# FORECASTING THE FINANCIAL TRENDS FACING INTERCOLLEGIATE ATHLETIC PROGRAMS OF PUBLIC INSTITUTIONS AS IDENTIFIED BY ATHLETIC DIRECTORS OF THE ACC, BIG 12 AND SEC CONFERENCES

A Dissertation

by

JASON COY PENRY

Submitted to the Office of Graduate Studies of
Texas A&M University
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

August 2008

Major Subject: Educational Administration

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ABSTRACT

Forecasting the Financial Trends Facing Intercollegiate Athletic Programs of Public Institutions as Identified by Athletic Directors of the ACC, Big 12 and SEC Conferences. (August 2008)

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The purpose of this research was to provide a forecast of financial trends in major intercollegiate athletics over the next 15 years for strategic planning purposes. This study focused specifically on the trends of revenue generation and cost containment in the athletic departments of the public institutions in the ACC, Big 12 and SEC Conferences. Most of these large programs are expected to externally produce a majority of their fiscal resources and compete at a high level. This forecast is important because of administrator's increasing difficulty to find the fiscal resources to adequately subsidize their program. The mixed methods study uncovered the myth that intercollegiate athletic programs are in great fiscal health and outlined where leaders in intercollegiate athletics think the future will take us. Over 35 forecasts were identified through interviews with an intercollegiate athletic conference commissioner and an intercollegiate athletic consultant and were then rated by a panel of athletic directors from the aforementioned conferences based on their desirability, impact and likelihood of occurrence.

After two rounds of a Delphi procedure, it was determined that over half of the issues, should they occur, would have a high impact. None of the 35 issues were rated as having no or low impact. One issue was rated as having the highest possible likelihood of occurrence. The issue was that employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the

general, national rate of inflation. 32 issues were rated as having between a 21-80% chance of occurring, while two issues were given only a 0-20% chance of occurring within the next 10-15 years. The first forecasted that football scholarship limits will be lowered from 85 over the next 10-15 years. The second forecasted that an antitrust exemption will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. Over one-third of the issues obtained consensus in two of the three areas rated. Three of the issues obtained consensus in all areas rated.

ACKNOWLEDGEMENTS

I would like to thank my doctoral committee for keeping me focused on the main goal throughout this process: the end. To Dr. John Hoyle, thank you for encouraging me to finish. I admire you for your ability to balance research and service. It is obvious that you believe that your primary purpose as a professor is to help others. You are a great role model. To Dr. Eddie J. Davis, I took your class on higher education finance and from that point forward, I knew I wanted to research that area. I admire you for your strong leadership. You have had a major, positive impact on Texas A&M University. To Dr. Michael Sagas, you brought me to Aggieland. I am thankful that I made the long-term beneficial decision to pursue my Ph.D. I've always looked up to you like an older brother and am thankful that our paths crossed at the right time. The Texas A&M Sport Management program rose to one of the top five in the country under your leadership. I look forward to following your professional success and our continuing friendship in the future. To Dr. Gregg Bennett, I have always felt welcome to talk academics, college athletics, coaching or little league baseball. You are a great role model and someone I have learned from professionally. I admire your work as a husband and father and then academically.

In the end, it is my family that has allowed me to be at this point in my life. Mom and Dad, you gave me the freedom to map my own path and follow my passions. Although I have fallen many times, you have always been there to pick me up and help me learn from my mistakes. I love you both dearly. As for Robbie, Patrick, Brooke and Cate, I love you. I have never had a bad day when you are part of it. It makes me happy to think of the next time we talk or visit.

To my wife Erin, without your encouragement and support, I would not have finished this degree. It was easy to put it on the backburner for days and then months, but you always reminded me of what was important: finish what I started. You helped me to prioritize. You were always willing to help proofread and suggest edits. You were always there when I needed advice. As far as I am concerned, we share this degree. I would not have finished it without you. In the future I hope that in some way this degree

helps our family. Whether it does or does not, one thing I know, we will be just fine with a strong love, understanding and enthusiasm for each other. I love you; it is just me and you kid! Let's continue to laugh and enjoy everything that comes our way.

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# CHAPTER I

## INTRODUCTION

Leaders of higher education find it increasingly difficult to find the necessary fiscal resources to adequately fund their institutions. Departments of athletics know about the difficulties of funding. Expectations exist for leaders of major college athletic programs to stretch existing dollars, contain and cut existing costs, produce additional revenues, while they remain competitive to appease the stakeholders of their programs.

The disposition of intercollegiate athletics, specifically collegiate athletic finance, has changed exponentially since its founding. Title IX, the facilities arms race, and increasing pressures from alumni to produce winning teams, among the other things, significantly increase most major college athletic department's budgets. Another area of concern for athletic administrators is higher education leaders believe intercollegiate athletics should not be an enterprise funded at the expense of academic programs.

Empirical evidence shows the enormity of the current landscape. Intercollegiate athletic expenses are increasing at an enormous rate. In 2005, the National Collegiate Athletic Association (NCAA) commissioned a report that found that the operating athletic expenses rose as much as three times faster than overall institutional spending in the past five years (Litan, Orszag & Orszag, 2005). Also, the cost of building intercollegiate athletic facilities has been well documented. In late 2005, the *Sports Business Journal* reported that spending on intercollegiate athletic facilities within the past decade has reached $15.2 billion (King, 2005).

According to the NCAA's official report on revenues and expenditures, the majority of college athletic programs struggle to balance between revenues and expenses (Fulks, 2002). Even with large institutional financial support, deficits are increasing each year. The financial pressure on athletic programs is due to a number of rising costs. The areas of increasing costs include: scholarships, equipment, Title IX compliance, and salaries for coaches and personnel, all which contribute to the current financial situation

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The dissertation follows the style of the *Journal of Sport Management*.

many athletic administrators are facing (Goff, 2000). Most intercollegiate athletic departments have only two sports that produce revenues: football and men's basketball (Fort, 2003; Noll, 1991; Sheehan, 2000; Sperber, 1990). In light of declining revenues and increasing costs, athletic administrators are seeking ways to maintain competitive programs (Sheehan, 1996).

***Problem Statement***

Major intercollegiate athletic programs, despite large revenue producing stadiums and fan bases, struggle financially. The *Sports Business Journal* reports that, based on 2004-2005 financial data, excluding institutional support, 95 of the 117 the NCAA Division I Football Bowl Subdivision athletic programs lost money (Zimbalist, 2007).

According to the NCAA (2006), research shows that spending in NCAA Division I intercollegiate programs has outpaced that of higher education anywhere from two to three times in the last eight years. Since the 1970s, Padilla and Baumer (1994) explain the typical major athletic departments' budgets increases nearly 20% on an annual basis. NCAA President Dr. Myles Brand expresses concern that the budget growth needs heavy scrutiny before budgets become unsustainable (Carey, 2006). A report released by the NCAA (2006) Task Force on the Future of Division I Intercollegiate Athletics, echoes Brand's concerns in the following statement, "There is significant stress in the system with rising operational costs and capital expenditures".

The current financial landscape of major intercollegiate athletics should be a concern due to the difficulty to contain costs because of gender equity compliance issues and other higher education costs (Howard & Crompton, 2005). Since expenses are so difficult to contain, there is a relentless focus of increasing revenues (Howard & Crompton, 2005).

While the larger NCAA Division I Football Bowl Subdivision schools with higher revenues struggle to keep their budgets under control, a number of smaller Football Bowl Subdivision schools face even greater budgetary problems, as they are expected to compete on the same level as programs with a operating budget 1,000%

greater (Litan et al., 2005). According to Suggs (2003), a wedge has been placed between the larger haves (Football Bowl Subdivision schools of the Atlantic Coast Conference (ACC), Big 12, Big East, Big Ten, Pacific 10 (PAC10), and Southeastern (SEC) Conferences) and the smaller have-nots (Football Bowl Subdivision schools of Conference USA, Mid-American, Mountain West, Sun Belt, and Western Athletic (WAC) Conferences); however, there has yet to be a fiscal management study focused on the larger Football Bowl Subdivision programs. Litan et al. (2005) and Fulks (2002) focused on all NCAA Division I Football Bowl Subdivision schools programs, but do not focus on the top six major college athletic conferences. This causes glaring gaps in the literature. Currently, the larger NCAA Division I Football Bowl Subdivision athletic programs conferences wield the most power and influence, while the other half of the smaller Football Bowl Subdivision athletic programs continue to fall behind in all areas, including operating budgets, facilities, and coaches salaries (Suggs, 2003).

***Purpose of Study***

This study provides a forecast of financial trends of major intercollegiate athletics over the next 15 years for strategic planning purposes. The focus of this work is on trends of revenue generation and cost containment in the athletic departments of the public institutions in the ACC, Big 12, and SEC Conferences. Most of these large programs expect to produce a majority of the fiscal resources, and by doing so, become financially self-supporting.

This forecast is important because of administrator's increasing difficulty to find the fiscal resources to adequately subsidize their program. The study uncovers the myth that intercollegiate athletic programs are in great fiscal health and outlined where leaders in intercollegiate athletics think the future will take us.

According to Suggs (2003), major college athletic directors have many things to consider as they prepare their programs for the upcoming decades. There are a number of prospective and significant changes that may affect the landscape of major college athletics, including continuing conference realignments, a possible NCAA Division I-A football playoff, and major rules changes for academics for NCAA members (Suggs,

2003). The only certainty in the current fiscal landscape is this: if you are going to compete at the highest level, you need ample resources (Suggs 2003, Fulks 2002).

Forecasting must take place in order to provide intercollegiate athletics leaders with the knowledge and information necessary to get a handle on the current landscape through strategy (Makridakis, 1990). According to Makridakis (1990), leaders can "better anticipate the future by establishing long-term visions and formulating general strategic directions that could help their organizations change in order to cope better with what is ahead." Long-term forecasting helps provide a general direction to where an industry is headed and uncover major opportunities and threats (Makridakis, 1990). Without forecasting, "no planning or strategy is possible" (Makridakis, 1990).

This study may serve as a precursor for strategic plans of larger Football Bowl Subdivision athletic programs. Forecasting will gather the assumptions that are needed to serve as a basis for future planning (Makridakis, 1990). Leaders who understand trends prepared to meet challenges (Buckner, 2003).

***Research Objectives***

- Identify and analyze the influences on the increasing costs and slowing revenue in larger NCAA Division I Football Bowl Subdivision athletic programs.
- Identify current efforts underway to contain costs and grow revenues within larger NCAA Division I Football Bowl Subdivision athletic programs.
- Develop alternative (i.e. most probable, most ideal) scenarios (current fiscal influences, what is currently being done to slow expenses and grow revenues, and a scenario to guide the future) forecasting the future fiscal support for larger NCAA Division I Football Bowl Subdivision athletic programs.

***Procedures and Methods***

*Data Sources:* In this two-part study, there were two sources of data. A conference commissioner and an athletics management consultant were used in the first qualitative study via an interview. These two participants provided thick and rich data because of their frequent and extensive work with college presidents and athletic directors.

The second part of this two-part study included directors of athletics (N=30), who are experts in the financial management of individual athletic departments. Information from the conference commissioner and consultant was refined and prepared for the distribution to the directors of athletics. The study was limited to the public institution athletic departments within the ACC, Big 12 and SEC conferences (N=30). These three conferences have institutions located primarily in the Midwest, eastern and southern states. A listing of these schools can be found in Appendix A. These three, 12-member conferences that are most like because they are the only major conferences divided into subdivisions of six and that hold a conference football championship game.

