

ACTA  
Higher Ed Now  
The Real March Madness

Christine: You're listening to Higher Ed Now. ACTA's podcast on issues in higher education. I'm your host Christine Ravold. It's that time of year again, we hope you filled out your brackets. March Madness is here. Everyone at ACTA has been following their favorite teams in the NCAA Men's Basketball Tournament. We filled out our brackets, but ACTA has an official bracket, based on four-year graduation rates. You might be surprised who wins, based on that data, but more on that later.

Athletics create a spirit of comradery for colleges and alumni networks across the country. Proponents of college sports also say that winning teams draw talent, donations and publicity to support scholarships and other academic endeavors, but there are downsides. Athletic scandals have tarnished big name universities and shaken public confidence in the role of collegiate athletics. But, since I'm not the expert on college athletics I have brought two people from ACTA's offices who are Alexis Zhang, our Editor and Research Associate is here. Welcome Alexis.

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Alexis: Thank you.

Christine: And frequent listeners of this podcast will, of course, remember our Vice President of Trustees and Legislative Affairs, Armand Alacbay. Armand, welcome back to Higher Ed now.

Armand: Glad to be here.

Christine: There is an awful lot riding on collegiate athletics these days and there seem to be conflicting values that emerge this time every year. Armand, what are some of the commonalities that emerge in the pursuit of championship titles?

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Armand: There are a lot of great benefits to having a sports team on your campus. The idea of building comradery, not just within the team but within the student body generally. But, there's also this idea of the ultimate mission of the institution, the academic mission of college. And while these ideas aren't necessarily intention, trustees being responsible for overseeing the institution, making sure that it fulfills every facet of the mission, should be looking at things like the college sports program to ensure that it doesn't impact that adversely.

Christine: I've invited you guys on because you have affiliations with two really big sports colleges. Armand, UVA and Alexis, I know you root for the Buckeyes.

Alexis: I do. I grew up in Columbus.

Armand: Go Wahoos.

Christine: I didn't have that experience. What do you guys get from your engagement in college...

Armand: Nowadays, it's really a way at just sitting in the alumnus chair right now to reconnect with the institution. There's, again, something about that competition versus other schools. There's something about rivalries. There's a reason why people call college athletics the front door of the university.

Alexis: Absolutely. There's something really special about millions and millions of people joining together every Saturday during the fall and also during this season of March of Madness, to cheer on their teams and to support the players. Obviously, that can create tension with other values of the university, but ultimately it is something that is very important for so many universities.

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Christine: ACTA has always been concerned about academic excellence and we see that academic excellence often is compromised by pursuit of athletic victories. Most recently, Louisville has had some trouble with its basketball team or, famously, Syracuse and University of North Carolina. What have we learned from these entanglements?

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Alexis: Well, I think the key takeaway from these examples, UNC and Syracuse, certainly is that athletics isn't a separate part of the university. It's something that has to function within the context of higher education. David Shaw, who was the head football coach at Stanford had a good quote about this: "Coaches can't just say, "Well my job is to win games." Your job is to teach young people how to do things to make them successful. Certainly, by winning games, but also in the classroom and after graduation. It's when universities are so clearly prioritizing what happens on the field and on the court over what happens in the classroom, that they've run into difficulty. Certainly, these schools have gotten a lot of negative publicity because of that and then have also, in some cases, run into threats to their accreditation as universities because of how egregious their misconduct has been.

Christine: Armand, this is probably a good point for you. The NCAA is really the governing body for college athletics. I think a lot of schools defer to the NCAA on a lot of things, but what does that do the governing board of the university which has its own responsibilities?

Armand: The NCAA or even athletic conferences should never serve as a substitute for the board of trustees of a college or university, with respect to that individual institution's governance. I mean just as a basic rule of oversight, it's best to defer to the group that actually is closer to the information. And so one of

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the responsibilities of the board of trustees is to have a dedicated committee or time dedicated to the oversight of the athletic enterprise.

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Alexis: Athletics is one of the largest expenses that a university will have. If you look over the past 11 years, in just Division One of the NCAA, those schools spent a combined 171-billion-dollars.

Christine: With a “B”?

Alexis: With a “B.” Which is larger than the GDP of 130 countries. Puzzlingly, a lot of boards of trustees at major institutions, like Michigan, Wisconsin and Iowa, don’t exercise oversight over those personnel contracts and other variables that have such a huge impact on both the budget of the school, but also the profile and the perception of the school.

