

# THE SECOND-CENTURY IMPERATIVES

*Presidential Leadership — Institutional Accountability*



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LETTER FROM MYLES BRAND  
NCAA President

IN 2003, AN ASSOCIATION-COMMISSIONED study from three Brookings Institute-affiliated economists was released. *The Empirical Effects of Collegiate Athletics: An Interim Report* (August 2003) examined the effects of spending in athletics among Division I institutions, looking specifically at operating budgets. That first report was updated 18 months later [*The Empirical Effects of Collegiate Athletics: An Update* (April 2005)], and a companion study was also made public that reported on the effects of capital expenditures in Division I [*The Physical Capital Stock Used in Collegiate Athletics* (April 2005)].

The release of these three reports was notable for two reasons: (1) They disputed conventional wisdom with empirical data in a number of instances; and (2) Despite their irrefutable evidence contradicting the argument that athletics must spend to win and win to increase revenues, these reports were virtually ignored by the intercollegiate athletics community. Two points emerged from the reports that sounded alarms for the future.

The first point represents an economic reality that is not sustainable, namely that intercollegiate athletics has been growing at a rate two to three times faster than the rest of higher education over the last decade. The second and more intractable point for the future health of higher education is that institutions hold mortgages on burgeoning facility expansions that represent on average 20 percent of intercollegiate athletics spending. This factor puts institutions at risk over decades of time if the popularity of college sports wanes.

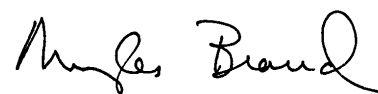
At the same time, there is rising concern that the values important to higher education have been overwhelmed by the popularity of intercollegiate athletics to media and marketing. As pressures to win and to generate revenue increase, the integration of athletics with the

academy, the interference with presidential authority by avid fans or trustees, and the primacy of education in the student-athlete experience have all been threatened.

These were the factors in place when I announced formation of the NCAA Presidential Task Force on the Future of Division I Intercollegiate Athletics in January 2005. As my predecessors have often done in the past, I called on the leadership of presidents and chancellors to attend to these perplexing and difficult issues and to develop an agenda of action for the future. As in the past, these men and women responded with critical analysis and profound judgment. Eighteen months after assuming their assignment, they completed the work. This report is the product of their labors.

I thank each of them for their commitment, but I must single out the specific leadership efforts of Gerald Turner, Southern Methodist University; Karen Holbrook, Ohio State University; and Larry Faulkner, University of Texas at Austin (now retired), who chaired three of the four subcommittees. The fourth subcommittee and the Task Force itself was chaired by Peter Likins, University of Arizona (now retired, also). President Likins and his colleagues are owed a debt of gratitude by their peers for the candor and incandescence they brought to problems too often belied and kept in the shadows by allegiance to the status quo.

I commend this Task Force report to you.



LETTER FROM PETER LIKINS  
*Task Force Chair*

THE INTERCOLLEGIATE ATHLETICS ENTERPRISE in NCAA Division I schools typically comprises less than 5 percent of the university budget and involves less than 5 percent of the student body. Nonetheless, when 50 university presidents and chancellors were invited to Tucson in June 2005 to think hard together about the future of intercollegiate athletics in our universities, virtually every one of them showed up and worked together for two days, forming a task force on the future of Division I intercollegiate athletics.

These men and women all care deeply about preserving the best qualities of competitive athletics and they share a feeling of responsibility for guiding this activity constructively for long-term success. While no member of the task force was alarmed by the current state of intercollegiate athletics, no one was without deep concerns about the future implications of current trends.

In the initial discussions of the entire task force, two things were clear: (1) Financial problems were the most likely symptoms of future trouble, but (2) the deeper problem is the danger of cultural isolation of student-athletes from the intellectual purposes and academic values of our universities.

Unless we find ways to strengthen the integration of athletics within our universities, we can foresee not only failure to meet our responsibilities to our student-athletes, but more pervasively a distortion of the fundamental character of our academic institutions.

Accordingly, we quickly divided the task force into four subcommittees, one of which on fiscal responsibility I chaired. The other three groups were:

- Implications of Academic Values and Standards (Larry Faulkner, President at the University of Texas at Austin, chair)
- Presidential Leadership of Internal and External Constituencies (Gerald Turner, President at Southern Methodist University, chair)
- Student-Athlete Well-Being (Karen Holbrook, President at Ohio State University, chair)



Written input from these subcommittees served both to shape the final Task Force report and to provide substantial documentation of the analyses underlying the Task Force recommendations.

The presidents and chancellors involved in this project see the publication of this report as no more than a means to greater ends that must be achieved if we are to sustain the extraordinary benefits of intercollegiate athletics without being seriously damaged by its potential for harm.

Most of the changes in direction that we need to pursue cannot be accomplished by new NCAA regulations. What is required now is courageous leadership, most importantly from presidents and chancellors, but also from governing-board members, athletics directors and coaches. On behalf of all members of the Task Force, I hope that our work will both inspire and inform that leadership.

A handwritten signature in black ink that reads "Peter Likins".



## The Second-Century Imperatives

*“The price of greatness is responsibility.”*

— Winston Churchill

IN AN OPEN SOCIETY characterized by a free market and independence of will, the right to exercise wisdom and to prosper gives equal opportunity to indulge bad judgment and to languish. It is a truth as applicable to intercollegiate athletics as any aspect of human behavior. The difference often is the quality of leadership exerted at the right moment, fortified with well-grounded values and principles, armed by sufficient information and analysis, and advancing with courage and persistence. And where there is institutional responsibility for the conduct of an enterprise, there also must be institutional accountability for the behavior of such enterprises. As intercollegiate athletics enters its second century under the governance umbrella of the National Collegiate Athletic Association, the moment is at hand once again for both — presidential leadership and institutional accountability.

That is the overwhelming conclusion reached by a group of college and university presidents and chancellors — drawn almost entirely from Division I because it is there the greatest problems facing intercollegiate athletics rest — called together by NCAA President Myles Brand in anticipation of the Association’s 2006 Centennial. Fifty higher-education leaders were invited to participate, and 50 answered the call. The first meeting of the Presidential Task Force on the Future of Division I Intercollegiate Athletics was held in June 2005 in Tucson,



Arizona. University of Arizona President Peter Likins chaired the Task Force that subdivided to address issues in four areas:

- Fiscal Responsibility
- Implications of Academic Values and Standards
- Presidential Leadership of Internal and External Constituencies
- Student-Athlete Well-Being

The work of those four subcommittees is detailed in chapters 1 through 4 of this report, but the Task Force was clear in its understanding that if intercollegiate athletics is to continue as a fixture of higher education into the future, if it is to be sustained as an important educational component of the college and university campus, if it is to be fully integrated into the mission of the academy, there are two important imperatives for its second century. There must be presidential leadership that begins at the campus level, and there must be institutional accountability for the conduct of the enterprise. Unlike recent athletics-reform initiatives that were directed by national policy, informed by broadly applicable data and formulated for predetermined results, the Task Force understands that athletics reform must now emphasize — both in scale and consequence — the local campus level. There will always be a need for national leadership in the forming and reforming of athletics within higher education. But there also is a time when reform must move from the macro to the micro.

It is time to take athletics reform home again.

### THE COLLEGIATE MODEL OF ATHLETICS

Intercollegiate athletics — embedding sports participation within the educational environment of colleges and universities — is a unique aspect of the American experience. In and of itself, participation in athletics enhances the educational experience of those who play sports, extracting from the competition characteristics that serve society through well-prepared citizenship — teamwork and commitment, self-discipline and self-sacrifice, learning how to both lead and follow, and the expectation of excellence as a goal. There is no ques-

tion that athletics is an integral part of the American higher-education structure.

As organized activity, intercollegiate athletics emerged from the playing fields of the nation's colleges and universities in the late 19th century. First under the local governance of students, then faculty and then athletics administrators, intercollegiate athletics has, since the last half of the 20th century, matured into a popular feature of American culture. It is a draw for alumni and others to the campus. It is a rallying point for the various constituencies of a college or university. Sometimes, intercollegiate athletics provides the only exposure for the campus beyond its local community.

Accelerated in its growth nationally and worldwide first by the advent of radio and then of television, college sports as an enterprise has enjoyed unparalleled popularity for more than five decades. Today, tens of thousands attend Division I athletics events and millions more watch on television. Once the nearly exclusive domain of male students, women's participation has exploded from fewer than 30,000 participants a little more than 30 years ago to more than five times that number today. In total, more than 375,000 student-athletes compete in intercollegiate athletics, and the interest and numbers continue to rise.

At the same time, intercollegiate athletics has been accused of distorting the ideal of sports for sports' sake and the values of the academy nearly from the outset of its relationship with higher education. An article in the *Atlantic Monthly* in 1915 observed that "intercollegiate athletics provide a costly, injurious and excessive regime of physical training for a few students, especially those who need it least, instead of inexpensive, healthful and moderate exercise for all students, especially those who need it most." The article went on to say: "The old distinction between professional and amateur athletics is of little use...When athletics are conducted for business, the aims are (1) to win games — to defeat another person or group being the chief aim; (2) to make money — as it is impossible otherwise to carry on athletics as business; and (3) to attain individual or group fame or notoriety. These three — which are the controlling aims of intercollegiate athletics — are also the controlling aims of horse

racings, prize fighting and professional baseball.”

Although the issues currently associated with intercollegiate athletics — commercialism, rising costs, poor academic performance of some of the participants, the influence of money on the integrity of higher education, the celebrity status of coaches and star performers — are as old as the Association itself, they have been exacerbated by media attention and increased popularity. Put simply, intercollegiate athletics’ greatest challenge often is its own success.

The enterprise of intercollegiate athletics that has emerged — with its emphasis on the participant as student and its culture as that of the university — stands in stark contrast to all other sports models. However, the goal of intercollegiate athletics — to maximize the number of students who benefit from competing as part of their total educational experience — is jeopardized as the collegiate model drifts toward the professional approach.

#### THE END OF A CENTURY

Founded in 1906 as a response to concerns about the safety of students participating in college football, the NCAA has grown over the last 100 years from a fledgling organization that undertook the promulgation of playing rules in several sports to a national governance body that serves as a platform for its members to create policy regarding the conduct of intercollegiate athletics as a component of higher education. Over time, the Association has assumed various responsibilities, all at the behest of the membership. And the term “NCAA” itself has become a catch-all that describes campus-based athletics programs, as well as the governance structure of the Association, achieved through member participation on committees, cabinets, councils and boards; the national office, with its president and 350 staff members charged with implementation of national policy; and the collection of rules, policies and procedures themselves that set the standards for the management of intercollegiate athletics.

But the NCAA as an Association is in both fact and perception seen primarily as the organization that governs the conduct of intercollegiate athletics. Since national policy was first proposed and adopted in the

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early 1920s, an ever-growing body of bylaws has emerged, covering policy on recruiting, amateurism, length of seasons, grants-in-aid, conduct of championships, infractions investigations, academic eligibility and numerous other areas of importance to intercollegiate athletics. So prolific has the adoption by the membership of new bylaws been, the NCAA Manual for Division I contains nearly 500 pages, and the proposal of more legislation continues unabated.