*Data Collection:* The data was collected confidentially through qualitative and quantitative measures. Initially, a qualitative exploratory poll was conducted to forecast the trends of revenue generation and cost containment in major college athletics. Participants included one of the eleven NCAA Division I Football Bowl Subdivision conference commissioners and an athletic management consultant. The subjects, coupled with a review of literature, defined what the forecasted trends are in preparation of the quantitative study.

The second part of this study was conducted quantitatively and qualitatively through utilizing a quasi Delphi technique. This technique solicits expert opinion on a particular subject without a face-to-face meeting, and avoids the possible issues of groupthink that has been known to arise from focus groups (Witkin & Altschuld, 1995).

*Data Analysis*: After the data was identified via the conference commissioner and intercollegiate athletics management consultant, and then ranked on likelihood of happening by the directors of athletics, it showed what predicted trends will occur within the next 15 years. Using the data of trends forecasted in the qualitative study, the Delphi process was used to "prioritize the critical issues and problems" of major college athletics finance (Wicklein, 1993).

After the initial opinion is obtained, the data was aggregated and then the panel received feedback. They were then asked for their updated rankings in another round of polling. The questionnaire was repeated until a consensus is arrived or the panelists

indicate that they are not willing to consider changing their answers. This data forecasted the financial trends facing the major intercollegiate athletic programs of public institutions as identified by NCAA Division I-A directors of athletics. The Delphi poll seeks to help with long-term, strategic financial planning for the major college athletics. According to research, no planning can be done without proper planning (Makridakis, 1990). This study may give planners the assumptions necessary to create viable strategic plans.

***Organization of the Remainder of Study***

Chapter II is a review of the existing literature related to the higher education and intercollegiate athletics finances and the use of the Delphi technique. It identifies competing perspectives, theoretical and conceptual frameworks, a synthesis of the research, critical analysis, and conclusion of the literature review and how it was arranged.

Next, chapter III entails the methodology of this study. It explores which method was used to help find solutions to the problem outlined in Chapter I. The chapter started with an introduction, gave a research perspective design, questions and hypotheses, subjects, participants, population, sample, research variables, instrument, data collection procedures with statistical analysis, bias and error, validity, trustworthiness, reliability, and summary.

Chapter IV presented beliefs of the conference commissioner, athletics consultant, and directors of athletics and outlined exactly what fiscal trends will occur over the next fifteen years. The chapter started with an introduction and includes the results, a methodology summary, population, sample, participants, and closed with a summary and transition into chapter V.

In the final chapter, the findings were outlined and conclusions were drawn from the findings and theoretical framework. Then, a summary was given along with a discussion of the results. A summary statement followed with implications for future research, practice, and recommendations. Then, as outlined, the relationship of the results to theory, limitations, and then close with a summary and conclusion.

# CHAPTER II
# LITERATURE REVIEW

The purpose of this chapter is to describe the literature related to the objectives of this study. This review has been sorted into five sections. First, the evolution of higher education finance is examined. Secondly, the evolution of intercollegiate athletics finance is explored. Next, the role of the director of athletics, conference commissioner, and intercollegiate athletics consultant is analyzed. Finally, is an explanation of the Delphi technique, followed by its relation to studies within intercollegiate athletics.

## ***Evolution of Higher Education Finance***

Early in our history, Americans became aquatinted with the importance of education for the public good and that support of public education was the proper function of government. Since its inception, the fiscal health of higher education institutions largely relied on tuition payments and philanthropic gifts (Thelin, 2004). In the 1800s both of these areas were heavily relied on for decades because state support of higher education was inconsistent (Thelin, 2004).

A significant event in higher education was the Morrill Act of 1862. Funding from this legislation allowed the states to create more state controlled public institutions. States were allowed to use the funds as they saw fit. The major stipulation was that they maintained the fund as a perpetual endowment invested at five percent and used the income to establish and maintain institutions that, in addition to traditional college subjects, also included instruction in agriculture, the mechanical arts, and military tactics; and made an annual report of the results (Ross, 1969).

Finding the proper fiscal resources was imperative because colleges competed for the best faculty talent and to provide lavish resources for their students and faculty (Thelin, 2004). Even in the early 1900's the ambitious and competitive institutions' boards and administrators learned very quickly of the difficulties of funding their schools on an annual basis (Thelin, 2004).

With the influx of federal funds from the Servicemen's Readjustment Act of 1944 the government primarily left the management and policy making to the

institutions believing the learned men of academe were better qualified for such decisions (Zumeta, 1998).

In the 1960's there was a tremendous increase in the consolidation of higher education systems. Multi-institutional coordination required a great deal of planning and institutions were expected to justify their requests for money and approval for new programs (Hartnett, 1971). Many system boards found themselves making strategic decisions on budgets, facility plans, closing down programs that overlap among system members, and creating new programs (Thelin, 2004).

The reaction to the turmoil and disturbances on campuses in the late 1960s is a second force driving movement for accountability in the 1970s. Political action by students and faculty cased a mounting distrust of higher education by the public. Alumni, parents, and others demanded that colleges and universities justify what they were doing and report on the effectiveness and efficiency of their operations (Hartnett, 1971; Ohmann, 2000). These factors prompted the creation of the outcomes-based assessment models at Alverno College and Southwest Missouri State in 1973 (Miller, 1990) and the first performance funding program in Tennessee create in 1979 (Zumeta, 2001).

Around 1970 there was a sharp increase in the interest in accountability in higher education. Economics was one of the main forces that drove the movement. Budgets were tight because of spending for the Vietnam War. Also, there was a rearrangement of government priorities, with greater attention going to poverty, race relations, and ecological problems (Harnett, 1971). The rising costs of education correlated with an overall decline in the American economy (Hartnett, 1971).

The national recession of the early 1990s brought new urgency to the demands for higher education accountability. Business leaders who had to improve efficiency, cut costs, and improve production and quality looked to government and higher education to do the same. These business leaders and the rest of the public who supported higher education wanted to be sure that their money was spent wisely.

The states were in a financial crisis themselves. State appropriations for higher education continued to fall. Annual budget cuts became common (Burke, 2002). Because higher education could raise funds through tuition increases and grants, it became an easy target. To help justify public spending on higher education, states passed legislation mandating performance reporting.

There seems to be little evidence to indicate that state and campus policy makers are making substantial use of these reports in their planning and decision-making. The lack of financial consequences may explain this. Programs without budget impact get little attention on campuses and state capitals. Performance funding is the next logical step.

The recession and competition for funding by other state agencies limited the funding available for public higher education, making performance funding an attractive policy alternative. Criticism about the rising cost of attendance, inefficiency, and poor performance and productivity also fueled the interest in making higher education institutions feel the impact of their performance in their budgets. There are still many hurdles to cross before a performance funding program can successfully be implemented and maintained. These historical shifts, all occurring in the 1980s and 1990s led policymakers to question the efficiency of higher education, specifically as it relates to the dwindling coffers of state treasuries. Efficiency and productivity are the key concerns of the state legislatures. This is evident in the percentages of indicators that focus on resource allocation (process indicators) and the mid to late 1990s growth in states adoption of performance funding programs.

Accountability measures represent a relatively new movement in higher education. Public demand, growing economies worldwide, and the concern of providing a quality educational access to a fast-growing, racially diverse population have motivated policymakers and the citizenry at-large to question the role of higher education as a benefit to society (Power, 1990; Ewell & Jones, 1994; Zumeta, 2001). Concern over the responsible use of public resources, however, is not exclusive to the United States. Rather similar concerns have been raised worldwide, particularly in

Europe since the mid 1980s and into the 1990s (Power, 1990; Neal, 1995). As state and national budgets become tighter and further fiduciary responsibility is demanded by stakeholders, higher education is being called upon to produce an efficient, high quality product, emphasizing institutional improvement and external accountability (Ewell & Jones, 1994; Ruppert, 1995; Bogue, 1998; Burke & Modaressi, 2000; Zumeta, 2001).

Historically, budgeting in higher education centered on formula budgeting (Serban, 1998). This involved collecting information on demand and cost of a program, and making projections on program trends. The larger the program and the larger the student body resulted in larger institutions receiving more resources from the state. The problem with formula budgeting is mathematical in nature. If a program has many students, then dollars are allocated based on an algebraic formula that factors a student's major, along with a headcount. Quality was not taken into account. Zumeta's (2001) notion that money could simply be "left on the stump" with few questions asked clearly resonates in this case. While formula funding is still in existence (as of the mid 1990s, approximately 30 states were still using this method), the appearance of performance-based funding in higher education showed considerable growth (Serban, 1998).

Performance funding "links funding to measurable results, thus making funding contingent on accomplishment (Serban, 1998, p. 21)." Since 1997, Joseph Burke (2002) and his associates at SUNY-Albany's Rockefeller Institute of Government have conducted yearly surveys on accountability and its' connection to state funding. A number of findings based on a review of his work indicate a number of trends. First, funding based on accomplishment of state goals and priorities, while on the increase through the late 1990s, appears to be tapering off (Burke & Minassians, 2002). This is, according to Burke, due in part to economic recession. States simply do not have additional funds for higher education and some states simply do not consider higher education a high priority in comparison to other public sector activities (Mumper, 2001; Zumeta, 2001). Second, in place of performance funding, states are adopting a less controversial method of holding higher education accountability through the use of performance reporting. Burke & Minassians's 2002 survey to state higher education

finance officers show 46 out of 50 states utilizing performance reporting. Performance reporting suggests more of a public relations function, outlining accomplishments of higher education without the fiscal consequences for poor performance. Given an apparent or perceived lack of commitment on the part of policymakers to financially reward excellence, we can infer that performance funding has an uncertain future nationwide.

Overall, there have been many learning curves and shifts in higher education funding. In the beginning, many institutions relied on tuition payments and donations. Then there was a shift to more state fiscal support. However, higher education funding being more and more limited at that level due to many state programs (e.g. street and highway building and repair, beaches, parks, prisons, and health care) being in dire need of funding (Schuh, 2000). In the 1990s, many of the top university president's succinctly outlined the current landscape of state funding for their institutions: "'We used to be state supported; then we were state assisted; and now we are state located'" (Thelin, 2004, p. 359).

## ***Evolution of Intercollegiate Athletics Finance***

### History

As outlined, leaders of higher education have found it increasingly difficult to find the necessary fiscal resources to adequately fund their institutions. Intercollegiate athletic programs face the same fiscal difficulties. In the current environment, administrators struggle to balance spending to stay competitive in a highly charged enterprise. What makes it so difficult is their revenues depend on a number of changing factors from year-to-year (NCAA, 2006). The disposition of intercollegiate athletics, specifically intercollegiate athletics finance, has changed exponentially since its founding.

In the middle of the nineteenth century, as new institutions of higher education were being built and existing institutions were expanding, a rite of passage in American higher education arose: intercollegiate athletics. The landscape of intercollegiate athletics has drastically changed from 1852 to the present day. Today, there are over

2,100 American higher education institutions with intercollegiate athletics programs that participate in the NCAA, National Association of Intercollegiate Athletics (NAIA), National Junior College Athletic Association (NJCAA), and California Junior College Athletic Association (CJCAA).

