

College Athletics Clips

College Leaders Again Urged to Consider Solutions For Sports Mess: Likely to No Avail Unless...

Clips Guest Commentary

Our guest author proposes a college sports czar “empowered with a mandate for change and the authority to affect really serious reform, including the authority to rule over officials at the NCAA and its member institutions as well as conference officials on all matters pertaining to intercollegiate athletics.”

By Frank G. Splitt, The Drake Group, May 20, 2009

What has been allowed to become a circus—college sports—threatens to become the means by which the public believes the entire (higher-education) enterprise is a sideshow.

—**A. Bartlett Giammenti**, former president of Yale University
and former commissioner of major league baseball

It seems to me I've heard that song before; it's from an old familiar score; I know it well, that melody.

— **Sammy Cahn & Jule Styne**, from "I've Heard That Song Before," 1939

PREFACE – According to the Knight Commission Press Release on their May 12, 2009 meeting,¹ the headlined urge came after they were told by scholars and experts on higher education and intercollegiate sports that the financial crisis in college sports is not only attributable to the ongoing recession, but also to declining athletics revenues unable to keep up with a runaway train of spending.

R. Gerald Turner, co-chairman of the Knight Commission and president of Southern Methodist University, said “The recession is accelerating the need to make hard choices about college athletics, but the fundamental problems will not abate when the economy improves.... Through innovative solutions, we can take measures to reign in ever-increasing athletics spending and preserve all that is good about college sports.”

Repeated calls for college sports reform have gone unheeded for decades. Notwithstanding the current economic crisis, there is no reason to believe that the Knight Commission's latest "urging" will fare any better than its 2001 call to action. Here's why and what it would take to clean up the mess in college sports.

WHERE HAVE WE HEARD THAT SONG BEFORE? – We need look no further than the Knight Commission's 2001 report, *A Call to Action*,² for the answer. The report, a ten-year review of progress made since the original Commission reports, called for a

stronger commitment to academic standards in college sports. It found that the problems of big-time sports—academic transgressions, a financial arms race, and commercialization— had grown rather than diminished since their three reports were published in the early 1990s. It should have been used as a briefing paper for the May 12 meeting.

Given the sad state of affairs in 2001, the Commission recommended a new model for reform based on the establishment of a Coalition of Presidents—directed toward an agenda of academic reform, de-escalation of the academic arms race, and de-emphasis of the commercialization of intercollegiate athletics. Also recommended was the formation of a separate and independent body, an Institute for Intercollegiate Athletics, that would serve as a watchdog to maintain pressure for change by keeping the problems of college sports visible, provide moral leadership in defense of academic integrity, monitor progress toward reform goals, and issue periodic report cards.

To the best of my knowledge, none of these recommendations were implemented. However, many of the watchdog operations have been undertaken by The Drake Group and other volunteer reform-minded organizations.

FINANCIAL TRAIN WRECK – In a 2004 essay,³ I used the following quote from Jim Duderstadt, Emeritus President and University Professor of Engineering at the University of Michigan and the author of the Foreword to the cited essay : "We're headed for a train wreck. It'll be financial because how much worse than the Colorado scandal can you get?"⁴ Duderstadt reckoned that the financial wreck could be caused by a federal antitrust lawsuit or by arrogant athletic departments overtly cannibalizing student programs to keep football and basketball programs.

At the time, it was my view that it was more likely that the "financial wreck" would come from a serious IRS study/audit of the favorable tax treatment of the commercial activities of athletic departments, saying: An in-depth IRS audit would be the NCAA cartel's worst nightmare having the potential to fully expose the extremely weak educational basis for the current financial structure of big-time college sports that would not only force very major reform, but also provide unassailable "cover" for reform-minded university presidents and governing boards.

This line of thinking ultimately led to The Drake Group's comments on the Revised IRS Form 990—an information form that serves the purpose of verifying that an organization's activities are consistent with its exempt purpose. The use of this form, in accordance with The Drake Group's comments calling for transparency, accountability, and oversight, could help force the NCAA and its member institutions to tell the truth about their sports entertainment business.^{5,6}

At the Commission meeting, John Colombo, University of Illinois tax-law professor, presented his recent paper⁷ that explains how it would be difficult to remove tax-exempt status from "big-time college" football and basketball programs. Colombo argued, however, that Congressional action would be justified in attaching special limitations to

athletics programs, such as restricting expenditures and/or mandating disclosures so that programs could continue to receive “tax-favored status.”

Additional insights on tax issues related to collegiate sports can be obtained from a recently published Congressional Budget Report⁸ that shows colleges receive tax benefits that aren’t available to private businesses that engage in the same commercial activities. It suggests colleges should explain how they use their commercial revenue to get the biggest bang for the buck in fulfillment of their educational mission.

