Western's Athletics after the new NCAA and Notre Dame Contracts
by Arvin Vos

During this past year the two events that will have the most profound effect on intercollegiate athletics at Western occurred far from Bowling Green. They will have more impact on Western's future than anything that occurred on campus. On campus it was life as usual--some wins, some losses, the usual overspending of budget, and continued deficit spending. Off campus, corporate athleticism made huge strides in two key events--the signing of a new contract by the NCAA for the basketball tournament and the signing by Notre Dame for the televising of their home football games. Both were for an unprecedented amount of money and so both represent a seismic shift in power and influence in intercollegiate athletics.

In a report for the Faculty Senate which came out a year ago, I argued that the intercollegiate athletic scene has changed radically in the past few years, and has become dominated by a commercialism which can most aptly be called "corporate athleticism." I want to update this developing trend, for what has happened during this past year will have an enormous impact on intercollegiate athletics during the coming decade. After noting the implications of these developments in corporate athleticism, I will make some proposals for Western's athletic program.

The NCAA Basketball Tournament

First, the basketball contract. (Since the NCAA tournament is being played as I write this, it seems appropriate to discuss basketball first!) A few months ago the NCAA signed a new agreement with CBS for the television rights to the NCAA tournament. Starting next season, CBS will be paying $2.3 million per game for the 63-game tournament. As Rick Talandier noted in the January 1 Sports Illustrated, this amounts to "$35,000 per player per game on each 12-man team." Just how this money will be divided has not yet been decided, but if the past is any indication, the big athletic powers are not going to share this bonanza with other NCAA schools.

To grasp the implications of this contract we must compare it with the present. Next year, the NCAA will receive about three times as much money for the tournament as it does currently. At present each team which plays in a first round game gets approximately $286,000, and more for each succeeding game (about $1.4 million for those in the finals). This is a significant amount of money for all schools, but an enormous amount of money for schools like Western, whose season income has been averaging around $250,000 a year. In the past decade, the income from the men's basketball program has exceeded expenses only when Western got into the NCAA tournament.

With the signing of this new contract, the NCAA tournament is going to be more lucrative than ever. For Western it holds out the
prospect of raising more revenue in one game (even if the school gets to keep only half the proceeds) than the team gains from ticket sales to home games for the entire season. Hence, gaining a slot in this tournament will come to dominate the entire season. Teams will be, indeed already are, arranging their schedules so as to enhance their chances of being selected for the NCAA tournament.

Notre Dame’s TV Contract

The football world was shaken on February 5th, when NBC and Notre Dame announced that they had agreed to a national television package. NBC agreed to pay Notre Dame $38 million for the television rights to the school’s six home games for the next five years. The significance of the contract can be measured by the response of some of Notre Dame’s competitors. Joe Paterno of Penn State, according to Sports Illustrated, said: “It’s been a fun year for all of us. We got to see Notre Dame go from an academic institute to a banking institute.” Vince Dooley, Georgia’s athletic director: “I wasn’t surprised by this, I was shocked. Surprise, shock, greed, and ultimate greed. That’s the reaction I’m getting from people.” Frank Broyles, the athletic director from Arkansas: “To me Notre Dame has vacated its leadership role. This is greed” (SI, Feb 19, 1990, p. 56).

If Notre Dame is guilty of greed, then Paterno, Dooley, Broyles, and the rest of the members of the College Football Association are guilty of envy. It is a case of the kettle calling the pot black, for these same schools were part of the group which in 1984 went all the way to the Supreme Court to break up the NCAA monopoly on TV, so that they could get a larger share of television income for themselves. Now Notre Dame has done to them what they themselves did to the rest of the NCAA 1-A schools--put its own interest above that of the larger group. Because Notre Dame has a national following—as clearly seen in its TV ratings—it was able to command a national contract that is beyond the reach of any other intercollegiate football program.