The result has been that as the NCAA brings its first century to a close, the dependency on national policy to arbitrate local behavior has desensitized the need at critical moments for each member campus to exercise good judgment. There may be no better example than when colleges and universities substitute NCAA initial-eligibility standards for sound local admissions policy. As a consequence of such practices, the cookie-cutter approach to rules application inherent in top-down national governance too often holds sway over the values and independent accountability of each institution for the sake of competitive equity. From time to time, as a result, institutional integrity is sacrificed to the lowest common behavior.

### ATHLETICS REFORM

In its initial report in 1991, the Knight Foundation Commission on Intercollegiate Athletics made a number of recommendations for the reform of college sports at the Division I level. The commission made nearly two dozen recommendations based on its “One Plus Three” model — presidential control that would lead to improvement in the academic integrity, financial integrity and certification of intercollegiate athletics. Much has been accomplished in the intervening 15 years, including a restructuring of athletics governance at the national level to ensure that presidents and chancellors are in control. Athletics certification has been fully instituted and most member colleges and universities have completed or soon will complete their second iteration of certification.

Academic reform is in the implementation phase of a comprehensive set of initiatives that ties the potential athletics success of each team at each member institution to the academic success of each member

of the team. A three-prong approach — setting standards for initial eligibility and progress toward a degree, new metrics for measuring success, and both contemporaneous and longer-term consequences for poor performance — is in place, built on a foundation of data-rich research and analysis that will dramatically improve the academic success of student-athletes. These initiatives have been mandated through the careful development of national policy and have been driven by *national* presidential leadership.

Although the last 15 years of athletics reform has been arduous and technical in nature, the chances for success have been ensured because templates could be developed that would guide the effort institution by institution. What remains will be done through an unflinching determination to see the reform efforts to completion and reap the benefits of *national* academic policy based on sound data and good judgment.

### DEFINING THE PROBLEM

As the NCAA begins its second century, the threats to the future of intercollegiate athletics are nearly all connected to the need for ensuring the financial integrity of college sports. Ironically, the perception abounds that Division I intercollegiate athletics is richly supported — and that surplus revenues bloat athletics budgets — through ticket sales, corporate relationships and television revenue, the latter including regular-season and conference packages, as well as NCAA championship media agreements. Indeed, athletics revenues have risen significantly over the last two decades, and television exposure has proliferated from weekend-only to every-day-of-the-week coverage.

Lending credence to the perception that intercollegiate athletics enjoys excess revenue is the facility expansion for many sports that seems to be taking place on every campus, the growing number of head football and men’s basketball coaches who have compensation packages in excess of \$1 million, and the now three-year-old media rights agreement between the NCAA and CBS for \$6 billion over 11 years. While the increase in dollars from traditional sources and the creative development of new revenue streams have permitted income to keep pace with costs, expendi-

tures are growing at such a rate — two to three times faster than the rate of growth for higher education in general — that the current business model for athletics is strained and the financial stability of athletics for the future is at risk.

Despite the erroneous perceptions driven by occasional extravagant behaviors, the truth is that except for a few at the top end of Division I, whose revenues continue to outpace expenditures, most athletics administrators are struggling to balance their budgets and increasingly doing so through subsidies from their universities. While the Task Force recognizes that institutional investment in athletics is completely appropriate, there is a limit to how much can be subsidized without threatening the academic mission and values of the university. Indeed, the Task Force recommends elimination of the Division I philosophy statement that encourages athletics to be self-sustaining. While the language of the philosophy is mild — and one could argue even sound policy for athletics as well as other departments on campus — the effect has been an unrealistic expectation for athletics to meet its own bottom line in a manner that has pushed the enterprise away from the university, created an unhealthy atmosphere of autonomy and in some cases activated a level of commercial collaboration outside the values of higher education.

On the flip side of the institutional investment issue and burdening the financial realities for many campuses is the conviction that national exposure through athletics competition will elevate the status of a university or college. The appeal to relate institutional identity to athletics success has led a growing number of campuses to invest heavily in what could be described as little more than a “get rich quick” branding initiative. But the result is a level of subsidization likely to hasten course-correction de-emphasis of athletics when the burden becomes unbearable.

Based on an examination of data and personal experience, the Task Force concludes that there is no eminent financial crisis in intercollegiate athletics. Athletics operation and capital budgets represent only 4 to 5 percent of the total university budgets. However, the rate of growth combined with the rapid rise in capital

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costs has the current system under stress. Nearly 20 percent of current spending on average is tied to facility expansion and the debt that results. In truth, higher education has monetized the anticipated growth potential of athletics for near-term benefits while mortgaging the long-term financial security of the university if there is a downturn in the fortunes of college sports.

### THE SECOND-CENTURY IMPERATIVES

If the future financial integrity of intercollegiate athletics is the remaining piece of significant athletics reform to be achieved, how will it be accomplished? Who will be responsible? Where are the pressure points to cause change? What is required to support reform? And in the absence of a financial crisis — indeed, in the midst of what often is perceived both within and outside the higher-education community as burgeoning success — how effectively will a call to action for change be heeded?

Those are the questions that the Task Force asked of itself over an 18-month period. It both examined conventional wisdom and explored new approaches. As appealing strategies presented themselves, they were measured against their coincidence to the values of higher education and the practicality of their implementation. At the heart of the exercise were two undeniable facts: The status quo cannot be sustained, and the continued well-being of student-athletes — principally their academic success — is paramount.

The laws of common sense and universal experience dictate that permitting expenditures to grow at rates offset by just-in-time revenue generation will result ultimately in program instability or deficit spending that must be covered from general university funds. At the same time, the goal of intercollegiate athletics is to maximize the number of student-athletes who can partake of a *quality* experience through sports participation. That is the heart of any reform initiative.

Rather than relying on a *national* approach as effective reform, the Task Force determined that reducing the tension on the financial structure of intercollegiate athletics, averting a crisis and the instability that would come with it, and ensuring a viable and predictable future for sustaining college sports as an integral part

of the university will require an invigorated level of *local* leadership and accountability. Athletics reform must now be taken home. The reality for effective reform of spending and revenue-generating behaviors for intercollegiate athletics is this: Each college and university must hold itself accountable for exercising its independent will as an institution of higher education. And it will do that best through well-informed, value-driven presidential leadership.

Fortunately, universities are more than familiar with that approach. It is exactly the way they operate with regard to the rest of the campus. Universities understand and practice a philosophy that requires input and support from many constituents for the proper governance of the academy. As the campus has depended more and more over the last three decades on conference and national leadership and legislatively mandated procedures, it has reduced local responsibility for those areas of intercollegiate athletics left uncovered to “shadow” market forces or the persuasion of personal agenda. This is the moment the campus must reassert authority for its own destiny.

Critical to the process will be presidential leadership. The 1991 Knight Commission report noted “its bedrock conviction is that university presidents are the key to successful reform. They must be in charge — and be *understood* to be in charge — on the campuses, in conferences and in the decision-making councils of the NCAA.” Presidential control has been achieved at the conference and national levels. Their decision-making authority is apparent over the last decade, and their willingness to take on difficult and often unpopular reform efforts has ushered in the hope that intercollegiate athletics can regain its rightful place as a component of the educational experience of students. Chancellors and presidents, many of whom rise to their positions without exposure to the governance of intercollegiate athletics, are now called on — once again — to use the stature of their offices to develop strategies that will drive financial behaviors for intercollegiate athletics at the campus level.

But presidents and chancellors cannot do the job alone. It will require the entire campus, holding itself accountable beyond the mandates of national policy,



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to re-center intercollegiate athletics within the broader mission of the university. The Task Force believes that the presidents' greatest ally will be a full integration of athletics into the management structure of the university. That is a value of higher education absolutely essential to the effective and efficient operation of the modern American campus. The drift within athletics away from university governance for the sake of financial independence must be reversed. This will not diminish the role of the athletics director. Indeed, the position of athletics director should be elevated to the equivalent of deans and vice presidents. They should sit on the president's council or cabinet and participate fully in providing advice to that office and setting policy for the campus. Some already do, but the relationship should become the practice rather than the exception.

Another aspect of the athletics administration community — the 31 conference commissioners in Division I — also has a critical role to play in the creation of a new day for campus leadership and accountability. Over the last two decades, conference commissioners have enhanced their relationship with university presidents to meet the needs of the institutions within their leagues and have emerged as national leaders in intercollegiate athletics. Their support and influence have been essential in academic reform and are equally important to the advance of fiscal responsibility within the enterprise at the local level.

University presidents also must have the full support of their governing boards rather than the interference of well-meaning but overreaching trustees, as is the case on some campuses. By and large, governing boards understand and practice appropriate division of authority between creation of policy and the operational implementation of those policies by the president and staff. The Task Force has developed best-practice recommendations to assist in defining these relationships, and the Association of Governing Boards is committed to educational initiatives to strengthen the role of presidents through appropriate delegation of authority. No personal commitment by a president to lead the charge for financial reform of athletics can withstand the damage done by the quest of

“locker-room trustees” for personal gratification through inappropriate relationships with athletics personnel.

Athletics clubs and support groups also must understand their role in support of presidential leadership. No greater harm is done the administration of athletics departments or the efficacy of presidential leadership than the machinations of boosters and fans acting outside the authority of their organizations. While the NCAA enforcement process can address the results of improper booster interference, the effect of well-exercised leadership is steadily undermined by such behaviors.

Critical to the future of re-establishing institutional accountability for intercollegiate athletics is the underdeveloped potential for informed faculty engagement in support of presidential leadership. Hampering such engagement for decades has been uninformed, biased faculty members who attack athletics unfairly. Similarly, athletics personnel have been less than welcoming to the efforts of faculty to comment on or engage in the role of college sports on campus. This polarized relationship is an outgrowth of the poor communication, misplaced suspicion and ill-conceived bias that contributes to the separation between athletics and academics.

Further hampering the ability for faculty to engage athletics issues and support presidents in the leadership of college sports is the inevitable tension between the horizontal culture of faculty as a peer-driven, loosely organized body and the hierarchical, top-down nature of campus administrations. Nonetheless, organizations designed by and for faculty — and both old and new — will be instrumental in diminishing the effect of this tension. Faculty athletics representatives and their national organization — the Faculty Athletics Representatives Association (FARA) — have been bridging the gap between athletics and the academy for decades. They have attended to the academic certification of student-athletes and the maintenance of athletics within their institutions’ mission. These faculty men and women are critical to campus-based policy and action. They have been the conscience of the faculty as they advise athletics, and the voice of athletics to the faculty community. In the last three years, a new group from



*Walter Harrison, President at the University of Hartford, on leadership:*

“Presidents, more than anyone else, have a holistic view of what a university is about. Universities are very complex organizations, and college sports get more attention than most of the rest of the university combined, but they are only part and parcel of a much larger community. College presidents are in a position to understand that, and in a position to set tone, set rules, set limits, in a way that other people aren’t.”

*Walter Harrison*





within the broader context of the faculty has emerged — the Coalition on Intercollegiate Athletics (COIA). Promulgated through the agency of faculty senates, the COIA now operates on more than 50 campuses and has forged a relationship with the FARA and other entities to become informed and to present the faculty as a force in support of athletics as an integrated function of the higher-education experience. These are the models for faculty engagement.

The Task Force believes that the faculty has an indispensable role to play in the integration of athletics departments with the rest of the campus, the development of athletics budgets in accordance with the way in which budgets for the rest of the campus are determined, and the support of presidential leadership in aligning athletics with institutional mission and values. Faculty athletics representatives and faculty senates must work together to bring about a new relationship between those charged with setting the standards for academic achievement and those who guide the course for intercollegiate athletics, and they must do so from positions of well-informed members of the academy itself.

