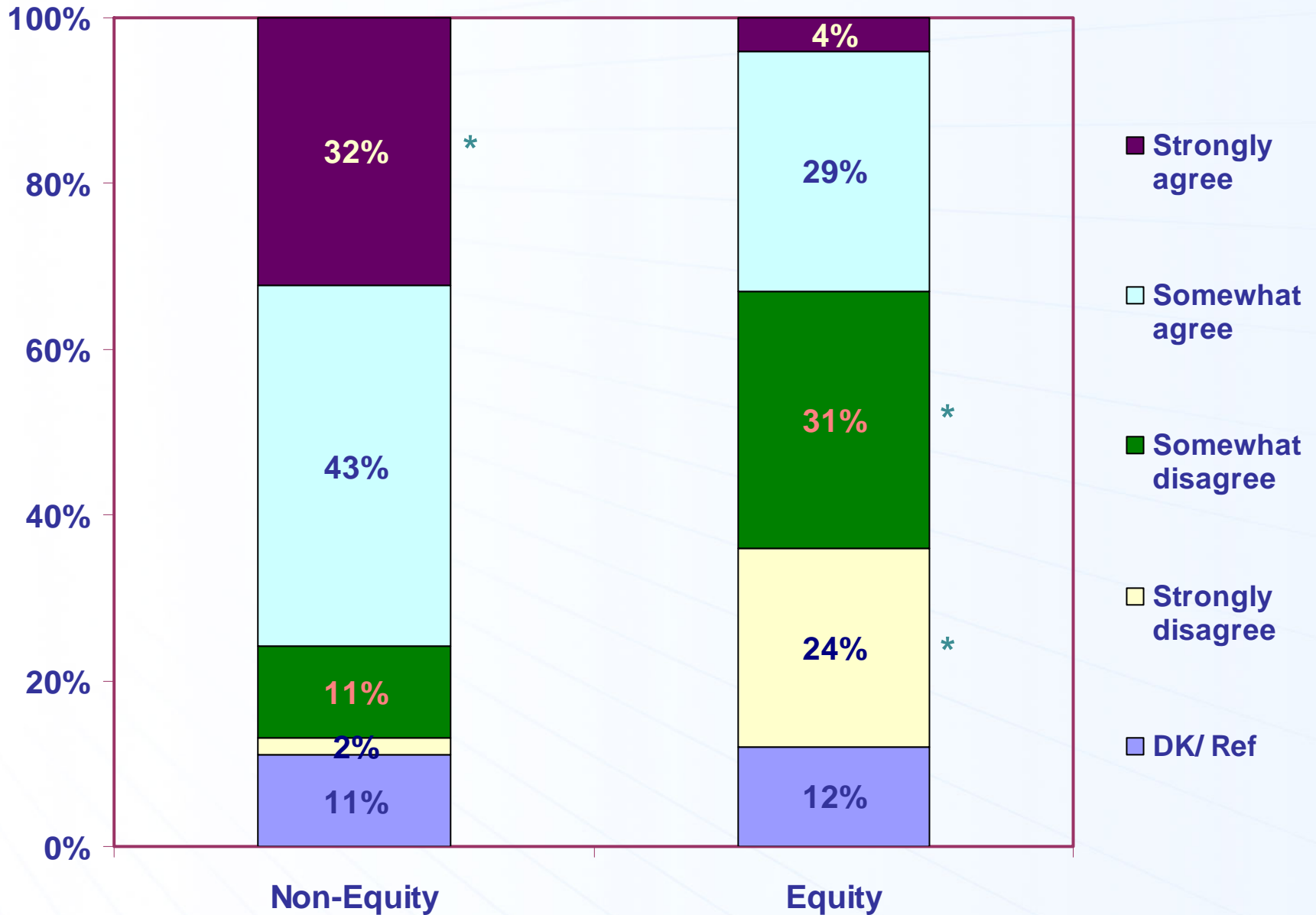
Agreement with giving priority to studying the following policy changes: Changing BCS revenue distribution policies



