The financial reality of college sports programs

Robert Alan Lowe
THE FINANCIAL REALITY OF
COLLEGE SPORTS PROGRAMS

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
in
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by
Robert Alan Lowe
March 1994
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ABSTRACT

Statement of the Problem

Intercollegiate athletics at the major college level has evolved into a big business operation functioning for commercial entertainment; however, this does not necessarily equal big profits for participating universities. The purpose of this paper will be to study the financial reality of college sports programs.

Procedure:

There are many publications and articles that are now examining the role of the student athlete. The Chronicle of Higher Education, Sports Illustrated Magazine, and newspapers are excellent sources of information. Also used in writing this paper were works published by authors Tom McMillen in his book Out of Bounds, (1992, New York: Simon & Schuster), and College Sports, Inc., (Sperber, 1990, New York: Henry Holt).

Publications on the role of college administrators were also used to determine their role within the system as it relates to college athletic programs. Administrative

One area difficult to research statistically was Chapter 5 showing that not all sports programs operate at a profit even though they reportedly receive millions of dollars as revenue. One reason for the lack of information is the fact that many expenditures are hidden under other expenditures in the general budget of the university. For instance, maintenance of arenas and fields are not listed as an item of expenditure for which the athletic department is responsible.

The National College Athletic Association (NCAA) governs the minimum number of sports a school may field to be eligible for Division I classification. That ruling causes many smaller schools to operate on the edge of non-compliance in order to field a revenue sport which they hope will bring them more money and notoriety.
Conclusion:
The time has come for those involved in the university athletic system to understand they are in the entertainment business, not in the business of educating student athletes. Millions of dollars are required for the programs to survive, and yet only a small portion of the programs involved are able to show a profit. The cost to the student athlete may be too great. Are they really being offered an education or merely being exploited by television broadcasting companies, corporations, and professional sports teams? It is the purpose of this paper to enrich the reader’s awareness of this growing problem.
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For my wife Kelli for all of her encouragement and support and to our son Casey for his enthusiasm and energy.
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Further Insight Into This Subject

"Intercollegiate athletics has become College Sports, Inc., a huge commercial entertainment conglomerate, with operating methods and objectives totally separate from, and mainly opposed to, the educational aims of the schools that house its franchise". (Sperber, 1990, p. xi) Sperber believes that college sports is on the verge of complete control by sources outside of the university system with threats of scandal, high stakes gambling and control by television stations. Some say it exists for the sole purpose of entertainment.

Athletes are not recruited to institutions for their academic accomplishments but for the purpose of playing sports and because of their talents in the appropriate area. Scholarship monies totaling over $500 million are paid to athletes at the university level, not because they are academically outstanding students, but because of their talent. In comparison, student musicians, artists, actors are not offered money of this magnitude based solely on their talents.

Research has shown that most college sports programs operate at a loss. Chapters III, IV and V of this paper will attempt to show areas in which profits and/or losses originate in university athletic programs. The funding for some of these programs comes at the expense of academic
programs at some institutions, which angers many faculty and student groups. One source, Don Canham, athletic director at the University of Michigan, has claimed that "about 99 percent of the schools in this country don't balance their budgets in athletics." (Sperber, 1990, p.3) Over expenditures are hidden in the general operating budget of the institution.

The National Collegiate Athletic Association (NCAA) Division I men's basketball tournaments, also known as The Final Four, makes millions of dollars. Not all of that money filters down to the universities. Approximately one-half is kept by the NCAA organization and the rest is distributed to the schools involved. Because of the monies involved the competition to participate in this tournament is intense.

Of the millions of dollars reportedly received by Division I football teams for appearances in bowl games, sometimes $1 million or more, the participants can in actuality end up in the red when a final accounting is done. If a Pac-10 team receives $1 million for a bowl appearance the actual winnings would total $100,000 because the institution must share the monies with the other nine teams in the conference. It is a common practice to reward boosters, staff and families with expense paid trips to the big event thus cutting further into the profits, sometimes
to the point of ending in a loss for the school.

Money earned by the athletic department usually stays in that department rather than being dispersed to other departments within the institution. An NCAA survey found that fewer than one percent of the schools surveyed used the money earned in support of nonathletic activities at the institution. In this paper chapter IV will allude to some of the areas of concern on the funding and expenses of athletic programs.

Salaries:

Coaching salaries at many institutions are not in line with other department positions. In 1989 when the men's basketball coach at the University of Michigan resigned his position there were literally hundreds of applicants jumping at the chance to apply for this $400,000 a year position. The job went to one of the assistant coaches, Steve Fisher who, at the time, was making a fraction of the coach's salary.

John Wooden, probably the most successful coach in the history of the NCAA, earned $25,000 a year as a men's basketball coach at UCLA. The salaries of head coaches today can run upwards of $250,000 a year. In 1990 at least one hundred Division I men's basketball coaches and seventy-five Division I-A football coaches approached $100,000 salaries.
Winning programs do generate a great deal of money for their institutions; however, not all coaches are successful at running winning programs. In the case of John Wooden, the increases in salaries today are due, in part, to inflation. Job insecurity in coaching creates an attitude of getting the highest salary possible because the job may end next year. The escalating salaries also reflect the fact that college sports are currently viewed as an entertainment business and the coaching salaries should be compared to salaries in the business world rather than comparing them to other faculty positions.

Television:

In 1940 the University of Pennsylvania televised all of its home football games. A decade later other teams had also joined in with media coverage of football games. The NCAA decided this was not in the best interest of the game and passed the first rules to ensure control of the situation. They ruled that only one national game per week could be televised.

Over the next three decades the NCAA made modifications in their rules while still maintaining control of the media games. During the peak domination of NCAA ruled television games institutions would receive $600,000 for a nationally televised game.
In 1976, sixty one football powerhouses formed the College Football Association (CFA) to challenge the NCAA for more control over televised games. Most of the athletic directors could see the opportunity to make more money from broadcasting companies if they controlled their own television contracts.

In 1982 Georgia and Oklahoma, with the backing of the CFA, took the NCAA to court to gain more control over the television contracts. The federal district court in New Mexico ruled the following:

NCAA controls over televising college football makes the NCAA a classic cartel and that consumer demand and the free market are sacrificed to the interests of the NCAA administration and its allies among the membership. It is clear that the NCAA is in violation of Section 1 of the Sherman Antitrust Act. (Sperber, 1990, p.51)

Joe Paterno, Penn State football coach, was hoping for a restructured program still under the NCAA, not a free market where "the rich get a little richer while not letting them be hogs. (Sperber, 1990, p.51)

Oklahoma City's Daily Oklahoma wrote that "Some said they won freedom, some said they won money and some said they won chaos." (June 28, 1984) Some say the NCAA lost $5 million with the ruling in New Mexico.
By 1984 the schools were still not receiving as much money for their television contracts as they had been receiving when the NCAA was in control. The networks were now in control. Schools played five times as many games for less money.