Finally, the Task Force itself stands ready to engage its colleagues in developing best practices; mandating the collection and release of clear, consistent and comparable financial data; and providing a public voice to support president leadership and institutional account-

ability. Intercollegiate athletics is a fixture of higher education because it enhances the educational experience of those who participate and serves as a model for the development of leadership characteristics to others. But all of that can and will be diminished if the financial integrity of intercollegiate athletics is not firmly established, if the values of higher education are not respected and honored, and if the primacy and well-being of the student-athlete and the student-athlete experience are not paramount. Intercollegiate athletics is a great American tradition, but the price for ensuring future greatness — as Winston Churchill observes — is responsibility.

The NCAA Presidential Task Force on the Future of Division I Intercollegiate Athletics has set the agenda for achieving fiscal and institutional responsibility. Its “Taking Reform Home” model is a clear shift from governance by national policy — still essential for achieving the common good — to higher levels of institutional accountability through re-invigorated presidential leadership. What remains is implementation of the model through sharing of best practices, through dissemination of comparably transparent data, through full integration of athletics with academics, and through adherence to the values that have made American higher education and its collegiate model of athletics the envy of the world.

Nothing less is acceptable. Doing so is imperative.

*The following four chapters encompass the sense of deliberations of the four Task Force subcommittees on fiscal responsibility, implications of academic values and standards, presidential leadership of internal and external constituencies, and student-athlete well-being. They are reports drawn from white papers prepared by the groups and do not provide a comprehensive collection of the subcommittees' work. Rather, they are a distillation of each subcommittee's findings and recommendations that appear online at [www.ncaa.org](http://www.ncaa.org).*

*The first of the four chapters addresses fiscal responsibility. Once the Task Force was established, it became evident that financial issues are at the root of broader concerns about the sustainability of intercollegiate athletics as an integral element of university life in America. The presidents realized that the current financial state of athletics affected all other concerns, and that fiscal matters had to be more clearly defined before the enterprise could continue to flourish.*

## 1

## Leadership's Bottom Line

*Presidents and chancellors must have clear, concise and comparable financial data upon which to make informed decisions.*

EVEN BEFORE THE PRESIDENTIAL TASK FORCE on the Future of Division I Intercollegiate Athletics was convened, a substantial group of Division I presidents gathered at the 2005 NCAA Convention to explore the issues and consider the challenges of presidential leadership. While no robust sense of crisis permeated the discussion, no feeling of satisfaction was evident, either. Veteran academic leaders shared the concern that current growth trends in intercollegiate athletics might not be financially sustainable or even socially desirable, and they agreed that — as stated explicitly in the NCAA's strategic plan — presidents have a responsibility to look beyond the moment.

The looming concern presidents identified in the financial realm was this: While there is not an immediate financial crisis in Division I intercollegiate athletics, evidence suggests that current growth rates in revenues and expenditures are not sustainable in the long run, or even in the five to 10 years that lie directly ahead, unless university administrators increase institutional support through student fees or other means much more rapidly than — and perhaps at the risk of — support for the academic enterprise.

Clouding the financial picture of intercollegiate athletics has been the problem that for more than a decade, data regarding revenues

NCAA Division I Proportion of Allocated Funds  
PUBLIC VS. PRIVATE INSTITUTIONS VARIOUS SOURCES FY 2003

	Group A		Group B		Group C	
	PUBLIC	PRIVATE	PUBLIC	PRIVATE	PUBLIC	PRIVATE
Student Activity Fee	7%	2%	29%	4%	39%	6%
Government Support	2%	0%	4%	0%	10%	2%
Institutional Support	8%	25%	35%	68%	25%	67%
Total	17%	27%	68%	72%	74%	75%

TABLE 1

Group A — Schools with football in Bowl Subdivision (formerly Division I-A)

Group B — Schools with football in Championship Subdivision (formerly Division I-AA)

Group C — Schools without football (formerly Division I-AAA)

NCAA Division I Proportion of Revenue  
FROM VARIOUS SOURCES FY 2003

	Group A	Group B	Group C
Ticket Sales	27%	6%	7%
Marketing/ TV etc.	26%	11%	10%
Alumni Contributions	18%	8%	7%
Postseason and Bowls	12%	4%	4%
Allocated Funds*	18%	70%	71%

\*Allocated funds includes institutional support, student activity fees and direct government support.

TABLE 2

Group A — Schools with football in Bowl Subdivision (formerly Division I-A)

Group B — Schools with football in Championship Subdivision (formerly Division I-AA)

Group C — Schools without football (formerly Division I-AAA)

**Division I institutions, primarily those that do not sponsor football at the highest level, rely heavily on allocated funds to balance athletics operating budgets.**

and expenses for college sports have been less than reliable because they were subject to individual institutional interpretation. For example, one institution may report security costs for athletics events as institutional costs, while another school reports them as athletics costs. Also, notwithstanding the widespread evaluative commentary and debates using terms such as “self-sufficiency of athletics departments” and “institutional support,” no commonly accepted definitions of such terms have been used. The divergent reporting options made comparison of data points difficult, if not impossible.

Adopting clear and consistent definitions of the various categories of revenues and expenditures will help create clarity so that decision-making based on comparative data can be greatly improved. For example, there should be a clear distinction between athletics department revenues categorized as *generated* directly by the athletics department or *allocated* to athletics from unrestricted funds by either the university or a government agency.

The most rapidly growing revenue category in college sports is “allocated funds,” which are identified in categories defined by the source of the commitment (such as state or local governments and the university itself), rather than by the ultimate recipient of the funds. Only a handful of Division I institutions rely exclusively on funds generated by the athletics program to balance their athletics budget. The vast majority of schools must accomplish that through allocated funds.

That trend has placed additional financial stress on the intercollegiate athletics enterprise as universities become reluctant to increase their support for athletics from the general university budget in times of overall economic stress. This is particularly so when university officials already are under significant pressure from the faculty, governing boards and students to invest in academic programming due to long-term public disinvestment. While increased athletics subsidies will not bankrupt the university (athletics operating expenditures constitute only about 4 to 5 percent of the university budget), there nonetheless is a realistic limit on the amount that a university should

or could spend on intercollegiate athletics under a value-based approach. One of the more damaging results of such increased pressure on intercollegiate athletics has been to isolate the activity from the academic mission of the university at exactly the moment when better integration of athletics and academics is needed to reinforce the values of higher education.

If the current rate of growth cannot be sustained, moderation must take the upper hand. To accomplish that requires a change in behavior and an increase in presidential leadership and shared governance. The proper and appropriate institutional response, however, is subject to debate and the circumstances of each institution.

The Task Force in fact quickly rejected two seemingly obvious approaches to managing the financial underpinning of intercollegiate athletics for the same reason: They won't work.

Some believe that the NCAA as an organization can set expenditure rates through national legislation. Clearly, the use of legislative mandate has worked well with other reform efforts, most recently with academic reform. But to do so with regard to the financial operation of athletics would risk violating federal antitrust legislation.

Others say the Association simply should seek an exemption to federal antitrust laws. But the general, if not universal, agreement within the legal community is that the potential for receiving a broad exemption is weak. The instances in which such exemptions have been granted are few and the exemptions themselves limited. The antitrust exemption approach has the additional disadvantage that it would not likely accomplish its goal. To put an exemption in effect, member institutions would have to cede an unprecedented level of local autonomy to the national Association. In effect, it would be allowing the NCAA to determine what an institution could pay employees, when and for how much it could build or revamp facilities, or who and how far away its opponents could be.

As appealing and popular as these approaches are and as entrenched as they have become in conventional wisdom, they are neither philosophically sound nor reasonable in practice. More importantly, they

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#### WHAT ARE "ALLOCATED FUNDS"?

Allocated funds are dollars or services of financial significance freely and specifically provided to intercollegiate athletics at the discretion of other entities that also allocate funds for other educational purposes. Examples are state or local governments, student bodies or the parent institutions (colleges or universities) themselves. Allocated funds are identified in categories defined by the party making the commitment, not by the ultimate source. For example, tuition revenues that flow without restriction from students to institutions become institutional funds, which may be freely allocated to intercollegiate athletics by the institutional administration. But "athletics fees" paid by students specifically for athletics qualify as allocated by students, as such funds cannot be reallocated for other purposes by institutional administrators. Similarly, state appropriations for institutional operations that are freely allocated by the administration to intercollegiate athletics qualify as institutional allocations, while any state appropriations specifically restricted to athletics qualify as allocated by government. With these interpretations, allocated funds can be categorized as government, student or institutionally allocated funds.

fail to recognize the uniqueness of each campus, the infinite variety of circumstances that can influence local behavior and the further erosion of institutional accountability that would inevitably be the result. It is no more reasonable to establish national policy through the NCAA for how athletics dollars are allocated than it would be to drive academic budgets or program decisions for each campus through mandates from the American Council on Education or the various academic associations with which institutions

NCAA Division I Average Expenses

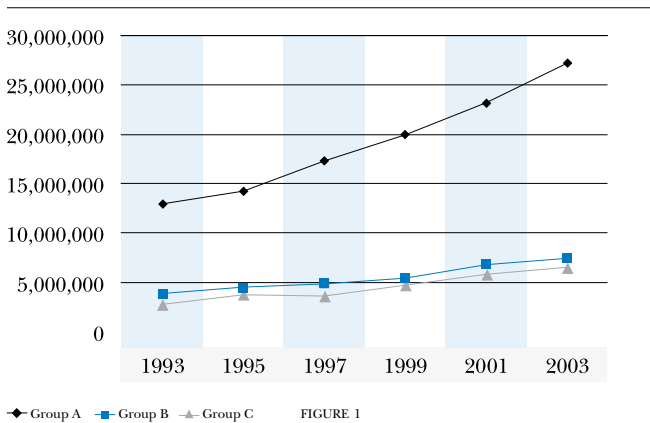


FIGURE 1

NCAA Division I Net Revenues

SCHOOLS REPORTING POSITIVE NET REVENUES EXCLUDING "ALLOCATED FUNDS"

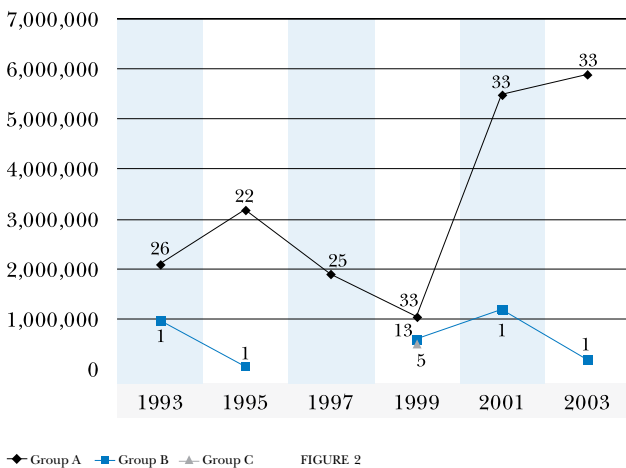


FIGURE 2

NCAA Division I Average Deficit

SCHOOLS REPORTING DEFICITS EXCLUDING "ALLOCATED FUNDS"

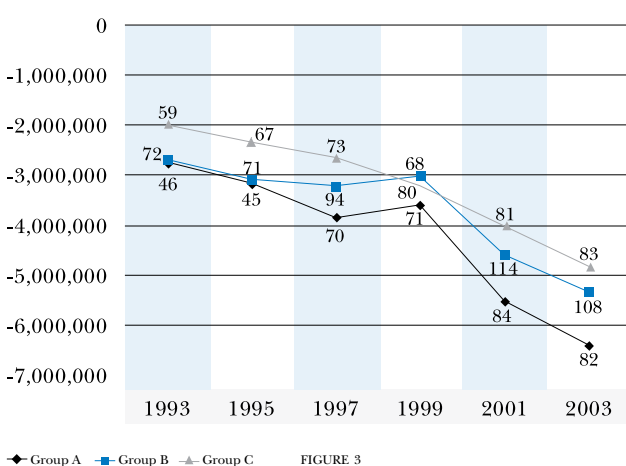


FIGURE 3

Group A — Schools with football in Bowl Subdivision (formerly Division I-A)  
 Group B — Schools with football in Championship Subdivision (formerly Division I-AA)  
 Group C — Schools without football (formerly Division I-AAA)

are affiliated. Fiscal responsibility in athletics is a clear example of the need to take reform home.