Since the beginning, academics have, more often than not, been the top priority of institutions of higher education. As time went on, administrators understood their institutions needed more than academics for their students. In order to create a diversion to the rigorous demands of academics, administrators implemented extracurricular activities such as intramural sports, fraternities, and intercollegiate athletics. As Thelin (2004) stated, "Since the 'collegiate ideal' emphasized character and teamwork, varsity sports flourished as a visible, highly valued component of that ideal. From the start, intercollegiate athletics had been a source of intense rivalry among students" (p. 177). American intercollegiate athletics started in 1852 as Harvard and Yale pitted their crew teams against each other on Lake Winnipesaukee in New Hampshire. Harvard won the two-mile race. Although the participants didn't realize it at the time, they were participating in a far reaching, historical contest that set the anchor for intercollegiate athletics.

As time went on, many schools founded their own intercollegiate athletics programs. They were developed from humble and unusual beginnings. The first intercollegiate football game took place on November 6, 1869 when Rutgers University faced its neighbor Princeton; Rutgers won the game 6-4 (Dunnavant, 2004). The contest was played with rules much different than the present day. The game was significant because it was the first contest in the sport that is now the most popular and traditionally produces the most revenue in many intercollegiate athletics programs. In fact, most intercollegiate athletic departments have only two sports that produce revenues: football and men's basketball (Fort, 2003; Noll, 1991; Sheehan, 2000; Sperber, 1990).

As most extracurricular activities were established, they were set up to be "run for and by students" (Thelin, 2005, p.178). Initially, the responsibility of scheduling contests, coordinating travel, and the maintenance of facilities was shouldered by student

managers (Thelin, 2005). Further, the captain of each team typically served as a playing coach; volunteer alumni would also serve in the same capacity. Eventually, at the more predominant athletic programs, formal organizations "athletic associations" were established and loosely affiliated with the institution (Thelin, 2005). These organizations were still managed by the students and financed by student fees and donations (Thelin, 2004). Between 1890 and 1910 the typical athletic association underwent a transformation from being directed by students to being directed by full-time athletic directors and coaching professionals paid from the aforementioned fees (Thelin, 2004). The transformation created the present day structure of intercollegiate athletic programs.

**Emerging Structures in Intercollegiate Athletics**

As the structure of individual athletic departments and programs became more formal, the creation of athletic playing conferences arose. The Big Ten Conference was established after a meeting of seven Midwest university presidents on January 11, 1895 at the Palmer House in Chicago, where they met to discuss the regulation and control of intercollegiate athletics (2007). At the meeting, a framework for the control and administration of their intercollegiate athletics programs was laid out. The Big Ten Conference presidents' first-known action was to restrict the eligibility to athletics to only full-time students who were in good academic standing (2007). That action, especially excluding the participation of professional athletes and "non-students" in contests, laid the framework for decades to come. The Big Ten legislation served as the primary building block for amateur intercollegiate athletics.

A new found structure in intercollegiate athletics was now in place in the form of departments and conferences. With the new structure, new full-time professionals (athletics directors and coaches) sought to make their programs as successful as possible. One of the most innovative leaders during this timeframe was Yale alumnus and athletic director Walter Camp (Thelin, 2004). Camp, who was called the "Father of American Football," focused his attention on building a successful football program by providing the coaches and student-athletes the proper resources such as equipment (Thelin, 2004).

This model was emulated by many other athletic directors (Thelin, 2004). Also Camp, more than any one individual, created the American version of football that became the dominant college sport, and thus in a way, shaped the course of all intercollegiate sports in America (Thelin, 2004). Following Camp's lead, many directors learned that they had to provide the resources to make successful programs. Camp is a prime example of how powerful men helped give direction to American intercollegiate athletics during the period it was growing most rapidly.

One of Camp's mentorees was Amos Alonzo Stagg. Stagg left his position as the assistant football coach to take the athletic director and head football coach position at the University of Chicago (Thelin, 2004). Stagg held both positions for forty years; during that time he exploited the beneficial role of intercollegiate athletics within the university structure (Thelin, 2004). University of Chicago president William Rainey Harper thoughts were in line with Stagg's: a winning football program can be very beneficial to an institution – in both exposure and in donations (Thelin, 2004). The philosophies of Harper's and Stagg's parallel a majority of university presidents and athletic directors in the present day.

While it is widely held that a good football program can be beneficial to an institution, there was a time when the intercollegiate athletic sport of football almost did not survive. During the first introductions of the game in 1869, the intercollegiate sport of football was played in a violent manner. Many of the current rules in place today did not exist; further, there were no uniform set of rules that were followed. In 1885, Harvard actually banned football because there were too many gruesome injuries, many times in the form of broken bones, associated with the sport (Crowley, 2006). After many years of football related deaths and serious injuries, there was much propaganda for change. Seeing the brutality of the game from newspaper photos in 1904, President Theodore Roosevelt took action and called the leading college and university presidents to the White House to discuss the possible reform of intercollegiate athletics and in particular football (Thelin, 2004). At these meetings Roosevelt made it clear, either reform the game or he would seek to outlaw it permanently, perhaps even by an

Executive Order of the President himself (Crowley, 2006). The college football season produced 18 deaths and 149 serious injuries (Dunnavant, 2004). The university presidents took heed to President Roosevelt's advice. Chancellor Henry M. MacCraken of New York University convened a meeting of 13 institutions to initiate changes in college football playing rules (Crowley, 2006). At another meeting in New York City on December 28, 1906, 62 college and university presidents formed the Intercollegiate Athletic Association of the United States (IAAUS) (Crowley, 2006). Although rule changes were made and implemented, the violence of the game remained; 33 college football players were killed in games that following year (Crowley, 2006). With the formation of the IAAUS and the desire to clean up the violence of college football through rule changes, the world of American intercollegiate athletics was ever expanding. Four years after the IAAUS was formed, in 1910 the governing body of American intercollegiate athletics changed its name to the present day moniker of the NCAA (Crowley, 2006). In 1919 the Association grew to 170 institutions and was directly involved in 11 of the traditional sports such as basketball (Crowley, 2006).

**NCAA Championships**

The 1920s and 1930s saw much grow and change within intercollegiate athletics. The NCAA started sponsoring championships, the American Football Coaches Association (AFCA), Southeastern Conference (SEC), and NJCAA were formed, the Savage Report was released, and the first college football game was televised between Fordham University and Waynesburg College (Dunnavant, 2004). For several years the NCAA was a discussion group and rules-making body; but in 1921, the first NCAA national championship, the National Collegiate Track and Field Championships, was held at the University of Chicago with 45 institutions participating (Crowley, 2006). In 1939, the NCAA added the sport of men's basketball, giving the Association a total of eight championships (Crowley, 2006). The first NCAA basketball championship was not televised and even lost money. Gradually, more rules committees were formed and more championships were held (Crowley, 2006).

While there was much growth and formalization within the intercollegiate athletic world, all was not well. Ambitious coaches and athletics directors wanted their programs to win at all costs, thus causing some major improprieties. The improprieties became so commonplace that in 1929 the Carnegie Foundation for the Advancement of Teaching, under the leadership of Howard Savage, studied the state of intercollegiate athletics over a three-year period (Thelin, 2004). The Savage Report on university athletics was published in October 1929 and garnered national headlines (Thelin, 2004). The study found that: (1) intercollegiate athletic programs failed to teach the social benefits that were suggested as a reward for participation; (2) college athletics can help develop in participants certain moral qualities that are already present; (3) both positive and negative behaviors and values may be reinforced; (4) 70% of the colleges offered some form of athletics-related subsidy (Thelin, 2004). Further, the study suggested that intercollegiate athletics was drifting too far away from the control of college and university presidents and suggested that the presidents take control of their athletic programs (Thelin, 2004). The report angered most leaders of intercollegiate athletics; however, the report's findings were backed with empirical evidence, thus giving the report credence. While the report brought many abuses, such as athletes neglecting away from the academic work, occurring within intercollegiate athletics to the national spotlight, little major change occurred after the report's release. In fact, college athletics officials devoted more attention to growing their sports rather than curbing excesses and expenses (Thelin, 2004).

After the release of the Savage Report in 1929, university presidents and athletic directors worked to increase accountability within intercollegiate athletics by forming conferences (Thelin, 2004). Following the formation of what is know known as the Big Ten Conference in 1895, another super conference was formed in 1932 at the annual Southern Conference meeting in Knoxville, Tennessee. The 13 Southern Conference members west and south of the Appalachian Mountains rearranged as the Southeastern Conference (SEC) (2007). The SEC has built perhaps the greatest tradition of intercollegiate competition of any league in the country since its inception.

The popularity of intercollegiate athletics, and college football in particular, continued to soar. The American Football Coaches Association (2005) was founded in 1922 with its top priority being the improvement of the coaching profession. There were 43 coaches at the first informal meeting in 1921 (AFCA, 2005). The first formal meeting was held Dec. 27, 1921, in New York City at the Hotel Astor, and the Association officially came into being a few weeks later (AFCA, 2005). One of the founders was the aforementioned Amos Alonzo Stagg (AFCA, 2005). As an aside, presently, the 10,000-member organization includes more than 90 percent of head coaches at the 700-plus schools that sponsor football at the college level (AFCA, 2005).

Even with the nationwide economic depression, most institutions continued to invest in their college football programs. For example, at Southern Methodist University in 1931, their governing board elected to garnish faculty wages in order to pay off debt from a new football stadium, whose plans were approved before the depression began (Thelin, 2004). Although the economic depression did have an effect on attendance, by 1935 college football attendance surpassed all of its previous attendance records (Thelin, 2004).

**Television and College Athletics**

Although at the time the leaders of WNBC in New York did not know the impact they would have, on Saturday, September 30, 1939 they helped to grow the sport of college football in enormous proportions economically (Dunnavant, 2004). On that date, the first college football game, between Fordham University and Waynesburg College, was televised (Dunnavant, 2004). The game was broadcasted on what is now WNBC in New York. The network used only one camera to show action (Dunnavant, 2004). At the time, television sets were expensive and were only held by the wealthy, so the broadcast was not viewed by many (Dunnavant, 2004). From these humble beginnings the first major sign of commercialism arose. Now multi-million dollar television deals are commonplace for the NCAA and the conferences which the institutions participate.

Before the synergistic bonding of college football and television began, the two entities had a rough start. Many member institutions of the NCAA were increasingly concerned about the effects of unrestricted television on football attendance (Dunnavant, 2004). Many thought that television would cause a downward spiral in attendance, thus drying up their major source of revenue for their athletic programs (Dunnavant, 2004). In 1951, the University of Pennsylvania President Harold Stassen tried unsuccessfully to cash in on the commercial possibilities offered by television industry in the 1950s for his Penn Quakers, a critical moment in the history of both the Ivy League and the relationship between college football and the broadcast media; however, Stassen's movement was shot down at the NCAA Convention by a vote of 161-7 (Dunnavant, 2004).

Out of Stassen's move to cash in on television revenues, the NCAA moved to systematically work to benefit all member institutions. In 1952, the NCAA signed its first, cohesive television plan when it sold its broadcast rights to NBC for $1,144,000 (Dunnavant, 2004). The plan, which was overwhelmingly endorsed at the NCAA Convention, called for limited live television in 1952, which would be controlled and directed by the NCAA (Dunnavant, 2004). The plan had two main intentions: to minimize the adverse effect of live television on attendance, spreading exposure among schools by not allowing one team to be televised more than once per year and thus not allowing for a recruiting advantage to one particular program, and secondly to market the product to the general public (Dunnavant, 2004).

