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MOVING A BOARD TO HIGH PERFORMANCE

BALANCING SPORTS SPENDING WITH CAMPUS VALUES

E-MAIL RISKS FOR BOARDS AND PRESIDENTS

TRUSTEES' ROLES IN "GREEN" CAMPUSES

MARCH/APRIL 2008

# Trusteeship

ASSOCIATION OF GOVERNING BOARDS OF UNIVERSITIES AND COLLEGES



## Globalization of Higher Education

It IS  
a Small  
World  
After  
All



# Trusteeship

FEATURES

VOLUME 16, NUMBER 2

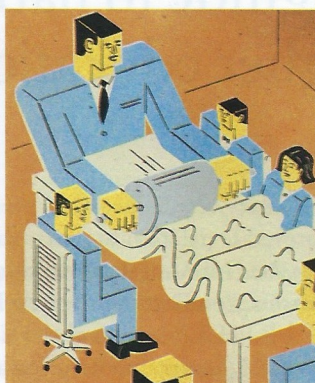
MARCH/APRIL 2008



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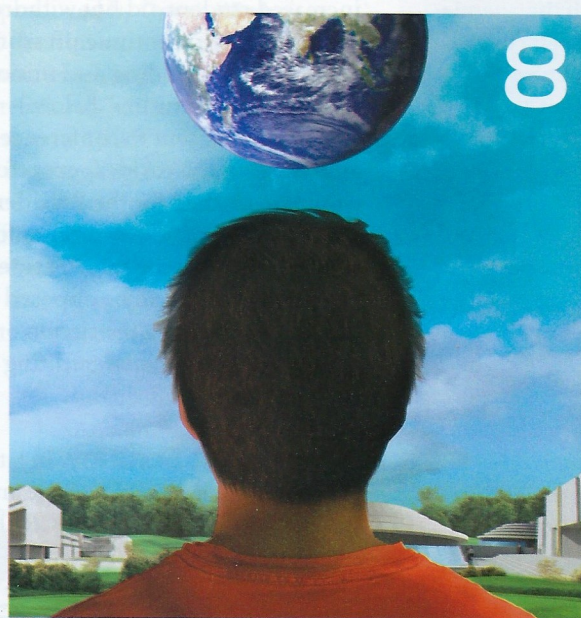
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# A Winning Play