*The Task Force proposes as the only feasible approach to fiscal responsibility a process that calls on campus leadership exercised by the president and supported by clearly defined and comparatively transparent financial data.* While there is little doubt that presidents have understood the value that intercollegiate athletics brings to the university, it is safe to assume that they may not have been as informed about athletics' financial state simply because they have lacked accurate and comparable data to make sound decisions. Some presidents may in fact have been overly influenced at times by the behavior of several "outlier" institutions that have taken financial risks, primarily through facility expansion and long-term debt. While success stories of such risk behaviors can be found, the data — as inconsistent as they have been — overwhelmingly report that increased spending will result in neither increased wins nor increased net revenue.

Presidents must have an accurate picture of the intercollegiate athletics financial landscape to understand the extent to which growing athletics at the current rate puts the enterprise — their enterprise — at risk. As was the case with academic reform, the cornerstone of presidential leadership necessary to change the culture in the financial arena lies squarely upon clear, concise and comparable data. In contrast to the macro approach of national policy or federal exemption, individual institutional fiscal integrity advances a larger goal, which is the integration of athletics into the greater educational mission. Financial clarity is a principal means to that end.

**WHAT IS KNOWN**

While financial research about intercollegiate athletics is incomplete to date, enough is known to reveal

Spending in Division I athletics has increased at a much higher rate than spending in higher education. Figures 2 and 3 reveal the growing gap between the few schools that report revenues above expenses (excluding allocated funds) and the many with the opposite experience.

the financial predicament in which the enterprise finds itself.

Here are the facts:

- In 2003, data from the Equity in Athletics Disclosure Act suggested that athletics department operating expenditures represented roughly 3.8 percent of total higher education spending for Division I schools that sponsor football at the highest level. Subsequent studies revealed that annualized expenditures for capital improvements (not well documented nationally) would add perhaps one percentage point, with results still below 5 percent. That percentage is an average for all of those institutions, with variations depending on school size and capital investment history. By any measure, though, from a president's perspective, the athletics program is a small percentage of the university's total financial enterprise.
- NCAA biennial surveys of intercollegiate athletics operating expenditures (available 1989 through 2003) indicate growth in both revenues and expenses of 17 percent between 2001 and 2003 for schools in the Football Bowl Subdivision (FBS) (formerly Division I-A). In the NCAA Football Championship Subdivision (FCS) (formerly Division I-AA), the reported growth rates were 10 percent and 29 percent, respectively (18 percent and 22 percent for Division I institutions without football). While the growth appears balanced at the upper end of the division, those data do not include all capital expenditures, and they are affected by reporting limitations on compensation and indirect institutional support. During the same period of a national economic recession, data indicate that total university operating expenditures grew slightly less than 5 percent for schools in the FBS, were relatively flat for institutions in the FCS and grew slightly more than 5 percent for schools without football. That means that for the 2001-03 period, athletics operating expenditures in each subdivision of Division I grew more than three times as fast as total university operating expenditures. Again, while such growth isn't likely to bankrupt an institution, the rate of such growth simply cannot be maintained.



*Sidney McPhee, President at Middle Tennessee State University, on similarities between athletics and higher education:*

“Competition among institutions of higher education may be perceived as being confined to the playing field. It is not. While we tend to think of higher education as a homogeneous collection of colleges and universities, individually they are varied and aggressively competing with one another for resources, talent and standing. The competition for talented coaches and student-athletes, while more public, is no more aggressive than the competition for highly talented professors, research grants and contracts and students. The development of new facilities or the renovation of current facilities often is a tool for attracting academic, research or athletics talent. Competition on the playing field as in higher education is a fundamental principle of a free-enterprise system.”



### OTHER TASK FORCE RECOMMENDATIONS INVOLVING FINANCIAL MATTERS

- Re-institute the fiscal-integrity review, including operating and capital-expenditure data, into a fiscal-integrity section of the NCAA athletics certification process. Also, consider requiring chancellors and presidents to conduct an internal fiscal-integrity review every five years, both as part of the 10-year NCAA certification and mid-way between required reviews.
- Require a fiscal-impact statement detailing the cost incurred by institutions to comply with any proposed NCAA legislation as a way to prevent unintended budget consequences (similar to statements already required that address impact on playing and practice seasons and student-athlete well-being).
- Require the Division I Board of Directors to monitor and conduct a regular analysis of the trends in intercollegiate athletics financing and provide those data to appropriate constituencies.
- Solicit recommendations from appropriate higher-education associations on best practices. In addition, the NCAA and other appropriate associations should monitor continuously and periodically refine the financial reporting definitions to adhere to current practices.
- Establish an educational training program in collaboration with the College Athletics Business Managers Association and the National Association of College and University Business Officers for athletics administrators to strengthen their professional development and financial management skills and to enhance the overall financial management of the athletics programs.

- According to NCAA financial surveys from 1993 through 2003, all three subdivisions have increased their reliance upon allocated funds. For FBS schools, allocated funds as a share of total revenue have increased from 14 percent to 18 percent. The increase for FCS schools is from 61 percent to 70 percent, and for schools without football it is from 62 percent to 71 percent.

Any college or university president who advocates a disproportionate growth in institutional allocations for intercollegiate athletics is likely to encounter resistance at the governing board level, if not first from the faculty and student body. In view of the financial pressures that confront virtually all of higher education, it is unimaginable that allocated funds will continue to grow to fill the gap between athletics-generated revenue and the expenditures of intercollegiate athletics.

### WHAT MUST BE DONE

Division I athletics programs are multi-million-dollar enterprises that are subject already to considerable oversight by the NCAA, individual conferences, university governing boards, the federal government and other entities. That oversight is at a much higher threshold than the oversight of other campus units. Even so, uniformity of financial reporting is underdeveloped in the interest of institutional autonomy. However, if the “language” used to tell the story remains as unclear and inconsistent as it has been, there will continue to be doubt, skepticism and even cynicism about the enterprise. Such perceptions themselves can have a cascading and dilatory effect.

If there is to be a focusing of the financial realities for college sports to either relieve the stress under which the enterprise finds itself or in the worst case to avert a looming crisis, it will fall to presidents and chancellors to give impetus and direction to the effort. But upon what empirical underpinnings will presidents base their decision-making? What tools can presidents and chancellors rely on with confidence to make value-based decisions?

The answer is clear, concise and comparable data.

How to compile them is the key.

Over the last 36 months, the NCAA, working with the National Association of College and University Business Officers, the Association of College and University Auditors, several major accounting firms and many athletics financial officers, has redefined and promulgated a common set of definitions and has advocated independent verification of financial reporting. The new definitions and practices are in place, and the effect will be significantly improved clarity and consistency of reporting that will provide a much better tool for making critical local decisions.

The Task Force recommends the following reporting procedures:

- All Division I institutions shall be required to submit operating and capital financial data annually as part of the requirement for NCAA membership. Some of the information will require access to data maintained outside of the athletics department, which means institutions must engage institutional research, the university controller, human resources or other university departments to help with the report or with the operating allocations required as part of the reporting. Ultimately, the university president or chancellor must certify the financial reports.
- An annual salary and benefits survey shall be conducted for athletics positions. Collected data must include base salary, bonuses, endorsements, media fees, camp income, deferred income and other income contractually guaranteed by the institution. The abstracted data will be made available to each institution in a confidential manner that campus decision-makers can access on a real-time basis.
- Capital expenditures shall be reported in the aggregate for athletics facilities. Specific categories include capitalized additions and deletions to facilities during the current reporting period, total estimated book value of athletically related plant and equipment net of depreciation, total annual debt service on athletics and university facilities, and total debt outstanding on athletics and university facilities.
- The value of endowments at fiscal year-end, dedicated to the sole support of athletics, will be reported

along with the present value of all pledges that support athletics. Athletics departments also will report their ending-year fund balance.

- An independent third party will use “agreed-upon procedures” to verify the accuracy and completeness of the data before submission to the university president and the NCAA.

Creating national policy to collect and promulgate clear and concise data will in and of itself not effect change, however. Presidents must use these data to align athletics budgeting with institutional mission to strengthen the enterprise. In effect, this is where presidential leadership and institutional accountability take hold. With such data in hand, presidents will benefit from a set of “dashboard indicators” or comparators that will include a limited number of key

#### CLEAR AND CONSISTENT DATA ARE NECESSARY

Presidential leadership of intercollegiate athletics will be enhanced when comparative financial reporting for decision-makers includes the following elements:

- Financial data related to athletics departments and programs are collected in a timely manner using uniform and common definitions.
- A full and comprehensive financial picture of revenues, expenditures and capital improvements related to intercollegiate athletics is provided to decision-makers.
- Easy access to the data by decision-makers is provided for use in strategic planning and policy development.
- Ratios or data points (dashboard indicators) provide simple comparisons among institutions.
- Collected data are codified and presented in a manner that protects institutional and individual privacy.

variables to capture an annual snapshot of the financial viability of their athletics program. Dashboard indicators are increasingly common in many settings, including academic programs (for accreditation and other purposes), bond-rating agencies and a variety of other financial and programmatic aspects of complex organizations.

Using such indicators, presidents will be able to determine how their athletics budgets compare within a group of like institutions. Dashboard indicators may be used for a general comparison of performance and, in the case of university presidents and governing boards, as an early warning system to indicate emerging difficulties in program performance

and management. While the indicators may not lead to specific institutional actions, they may help presidents and boards view athletics more broadly and strategically.

Among the dashboard indicators to be provided are:

- Athletics expenditures as a percent of institutional expenditures;
- Total athletics revenues and percent change from the previous year;
- Allocated revenues as a percent of total athletics revenues;
- Allocated revenue increase as a percent of university revenue increase;

#### FOUNDATIONS FOR RESEARCH-BASED DECISION-MAKING

- Presidents and chancellors are charged with executive decision-making and need access to data, ratios and other information that is reliable and comparable to make truly informed decisions.
- Access to data is an issue of presidential control, a strongly held NCAA value. Control cannot be exercised without timely disclosure of financial data on a uniform and comparable basis. The comparative transparency of data and resource allocations also may lead to increased integration and alignment of intercollegiate athletics with the academic mission of the institution.
- Compliance with NCAA rules and regulations cannot be accurately judged without improved data.
- Presidents and chancellors are held accountable to governing boards, various internal constituencies and other entities with jurisdiction over institutions. University decision-makers need access to consistent, clear and standardized financial data to assist in demonstrating accountability.
- Absent clear and consistent data, reputational risks to members are higher when even a few administrators choose not to disclose data to their presidents and chancellors in a manner that can be easily verified and evaluated by others until later exposed in a way that is embarrassing to the institution, higher education, the NCAA and the athletics conferences. In this sense, comparative transparency could help foster self-policing among member institutions
- The NCAA strategic plan, developed by member institutions and conferences, establishes a goal to provide data, research and best practices that assist governance and management of intercollegiate athletics. To the extent that these entities conduct their work based on data that are not collected using common definitions and set forth in a common format, they run the risk of making erroneous assumptions and ill-conceived policies that can impose severe costs on institutions and mislead the public.
- Improved data reporting fosters public confidence in the presidential leadership of intercollegiate athletics. The debates that occur now and will occur inevitably in the future would be more informed and conducted at a higher level of understanding if campus decision-makers have access to more consistent and reliable financial data.