Television remained quite popular while attendance finally increased, after a few years of decline. In fact, the 1954 rise in attendance would be the first of 20 straight seasons (Crowley, 2006). While attendance was steadily rising, so were the television revenues. In 1962, the NCAA football television plan sold to CBS for $5.1 million/year (Dunnavant, 2004). Four years later in 1966, ABC acquired the rights of the NCAA football television plan for $7.8 million/year and kept the plan until the advent of cable television in 1982 (Dunnavant, 2004).

**National Association College Directors of Athletics**

While television revenues and attendance were increasing, so were infractions of athletic programs. Many of these infractions were a result in a win at all costs mentality of coaches and athletics directors. In 1940, NCAA Membership permitted the NCAA Executive Committee to investigate alleged violations of the NCAA's amateurism regulations and to issue interpretations of the Association's constitution (Crowley, 2006). Shortly after this legislation passed, America went to war and the focus and intercollegiate athletics were put into perspective. Postwar World War II, the NCAA returned to the business of restoring integrity to intercollegiate athletics. The first NCAA "Conference of Conferences" was called in July 1946 (Crowley, 2006). At the conference, participants drafted a statement called, "Principles for the Conduct of Intercollegiate Athletics" and these principles became known as the "Sanity Code" (Dunnavant, 2004). The principles emerged after a small group of presidents became increasingly concerned with the way student-athletes were being recruited in an systematic, yet problematic fashion (Dunnavant, 2004). The Sanity Code "outlawed awarding of scholarships on the basis of football ability, banned off-campus recruiting, obligated member institutions to deny admission to athletes who failed to meet the school's normal academic requirements, and prohibited subsides and inducements to athletes" (Dunnavant, 2004, p. 19). The "Sanity Code" failed to curb abuses involving student-athletes mainly because the schools doing it, mainly from the south region, did not want to give up any competitive advantage (Dunnavant, 2004). At the 1951 NCAA Convention, the Sanity Code was repealed (Dunnavant, 2004). Although the code was appealed, the NCAA took matters in its own hands in 1952 and voted itself the power to punish violators of its rules; the same year the NCAA national headquarters was established in Kansas City, Missouri (Dunnavant, 2004). University presidents and athletic administrators learned that there must be a balance between focusing on finances and the integrity and mission of intercollegiate athletics.

The 1950s and 1960s saw the formation of more national intercollegiate athletics organizations. During these decades the ACC, and National Association of Collegiate

Directors of Athletics (NACDA) were all founded. In addition to the Big Ten and Southeastern Conferences, the third super conference, the Atlantic Coast Conference (2007), was founded with seven charter members during the Southern Conference's annual spring meeting on May 8, 1953 at the Sedgefield Inn near Greensboro, N.C. The National Association of Collegiate Directors of Athletics (2007) was founded in 1965 as the position of an Athletics Director became a professional position in the early twentieth century. The group was founded to promote and further develop the role of an intercollegiate athletics director (National Association of Collegiate Directors of Athletics, 2007). Today, membership includes more than 6,100 collegiate athletics administrators from all levels (National Association of Collegiate Directors of Athletics, 2007).

**Title IX**

During the late 1960s and early 1970s, intercollegiate athletics saw much change, some of it unwillingly. One of the biggest changes was a landmark decision in 1968, where freshmen became eligible in sports other than football and basketball at the NCAA Convention and four years later, freshmen became eligible at the NCAA Convention in football and basketball (Crowley, 2006). It wasn't long after the rule on freshman eligibility that the size of scope of intercollegiate athletics was changed forever through federal legislation.

Historically, men's athletic programs have received substantially more money than women's programs (Breaux, 2001). While the NCAA continued to study the issue of women's sports, a new group was formed to oversee women's intercollegiate athletics. The Association for Intercollegiate Athletics for Women (AIAW) was established in 1971 with 280 member institutions (Crowley, 2006). The AIAW was run for women, by women, and its rules -- especially regarding financial aid, transferal and recruiting -- were far different than the NCAA's (Crowley, 2006). While the intercollegiate athletic administrative establishment was slow to equitably support women's intercollegiate athletics, federal legislation sped up the process by forcing them into fairly supporting their women's athletic programs and giving new opportunities for women. On June 23,

1972, federal legislation was passed to end gender inequity in education, including sport (Breaux, 2001). Title IX states that no programs in the U.S. shall, on the basis of sex be excluded from participation in, denied the benefits of, or be subject to discrimination under any program receiving federal assistance (Breaux, 2001). The law requires women's and men's athletic programs be administered equitably. There is a three-pronged compliance test to adhere to. It includes: (1) Schools must have opportunities available that are proportionate with their students, (2) schools must be able to show a history of improving or implementing equitable opportunities, and/or (3) schools must appropriately accommodate the participation interests of their students (Blumenthal, 2005). The implementation of this legislation would severely impact the fiscal resources being funneled into men's programs. There was a complete uproar from the intercollegiate athletics administrative establishment. With support of their member's presidents, the NCAA asked Senator John Tower, a Republican from Texas, in 1974 to propose an amendment that would have excluded intercollegiate athletics from the legislation but the amendment failed (Breaux, 2001). In 1975, the NCAA president, John Fuzak of Michigan State University, wrote to President Gerald Ford, stating that "The Department of Health, Education and Welfare (HEW) concepts of Title IX as expressed could seriously damage, if not destroy, the major men's intercollegiate athletic programs" (Crowley, 2006).

These aforementioned attempts to shelter intercollegiate athletics from this Title IX legislation failed, so the NCAA began to slowly incorporate women's athletics under their umbrella. In 1980, the NCAA began administering women's athletics programs in 1980 when Divisions II and III established 10 championships for 1981-82 (Crowley, 2006). At the historic seventy-fifth NCAA Convention in 1981, the group adopted an extensive governance plan to include women's athletics programs, services and representation and the delegates expanded the women's championships program with the addition of 19 events (Breaux, 2001).

The athletic administrators and presidents who wanted to limit the scope of Title IX won a major victory when the Supreme Court ruled in 1984 that Title IX did apply to

Grove City, who had sued HEW in 1978, because Title IX only applied to those departments that actually received the federal funds (Breaux, 2001). That narrow interpretation effectively denied the application of Title IX to non-federally funded programs such as college athletics departments; however, in 1988 Congress enacted the Civil Rights Restoration Act, requiring that all educational institutions that receive either direct or indirect federal funds to be subject to Title IX (Breaux, 2001). That act restored the power of Title IX and caused the NCAA and its member institutions, to rethink Title IX and its impact yet again (Breaux, 2001).

Coaches for men's non-revenue sports appealed to Congress in 1994 for relief from Title IX regulations (Breaux, 2001). In a landmark Title IX case in 1995, a federal judge ruled that Brown University is in violation of Title IX, even though the university offers an extensive women's intercollegiate athletics program. Judge Raymond Pettine ruled that the university has failed to meet any part of Title IX's three-part compliance test; later that year the Office for Civil Rights of the Department of Education produced a document clarifying its three-part Title IX compliance test (Breaux, 2001). Brown Athletics was required to comply with the Title IX.

In the 1970s, the implementation of Title IX legislation was clearly the top story within intercollegiate athletics, but there was still much growth and reorganization. The NCAA membership was divided into three legislative and competitive divisions (Division I, II, and III) at the first special Convention ever held in 1973 (Breaux, 2001). Five years later, Division I members voted to create subdivisions I-A and I-AA in the sport of football so the top schools could get more exposure and not have to share as much television revenue with smaller, and in their mind, undeserving institutions (Dunnavant, 2004). In 1978 and 1979, the Pacific Ten and Big East Conferences, respectively, were formed, thus bringing the number of super conferences to five (Dunnavant, 2004).

The reorganization of the NCAA was in large part to the increasing fiscal pressures to keep athletic departments afloat after having to incorporate non-revenue producing women’s sports into their athletic programs (Dunnavant, 2004). Fred

Davison, president of the University of Georgia at the time of these changes, said that "Title IX was beginning to put a pretty severe strain on our programs and other like it" (Dunnavant, 2004, p. 185). In order to alleviate the fiscal pressures, the presidents and other administrators believed that football, in a free market, must be exploited. As the University of Pennsylvania president had tried almost twenty-five years earlier, football had to be used to efficiently as possible to produce revenues. The NCAA always had been aware that the television plan could be challenged under antitrust laws, but it believed its position was defensible. Until at least the 1970s, the NCAA was advised that the Supreme Court interpreted the Sherman Act as applying only to the business world. "Up until 1975, nonprofit organizations had not been subject to antitrust laws," said Thomas C. Hansen, current commissioner of the Pacific-10 Conference and a longtime administrator of the NCAA's television plan (Dunnavant, 2004, p. 195). "Then in 1975, there was a decision involving the Virginia State Bar Association and the Supreme Court that for the first time made it clear that (associations) did not enjoy blanket exemptions from antitrust laws" (Dunnavant, 2004, p. 195).

In 1981, the Board of Regents of the University of Oklahoma and the University of Georgia Athletic Association filed suit against the NCAA in district court in Oklahoma (Breaux, 2001). The College Football Association (CFA), who hoped to gain free market control of college football's television plan and steal it away from the NCAA, along with some other conferences and institutions, supported Oklahoma and Georgia both financially and in spirit (Breaux, 2001). The plaintiffs stated that the NCAA's football television plan constituted price fixing, output restraints, boycott and monopolizing, all of which were illegal under the Sherman Act (Breaux, 2001). The NCAA argued that its pro-competitive and noncommercial justifications for the plan which were to protect ticket sales, maintenance of competitive balance among NCAA member institutions, and create more of an attractive product to compete with other forms of entertainment, combined to make the plan reasonable (Breaux, 2001). The district court found in favor of the plaintiffs in 1982, ruling the NCAA football plan violated antitrust laws and it enjoined the NCAA from enforcing the contract (Breaux,

2001). After a series of appeals, the Supreme Court, by a 7-2 vote, determined that the (1982-85) NCAA Football Television Plan violated the Sherman Antitrust Act. The court said because the NCAA had failed to demonstrate sufficient pro-competitive justifications for the restraints, which involved fixing of the rights fees to be paid for the televising of games and limitations upon the output of televised college football, those restraints were unreasonable (Breaux, 2001). For years after the decision, the CFA, negotiated on behalf the major college football programs in trying to secure the best possible television contract; however, the University of Notre Dame broke ranks with the CFA in 1990 and sold the rights for its regular-season home football games to NBC (Dunnavant, 2004). In the end, instead of the NCAA or CFA serving as the lone representative for all institutions when negotiating television contracts, each conference was able to negotiate its own contract (Dunnavant, 2004). Eventually, the College Football Association board of directors voted to disband its organization, effective in June 1997 (Dunnavant, 2004).

While the 1970s was a period of change forced by legal ramifications, the 1980s was a period of scandals, ranging from providing blatantly illegal recruiting incentives; to providing extra benefits to enrolled student-athletes; to illegally changing academic records or requirements. The scandals seriously damaged the reputation of college sports. School presidents and athletic administrators took immediate action. The NCAA passed Proposition 48 in 1983 which raised the academic bar and forced athletes to meet rigorous requirements in order to be eligible for competition (Dunnavant, 2004).

After a massive pay for play conspiracy Southern Methodist University (SMU), which had previously violated NCAA policies six times within ten years, received the only death penalty ever given by the NCAA for its football program in 1987 (Dunnavant, 2004). The NCAA forced SMU to cancel the 1987 season and the school itself called off the 1988 season because of failure to field a team (Dunnavant, 2004). SMU still hasn't recovered competitively from the most severe penalty ever given.

