OPINION

College football has a unique opportunity to right itself

BY ERIC BARRON

A CARDINAL RULE OF COLLEGE BUDGETING is that it is much easier to revamp spending priorities with new revenue than to reallocate existing spending.

With the upcoming expansion of the College Football Playoff to 12 teams, the 133 institutions in the Football Bowl Subdivision are about to experience just such a windfall of new dollars. Expanding the number of CFP games under its current media contract will generate hundreds of millions more in new revenue in 2024 and 2025, on top of the annual distribution of more than $550 million. Once a new media contract is in place beginning in 2026, CFP revenue will outstrip even the NCAA's March Madness revenue, making the CFP the biggest pot of gold in college sports by far. The CFP is expected to generate $2 billion annually, or an additional $1 billion in new revenue, which will be divvied up only by the small subset of conferences and schools that manage the playoff independent of the NCAA.

This new billion dollar-plus bonanza provides FBS football with a unique, once-in-a generation opportunity to commit new and substantial funding to athletes' education, health, and safety, rather than furthering runaway spending on gilded facilities, exorbitant coaching salaries, and golden-parachute buyouts.

As the former president of Penn State University, and the former Big Ten representative to the 11-person CFP board of managers, I saw firsthand the difficulty of reallocating existing dollars from coaching salaries and luxury facilities and the comparative ease with which new money could be repurposed to better support athletes and education.

When the Big Ten renegotiated its lucrative conference network deal in 2017, presidents of many of its institutions banded together to use a portion of the new money to fund educational projects and priorities that would otherwise have been extremely difficult to develop with tuition dollars.

Each of the presidents committed $4 million annually from the new conference media contract to academic and student needs. Our schools used the new media revenue to pay for refurbished libraries, improved student mental health services, and art museums.

A similar elevation of educational priorities happened when the NCAA reexamined the distribution of new revenue through its renegotiated March Madness media contract. For nearly three decades, the NCAA distributed hundreds of millions of dollars annually to Division I conferences and schools based on the success of men's basketball teams in the March Madness tournament but did not award a dime to schools for meeting academic benchmarks.

In 2016, the NCAA membership voted to change the Division I revenue distribution by adding an academic performance unit. That change will result in $1.1 billion being awarded to institutions between 2019 and 2032 for the academic and graduation success of their athletes.

This well-established funding pattern shows now is the time to ensure more financial resources are directed toward athletes' education, health, safety, and well-being. Alternatively, competitive pressures to spend lavishly on coaches' salaries and facilities will remain fierce — and left unaddressed will only get worse.

Data compiled by the Knight Commission on Intercollegiate Athletics, of which I am a member, show that football head and assistant coaches' salaries grew by more than 80% at public FBS programs from 2011-20, more than twice as fast as the growth in athletic aid for college athletes. And since the CFP began in 2015, annual severance payouts to FBS football coaches have tripled, and approached $100 million for just eight head FBS football coaches during the 2021 season.

The Knight Commission recently asked the professional services firm CLA to project the financial impact of CFP expansion, along with additional SEC and Big Ten media revenue growth, assuming today's ingrained spending patterns continue.

CLA's projections show that in 2030, the football coaches at 52 public Power Five programs — comprising about 575 individuals — would earn a staggering $1.4 billion, an increase of more than 310% from 2011.

Those 575 elite football coaches would earn more than the 30,000 athletes would receive in athletic student aid ($1.2 billion) across all NCAA-sponsored sports at those Power Five schools. Similarly, severance payments to the dozen or so FBS football coaches who are fired each year could triple by 2030 to a jaw-dropping $350 million.

FBS conferences and schools currently can spend CFP revenue however they want. Conferences and schools aren't required to allocate a penny of those dollars to athletic scholarships, players' health and safety, boosting diversity among FBS football coaches, expanding sports offerings, or ensuring equal opportunities for female athletes.

Thankfully, promising conference-based financial frameworks for redirecting new media revenue already exist, like the Knight Commission's C.A.R.E. model, which would ensure that conferences direct most of their shared revenue to athlete education, health, safety, and well-being and would empower conferences to impose luxury taxes and penalties to contain the costs of runaway coaching salaries.

By contrast, CLA projections show that, on a business-as-usual course, not-for-profit universities will be operating their FBS football programs under a financial model that is indefensible for college sports.

College presidents, and the conference commissioners they supervise, have a moral obligation and a rare window of opportunity to fix the broken financial model of FBS football now, before the first game in the expanded playoffs takes place in 2024 — and before it becomes all but impossible to chart a new course for FBS football. It's time for FBS presidents to require most of this multibillion-dollar bonanza be used for the education, health, safety, and well-being of college athletes.

Eric Barron is president emeritus of Penn State University.