Crisis and Reform of Intercollegiate Athletics in the United States

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Top 127 Athletic Programs -- FBS

- Average Operating Deficit over $14 million annually
- Including Capital and Indirect Costs adds another $10-20 million to deficit
- Power Five Conferences, revenue growing $10 million per year per school
- Doesn’t go to bottom line nor to athletes, instead schools compete by spending on coaches’ salaries, facilities, recruitment, travel and tutoring
Effective Options for 110 plus schools in FBS

- Increase Student Activity Fees
- Decrease Financial Aid to Needy Students
- Decrease Educational Budget
- Drop Out of Competitive Athletic Race
- Some Schools Irrationally Double Down (e.g., CSU, UMASS)
Pressure to Share Growing Revenues with Athletes

- 2006 White v. NCAA over COA, settled in 2008
- O’Bannon for COA and NIL
- NW Football Players Attempt to Unionize
- Kessler/Jenkins Suit for Open Players’ Market
NCAA Response in 2014-15

- Allow COA
- Allow increased food service for athletes
- Allow multi-year scholarships (banned since 1974)
Two Broad Paths for Reform

- Pay for Play
- Reinforce Academic Mission
Pay for Play

- Athletes already paid: GIA and Under the Table
- How will it function and who will make the rules?
  - Recruiting of high school athletes?
  - Non-stars value
- How will it affect student culture at the school?
  - Create two classes of students
  - Mercantilizing of resource allocation
- Where will the money come from?
- Impact on Olympic Sports and Title IX?
Reinforcement of Educationally-Centered Athletics

- Undo 1984 Supreme Court Decision – Partial, Conditional Antitrust Exemption

- Would clean up ambiguity between commercial and educational activities, and, thereby, reduce or eliminate threat of extremely costly litigation with dubious, impermanent outcomes
Conditions for Exemption

- Promotion of academic integrity around eligibility, scheduling, etc.
- Promote fair treatment of athletes:
  - Granting Due Process for infraction claims
  - Providing adequate and appropriate health and injury reimbursement insurance
  - Right to work with agent or counsel until entering first pro contract
  - Put tutoring under academic authority
- Put national football playoff under NCAA control (over $600 million) with more equal distribution of revenues, blunting drive to win at all costs
Exemption Allows NCAA to

- Control Coaches’ Compensation and Other Costs
- Impose Restrictions of length of practices, squad sizes and playing season
- Avoid costly litigation. O’Bannon cost already exceeds $100 million
Prospects for Successful Reform

- Efforts since 1890s at piecemeal reform. At best slightly slowed pace of commercialization and corruption
- Drake Group Proposal for Presidential Commission. Bill has been introduced in the U.S. Congress