To further promote accountability for intercollegiate athletic programs, Bill Bradley of New Jersey, a Senator and former student-athlete, introduced a bill to require

colleges to make the graduation rates of their athletics programs a matter of public record (Sperber, 2000). The bill was primarily introduced so student-athletes and their parents would have access to that information, in order to decipher whether or not the coaches that come recruiting are really serious about academics (Sperber, 2000). In October 1990, Congress approved the Student Right-to-Know Act, which requires public disclosure of student and student-athlete graduation rates (Sperber, 2000).

The trustees of the Knight Foundation, supported by a $2 million grant from the Knight-Ridder newspaper chain, created a Commission on Intercollegiate Athletics and expressed their concern that "abuses in athletics had reached proportions threatening the very integrity of higher education" (Crowley, 2006). The Knight Foundation's Report, a 47-page report released in 1991, which was the beginning of calls for presidents to be directly in charge of intercollegiate athletics, reaffirmed that presidential control of intercollegiate athletics is essential to curbing abuses (Crowley, 2006). Many of the report's findings parallel the Savage Report released in 1929.

Since the early 1970s intercollegiate athletic departments have struggled mightily to keep their finances in order, primarily due to Title IX legislation. One of the ways in which presidents counterbalanced this was by producing more revenue with television contracts. Another way they can balance the budget is through cutting expenses. As part of a report from the Special Committee on Cost Reduction, a "restricted-earnings" coaching position was first proposed (Breaux, 2001). In January 1991, the NCAA membership created the position; the legislation limited such coaches' earnings to $12,000 during the academic year and to $4,000 during the summer (Breaux, 2001). Proponents of the restricted-earnings position touted its cost-cutting features and also said it would offer opportunity to young graduate students, and perhaps even minorities, who were seeking to enter the coaching ranks; however, the positions were not filled by individuals entering the profession (Breaux, 2001). Established coaches, now restricted to $16,000 annual income, sought to change the legislation, claiming that the salary restrictions were not enough to provide a living and constituted restraint of trade (Breaux, 2001). After attempts to change the legislation failed, many of the coaches in

such positions joined forces to sue the NCAA (Breaux, 2001). In May 1995, a federal judge ruled that the NCAA violated the Sherman Antitrust Act with the rule (Breaux, 2001). As a result, the NCAA lifted the earnings restriction on the position (Breaux, 2001). In May 1998, the same judge awarded $67 million to the coaches, trebling the actual damages as required under antitrust law (Breaux, 2001). The NCAA appealed in March 1999 and the plaintiffs and NCAA settled the case for $54 million (Breaux, 2001).

The desire to produce more revenue was and still is the primary motivation for the proposed NCAA Division I-A playoff system. In 1993, a special committee headed by UCLA Chancellor Charles E. Young was appointed to gather information about the feasibility of a Division I-A football championship (Dunnavant, 2004). While the movement failed, the talk began. After a series of attempts to maximize TV revenues and to make sure that the best two teams are playing pitted against each other, the SEC commissioner Roy Kramer helped to create the Bowl Championship Series (BCS), in which the Big Ten and Pac-10 conferences commit their champions to play in the new arrangement along with the champions of the ACC, Big East, Big 12 (formed in 1996) and SEC (Dunnavant, 2004). From the new arrangement/contract, signed in the late 1990s, schools receive $100 million from the four bowls on an annual basis (Dunnavant, 2004).

**Fiscal Struggles Grow**

According to a report commissioned by the NCAA, expenditures for division I-A athletics programs accounted for roughly 3 percent of total institution spending in 1997, while it accounted for roughly 3.5 percent of total institution spending in 2001 (Litan et al., 2003). From a larger historical perspective, athletics expenditures have accounted for less than 4 percent of total institution spending over the last ten years (Fulks, 2004). Total spending within athletics in a macro view of institutional spending from the data above is not alarming, but the rising costs of operating an athletics department are. NCAA President Myles Brand has repeatedly conveyed this concern in recent speeches. Brand believes that with the rising costs (scholarships, utilities, etc.) and near tapped out

revenue streams (ticket prices, television revenues, etc.), NCAA Division I Football Bowl Subdivision athletic departments may have even tougher fiscal times ahead. A logical conclusion for athletics program leaders is to just scale back: pay less for coaches, and/or to not build new athletics facilities; however, in doing so programs would not be able to attract the high-quality coaches and student-athletes to become/remain competitive. Since empirical evidence indicates the ability to generate revenue for athletics directly correlates with the ability to win football games, it is highly unlikely that curbing expenditures in these areas are feasible (Padilla & Baumer, 1994). Another major reason for not cutting costs is because high expectations exist from alumni, governing boards, and other fans to be successful. In short, there are two schools of thought in alleviating fiscal problems in major athletics programs: curb costs to meet budgets while trying to remain competitive and/or to generate more revenue to continue to successfully meet high expectations. Although generating revenue and containing costs generally conflict in an intercollegiate athletics setting, this is the current landscape of big-time college athletics.

**Coaches Salaries Expand**

There are two major expenditures within athletics program's budgets: coaches' salaries and student-athlete scholarships. According to the NCAA, from 1997 to 2003, coaching salaries rose 89%, while revenues only increased by 66% over the same time (Fulks, 2004). One of the explanations to the extreme rise in salaries though lack of increased performance may deal with the theory of cost disease (Baumol & Bowen, 1966). This theory states that salaries continue to escalate despite an increase in productivity because salaries rise with other inflationary affected economic (Baumol & Bowen, 1966). Scholarship costs have also increased a great deal since Title IX was implemented. This federal legislation mandate states that any organization receiving federal funds must provide equal gender opportunities, thus more scholarships for women's athletics were a must. Before this was passed and implemented, there was less opportunity for women to compete in college athletics. In the past, small women's athletics programs made sense because to start and then sustain a program was

essentially a fiscal drain. Even today, with the rise in popularity of women's sports, very few women's college sports produce a profit. In the past twenty-five years athletic departments have implemented full fledged women's athletic programs to become Title IX compliant.

The cost of Title IX implementation in major BCS athletics programs has been high because of the requirements by the NCAA for Division I-A programs to fund at least 90% of the required 85 scholarships for football. Further, these programs are required to field at least 16 sports (at least nine women's sports & seven men's) and the number of scholarship opportunities must be gender equitable (Breaux, 2001). With the large number of football scholarships handed out by football, many women's sports (which are loss leaders) make up the scholarship difference to meet Title IX requirements. The NCAA has reduced football scholarships twice, first in 1987 which reduced scholarships from 105 to 95, then again in 1993 from 95 to 85. Football, which generates the most revenue within a NCAA Division I Football Bowl Subdivision athletic program, indirectly causes a financial strain due to Title IX (Dunnavant, 2004).

Another tremendous cost to an athletic department is in coach's salaries. It is well documented that athletics programs, such as the ones in the NCAA Division I Football Bowl Subdivision athletic conferences, produce a large portion of their revenue through the football and basketball programs (Fort, 2003). Goff estimated that nearly all universities, in NCAA Division I Football Bowl Subdivision level conferences, receive revenues far greater than expenses in both football and basketball (2000). At least 70% of the schools the difference is greater than $1 million (Goff, 2000). Because football and in most cases basketball, are the engines that drive athletic department's budgets, it is imperative that leaders find a way to keep their major revenue stream(s) running smoothly. One of the ways that they begin or maintain their football and men's basketball programs is by attracting talent to lead these sports. According to budget data from Texas A&M University, the 2003-2004 athletic department's budget saw over 2/3 of its revenues (ticket sales, donations, concessions, etc.) come from the football program. In 2001, the Ohio State University football program, which captured a

national championship, produced a $20.3 million profit (Suggs, 2002). In most cases, an athletic department's revenue from football is directly related to its ability to win football games (Padilla & Baumer, 1994).

In order to win football games, most athletic department believe that hiring a talented coach is a must. To reiterate, the ability to win in football, and thus produce revenue through ticket and donation revenues, is felt in not only the football budget, but in all sports' budgets. Less than twenty-five years ago the first head football coach, Jackie Sherill of Texas A&M University, was paid $1 million a year. With head coaches, such as Alabama's Nick Saban, being paid more than $4 million a year now, the trend of increasing coach's salaries is clearly evident.

On the revenue side, the major sources of a NCAA Division I Football Bowl Subdivision level program's budget stems from football ticket sales, fundraising, and through television contracts (Litan et al., 2003). Fulks (2002) reported that over 15% of the revenue generated by Division I-A programs are derived from donations. Most of the donations to athletics programs come with seating rights to football and basketball games. At Texas A&M University, on an annual basis donors pay a $2,000 per seat donation, on top of the season ticket cost ($445), to watch a football game from a club level seat. Similar programs, at varying degrees, have been implemented at schools of all size, especially those schools in the six power conferences: ACC, Big 12, Big East, Big Ten, PAC10 and SEC. For priority seat programs in the future, a quandary for athletics fundraisers is finding the supply/demand equilibrium. Another question for athletics fundraisers is what are new ways to cultivate more annual/major gift donors?

Television contracts also provide most athletic departments a large portion of their budgets. The NCAA Division I men's basketball tournament alone has produced a television contract from the CBS network that has provided schools over $1.7 billion through 2002 (Fulks, 1998). With football, the six prominent Division I Football Bowl Subdivision conferences have been able to use television to increase their power, mostly through their ability to demand large contracts. In 1997, in order to generate the best television contract, the six power conferences, formerly known as the BCS, initiated a

coalition for the 1998 football season. This television contract stipulated that four football bowl games (Fiesta, Orange, Rose, and Sugar) would serve the power conferences in providing a true national championship with a game that paired the number one versus the number two team. In the BCS arrangement, the four bowl games pumped over $450 million to the six BCS power conferences in its first five years of existence (Dunnavant, 2004). These large television contracts further highlight football and men's basketball fiscal importance within an athletic department.

From a humble beginning in 1852 to the present day, American intercollegiate athletics has been through a whirlwind of change. The organization of intercollegiate athletics, which started at individual institutions, eventually branched out to organization of athletics on a national scale and then within conferences. There were rule changes, reorganization, the introduction of television, an increased emphasis on women's opportunities, and then a focus on reform in response to numerous scandals. The intercollegiate athletics constants have been student-athletes having the opportunity to develop character on their respective playing fields while receiving an education, alumni and fans having an avenue to connect with their institutions, and the institutions themselves having an opportunity to market their schools. Collaboratively all of the changes in intercollegiate athletics have an effect on the fiscal operations. As the intercollegiate athletics has evolved, so have funding sources and philosophy.

## ***Professional Roles in Athletics***

### Director of Athletics

As evidenced above as athletic programs evolved, so did the role of leadership within them. A time of major change occurred from 1980 to 1910, when the typical athletic programs went from being directed by volunteer students to full-time athletic directors and coaching professionals paid from student fees (Thelin, 2005). Over the years, the position has grown into a profession of professionalism. As the position of an athletics director became a professional position in the early twentieth century, the National Association of Collegiate Directors of Athletics (2007) organization was founded in 1965 to promote and further develop the role of an intercollegiate athletics

director. Today, membership includes more than 6,100 collegiate athletics administrators from all levels (NACDA, 2007).

In the past, current or former head football or basketball coaches automatically transitioned to the director of athletics position (Hatfield et al, 1987). During the modern day era, the two most commonly held experiences held by a director of athletics are that they competed as a student-athlete and/or they had collegiate coaching experience (Fitzgerald et al, 1994). Since the 1980s, the complexity of the director of athletics position has grown in complexity to include areas such fundraising, marketing, and compliance (Raiborn, 1990).