With the introduction of cable television stations, like ESPN and Sports Channel, college games are televised almost non-stop. To remain in competition with NBC and CBS ESPN convinced some school athletic directors to start their games as late as 9:30 p.m. Athletic directors were so anxious to be booked on television for the money that they had little regard for the players who would return from road trips at early morning hours and were expected to be in class the same morning.

The competition for television dollars is growing more intense with every new season. Tom McMillen's opinion offers an explanation of why this is racing unchecked.

The Supreme Courts' 1984 decision freed the schools (management) to compete for television dollars in college sports, but did not free the athlete (labor) to do likewise. If the schools insist on treating college sports as a business, the athletes should be allowed to treat them as a business as well; and if the entire enterprise is merely a business, it should be taxed, and the athletes are entitled to all the rights of
employees in other businesses, including worker's compensation, minimum wages, and collective bargaining. (McMillen, 1992, p.223)

University Presidents and the Athletic Departments:

It is interesting to note that the rules governing college athletics imposed by the NCAA are decided more by the presidents of these institutions than by the people within the athletic departments. There is little input heard from the coaches at the presidents' panel at the annual NCAA convention. For years every proposal favored by the presidents' commission is approved while every proposal they oppose, mostly the ones favored by the athletic staff, (coaches and athletic directors) go down to defeat quickly.

At the 1993 convention men's basketball coach at Duke University, Mike Krzyzewski, made a plea to the commission to restore a fourth coach to men's basketball and to restore the basketball scholarship from 13 to 14. He told the assembled group:

The gap between the people in the field and the people running the administration is a wide one, in terms of understanding what we're doing. We are your closest link with why you are here - the student athlete and if you don't at least listen to us, that's wrong. (Lederman, January 10, 1993, p. A45-46)
The very livelihood of the people who must comply with and carry out the rules handed down by the NCAA are the least heard group. Coaches are expected to put together winning programs while many people are standing on the perimeter of the programs ready to pull the rug out from under them. In too many incidents it becomes a matter of survival to take a short cut or a chance; to promise a needed recruit benefits on the edge of non-compliance; to find it impossible to cut the budget for next year from two to ten percent.

Under his leadership of the NCAA, Dick Schultz was finally able to get the warring parties of college athletics to communicate and trust him as a leader. Coaches, athletic directors, faculty representatives and presidents respected Mr. Schultz and what he was trying to do in his role.

It was in May 1993 that the NCAA was forced to investigate Mr. Schultz for rules violations when he was athletic director at the University of Virginia. He was alleged to have arranged for student loans for athletes which constituted extra benefits, which was in violation of NCAA legislation.

Mr. Schultz stepped down as director of the NCAA which, some feel, was a tremendous loss to college athletics. Many felt that he was a leader with integrity as evidenced in Gregory O’Brien, chairman of the presidents’ commission and
chancellor at the University of New Orleans comment that
"He chose a course of personal sacrifice to preserve the
association's ability to demand high standards." (1993, May

On the resignation of Mr. Schultz, Tom McMillen, author
and former Congressman said Schultz was an honest,
effective leader. Mr. McMillen feels his resignation is
proof of the growing problems in college athletics and the
need for sweeping changes. He said, "If a person like Dick
and a good school like Virginia get caught in the vise of
corruption, something is screwed up." (1993, May 19,
Chronicle of Higher Education, p. A36)

During the 1993 men's basketball season the coach at
Utah State University was told he would not be rehired the
following year which, of course, made it emotionally
difficult for everyone involved in the program to continue.
This practice of firing a coach in mid-season is becoming
more and more prevalent.

It is the mentality of every institution with an
athletic department to win at the highest level possible, to
draw as many fans as possible, to have as much media and
television exposure as possible while, at the same time,
cutting budgets, eliminating sports and expecting players
and coaching staffs to produce under great amounts of
pressure and stress.
Every team enters the season hoping to catch the brass ring; the Final Four, the Rose Bowl, number one in the nation. But in the end there is only one team that finishes number one.

Academics and Athletics:

Tom McMillen was appalled to discover that many Division I A public institutions graduated fewer than one in three football players and one in four basketball players within five years of attendance. He feels these figures should be available to high school students to enable them to make proper selections in their choice of attendance.

Before the Student Right-to-Know Act was introduced to Congress by Congressmen Ed Towns, Tom McMillen and Senator Bill Bradley the NCAA refused to publish graduation data on athletes on an institution by institution basis. Their claim was "that graduation rates of athletes equaled or exceeded the rates of student bodies as a whole." (McMillen, 1992, p.73)

The General Accounting Office (GAO), initiating a report for the government, analyzed the 1989 academic performance of student athletes. They confirmed that the graduation rates of men’s basketball and football players fell below the graduation rates of non-athletes or athletes involved in other non-revenue sports in 287 Division I schools surveyed. The study also showed that 55 percent of
the students surveyed graduated in five years while only 38 percent of men’s basketball players and 45 percent of football players graduated.

The Chronicle of Higher Education, in 1991, surveyed 262 Division I schools and revealed that the graduation rates of male basketball players and football players at Division I-A schools graduated less often than non-athletes. (Shown in Table 1) The difficulty in balancing academics and athletics must be investigated, especially where it involves revenue sports.

Dexter Manley, professional football player, courageously testified before a Senate sub committee on his problems with illiteracy. He attended Oklahoma State University from 1977-1981 as a student athlete. He testified to the fact that he had been a student for sixteen years and he was functionally illiterate. He could not, as is usually required, submit a written statement for the committee to follow because he could neither read or write.

Oklahoma State University (OSU) issued a statement that they felt justified Mr. Manley’s situation. John Campbell, president of OSU said:

There would be those who would argue that Dexter Manley got exactly what he wanted from OSU. He was able to develop his athletic skills and ability, he was noticed by pros, he got a pro contract. So maybe we did him a
favor by letting him go through the program. (McMillen, 1992, p.78)

The real question is were they doing him a favor or exploiting him? Article 2 of the NCAA Constitution states they are "to promote and develop educational leadership and to encourage our members to adopt eligibility rules to comply with satisfactory standards of scholarship."

Robert Smith, a player on the Ohio State University's football team quit the team in 1991 charging the coaches had pressured him to place football over academics.

Mr. Smith was later reinstated to the team, although still openly critical of the emphasis of athletics over academics mentality of the university. He did, however, feel that the problem did not lie with the coaching staff as much as with the win-at-all cost attitudes of most schools. He said: "College football is such a big money business. This is their job, their livelihood. They have alumni saying 'If you don't win games, you're fired.'" (1992, September 2, Chronicle of Higher Education, p. A44)

In January, 1993, Mr. Smith announced he would give up his last year of eligibility and pursue a career in the NFL.

