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## Most Division I colleges have to subsidize sports, NCAA finds

**A report urges standardizing the reporting of financial data. Only 22 of the 313 athletic departments were self-supporting, it found.**

By Frank Fitzpatrick

Inquirer Staff Writer

WASHINGTON - Better than 90 percent of Division I athletic programs spend more than they earn, by an average of \$7.1 million annually, according to figures released yesterday by NCAA researchers.

The statistics, for 2004-05, were included in a report urging the NCAA to standardize its procedures for collecting financial data, which was presented during a meeting of the Knight Commission, a college sports watchdog agency.

Only 22 of the 313 Division I athletic departments were self-supporting, the study noted. The rest required bailouts, either direct subsidies from their institutions or student fees, to balance their books.

"That means a larger percentage [of sports spending] is being borne by the institutions," said Peter Likens, the former president of Lehigh University who chaired the NCAA Presidential Task Force on the Future of Division I Intercollegiate Athletics. "And that we regard as unsustainable."

Institutional allocations to the biggest Division I schools, the 11 conferences plus Notre Dame that make up the 117-member Football Bowl Subdivision, amounted to 21.6 percent of revenue, an average contribution of \$7.8 million. Temple is included in that group.

For the 109 other Division I football programs, such as Villanova and Penn in the Philadelphia area, the colleges allocated 71.1 percent of their budget funds, an average contribution of \$7.6 million.

And for non-football Division I institutions, such as St. Joseph's, the figures were 73.6 percent, or an average of \$6.7 million for each of the 87 schools.

The report did not identify the 22 self-sustaining schools, though commission members indicated they were all among the college football superpowers.

The elite among those big-time football schools - Penn State, Alabama, Notre Dame and others - all

filed federal documents that showed multimillion-dollar profits from that sport in 2004-05.

Football and men's basketball produce the lion's share of revenue in the multibillion-dollar collegiate sports business.

Likens pointed out that while athletic budgets make up only 4 percent to 5 percent of all university spending, the growth of their increases has been "irresistible," three to four times the rate of other university spending hikes.

"We have to hope we can slow it down," said Likens, one of the Knight Commission's 20 members, most of whom are current or former university presidents. "This really becomes a big issue when you're talking about athletic debt. If the athletic department can't pay it, the university will have to. And that won't be popular."

The largest single athletic expense for most athletic departments is scholarships. NCAA president Myles Brand recently said that schools spent \$1.2 billion on scholarships last year, as well as \$150 million in academic-support programs.

Also driving the spending increases, said Andrea Fischer Newman, chairwoman of Michigan's board of regents, are skyrocketing salaries for football and basketball coaches.

But what she termed the "arms race" to build and refurbish athletic facilities with borrowed money is most worrisome in the long run, she said.

In the last decade, for example, Ohio State, which has the nation's largest athletic budget at close to \$100 million, refurbished its football stadium and built new state-of-the-art facilities for basketball, hockey, baseball and track. The on-campus arena where the hockey and basketball teams now play was constructed even though a new arena had just opened in downtown Columbus.

"That capital-debt service is an irreversible commitment," Likens said.

The report, the recommendations of which will be considered by the NCAA board at its next meeting, is one of the first studies to differentiate between revenue generated directly from sports (ticket sales, TV and conference money, etc.) and that coming from the schools themselves.

The increases in school contributions have become a concern since more and more states are cutting back on subsidies to the institutions they support. That trend, coupled with the rapid hike in sports expenditures, prompted the NCAA to commission the study.

It suggested that a sensible first step would be standardizing the way colleges submit financial data to the NCAA. That would permit schools to better compare and contrast their spending habits with those of similar institutions.

However, the task force also recommended that the specific budget figures for each school be kept private by the NCAA. The financial data would be sent only to school presidents.

The NCAA, meanwhile, would use the data to develop "financial dashboard indicators," which would signal areas of spending concern or revenue shortfalls.

"The public needs to see this information," said Iowa State athletic director Jamie Pollard, who also addressed the group. With more and more money coming from states and individual donors, "they are our investors, and they've got a right to know."

Likens noted that while public schools might be willing to reveal their data, it was unlikely that their

private counterparts would follow suit. And, given antitrust restraints, the NCAA would not have the clout to force them, he said.

The study was done by the NCAA research staff and the National Association of College and University Business Officers.

The report "comes as no surprise to college athletics administrators around the country," said Temple athletic director Bill Bradshaw. "While we try to maximize revenue, the primary purpose of intercollegiate athletics is not to make money. It is to add to the texture of the college experience for our students and to contribute to the educational experiences of our student-athletes."

Temple is part of the Mid-American Conference, a league in the lower tier of the Football Bowl Subdivision whose athletic departments traditionally lose millions on sports.

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Read the Knight Commission text of the NCAA's changes in financial data collection and reporting at <http://go.philly.com/knight>.


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