Armand: There’s a popular misconception that: If all this money is actually just coming from athletic boosters then what does really the board or the university have as a role, or should they have a role in overseeing this enterprise. So, there are two numbers that are really important here. And these are the NCAA’s own figures. They estimate that about 6.1 billion dollars is the amount that college athletic programs brought in, in ticket sales, royalties, alumni contributions, etcetera. But, comparably, just north of 5 billion dollars is the amount that the NCAA classifies as allocated revenue. What is allocated revenue? Allocated revenue is the combination of student fees, institutional support, funds that are coming from the school itself, to go into the athletic program.

Christine: Does that include tuition?

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Armand: It can in some parts. I mean oftentimes an institution will have specific student fees designated for the athletic program. We had a report just a couple of years ago where we looked at the growth in athletic fees at the top-ranked public universities and we found schools like UC Santa Barbara increasing student fees by about 400 percent over five years; or even at Auburn, 300 percent. Again, not insignificant numbers here. Now, the second part of it is that the athletic program is still the front door to the institution. The point here is that once the university's name is attached to a multi-million-dollar enterprise, it has ownership of that and with that ownership comes responsibility.

Christine: Some of that responsibility would be making sure the students get the education that they're there for.

Armand: Exactly.

Christine: I guess when you talk about the students everyone talks about what a wonderful opportunity sports are for students who wouldn't normally attend colleges and that it's really good for first generation college students from underserved communities. Alexis, is there anything backing up that claim? Or, any caveats that people should understand when they consider what athletic scholarship do for students?

Alexis: Well I the caveat that I would emphasize is that, yes, it's great that athletic scholarships give athletes who otherwise might not be able or would struggle to pay for college, the opportunity to attend. That doesn't mean that schools can short change those athletes of the education that they need. Ultimately, almost all athletes aren't going to go on to play at the professional level. Only roughly one percent of college football and basketball players will go on to the NFL and the NBA. And so for most of them, college is the end of their

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athletic experience and it's what they learn in the classroom that is really going to affect what they're able to do in the rest of their careers. It's really troubling when people can graduate while essentially not being able to meet the academic standards that they need to meet. CNN, for instance, did a study showing that between 7 and 18 percent of football and basketball players, which are really the two cash cow sports that most universities...

Christine: You mean it's not cricket and curling?

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Alexis: Well, maybe somewhere? But at most universities it's football and men's basketball are the two sports that draw revenue and also gain the most attention. And so, according to CNN, between 7 and 18 percent of those players were only able to read at an elementary school level. For folks who are getting through college with that low level of preparation that poses real challenges once they leave college and reflects quite badly on the schools that they attended.

Armand: When you look at UNC, for instance, the talk now is: "What's the NCAA going to do? What kind of sanctions are they going to come with? The point is that this is something that the institution should be aware of well before it becomes something that's a frontpage headline. Our primary concern is, yes, partially the reputational damage to the institution, but also what about the academic disservice that's being done to these student athletes themselves? And so, if a board of trustees is to take their responsibility seriously, with respect to upholding the educational mission of the university, oversight of this program or all athletic programs, including in the area of academics is something that should be part of a regular reporting schedule. And it's something that the University system of Maryland is already doing right now with there intercollegiate athletics work group. Their model is one that others should

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emulate. I think they're the first institution in the country to condition bonuses on coaches' salaries to the academic performance of their players.

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Alexis: I think it's important to note just how widespread an issue the lowering of academic standards is. I think a lot of times people say: "If I didn't go to UNC, I didn't go to Syracuse, my school doesn't have these problems." The reality is that these problems, maybe not to the same degree, but problems of academic standards and academic misconduct affects so many schools, including some of the country's most selective schools. A good example of this would be Stanford. Up until 2011 Stanford gave athletes a courses of interest list. Essentially, this was understood to be a list of easy courses that would give athletes an easier time during their season. Other examples, the University of Michigan. Their president said a couple of years ago, openly acknowledging that they admit student athletes who aren't nearly as qualified and probably can't do the work that it needs to make progression from year to year.

Christine: What about the one college where the coach left because the admission standards were too high?