And so those schools who broke the power of the NCAA have the bitter experience of seeing one of their own members break away from them to sign the first national contract by any NCAA member school. This contract guarantees Notre Dame national exposure week after week, for its away games will continue to be televised also. Not only will Notre Dame have the enormous financial rewards that go with this contract, but it will reap all the benefits for recruiting which go with national exposure. More than ever, the most talented prep players will have visions of Notre Dame dancing in their heads.

Little wonder that other members of the CFA expressed considerable anger and frustration. Not only did they have to renegotiate their television contract (for $50 million less), but Notre Dame has gained a distinct recruiting advantage. Some schools will likely try to follow Notre Dame’s example, but few if any of them can claim more than a regional following, and so a national television contract is beyond their grasp.
Starting next year, in terms of income and exposure, Notre Dame will be in a class by itself. The forty or fifty CFA schools will tighten their grip on the regional television market and the rest of Division 1-A schools will rarely, if ever, get on national television. Bowl games, too, will be sewn up by Notre Dame and CFA schools with their large, proven market. 1-A programs located either in a large metropolitan area or with a state-wide following will continue to get some local TV coverage. Such broadcasts will not generate a significant revenue. Intercollegiate football is going to be dominated even more by a very few, powerful programs.

Notre Dame's contract with NBC represents a new and unprecedented concentration of power. With the arrival of this national intercollegiate program, 1-A schools are going to find themselves in the same situation that 1-AA schools were in about ten years ago. In the early eighties, the television market for 1-AA schools evaporated and with it all opportunities for national exposure and big money. Now most 1-A schools are left behind by the continuing development of corporate athleticism. Even for schools like the University of Kentucky and Louisville TV opportunities are disappearing. Both division 1-A and 1-AA schools are left behind, the holders of proud memories and impotent dreams.

These changes on the national scene have their impact on Western too. Their impact may be summed up this way: without taking any action, Western and other 1-AA schools moved down a division in football during this past year. Not down in terms of number of scholarships given and similar criteria as defined by the NCAA—no down in terms of costs, in other words—but down nevertheless in relation to exposure and marketability, and hence economic viability. Before February 5th, there were two divisions above Western: 1-A and the CFA schools. But now there are three: 1-A, CFA, and Notre Dame.

Implications for Western

Before the above developments, the situation for Division 1-AA schools was hard and getting harder. In a recent book, The Old College Try (ASHE-ERIC Higher Education Report 4, 1989) John Thelin and Lawrence Wiseman note that 1-AA football programs are having an especially hard time balancing their budgets. In a 1987 survey of 15 Division 1-AA football programs, all were reporting substantial deficits (p. 24). James Madison, for example, reported expenses of slightly over $1 million and revenues from ticket sales, concessions, and guarantees of $143,054. (Their figures are remarkably similar to Western's!) William and Mary and Virginia Military Institute reported similar deficits. But these programs, say the authors, "are considered to be among the healthiest, best-supported Division 1-AA football programs in terms of alumni interest and attendance" (ibid.).

Huge financial deficits seem to plague all Division 1-AA football programs. Still, "athletic directors and coaches urge their own
institution and prospective alumni donors to provide more resources to remain competitive with rival teams. "Keeping up with the varsity Joneses." (p. 26). And Thelin and Wiseman note that "the argument for more resources takes place even in those athletics programs that already show substantial annual deficits" (ibid.).

The general context of Western's program is clear. The national trend toward a few, dominant athletic programs continues to develop. Division 1-AA schools like Western, even those with relatively healthy, well-supported programs, are losing large sums of money. The problem is not that these intercollegiate athletic programs are wastefully run. The problem is much deeper; it is systemic.

The infusion of television money and its effects have left 1-AA schools like Western behind. Consider that at the current rate it will take Western more than 125 years to get the same income from its Sports Network broadcasts as Notre Dame will get from televising one home game. The channel has shifted and we are stranded in a backwater, and commerce no longer passes by our door.

Analysis of Western's Situation

Since 1985, successive reports by Fiscal Affairs Committees of the Faculty Senate have documented annually the large deficits accruing in Western's intercollegiate athletic program. These findings are symptomatic of the systemic change in intercollegiate athletics. The problem with systemic change is that old organizations that have lost their purpose do not automatically change nor do they simply disappear. Instead, the old bureaucracy endeavors to perpetuate its existence. This is the case with Division 1-AA athletic programs today. It is the only way to account for the fact that all of them are a heavy financial drain on their institutions.

