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REALIZING THE PROMISE OF COLLEGE ATHLETICS

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The Drake Group Predicts Another "Faustian Bargain – a Deal with the Devil at the Price of One's Soul" at the 2022 NCAA Convention

NEW HAVEN, Conn. --On January 6, 1996, NCAA Division I Bowl Subdivision Conference Commissioners wrangled the two-thirds vote they needed from the rest of Division I, Division II and Division III to "federate" the NCAA. "Federate" was a polite term to describe the restructure of the NCAA but was misleading with regard to what actually occurred. A more accurate description is that the Football Bowl Subdivision (FBS) threatened to leave the NCAA if the required super majority membership vote did not go its way. The FBS made it clear that if they left, March Madness would most likely go with them because the big-time FBS brands were most desired by TV media moguls. In short, because Division I's Basketball Final Four funded all NCAA championships and services for all competitive divisions, the FBS made it clear that they would pull the financial rug out from under Divisions II and III if a vote for federation was not forthcoming.

"Federation" was doublespeak for giving the FBS three things they wanted: (1) majority voting control of the Executive Committee (now the Board of Governors), the entity that determines the annual NCAA revenue distribution, (2) the promise that if the NCAA ever started an FBS national football championship, 100 percent of those revenues would go to the FBS (the FBS started its own national championship wholly owned by the FBS the following year), and (3) a policy that the revenue support for Divisions II and III would be limited to 4.37 percent and 3.18 percent, respectively, of the NCAA's operating revenues. A fourth outcome of the restructure also made the FBS happy: elimination of the NCAA one member/one vote system that enabled two thirds of the membership to act as a check and balance system, blocking any off-the-rails action by any one division. In short, Division I did not want its rules or commercial direction questioned and wanted to keep most of the revenues generated by March Madness.

On January 20, 2022, the 1,082 member institutions of the NCAA will have another opportunity to demonstrate their willingness to enter another "Faustian bargain" – a deal with the devil at the price of one's soul. Because restructure involves amending the NCAA constitution, a two-thirds vote of the membership will be required. Approval of the restructure proposals would effectively eliminate the NCAA's role as a national governance organization by transferring rule-making and enforcement authority and determination of the use of division-generated revenues to the three competitive divisions, each governing itself. The NCAA will still administer all Association national championships, publish the playing rules for each sport, and recommend guidelines for divisional rule-making.

If approved, the FBS will operate with little or no restraint. It will retain voting control of the NCAA's Board of Governors and the Division I Council and the Power Five conferences will control the management of the College Football Playoff. The 65 institutions comprising the Power Five conferences most likely will get to do whatever they please within Division I, taking the current arms race into astronomical territory and positioning themselves to reap a larger share of the soon-to-become expanded College Football Playoff.

What is the Faustian bargain? This "temptation of the devil" is all about fame and money. The FBS, with the Power Five pulling the strings, buys the two-thirds vote from among all Divisions (D-I/350 votes, D-II/300 votes and D-III/432 votes) by again threatening to leave the NCAA and, again, implying that if they leave, the Final Four Championship will eventually follow them.

Why would this threat work?

- Voting "yes" allows the FBS to remain intact, continuing to keep the $500 million College Football Playoff revenues – soon to become one or two billion dollars with expansion from the current 4 to 8 or 12 teams – for itself. The FBS and not the NCAA owns this championship (as discussed above, the result of the 1996 Faustian bargain) – and neither the NCAA nor other Division I institutions share this largess.

- The FBS and all other D-I members (the Football Championship Division and Division I institutions without football programs) will vote "yes" for two reasons: (1) continued access to March Madness fame and television exposure and (2) in addition to the $150 million expense of all Division I championships, Division I members receive another $600 million to spend as they wish (on top of their institutional and conference-generated TV and other revenues). These dollars are essential because only 20-25 of these 350 programs end a typical year in the black on an operating basis. If the long-term debt from building lavish facilities to attract 17-year-old recruits were fully counted – even this handful of schools would most likely be in the red. These <u>annual</u> median athletic program deficits are significant --$18.8 million among FBS members, $14.3 million at FCS institutions and $14.4 million among the Division I non-football schools.

- Divisions II and III will vote "yes" because only then will they continue to be funded by their 1996 deal -- receiving 4.37% and 3.18% of NCAA operating revenues respectively. This money pays for their championships and their athletes' transportation, room, and board at these events which comprises 57% of Division II's share and 75% of Division III's share. The remaining money pays for modest grant programs that fund activities such as the training of officials, gambling education or special athlete assistance.

The cost of this bargain? -- continued harm to athletes, to higher education integrity, and to the pocketbooks of non-athlete students:

- Most athletes will be required to continue to use their own or their parents' insurance to pay for athletic injury medical treatment (except for the current NCAA catastrophic injury policy).

- No money has been or will be set aside (e.g., through a medical trust) for the thousands of athletes who in the future, will be facing dementia, Parkinson's, Alzheimer's, or CTE stemming from brain trauma – with football, ice hockey, rugby, soccer, and basketball players at highest risk.

- While most Division I and II athletic departments will continue to carry secondary insurance to pick up uncovered expenses from athletes' personal policies, there still will be athlete/family costs for deductibles, second opinions, and medical expenses stemming from athletic injuries that require joint replacements or similar treatment when these insurance policies expire, typically two to three years after leaving the institution.

- College presidents and faculty members will continue to turn a blind eye to coaches recruiting athletes who do not meet academic standards for admission and fail to acknowledge their institutions' responsibility to remedy these deficiencies and deliver a meaningful education. The majority of these students will be athletes of color participating in football and basketball, forty percent of whom will not graduate. These athletes will continue to be the victims of academic fraud – steered to enroll in less challenging courses and majors to keep them eligible and ensure they are available during practice times. Meeting the demands of powerful coaches will be chosen over the education of students.

- Coach physical and psychological abuse will continue to be ignored and athletes will continue their silence about such treatment for fear of losing scholarships or playing time.

- With student debt and college tuition at all-time highs, colleges and universities will continue to bleed the pocketbooks of all students by using student tuition and mandatory student fees to subsidize the 98% of all athletic programs operating in the red.

All the FBS athletic programs subscribing to win at any cost or even marketplace cost, will continue to pay astronomical salaries and bonuses and ridiculous employment contract buy-outs to basketball and football coaches, athletic directors, and conference commissioners.

For all of us who love the good that college athletics does for the personal development of individual athletes and the excitement and pride it brings to campus, community, and alumni, we also know it is possible to realize these outcomes without doing harm to athletes or institutional integrity. It was difficult in 1996 to foresee the extent of greed and exploitation now pervasive in the college athletics enterprise. Not so today. This week, NCAA member institution votes will be cast with full knowledge of the bargain – money or athlete well-being and education? Few are betting that college presidents will have the courage to make the right choice.

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