Today, the role is even more complex with regards to balancing the expectations to so many stakeholders, including six major – students, prospective students, student-athletes, alumni, faculty, and employees. The director of athletics position has been transformed over the years. With the pressures of acquiring more revenues and hiring talent to keep the operation in line administratively and competitively, the position now requires someone with more business acumen than ever before.

**Conference Commissioner**

Individual athletic departments and athletic conferences both became more formal structures over time. The Big Ten Conference (2007) was formed in 1895 in an attempt to regulate and control intercollegiate athletics. It was the first major athletic conference formed and signaled that university presidents wanted greater control of the extracurricfular campus activity. Another super conference, the Southeastern Conference, was formed in 1932 in Tennessee (2007). The third of five super conferences, the Atlantic Coast Conference (2007) was founded on 1953. In 1978 and 1979, the Pacific Ten and Big East Conferences, respectively, were formed, thus bringing the number of super conferences to five (Dunnavant, 2004). The Big 12 followed in 1996 with the merger of four Southwest Conference programs and the Big Eight Conference members, thus creating the sixth super conference.

Charged to lead these athletic conferences were conference commissioners. A commissioner is responsible for five areas: (1) taking care of the conferences financial

affairs, (2) establishing, changing and adhering to policies, (3) establishing and following strategic plans, (4) supervising staff, and finally (5) effectively communicating to all stakeholders – including college presidents and directors of athletics (Quarterman, 1998). Conference commissioners take special awareness to what the presidents of their institutions believe the direction of the conference should be heading (Quarterman, 1998). These aforementioned areas, along with present and pressing issues, require that conference commissioners have a high-level ability to problem solves (Quarterman, 1998).

**Intercollegiate Athletics Consultants**

As the functions within departments of athletics and conferences became more complex, the position of an intercollegiate athletic consultant grew in numbers. President and directors of athletics liked outside consultants because of their objectivity and because they are protected from the open records act that universities are subject to, thus ensuring confidentiality in executive searches. These consultant firms brought experience and a different perspective. Four of the most notable firms include Carr Sports Associates, Eastman & Beaudine, Inter-Collegiate Athletic Consulting, and Neinas Sports Services.

Typically these firms have a specialty; however, a few firms are able to provide an array of serves. For example, one firm offers three primary and diversified services:

- Executive Search: This area entails a comprehensive assistance the athletic programs in all phases of a leadership search for an administrative or head coaching position. The services include structuring the search, conducting an on-site analysis of the athletics program to identify its critical issues, creating the position profile, identifying, evaluating and interviewing candidates, focusing on the successful candidate and negotiating the terms of the contract.
- Management Consulting: This includes a variety of projects specifically tailored to assist each client in areas such as program and personnel assessment, research and/or strategic planning.

- Corporate Representation: This is the selective presentation of products and/or services appropriate to the needs of colleges and universities.

The role of a consultant has become more prevalent and visible.

Chuck Neinas, an intercollegiate athletic consultant, received much attention in late 2006 because of his role in the football head coach searches at the University of Alabama, Louisiana Tech University, University of Miami, University of North Carolina, North Carolina State University and Michigan State University (McCarthy, 2006). Because of decades of intercollegiate athletics experience, a confidentiality factor, and their ability to bring in an outside perspective, consultants have found more work with big-name programs.

***Delphi Technique***

The method used for this study is the Delphi Technique. This technique was named after the oracle Apollo, from the island of Delphi, who was known for his ability to see the future (Ono & Wedemeyer, 1994). The Delphi technique was established in the early 1950s as a way to predict the how prepared the United States military needed to be in case of a war (Rowe & Wright, 1999).

The Delphi technique seeks expert opinion in predicting long-range trends in a number of areas and the feedback can be used in judgment and forecasting situations (Rowe, & Wright, 1999). One of the most beneficial features of this technique is that it can be used to gain input from a large number of experts that are geographically dispersed (Salancik, Wenger & Helfer, 1971; Rojewski & Meers, 1991). Delbecq, et al. (1975) state that the "Delphi is a group process which utilizes written responses as opposed to bringing individuals together" (p. 83). This method can be adapted for electronic groups (Witkin & Auschuld, 1995).

Typically, the Delphi method starts with identifying a group of experts on a particular subject. After the panel is selected, a list of issues is identified outlining what future issues may arise. According to Martino (1983), the first round is typically unstructured giving the panel of experts an opportunity to express their individual views freely. This list of futuristic issues can be identified either through an initial round to the

panel or already identified through literature or others. On occasions, the panel is presented with issues already identified to make participation simpler for the panel of experts (Martino, 1983)

Upon completion of the first round by the panel, the researcher then takes the data and presents the feedback to the panel often in a simple statistical form, primarily in showing means or medians (Rowe & Wright, 1999). A second questionnaire is used for prioritizing "the identified issues and problems and begin the process of consensus" (Wicklein, 1993). Wicklein outlines that future questionnaires are used to increase "the levels of consensus on the highest priority issues and problems" (1993).

Accompanied with each questionnaire are rankings of the issues in terms of means, medians, and standard deviations (Wicklein, 1993). The rankings change with each round until the issues eventually stabilize. Consensus on all items may not happen and some issues may stay as outliers in the final report.

There are four key features of any Delphi study: "anonymity, iteration, controlled feedback, and the statistical aggregation of group response" (Rowe & Wright, 1999). One of the techniques top features is that it limits influence of individuals through anonymity. In short, one participant is not able to take control and force their ideas on other participants. As a result, the Delphi technique reduces the conforming influence that is common in most face-to-face group meetings. It also produces more creative ideas than interacting groups, as group members have no fear of losing face if their ideas do not conform to others. This encourages participants to confront issues on a problem-solving basis rather than a personal assault basis. Anonymity helps because individuals participating in Delphi studies are more likely to give accurate opinions without fear of having their opinions rebutted.

This method has been used to address numerous future oriented issues in all fields (Rowe & Wright, 1999). Rowe and Wright evaluated 27 studies using the Delphi technique (1999). Their study went in depth in critiquing and comparing techniques and then evaluating the findings of the process studies through the role of feedback and the nature of the panelists. The studies are evaluated on the type of study conducted, group

size, rounds, nature of the feedback, nature of the subjects, task, if incentives were offered, independent variables, dependent variables, results of technique comparisons, and other results. Further, the studies were then evaluated on their ability to find consensus and accuracy. Rowe and Wright found that accuracy tends to increase as the numbers of rounds increase, the Delphi technique shows no clear advantages over other procedures, and that group selection is critical when trying to predict outcomes using this technique (1999). In summation, the Delphi technique is method that has been used in a number of professional fields to solicit expert opinion from geographically dispersed participants to help with future related issues. The method is a way to get good, forecasted data, which is so important in futuring and identifying sources of change (Hoyle, 1995).

While the Delphi method has numerous research advantages, there are potential disadvantages. Questions formulated and/or worded may influence responses from the panelists. Because the method may consist of numerous rounds, adequate participant motivation may lead to attrition (Murry & Hammons, 1995; Martino, 1983). Both issues are limitations of this research technique.

***Delphi Technique in Intercollegiate Athletics Studies***

The Delphi technique has been used to forecast future of intercollegiate athletics. Branch and Crow (1994) examined the future trends of college athletics using a modified Delphi technique. The study started with identifying 27 issues for examination from a review of literature. A panel of experts (NCAA Division I-A athletic directors) then forecasted the date, impact, and desirability of issues. From the findings the issues all vary in rank in the three categories. One of the interesting findings was that athletic scholarships will never be given with a stipend (Branch & Crow, 1994). Given the ever-evolving trend of intercollegiate athletics, the authors came to the conclusion that changes in athletics should be consistent (Branch & Crow, 1994).

Five years later, Drain and Ashley (2000) conducted a similar Delphi study that revealed intercollegiate athletics is indeed in a state of flux. The study identified critical issues that were facing major college athletics within a 15 year time span. 13 NCAA

Division I-A athletic directors participated in the study. They forecasted 31 issues that were coded into eight areas: funding, NCAA, bowl games vs. playoffs, amateurism, academics, gender equity, facilities, and student-athlete issues.

The future and viability of intercollegiate athletic programs may be based on their ability to predict and accordingly react to the future (Branch & Crow, 1994). Using methods such as the Delphi may help administrators lead their programs. The financial future is a concern of many. Even the most successful intercollegiate athletic departments are concerned. The University of Florida athletic program has won back-to-back national titles in men's basketball and the 2006 season football national championship, yet their athletic director, Jeremy Foley, is concerned saying "Everybody worries about costs" (Ellington, 2007). A Delphi study forecasting the issues of intercollegiate athletic finance may help to alleviate some of these worries.

***Summary***

From the beginning, higher education institutions have had funding challenges. There have been concerns on maintaining, identifying, and growing financial resources. For public institutions, many have experienced difficulty in maintaining and growing state funds due to the increased scrutiny on the funding of higher education by state leaders. Many have had to justify their need for funding their institutions to state and system boards. The state of Tennessee, in particular, has moved to a model of performance funding. This system ties a large percentage of funding to prearranged performance indictors.

The origin of intercollegiate athletics looked much different in structure and funding than the present day. In the early 1900s the enterprise found an increase structure through the formation of administrative supervision and national and athletic conferences. Another major growth in the early 1900s was the popularity in the sport of football, which had serious financial ramifications decades later. In 1952, the NCAA signed its first television deal for football. Over the past fifty years, television has provided college programs of the highest level significant fiscal resources.

Title IX provided opportunities for thousands of female collegiate student-athletes. The piece of legislation also significantly impacted intercollegiate athletics financially. Since the legislation was implemented, directors of athletics have had to rearrange financial priorities to fund required women's athletic programs. Costs of running an intercollegiate athletic program grew with Title IX legislation; however, administrators have adjusted to the change over the past three decades.

Currently, three areas are of increasing concern for intercollegiate athletics administrators. Empirical evidence shows the rate of inflation for athletics is greater than the rest of campus entities. The concern over the growth of coaches' salaries has been well documented. Also over the past ten years, facility upkeep, upgrades and building for athletics has grown to over $15 billion.

What does the future of intercollegiate athletic finance hold and how can administrators be prepared to deal with it? One method to forecast future events is via the Delphi technique. Other studies have used the technique for identifying the future trends of athletics. The method helps to predict future events and trends with the input of geographically dispersed experts of a particular area. Because of their oversight and interaction with the finances of intercollegiate athletics, three positions of expertise have been identified for this study: director of athletics, conference commissioner, and an intercollegiate athletics consultant.

As documented, financial challenges have been present for higher education for hundreds of years. Some institutions have done an excellent job of anticipating and planning for future financial trends that affect them. Some institutions, possibly those that did not survive, have not adequately planned for the trends. In order to formulate a strategic plan, forecasting the future is essential.

# CHAPTER III
# METHODOLOGY

## ***Procedures and Methodology***

A description of the research procedures and methodology used to help find solutions to the problem outlined in chapter I will be outlined in this chapter. Included in this chapter are the (a) research design, (b) research objectives and (c) subjects, participants, population, and sample.

## ***Research Design***

The Delphi technique seeks expert opinion in forecasting situations (Rowe, & Wright, 1999). Rather than relying on the accuracy of individuals, the technique seeks group opinion. Two of the primary features of the technique are: it is a method that can be conducted using participants that geographically dispersed and it is a group technique that does not allow for groupthink, which those with stronger opinions tend to influence the group's opinion (Rowe & Wright, 1999).