- Athletics debt service as a percent of total athletics expenditures; and
- Athletics expenditures for salary and benefits, participation and game expenses, facilities and administrative support, debt service and other as a percent of total expenditures.

Presidents and chancellors and athletics directors will be able to access these indicators annually on the NCAA Web site or via e-mail. Maintaining the indicators online will help protect the confidentiality of the information and allow the institution to decide if it should share the information with other decision-makers. It also is important to note that the dashboard indicators are a work in progress and will evolve and improve over time as more data are collected.

The purpose of this information is not comparison of institutions to each other in a one-on-one context. Rather, the objective is to enable a president or chancellor and athletics director to make comparisons to pooled data for various relevant peer groups. Direct comparison to a set of norms is not the answer. Instead, the idea is for the comparisons to suggest questions and discussions to be pursued within an institution that is using the dashboard indicators. For example, is the institution committing the resources necessary to ensure student-athletes' academic success? Is the growth of athletics allocated funds consistent with university revenue growth? What proportion of the athletics budget is reliant upon the revenue-producing sports?

Some people worry that such financial data might actually prompt institutions to attempt to "keep up with the Joneses," but like all dashboard indicators, there should be "red zones" that indicate where pressures to grow or compete go beyond the ability of an institution to provide sufficient resources.

The effect of all of this is that accurate, timely and relevant information about expenditures for athletics will be available to presidents and chancellors in their efforts to provide "enlightened oversight," that is, appropriate leadership, direction and academic-based decision-making for each institution's athletics program. That premise respects the autonomy of



*David C. Hardesty Jr., President at West Virginia University, on **clear and comparable data**:*

*"The modern president is the chief executive officer of a complex organization. To the extent that athletics acts as a marketing arm of the university and represents the character of the university nationally — and to the extent that it affects the university's budget and values — presidents see it as their responsibility to be involved. Having clear and comparable data is an effective self-policing mechanism for the marketplace. Stakeholders in intercollegiate athletics have a right to know what's going on. Also, in the competitive model, your competitors have a right to know whether they can try to compete in that arena. Policy-making, presidential leadership, board governance, realistic expectations and faculty expectations are all tied up in actually knowing what's going on."*

individual institutions — the objective is not regulation or uniformity. The goal is, however, that by creating a relevant information base and by suggesting an agenda of issues related to fiscal responsibility of an athletics program for consideration within its host institution, presidents and chancellors will be able to exercise appropriate leadership on behalf of its internal and external constituents.

Clearly, it is a system that will work, but only if presidents exert leadership and are supported to use the data wisely. The greatest impediment to progress will

be the inability to sustain attention and interest in financial reform without the benefit of a crisis. The Task Force has laid out an aggressive strategy for improving the overall financial management of intercollegiate athletics, which it sees as the first step to answering questions about future direction and scope. Presidents and chancellors must now be willing to exert leadership to take this step — they must actively engage as champions of fiscal responsibility for the effort to be successful.





## 2

## The Value of Integration

*Intercollegiate athletics is to be wholly embedded in universities and colleges.*

WHILE ADDRESSING THE FISCAL RESPONSIBILITY of each campus is a presidential-leadership imperative, many see the integration of athletics with the greater mission of the academy as the institutional-accountability imperative for college sports' second century. Integration of athletics with academic purpose is the bedrock value of the collegiate model of athletics, the *sine qua non*, if college sports is to continue to enjoy its role in the educational experience of colleges and universities. The fundamental mission of a university is intellectual in nature, and collegiate athletics programs must complement that intellectual mission.

But what does it mean for athletics to be fully integrated with the academic mission?

We know intuitively of the importance of athletics participation in the collegiate experience. College sports helps develop the character of student-athletes. For many — fans, alumni, supporters of higher education, other students — intercollegiate athletics creates a focus for the campus community and sustains ties among the constituencies that keep the university whole. They value the fact that, unlike professional sports, students who participate in the collegiate model of athletics pursue victory on the fields and courts *and* seek excellence in academic performance. That alignment separates the American system



of higher education from our global counterparts.

While we know these things intuitively, we also know of the character that sports instills in participants and of the lasting bond it promotes among teammates — the commitment to self-discipline and hard work, and the development of balance among athletics and educational endeavors. Student-athletes go about their business with passion, dedication and skill. We know those things because we hear time and again the testimonials from those who have excelled through their connection with intercollegiate athletics.

The collegiate model of athletics — the foundation of the NCAA for 100 years — relies on these fundamental truths:

- Those who participate in intercollegiate athletics are students attending a university or college.
- Intercollegiate athletics is wholly embedded in universities and colleges.

As an integral part of the higher-education experience, the operation of intercollegiate athletics is comparable to other components of the campus. Similar to theater, music and other performing arts, athletics is entertaining; however, entertainment is not its mission. Like all other parts of the campus, the mission of intercollegiate athletics is to educate. The characteristics of participation in athletics (pursuit of excellence, resilience in the face of defeat, self-discipline, health maintenance, time management) are direct benefits to student-athletes.

Further, athletics in a well-run and value-based program models those important characteristics to other students, the academic community and to society. They are the characteristics of a well-educated individual. In addition, well-documented research correlates success in college to a sense of belonging. Athletics provides that sense of attachment to the campus for both the student-athlete and other students.

### STRENGTHENING THE LINK

While the conviction that athletics plays a significant role in higher education dates back to the turn of the 20th century, the integration of the two has been test-

ed in recent years.

During the late 1970s and early 1980s, for example, the relationship between educators and athletics administrators began to shift. As college athletics emphasized self-sufficiency, the roles of financial management and academic alignment became bifurcated. Financial issues became the purview of athletics directors, while academic matters and student-athlete well-being issues remained with the faculty athletics representatives. Faculty members who served as keepers of academic and institutional values were no longer as intricately involved in the budgeting process or in decision-making in athletics as they had been in the past, and some athletics programs began to drift away from the core values of the university and establish their own autonomy. Athletics directors who were increasingly consumed with generating revenue, facility growth and a complex financial structure became more and more isolated from the issues of the academy.

The reconnecting of intercollegiate athletics with higher education has been an ongoing concern for the NCAA for nearly two decades; yet at many institutions, athletics often still appears oriented more toward entertainment, and the educational value of athletics participation and competition plays a secondary role to the win-loss column. Some critics even perceive university presidents as protectors of the athletics process as opposed to champions of the institution's academic ideals. The drift of the collegiate model toward the professional approach — in both fact and fiction — has given credence to the concern.

That perception cannot be allowed to perpetuate if intercollegiate athletics is to remain a powerful American higher-education tradition. The greater the divide between intercollegiate athletics and the academic community, the greater the risk for corruption and over-commercialization, both of which work to destroy the integrity of the collegiate model — and indeed the university itself — and denigrate the principles upon which it was built.

Intercollegiate athletics must be fully integrated into the academic mission of universities and colleges. Academics must come first, and the success

of student-athletes, both on and off the field, must be the defining characteristic of college sports.

### FACULTY INVOLVEMENT

Integration can be accomplished in a number of ways. In fact, it may require multiple approaches, given the diversity of mission and purpose among Division I institutions. There is no one-size-fits-all solution.

In general, however, to promote systemic change, faculty members must be more involved in athletics programs. That is not a foreign concept to NCAA institutions; after all, faculty members for many years held the Association's presidency when it was a membership position. Fifteen of the first 18 membership presidents were faculty members.

Faculty members must participate in the guidance of intercollegiate athletics and help ensure the integrity of the student-athlete academic experience. Some institutions already have accomplished this reintegration of faculty structurally through ways in which the athletics department reports within the university framework.

Faculty members must be as fully engaged in providing advice on planning and financial issues in athletics as other parts of the campus, and that advice should be weighed carefully by the athletics leadership and the president.

To play a productive role, faculty members must provide informed advice, and they must make the effort to understand the intercollegiate athletics enterprise — the facts of the matter — and not merely accept pre-existing biases. Faculty members would never tolerate superficial, uninformed pronouncements in their own disciplines, and they should not do so when they are engaged in making recommendations about intercollegiate athletics.

The faculty athletics representative (FAR) plays a key role in this regard. The FAR on each campus is the faculty member best positioned to appreciate both the dynamics and problems of intercollegiate athletics, and he or she is most likely to understand student-athletes' academic well-being. While informed, constructive involvement by faculty members on each campus in intercollegiate athletics is important, the FAR is the person

best equipped, both in terms of knowledge and time commitment, to monitor the successful integration of athletics and academics. The FAR is greatly assisted by a well-functioning, independent faculty athletics committee, usually appointed through faculty governance.

The faculty-senate-based Coalition on Intercollegiate Athletics (COIA) also has worked with the NCAA to forward faculty views on athletics reform and has proven to be a worthy partner in fostering the integration mantra. The COIA is an informed group with a well-thought-out agenda and has displayed a commitment to a collaborative approach in changing culture. The COIA has been successful to date precisely because its members undertook to understand the nature of the intercollegiate athletics enterprise and the facts of the matter.

Among the COIA's principles that the Task Force supports is for athletics academic advising to be connected to, and a part of, the university academic units. Primary control over all academic advising should be vested in the institution's chief academic officer. While institutions may choose different means to that end, in general, academic advisors should report directly to the university office of academic affairs, which provides for direct control of academic advising of athletes on campus.

The faculty athletics representative also must work closely with the athletics academic advisors, especially with respect to faculty/student-athlete issues. In addition, athletics academic advisors must collaborate with other student-support offices on campus, which will result in better integration of the student-athlete into the campus environment and help prevent duplication of services.

That type of structure can be effective in ensuring that academic advisors are never placed between the academic goals of advising and the goals of athletics success. Academic advisors should focus on student-athlete academic concerns; it is not their responsibility to keep student-athletes eligible for athletics competition. Advisors should never encounter pressure from coaches and athletics administrators to adopt minimal academic goals for student-athletes to ensure eligibility and meet graduation-rate expectations. This is a spe-



*Karen Holbrook, President at Ohio State University, on **integration**:*

“No university can afford to maintain an athletics program that is not fully integrated into the academic life of the institution. Ohio State’s athletics program, with 36 sports and nearly 1,000 student-athletes, is part of this great university’s identity and spirit. While most of the sports do not have a high profile or big budget and do not attract large crowds, they all provide an opportunity for students to demonstrate skills and learn discipline that help them succeed both in the classroom and in life.”

A handwritten signature in cursive script that reads "Karen Holbrook".

cial point of emphasis as the NCAA’s Academic Progress Rate and the Graduation Success Rate become more important to an athletics department’s ability to provide a full allocation of grants-in-aid in each sport.

