



The Drake Group

ACADEMIC INTEGRITY IN COLLEGIATE SPORT

POSITION STATEMENT

Student Fee and Institutional Subsidy Allocations to Fund Intercollegiate Athletics¹

March 2, 2015

EXECUTIVE SUMMARY

The Drake Group² encourages the adoption of restraints on the use of student fees and other institutional subsidies to fund intercollegiate athletics. Access to higher education has become the focus of policymakers nationwide as college costs and student debt have climbed in recent years. Most (98 percent) of NCAA athletic programs are not able to cover their costs via external sources and are heavily subsidized through student fees and general fund subsidies, which are increasing at a rate much higher than tuition. Thus, allocations to athletics directly impact college affordability for the general student body. The Drake Group is not against student fee support for extracurricular programming but the excessive support for athletics must be restrained. On most campuses student fee support of athletics is not fully transparent to the tuition paying customer. The Drake Group recommends the following:

- (1) Individual student tuition bills should be fully transparent listing the amount of the student fee being used to fund athletics;
- (2) Institutions and/or government agencies should adopt a percentage cap on that portion of student fees supporting intercollegiate athletics or a dollar limit per student FTE;

¹ Preferred citation: Ridpath, D.B., Porto, B., Gurney, G., Lopiano, D., Sack, A., Willingham, M., and Zimbalist, A. (2015) The Drake Group Position Statement: Student Fee Allocations to Fund Intercollegiate Athletics. (March 2, 2015). Retrieve at: www.thedrakegroup.org

² The Drake Group is a national organization of faculty and others whose mission is to defend academic integrity in higher education from the corrosive aspects of commercialized college sports. The Drake Group goals include: (1) ensure that universities provide accountability of trustees, administrators, and faculty by publicly disclosing information about the quality of education college athletes receive; (2) advance proposals that ensure quality education for students who participate in intercollegiate athletics, (3) support faculty and staff whose job security and professional standing are threatened when they defend academic standards in intercollegiate sports; (4) influence public discourse on current issues and controversies in sports and higher education; and (5) coordinate local and national reform efforts with other groups that share its mission and goals. The Drake Group is "In residence" at the University of New Haven. See: www.thedrakegroup.org or contact Gerald S. Gurney, *President* at geraldgurney@gmail.com

- (3) Institutions should require student referenda to approve the use of student fees for intercollegiate athletics, such referenda to occur at least once every four years and in any year in which an increase in such allocation is proposed; and
- (4) The NCAA should own all national championships including the FBS College Football Playoff with all Division I institutions sharing equally the income from such properties in order to relieve current pressure to increase student fee subsidization of athletics programs.

Full Statement: Student Fee and Institutional Subsidy Allocations to Fund Intercollegiate Athletic Programs

Why is the Issue of Student Fees and Institutional Subsidies for Athletics Important?

It is certainly not a secret that intercollegiate athletics has become an increasingly expensive venture in American higher education, most notably at the commercialized level of NCAA Division I-athletics. The notion that athletic departments operate self-sufficiently like other campus auxiliaries such as housing and dining services, remains widespread along with the myth that they are huge moneymakers for the university.³ However, according to a 2010 *USA Today* study of the then-119 NCAA Division I-A schools, on average, 60 percent of athletic department income came from student fees and other institutional subsidies. That figure represented an increase of over 20 percent on average over four years. In 2011-12, subsidies for all of Division I athletics rose another 10 percent by nearly \$200 million compared to 2010-11, reaching a total of \$2.3 billion.⁴ The \$2.3 billion in subsidies is for the 227 public institutions in D1. More than 120 private institutions belong to Division I. Including these private institutions, the athletic subsidies for all of Division I is most likely between \$3.3 and \$3.5 billion annually. Including Divisions II and III the total athletic subsidies annually for NCAA institutions exceeds \$4 billion.

In 2015 it was revealed that athletic departments at several public institutions in Virginia receive almost 80 percent of their funding from student fees and institutional subsidies. This

³ Weaver, K. (2011, January-February). A game change: Paying for big-time college sports. *Change: The Magazine of Higher Learning*. www.changemag.org/se/util/display_mod.cfm?

