

#### FOLLOW-UP NOTES AND Q&As

Webinar #48

# Confronting Division I Sports Subsidization and Financial Sustainability The Drake Group Education Fund Webinar Series Critical Issues in College Athletics

Thanks for attending or registering for our May 15, 2025, webinar on critical issues in intercollegiate athletics. A regular feature of our webinar series is "Follow-Up Notes" which provides links to the recorded webinar, answers to questions from the audience that panelists did not have the time to address or those emailed to us from telephone participants, resources suggested by panelists, and information on our next webinar. Questions may be slightly revised to be more generic or to combine similar questions.

#### 1. Webinar #48 RECORDING

In case you missed any part of the May 15, 2025, webinar, you may access the recorded video here:

"Confronting Division I Sports Subsidization and Financial Sustainability"

ACCESS RECORDING HERE

#### 2. RECOMMENDED RESOURCES

- Zotos, Connee. "Constructing a Tiered Sports Program for College Athletics: A Cost Effective Approach to Meet Equity Standards and Preserve Participation Opportunities." A "how to" guide for athletics administrators confronting cost-cutting and gender equity challenges who wish to maintain the institution's commitment to keeping all existing sport opportunities. Access here.
- The Drake Group. "Congressional Briefing Paper and Recommendations Preliminary Assessment: Title IX and Other Implications of the Proposed Settlement of House v. NCAA, Hubbard v. NCAA, and Carter v. NCAA on Intercollegiate Athletics Programs." A detailed analysis of the projected impact of the settlement and the challenges that will be faced by athletics administrators. Access here.

#### 3. UNADDRESSED QUESTIONS FROM WEBINAR ATTENDEES

Following are answers to questions from attendees that panelists did not have time to address. Responses are from The Drake Group Education Fund (TDGEF) and The Drake Group experts and/or panelists. Answers include any panelist or attendee responses from the chat area deemed helpful. General comments by attendees that were not phrased as questions are not included.

Q1: How will the proposed *House v. NCAA* settlement impact strength & conditioning (S&C) coaches? The Head S&C or Performance Coaches at the top 30 football and basketball revenue schools make a lot of money but their assistants usually don't. Also, these performance coaches are often tied to the head football or basketball coach. For example, if the head football coach leaves for another position at another school the head S&C coach for football will usually go with him. For non-revenue sports or at smaller schools with limited resources these performance coaches usually aren't paid much. How can smaller D-1 programs or others at larger D1 programs in non-revenue sports afford to pay performance coaches?

**A1:** Unreasonably inflated salaries are functions of BOTH the generation of significant football and basketball program revenues AND the fact that institutions are not providing sufficient compensation and benefits to athletes. The money not used for athlete labor is used instead to provide favorable head coach employment packages and fulfillment of their wishes for sport-specific support staff – both with regard to numbers and salary levels. Increasing athlete compensation and benefits should be a deterrent to at least these latter support staff excesses. However, that being said, if the institution allows revenue-producing sport staff expenses to continue at current levels, what gives will be support of non-revenue sports, both staff and operating expenses. Herein lies the true dilemma of the proposed settlement. The move to pay-for-play with each revenue sport spending whatever they generate could leavs non-revenue sports out in the cold. The traditional "united fund" use of all revenues to fund more than just revenue sports would be lost. Schools without sufficient donor and other athletics-generated resources will then eliminate non-revenue sport programs or reduce their staff salary and operating expenses to minuscule levels if institutional subsidies are not increased.

For schools not opting into the settlement pay-for-play revenue sports model, strength and conditioning coaches have been a luxury item with a head coach serving all sports teams and using graduate assistant S&C coaches working on meeting certification requirements meet staffing needs. Limited resource program should encourage academic units to offer majors or minors in S&C. Such programs can use teaching faculty to fulfill athletic program part-time S&C positions.

## Q2: How common are endowed head coach positions? Are they on par with endowed professorships?

**A2:** Some institutions have experienced success in endowing head coach positions but nothing similar to higher education's enormous success raising funds for endowed faculty chairs. In the pre-NIL era, most athletic programs focused their fundraising on capital projects and not seeking endowment funds. One of our panelists noted an athletic director saying, "Why should I raise money for an endowment when I know the university will cover my losses?" With the financial elements of NIL and direct payment from institutions coming to fruition in a post-House reality, monies that might have gone to such endowments will pay college athletes.

