### ED317102 1989-00-00 The Old College Try. Balancing Academics and Athletics in Higher Education. ERIC Digest.

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A decade of highly publicized sports scandals at several major universities has made intercollegiate athletics a serious matter that academic leaders can no longer afford to ignore. Standard procedures and policies of intercollegiate athletics often conflict with sound institutional planning. The most dangerous game today in college sports is the financial strategy fragile. And along with lack of financial control, many intercollegiate athletics programs are only marginally connected to academic accountability.

# WHAT ARE THE BUSINESS AND POLITICS OF COLLEGE SPORTS?

An analysis of the relationship between sound business practices and the finances of big-time intercollegiate athletics indicates that most budgets for athletics programs show signs of precarious fiscal fitness. Over the past decade, an alarming syndrome has evolved: a rich-get-richer pattern, with an increasing number of major programs showing deficits. Despite large crowds and widespread publicity, few athletics programs are self-supporting because rising expenses continually jump ahead of revenues. And, athletics directors and coaches have tended to vote against reforms that would contain costs. Television revenues assist only a small number of institutions--with little prospect for increased net revenues. Varsity sports programs that show deficits look to private donations and mandatory student fees as strategies for balancing budgets, usually through the mechanism of specially incorporated athletics foundations, entities that tend to drift away from academic accountability.

Such practices move analysis from institutional finance to public policy. The key finding of the research is that some standard procedures of big-time sports programs jeopardize many privileges and exemptions colleges traditionally have enjoyed as nonprofit educational organizations. Sports programs managed as admittedly commercial enterprises tend to have government agencies looking at athletics foundations more as entertainment than as education. Thus, athletics foundations may have to forfeit exemptions from local property tax. second, the IRS will increasingly scrutinize athletics foundations activities and expenses to determine whether they should be exempt from federal income taxes.

# WHY DO COLLEGE SPORTS PROGRAMS RESIST REFORM?

Given these economic and policy problems, why do intercollegiate athletics programs resist academic reform? Observers agree that the key figure in such reform is the college or university president. Yet making decisive changes in athletics policy is not easy for a president who must content with external pressures, problems of a single campus working in isolation, and the visibility of college sports. Presidents who take a stand as national leaders and spokespersons on containing the costs and abuses of college sports show a high burnout rate. Above all, a president must work within the

boundaries of an institutions sports heritage. Justification for big-time sports programs includes the claim that college sports bring prestige, publicity, and donations that benefit the entire institution--leading to spirited debates among social and political scientists who have attempted to systematically test such claims.

Changing policy is complicated because many important actions and attempts at reform take place beyond the campus. The really exciting contests in varsity sports are taking place not on the playing fields but in the courts, in college board rooms, at NCAA conventions, in presidents offices, and at television network headquarters. Significant reform most likely will not come about until standards for intercollegiate athletics programs are recognized as central to an institutions mission--and hence subject to prominent scrutiny in regional accreditation.

#### WHAT REFORM MEASURES CAN HELP ACHIEVE A PROPER BALANCE?

To balance academics and athletics, reforms in the following areas are recommended: \* Institutional mission statement: intercollegiate sports are de facto central--not peripheral--to a university's purpose, it should be so stated forthrightly as a de jure dimension. It is no idle exercise if the mission statement is used in substantive institutional evaluation, for example, in regional accreditation.

\* Regional accreditation standards: Standards could be revised so as to make intercollegiate athletics a distinct category of total institutional self-study rather than obscured as an adjunct to, say, student affairs. Thus, a university that failed to comply with its self-determined standard for intercollegiate athletics would jeopardize its accredited status for the entire institution.

\* Collective solutions and self-regulation: The best strategies for a sound policy regarding athletics involve cooperation among colleges and their presidents. Advocates of a recurrent proposal to deregulate the business of college sports invoke the principle of institutional self-determination, suggesting that effective centralized and uniform regulation by a national body is unlikely. But economic deregulation probably would lead to the financial collapse of most varsity sports programs, even those in the NCAAs Division I. A better solution than deregulation would be self-regulation. Although the diversity of American higher education renders national policies unwieldy, the conference has great potential for peer institutions to cooperate voluntarily and with mutual respect. Foremost items for collective consideration should be the reduction of expenses by such measures as reducing the number of permissible athletic grants-in-aid and by making all grants-in-aid based on financial need.

\* Internal taxation: Institutions with major revenue-producing athletics programs should consider charging overhead expenses on each dollar of revenue or philanthropy generated by intercollegiate athletics programs. Doing so would formally ensure, as



claimed by varsity sports advocates, that athletic fund raising is for the benefit of the entire institution.

\* Governance: While emphasizing the real and symbolic role of the campus president in intercollegiate athletics, leadership can best be demonstrated by selective and discriminating presidential involvement. Emphasis should be on policy matters involving the presidents of other colleges and universities. Institutions are therefore urged to make good use of campus administrative expertise beyond the president, for example, depending on whether a college chooses to emphasize the educational or the business dimension of varsity sports, one might opt to have the athletics director report to the academic vice president in the former case or to the vice president for business affairs in the latter.

\* Public policy for nonprofit organizations: Intercollegiate athletics programs that define themselves as a business and are incorporated as a foundation distinct from the university should be prepared to have local governments and the IRS treat them as commercial enterprises rather than as nonprofit educational activities.

\* Structure: Semiautonomous athletics foundations should be disbanded and replaced with a departmental structure within institutional administrative and financial control. Otherwise, athletics directors report to both an institutional office and to a foundation board, thus diluting presidential and academic oversight.

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