In Western's case, the current level of spending was established by the Board of Regents in January, 1983. The increase in spending then authorized was justified by Regent Joseph Iracane by saying that "We need to put money in the program to compete for TV revenue." Under present market conditions, that revenue will never be realized. There is no indication that the NCAA has either the power or the will to order the larger programs to share their largesse with other schools. Notre Dame has already indicated that its windfall will be put into a fund for needy students, and so I suppose needy schools like Western need not apply.

What we find at Western and other Division 1-AA schools, then, are athletic programs which were designed and funded for a time that is gone and a market that has disappeared. The only thing which has kept Division 1-AA programs from succumbing to these hard economic realities is that its costs have been shifted to relatively powerless groups--taxpayers and students.

The Faculty Senate reports on athletic spending are a response to this unhealthy situation. So far the reports have not gone beyond documenting what is happening and calling for change. Beyond a call
to cut spending, recent discussions have not made any recommendations on the direction to go. In what follows, I am going to make some suggestions, hoping that these will serve to stimulate reflection and discussion.

Two Categories of Athletic Programs

Although every campus has only one athletic director, the programs administered by this office vary widely. For our purposes it is useful to distinguish the revenue sports from all the others, the minor sports. Football and men’s and women’s basketball are revenue sports. All of the others are the minor sports. [1] The revenue sports dominate the sports pages; they are the source of most of the scandals; and they are the ones most affected by the trends in corporate athleticism discussed above.

1. The Minor Sports

1. As indicated, the minor sports do not generate significant revenue from their events/meets/games. Because they do not have the potential to generate revenue, they have been funded at a relatively low level, at least compared to the revenue sports. Indeed, one of the problems at many schools, including Western, is that the voracious appetite of the revenue sports has resulted in either complete elimination of certain minor sports or a lowering of their level of support. Some of these sports seem to be sponsored only because of NCAA requirements.

What should be done with regard to these minor sports? I believe that Western should continue to fund them. Seen in the context of the university as a whole, these sports do not constitute a heavy drain on the university budget. Collectively, their budgets are currently around $500,000. Since many of the student athletes will profit from their competitive experience both personally and professionally, such as in coaching careers, these programs are justified for their educational value. This is especially true for those sports, such as swimming, that can be part of a person’s life-long recreational program. For these and like reasons, I believe that these programs are ones that a university such as Western should offer. Indeed, it is not hard to make a case for more minor sports teams, such as men’s volleyball.

What I am suggesting is that the minor sports be put on a footing similar to that of academic departments. They should be subject to the same budget restrictions as academic departments. Their

1. There is some question about the appropriate placement of baseball, since it is a relatively expensive minor sport with a budget of more than $100,000 a year, but with no significant income. Since there is no prospect for it to generate significant income, it will be included among the minor sports here.
recruiting of students should be similar to that of academic departments. Perhaps, each athletic program would need to be limited with regard to the number of out-of-state students it could recruit. In addition, regulations would need to be developed which would limit competition to schools in the region, in order to contain travel costs. If economies similar to those imposed on academic departments were demanded of these athletic programs, then they should be eligible for the same kind of financial support.

2. The Revenue Sports

With the revenue sports the situation is much more complex. For this reason it is necessary to recall the basic principle that must guide the analysis: Western's mission is to educate the students who enroll here. All university programs are justified only to the extent that they serve this purpose. With the revenue sports the limited educational role they may have in no way begins to justify their vast expenditures.

It is not hard to see why the education argument fails. Western spends approximately $40,000 on each of its men's basketball players, but less than a tenth that much on its 14,000 other students. Obviously there is either rank favoritism here, lavishing so much on so few, or other reasons justify the expenditure. Hence the startling array of specious arguments which I have criticized elsewhere.