Alexis: Yeah. That would be the University of Wisconsin. Gary Anderson, a couple of years ago, left Wisconsin for Oregon State. When he left, part of his criticism was that he wasn't able to get the players that he wanted onto the team, given the University of Wisconsin's high academic standards. But I do want to highlight one example of a school that's moving in the right direction, which is UC Berkley. A few years ago, there was a report showing that less than 50 percent of their football and men's basketball players were actually graduating. As a result of this they have implemented higher academic requirements in admitting their athletes and increased support for athletes so that athletes with extremely low high school GPAs can't come to Berkley to nearly the same degree. Previously,

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between 50 and 62 percent of the football team at Berkley had a high school GPA below 3.0, which if you compare that to the general admissions at Berkley that's a pretty big difference. And so Berkley has instituted higher academic requirements and now many more of their athletes are graduating, which is great to see.

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Armand: I want to throw something out there and I say this with some hesitation as a huge college sports fan. But let's say your institution is not a State U Power Five conference program. The question may be: Should you even have an intercollegiate athletics program? Not saying that's the case for the majority of colleges and universities, but you can look at what Spellman did in 2013. They were spending about \$900,000 out of a 100-million-dollar budget for roughly 80 students. What they did was they essentially shuttered the intercollegiate aspect of the athletics program and opted for [voices overlap/inaud]. It's so much a binary yes or no thing, but it's worth asking the question: What are we actually doing with this budget? I mean I think there are a lot of underlying assumptions here. "Well, it's the athletics program. It's self-perpetuating." But these are questions for higher education leadership. You would ask the same questions of any other program, why should the athletics program be any different?

Christine: The stakes are really high for those twelve or so teams that make money. They make a lot of money, so I think it encourages colleges to go for the gold ring and instances where they shouldn't.

Armand: It's lot like what we see in other areas of higher education that everyone wants to be Harvard. Does everybody want to be...

Christine: Admission creep.



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Armand: Exactly. You raise an interesting point there. There really are a small number of institutions that actually bring in a profit, so to speak, from this. I mean it's just a couple of dozen. I think it's actually even smaller. It's like 12 or so, when you factor in that whole notion of allocated revenue. Do I think that institutions realistically think they're going to be the University of Alabama? Probably not but, again, it's a tendency we've seen in higher ed to try to emulate those at the top.

Christine: This was a discussion we had when the University of Maryland changed conferences. Right?

Armand: Well, yeah, there's that whole thing with the move to the Big 10. One of the regents, Tom McMillen, who was very outspoken, not necessarily in the move to the conference, but just the way the decision was made, or I guess not made by the board or regents. I think it's just a recognition that there needed to be a dedicated system in place so that things like a conference, which is a major policy change for any university is something that's at least on the board's radar before it comes up and it's not something that is conducted in a one-day express meeting.

Alexis: Boards of trustees really need to have information and they need to have the time to consider information about major decisions like these. Tom McMillen has commented on this. That he received more information when he buys a cell phone than he did when Maryland was considering switching conferences from the ACC to the Big Ten. Which was pretty remarkable that you would only receive one sheet of paper and then have the sheet paper taken away afterwards as your information for making a...

Christine: Multi-billion-dollar decision.

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Armand: The thing about information, I think you hit the nail right on the head. The institutions already have reporting requirements to the NCAA, so it's not that big a jump, or shouldn't be that big a jump for the board of regents or board of trustees to be clued into as to what those data points are, before they actually go out to another entity. That is how Maryland has their system structured. Where it really does mirror the NCAA reporting cycle. What happens is the regents get their information well ahead of when they would be reading on NCAA's website.

Alexis: Since we're talking about the Big 10, another example of a newly added school to the conference is Rutgers.

Christine: Be proud New Jersey.

Alexis: Financially, it makes out well from joining the Big 10 but, of course, it is now on the national stage in football in particular and showing that it doesn't necessarily hold up to some of the other teams of a higher caliber. You saw this in the fall season where Rutgers lost to Ohio State 58 to zero and then lost to Michigan 78 to zero. Interestingly, in a game where they flew in a bunch of recruits to watch. There are major tradeoffs in changing conferences. That is a decision that boards should be involved in making, rather than other administrators with narrower job descriptions, who frankly aren't fiduciaries dedicated to the overall interest of the university.