## Healthy College Sports Require Spending Balanced with Campus Values

BY MYLES BRAND

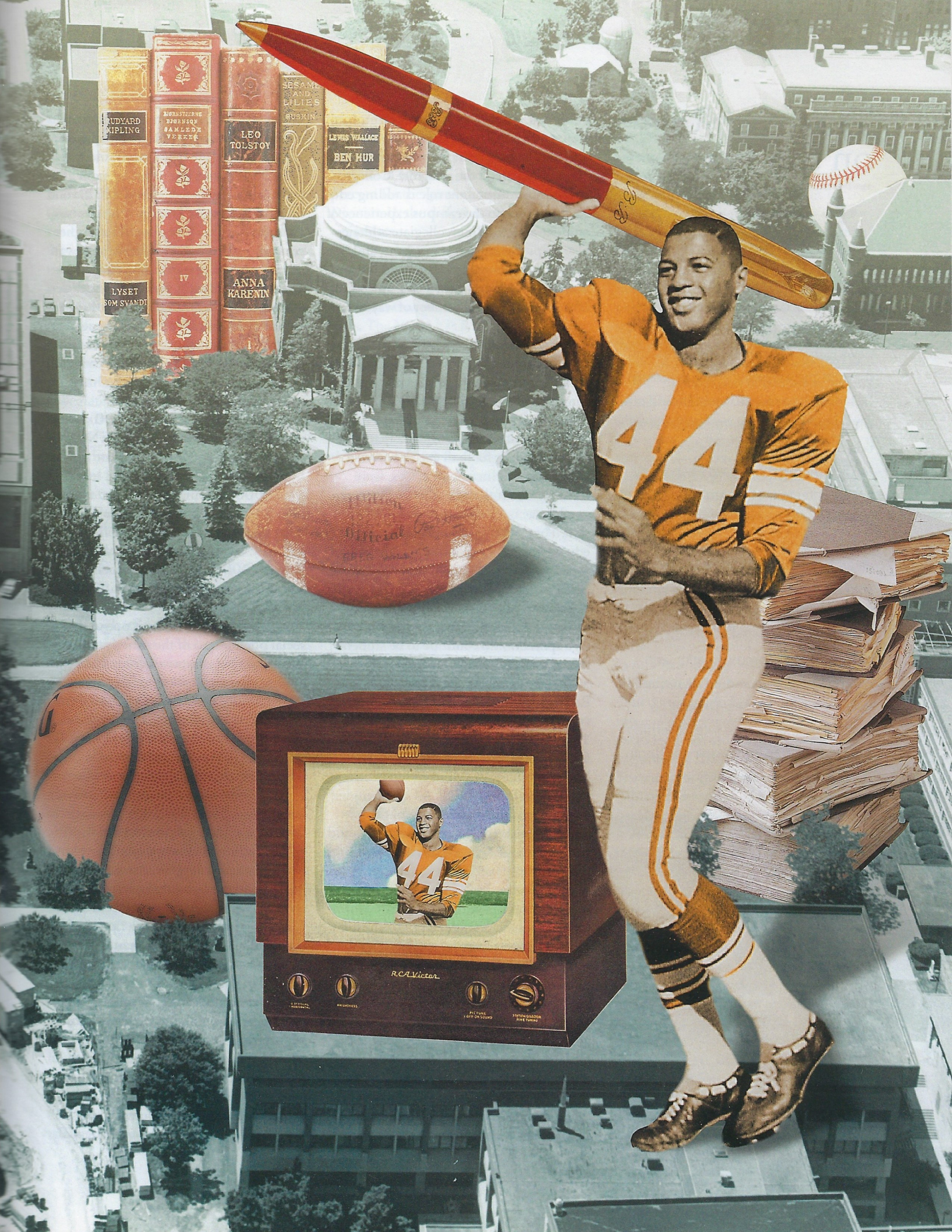


### TAKEAWAYS

- 1** The future success of intercollegiate athletics as an integral component of higher education depends in large part on policy guidance by governing boards and their support of presidential leadership.
- 2** The concept of balance is fundamental to the responsibility governing boards must assume in the healthy development of policy regarding intercollegiate athletics.
- 3** The "AGB Statement of Board Responsibilities for Intercollegiate Athletics" is a well-reasoned guide for governing boards.

FOR A TRUSTEE ON THE GOVERNING BOARD OF one of the more than 1,000 colleges and universities that are members of the National Collegiate Athletic Association (NCAA), intercollegiate athletics often sparks unparalleled excitement and energy. The feeling might arise as alumni and friends return to campus for a football weekend. It may come in the midst of a championship basketball run. But whether it's on the campus of a small private liberal-arts college or a large flagship state university, college sports create a sense of community few other campus activities can match.







# Trustees' Role on the Team

**T**he future success of intercollegiate athletics as an integral component of higher education depends in large part on policy guidance by governing boards and their support of presidential leadership. The good news is that a blueprint already exists through the Association of Governing Boards for the role trustees should play with regard to the healthy administration of intercollegiate athletics. The "AGB Statement of Board Responsibilities for Intercollegiate Athletics" ([www.agb.org/athletics](http://www.agb.org/athletics)) is a well-reasoned guide for governing boards on areas such as presidential leadership, athletics-department mission, fiscal responsibility, academics and student-athlete welfare, compliance, personnel, and communication and information flow. It should be required reading for all trustees. There is no better road map for the role governing boards should play in shaping college sports to the mission of higher education. — MB

Indeed, sustaining campus community is one of the key roles that intercollegiate athletics has come to play within higher education. It isn't the only role. College sports' most important role is adding educational value to the campus experience of student-athletes. Intercollegiate athletics also helps the university reach beyond the campus to the world at large, and these activities have contributed to a realization of social justice in a number of ways.

## Linked to the Mission

Intercollegiate athletics have been linked with the mission of higher education for a century and a half in ways that are unique to the American experience. That's not to say that the students who participated in the first college football game, between Rutgers and Princeton in 1869, were thinking about the roles that such a game would play in American higher education. They weren't thinking about the educational value of college sports or how social justice might be served. They were just looking for a diversion from university classrooms of the mid-19th century. For several decades after that first game, college sports would continue to be student-driven and even student-run.

By the time President Theodore Roosevelt summoned a handful of university presidents to the White House in 1905 to address the safety concerns of football's "flying wedge," however, college sports had the full attention of college presidents. When the NCAA was founded a year later, the first principle of the new organization was that college sports would be grounded in "the dignity and high purpose of education."

That relationship—athletics as integral to the high purpose of education—is unique to the United States. No other country expects from intercollegiate athletics what we in America expect. Frankly, intercollegiate athletics is one of the country's great success stories.

Over the last century, intercollegiate athletics underwent significant changes. College sports moved from being student-run to being faculty-run to being dependent as they are today on an infrastructure that includes athletic directors, coaches, marketing and communication person-

nel, compliance coordinators, academic advisors, trainers, equipment managers, videographers, and strength trainers.