To a greater or lesser degree, the revenue sports have served a communal, rather than an educational function; that is, they have provided entertainment. Their entertainment role is not just limited to the campus, but rather has developed for the whole community. In the case of Notre Dame, it appears that its "community" is the entire country. In Kentucky the same is true with regard to UK basketball; it has a state-wide following, and so many Western students are UK fans. The fact that the entertainment role of the revenue sports extends far beyond the campus cannot be ignored.

The implications of the entertainment role of the revenue sports are very clear. The programs have been designed largely for their entertainment value, and it must ultimately be their primary justification. If they are justified by their entertainment value, then they should be financed by those who benefit--their supporters or fans. In other words, the revenue sports should be required to be financially self-sufficient.

In this regard the University of Arkansas at Little Rock developed the ideal system a couple of years ago. The Chancellor ordered the athletics program to develop a budget which was based on the amount of money raised through private money and preseason ticket sales. State money was no longer used to finance the program. The Arkansas example shows what can be done. (Note that this school was in the NCAA basketball tournament this year.)

Let me indicate some reasons why the revenue sports ought to be
financially self-supporting--both for the sake of the rest of the university community and for the health of the sports themselves.

First, in relation to the university community, there is the elemental fact of fairness. At present more than half of what is called athletic income in Western's budget are actually funds collected as student fees. This practice may be defensible at schools where most students are fresh out of high school and everyone is involved in campus events. This is not the situation at Western today. Nearly a third of our students are returning students who have families they must care for and jobs that they hold. They have no interest and less time for Western's football and basketball games. To require of these students that they pay an athletic fee is simply unfair. At the least, the athletic fee ought to be optional, and not part of what is required to get an education at Western. A mandatory athletic fee simply robs the voiceless to finance the entertainment of the powerful.

Secondly, it will be better for the sports themselves. For those who are committed to the present program, this will be hard to see. But the evidence is there for those who are open to considering it. In spite of the large increase in funding in 1983, the attendance at football games has not notably increased; if anything, it has fallen. Even more striking is the decrease in student involvement. More than one factor seems to be operating. At least two are significant for our purposes.

First, the lessening of student interest can be attributed to the fact that the teams have become isolated from the university. In the effort to be more competitive, Western recruited more athletes from other parts of the country, and so fewer came from the local region where the rest of Western's students come from. Before, more students could go see their friends play. Also, athletes recruited from area schools had family and friends from their home communities come to watch them play. Athletes from other parts of the country have no such following. Hence, the recruitment of more talented athletes can actually be harmful for attendance, and result in less revenue.

A second factor is that the competition for the recreational dollar has increased enormously with the proliferation of sports events on television. Today, Western's revenue sports are competing with the national powers not just for players, but also for audience. A fan who wants to watch a well-executed game by highly trained athletes need only turn on the TV. There one will find several games each week exhibiting a level of play that far exceeds what Western's teams can offer. So if Western's teams are going to regain their following, it will have to be based on something other than athletic prowess. It will need to be based on fostering rivalries with nearby schools, playing at our level of competence. I believe it will have to be similar to what one finds in high school sports: teams are followed not because they are good, but because they are loved. For friends, family and alumni, it is their team! Only some personal appeal of this sort will be able to counter the fact that soon Notre Dame will be on television every week.
Recommendations

What implications does this analysis have for Western's revenue sports? The main implication is that all three revenue sports will have to be slimmed down. Self-supporting status should be the goal. Whether all three revenue sports should be self-supporting individually or as a unit will have to be considered.

A pared-down program may well be more exciting for the Western-Bowling Green community and so have a larger following. If play were to be limited to regional teams, Western fans could follow their team in larger numbers. The same will be true for the fans of our opponents. Western fans will follow the team to Murray or Eastern, but not to Texas, South Florida or South Alabama. Then team travel will be far less expensive and revenues will likely be greater.

The three revenue-producing sports programs are quite different in character and so a few observations on each one will be useful.