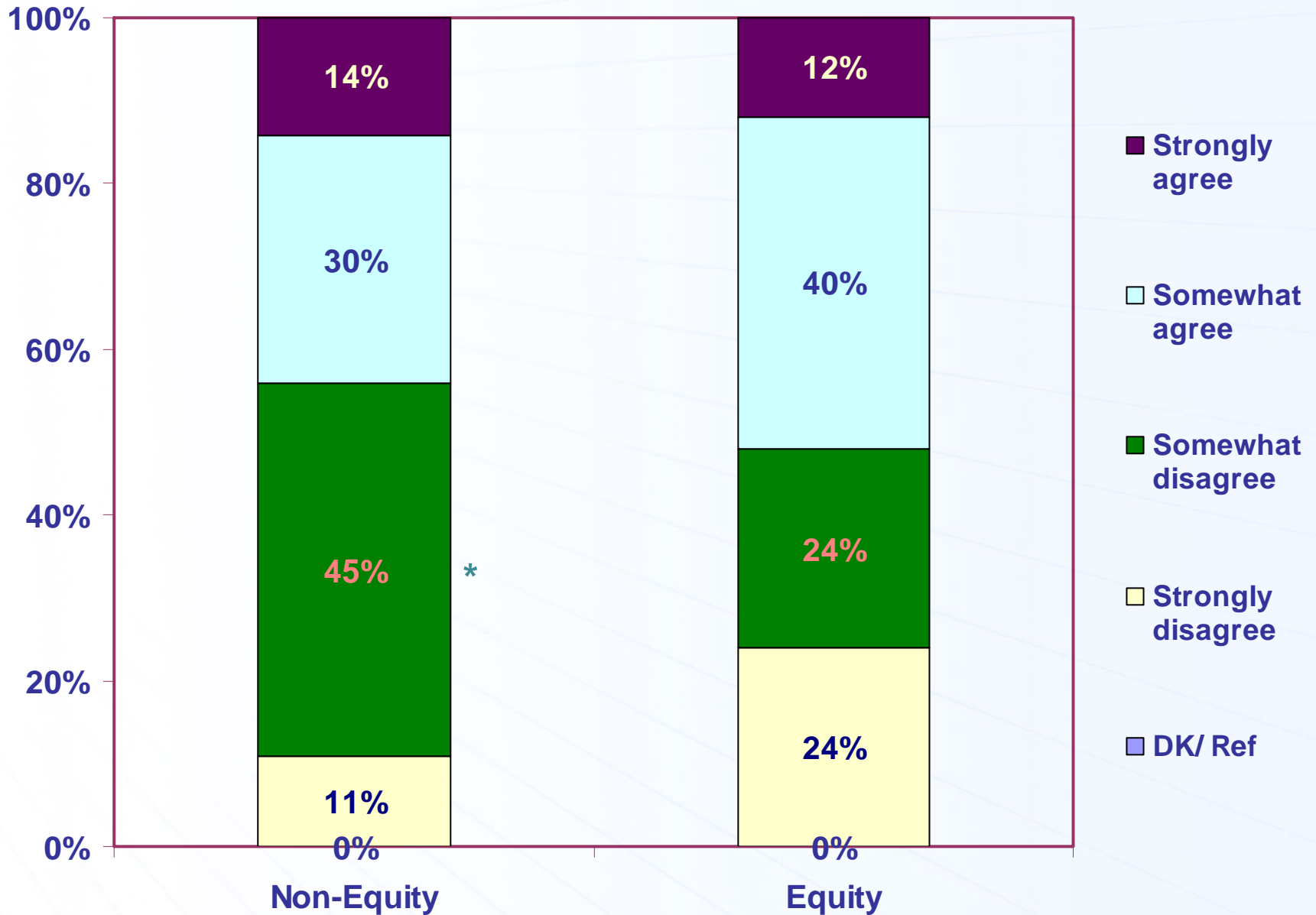
Agreement with giving priority to studying the following policy changes: Reducing the level of financial commitment required for FBS membership