#### OTHER STRUCTURAL SUGGESTIONS

Compliance is another component that may benefit from a structural change. In most cases, the compliance director is responsible for rules education, maintaining compliance records, providing information in the athletics certification process, submitting appeals and waivers of NCAA rules, and investigating and reporting rules violations. Within athletics, the compliance director typically reports to the athletics director, but it is becoming increasingly common for the compliance director to report directly to the president or an administrative officer who reports to the president.

Compliance personnel outside of athletics, such as the registrar, admissions officers and financial aid administrators, should always maintain their autonomy from athletics. Individuals in those positions often have major job responsibilities related to athletics, but they should never view themselves as working for athletics.

Steps also may be taken to foster integration in the admissions process. For example, to alleviate suspicion that student-athlete admission is based more on the need to recruit winning teams than on academic integrity, campus administrations and faculty senates should consider developing criteria for special admission of scholarship athletes. A maximum annual number of such special admissions for athletes should be established, either for all sports programs or for individual teams. In addition, there must be concrete and substantive programs in place to monitor and assist those admitted. The school’s campus athletics board should receive information on all scholarship-athlete special admits and should annually certify to the campus faculty governance body compliance with those policies. Analogous policies and procedures should be developed to govern admission of transfer student-athletes as well.

Such structural and policy modifications can help counter the “islandization of athletics” notion that

plagues intercollegiate athletics. The right approach to structural integration should lead to mission integration, which is most important.

#### OPERATING WITHIN EDUCATIONAL VALUES

The principle of integration also underscores other comparisons between athletics and the rest of the university that connect to budget decisions. To fully understand the collegiate model, it is important to also comprehend how financial decisions for athletics must mirror those of the university.

Higher education generates revenues from as many sources as possible and distributes those resources to support a broad range of academic offerings. Similarly, athletics programs generate revenue from primarily one or two sports as well as other sources and redistribute those resources to maximize athletics participation. In that regard, athletics behaves financially as the rest of the university. It is incumbent upon universities to develop revenues from as many sources as possible, including those that may be categorized as “commercial” sources. Universities as a whole, and athletics in particular, must generate revenue in conformance with the values of higher education.

That is an ongoing challenge as college sports continues to expand participation opportunities. Much of the extraordinary value of intercollegiate athletics depends on its integrity, and that is lost when commercial interests overwhelm the game. To that end, the issues that confront presidents include how to appropriately limit commercialism, when to say no to advertisers and how to manage big revenue sports.

Commercial interests that align themselves well with the institutional mission have a place in athletics revenue generation to support enhanced opportunities for student-athletes. It is important to emphasize that intercollegiate athletics must be supported by a solid business plan. On a national level, the NCAA acts on behalf of its member institutions in the conduct of intercollegiate athletics, and that includes securing revenue to further the mission of intercollegiate athletics. The NCAA, therefore, also is obligated to maxi-

mize the revenue from commercial sponsors and to manage those dollars in a manner that follows best business practices and, very importantly, reflects the values and mission of higher education.

Commercialism in college sports is not inherently negative — many commercial activities provide funding that increases athletics participation opportunities for young men and women — but the influx of commercial, for-profit values into an enterprise that is within an educational, nonprofit model presents a challenge. Indeed, over-commercialization, which transposes the collegiate model into a system that more closely resembles the professional sports approach and threatens the integrity of college sports, must be avoided.

Accomplishing that goal requires leadership from college and university presidents and other upper-level administrators. A bright-line standard should ensure that limitations on commercialism within the academic enterprise also apply to athletics. In other words, commercialism that conflicts with the university’s academic culture, values or mission should not be permitted to enter the athletics environment.

Intercollegiate athletics, like the university as a whole, is obligated to conduct its revenue-generating activities in a productive and sound business manner. Rules relating to commercialism should be consistent, and institutions should clearly articulate those rules. In some instances, institutions may need to be more conservative as it relates to commercialism within the athletics program because of the risk for exploitation of student-athletes and the current nature of market forces. Indeed, a central problem in commercialization is the exploitation of student-athletes — that is the line in the sand for university presidents.

Conferences also play a significant role in managing the commercial influence within their programs. Most conference offices are involved in negotiating television and other sponsorship contracts — they should not only set their own standards on acceptable levels of commercialism, but they also should be aware of various institutional values and limitations that may exist among their membership.

## INTEGRATION IS INCLUSIVE

Fully integrating athletics into the university also assumes a diverse and inclusive environment.

Colleges and universities cultivate a learning environment to prepare students for lives and careers in a diverse world. Institutions of higher education recognize the inherent worth and dignity of every person and promote an understanding of human diversity in all its dimensions. Presidents are obligated to reach out to increase the participation of those gender, racial, ethnic and cultural groups that have historically been under-represented among students, faculty and staff. As the student-athlete population grows to reflect the breadth of a multicultural society, intercollegiate athletics administration and coaching also should reflect diverse representation.

In many respects, intercollegiate athletics has played a primary role in hurdling racial and gender barriers for students on the fields and courts. Intercollegiate athletics has been less successful, though, when it comes to hiring a diverse collection of administrators and coaches. While many member institutions recognize the importance of diversity and actively seek to expand their applicant pools to include greater representation of women and minority professionals, the overall result has been less than satisfactory. The already low percentage of ethnic minorities and women in leadership positions has remained stagnant for more than a decade. Several NCAA committees are working to improve that representation, and the Association also has established programs designed to develop female and minority talent. While those have been effective in building applicant pools, more progress must be made.

Managing diversity and inclusion goes beyond merely increasing representation. Done well, an inclusive environment is one that respects and welcomes diverse experiences. To attain and sustain diversity, institutions and athletics departments must make the transition from predominantly monolithic cultures to a more inclusive environment.

Leadership in diversity starts at the top — presidents must establish the appropriate sense of urgency and importance. Diversity and inclusion goals and ob-

jectives should be measurable and be accompanied by appropriate alignment of athletics department policies and procedures to enhance those goals. Real accountability is the key to ensuring positive change.

The athletics department's goals and objectives for diversity and inclusion must closely align with the institutional mission. Sensitivity to, and understanding of the value of diversity should be a factor that is considered in all hiring decisions to minimize the risk of further expanding the workforce with individuals who are not committed to the institution's diversity mission.

Further, because many athletics departments are somewhat homogenous, efforts must be made to ensure appropriate diversity at the decision-making levels in the hiring process. Recruiting networks should be expanded beyond current social networks to embrace a more diverse populace. Athletics department hiring must function under the same standards and measures of accountability as other university constituent groups.

To influence substantive change in this area, it is imperative that institutions establish a performance-based system of accountability with measures for diversity that permeate all areas within the athletics department and others to which athletics reports. Senior-level administrators are accountable for successfully managing and leveraging diversity to create an inclusive environment. Recruiters are accountable for soliciting diverse and well-balanced talent pools, and hiring decision-makers are accountable for open and fair hiring processes.

In short, *all* athletics department staff members are accountable for fostering and enhancing an environment that promotes respect and dignity for *all* persons.

## THE VALUE OF THE COLLEGIATE MODEL

If the premise is that intercollegiate athletics is an integral part of the educational program and the student-athlete is an integral part of the student body, then facilitating integration between the two ideals is essential. The notion of athletics as a self-contained entity is not justifiable. Thus, the Task Force recommends that the self-sufficiency clause in the Division

I philosophy statement be eliminated. Even those athletics departments that earn revenues over and above expenses and do not rely on university subsidies cannot operate outside of the university values and structure.

Especially for those institutions that balance their athletics budgets *only* with the help of allocated funds, integration is more than a working concept. Institutions choose to allocate funds to athletics — as to any other campus department — based on the value athletics brings to the institution. In that value-based budget model, athletics assumes greater integration with the rest of the university by virtue of the reporting lines and budgetary review through the normal academic process. In exchange, intercollegiate athletics is not as pressured financially as it is under the self-sufficiency model.

When athletics programs are integrated into the university's mission and when student-athletes are afforded genuine academic opportunities, there are enormous benefits for all. That is the essence of the collegiate model.

But the collegiate model faces constant pressure to more closely resemble the professional approach. Generally, the changes in the collegiate model over time have been subtle — the result of success, in most cases, yielding the inevitable desire for more success. But as benign as those changes appeared at the time, the cumulative effect is an erosion of the bond between athletics and academics.

The mission of universities is education, broadly understood, and college sports must serve that mission. Intercollegiate athletics is not a freestanding, autonomous enterprise located in close physical proximity to a university. It must be both in principle and in fact as richly integrated with the rest of the campus as each of the other components.

The overarching mission that unites all institutions is a desire to provide students (student-athletes and others alike) with the most complete, well-rounded and comprehensive education possible. Each institution assumes its unique position in meeting that mission. The collegiate model of athletics represents the best future for sports on the campus, and sustaining



*Michael Adams, President at the University of Georgia, on commercialism:*

“College sports should look like a collegiate enterprise. At the venue itself, there should be a limited number of commercial intrusions. Fans should not be bombarded with ads between plays, between innings and during timeouts; a University of Georgia game is a different experience than an NBA game, and I want that difference to be clear. We have been very conservative about the number of corporate sponsors whose names are displayed on the electronic screens in our venues. Each campus must make its own decisions, but I don’t think any of us want our uniforms to look like South American soccer jerseys or NASCAR drivers’ suits. The standard is a clear distinction between a for-profit enterprise and a nonprofit activity that supports the mission of the academic institution.”

*Michael F. Adams*



it depends on the cooperative action of all stakeholders in the enterprise. Presidents must therefore provide bold and creative leadership to address this issue on their respective campuses and must be willing to make those sometimes unpopular decisions that will,

in the long run, unite the campus community behind a fully integrated athletics program.

Athletics integration is a perfect example of why taking reform home is critical to the future of intercollegiate athletics.





## 3

## The Roles of Governing Boards and Athletics Clubs

*College and university presidents and chancellors have responsibility for the operation and administration of intercollegiate athletics.*

THE PRIMACY OF THE PRESIDENT'S OR CHANCELLOR'S responsibility for the conduct of intercollegiate athletics on campus is as fundamental as the first principle of the Association's bylaws. Unequivocally, the principle of institutional control puts responsibility over all aspects of an athletics program in the hands of the chief executive officer. It has been so for more than a century. And clearly, presidents and chancellors have acted more than occasionally on behalf of intercollegiate athletics in extraordinary ways, addressing critical concerns. They have led with courage in moments of stress to the enterprise, measuring out change increasingly through national policy.

In addition to their valuable and necessary voice on Association-wide issues, a voice that has provided significant leadership of intercollegiate athletics as a whole and the NCAA as an organization, presidents must continue to focus on institutional accountability. Swept along by the will of the majority, the rising expectation for competitive excellence and the financial realities that demand stronger and more diverse revenue streams, the importance of local decisions as an expression of specific institutional mission has increased.

Importantly, the current fiscal realities, the overall well-being of student-athletes and the alignment of athletics with the values of the academy require a recommitment to campus-based responsibility.



*Robert Hemenway, Chancellor  
at the University of Kansas,  
on governing boards:*

“There was a time 20 or 30 years ago in which presidents were building firewalls between themselves and the athletics program. With the Knight Commission and some of the reforms that have taken place since then, my generation of presidents makes it clear that you don’t want firewalls — you have to be aware of what’s going on in the athletics department. Presidents and chancellors have to step up to the responsibility that they are the people in charge, and they are the people the NCAA expects to be in charge.”