Radio and then television brought athletics exposure that extended well beyond the campus. Intercollegiate athletics has evolved to be the "front porch" of higher education. Through the Internet and various new media platforms, its reach has extended worldwide. From the few dozen fans who watched Rutgers defeat Princeton, 6-4, in that first football game nearly 150 years ago, more than 1 billion fans watch Division I college football each fall, either on television, through the Internet, or in person.

Each year, more than 380,000 young men and women compete under NCAA auspices in 23 different collegiate sports. Budgets for athletics range from less than \$100,000 on some campuses to more than \$100 million on others, and in all three divisions total nearly \$6 billion annually. NCAA campuses employ more than 30,000 individuals as coaches, administrators, and support staff in athletic departments.

Intercollegiate athletics is one of the social phenomena of the American experience. On most campuses, from those with modest sports programs to large schools with marquee names, college sports plays out its key roles in a balanced and wholesome way. On a few campuses—far fewer than the media and critics claim—intercollegiate athletics teeters on the edge of runaway commercialism. At such institutions, bottom-line business expectations akin to those of professional sports can sometimes threaten the relationship between athletics and academics.

For trustees of governing boards, as noted in the AGB statement (see sidebar "Trustees' Role on the Team," pg. 32), it is critical to understand how intercollegiate athletics' key roles should be played out and to develop policy appropriately. It is also essential that chancellors and presidents have the support and backing of governing boards as they confront pressures that can create imbalance. Aristotle saw balance as the Golden Mean between two extremes. This concept of balance—as an equilibrium point between two extremes—is fundamental to the respon-





sibility governing boards must assume in the healthy development of policy regarding intercollegiate athletics.

## Educational Value

Obviously, the central purpose of higher education is developing and disseminating knowledge in science and the humanities, the arts and business, and the other academic disciplines. But the process that turns young women and men into productive citizens of the world goes beyond the classroom. The experience that students gain through sports complements their classroom experience. Accordingly, intercollegiate athletics must live up to the expectation that it provide educational value. It is both inappropriate and dangerous to the health of college sports to view it only as Saturday afternoon entertainment or a way to reach alumni and donors. We must also recognize athletics as one of the key venues outside the classroom that enhances a student's education.

Although intercollegiate athletics isn't the only place outside the classroom where students learn critical values essential to happy and productive lives, it is one of the best. Hard work and time management, persistence and resilience in the face of obstacles, self-sacrifice and self-awareness, and commitment to pursuit of excellence are all values that participation in intercollegiate athletics helps develop and that are critical in the maturation of young people.

We expect student-athletes to come to college prepared to be students. The AGB statement on intercollegiate athletics insists that "boards should be confident that admissions policies for athletes are consistent with those of the regular student body." Over the last several years, the NCAA has pressed for academic improvement among those who participate in college sports. Since the mid-1980s, student-athletes in Division I have gone from trailing their peers in graduation rates to

leading their cohort. According to Department of Education compilations, student-athletes in Division I are graduating today at a rate of 63 percent, compared to 61 percent for the general student body. In Division II, the difference is eight percentage points.

Student-athletes often come to college better prepared than other students and are kept on course by academic eligibility standards that ensure greater graduation rates. The NCAA has developed new and improved metrics to measure student academic performance. The Academic Progress Rate (APR) was introduced three years ago in Division I to measure student-athlete academic performance each term by teams. If teams cannot achieve an APR that predicts a 60 percent graduation rate,

scholarships can be cut, playing and practice time can be reduced, and competition in post-season tournaments can be withheld. These are academic standards with teeth.

We have also changed the way in which the NCAA measures graduation achievement. The Graduation Success Rate, unlike the Department of Education approach that has been the model for years, takes into account transfer into and out of programs and factors

their success or failure into a new, more accurate calculation. When all student-athletes are counted, this measure yields results that on average are 14 percentage points better than the federal rate.

Even with these new standards and new ways to measure performance, certain sports continue to show evidence of problems. Football, men's basketball, and baseball have lagged behind the rest of intercollegiate athletics in terms of graduation success. It is no accident that these are sports with professional counterparts; the lure of professional opportunities can present obstacles to academic success. This factor, combined with what many

consider is an overemphasis on winning, has led to relatively low graduation rates among athletes in these sports.

It is critical, therefore, that boards set expectations that student-athletes meet the same admission standards as other students and be held to the same criteria for academic progress. In athletics and other areas, it is not uncommon for campuses to accept students with high-school performances below normal admittance standards. When that occurs, it is essential that a support structure be in place to help these students achieve academic success.