⁴ Berkowitz, S. (2013, June 19). A proposal for better balance sheets among NCAA members. *USA Today*. <http://www.usatoday.com/story/sports/college/2013/06/18/ncaa-athletic-subsidies-accounting-changes/2435527/> ;

Berkowitz, S., Upton, J., McCarthy, M. & Gillum, J. (2010, October 6). How students fees boost college sports amid rising budgets. *USA Today*. http://www.usatoday.com/sports/college/2010-09-21-student-fees-boost-college-sports_N.htm#uslPageReturn ;

Berkowitz, S., Upton, J. & Brady, E. (2013). Most NCAA Division I athletic departments take subsidies. *USA Today*. <http://www.usatoday.com/story/sports/college/2013/05/07/ncaa-finances-subsidies/2142443/>

reality prompted Virginia state representative Kirk Cox to propose a bill that would limit subsidies from student fees and from the institution to 20 percent of the total athletic budget.

Studies commissioned by the NCAA support the findings of *USA Today* and other empirical studies. The annual NCAA Revenues and Expenses Reports covering 2004 through 2013, compiled by Transylvania University economist Daniel Fulks, showed that total athletic expenditures as a percent of the total institutional budget increased by 1.2 to 3.2 percent over the last ten years in all NCAA competitive divisions except for Division III without football⁵. In the Division I Football Bowl Subdivision, the annual cost per athlete increased from \$63,000 in 2004 to \$109,000 in 2013⁶, over six times the annual cost of educating an undergraduate student at a public institution⁷. Most athletic programs do not generate enough revenue to support their costs (only 20 of 1076 NCAA member institutions⁸). To support increases in operating budgets, institutions rely on increased student fees, other institutional subsidies such as tuition dollars, and transfers of institutional dollars from departments and auxiliaries. In other words, the money is coming from somewhere and most likely the consumer and taxpayer are footing these rapidly and significantly increasing bills.

The Fulks data also show that as a whole, institutional support for athletics beyond self-generated revenues averages 19 percent of the total athletic budget or almost \$11.5 million dollars per school in the Division I Football Bowl Championship Subdivision (FBS)⁹; 70 percent or close to \$10.9 million dollars in the Football Championship Subdivision (FCS)¹⁰; and 70

⁵ Fulks, D (2014). *Revenues and Expenses: NCAA Division I Intercollegiate Athletic Programs Report, 2004-2013*. NCAA: Indianapolis p. 22 [hereinafter Fulks, D. D-1 REVENUES & EXPENSES REPORT] (contains data for fiscal years 2004–2013), available at <http://www.ncaapublications.com/productdownloads/D1REVEXP2013.pdf>; Fulks, D (2014). *Revenues and Expenses: NCAA Division II Intercollegiate Athletic Programs Report, 2004-2013*. NCAA: Indianapolis p. 19 [hereinafter Fulks, D. D-2 REVENUES & EXPENSES REPORT] (contains data for fiscal years 2004–2013), available at <http://www.ncaapublications.com/p-4345-division-ii-revenues-and-expenses-2004-2013.aspx?CategoryID=0&SectionID=0&ManufacturerID=0&DistributorID=0&GenrelD=0&VectorID=0&>; and Fulks, D (2014). *Revenues and Expenses: NCAA Division I Intercollegiate Athletic Programs Report, 2004-2013*. NCAA: Indianapolis pp. 16-19 [hereinafter Fulks, D. D-3 REVENUES & EXPENSES REPORT] (contains data for fiscal years 2004–2013), available at <http://www.ncaapublications.com/p-4348-division-iii-revenues-and-expenses-2004-2013.aspx?CategoryID=0&SectionID=0&ManufacturerID=0&DistributorID=0&GenrelD=0&VectorID=0&>. These Division I, II and III reports include direct and indirect institutional support (general fund subsidies), student fees, and government support (taxpayers). Government support ranges from 0 to 1 percent of total athletic budgets and is not included in the average percent and amount of institutional subsidies reported herein.