A handwritten signature in cursive script that reads "Robert Hemenway".

Indeed, campus-by-campus presidential responsibility is paramount. As the Knight Commission noted in its report 15 years ago, presidents “must be in charge — and be understood to be in charge...”

In asserting leadership, college and university presidents and chancellors occasionally must address governance boards that may interfere with the role of the responsible party identified by NCAA bylaws, boosters who abuse their relationship with athletics programs, and athletics administrators whose operational autonomy has separated the enterprise from the rest of the university. As in other areas of the campus where the sometimes multi-billion-dollar business of higher education conflicts with the expectation of athletics as an extension of the ivy-covered academy, presidents often must make way against contradictory forces. At one pole are those who want athletics to be successful at any price and at the other are those who would rein in athletics to little more than intramural status. Many who support athletics, as well as those who would diminish its place in the higher-education culture, are in denial about the resources required to operate broad-based and highly competitive athletics programs. Often, America’s romanticized ideals of both the academy and collegiate athletics hold philosophical sway over the pragmatism of running large institutions of higher education with correspondingly large athletics programs.

If presidents are to exert the level of local leadership requisite to the conduct of intercollegiate athletics integrated into the mission of the university, they must be supported by a number of groups from governing boards to boosters to athletics administrators to faculty.

#### GOVERNING-BOARD INFLUENCE

A governing board’s influence on a president’s ability to appropriately lead an institution’s intercollegiate athletics program can be profound; yet, what happens when a board member oversteps his or her fiduciary role with regard to intercollegiate athletics is rarely discussed. At times, and in some cases, presidents feel they have neither the resources nor the support available to them when faced with a leadership challenge

from a trustee. Though governing boards have the final say in campus policy, both in athletics and in other areas of the university, presidents should be the decision-makers on all operational issues. They oversee management, including the hiring and firing of key personnel in athletics and elsewhere within the institution. In effect, presidents and chancellors facilitate athletics' integration into the university — they are the keepers of the collegiate model.

Governing boards represent a critical support group for the president and have a stated responsibility for providing oversight of athletics. The Association of Governing Boards (AGB) in fact issued a report in March 2004 titled "Statement on Board Responsibilities for Intercollegiate Athletics," which accurately describes the focus of that oversight responsibility. The Knight Commission also has addressed the president/board relationship at length, stating that trustees must insist that the president is in control and that boards should support and defend the president.

The question is, though, whether a common and constructive understanding can be developed among these participants and communicated to presidents, system heads, boards and governors so that everyone is working from the same definition of responsibilities.

To that end, programming about the proper oversight role of governing board members with regard to athletics should be presented to all new board members as an integral part of their overall orientation. A concise outline of the president's and board members' roles must be covered in orientation and educational sessions, possibly conducted by the NCAA, the AGB, the American Council on Education, the American Association of State Colleges and Universities or the National Association of System Heads.

The NCAA is in a unique position to work with the AGB in developing the appropriate curriculum, which could be added to the AGB's existing board education services to make it more robust. Further, the AGB's existing regional meeting opportunities and relationships with other organizations could further disseminate the message regarding the governing board's appropriate oversight role.

The Task Force also recommends a re-commitment



*Carol Cartwright, President at Kent State University, on governing boards:*

**“The trustee and president relationship is especially important, yet complex, with regard to intercollegiate athletics. The vast majority of trustees appreciate the responsibilities the NCAA has placed on presidents, and these citizen trustees, in their fiduciary role, seek to assist presidents in establishing and maintaining the appropriate leadership over intercollegiate athletics. Accordingly, in most instances trustees are and should be viewed by presidents as helpful partners with distinct responsibilities regarding intercollegiate athletics.”**



to the March 2004 AGB statement. One suggestion is to circulate the report for sign-off from the board chair attesting that all governing board members received and reviewed the AGB statement and that the responsibility for the administration of the athletics program has been delegated to the president or chancellor of the institution by the board.

The NCAA also can enhance the president/board relationship through its athletics certification program. Adopted at the 1993 NCAA Convention upon a recommendation from the president-led Knight Commission and the NCAA Presidents Commission, athletics certification is meant to ensure an institution's fundamental commitment to integrity in intercollegiate athletics by setting high standards for the operation of Division I programs and sanctioning institutions that fail to conduct a comprehensive and broad-based self-study or that fail to correct deficiencies that are identified.

Institutional control and presidential authority is the first operating principle in the athletics certification program, but that principle must be strengthened. Demonstrating presidential authority must be a prerequisite for certification, and the Committee on Athletics Certification's final decision must be "with conditions," at best, if there are instances of a lack of presidential authority, including inappropriate board member activities.

Additional enhancements to the certification process itself — centering primarily on increased presidential involvement — would ensure the appropriate relationships between presidents and governing boards. Just as the accreditation process validates the integrity of our educational systems, so is the Division I athletics certification program the guiding tool for protecting the collegiate model at the local level. For certification to serve as the desired anchor to a sound athletics enterprise, presidents must exert strong leadership in the process.

For the collegiate model to thrive on each campus, the president must be the individual charged with ensuring sound communication and coordination among all the constituencies about the broad direction in which the athletics program is heading. That



*Leo Lambert, President at  
Elon University, on **internal committees**:*

“At Elon, we have just created a board committee on athletics policy for the first time in our history. The chair of that committee begins every meeting by stating its role. The role of this committee is not to run the athletics department; that is what the athletics director does and what the president is responsible for. Our agenda is not about management, but about broad policy formulation and resource acquisition. There’s an appropriate and strong role for the board, but it’s not to be out there picking coaches without the AD knowing about it.”

*Leo Lambert*

position of leadership — that voice of the president— is essential and cannot be usurped by another constituency, be it boosters, trustees or any other group. While presidents cannot with success “go it alone” or run the athletics program themselves, they should be clearly understood as the individuals in charge.

Certification is a key mechanism Division I has to underscore presidential leadership in intercollegiate athletics. Accordingly, presidents bring a unique perspective to the certification process, a vantage point that helps ensure that the big-picture questions about Division I athletics are being asked. The pool of presidents who serve as peer reviewers should be expanded, both by encouraging sitting presidents to chair peer-review teams and by identifying retired presidents, as they may have more time to serve and feel they are in a better position to provide candid and objective evaluations.

In addition, more presidents should serve on the athletics certification committee, the body responsible for the administration of the athletics certification program. The committee initially reviews institutions’ self-study reports to identify issues, and it receives the written evaluations of peer-review teams and the institution’s response, which become the basis for determining the certification status for each Division I institution.

Current committee roster requirements call for only one president to serve, but the Task Force believes an expansion is warranted, not only to ensure the proper level of presidential leadership regarding the committee’s work, but also the proper level of presidential review when institutions indicate concerns about interference with presidential leadership. The Task Force also recommends a second pool of presidents, drawn largely from those who are retired, to assist in such reviews.

In addition, peer reviews in the certification process should require more interaction between the review team and the governing board. That would enable board members to raise questions related to their oversight responsibilities and provide an opportunity to help identify concerns about governing board members who impede presidential leadership in athletics.

Athletics certification is a bedrock mechanism and a lasting impression from the Knight Commission’s 1991 report. So, too, is certification’s operating principle of institutional control and presidential authority bedrock to the integrity of the collegiate model. If presidential authority is a desired element of the collegiate model, then presidential leadership must be prevalent on the ground floor.

Adherence to these recommendations would go a long way in fortifying presidential leadership on campuses and drawing clear lines of demarcation with respect to responsibilities and expectations from both presidents and governing boards. In the large majority of cases, relationships between presidents and boards do not require such attention, but it nonetheless is prudent for both parties to have well-documented institutional governance policies regarding the administration and oversight of athletics.

#### RELATIONSHIPS WITH ATHLETICS CLUBS

Presidents also have the leadership responsibility to exert their authority over athletics clubs or supporters of athletics interests (“boosters”), particularly those who make financial contributions.

NCAA rules consider such clubs as “representatives of the institution’s athletics interests” in limiting activities in areas such as recruiting prospective student-athletes, providing benefits to student-athletes or providing salary supplements to coaches. While a booster may be recognized primarily for direct support to an athletics team or program and a trustee for much more broad-based leadership of the institution, either has the potential to knowingly or unknowingly undermine the president’s leadership.

Institutional education programs have helped athletics clubs avoid unknowing violations of NCAA rules, but educational programs should be reinforced to make it abundantly clear that improper acts by such individuals or clubs will not be tolerated.

Again, the NCAA athletics certification process can help in that regard. Certification should include a requirement that institutions provide material containing rules education and policies and procedures to organized athletics groups and representatives of

the institution's athletics interests. That information should explain limitations applicable to such individuals and clubs under NCAA rules.

Such enhancements are not intended to replace current NCAA rules and expectations that place responsibility for the conduct of athletics clubs squarely upon the institution and its president or chancellor.

The Task Force understands the influence of governing boards and athletics clubs on the president's ability to set the tone for intercollegiate athletics. These initiatives and modifications to the athletics certification program serve to enhance the president's leadership role in that area, while clarifying mutual governance responsibilities.





## 4

## Celebrating the Student-Athlete

*Student-athletes are students first and should have every opportunity to gain an education and to participate in campus life.*

THE THEME OF THE NCAA CENTENNIAL, which composes the title of this section, also is the theme for the NCAA's Bicentennial. The student-athlete has been the center of the Association's attention for 100 years, and that principle must remain true North on the intercollegiate athletics compass.

While financial issues, the integration of athletics, and relationships with governing boards are critical to the efficient functioning of intercollegiate athletics as a component of higher education, they also are directly related to student-athlete well-being. Indeed, the practical application of sound business practices is critical to the operational success of the collegiate model — but student-athletes are at the heart of that model.

Any review of NCAA literature — from the NCAA Manual to the current strategic plan — reveals a written commitment to the student-athlete as the center of all Association activity. NCAA bylaws and guiding principles ensure a commitment to student-athlete well-being, the primacy of the student-athlete educational experience and the integration of athletics into higher education. And the Association's strategic plan — to which presidents and chancellors were major contributors — identifies an enhanced student-athlete experience as an outcome-oriented goal.

Clearly, intercollegiate athletics is and must always be a student-centered enterprise. That principle will not change at the national level or the local level. If the goal is to take reform home, student-athlete well-being should be in good hands at the campus level. Presidents and chancellors have understood from the beginning that the well-being of their student-athletes is a priority.

From a national perspective, legislative proposals often have unintended — or at times even intended — consequences on student-athlete well-being. In fact, the Division I Board of Directors several years ago began requiring that the impact on student-athlete well-being be stated in a legislative proposal's rationale. But rarely has there been a collaborative effort to set a legislative agenda that enhances student-athlete well-being in the many areas of the educational experience — from financial aid to eligibility standards to playing and practice seasons.

Of the four Task Force subcommittees, the group focusing on student-athlete well-being was best positioned to develop such an agenda. While the Task Force's central recommendation is to take reform home, the student-athlete well-being subcommittee looked at policy from a broad-based perspective to determine whether institutions could benefit from a collective, national effort that could not have been accomplished on a campus-by-campus basis.