There is talk among professionals in the university system of many states that would like to see the institutions gain more control over their sports programs as well as more gender equity because of the 1972 Title IX
which requires schools that receive federal funds to provide equitable programs for men and women.

**Professional Recruiting:**

Professional teams are, more frequently than ever before, enticing players to early signing rather than emphasizing the need for them to complete their college education by graduating before joining the professional ranks. Some experts are beginning to question whether the professional teams are viewing colleges as a training ground for future professional athletes rather than an educational tool used to enrich a student's life.

**Internal Revenue Service:**

The salaries of coaches and fund raising is going to be the subject of a new Internal Revenue Service (IRS) auditing at universities. The IRS will audit seven to twelve universities, who will not be identified, or notified, until the beginning of the audit. The audit is unique in that it will be done by a team of IRS agents rather than a single specialist. It is intended to give the IRS information on whether or not universities are complying with tax laws.

The study will focus, among other issues, on athletic coaching salaries and fund raising. The study is hoping to discover if the salaries paid to coaches is reasonable, or if successful, winning coaches are so highly sought after that special compensation might be offered as an incentive.
which would qualify as unreasonable compensation. An audit would also show if salary and benefits were in a written contract. Salaries will also be compared to other salaries in the institution. The IRS does not plan, necessarily, to distribute publicly the results of its audits or to penalize any of the institutions. They will, however, voice their areas of concern to the individual institutions.

Under current terms athletic scholarships are considered to be a barter payment for services rendered by the IRS. There are some courts, who have ruled that one-year scholarship grants, renewable annually through the athletic department, constitute wages earned between an employer and an employee.

Legislation:

The Nevada legislature was to, in July 1992, investigate the dismissal of the popular University of Nevada Las Vegas basketball coach, Jerry Tarkanian. Six legislators were appointed to investigate charges of ticket scalping, and the relationship between the University and the UNLV foundation which is the fund-raising organization of the university. They also plan to investigate anything else that may be relevant in reviewing the cause of Mr. Tarkanian's dismissal.

The Texas Workers' Compensation Commission has declared a football player to be an employee of a university, and, if
he is injured he should be paid workers' compensation. The ruling came after a football player at Texas Christian University sought workers' compensation after he was paralyzed while playing in a game. Legal experts are concerned about this ruling because it can now be argued that college sports is like big business.

Two years ago, to protect colleges from litigation and to protect athletes, the NCAA adopted a catastrophic injury insurance plan. The policy will pay lifetime medical expenses and monthly loss of earnings.

Some legal experts in the field of sports feel the workers' compensation ruling will open up other doors. If athletes are considered employees of an institution, they could, in theory, seek protection under state law if their scholarships were rescinded and it could even lead to collective bargaining for athletes.
Further Publications on This Subject


Sources of Revenue for Athletic Departments

The Carnegie Report, (1929), said that "At no point in the educational process has commercialism in college athletics wrought more mischief than in its effect upon the American undergraduate. And the distressing fact is that the college, the Fostering Mother, has permitted and even encouraged it to do these things in the name of education." (McMillen, 1992, p.81) That statement is as relevant today as it was in 1929.

The television monies created from the Final Four Basketball Tournament is being counted on by schools to help with the deficit in athletic programs. In reality the schools consistently finishing at the top of the heap choose to spend their earnings building even stronger programs rather than sharing a piece of the profit with their less fortunate colleagues.

Neal Pilson, president of CBS Sports in an address to the 1988 NCAA convention stated that, "It is money the schools can use for libraries, for scholarships, professors' salaries, research and new classrooms, or for new football stadiums, recruiting athletes or raising coaches' salaries. The choice is yours to make." (Sperber, 1990, p.57)

In actuality, most winners do not share the winnings with other schools in their conference or to any of the
above categories because of the driving necessity to maintain a place at the head of the pack and the competition to remain there requires the recruitment of the best athletes and staff, the publicity to ensure the continuity of a successful program, equipment and facilities. If they cannot maintain the program adequately there will be fewer television appearances, less money offered for appearances, and a deteriorating program. The bottom line to this is the fact that successful programs are producing student athletes for the television industry rather than graduated students who become contributing members of society.

With the continuing deficit that some institutions operate their sports programs under some athletic directors and coaches become quite creative with their fund raising.

Take, for instance, Russ Sloan who was the athletic director at Fresno State University. A football game scheduled with Utah State would cost approximately $25,000 because of travel expenses for the road trip. He decided to cancel that game and schedule a home game. He then talked the boosters club into putting up $20,000 for the Dallas Cowboy Cheerleaders to come and perform during the halftime. Sloan was extremely happy to announce that instead of having a $25,000 loss he had made a $70,000 profit.
Another unique way of cutting costs is credited to Bob Brodhead, athletic director at Louisiana State University. He sold the back of ticket space to the fast food restaurant, McDonald's. In exchange for the advertising space McDonald's paid the $16,000 cost of printing the tickets. Now other institutions are doing the same thing.

Brodhead was also innovative in selling the Louisiana State University logo and receiving royalties from its use. When he had two computer-controlled message boards built near the sports arena he had to answer to faculty critics. His reply was, "intercollegiate sports is one of the biggest businesses in the world. It's entertainment and nobody is entertained by watching someone lose all the time."

(Sperber, 1990, p. 61)

Brodhead was fired from LSU because of recruiting violations, bugging his office to eavesdrop on the NCAA investigation and for accepting a free trip to Mexico by a local business man. He was later hired as athletic director at South Eastern Louisiana University.

Starting in the mid 80s athletic directors became more and more interested in corporate sponsorship to help their programs turn a profit. Burger King has sponsored the Rose Bowl, John Hancock the Sun Bowl, and Sea World the Holiday Bowl. San Diego State University has sold each of their
home games to a different sponsor. The University of Denver athletic department is putting corporate logos and ads on everything from arena signs to parking lot receipts. Billboards and logos are in stadiums of the Big Ten conference. The athletic director at San Diego State claims: "It's time to drag college sports, kicking and screaming, into the market place of national sponsorship." (Sperber, 1990, p.63)

Not all athletic directors are anxious to jump on what seems to be easy money sponsorship bandwagons. Some feel that corporations will eventually want a bigger part of the sports program than just having billboards and signs posted or having their advertising on the tickets.

Southern Methodist University was being investigated by the NCAA and when their corporate sponsors learned of the investigation they pulled out and left SMU holding a $250,000 empty bag.

There are some tax experts who believe that institutions should be paying tax on the side-line business that they are involved in. They claim that the Treasury Department is missing out on millions of tax dollars.

The athletic department at Michigan was billed by the IRS because of the sale of advertising on football programs. They also billed the NCAA because of advertising on their basketball championship program. The IRS won in both cases.
An item not yet taxed is the $400 million received by athletic departments from supporters and booster groups who are seeking priority seating. In 1988 the NCAA introduced into legislation a bill that ensures priority seating remain 100 percent tax free.