⁶ Fulks, D. D-1 REVENUES & EXPENSES REPORT, p. 22.

⁷ U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2012, Enrollment component, and Spring 2013, Finance component. See Digest of Education Statistics 2013, tables 334.10, 334.30 and 334.50.

⁸ Fulks, D. D-1 REVENUES & EXPENSES REPORT, p. 8. Revenues for this calculation exclude institutional subsidies (such as transfers from the institution's general fund and mandated student fees allocated to support athletics), capital costs, and debt service expenditures.

⁹ Id., pp. 30, 41.

¹⁰ Id., pp. 55, 66.

percent or \$10.7 million at Division I schools that do not play football¹¹. The FBS numbers might be somewhat skewed by the twenty institutions that are self-sufficient and have large budgets, but still represent a significant amount that is growing annually. The FCS schools and Division I schools that do not play football, have much smaller budgets where the institutional support amount can be 70-80 percent of the total athletic budget.

NCAA Division II budgets are almost entirely institutionally subsidized because they generate very little revenue via ticket sales, sponsorships, etc. The average subsidy at institutions with football programs is 84 percent of the total athletic budget, or \$4.7 million, with student fees representing 11 percent of this amount for the 2013 academic year¹². At Division II institutions without football, institutional subsidies in 2013 averaged 88 percent or \$3.8 million, with student fees representing 12 percent of this amount.¹³

NCAA Division III budgets are entirely subsidized by the institution with NCAA reports not even recording athletic program generated revenues. Institutional subsidies average \$3.2 million for programs with football and \$1.5 million for programs without football.¹⁴ Of note is that during the last ten years total athletics expenses at Division III institutions increased by 108 percent at football-playing institutions and by 130 percent at their counterparts without football.¹⁵

Access to higher education has become the focus of policymakers nationwide as college costs have climbed in recent years. Seventy-five percent of graduates from private nonprofit colleges had student loans. Eighty-eight percent of graduates from for-profit colleges had student loans. Average debt levels for all graduating seniors with student loans rose to \$29,400 in 2012 — a 25 percent increase from \$23,450 in 2008.¹⁶ Attaining a college degree is paramount to achieving gainful employment; a degree also enables one to earn a much higher income over a lifetime than one otherwise would. In recent years, the funding of institutions of higher learning has been the subject of frequent discussions. Budget cuts are occurring on campuses throughout the United States despite the rising costs associated with attending college, but athletic budgets are increasing in an “arms race” that many institutions cannot win and in which they should not be competing.¹⁷ This arms race has sparked many discussions about how universities can maintain academic standing without requiring students to fund money-losing athletic operations.

This debate about access to higher education by the American population without regard to race, sex, or socioeconomic background has reached a crescendo in American political rhetoric.

¹¹ Id., pp. 81, 92.

¹² Fulks, D. D-2 REVENUES & EXPENSES REPORT, pp. 27, 38.

¹³ Id., pp. 52, 63

¹⁴ Fulks, D. D-3 REVENUES & EXPENSES REPORT, p. 16

¹⁵ Id., p. 9

¹⁶ Institute for College Access and Success. (2013) The project on student debt. Retrieve at: http://projectonstudentdebt.org/state_by_state-data.php

¹⁷ U.S. Department of Education, Institute of Educational Sciences. (2010). *Digest of Education Statistics 2009*. Washington, DC: <http://nces.ed.gov/programs/digest/d09/index.asp>.

President Barack Obama spoke passionately about rising tuition costs during his 2012 State of the Union address and put colleges and universities “on notice” that year by stating that federal funding for higher education would decrease if tuition continued to rise. For the past 25 years, tuition and fees have increased greatly, with growth exceeding the rate of inflation by 5.6 percent. General student fees at public institutions rose at a rate 13 percent higher than inflation over a similar time frame.¹⁸

Although state and the federal governments have discussed limiting tuition increases, they have not focused on the fees that students must pay in addition to or as part of their tuition. The Drake Group strongly believes this topic should be examined further, given the increased focus on higher education costs and the inability of many to pursue a college degree under current economic conditions.