Armand: Conference consolidation is something that we've been seeing for the past 10 or 15 years. We've seen it in the ACC, does it really even resemble the Atlantic Coast anymore? That's debatable right now. This is something that if boards aren't asking the questions already, they should because they're going to have to confront these things sooner, rather than later.

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Christine: We've talked about mission creep and the identity crisis that some colleges face trying to win national championships. But, it is a lot more expensive to pretend to be the Crimson Tide than it is to pretend to be Harvard. At least pretending to be an Ivy League school is about education.

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Alexis: Absolutely. Schools spend an enormous amount of money every year on their athletics programs. If you just look at the year 2014 alone and you just look at facilities alone, 48 schools in the Power Five conferences. There's five major Division One athletics conferences. Spent a combined 772-million-dollars on their facilities. Of course, some facilities upgrades are always going to be necessary from time to time, but if you look at the specific details of what schools are upgrading and the magnitude of what they're spending, that will raise some eyebrows.

If we look at Clemson specifically and their new complex for their football team, that complex includes a mini-golf course, some sand volleyball courts, laser tag, a movie theater, a barber shop and bowling lanes. All of these things, all of these goodies, they sound really cool but, frankly, they're getting away from certainly the core mission of the university, but also the mission of the athletics program itself.

Armand: You know Steve Ludwig, regent of the University of Colorado had something interesting to say about this. "It's a never-ending arms race to build shiny objects that appeal to 17-year-olds." I think that's very telling. Another point is that these expenditures, these shiny objects don't go unnoticed on campus. What I mean by that is they're telling of your priorities to the entire university community. And so it's very difficult to justify to your physics faculty why you're not going to construct...

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Christine: A drum particle collider.

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Armand: Exactly. When you're spending 700-million-dollars on stadium upgrades.

Alexis: Yeah. It's a pretty clear arms race at this point. Schools, frankly, aren't that subtle about it. If you look at the giant video boards in football stadiums, for instance, the vendors who make those boards will talk about, when the schools request them, they're pretty clearly saying, "We want ours to be bigger than our rivals." At this point, the largest is now 10,830 square feet for one video board. Just because schools want to constantly be doing better. I'm sure if we come back next year we'll have an even bigger board to talk about and even more money will have been spent.

The University of Kentucky, for instance, has in the past several years upgraded their baseball stadium for 49-million-dollars; their football stadium for 126-million and their football training facility for 45-million. And now their head basketball coach, John Calipari is saying, quite explicitly, "Now it's our turn." Which was interesting because their facilities for basketball aren't that old either.

Christine: Is there any truth, Armand or Alexis, to the idea that the NFL and the NBA are just kind of outsourcing their farm systems to colleges, as opposed to the MLB which has its own farm system and colleges are less heavily invested in those sports?

Alexis: I think there's some merit to that statement, particularly in basketball where you see the one and done phenomenon. Where players aren't able to go to the NBA directly out of high school, so what they do is they spend one year in

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college for these really excellent players who know they're going to get drafted into the NBA. So, they spend one year in college and then, having spent that time playing, they then make the leap to the NBA. Coaches are aware of this. If you look at Kentucky and other schools, coaches are pretty clearly recruiting for this.

Christine: That's counterintuitive.

Alexis: Which is a counterintuitive perversion of priorities for a university.

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Armand: Right. I mean you see coaches who have strongly resisted this, just because of the lack of continuity. Maybe it's just a function of the game itself. That's what is interesting about basketball is you have 18, 19-year-old kids who can be dominate over folks who have spent three or four years plugging away at college.

Christine: While they're not learning very much and they're also taking spots away from students who might actually want to complete their degree.

Alexis: Yeah. If you look at the student spending ratio in a lot of major universities for these cash cow sports, it's well over 100,000-dollars per student, per year which is several times the amount that the school spends for its non-athlete students.

Armand: Again, it's telling of priorities. Not just to the institution but to the members of the community as well. And so those are the data points that I think that we really need to pay attention to, or not we, trustees need to pay attention to on a more regular basis. The weird thing about this is just that there are so

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many easily quantifiable metrics of accountability that can be used here that are already being collected.

Christine: So just a matter of getting into the hands of trustees so that they can be empowered to make these decisions?