In 1965 supporter and booster donations totaled approximately 5 percent of the total revenue of the football program. By 1985 the percentage had grown to 13 percent and figures are going upwards every year.

Texas A&M, in 1965, raised $60,000 from their support group. By 1985 the donations were totaling $2.5 million. However, that money had a price tag on it. The Aggie Booster Club hired a football coach, Jackie Sherrill, and signed him to a $1 million contract, all without the approval, or knowledge, of the president of the institution or the outgoing football coach. The Dallas Morning News said the message was made clear that "college athletics are now big business." (January 24, 1982)

The booster clubs should not be confused with the alumni association. Alumni Associations deal with the academic programs of the university while the booster clubs support their sports programs. Some studies have even indicated that alumni associations are not inclined to
donate to their alma mater if they think any part of their
donation is going towards the athletic fund. A reversal of
that theory is the booster club member who does not want any
of his donation going towards the academic departments.
With the alumni association there is no thought towards the
success or failure of the team sports and the size of their
donation; however, with booster club members there is often
a sizeable increase in the size of the donation if their
favorite team has a winning program.

A myth concerning alumni associations concerns the
claim that if sports programs are dropped donations would go
down. At Tulane University and Wichita State football and
basketball programs were dropped amid warnings that
donations would fall off dramatically and the opposite
occurred. Wichita State donations jumped from $13.5 million
to $25.5 million and Tulane’s donations rose to $5 million.

Some booster clubs are using the interest rates on
endowments to give extra perks to the coaches. USC has
raised an endowment of $1.5 million for the head football
coach and $250,000 for each position on the football team.
Booster club members have even been known to donate to their
favorite institution in their wills. Unfortunately,
although booster clubs have been known to donate $3 to $5
million to their favorite program they are not reliable
figures from year to year. Unpopular coaches, or a few losing seasons, can create fluctuations in the donations received from booster clubs from season to season.

Wayne Duke, commissioner of the Big Ten Conference stated that, "The booster problem is worse than it's ever been. It's become especially acute because institutions must attempt to obtain financial support from booster organizations and then worry about not turning over control of their programs to these same people." (Sperber, 1990, p.79)

Booster club members, unfortunately, do not always make good on their pledges to the institution. Take, for instance the situation at East Carolina University. They had a deficit of $573,873 due, in part, to the failure of the booster club to pay their pledges.

Some booster clubs, with the encouragement of the institution, are becoming quite creative in their fund raising. Some "boosters take out a life insurance policy with the Educational Fund as the beneficiary. The club gets the insurance benefits and the donor, in addition to getting the tax advantage, writes off the premiums." (Sperber, 1990, p.76.)

In an attempt to get some control of their booster group after the NCAA inquiry led to violation sanctions for improper loans from the student aid foundation the
University of Virginia is initiating new, tighter audits of their 21 private funding sources. Two university administrators will attend each foundation board meeting. They will, in turn, be responsible to the president of the university.

Alumni Associations donate approximately $2 billion annually to their alma maters while private foundations and corporations donate approximately $3.45 billion annually.

Students also contribute to their school's athletic teams, many times unknowingly. There is a fee for student activities paid as part of the registration fee. This fee usually averages approximately $1,196,000 or as much as 60 percent of the total revenue of the institution's sports program.

Athletic departments, with all possible help from the universities, are turning to any means possible to raise funds for their programs without cutting any sports, as states pass laws to roll back taxes that were the source of funding for many programs.

Southern Utah University will hold a benefit concert in which all proceeds will go to their athletic scholarship fund to help defray these costs.

University of South Florida is trying to raise $5 million by the end of this year for a football program, while anticipating the move to Division I in a few years.
Mike Krzyzewski, men's basketball coach at Duke University, has a new contract with the Nike company worth several million dollars. He has agreed to donate $250,000 to the athletic department at Duke from these earnings.

Due, in part, to lucrative shoe contracts, Joe Paterno, Penn State football coach has been in a position to make several large donations to the Penn State library system. In 1984 he set up a $120,000 endowment for the library and $250,000 to help pay for an addition to the library. Unfortunately, this type of contract is not offered to all schools and/or coaches. While Duke and Penn State Universities are at the top of the heap, appearing on television many times throughout the pre-season and season most colleges and universities do not have this type of exposure. Exposure on TV and in periodicals weekly and daily brings in this type of contract. Other schools may have winning athletic programs but without the publicity of a Duke, Indiana or Michigan or Penn State these lucrative contracts are not available.

The Nike shoe company is reportedly offering $105 million to participate in an NCAA Division I football playoff game. Nike is working with the Creative Arts Agency to secure an eight team post season playoff.

While these contracts sound too good to be true not all schools and/or coaches are allowed to accept these
lucrative private industry contracts. Witness the football program at the University of Washington and football coach, Don James. His proposed contract with Nike may be a violation of state laws. According to The Seattle Times he would receive $35,000 a year plus $5,000 if his team finished at the top of the football polls. The law that would prevent this contract from being signed bars state employees from receiving performance bonuses from outside sources.
Areas of Expenditures in College Sports

An NCAA survey shows Division I football schools averaging $1.4 million for salaries. This makes the salary of Division I coaches significantly higher than other academic faculty salaries. (See Table 2)

The booster club group at Indiana University must earn $40,000 a year for their own operating expenses before any money can be paid to the athletic department. It was predicted that salaries and fringe benefits for the university in 1989-90 would total at least $4.66 million.

The University of Nevada Reno is hopeful, this year, that their new men's basketball coach will be able to turn their losing program around and bring in more fan enthusiasm. As an incentive their coach will receive $115,000 a year salary and $15,000 a year for television and appearances. In addition he will receive $1.00 for every fan over 4,500 that attends any home game. Some sports officials are convinced that this confirms the fact that college sports is just entertainment and big business.

Financial aid to student athletes is another item spiraling out of control. Division I football programs averaged $556,000 in 1981 for financial aid but in 1985 the average was $860,000. Some students receive a full ride scholarship, which includes all tuition fees, books, room and board. Other student athletes receive partial
grants which can total approximately 50 percent of their expenses. Most large Division I schools manage to award approximately 200 full-ride scholarships and even more partial grants. Scholarships and grants comprise approximately 17 percent of the total expenses of large school Division I football programs. These are athletes being paid for their talents in sports rather than their academic talents.

The fear of some knowledgeable in college sports is that grant aid and scholarships are out of control. The Department of Education has estimated that the cost of tuition will rise 70 percent to 80 percent between 1988 and 2000.

It is predicted that scholarship costs at some schools will be $6 million annually. Funding scholarships and grant aid money to student athletes who are not serious students will deprive serious students of money to further their educational goals. Administrators are becoming more and more reluctant to deprive the ever more powerful athletic departments of money needed to defray the deficits incurred.