How Public Institutions of Higher Learning Expend Budget Dollars

Student general fees, separate from course related and laboratory fees, are generally considered a revenue source to fund extracurricular activities that students desire. In choosing a university to attend, high-school students consider many factors and emphasize university perception.¹⁹ Such factors include the price differential of two specific universities, the academic programs/majors offered, social activities, and extra-curricular activities, among others. As athletic fees continue to rise, it is vital to consider whether the importance universities place on athletics coincides with the importance students place on athletics, specifically with regard to college choice, affordability, willingness to pay and knowledge of these fees.

Funding sources for public four-year institutions vary, according to the *National Center for Education Statistics*. The main sources include tuition and fees, federal and state grants and contracts, sales and services of auxiliary enterprises, independent operations, and state and local appropriations. The general student fee generates revenue for various activities that provide a better college experience for the student population, but receive little-to-no budgetary support from tuition.²⁰ Each university and state allocates its student fees differently, but several areas listed below are consistent among public institutions in the United States and have remained virtually unchanged for 60 years. State legislatures provide public

¹⁸ Page, C. (2011, May 31). Make college worth the cost. *Middletown Journal*.

www.middletownjournal.com/opinion/columnists/clarence-page ;

Vedder, R., & Denhart, M. (2010, April). *Intercollegiate athletics subsidies: A regressive tax*. Center for Collegiate Affordability and Productivity, Washington, DC.

http://centerforcollegeaffordability.org/uploads/ICA_Subsidies_RegressiveTax.pdf

¹⁹ *The image of Ohio University: 2006-2007 freshman marketing study* (2007, July). Office of Institutional Research: 07-SI-24

²⁰ Chapman, M., Ridpath, B., & Denhart, M. (2014). An examination of increased NCAA Division I athletic department budgets: A case study of student perceptions of fee allocations for athletics. *International Journal of Sport Management*. 15(1), pp. 1-24; U.S. Department of Education, 2010

colleges and universities guidelines for eight general areas that may receive funds from student fees, although they vary by state:

- Student health services
- Student social centers
- Debt service on student personnel facilities
- Student government or student publications
- Student recreational programs
- Student cultural programs
- Debt service on general social facilities
- Intercollegiate athletics

Student fees may also fund club sports, university outreach/community service, and other groups and activities.

Student Fees Allocated to Intercollegiate Athletics

Student athletic fees often provide benefits or at least a perceived quid pro quo for the students. The most common example of a benefit is what is advertised as reduced or free admission to institutional athletic events, even though the cost of admission is paid up front via the fee allocation whether the student attends the games or not. A contributing factor to the need to more closely examine student general fee allocations to athletics is use of the *“Front Porch Theory”* to justify participation in the intercollegiate athletics “arms race.” The theory embraces the belief that athletics success shapes the perceptions of a university held by donors and prospective students. If the “front porch” is dirty or in disrepair, it will diminish the institution’s reputation, student enrollment, tuition revenues, and individual and corporate donations.

To keep the “front porch” in order, university presidents and trustees feel compelled to participate in a “winner-take-all market.” The “winner-take-all market” is an economic theory developed by Cornell economist, Robert Frank that suggests institutions face powerful incentives, fueled by the success of direct competitors, to increase expenditures for a competitive edge, even though revenues generated directly by college athletic programs fall far short of covering their costs in the overwhelming majority of cases. Because generated revenue fails to cover athletic operating expenses at nearly all institutions, the athletic budget deficits are almost always filled by subsidies from other institutional resources and, most substantially, student fees