Over the years, the technique has been used in many professional fields and modified to fit research objectives (Wicklein, 1993). The Delphi in a varying form called the modified Delphi was developed by Norman Dalkey and Olaf Helmer at the Rand Corporation (Bell, 1997). The main feature of the modified version of the technique is that a set of statements or list of things to be ranked is identified, for example through literature review or interview, before bringing it to the panel of experts and soliciting their opinions (Bell, 1997).

After the issues have been identified, then the first round of the Delphi survey is sent to the participants either via mail or electronic mail (Witkin & Auschuld, 1995). Participants then rank the data to fit the researcher(s) needs (e.g. likelihood of happening, when events would occur, impact of events occurring, and desirability of events happening).

In most studies the technique consists of varying rounds. After each round, the data is aggregated and experts receive feedback on the aggregation. The research goal is that each round gets closer to group consensus on futuristic issues. Normally feedback is

aggregated and then sent back to the participants in median and interquartile ranges. The feedback gives the panelists a glimpse of where their opinion lies in the context or the group opinion.

***Research Objectives***

- Identify and analyze the influences on the increasing costs and slowing revenue in larger NCAA Division I Football Bowl Subdivision athletic programs.
- Identify current efforts underway to contain costs and grow revenues within larger NCAA Division I Football Bowl Subdivision athletic programs.
- Develop alternative (i.e. most probable, most ideal) scenarios (current fiscal influences, what is currently being done to slow expenses and grow revenues, and a scenario to guide the future) forecasting the future fiscal support for larger NCAA Division I Football Bowl Subdivision athletic programs.

***Sample***

To identify the forecasted issues, the population for the qualitative portion of this study was a NCAA Division I Football Bowl Subdivision conference commissioner and intercollegiate athletics consultant. For the Delphi portion of this study, the population included the 30 director of athletics at the public institutions within the Atlantic Coast, Big 12 and Southeastern Conferences. These three conferences are the most homogenous because they are considered to be the only three Bowl Championship Series-level conferences which have twelve members and host a conference championship football game.

***Procedure***

On June 22, 2007 the interview with the conference commissioner was conducted at a restaurant near his office. The interview was planned through his executive assistant. The interview was in depth and provided some thick and rich data. Within two weeks of the interview being conducted, it was member checked.

Following the conference commissioner interview, one was conducted with the athletics consultant. It was set up in early July and conducted on July 13, 2007. The transcript was member checked within two weeks of the exchange.

Upon completion of the qualitative portion of the study, focus turned to the Delphi portion of the study, using the expert opinions of the 30 director of athletics at the public institutions within the Atlantic Coast, Big 12 and Southeastern Conferences. On September 17, 2007 a solicitation mail out was sent to the 30 directors of athletics. The packet included three things: a letter from the researcher asking for participation, a response form with a self-addressed stamped return envelope, and a letter from former NCAA President Gene Corrigan encouraging participation. These items can be found in Appendix B. The letter from the researcher explained what the study entailed, including the methods and laid out the confidentiality aspect of the study. The response form asked them to indicate if they would participate, while also gathering their background information. Lastly, included was the letter from Corrigan, who in addition to being the former NCAA President, also held other prominent professional positions. He was the former athletic director at the Universities of Virginia and Notre Dame and also the former commissioner of the ACC. He is well respected and known in the professional ranks of intercollegiate athletics. The goal of his enclosed letter was to elicit stronger participation in this study.

After four weeks 67% were returned. Twelve responded with a yes. Four indicated they would not be able to participate. Four indicated that associate athletic directors would respond. The responding associate athletic directors were contacted by e-mail to let them know that their willingness to participate was appreciated; however, their involvement would not fit the assumptions of the study because the panel experts were deemed to be the directors of athletics of these institutions.

After six weeks passed from the mailing, phone calls, followed by e-mails, were made to the non-respondents. Once the phone calls were made, another director of athletics said no, bringing the final number of directors of athletics that declined to five. Two directors of athletics were dropped from the study because one was terminated and the other resigned. Another associate athletic director responded willing to participate in the place of the director of athletics and was contacted by e-mail explaining their participation would not be needed.

Follow up e-mails were sent to the six directors of athletics that had not responded. After eight weeks without hearing a response, these six directors of athletics were dropped from the study. It was determined that the study would include a panel of twelve expert volunteers. The athletic conference composition of this study included six athletic directors from the SEC, four from the Big 12 and two from the ACC.

While awaiting participation commitments a survey was constructed for the first round of the Delphi portion of the study. The initial web-based survey to the directors of athletics was tested by all four doctoral committee members, four other doctorate holding sport management professors and one doctoral student, for participant fatigue and reliability.

The web-based survey was constructed breaking the 35 issues identified by the conference commissioner and consultant, into four categories. The twelve athletic directors were asked to rate each of the issues based on their desirability, perceived impact, and their likelihood of occurring within the next 10-15 years. Each of the issues were rated using the five-point Likert scale from 1 (low) to 5 (high).

On November 12, 2007, the first web-based Delphi round was e-mailed using the e-mail addresses in the response forms, given over the phone or found on the Internet. The initial web-based survey and e-cover letter can be found in Appendix C. The e-mail cover letter sent to the twelve participants briefly outlined the purpose of the study, explained what the five web pages that the survey consisted of and also asked for their timely response. It then listed the web link to the web-based survey followed by the researchers contact information.

Within two days of sending the survey, five of the twelve participants completed the survey. After follow up e-mails were sent, two more participants responded to the survey within six weeks of the initial e-mail. Within ten weeks of the November e-mail, three more participants responded, brining the total respondents to ten. E-mails, followed by phone calls were made the two remaining non-respondents. One reply, through an administrative assistant, an athletic director replayed that s/he would not be able to participate because of time requirements related to a recent change in leadership in their

football program. The eleventh and final reply came the first week of February. The data was then aggregated.

On February 10, 2008, the final round of the survey was e-mailed to the eleven remaining participating directors of athletics. The researcher stated the goal of this round was to seek agreement, disagreement and insight on the 35 issues surveyed in the areas of desirability, impact and likelihood of occurrence. The e-mail had two documents attached. The first document contained a summary round one of the survey. It contained their response and to the immediate right of each of their responses was the average group response. If their responses fell outside of the interquartile range - the distance between the 25th percentile and the 75th percentile - it was bolded and highlighted in yellow. If their answer was bolded and highlighted in yellow, they had two options: first, change it to the group answer in the open third column labeled "change" or two, make no change and provide a brief defense of the answer on the "Critical Issue Defense Page" document that was attached. I asked the panel to complete this final round by Friday, February 15 at 6 pm. Once completed, I gave them the option of faxing, or scanning and e-mailing both documents to my work e-mail address.

I received two of the eleven responses by the imposed deadline of one week. That week, one participant stated in an e-mail reply that he no longer wished to participate. On Monday, February 18, I made phone calls to the offices on each of the eight non-respondents. Two asked that I resend the e-mail. Within one day of the resend, I received another response. Later that week I picked up another response after a phone visit directly with an athletic director, bringing the total response to four.

Follow up calls were made to the remaining six non-respondents on the week of February 25-29. I left a voice message to one of the directors of athletics. He called back stating that he would not be able to help but offered the services of his associate athletic director for business. I replied that he would not be able to help because his participation did not agree with the assumptions of this study. I received another reply that week brining the total response count to five.

During the next week, March 3-7, calls were made again to the four non-respondent athletic directors. No responses were received. The following week, March ten to fourteen calls were placed and again, no responses were received. For the fifth straight week, March 17-22, follow up calls were made with a drop dead date of Friday, March 22. Responses were received via fax on March 18, 19 and 21.

The remaining non-respondent stated that he would not have committed to this study is he knew it was so labor intensive; however, after repeated tries and a direct conversation, the athletic director responded by the March 22, 2008 deadline, bringing the total or respondents to the final round to nine. Two of the eleven participants from the previous round wished to not participate in the final round, constituting an 82% response rate from rounds one to two. The final panelist makeup, by conference, included four athletic directors from the SEC, three from the Big 12 and two from the ACC.

Upon the completion of this study in April, the panelists were sent, via e-mail, the findings of the study. The message and attachment are located in Appendices D, E and F. The participants were thanked for the final time for their participation in the study and asked to contact the researcher if they had any questions regarding the study or its results.

# CHAPTER IV
# DATA ANALYSIS

An analysis of the data collected in the modified Delphi study is presented in this chapter. It describes the study's findings based upon the methodology discussed in Chapter III. This chapter will address: (a) the research questions, (b) the findings for each of the four questions and (c) consensus among issues.

## ***Research Questions***

The purpose of this study is to provide a forecast of the financial trends facing major intercollegiate athletics over the next 10-15 years for strategic planning purposes. The focus of this work is the trends of revenue generation and cost containment in the athletic departments of the public institutions in the ACC, Big 12, and SEC Conferences.

Financial forecasts are important because athletic administrators are increasingly finding it difficult to find the fiscal resources to adequately fund their programs. This study attempted to both uncover the myth that intercollegiate athletic programs are in great fiscal health and to outline where leaders in intercollegiate athletics think the future will take us.

The data presented here were collected to answer four research questions. The research questions explored were:

1. What are the current influences on the increasing costs and slowing revenue and what future issues will affect the financial future of the high-profile National Collegiate Athletic Association (NCAA) Division I Football Bowl Subdivision athletic programs?
2. What is the desirability of the forecasted financial issues to occur over the next 10-15 years?
3. What perceived impact will these forecasted financial issues have on the high-profile NCAA Division I Football Bowl Subdivision athletic programs over the next 10-15 years?
4. What is the likelihood that these forecasted financial issues will occur?

***Research Question One - Issues***

This study used the modified Delphi technique to collect the data. In this two-part study, there were two sources of data. An NCAA Division I Football Bowl Subdivision conference commissioner and an athletics management consultant were interviewed in the qualitative portion of the study. These two participants provided thick and rich data because of their frequent and extensive work with college presidents and athletic directors.

The following questions were asked during the interviews:

1. What trends in *revenue generation* will intercollegiate athletic programs, of the NCAA Bowl Championship Series division, face over the next 10-15 years?
2. What trends in *cost containment* will intercollegiate athletic programs, of the NCAA Football Bowl Subdivision, face over the next 10-15 years?
3. What current issues of fiscal management will likely have to be addressed over the next 10-15 years?
4. Are there issues, not currently on the radar, that you predict will make an impact in the way intercollegiate athletics is governed? If so, what are they?
5. What will the biggest storylines be, in 10-15 years, which have a major impact on the way intercollegiate athletics are funded?

The interview with the conference commissioner was conducted at a restaurant near his office in June 2007. The interview was planned through his executive assistant. Almost two weeks after the interview was conducted, it was member checked for transcription meaning and accuracy.

Following the conference commissioner interview, an interview was conducted with the athletics consultant. It was conducted in July 2007. The transcript was member checked within two weeks of the dialogue.

Between the two interview participants, 35 futuristic issues were identified from the five questions. The issues were then divided by the researcher into four categories: (a) comprehensive issues, which were primarily macro level views of the financial future

of major college athletics, (b) cost escalation, which predicted the financial issues that entailed a growth in expenses, (c) revenue generation, which predicted opportunities for increased and decreased revenue, and (d) cost containment, which forecasted opportunities for containing costs. The numeric breakdown of the 35 issues among the four categories were as follows: (a) comprehensive issues, nine issues, (b) cost escalation, six issues, (c) revenue generation, twelve issues, and (d) cost containment, eight issues. Table 1 identifies the futuristic financial issues as identified during the qualitative portion of this study and their division in the four main categories.