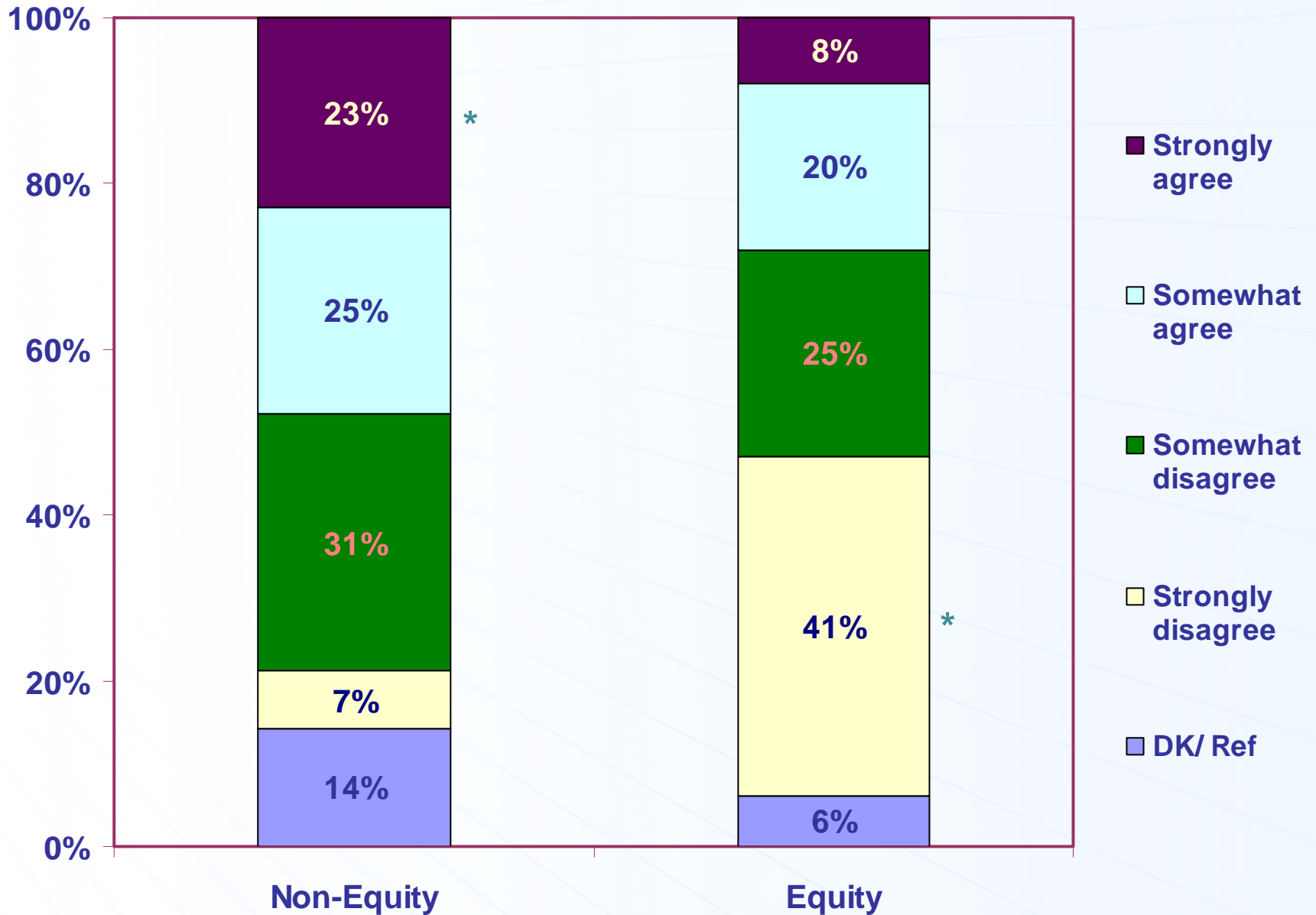
Agreement with giving priority to studying the following policy changes: Changing NCAA basketball revenue distribution policies



Agreement with giving priority to studying the following policy changes: Reducing the number of contests for revenue producing sports



Agreement with giving priority to studying the following policy changes: Changing conference revenue distribution policies



Subgroup findings of note

- Presidents from non-equity conferences were significantly more likely to agree that greater public transparency of athletics operating and capital costs for individual institutions is needed
- Presidents from non-equity conferences were significantly more likely to agree that the increasing degree to which private monies are used to fund football and basketball coaches salaries has reduced presidential authority over these decisions at FBS institutions
- Presidents from institutions with higher football coaches' salaries were significantly more likely to strongly disagree that the increasing degree to which private monies are used to fund football and basketball coaches salaries has reduced presidential authority over these decisions at FBS institutions

Subgroup findings of note

- Presidents from private institutions were significantly more likely to agree that reducing the number of contests for nonrevenue producing sports needs further study
- Presidents with more tenure at any FBS institution were significantly more likely to agree that reducing the number of sport specific personnel other than coaches or academic support needs further study
- Presidents from the non-equity conferences were significantly more likely to agree that changing the BCS revenue distribution policies needs further study
 - ▶ This was also the case for presidents from institutions with smaller endowments and smaller athletics budgets, as well as presidents from institutions with lower basketball and football coaches' salaries
- Presidents from the non-equity conferences were significantly more likely to agree that reducing the level of financial commitment required for FBS membership needs further study
 - ▶ This was also the case for presidents from institutions with smaller endowments and lower basketball coaches' salaries

Subgroup findings of note

- Presidents from the non-equity conferences were significantly more likely to agree that changing the NCAA basketball revenue distribution policies needs further study
 - ▶ This was also the case for presidents from institutions with smaller endowments, lower operating budgets, higher allocated revenue, smaller athletics budgets, and lower basketball and football coaches' salaries
- Presidents with more tenure at any FBS institution and presidents from private institutions were significantly more likely to agree that reducing the number of or total expenditures on scholarships for revenue producing sports needs further study
- Presidents from institutions with higher basketball coaches' salaries were significantly less likely to agree that changes to federal legislation to allow some level of control on coaching staff salaries needs further study