Travel and recruiting costs have also skyrocketed in recent years, with larger Division I schools spending more than the NCAA allows by creatively hiding some of these expenses in other areas of the budget. Professor James
Vincent, Robert Morris College states,

Travel is expensive in more ways than dollars and cents. At a small Division I school like ours, the travel money goes into flying the basketball team around. But, according to NCAA rules, we've got to have lots of teams in other sports in order to play big-time basketball. So we end up with most of our athletes driving around in vans during the middle of the night, eating fast food, and missing class.

(Sperber, 1990, p.106, 107)

As an example Georgetown University spent $87,000 to charter an airplane to fly a 50 piece band and other members to the various tournament sites. Louisiana State, playing in the Sugar Bowl in 1985, spent $21,275 on complimentary tickets, $3,504 for a staff party, $8,125 for a New Years party and $13,625 on hotels. Taxpayers bailed out the deficit of over $100,000 for the Army/Navy game held at the Rose Bowl in Pasadena, California in 1983. Large numbers of cadets and midshipmen were flown to Pasadena to participate as fans.

Recruiting siphons a large portion of the athletic budget. Coaches will, and do, travel almost anywhere to recruit the ideal player, hopeful that one more trip will be the one that gets the signature on the Letter of Intent.
A top ranked high school player can put an average college team into big time basketball. One player can make a difference. Thousands of dollars are spent recruiting just one player. Tom McMillen said he was recruited to Kentucky "On a private jet where I was greeted at the airport by three thousand fans. Coach Miller [his high school coach] was accompanied by a Playboy Playmate and I was escorted around town by cheerleader twins." (McMillen, 1992, p.45) Players are wined and dined by booster and staff.

The average budget for top college recruiting allows between $400,000 and $1 million annually. If a player is a top prospect it is not unusual for top Division I schools to have recruiters staying in motels near the players house to be on hand with a Letter of Intent at signing time. Private planes are available for campus visits.

Prior to 1991 the NCAA allowed a coach to contact a prospective player fourteen times a year for football and six times for other sports. At the 1991 convention the number of visits was reduced to three a year. The same convention also restricted telephone calls, mailed materials (such as video tapes) visits to the campus and the recruiting season from four months to three.

Equipment supplies and medical supplies also rate highly in expenditures. It is not unusual for football
helmets to cost the athletic department around $31,250. Shoulder pads, pants, jerseys, shoes, knee pads, thigh pads, socks total an average of $150,000 annually. Money is also needed for clothing for the coaching staff. Equipment budgets must also include money for items like blocking slides, goal posts, etc. which, when added up, totals approximately $40,000. Established programs do have to spend less than a program just starting up.

The NCAA has found that equipment for the average Division I football team runs approximately $218,000 and for other programs around $40,000 is needed for equipment.

Medical expenses are very costly for athletic programs, but, because of the schools investment, the athlete must be protected and stay as healthy as possible. The average large school Division I football player averages $1,437 per year in medical expenses. Team physicians can run upwards of $300,000 annually.

Drug testing machines are a newer part of the medical expenses. These tests can run upwards of $100,000 per year.

Institutions, whether they are small or large, must have a budgeted sum for insurance. Some schools who can not pay the exorbitant cost of insuring their players insist that players carry an insurance policy themselves.

The sports facility, in most cases, is the costliest item for an athletic department to fund. Table 3 shows a
partial list of universities that have recently built sports arenas and their costs.

Author Murray Sperber in his book said, "That so much money in the past decade has gone into athletic department facilities and so relatively little into academic ones is a terrible indictment of America's higher education system and the values upon which it is increasingly based." (Sperber, 1990, p.137)

An item that must be considered in the budget of large schools is now the cost incurred for legal defense of the ever increasing lawsuits. Besides a claim against University of Southern California by their women's basketball coach there is also a suit against Brown University to restore women's gymnastics and volleyball teams. These two sports, as well as men's golf and water polo are now considered to be clubs and must raise their own operating expenses.

Nine female athletes are suing Brown University for violations of the 1972 Title IX which requires schools that receive federal funds to provide equitable programs for men and women.

Brown plans to challenge this lawsuit, the kind of which are not now uncommon. The justification of sports programs not only takes much money away from the athletic programs of the institution but also requires many
hours of administrative time and planning to solicit an appropriate legal staff and help in preparing the defense.

Another case that has still to be settled involves the former volleyball coach Rudy Suwara at San Diego State University. Mr. Suwara contends he was fired, after sixteen years of service, because he supported a sex discrimination lawsuit against the school filed by the parents of one of his players. He claims it is the First Amendment right of free speech to speak out in support of the parents' claims.

Yet another lawsuit was in court from California State University at Fullerton volleyball coach Jim Huffman. Mr. Huffman claims he was fired because the members of his volleyball team sued the university after it announced its plans to drop their volleyball program and the men's gymnastics program. Their claim states it violates Title IX. Fullerton agreed, in court, to reinstate women's volleyball and to start a women's soccer team.

In October 1992 a grand jury in Rhode Island indicted eight people on gambling and racketeering charges. The gambling ring was uncovered at the University of Rhode Island and Bryant College and involved the team captain on the men's basketball team as well as a football player.

Texas A&M University officials, and president William H. Mobley said of their review of newspaper allegations that
football players were ineligible because of being overpaid for summer work:

Based on many hours our investigative team spent looking into published allegations that were made about our football program we found that (1) there was no institutional impropriety, (2) no year-round payments had been made and (3) reported salary figures were grossly exaggerated."(Lederman, January 6, 1993, p. A42)

Legal costs are not an easy item to budget. Some years there are minimal expenditures, while other years may involve major expenditures. The NCAA investigated the University of Kentucky program in 1988-89 costing the school approximately $450,000 in legal fees. Individual players have brought law suits against schools as well as whole teams. Staff members within the athletic departments have also brought law suits against their institution. Hundreds of thousands of dollars have been paid on legal fees to defend against Title IX lawsuits. This year, Mr. Campanelli, the fired coach of University of California, Berkeley men’s basketball program is suing the school for $5 million because the firing cost him his reputation and has made it impossible for him to secure a position as a head coach.
Mr. Campanelli was fired because of the athletic director's perception of his abrasive and abusive coaching style. As coaches gathered at the NCAA's Annual Final Four tournament they discussed the growing problem of coaches being dismissed in the middle of the season. A seminar was planned to discuss the problems between coaches and athletic directors.

Some coaches would like to see guidelines established by institutions to evaluate coaches' performances. As a group they would welcome the opportunity to know what they were being evaluated on and where they stand to eliminate being released in mid-season.

Students and faculty at Appalachian State University have been fighting over a proposed student activity center. Opponents of the center claim it is a glorified basketball arena and that the university of North Carolina University system is putting athletics above academics. The center is being designed to seat 11,500 fans for primarily basketball games. $10 million dollars in student fees will be raised to help defray the cost of the nearly $24.5 million dollar project.

