



Crisis and Reform of Intercollegiate Athletics in the United States

ANDREW ZIMBALIST

SMITH COLLEGE

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**