1. Men's basketball. From an economic standpoint this is the most viable of the three programs. Four times during the last decade it has had revenues exceeding expenditures. The reason for its financial success is not hard to find. Basketball is the most popular spectator sport in this part of the country. Moreover, a basketball team has a small number of players and so is relatively inexpensive to support.

The infusion of big money from the new NCAA basketball contract will widen the gap between Western's program and perennial national powers, such as UK, U of L, and similar schools. The monies such schools receive from time to time in tournament play will be used to justify increased spending on their programs--on facilities, salaries, and recruiting. The time has past when Western could expect to recruit the best athletes from this region, and recruiting will become even more competitive. The gap between the bigger programs and the others will continue to grow. Nevertheless, because of its strong local support, Western's program should be able to remain competitive.

With relatively few modifications, Western's men's program could show a surplus every year. For example, the budget approved for 1989-90 included $220,000 for travel--nearly half of the total program budget. $220,000 is also half the 1989-90 budget for the Glasgow campus, which now has more than 1000 students enrolled, and more than twenty-seven times the $7,655 that Western budgeted for the University Honors Program! Just by limiting the men's basketball schedule to schools located nearer to Western it would be possible to cut travel expenditures in half or more. Why does men's basketball need so much for travel, when baseball, which has more players and more games, receives only $34,000 a year for travel? I expect there are additional ways to make the men's basketball program more efficient, while not harming its competitiveness.
2. Women's basketball. This team's travel budget is small compared to that of the men's program, varying between $80,000 and $111,000 during the past three years, but still large compared to that of baseball. Here, too, greater economy should be possible.

With women's basketball, salaries and fringe benefits comprise over forty percent of its budget, $139,000 out of a total of $311,000. Admittedly this figure is less than the $180,000 salaries in the men's basketball program, but much larger than the $23,000 in salaries and benefits budgeted for baseball and mere $19,500 for swimming. The salary differences cannot be explained by the income generated by the program, because the women's program regularly runs the second largest deficit of any program on campus. Ticket sales have hovered around the $30,000 range for the past few years. At the same time the program has cost almost ten times this much. It is obvious that in the world of athletics not all sports are equal.

The budgets for the non-revenue sports are evidence that a sport can be maintained on a much smaller budget. Women's basketball has potential as a spectator sport, but it is hard to see how it can become financially self-sufficient without significant changes. It has been the Cinderella of the sports world, raised to life by the fairy god-mother of NCAA regulations, but so far it has been unable to stand on its own. I do not know what this means for its future. Perhaps some additional support can be generated and with some belt-tightening it can come closer to being financially self-sufficient. More likely, surpluses from the men's program will be necessary to cover deficits in the women's program, if the revenue sports are to meet the criterion of being financially self-sufficient.

3. Football.

With football nothing less than fundamental organizational changes will enable the program to meet the criterion of financial self-sufficiency. For the last decade, revenues have remained unchanged in terms of dollars; if inflation is taken into account, they have fallen significantly. Meanwhile, expenditures have nearly tripled, and so the very program that caused the regents so much concern early in the decade is doing worse than ever from a fiscal standpoint. Nor is there any hope that conditions will change. As the earlier analysis showed, national trends are moving rapidly in a direction that will cause the problem to worsen for even much bigger programs. If Western were a corporation, the football "division" would have been eliminated long ago. The only reason it has not been drastically modified is that the Board of Regents and Administration have been able to cover the deficit with state funds and student fees.

I will not bother to document here the size of the deficits which the football program has had and continues to amass, for they are not news. Also, citing the budget figures does not tell the whole story. From a fiscal perspective, football is a cancer whose tentacles have spread throughout the university. Significant costs
are now hidden in other accounts, such as Institutional Scholarships ($169,000 in 1988-89), the Athletic Trainers budget ($150,000), the costs borne by the Athletic Director's office, and others. An accurate accounting would place the costs in the neighborhood of $1 million a year. (This amount does not include the subterranean budget, the funds spent by the Athletic Foundation on recruiting and other expenses related to the program.)