University presidents and athletic directors at institutions in mid-major conferences, such as the Mid-American or Sun Belt, often claim that students greatly value a strong intercollegiate athletics program as part of their collegiate experience. These officials suggest that a successful athletic program significantly influences college choice, increases institutional fundraising success, increases the numbers and quality of applicants, and elevates institutional prestige, enhancing research and academic activities. Supporters also maintain that athletic events

increase connections with alumni, donors, and government officials. However, little empirical research exists to support those assertions. In most situations that permit measurable returns, such as higher application rates and fundraising, the correlation with athletics success is typically a short-term, unsustainable spike without long-term benefits. And any financial benefits that might be derived are usually offset by vastly increased expenditures to continue participation in the winner take all market.²¹

Inconsistencies may exist in the accuracy and transparency of student athletic fees as presented by National Collegiate Athletic Association (NCAA) Division I public institutions because the presentation of costs to the consumer is not standardized. Data from the Equity in Athletics Disclosure Act (EADA) and publically available online information concerning enrollment at those public institutions, show that athletic subsidies per full-time equivalent (FTE) student can be derived, but it can be challenging to find the exact amounts charged. Data compiled for the 227 public Division I institutions revealed that total subsidies in the academic year 2010-11 were \$2,178,569,185, while educating 4,186,050 FTEs, or \$520 per student. In many cases this amount was higher than the published student fee costs.²² The subsidy per FTE measure in the EADA report is a total allocation of university resources and is more reflective of the cost of athletics per full-time student.

At the institutional level, research supports the contention that transparency is lacking in the disclosure of the use of student fees to students themselves. In a paper entitled *Shaping Policy and Practice in Intercollegiate Athletics: A Study of Student Perceptions of Resource Allocation for Athletics and its Effect on Affordability of Higher Education*, due to be published in the *Journal of Sport* in the Winter of 2015, the authors surveyed a random sample of students at Mid- American Conference (MAC) institutions and examined transparency and student knowledge of these fees. Few of the students who answered the survey knew the amount of the fee or that it was being assessed as part of their bill. Almost 99 percent of the respondents stated they did not know how it was determined to allocate these fees at their institution. Some institutions, such as the Michigan based institutions in the Mid-American Conference have their student fees for athletics included in a total tuition amount rather than listed

²¹ Chapman, et al., 2014; Denhart, M., & Ridpath, B. (2011). *Funding the arms race: A case study of student athletic fees*. Center for Collegiate Affordability and Productivity, Washington, DC.

http://www.centerforcollegeaffordability.org/uploads/Funding_the_Arms_Race.pdf;

Frank, R. (2004). *Challenging the myth: A review of the links among college athletic success, student quality, and donations*.

http://www.knightcommission.org/index.php?option=com_content&view=article&id=73&Itemid=4;

Litan, R., Orszag, J. & Orszag, P. (2003, August). *The Empirical Effects of Collegiate Athletics: An Interim Report*: Washington, DC: Sebago Associates. Commissioned by the National Collegiate Athletic Association;

Suggs, W. (2003). Sports as the university's front porch? The public is skeptical. *The Chronicle of Higher Education*, 49(34), A17;

Vedder & Denhart, 2010

²² Vedder & Denhart, 2010

separately.²³ Coastal Carolina University (CCU) in Conway, South Carolina, states on the university website that student athletic fees (in-state) are \$175 per semester, \$350 annually. In its 2010-11 filing with the NCAA, CCU indicated that athletic fee revenues were \$3,720,622; while “other school funds” utilized to subsidize athletics were \$12,898,882, for a total subsidy of \$15,619,504. When contacted about the source of the “other school funds,” a university official stated the funds come from tuition, but as stated previously, some tuition amounts already include the fee for athletics. At Coastal Carolina, the subsidy from tuition is likely at least \$1,935 annually per FTE, and not the published \$350. These are just some of many examples of how difficult it can be to ascertain what students pay for athletic- department operations and whether students know how much of their fees support athletics.