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Armand: Right. I mean it's just a matter of understanding the terms of art here. I mean this whole notion of allocated revenue, for instance, or half the things in the NCAA handbook about graduation rates, etcetera. I think if there's one that I like to see trustees do it's get a handle on what are the relevant terms of art in intercollegiate athletics, so that they know how to phrase the questions they need because it's pretty standard and consistent across institutions. You don't have to be massive state university to have an allocated revenue issue.

Alexis: And the other thing that trustees should know when they're getting the data is that they need to make sure to get the right data. The NCAA will tout its numbers, the graduation success rate, the academic performance rate. Which by their measure a lot of schools are doing very well. But, unfortunately...[voices overlap]

Christine: But the NCAA incentivize to find its team is doing well.

Alexis: It is and if you look at the methodology you can see why those teams are doing well, because the metric conveniently excludes a lot of folks who drop out. As long as they leave in good academic standing, which is a pretty low bar to clear. The University of South Carolina's College Sports Research Institute did their own study to compare the outcomes for athletes with full-time non-athletes because NCAA athletes are required to study full-time. So, it's not an apples to apples comparison if you're looking at athletes with all students. You have to look

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at full-time students specifically. What they found was that in the major Division One conferences, those top programs, men's basketball players had a graduation rate that was fully 32.6 percent lower than non-athletes, which is a huge difference that you wouldn't see if you were to just look at the NCAA's much rosier numbers.

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Armand: That's why we talk about terms of our... There are resources at your institution. Your athletic director clearly, but also your institutional research office is also a good resource for helping to understand these terms because they may be involved in this process. Those are the folks that prepare reports [voices overlap] education for their annual surveys. It may vary, but there are clearly people who are dedicated to gathering this information and they should be more than happy to help.

Alexis: If you want to look at specific plans in order to ensure good governance, in 2004 Penn State had seven trustees proposing a governance plan that would increase the board's oversight role. This was several years before the Jerry Sandusky scandal broke. If they had adopted this plan it could have averted some of the fallout of the Sandusky scandal. Not to mention spared children from indescribable harm. Ultimately, the board chair and the university president said, no, they didn't want to do this. The plan never came up for a vote. Ten years on, there are still a lot of really good lessons from what those trustees were proposing. In particular that boards should have much more information at their hand and that they should have more time to fully consider and do their due diligence on this information. That boards should be employing independent counsel to advise on athletics and other major issues. Not just when problems arise but as an ongoing matter. Finally, the board should be the final authority on personnel decisions. Because, if you look at it when so much money is being

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spent outside of the board's control, that's something that should really be rectified.

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Armand: One of the questions that we get from boards pretty often is: "It's hard to prove the negative. How do we ensure that there are no problems arising with our athletic program?" But the real question is: What mechanisms do you have in place to even begin to detect any red flags that are out there? That's why we strongly advocate for dedicated, intentional oversight of the athletic program. It is a different entity, a different animal from the other enterprises at the institution and should be treated as such. And so, you really don't know when something bad, so to speak, is brewing under the radar until you actually have a radar system up.

Christine: Right. I think that's excellent advice for trustees and gives really good insight to everyone who likes college sports to understand some of the underlying issue and initiatives happening in the governing structure. Before we wrap up, who did you guys have winning your March Madness bracket?

Alexis: I have the University of North Carolina.

Christine: That's ironic.

Alexis: It's a little bit ironic. You're right. Because how many problems UNC has that we've just talked about in this podcast.

Christine: All right Armand.

Armand: I've been struggling with this one for this week. Right now I have to go with Gonzaga.



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Christine: Well, I picked Arizona and I don't really have a good reason. But, for ACTA's bracket, the grad rate bracket, based on 4-year graduation rates, we determined that Notre Dame would win based on—Alexis, what was the grad rate there?

Alexis: They have a 91 percent 4-year grad rate, which is the highest of obviously any of the schools in the tournament, but also one of the highest of any school in the country. And so that's something that Norte Dame should be commended for.

Christine: All right. Fighting Irish. That's one way to win, both on and off the court.

Armand: You heard it here first.

Christine: We'll see what happens. Alexis, Armand thank you for joining this episode of Higher Ed Now.

Armand: Thank you.

Alexis: Thank you for having us.

Christine: If you have more questions or comments about athletic oversight, be sure to send them to [info@goacta.org](mailto:info@goacta.org). Until next time, I'm Christine Ravold and this is Higher Ed Now.

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