Thus, the subcommittee developed a bold agenda for significant change, recognizing that such policy shifts could be undertaken only after a thorough vetting in the governance structure — the customary and proper legislative track. *The Task Force does not advocate for specific outcomes in these initiatives; rather, it merely is setting an agenda that includes items that may require legislative and policy changes, or simply best practices.* Systematic consideration of these agenda items by the membership will determine which current rules directly affecting student-athletes will be changed.

In considering the student-athlete well-being agenda, it is no surprise that the subcommittee focused primarily on the student-athlete's campus experience rather than his or her athletics experience. At its core, student-athlete well-being is clearly defined

as the educational and physical best interests of those who play the games, not the outcomes of the games or how many are played. The principle of student-athlete well-being as stated in the NCAA Manual holds member institutions accountable for establishing and maintaining an environment that:

- Ensures student-athlete activities are conducted as an integral part of their educational experience;
- Values diversity and gender equity among its student-athletes and athletics department staff;
- Protects the health and safety of and provides a safe environment for each of its participating student-athletes;
- Fosters a positive and educational relationship between the student-athlete and coach;
- Ensures coaches and administrators exhibit fairness, openness and honesty in their relationships with student-athletes; and
- Involves student-athletes in matters that affect their lives.

The campus environment must reflect the institution's unwavering commitment to student-athlete well-being. The commitment to the student requires that expectations and opportunities for full participation in campus academic life be encouraged and facilitated. The commitment to the athlete requires taking appropriate measures to protect his or her health and provide for a safe environment for participation at the highest competitive level of intercollegiate athletics. Neither the student nor the athlete goal is predicated on the competitive-equity concerns that proliferate in the NCAA Manual; rather, each seeks to elevate the student-athlete's college experience because of his or her participation in intercollegiate athletics. That participation is not the end game, but a means to an end.

Toward that goal, the agenda for consideration includes the assimilation of student-athletes into campus life, an examination of financial aid practices, methods of ensuring student-athlete academic success, a discussion of health and safety issues, and an assessment of competition opportunities and possible enhancements. As with other broad-based initiatives

concerning student-athlete well-being, such as recent efforts to deregulate amateurism and financial aid, and the adoption of an academic-reform structure, the student-athlete well-being agenda will be vetted throughout the Division I governance structure, giving conferences, committees, cabinets and councils ample opportunity for comment and feedback. It is these membership bodies that will decide whether to change current rules affecting student-athletes. The Task Force's intent is that once this exercise is completed, those rules that are changed will remain in place for the foreseeable future.

### ADDRESSING THE PRIORITIES

Among the priorities in the agenda on student-athlete well-being are those that address student-athlete academic success, access to education through financial aid and the assimilation of student-athletes into campus life.

The NCAA has taken steps over time to ensure that each of these principles is inherent in student-athletes' college experience. The recent Division I academic reforms in fact encourage institutions to commit the academic resources necessary to make student-athlete graduation more than just an aspiration.

Other student-athlete resources are apparent in allocations from the NCAA's revenue-distribution plan. Programs such as the Student-Athlete Opportunity Fund and the Special Assistance Fund provide direct benefits to student-athletes and allow them to meet costs not otherwise covered by a grant-in-aid. Student-athletes also gain other benefits that stretch beyond NCAA bylaws that provide support during their athletics career, such as the training, facilities, medical insurance and top-flight instruction that come with the university infrastructure.

But a review of student-athlete well-being should be ongoing. The student-athlete "experience" is not simply a matter of providing scholarship dollars to meet "educational" costs; rather, it is how institutions support student-athletes' educational and athletics pursuits so that their experience compares favorably to those of other students. The appropriate ongoing examination is one that includes what the student-

athlete experience looks like when the institution is involved in providing these forms of additional support. In that light, the following concepts merit discussion and consideration.

With regard to student-athlete academic success, the NCAA should continue to support and monitor the academic reforms underway, and study Academic Performance Program data to assess whether changes and enhancements are warranted to further improve academic performance.

The Division I governance structure also should establish a data-based definition of "at risk" when comparing prospects' academic records that allows for local differences among the diverse Division I membership. The goal is for each institution to analyze the academic success of its student-athlete population and identify the profile of incoming prospects who appear to be at risk of not progressing toward and obtaining a degree from that institution. Once that profile is established, the institution can evaluate the level of academic and life-skills support provided to these student-athletes and determine if changes or enhancements are necessary.

In financial aid practices, policy must be reviewed to assess whether student-athletes have adequate opportunities to receive non-athletics-based financial aid. Also, examine the gap (if any) between an athletics scholarship and the full cost of attendance, given additional sources of financial support (for example, non-athletics based aid, Pell Grant), and determine whether any unmet financial need is most appropriately addressed through athletics or institutional sources.

Other considerations regarding financial aid include strengthening legislation requiring a hearing for canceled or reduced athletics aid, and adjusting the timing of the athletics-aid renewal process. The governance structure also should consider whether athletics aid should be awarded for more than one year or automatically renewed from year to year, based on established criteria. In addition, it would be prudent for the membership to determine whether the current head-count and equivalency allocations are appropriate in each sport.

The agenda on student-athlete well-being also calls

for a review of whether current policies ensure student-athletes' assimilation into campus life. For example, do current time limits (the "20-hour rule") allow student-athletes to be integrated into the general student body (for example, opportunities for social activities)? What role does the campus culture have in enforcing the 20-hour rule? Should time limits for required athletics activities outside the championship season be adjusted? Should student-athletes be expected to participate in any required athletics activities outside the regular season?

Those are among the questions that should be asked — and that might lead to legislative proposals for change — to ensure the proper balance in the educational experience.

Another priority in the Task Force agenda on student-athlete well-being is an assessment of competition opportunities and possible enhancements.

In many respects, the highest barrier for the NCAA to clear when it comes to student-athlete well-being is competitive equity. Rules that ensure a level playing field and protect the open and fair competition that is an intrinsic element of college sports by their very nature may not match the ideals of student-athlete well-being.

Over time, the notion of competitive balance among institutions — and the fear of someone gaining an unfair advantage that comes along with that — has challenged the NCAA's commitment to the primacy of the student-athlete. Since its inception, the NCAA has established a legislative process that tries to create and maintain a level playing field so that schools of all shapes, sizes and philosophies can compete together over a broad range of sports in the same division or subdivision. That competitive balance has been steadfastly protected in both the Association's legislative and interpretative process through the years. An unintended consequence, though, is that from time to time student-athletes are disadvantaged by what can become the first order of business, if allowed, which is

the concern for competitive balance.

The notion of competitive balance emerges when considering competition opportunities, particularly with regard to transfer rules and eligibility requirements. To address those issues, the Task Force is forwarding the following concepts to the Division I governance structure for review and potential legislative action:

- Consider legislation that provides for a fifth season of eligibility. Also consider whether five years should be the standard eligibility term, or whether student-athletes would only be able to "earn" the fifth year based on meeting certain academic criteria, such as a specific grade-point average.
- Consider whether student-athletes in all sports should be permitted to transfer after their first academic year and be immediately eligible, but require a year in residence for transfers after the beginning of their second year of enrollment and thereafter.

Again, the Task Force is not advocating a "right answer" in forwarding these ideas. Members do believe, however, that thorough discussion and possible rules changes in these areas support the primary notion when it comes to student-athlete well-being: Student-athletes are students first and should have the opportunity to participate in campus life. The primary product of intercollegiate athletics is not entertainment, nor is it the exposure athletics brings to the university — it is the education of those who participate. The student-athlete is to be at the center of the collegiate model, and the NCAA's actions must match its written principles.

This aggressive agenda in the student-athlete well-being arena will encourage broad discussion and — if not dramatic change — at least an improved understanding that the current policies surrounding student-athlete well-being are sound and thus maximize the intercollegiate athletics and the educational experience.





## Taking Reform Home

*If college sports is to realize its full potential rather than just its widespread popularity, value-based, academy-supported presidential leadership is an imperative.*

THE PRESIDENTIAL TASK FORCE RECOGNIZES that this report calls for unmandated and unspecified behavior changes within the enterprise at the very moment Division I intercollegiate athletics by many standards is enjoying its greatest success. That success, however, is at risk unless presidents and chancellors exercise continued leadership at the national level and exert focused leadership at the campus level.

Expecting a culture change without being prompted by crisis is challenging for an enterprise that has in the past been reactive in its commitment to maintaining the intercollegiate athletics model. Typically, action is not swift from membership-driven associations that rely on thorough vetting of proposals and hard-won compromise before moving ahead. But intercollegiate athletics has never been negligent in stepping up to its core educational mission.

As the NCAA enters its second century, we must shift from a reform agenda carved out by national Association legislative mandate to change influenced by individual presidential leadership. It is time to take athletics reform home.

The tools to do so certainly are available.

For the first time, the NCAA has at its disposal a comprehensive strategic plan that sets aspirations and goals for the immediate and





long terms. Deeply rooted in that plan are the core values of the collegiate model, the pursuit of excellence in both academics and athletics, the development of an inclusive culture and the integration of athletics within the university mission.

The Association's envisioned future, a consensus vision from the thousands of constituents who contributed to the strategic plan, boldly says that intercollegiate athletics will be understood as a valued enhancement to a quality higher-education experience and that student-athletes will be better prepared to achieve their potential because they have participated in college sports.

Also in the plan is the recognition that presidents and chancellors at NCAA member institutions will lead intercollegiate athletics at campus, conference and national levels. The Task Force agenda is an outgrowth of the strategic plan.

The next set of issues — those that center on the financial underpinning of college sports, the full integration of athletics with the rest of the university, the realization of meaningful diversity and inclusion, the alignment with and allegiance to the values of higher education — will require institution-by-institution presidential leadership. There is no *national* legislative mandate to follow, no template in which one solution fits all. Each president must exercise *local* leadership to ensure the continued conformance of athletics with academic mission.

Presidents and chancellors must have support in that regard. The most important ally to effective presidential leadership may come from a well-informed faculty. The faculty athletics representatives, along with faculty governance, have essential roles to play in support of presidents and chancellors. Athletics administrators also must understand that they will be most successful in the future where they are working with the university to solve institutional problems, rather than expanding departmental autonomy. Similarly, conference commissioners, though often positioned in the enterprise

as business administrators, are critical to the future success of intercollegiate athletics. Governing boards must set the policy for how athletics are to be conducted but must not become so engulfed in their relationship with coaches or athletics directors that they become a barrier to effective presidential leadership. And athletics club members who put winning above all else — most importantly above the education of student-athletes — are equally a threat to the efficacy of presidential leadership.

Indeed, intercollegiate athletics has achieved great success. And while times change and demand that even institutions as steeped in tradition as higher education must change with them, success must conform with first principles and unassailable values. Winning too often has become the measure of success rather than the measure of competition, and values may be neglected in the process.

Where winning alone sets the table for athletics success, values often starve to death.

The 48-member Presidential Task Force has intended to establish through this report the momentum that will emerge as the nucleus of a national movement. What awaits is for their colleagues to join them in a level of campus-based and national leadership that will take the second century of intercollegiate athletics to its rightful and proper place in the enterprise of higher education. If college sports is to realize its full potential rather than just its widespread popularity, *value-based, academy-supported presidential leadership is an imperative.*

Without that type of leadership, intercollegiate athletics may devolve into something that little resembles the university model. *With* that type of leadership, however — sustained over time and supported by the same publics that support higher education — intercollegiate athletics will continue to be a grand tradition of American higher education and a valued component of the American culture.

## The NCAA Presidential Task Force on the Future of Division I Intercollegiate Athletics



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