Students and faculty alike have protested against the building of the basketball arena when other academic needs are not being met through the university system, for example the inadequate library system on campus.
The administration's arguments for the arena are just as convincing as the opponents'. They claim that $41 million has been spent on academic buildings since 1968. It is their aim to use the center for not only basketball but for intra-mural sports, graduation ceremonies and cultural programs.

This project, along with $8.5 million for an academic support building, as well as priority building projects from sixteen other North Carolina University system schools, will be decided by a state wide bond election referendum if the lawmakers in the General Assembly decide to put it on the ballot. It is also possible that the lawmakers will exclude all projects except academically needed ones which would eliminate the athletic/student center before the general public casts a vote.

The men's basketball coach at Oregon, Don Monson, is suing the state for reinstatement of his position or compensation of $425,000. He was fired because of a poor winning season which found his team finishing with the worst season in 21 years.

There is some consideration being given to the idea that financial aid to athletes should be based on their financial need rather than their athletic ability. This older concept has resurfaced as institutions are caught in money crunches affecting their sports programs. Those
looking to reform the college sports program feel a need based scholarship would save the schools money and possibly distribute what money there is more evenly between men’s and women’s programs and assist more poor athletes.

James E. Delany, commissioner of the Big Ten conference said: "The reality of the financial picture has everyone taking a serious look at alternatives in the three major cost areas - personnel, scholarships, and operations."

(Blum, September 2, 1992, pp A44, 46.)

Mr. Peter Likins, president of Lehigh University, analyzed how much money a Division I school might save by giving financial need-based aid to athletes using 17 sports as a base and accepting the fact that the institution would pay for tuition, books and fees the savings could be in the area of $1.15 million a year.

However, not all schools provide their athletes with full scholarships. For instance, University of Iowa uses less than 8 percent of their athletic budget for men’s sports on scholarships.

Opponents of this scheme feel it is not worth all the headaches and paperwork to save approximately one percent on their athletic budgets. Some feel that there would be disadvantages in recruiting athletes.

The Colgate University budget for 90-91 was about $238,000 for ice hockey alone. This funded two full time
coaches and one part-time assistant and a budget of $10,000 for hockey sticks.

A proposal before the NCAA committee at this time includes some cost-saving measures. The per diem allowance for Division I men's basketball would be cut from $150 for each athlete to $120.00. The per diem for Division I baseball, football, men's ice hockey and lacrosse would drop from $120 to $80.
Institutions That Operate in Deficit and Profit

Three of Oregon's public universities will be allowed to use institutional funds for athletics under a proposal adopted by the state university system board in May of 1992. Oregon State and Portland State University and University of Oregon have accumulated huge deficits recently in their athletic programs (6.3 million). The institutions involved will be required to charge a $1.00 surcharge on all athletic event ticket sales sold; cut expenditures by two percent through 1995; try to improve their fund raising efforts; continue paying interest on the deficits while being exempt from payments on the principal until 1995. Faculty groups at these institutions were opposed to using state money for athletics when there are many academic needs going unmet.

At the University of California, Irvine three team sports were dropped in 1993, baseball, track and field and cross country. The year before five sports were dropped for lack of funds requiring them to be supported as clubs and pay for themselves. The university claims it has deficits of $319,000 in funding for the sports program.

802 members of the NCAA and 493 members of the National Association of Intercollegiate Athletes, (NAIA) are able to operate on a consistent basis at a profit. Another twenty
to thirty programs break even and over 2,300 programs operate at a loss. Even though most of the sports programs will indicate they are operating for a profit many expenditures, such as grounds and arena maintenance are hidden in the general operating budget of the university rather than an expenditure for the athletic department.
Administrative Concerns and Problem Areas

"The educators recognize that what is achieved in the win-loss column is only of transitory importance whereas the experiences that contribute to the development of the individual have long term significance for both the person and society." (Jansen, 1992, p. 230.)

The value of athletics to the participant can be learned while winning or losing. One reason for athletics is the pursuit of excellence and winning is a natural process of excellence.

Not all of a successful athletic program is as easy to observe as the coaches, athletes and fans. What is also of prime importance is the organization behind the program. This forms the base of a successful athletic program.

Educators support competitive athletic programs for several reasons: (1) entertainment value, (2) involvement of alumni, (3) loyalty, (4) promotion of fund raising, (5) value of teaching principles that will follow athletes throughout their lives.

It should be in the role of the president of the institution to:

(1) clarify and communicate the role of athletics in the particular school system;

(2) establish and communicate the role of athletic responsibilities of the various personnel;
(3) evaluate the accomplishments of athletics in terms of its contributions to the educational goals and welfare of the educational system;
(4) maintain a high level of leadership in the athletic program;
(5) establish a framework of policies for the provision and use of athletic facilities;
(6) make sure an effective program of public relations is maintained;
(7) give leadership to the budget and determine methods by which the program should be financed;
(8) assume appropriate policies in connection with such matters as satisfying the athletic participants, the balance of athletic opportunities for men and women, and the scope of the total program; and,
(9) be accountable to the governing board for all aspects of the athletics within the school system.

(Jansen, 1992, p. 233)

Effective administrative leadership in an athletic program can be easily accepted by leaders in the athletic program. Procedures are more clearly defined, and can be standardized; however, some procedures do need to remain flexible to be effective in the athletic program.

An effective administrative application is having a policy manual for all athletic departments which
standardizes procedures, when possible. It is important that those procedures be supported by everyone involved. Such written policies, or statements of policies, relate to the philosophy of the administrator who is establishing it. It is essential that he has input from people in the athletic department to establish priorities in the program, especially on a first time basis.

There are principles in education that apply to athletic conditioning that were established many years ago and still apply as an understood principle. For instance, the seven cardinal principles stated by the U.S. Commission of Education in 1917. Certain physiologic and mechanical principles (or laws) are applied in athletic conditioning and performance. Examples are the law of use as it applies to the human organism (with proper use, the organism improves, while in the absence of use it deteriorates), and the principles of leverage as they apply to movement of body parts and the application of external objects. (Jansen, 1992, p. 11.)

The values of a school administrator plays an important part in the philosophy of the athletic programs. The values of the administration are mirrored by the coaching staff and become an integral part of the learning experiences of the athletes involved in the program.
Easily recognized is the fact that values are in an ever changing state of flux and redevelopment due to new and changing circumstances. It is important for an administrator to remain open-minded about new ideas and recognize the fact that new circumstances will create the need for changes, while maintaining the basic values and philosophies of the staff and school.

Written job descriptions are invaluable in staffing an athletic program with its various positions. It is considered automatic to have listed (1) required educational level; (2) professional experience; (3) personality characteristics; (4) salary.

The administrator then needs to make a decision to fill the position from within the institution or to fill it by advertising for a new, outside person.