The "high purpose of education" cannot be met within intercollegiate athletics if student-athletes are not students and if college sports are not conducted in such a way that non-classroom values are imparted. There has been great progress with academic reform in college sports over the last five years, but there continue to be areas where improvement is in doubt.

## Social Justice and Community Engagement

Additionally, intercollegiate athletics plays a significant role in terms of achieving social justice. For more than a century in America, college sports was designed and operated for men, mostly white men. Others were excluded from the benefits of intercollegiate athletics just as they were excluded from other aspects of American life until the last third of the 20th century. Through the efforts of courageous individuals and watershed legislation, much has changed since the 1960s.

Just as Jackie Robinson broke the color barrier in sports through professional baseball, intercollegiate athletics has played an important role in opening the doors to higher education for men and women of color. The integration of athletics teams has supplemented and motivated other civil-rights initiatives to ensure that minorities have an opportunity for access to the benefits of a university education. Indeed, African-American male student-athletes today graduate at a rate 11 percentage points higher than African-American males in the general student body, and black female student-athletes graduate at a rate 16 points higher than their counterparts.

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Since the passage of Title IX in 1972, participation in college sports by women has also increased dramatically. From fewer than 30,000 in the early 1970s to nearly 180,000 today, women have become student-athletes across a broad spectrum of sports. Based on their proportion of the general student body, they still remain underrepresented, but there is no question that today a young woman with athletic talent and interest can take for granted that she will have the opportunity to enjoy the intercollegiate athletics experience.

Continuing injustices must be righted, however, and governing boards can and should play a role in that effort. The number of female coaches has steadily declined since the passage of Title IX, and their ranks among athletics directors have not kept pace with increases in athletics participation. Even more discouraging has been the failure of higher education to recognize that the small number of African-American coaches and athletics directors has become a national embarrassment. There are only eight black head football coaches in Division I's Football Bowl Championship Subdivision (formerly called Division I-A) and only 11 black athletic directors. The numbers are even worse in Divisions II and III. Governing boards can make a significant contribution by setting policy that will ensure open and competitive searches for top positions in athletics and by supporting presidents and chancellors in the implementation of such policy.

Other roles that intercollegiate athletics play in American higher education make significant contributions to communities on campus and beyond, but can also distort the mission of both higher education and intercollegiate athletics.

On the plus side, college sports build a sense of belonging among student-athletes, students, the faculty, the alumni, and the extended community. Few other

aspects of campus life can make the same claim. Clearly, intercollegiate athletics can and often does become a common cause, a reason for celebration, a source of universally held pride of achievement.

Colleges and universities across the country are seeking new revenue streams to make up for budgetary shortfalls, especially in athletics.

For freshmen student-athletes who may come from a small town or an impoverished high-school environment, intercollegiate athletics can impart a sense of belonging and provide a strong support structure. That may make the difference in the critical first semester when many students succumb to a sense of isolation, are unprepared for the rigors of the college classroom, or are away from home for the first time and lack a social network to give them encouragement.

Intercollegiate athletics also helps a university reach beyond the campus and contribute to a broader community. Through economic impact, social networking, and "front porch" access, intercollegiate athletics can stimulate community growth and development in significant ways. A rough and probably highly conservative estimate of the economic impact of college sports is approximately \$10 billion annually, including expenditures by higher education on athletics programs.

### Commercialism

As helpful and significant as these roles are, however, there are also problems associated with the degree to which intercollegiate athletics can impact community. It will be helpful to governing boards to understand the full implications of excesses in these areas and to develop policies that bring balance to the equation. As the AGB statement points out, boards should consider whether "institutional values are appropriately reflected in...revenues and expenditures."

"Commercialism" is the handiest, although sometimes most misleading, collective term for the excesses that from

time to time confront intercollegiate athletics. It has become a catchword for everything from the size of facilities to the size of athletics budgets, from the role and influence of television to the role and influence of corporate partners, from the salaries of head coaches to the absence of salaries for student-athletes. The issue of commercialism within intercollegiate athletics has been exacerbated by both the popularity and exposure of the enterprise. Nonetheless, in my view and the view of many engaged in intercollegiate athletics, commercialism in athletics will be the next major issue for higher education to address. The problem is nearly as old as college sports itself and yet appears to be freshly discovered by each new generation.

The need for a certain—and, frankly, increasing—level of commercial activity is a fact of life for modern-day higher education. As public resources to support colleges and universities have diminished and tuition costs have plateaued or peaked, the need for corporate support has increased. Colleges and universities across the country are seeking new revenue streams to make up for budgetary shortfalls, especially in athletics.