To the extent that athletic departments generate their own support through gate receipts, donations, sponsorship, media rights fees and other sources of revenue, student fee support appears inversely related. Even though data on institutional subsidies are not broken down to separate general fund versus student fee support, Division I institutions that generate in excess of \$50 million in athletics revenues have budgets with average athletics subsidies of 10-20 percent while institutions with less than \$50 million average 70-75 percent.²⁴ The public does not realize that 84 percent of the NCAA’s budget is derived from gate receipts and media rights to the Division I Final Four basketball championship.²⁵ Further, 90 percent of the \$914 million annually generated by the NCAA is returned to only Division I members.²⁶ Unfortunately, these revenues are also distributed unevenly within Division I, strongly favoring the Football Bowl Subdivision schools and winning teams and their conferences. Neither does the public realize that the College Football Playoff, unlike the Final Four, is owned by the ten Football Bowl Subdivision (FBS) conferences, not the NCAA²⁷ Instead of the NCAA owning and distributing the largess of a national championship property soon to grow in value to over \$1 billion annually²⁸, only the ten FBS conferences are reaping such benefits with the top five conferences benefitting disproportionately (75 percent to the top five and 25 percent to the bottom five conferences) and using them to escalate the arms race. Instead, the NCAA should own the

²³ Ridpath, B., Smith, J., Robe, J. & Garrett, D. (Winter 2015) *Shaping Policy and Practice in Intercollegiate Athletics: A Study of Student Perceptions of Resource Allocation for Athletics and its Effect on Affordability of Higher Education*. The Journal of Sport.

²⁴ Schnaars, C. et al. USA TODAY Sports' College Athletics Finances: Details of revenues and expenses at NCAA D-I public schools, 2006-2011. Retrieve at: <http://usatoday30.usatoday.com/sports/college/story/2012-05-14/ncaa-college-athletics-finances-database/54955804/1>

²⁵ NCAA AND SUBSIDIARIES, INDEPENDENT AUDITORS’ REPORT & CONSOLIDATED FINANCIAL STATEMENTS, at 4 (2013) [hereinafter *NCAA Audit & Financial Statements*], available at http://www.ncaa.org/sites/default/files/NCAA_FS_2012-13_V1percent20DOC1006715.pdf.

²⁶ *Finances*, NCAA, <http://www.ncaa.org/about/resources/finances> (last visited Jan. 3, 2015)

²⁷ See Porto, B., Gurney, G., Lopiano, D., Ridpath, D.B., Sack, A., Willingham, M., Zimbalist, A. (2014) “The Big Five Power Grab: The Real Threat to College Sports. *The Chronicle of Higher Education*. (June 19, 2014). Retrieve at: <http://chronicle.com/article/The-Big-Five-Power-Grab-/147265/>

²⁸ Mark Alesia, *NCAA Approaching \$1 Billion per Year Amid Challenges by Players*, INDYSTAR (Mar. 27, 2014, 11:06 PM), <http://www.indystar.com/story/news/2014/03/27/ncaa-approaching-billion-per-year-amid-challenges-players/6973767/>.

College Football Playoff property with all Division I institutions receiving six-figure financial relief to reduce the pressure on student athletic fees. Such a significant additional amount and a more balanced NCAA distribution could reduce pressure on student fee and general fund subsidization.

Drake Group Position

Institutions of higher learning are emphasizing intercollegiate athletics in a “winner take all market where even the winner may find that the perceived windfall fails to meet expectations. Most of the competitors in NCAA Division I athletics cannot cover their costs via external sources and are heavily subsidized through student fees, which are increasing at a rate much higher than tuition. This is causing total costs for college attendance to increase exponentially. It is only going to get worse-The Power 5 conferences have pushed for extra benefits for athletes including a \$2,000 - \$5,000 per full scholarship athlete cost-of-attendance stipend. The Drake Group supports the spirit of extra benefits for the athletes but is concerned that other conferences such as the Mid-American and Sun Belt feel they need to pay the stipend to “keep up” with the Power 5 schools even though they will never equal the Power 5 schools athletically. The highest athletic budget in the Mid-American Conference is less than 30 million dollars, whereas the average Power 5 budget is \$70 million. It is beyond explanation why the schools outside the Power 5 believe that they can keep up and why they should continue to expect their students to pay for this endeavor.