It is ironic that current federal tax policy helps fuel the NCAA cartel's big-time college sports entertainment businesses where parents, students, and other American taxpayers to help foot the bill for multimillion-dollar salaries for coaches, ‘stadium wars,’ tax breaks for wealthy boosters, NFL and NBA minor league teams, and other artifacts of the big-time college sports arms race. Meanwhile, the NCAA works to further its financial interests and thwart any and all serious reform efforts—especially those that could expose their ‘student-athlete’ ruse or possibly reduce their revenues.

WHY THINGS HAVE NOT CHANGED – Generally speaking, NCAA officials along with the officials of their member institutions (presidents and their administrations, including governing boards, athletic directors and coaches) really don't want change for a variety of reasons, first and foremost of these reasons are vested self interests.

John V. Lombardi, President, Louisiana State University System and former Chancellor at the University of Massachusetts Amherst, made the case for maintaining the status quo in college athletics. When arguing in opposition to the Revised IRS Form 990, he said: “Mega college athletics is indeed a remarkable American invention, it reflects the decisions of academic administrators and governing boards at almost all colleges and universities for over a century. It prospers because for the most part we (our faculty, our staff, our alumni, our legislators, our trustees, our students, and our many other constituencies) want it. We could easily change it, if most of us wanted to change it. All protestations to the contrary, we, the colleges and universities of America and our friends and supporters, do not want to change it. What we really want is to imitate the best (often the most expensive) programs in America by winning games and championships.”⁹

VEILED CALL FOR TRANSPARENCY AND HELP FROM THE FEDS? – At their May 12, meeting, Knight Commission co-chairman William E. Kirwin, Chancellor of the University System of Maryland, noted that a wealth of recent data developed by the NCAA confirmed that athletics expenses are growing at two to three times the rate of total spending for universities and also debunked the myth that high coach salaries are connected to increased winning percentages. Kirwin was quoted as saying: “We need to do more to make NCAA data clear and transparent to university trustees, alumni and the general public, so they can have a better understanding of the fundamental problems. Better data and more transparency help us debunk the myths that have led to excessive spending on coaches’ salaries and other areas of intercollegiate athletics.”

Co-Chair Kirwan said, “While we generally don’t believe that Congressional action is necessary to regulate intercollegiate athletics, we are not ready to dismiss any proposals that could provide effective means to address our challenging financial problems.”

REFORM DOOMED TO FAILURE WITHOUT FEDERAL INTERVENTION – Spending and corruption related to big-time college sports programs have continued to grow unabated despite twenty years of Knight Commission meetings and reports as well as essays from others urging reform. This growth is not only a consequence of the absence of restraining federal intervention requiring a substantial increase in transparency, accountability and oversight, at the NCAA and the athletic programs at their member institutions, but also the lack of responsible leadership. No one is responsible for cleaning up the mess in college sports.

Experience has shown that the Knight Commission and other reform-minded organizations are toothless paper tigers. No matter how apropos and compelling their arguments, their urgings and proposals go unheeded— doomed to failure since they have no 'bite.' Barring a total collapse of America's economy, things will go on as they always have unless and until the federal government steps in.

WHAT'S NEEDED – The buck stops nowhere in college sports reform—no one is responsible for implementing and enforcing reform measures adequate to the task. To be sure, the NCAA has been extraordinarily successful in creating the illusion that they are doing just that.

After six years of reading, writing, speaking, and listening about college sports reform, it has become abundantly clear that real college sports reform is in desperate need of responsible leadership in the form of a strong commissioner of intercollegiate athletics—a college sports czar— akin to Judge Kenesaw Mountain Landis, baseball's first commissioner.

Judge Landis took control of major league baseball when its integrity was in question— restoring integrity by banning eight members of the 1919, Chicago Black Sox. Needless to say, the long-term negative impact academic corruption and loss of academic integrity would have far more devastating consequences for America than would the corruption of major league baseball. Why? Because there would be a consequent deterioration of America's overall well being as well as its leadership position on the world stage ¹⁰

The college sports commissioner should be empowered with a mandate for change and the authority to affect really serious reform. This would include the authority to rule over officials at the NCAA and its member institutions as well as conference officials on all matters pertaining to intercollegiate athletics. Anything less would all but guarantee a continuation of the corrupting, cancer-like growth of professional college sports in America's failing education system. ¹¹

The appointment of a college sports czar would likely require the personal attention of President Obama—an intervention in college sports not unlike that of President Teddy

Roosevelt's in 1908 that gave rise to what is today's NCAA. No doubt a loud roar of protest will be heard from defenders of the status quo at the very thought of a college sports czar, let alone presidential intervention that could help put an end to the corruption in collegiate athletics as well as the exploitation of college athletes.

