

PCSA Briefing Memo #1

FOLLOW THE MONEY – DON'T BE FOOLED BY THE ADVERTISING CAMPAIGN

The **Protect College Sports Act** (S.4668) bills itself as saving women's and Olympic sports - it will not. The NCAA and the Power Four Conferences spent \$31 million lobbying Congress in the past year and at least another \$10 million in television advertising over the last four weeks. Why? Because this federal legislation will cement the dominance and commercial success of the four wealthiest athletic conferences, and set an arms-race bar that other Division I institutions will try to match, but cannot.

Few understand the scope and details of this dense and complicated 180-page bill, focusing on the subtitles rather than the flawed content. The purpose of this first of four "PCSA briefings" is to force a reality check and then follow the money.

PROTECT COLLEGE SPORTS ACT - BRIEFING #1

A thoughtful reflection on the current reality of college sport...

One of The Drake Group's founders in 1997 along with our current Board member Allen Sack, was Jon Ericson. Now 90, he is still 'kicking the tires' on the incongruities of college athletics. We quote liberally from an article he just shared;

Athletics departments are in an arms race [they love war metaphors] to become larger, bigger, more games, longer schedules, contests during the week—an endless appetite controlling all that it touches: commercialized athletics as the occupier of higher education. Now the solution de jure is to pay the players and let them roam. And roam. And roam, and play and play.

No more young athletes—disproportionately black and poor—sacrificing their bodies while coaches and administrators—predominantly white—deposit huge paychecks. The solution has everything: justice, fairness, sensitivity, understanding, caring. Except it is wrong, all wrong.

Barely tongue-in-cheek, he describes driving by the billion-dollar edifices—stadiums and arenas built by our colleges and universities— and thinking about today's football player in the context of “I wish I were you.”

Then there is that “walk” from the bus to the stadium. Oh my, adoring fans on both sides of the walkway, and you and your teammates soak in the adoration. Oh my god, Achilles, Hector, Odysseus, Ajax the Great [heavy, but not like your linemen]. I wish I were you.

...and we haven't even mentioned the perks beyond hero worship you receive. The free education, free health care, free academic support...admission to most any college or university regardless of whether you qualify.

Jon then compares the experience of the football player to that of the regular student:

...meet academic requirements for admission; take out student loans, find a part-time job...and pay a mandatory fee to support intercollegiate athletics...college athletes, disproportionately White, supported by mandatory fees assessed to regular students disproportionately Black and poor.

...and reflects on the incongruity:

The money rolls in yet most athletics departments lose money; the wealthy alum can buy a winning football team, competitive balance be damned; the slave is now an entrepreneur, no—or passing—mention of the academy; there is a food fight in the parking lot over the spoils of Senate bill to Protect College Sports Act.

We share Jon's simple allegory ([read his entire essay here](#)), because it describes reality rather than fantasy, and we hope it will make readers think twice about what the *Protect College Sports Act* (PCSA) is all about.

At its heart, for the next nine years, the PCSA would:

- **Cement a “pay-for-pay” cash transaction culture by giving the NCAA’s Power Four athletic programs antitrust cover to continue operating a professional sport model.**
- **Bleed tax-supported educational non-profit institutions to continue to pay for lavish facilities, coaches and bloated athletics staffs, and now a pay-for-play system that focuses on the acquisition and retention of star players rather than all athletes on a team or in a program.**
- **Continue to mislead the public into thinking athletics program costs are paid for by athletics program revenues.** Not true—94 percent of Division I and 100 percent of Division II spent more on an operating basis than they generate from athletics events, sponsorships, media rights fees, and booster contributions. Despite significant subsidies, median Division I annual operating deficits? Power Four=\$15.2MM, Group of Six=\$27.1MM, FCS=\$16.3MM, D-I-Non-FB=\$12.6MM. **See the red ink in the [latest publicly reported data on the fiscal health of athletics programs here](#).**

- **Rely on students who are not participating in athletics to pay a huge part of the athletics bill. Institutional subsidies for athletics come from student tuition and fees backed by \$100 billion a year in federal student loans. The average student leaves college with over \$40,000 in student loan debt. According to a Government Accountability Office (GAO) report, 330 out of 352 (94%) of NCAA Division I athletic programs lose money and rely on these institutional and student-fee subsidies.**
- **Codify into law and provide an antitrust exemption to permit schools to pay \$48 million per school per year to recruit and retain blue-chip athletes — \$21.4 million on NIL and revenue sharing payments as agreed to in the *House v. NCAA* settlement to recruit them and a new PCSA Retention Fund permitting schools to spend up to \$27.5 million more to keep them for the next five years or until they are drafted.**
- **Include zero dollars to support women's, Olympic, or other non-revenue sports but require only rich institutions (those generating more than \$50 million a year in athletics revenues) to continue funding these programs at 2024-25 levels, when 93 percent of institutions were not in compliance with Title IX.**

Although there are numerous other flaws, the self-defeating reason this bill should not be adopted is that its financial terms are unsustainable for all but 10 to 15 of the wealthiest schools in the country. If the PCSA is adopted, all Division I schools, even those that garner significant media rights revenues from conference affiliations, will need to raise new dollars to participate in what is currently a men's football and basketball arms race with few restraints on spending.

Schools will continue to experience enormous pressure to secure this money from:

- **already substantial and strained institutional subsidies and student activity fees, damaging support of the greater non-athletics educational enterprise,**
- **increasing ticket prices, seeking more sponsors, plastering team uniforms with advertising patches,**
- **inviting private equity to profit from tax-subsidized athletics operations,**
- **asking fatigued athletics donors to increase and sustain their substantial athletics gifts over the long term, and**
- **reducing women's sports, Olympic sports and non-revenue sports budgets when new funding doesn't materialize.**