Other unintended consequences of the decision to enter the Power Five arms race will likely be the loss of opportunities for athletes in sports outside of football and men’s basketball because the increased spending in these sports will make it easier to justify reducing funding for or dropping non-revenue sports. Reduced funding for or dropping non-revenue sports will limit opportunities for participants in these sports to attend college and play their sport or receive an athletic scholarship. The decline of scholarship assistance will exacerbate student loan debt. Loss of nonrevenue sports may also damage the competitiveness of the USA in international competitions. Institutions are not saying, “How can we control or reduce costs?” Rather, coaches’ salaries are increasing, lavish or unnecessary facilities are being built, and athletic administrative and coaching staffs are bloated in number and compensation. All we hear is, “We must increase revenue and we will increase revenue by spending more.” No other department on a college campus would be allowed to operate this way and certainly not deficit spend as a strategy to ostensibly increase revenue.

It is time to address how the drive for intercollegiate athletics success affects access to higher education. State and federal governments should cap student fees and institutional subsidies to athletic departments to a fixed amount per actual student full-time equivalent (FTE) or a fixed

percentage of the total intercollegiate athletic budget. This change would force a market correction at schools that are not part of the Power 5 and cannot compete at that level. These schools would be forced to compete and succeed at a level they can afford, like any other department on the campus. At the very least, transparency should be mandated on how much the consumer is actually paying in athletics fees. Universities have skillfully masked these charges, as demonstrated in the Coastal Carolina example. Itemizing and detailing them will force universities to justify the amount of the subsidy and the reasons for it. There is no reason not to inform the consumer, and athletic fees should not limit access to an education needlessly.

Athletics can be part of the total experience at many universities that cannot compete in the arms race. They can still have robust athletic departments that are a part of, not a part away from, the institution. Intercollegiate athletics is supposed to be an extra-curricular endeavor that supports the total development of the student in achieving a strong mind and body. Winning is nice, but it is not the only thing and it should not be something that makes access to an education overpriced when it certainly does not need to be.

Recommendations

Recommendation 1: Individual student tuition bills should be fully transparent listing the dollar amount per full-time student equivalent (FTE) and percent of the total student fee being used to fund athletics.

Justification-At many institutions it is very difficult to ascertain the total amount of the student fee that goes to athletics. A full itemization of the tuition and fee bill to inform student consumers exactly how much they are paying for what purposes is necessary. It has been too easy for institutions to hide the use of these fees from the consumer.

Recommendation 2: Higher education Institutions in all competitive divisions and/or controlling government agencies should adopt a percentage cap on that portion of student fees supporting intercollegiate athletics and/or a fixed amount per year per student full-time equivalent (FTE) at a given institution.

Justification-Unchecked student fees are part of the runaway spending in intercollegiate athletics. Capping them, as suggested above, would force programs that do not generate excess revenue to live within their means—as other departments on campus do. And it would prevent institutions from manipulating student fees and/or trying to garner more funds through other institutional subsidies.

Recommendation 3: Mandatory student referenda should be the exclusive means of approving student fee use and percentage allocations for intercollegiate athletics. Such referenda must occur at least once every four years and in any year in which an increase in such allocation is proposed.

Justification- Student participation in such a referendum once every four years will ensure that all students are educated about and have a say regarding the use of student fees for athletics. the vote should be final and should not be considered a “recommendation” subject to reversal by the university administration. Student fees should be considered student money and should be 100 percent allocated and managed by the fee-paying students.

Recommendation 4- The NCAA reform agenda should include NCAA ownership of all national championships including the FBS College Football Playoff with all Division I institutions sharing the income from such property in order to relieve current pressure to increase student fee subsidization of athletics programs.

Justification- Estimated to be valued at \$1 billion annually within the next decade, College Football Playoff revenues, like those from the NCAA Final Four Division I basketball championship, should be returned to members to defray the cost of their athletics programs.

For further information on this position paper topic, contact: David B. Ridpath, The Drake Group Student Fee Working Group Chair at ridpath@ohio.edu