Three trends related to college sports have resulted in broad new revenue streams. First, especially at the Division I level, college sports have become a popular source of entertainment inventory for television. Second, television has grown beyond a three-network platform to multiple platforms within a single media company spread across broadcast, cable, and broadband. Third, corporate America remains strongly interested in reaching audiences with demographics aligned with those who follow college sports.

Starting in the 1980s, this growth came at an opportune moment for higher education, just as traditional sources of revenue were changing. Intercollegiate athletics has had a virtual free hand over the last 25 years to develop new revenues in as many ways possible, consistent with the values of higher education. There is nothing wrong with this approach. In other ways, higher education has followed the same progression of commercial engagement, partnering with



corporate America to monetize intellectual property in such areas as technology and health care.

Without the benefit of careful analysis by university administrations and their governing boards and absent the articulation of clear guidelines, however, the pressure on intercollegiate athletics to embrace additional commercial ventures could distance the enterprise from the values of higher education. Commercial activity is here to stay. Higher education, including its intercollegiate athletics component, cannot meet future or even current demands without engaging the world beyond the campus in ways that market assets and monetize services. Clearly, however, there are limits on how far any aspect of higher education should venture into the world of commercialism, and governing boards are critical in defining those limits. What is critical for the enterprise is an examination of the principles and policies that will guide future growth.

### Fiscal Restraint

Underlying the perceived need for increased commercial activity associated with intercollegiate athletics is the very real pressure of expanding athletic budgets. Many of those associated with intercollegiate athletics, including fans of college sports, are concerned that the rate of budgetary growth—two to three times that of the rest of higher education—appears to have led to commercial activity beyond the level that is acceptable within the mission of higher education.

In its landmark report to the NCAA Division I Board of Directors in the fall of 2006, a group of 50 presidents and chancellors who assessed the future of intercollegiate athletics determined that while the financial underpinning of the enterprise was not in crisis, the excessive rate of budgetary growth could not be sustained.

A significant component of larger athletic budgets is debt service from capital expenditures for new or expanded facilities. Indeed, nearly 20 percent of Division I athletic budgets are tied to such ventures. Often, such capital investments, along with rising operating costs for increased FTE in a burgeoning infrastructure, assume a return in both dollars and

institutional prestige that unimpeachable data show is seldom realized. The drive for greater institutional exposure through athletic success has resulted in less fiscal restraint by governing boards and administrations. In the words of the task force report, “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.”

A continued rate of growth in budgets for athletics that exceeds both the rate of growth for the institution itself and the ability of athletics to continue broadening current and new revenue streams to cover the costs will result in greater institutional subsidization—perhaps at the risk of undermining the academic mission. Nearly all of intercollegiate athletics is subsidized by general fund budgets or special fees. There is educational value in college sports worthy of institutional support. But each institution must examine its own set of circumstances to determine an appropriate level of support that doesn’t compromise the institutional mission.

### Careful Evaluation

As the “AGB statement on Intercollegiate Athletics” notes, boards must work to understand the complexities of financing for athletics, including revenue flows from television contracts, in-venue advertising, booster clubs, affiliated foundations, corporate sponsorships, and athletics conferences. It is clear that the need for fiscal restraint, combined with a parallel need to evaluate commercial activity carefully, will continue to be important components of deliberations by governing boards in the future. To assist presidents and governing boards in this regard, the NCAA has been working with other higher-education organizations to develop new financial

reporting initiatives that better define athletics-related revenues and expenses. From these improved data, the NCAA this spring will provide each institution with a set of “dash-board indicators” that will not only inform a particular campus about its athletics spending, but will allow presidents to compare an institution’s data with peer groups of its own choosing, and to analyze potential results as new fiscal variables are applied.

Today, a century and a half after Rutgers and Princeton played the first football game, intercollegiate athletics has

become an integral part of higher education. It serves essential roles in helping colleges and universities realize the high purpose for which they exist. The link between the student-athlete and the student has never been stronger, and the reciprocal relationship between intercollegiate athletics and the campus has never been more important.

Real progress has been made over the last five years in terms of academic reform and athletics accountability. In some problem areas we must make further

progress if intercollegiate athletics is to continue to be a valued and value-based component of higher education. The need for leadership from the top has never been more important. It is essential that governing boards help invest the administration of intercollegiate athletics with principles and values that are true to the missions of their colleges and universities. ■

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**T'SHIP LINKS:** William E. Swan, “The REAL March Madness,” July/August 2003. Thomas K. Hearn Jr., “Where the Culture Clash Is Leading College Sports,” November/December 2002.

The drive for greater institutional exposure through athletic success has resulted in less fiscal restraint by governing boards and administrations.