Subgroup findings of note

- Presidents from the non-equity conferences were significantly more likely to agree that changing conference revenue distribution policies needs further study
 - ▶ This was also the case for presidents from public institutions and institutions with smaller endowments, lower operating budgets, higher allocated revenue, smaller athletics budgets, and those with lower basketball and football coaches' salaries
- Presidents from private institutions were significantly more likely to agree that reducing the number of or total expenditures on scholarships for nonrevenue producing sports needs further study
- Presidents from institutions with mid to lower basketball coaches' salaries were significantly more likely to strongly agree that reducing the number of coaches per sport for revenue producing sports needs further study

APPENDIX E

Letters from Knight Commission co-chairs inviting FBS presidents to participate in study

March 9, 2009

Dr. R. Gerald Turner
President
Southern Methodist University
P.O. Box 750100
Dallas, TX 75275

Dear President Turner:

We are writing to request your participation in a project sponsored by the Knight Commission on Intercollegiate Athletics, on which we serve as co-chairmen. The Commission is engaged in a year-long examination of the economics of intercollegiate athletics. As part of this examination, we have asked Art & Science Group of Baltimore, Maryland, to conduct a survey of all 119 presidents of Football Bowl Subdivision (FBS) universities to assess presidential attitudes and beliefs regarding the financial condition of intercollegiate athletics at their own institutions and for the FBS as a whole. The NCAA is knowledgeable of this study and is providing data in support of the Commission's efforts.

Our goal is to foster a substantive dialogue regarding the sustainability of the current business model for FBS athletics programs and, more broadly, the opportunities and challenges athletics poses to higher education. The results of this study will become an important part of the Commission's deliberations and will inform the development of recommendations to address the financial health and integrity of athletics programs and the institutions that sponsor them.

On or after March 16, 2009 a representative of Art & Science Group will contact you to request your participation in a 10-minute phone survey on these issues. We would very much appreciate your participation, and want to assure you that your responses will be kept completely confidential and will be reported only in the aggregate with those from all other participants.

Another important element of this study will be follow-up interviews with presidents interested in engaging in a more in-depth interview with a senior staff member from Art & Science Group. These interviews will occur later this spring and will explore in more detail some of the issues addressed or raised by respondents in the initial survey. We ask that you consider sharing your thoughts on these important issues in this phase of our research.

We expect the entire study to be completed by July 31 and will share the results with all FBS university presidents subsequently. We hope you feel as we do that this project is worthy of your support and that it will provide critical information to help us work together in managing these complex issues during these particularly challenging economic times.

Thank you in advance for your participation in this effort.

Sincerely,



William E. "Brit" Kirwan
Co-Chairman



R. Gerald Turner
Co-Chairman



Knight Commission On Intercollegiate Athletics

April 1, 2009

Dear :

This is to follow-up on our prior letter to you requesting your participation in a project sponsored by the Knight Commission on Intercollegiate Athletics, on which we serve as co-chairmen. The Commission has asked Art & Science Group to survey presidents of Football Bowl Subdivision (FBS) universities to assess presidential attitudes and beliefs regarding the financial condition of intercollegiate athletics at their own institutions and for FBS institutions as a whole.

We are pleased to report that we are receiving great cooperation. The survey was fully launched last week and over a third of our colleagues have either completed the survey, or are scheduled to participate in the coming weeks. Our goal is to achieve 100 percent participation to ensure that the study fairly represents the spectrum of opinions among FBS presidents. We hope that you feel as we do that this project is worthy of your participation.

The survey will ask for your opinions about the benefits that intercollegiate athletics might provide FBS universities; the sustainability of trends in athletics revenues and expenses; the short and long term effects of the economic recession on athletics; and, potential policy changes presidents might consider to impact athletics finances. Given the purposes of the study, we are only seeking the opinions of presidents.

The study is being conducted by phone and will take ten minutes. Your responses will be kept completely confidential and will be reported only in aggregate with those from all other presidents. The NCAA is knowledgeable of this study and is providing data in support of the Commission's efforts.

Many of you are aware of the Knight Commission's long history of advocating for a reform agenda that promotes presidential control and leadership directed toward academic and fiscal integrity. The Commission's 1991 landmark report relied heavily on presidential opinions gathered through a survey. We believe this survey will provide similar foundational insights for the Commission's current examination of the economics of intercollegiate athletics. We expect the entire study to be completed by July 31, 2009 and look forward to sharing the results with you.

Your office will be receiving a phone call from a representative of Art & Science Group in the next week to schedule a convenient time for you to complete the survey. If you have any additional questions, you can contact one of us or the Commission's executive director, Amy Perko, at 910-864-5782.

Thank you in advance for your participation in this effort.

Sincerely,

William E. "Brit" Kirwan
Co-Chairman

R. Gerald Turner
Co-Chairman