Q3: Why is athlete tuition revenue not included in the finances for athletic departments when scholarship expenditures are? This would reflect revenue for tier 2 and 3 sports...especially those with large rosters and minimal scholarship support? Many mid-major sports would show net positive operating expenses.

**A3:** Tuition is usually tracked for credit bearing courses but not extra-curricular activities. That being said, the athletic director should include this information as a part of his or her justification for annual budget requests. Many schools do acknowledge the athletic program as a critical student recruiting asset and enrollment/retention driver.

### Q4: Isn't there a movement to allow the so-called non-revenue a/k/a "Olympic sports" creating regional sub-conferences to lesson travel and costs of D1 teams, even including P5/P4 teams?

**A4:** We have no data to date about the implementation of this strategy, which has frequently been suggested as a method of reducing expenses of non-revenue sports generally and as a strategy responding to increased travel stresses and costs associated with the last two bouts of conference realignments that produced more conferences with national rather than regional footprints.

Q5: Does anyone see an inherent dilemma in a non-profit organization benefiting from considerable tax benefits running a professional sports model absent total separation from the University with the professional entity paying for all institutional benefits - use of brand, use of facilities, and receiving no tax benefits for contributions, etc.?

**Q5:** The IRS has told outside booster collectives that overtly pay for play under the guise of employment programs, that these collectives are not eligible for 501(c)(3) tax exempt status. Higher education institutions are 501(c)(3) non-profits. This question appears to be in order for the IRS to consider.

#### Q6: If athletes are truly employees, then why are they not allowed to unionize?

**A6:** The National Labor Relations Act applies only to private organizations. Most athletics programs are public institutions subject to state laws regarding employee unions. There was an effort by the Northwestern University football team to apply for unionization which was approved by the Region 13 NLRB office but when appealed to the national board, that board opined that the issue of college athlete unionization should be considered by Congress. Last year, the Dartmouth University men's basketball team applied for recognition but withdrew its application prior to any decision.

## Q7: Do you think the NCAA should (and would) mandate that every NCAA Faculty Athletic Representative (FAR) must be selected by an independent faculty government body and have full access to athletic financial data?

**A7:** The Drake Group is on record calling for faculty senate appointment or election of the FAR and majority faculty Intercollegiate Athletics Advisory Councils with faculty members appointed or elected by the faculty senate. The majority of NCAA members have been unwilling to change their historical practice of FAR and Intercollegiate Athletics Advisory Council members serving at the pleasure of the president.

#### 4. OUR FALL WEBINAR SCHEDULE

Following a summer hiatus, our webinar series will resume on Thursday, September 18 in its usual time slot of 2:00 to 3:30ET. The fall webinar schedule will be announced at the end of August. All suggestions for webinar topics are welcome. Drop a note to Julie Sommer, Executive Director of The Drake Group Education Fund, at <a href="mailto:jsommer@realizingthepromise.org">jsommer@realizingthepromise.org</a> with your suggestions for topics and speakers.

#### 5. ACCESS RECORDINGS OF PREVIOUS WEBINARS

**CLICK HERE** to see the table of contents of The Drake Group Education Fund Video Library for recordings of all 48 previous webinars including the full proceedings of the 2022, 2023, 2024, and 2025 Allen Sack National Symposia.

#### 6. QUESTIONS ABOUT THE DRAKE GROUP EDUCATION FUND

The Drake Group Education Fund (TDGEF) is the 2-year-old 501(c)(3) non-profit education sister organization of The Drake Group (TDG) whose mission is to ensure that the promise of college athletics is realized for all stakeholders. TDGEF produces *The Allen Sack National Symposium on Integrity in College Sports* and the *Critical Issues in College Sports Webinar Series*, conducts fact-based research on intercollegiate athletics and develops position papers and other educational materials that influence public discourse on current issues and controversies in college sport. To access a full library of print and video educational materials on current issues in intercollegiate athletes, visit <a href="https://www.thedrakegroupeducationfund.org">www.thedrakegroupeducationfund.org</a>. All educational materials are available free of charge. If you believe The Drake Group Education Fund is doing good work, please also consider making a tax-deductible donation to support our webinars, educational research, and programs. You can donate to support what we do <a href="https://example.com/here-education-number-education-nu