William Hitt states some useful principles applied to staffing.

Selecting the right people at the right time is essential to effective staffing. Mistakes in this regard are expensive. Each element of the staff and staffing development program should be evaluated periodically in terms of cost/benefit and contribution to the organizational goals. (Jansen, 1992, p. 41.)

The most important reason for a performance evaluation, which most administrations and coaches find distasteful, is
to improve job performance. An effective evaluation system is a joint effort of the administrator and the athletic department.

One of the goals of the evaluation should be to identify and correct weaknesses. It is also important for the staff to see that they are an asset to the goals of the administration in their performance.

**Delegation by Administrators:**

The school administrator can not possibly expect to do all of the work and organization involved in an athletic program by himself. It is in the best interest of the staff and the program, to delegate much of the responsibility to athletic directors who, in turn, are able to delegate responsibilities to the individual coaching staff, while at the same time working under the school administrator and the philosophy and policies that have been previously established. The athletic director is the key person in liaison with the media and other areas of correspondence that involve the school.

An administrator could be thought of as insecure if he/she is unwilling to delegate; either not properly preparing the staff to make proper decisions, not being organized himself/herself, feeling unprepared for the task at hand and fearing discovery it becomes easier to do everything himself/herself. This does not make as effective
a program for the student athletes as a strong program where problems are defined and input is considered and a decision arrived at jointly by staff.

The role the administrator plays is vital to the solution. Individuals will see problems differently and slant solutions towards their philosophic preferences and needs. The administrator is needed to correctly identify the problems and assemble the staff to correct it. The exchange of ideas has the quality to create new ideas that may or may not be a part of the solution.

Successful Administering:

Norman Vincent Peale on the importance of positive thinking in his book Enthusiasm Makes the Difference explains the ADD Concept: attitude, direction and discipline.

For an administrator to be a success in his role he must believe he is successful. His attitude must reflect belief in the athletic staff that he is capable of nurturing a successful program.

The term direction refers to the goals set by the school for the athletic department and the athletes' goals while in the program and as a part of their structure as young men and women after they leave the
program. Establishing goals in the program and helping the program and the students to grow.

Discipline refers to the establishment of good work habits. Without proper discipline, plans for yourself and your program can never be achieved. Discipline in molding yourself into the kind of person you ought to be. (Jansen, 1992, p. 67.)

Athletes and coaches are not the only people who must maintain a motivated attitude. The administrator needs to be a successful motivator for the entire school to succeed, not just the athletic department. Reaching a reasonable level of successful achievement should stand as a first goal. Steps to set higher goals for the program can be set after a successful program has been started. It is up to the administrator to develop a means to motivate the employees to set goals for their departments and work for success at that level.

Communication:

All aspects of communication are important to a school administrator. He/she must be an effective listener, as well as an effective speaker. Information must be heard as well as directed to all staff members and re-directed from the administrator. The best administrators are capable of
communication verbally as well as in writing. Body language even plays an important part of communication.

The role of the administrator, or college president, is greater now than at any other time. College athletic programs need creative leadership, not only within the school community, but also within the local business community. Effective athletic programs start with the student athlete and works its way up to the involvement of the top administrator of the institution. The abilities and the qualifications of the administrator become more important with the increase and intensity of the program. The more people that are involved with the athletic programs, the necessity for an administrator to calculate responsibilities and problems increase. It is the administrator and the athletic director who must communicate with departments within the institution, the board of directors of the school, the press, the community and the business community.

The need for an effective communication system within all departments to the administration is of vital importance. Athletic programs and each coaching staff must understand that they have the total support of the institution's top administrator. Accountability for the success, or failure, of the athletic program eventually stops with the school administrator. "First the
administrator must develop a philosophy that will serve as a
guide for the making of decisions, the formulation of
purposes and goals and the expression of the mission of the
organization." (Frost, Lockhart, Marshall, 1988, p. 3.)

It is the administrator's job to develop goals for the
program, establish policies and procedures, develop some
resources to finance the program and screen applicants to
help in the formulation and development of the program.

Under NCAA rules an athlete must maintain a passing
grade point average to remain eligible to participate each
year. Some schools have their own requirements for student
eligibility that students must meet in order to participate
in sports.

University of Nevada Las Vegas (UNLV) has adopted a No
pass-no play requirement and the athletes' eligibility will
be checked at the end of every semester as well as yearly to
comply with NCAA rules. UNLV will require a student sit out
the spring semester if he/she does not meet passing grades
for the fall semester. Under the NCAA rules, if a student
ends the year with passing grades he/she is eligible all
year at the start of the fall semester.

The president of UNLV, Mr. Robert Maxson, did not make
these decisions alone. He assembled a panel of professors,
staff members and students who concluded almost fifty
proposals for changes in the athletic department. In his
statement to the press Mr. Maxson replied: "The decision I’ve made regarding men’s basketball have made my job as president perilously fragile. I realize my decision to approve this report will not be popular with all boosters and will continue the controversy." (Sidelines, May 12, 1993, p. A41.)

The controversy Mr. Maxson refers to is the firing of the popular coach, Jerry Tarkanian. He feels the adoption of more stringent rules will bring a better balance between academics and athletics.

Sex equity in the UNLV sports program and the shifting of academic officials monitoring the tutoring of athletes as opposed to athletic officials were other proposals approved by the school this year.

With the passing of Title IX the issue of equality in women’s athletics has become a major issue for administrators to deal with.

The women’s basketball coach at the University of Southern California (USC) has a suit pending against the school for sex discrimination. She claims the men’s basketball coach was offered a $93,000 bonus if he finished at the top of his league; however, she was offered only $36,000 for the same accomplishment.
There are some people involved in women's athletics that feel the sport is better off not trying to emulate the men's programs. Many of the problems that plague men's sports are not found in the women's programs. For instance there are very few NCAA rule violation sanctions against women's athletic programs compared to men's programs.

Female athletes seem to have a better record for graduating than the men. 61 percent of the female athletes and 47 percent of the male athletes enrolled in Division I schools in 1983-84 graduated within six years.

The women's programs do not have the pressure of television contracts, fan participation and the need to make money that negatively controls the men's programs. The pressure in men's basketball is to win at all costs where the women's programs are allowed to fit into the academic program. Women athletes may take their academics more seriously because they realize that at the end of their education the door to opportunity closes on their athletic career. Professional leagues do not exist in this country for women. Jim Foster, women's basketball coach at Vanderbilt University, and president of the Women's Basketball Association said that,

There is no pie in the sky for women. They aren't thinking of the pro draft or seven-figure contracts after college. The focus on the women's program may
lean naturally toward academics, because there is a better understanding of the reality of life after sports. (Blum, May 12, 1993, p. A41.)
Conclusion

The time has come for those involved in the university sports system to understand they are in the entertainment business, not in the business of educating students. Coaches are not involved in classroom teaching; it is their job to train their athletes to entertain the public first, the students and staff second.