CONCLUDING REMARKS – So what can be made of all of this—including what seemed to be the Knight Commission's openness to help from the feds? Although there was no recognition of The Drake Group's request for the Knight Commission's endorsement of its appeal for government intervention—re: the imposition of measures of transparency, accountability, and oversight adequate to the task of reclaiming academic primacy and integrity in higher education—Co-chair Kerwin's language offers a basis for hope that finally someone on the Commission 'gets it.'

In the light of global realities and the financial crisis, the president and members of his administration, as well as members of the U.S. Congress, must understand that there are more important challenges in higher education than those related to bracketing the NCAA's "March Madness" basketball tournament and resolving the BCS-bowls vs. playoff-regime conflict to determine a national college football champion. They may finally come to realize that prioritizing investments in athletics over investments in academics at America's colleges and universities is not only a very bad idea, but also a big waste of taxpayer money.

The Commission will meet again in Miami, Florida, on Oct. 26 to commemorate the 20th anniversary of its founding and to continue its examination of financial issues and potential solutions. Perhaps the Knight Commissioners can allot time for serious consideration of the above as well as the ideas previously put forth by The Drake Group, John Columbo's paper, and the Congressional Budget Report, to determine what's really needed to accomplish the reintegration of college sports into the moral and institutional culture of the university—a goal set forth in the Commission's 2001 call to action.

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NOTES

1. Reardon, Katie, "Knight Commission Urges College Leaders to Consider Bold, Innovative Solutions to Address Fiscal Health of College Sports," Press release by Widmeyer Communications, March 12, 2009., http://www.knightcommission.org/index.php?option=com_content&view=article&id=295:may-12-2009-knight-commission-urges-college-leaders-to-consider-bold-innovative-solutions-to-address-fiscal-health-of-college-sports&catid=22:press-room .

2. Knight Commission, *A Call to Action: Reconnecting College Sports and Higher Education*, 2001, http://www.knightcommission.org/images/pdfs/2001_knight_report.pdf

3. Splitt, Frank G, "The Faculty-Driven Movement to Reform Big-Time College Sports," *IEC Publications*, July 13, 2004, http://thedrakegroup.org/Splitt_Sequel.pdf
4. Kindred, David, "College Sports Saddled With Big-League Issues," *Sporting News*, March 4, 2004. This article, also published as a commentary in the March 7, 2004 issue of the *Los Angeles Times*.
5. Splitt, Frank G., "Reclaiming Academic Primacy in Higher Education: The Revised IRS Form 990 Can Accelerate the Process," http://www.thedrakegroup.org/Splitt_Reclaiming_Academic_Primary_IRS.pdf
6. _____, "A Revised IRS Form 990 Can Serve as Occam's Razor for the Core Problem in College Sports," http://thedrakegroup.org/Splitt_Revised_IRS_Form.pdf
7. Columbo, John D. "The NCAA, Tax Exemption and College Athletics," Illinois Public Law Research Paper No. 08-08, February 19, 2009, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1336727
8. Lombardi, John V., "Taxing the Sports Factory," *Inside Higher Ed*, October 1, 2007, http://www.insidehighered.com/blogs/reality_check/taxing_the_sports_factory
9. Splitt, Frank G., "Sports in America 2007: Facing Up to Global Realities," http://thedrakegroup.org/Splitt_Sports_in_America_2007.pdf
10. _____, "America's Failing Education System: It Can Still Be Fixed," May 12, 2009, http://thedrakegroup.org/Splitt_Failing.pdf. Craig Barrett, retiring chairman of the Intel Corporation and a former Stanford University professor, has recently said that America's second-rate education system will lead to "the decline and fall of the United States as an economic power."
11. Congressional Budget Office, "Tax Preferences for Collegiate Sports," May 19, 2009, <http://www.cbo.gov/doc.cfm?index=10055>. Senator Chuck Grassley, ranking member of the Committee on Finance, requested this report in April 2007 as part of his longstanding oversight of tax-exempt laws. In a statement on the report's release he said: "The fact that congressional analysts had to rely on information collected by a major newspaper for source data highlights how little information is available about how these programs work. Given all the tax benefits involved, tight state budgets, and rising tuition despite the recession, it's pretty clear that Congress needs to engage and policymakers need to know more in order to act as responsible stewards of the tax policy that drives this fundraising and commercial activity."
12. _____, "Reclaiming Academic Primacy in Higher education: A Brief," December 31, 2003, *IEC Publications*, http://thedrakegroup.org/Splitt_Reclaiming_Academic_Primary.pdf

This commentary represents an updated version of the commentary posted May 17, 2009, on CollegeAthleticsClips. Essentially this same commentary was posted May 20, 2009 as a comment on David Moltz's Inside Higher Ed report, "Athletics, Antitrust and Amateurism," <http://www.insidehighered.com/news/2009/05/13/knight>