**The Drake Group** (TDG), a sister organization to TDGEF, was founded in 1999, and is a 501(c)(4) non-profit organization whose mission is to educate policymakers and advance legislative initiatives that foster academic integrity and athlete well-being in intercollegiate athletics. For the most current information on The Drake Group and college athletics-related bills being considered by Congress, visit TDG <u>HERE</u>. TDG needs volunteers to contact their senators and representatives to advance collegiate athletics reform legislation. Learn about legislation and <u>VOLUNTEER/JOIN HERE</u>.

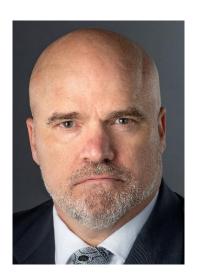
#### 7. THANKS TO OUR WEBINAR #48 PANELISTS



MICHAEL F. CAVANAGH, Moderator, Writer and Independent Researcher. As a researcher, Cavanagh focuses on the affordability issues in Division I college sports at a time of record student loan debt. He is the former president of Cavanagh Associates, an association management, marketing, and public policy consulting firm where he was involved in the launch and management of eleven successful associations, usually with Cavanagh serving as founding executive director.



INGRID WICKER McCREE, Ed.D., Former Director of Athletics, North Carolina Central University. She was the first woman to hold the permanent title as the Director of Athletics at North Carolina Central University and is one of the longest-tenured athletic directors in NCCU history. She led the transition of NCCU from NCAA DII to NCAA Division I FCS membership in 2011. She began her career at NCCU as the head coach for women's volleyball and softball and later became the first coach in NCCU history to win conference championships in multiple sports. She was inducted into the NCCU Athletic Hall of Fame in '04, the George Washington University Hall of Fame in '12, and was later selected for induction into the CIAA John B. McLendon Hall of Fame in February '16.



B. DAVID RIDPATH, Ed.D. Professor of Sports Business at Ohio University in the College of Business, author, and former collegiate coach. He is often cited in worldwide media outlets as an expert on NCAA matters. Dr. Ridpath has appeared before Congressional committees and serves as an expert witness in numerous legal cases involving NCAA issues. An accomplished researcher, he has authored over 30 academic journal articles, 10 academic book chapters and monographs, and two books: Tainted Glory: Marshall University, the NCAA, and One Man's Fight for Justice and Alternative Models of Sport Development in America: Solutions to a Crisis in Education and Public Health.



NICHOLAS ZEPPOS, J.D., Chancellor Emeritus, Distinguished Professor of Law and Political Science, Vanderbilt University. Nicholas S. Zeppos rejoined the law faculty in 2020, where he teaches and studies civil procedure, after serving for more than a decade as Vanderbilt University's eighth chancellor. An esteemed legal scholar, teacher, and higher education leader, Chancellor Zeppos was honored in November 2019 with two new appointments as University Distinguished Professor and Cornelius Vanderbilt Chancellor Emeritus Chair, the highest appointments a university can bestow. He joined the Vanderbilt law faculty in 1987 and served as a professor of law and associate dean before joining the university administration as associate provost for academic affairs and vice chancellor and provost. He was named chancellor in 2008.



CONNEE ZOTOS, Ph.D., Senior Associate, Sports Management Resources, former Director of Athletics at Drew University. Dr. Zotos spent 42 years working in higher education as a sports management faculty member, college coach, and university athletic director. She was a head coach for 12 seasons at both NCAA Division II and Division III institutions and three-time Conference Coach of the Year. Dr. Zotos is a noted speaker and author in the areas of tiering a college athletic program, Title IX, and coach evaluation, employment, and compensation packages. During her tenure as Director of Athletics at Drew University, the Rangers enjoyed the most successful period in the history of the intercollegiate athletics program. Dr. Zotos is a member of the Sports Halls of Fame at Drew University and Rowan University, and a recipient of a NACWAA Athletic Administrator of the Year award, the Garden State Award for Enduring Leadership in College Athletics, and the Women Leaders in College Sport Nike Lifetime Achievement Award.