Million dollar arenas are built with funds from sources outside of the university systems; booster clubs and corporate sponsors receive priority seating in the arenas they build. Second rate seating is established for students and staff. Benefactors are allowed to write off the donations to the schools with tax write offs, when in actuality, the donations are not for academic purposes but for entertainment enjoyment.

Athletes are forced to play the role of student first, athlete second when in fact, the opposite is true. They are recruited and trained by the athletic department, not to be students but to entertain the public and display the products on television from corporations that donate items for their use.

Where will the reform come from that must begin if college sports is to survive? It must start from within the university system, from the NCAA organization and from those involved with the athletic departments.
William Atchle, president of University of the Pacific, stated in an interview,

When academics takes a back seat to athletics, you have a problem. You no longer have an institution where people with integrity want to teach, or where people with common sense and good values want to send their children to learn. (Sperber, 1990, p. 353.)

In the NCAA Final Four each of the 64 teams that participated received $286,500 for each game played. The final four teams received $1.4 million each. The television contract with the NCAA was $1 billion. Basketball is big business. This money was not collectively distributed to all Division I teams. It went only to the 64 teams involved with the teams advancing up to the final tournament game earning more money.

Tom McMillen, in his book Out of Bounds, would like to see the money disbursed to all schools and require the NCAA to make the graduation statistics for their student athletes determine the amount of money received by the school. He believes that will increase the quality of education of the student athlete and would initiate some needed reforms in the NCAA.

In an attempt to establish much needed reform in the college sports system the leader to whom most in the sports field looked towards to initiate the reforms was toppled
from his position as director of the NCAA.

Richard Schultz, director of the NCAA and former Athletic Director of the University of Virginia was being investigated for improper loan violations and other benefits made to football players and grad assistant coaches from 1981-87. He claimed no knowledge of these incidents while he was at the University, but testimony by an independent investigator proved that he was aware. Fearing the conflict would make him an ineffective leader of the NCAA, while calling for the need for severe reform in the system, he decided it was in the best interest of the organization to step down.

Some within the sports system feel that if a man with such integrity and honesty as Richard Schultz can be caught in the system, control from within is impossible. Still others are of the opinion that because Mr. Schultz was responsible for the beginning of change that it marks progress in the attempt to clean up college sports.

In 1989 the Knight Foundation, made up of college presidents, business executives, former and present members of Congress and the director of the NCAA, was formed to investigate and give recommendations for college athletics. Their first report in 1991 recommended that presidents take a larger responsibility for programs on their campus, and more control over policy making.
Since the Foundation's recommendations the college presidents have assumed a more active role within the NCAA, making more stringent rules for academic eligibility standards and tighter control over sports fiscal policies.

In the Foundation's report, before being disbanded in 1993, emphasis was placed on the continuation of the findings of the 1991 report and the necessity to continue reforms in all areas of the college athletic system.

A framework was created to reshape conduct, management and accountability of college sports. Reforms adopted by the NCAA include raising academic standards of student athletes, reducing the number of scholarships and the creation of a new NCAA panel which would allow the presidents' more control. The Knight Foundation also recommended a peer group which would review and hold college presidents accountable for the financial and academic conduct of their sports programs.

Tom McMillen feels that college sports face one of three possible futures - reform from within; reform from without through government regulations; or wholesale destruction not only of the sports programs but also of the credibility of the schools.

The purpose of this paper has not been to give the reader an in depth study of the problems facing college sports programs in the 1990s. It is intended as an overview.
to initiate an awareness of the problem and to encourage the reader to further explore works by authors such as the ones listed in Chapter 2.
TABLE 1

Graduation Statistics of Division I Athletes who Started
College in 1984-85 and 1985-86

<table>
<thead>
<tr>
<th>All Athletes</th>
<th>1984-85 total: 52 percent completed requirements for graduation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1985-86 total: 52 percent completed requirements for graduation</td>
</tr>
<tr>
<td>Male Athletes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1984-85 total: 47 percent completed requirements for graduation</td>
</tr>
<tr>
<td></td>
<td>1985-86 total: 48 percent completed requirements for graduation</td>
</tr>
<tr>
<td>Female Athletes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1984-85 total: 62 percent completed requirements for graduation</td>
</tr>
<tr>
<td></td>
<td>1985-86 total: 61 percent completed requirements for graduation</td>
</tr>
</tbody>
</table>

Table continues
Basketball Players

White Males

1984-85 total: 53 percent completed requirements for graduation
1985-86 total: 62 percent completed requirements for graduation

Black Males

1984-85 totals: 29 percent completed requirements for graduation
1985-86 totals: 33 percent completed requirements for graduation

White Females

1984-85 total: 66 percent completed requirements for graduation
1985-86 total: 63 percent completed requirements for graduation

Black Females

1984-85 total: 42 percent completed requirements for graduation
1985-86 total: 47 percent
TABLE 2

Coaching Salaries

The following is a random sampling of coaching salaries.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Michigan</td>
<td>$4 million</td>
</tr>
<tr>
<td>University of Kentucky, Men’s Basketball</td>
<td>$800,000</td>
</tr>
<tr>
<td>University of Georgia</td>
<td>$2.73 million</td>
</tr>
<tr>
<td>University of North Carolina Men’s Basketball</td>
<td>$750,000</td>
</tr>
<tr>
<td>Alabama (Athletic Director and football coach)</td>
<td>$120,000</td>
</tr>
<tr>
<td></td>
<td>(with additional benefits of $100,000)</td>
</tr>
<tr>
<td>University of Alaska Athletic Director</td>
<td>$61,000</td>
</tr>
<tr>
<td>University of Iowa* football coach</td>
<td>$103,400</td>
</tr>
<tr>
<td>additional benefits totaling $250,000</td>
<td></td>
</tr>
<tr>
<td>Men’s basketball coach</td>
<td>$82,500</td>
</tr>
<tr>
<td>Athletic Director</td>
<td>$70,000</td>
</tr>
</tbody>
</table>

*In comparison an academic salary at University of Iowa averaged $51,000 per year.
TABLE 3
Multi Million Dollar Sports Arenas

The following is a list of arenas used not only for sporting events, but also as multi-cultural centers and entertainment facilities benefiting more of the student population.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Arena Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of North Carolina</td>
<td></td>
</tr>
<tr>
<td>The Dean Smith Center</td>
<td>$35 million</td>
</tr>
<tr>
<td>North Carolina State Univ.</td>
<td>$40 million</td>
</tr>
<tr>
<td>Wake Forest University</td>
<td>$20 million</td>
</tr>
<tr>
<td>University of North Carolina</td>
<td></td>
</tr>
<tr>
<td>at Greensboro</td>
<td>$15.7 million</td>
</tr>
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Footnotes


BIBLIOGRAPHY