Powerful motives buttressed with sophistical arguments have enabled the Regents and Administration to continue support for this program. In part, it is thought to be justified because everybody else is doing it. The fact that so many schools have a similar deficit does not justify the practice, but shows that the problem is societal in scope. Basic claims are in conflict. Among the motives at work, there is the desire for reputation and fame. Football offers fame of a sort. It can give name recognition to a previously unknown school. Such fame, however, is rather like chrome on a car; it is shiny and showy, but it won't get you anywhere. By contrast, the instructional program is the engine of a university's reputation.

From a fiscal point of view, it is clear what needs to be done. Only abandoning the goal of national recognition will permit fiscal order to be restored. One would think that this would not be hard to achieve, since the possibility for national recognition through football has become impossible for a school like Western. However, proud memories fade slowly and the institutions they fostered die even more slowly.

While some would claim that eliminating football is the only solution, an alternative is a program that offers no grants-in-aid and has a correspondingly reduced coaching staff. This kind of restructuring would be painful, but it need not result in a less exciting level of play for Western. The key would be to change the level of play gradually and in concert with similar regional institutions. Some of Western's sister institutions in Kentucky and Tennessee are suffering even more from the burden imposed on them by trying to sustain a football program which is beyond their means. So Western has an opportunity to offer leadership in this regard.

The reason that play at such a level would not be less interesting is that excitement does not require a professional level of play, but rather evenly matched opponents. Moreover, what adds to the excitement for the spectator is knowing someone who is playing. More dollars does not mean more exciting football. As with basketball, the appeal must be personal rather than professional. Those who want to watch a professional game need only turn on their television. Also, the best of the intercollegiate teams will be available, for Notre Dame will be on every week. Only those who have a personal interest will watch Western's team.

Development of a fiscally responsible program will benefit not just Western but has the potential for benefiting many other schools as well. There is need for visionary leadership in this matter, leadership which can see beyond the immediate situation to grasp the larger picture. When expenses have been brought into line with
revenues, it will no longer be necessary to fabricate arcane lucubrations in defense of athletic spending, as some of the paladins of the status quo did some months ago.

Final Observations

My goal has been to start a discussion. Western is in the process of formulating a plan for the future. In this plan the appropriate place of athletics needs to be determined, so that programs can be organized accordingly. In formulating a plan, fundamental principles must be kept in mind.

Earlier I indicated that the principle guiding my analysis is that the mission of the university is to educate. There is another equally important principle at work and that is the principle of freedom. According to this principle, everyone should have the opportunity to do what they wish, so far as this is possible. For the present discussion this means allowing a place for the revenue sports, even though they cannot be justified as part of the mission of the university. Those who do not care for these activities should not keep those who do from having them.

These athletic programs remain outside the mission of the university. Their status is rather like that of a household guest. This is why they should be financially self-sufficient. Being a guest has its obligations; one should not to presume to have a right to the family resources. But in university after university the guest has acquired privileges not even family members have, as is evidenced in budgeting practices and other ways.

One of the many reasons for this inordinate development of athletics in our universities stems from the nature of learning. The spirit of inquiry, which is the basis for learning, is a tender plant, delicate and easily trampled by the other demands of life. Compared to the excitement of one minute and five yards to go for the winning touchdown, the discovery that one finally grasps the difference between a restrictive and a non-restrictive clause does not seem like much. Compared to the tension present when there is one point difference and fifteen seconds to go in a basketball game, understanding the causes of the Great Depression seems pretty dull. Still, the purpose of the university is to foster precisely the latter kind of skill.

To learn, and learn well, is a vast undertaking which requires relentless perseverance. It is often a lonely, solitary quest, that cannot easily compete with many other kinds of excitement. Still, it is our ticket to freedom. To learn is to come to understand and so be at home with both oneself and our world. To learn is to be freed from ignorance and fear, and freed to savor and enjoy the best that men and women have thought and done through the ages. In our society, the university is the institution dedicated to fostering advanced learning. Many other demands are made upon it, but we must do our best to keep the others, including athletics, at bay. Only then can the university fulfill its high purpose—to educate those who come to it, so that they may live fuller, richer lives.