Table 1. Futuristic Financial Issues Identified

| Category | Issue |
|---|---|
| Comprehensive Issues | 1. The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. |
| | 2. The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues. |
| | 3. The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years. |
| | 4. The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years. |
| | 5. There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences. |
| | 6. Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. |
| | 7. Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years. |
| | 8. University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years. |
| | 9. Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years. |

Table 1. Continued

| Category | Issue |
|---|---|
| Cost Escalation | 10. The "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes. |
| | 11. Coaching salaries and compensation packages will continue to escalate over the next 10-15 years. |
| | 12. Athletic director salaries will continue to escalate over the next 10-15 years. |
| | 13. Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years. |
| | 14. Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years. |
| | 15. Women's rights advocates will force further gender-related funding issues over the next 10-15 years. |
| Revenue Generation | 16. A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years. |
| | 17. Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. |
| | 18. The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years. |
| | 19. The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments. |
| | 20. Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. |
| | 21. Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years. |
| | 22. Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. |
| | 23. Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. |

Table 1. Continued

| Category | Issue |
|---|---|
| Revenue Generation | 24. Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network). |
| | 25. Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years. |
| | 26. Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use). |
| | 27. Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences. |
| Cost Containment | 28. There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools). |
| | 29. Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance. |
| | 30. Sport season lengths will be lessened over the next 10-15 years to save on costs. |
| | 31. Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years. |
| | 32. The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years. |
| | 33. An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. |
| | 34. Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed. |
| | 35. There will be less debt issued for facilities construction over the next 10-15 years. |

***Research Question Two - Desirability***

Upon completion of the qualitative portion of the study, information from the conference commissioner and consultant were refined and prepared for the distribution to the directors of athletics, who based on the assumptions of this study were deemed experts in the financial management of individual athletic departments. Then the focus turned to the Delphi part of the study. The population was narrowed to the public institution athletic departments within the ACC, Big 12 and SEC conferences (N=30); these conferences are most like because they are the only twelve-institution conferences divided into subdivisions of six and that hold a conference football championship game. A listing of the institutions can be found in Appendix A.

An initial solicitation was mailed to all thirty athletic directors of the public institutions in the ACC, Big 12 and SEC conferences. Twelve of the athletic directors committed to participating in the survey. Background information was obtained in the commitment form to give the reader a snapshot into the panelist's background. The average age of the twelve athletic directors was 53. A majority of the panelists highest degree obtained was a master's degree (9), while two athletic directors highest degree obtained was a bachelor's degree one athletic director had a doctorate. Also, each of the Delphi panelists had an average of twelve years as an athletic director and seven at their current institution.

The first web-based Delphi round was e-mailed using the e-mail addresses in the response forms, given over the phone or found on the Internet. The e-mail cover letter, sent to the twelve participants, briefly outlined the purpose of the study, outlined the five web pages that the survey consisted of and then asked for their timely response. It then listed the web link to the web-based survey followed by contact information for the researcher. Once the panelists accessed the on-line survey link included on the e-mail, they rated the 35 issues contained in Table 1.

The first page of the survey asked for the panelists to enter their name and institution. Over the next four survey web pages, the panelists were asked to rate each of the 35 issues on the desirability of the forecasted financial issues to occur over the next

10-15 years. The web pages contained the issues for each of the four categories: (a) comprehensive issues, (b) cost escalation, (c) revenue generation, and (d) cost containment. After the panelists were presented each issue, they were specifically asked, "How much DESIRE do you have for this forecast to occur?" They were asked to rate each issue on desirability using a five-point Likert scale (1-Low to 5-High). Also, the panel was asked to rate the issues on perceived impact and likelihood of occurrence.

Upon completion of round one of the modified Delphi study, the data was aggregated and sent via e-mail to each of the eleven remaining participating athletic directors, down from twelve as one panelist wished to no longer participate. This second and final round had a goal to seek agreement, disagreement and insight on the 35 issues surveyed in the areas of desirability, impact and likelihood of occurrence. The e-mail sent to the eleven athletic directors had two documents attached. The first document contained the aggregated summary of round one of the survey. It contained their response and to the immediate right of each of their responses was the average group response. If their responses fell outside of the interquartile range, the distance between the 25th percentile and the 75th percentile, then it was bolded and highlighted in yellow. If their answer was bolded and highlighted in yellow, they had two options: one, change it to the group answer in the open third column labeled "change" or two, do not make a change and provide a defense of the answer on the "critical issue defense" document that was attached. After some movement in round two, the data were again aggregated. Appendix D contains a summary analysis of the 35 futuristic financial issues including the frequency distributions, percentile scores and minority reports based on desirability.

Nine forecasts received a median score of a 1 for desirability to occur within the next ten to fifteen years. They are listed in Table 2.

Table 2. Forecasted Financial Issues Receiving a Median Score of 1 for Desirability to Occur within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive | 1 | The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. |
| Comprehensive | 2 | 2. The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues. |
| Comprehensive | 4 | The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years. |
| Cost Escalation | 11 | Coaching salaries and compensation packages will continue to escalate over the next 10-15 years. |
| Cost Escalation | 14 | Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years. |
| Revenue Generation | 18 | The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years. |
| Revenue Generation | 22 | Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. |
| Cost Containment | 29 | Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance. |
| Cost Containment | 34 | Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed. |

Table 3. Forecasted Financial Issues Receiving a Median Score of 2 for Desirability to Occur within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Cost Escalation | 14 | Women's rights advocates will force further gender-related funding issues over the next 10-15 years. |
| Revenue Generation | 27 | Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences. |
| Cost Containment | 30 | Sport season lengths will be lessened over the next 10-15 years to save on costs. |
| Cost Containment | 35 | There will be less debt issued for facilities construction over the next 10-15 years. |

Four issues were rated by the panelists as having a 2 on the desirability to occur within the next ten to fifteen years. The nine-member panel desires these issues to occur on a low to neutral basis. Table 3 lists these items.

Nine forecasted financial issues received a neutral rating, three, on the desire for each to occur within the next ten to fifteen years. They are listed in Table 4.

Seven issues were rated by the panelists of having an above average desirability, four on a five-point Likert scale, to occur within the next ten to fifteen years. The seven financial forecasts can be found in Table 5.

The panelists have a strong desire for six forecasted financial issues to transpire within the next ten to fifteen years. The issues are listed in Table 6.

Table 4. Forecasted Financial Issues Receiving a Median Score of 3 for Desirability to Occur within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Cost Escalation | 10 | The "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes. |
| Cost Escalation | 12 | Athletic director salaries will continue to escalate over the next 10-15 years. |
| Revenue Generation | 23 | Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. |
| Revenue Generation | 24 | Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network). |
| Revenue Generation | 26 | Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use). |
| Cost Containment | 28 | There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools). |
| Cost Containment | 31 | Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years. |
| Cost Containment | 32 | The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years. |
| Cost Containment | 33 | An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. |

Table 5. Forecasted Financial Issues Receiving a Median Score of 4 for Desirability to Occur within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 3 | The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years. |
| Comprehensive Issues | 5 | There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences. |
| Comprehensive Issues | 9 | Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years. |
| Cost Escalation | 13 | Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years. |
| Revenue Generation | 16 | A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years. |
| Revenue Generation | 21 | Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years. |
| Revenue Generation | 25 | Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years. |

Table 6. Forecasted Financial Issues Receiving a Median Score of 5 for Desirability to Occur within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 6 | Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. |
| Comprehensive Issues | 7 | Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years. |
| Comprehensive Issues | 8 | University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years. |
| Revenue Generation | 17 | Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. |
| Revenue Generation | 19 | The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments. |
| Revenue Generation | 20 | Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. |

***Research Question Three – Impact***

During the qualitative portion of this study a major college conference commissioner and an intercollegiate athletics consultant were interviewed. From these two interviews, 35 financial issues were forecasted. A survey was then constructed breaking the 35 issues into four categories. From there, eleven athletic directors rated each of the issues based on their perceived impact, should they occur within the next ten to fifteen years. Each of the issues were rated using the five-point Likert scale from 1 (low) to 5 (high).

The data was then aggregated after this initial round with the athletic director panel and sent to them. The goal of the second round was to seek agreement, disagreement and insight on the 35 issues surveyed in the areas of impact, along with

desirability and likelihood of occurrence. A document with the summary of round one responses was sent to each of the panelists. It contained three columns to rate each issue and its perceived impact should it occur. Each panelist had their response and to the immediate right of each of their responses was the average group response. If their responses fell outside of the distance between the 25th percentile and the 75th percentile, also known as the interquartile range, it was bolded and highlighted in yellow. If their answer was bolded & highlighted in yellow, they had two options: one, change it to the group answer in the open third column labeled “change” or two, make no change and provide a brief defense of the answer on a “Critical Issue Defense Page” document. Appendix E contains a summary analysis of the 35 futuristic financial issues including the frequency distributions, percentile scores and minority reports based on perceived impact.

None of the 35 issues scored a one or two on perceived impact; however, four issues were rated as having a neutral impact based on their median score of three on the five-point scale. Each of these issues is listed in Table 7.

Thirteen of the forecasted financial issues were rated by the nine panelists as having a medium to high perceived impact, four on a five-point scale, should they occur within the next ten to fifteen years. Table 8 lists those issues.

A majority of the forecasted issues, eighteen, were rated by the panelists as having a high perceived impact, should they occur within the next ten to fifteen years. The issues are listed in Table 9.

Table 7. Forecasted Financial Issues Receiving a Median Score of 3 for Perceived Impact of Occurrence within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 5 | 5. There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences. |
| Revenue Generation | 26 | 26. Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use). |
| Revenue Generation | 27 | 27. Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences. |
| Cost Containment | 28 | 28. There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools). |

Table 8. Forecasted Financial Issues Receiving a Median Score of 4 for Perceived Impact of Occurrence within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 3 | The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years. |
| Comprehensive Issues | 4 | The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years. |
| Comprehensive Issues | 9 | Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years. |
| Cost Escalation | 12 | Athletic director salaries will continue to escalate over the next 10-15 years. |
| Cost Escalation | 13 | Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years. |
| Cost Escalation | 15 | Women's rights advocates will force further gender-related funding issues over the next 10-15 years. |
| Revenue Generation | 16 | A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years. |
| Revenue Generation | 17 | Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. |
| Revenue Generation | 23 | Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. |
| Revenue Generation | 24 | Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network). |
| Revenue Generation | 25 | Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years. |
| Cost Containment | 30 | Sport season lengths will be lessened over the next 10-15 years to save on costs. |
| Cost Containment | 35 | There will be less debt issued for facilities construction over the next 10-15 years. |

Table 9. Forecasted Financial Issues Receiving a Median Score of 5 for Perceived Impact of Occurrence within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 1 | The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. |
| Comprehensive Issues | 2 | The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues. |
| Comprehensive Issues | 6 | Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. |
| Comprehensive Issues | 7 | Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years. |
| Comprehensive Issues | 8 | University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years. |
| Cost Escalation | 10 | The "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes. |
| Cost Escalation | 11 | Coaching salaries and compensation packages will continue to escalate over the next 10-15 years. |
| Cost Escalation | 14 | Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years. |
| Revenue Generation | 18 | The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years. |
| Revenue Generation | 19 | The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments. |
| Revenue Generation | 20 | Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. |
| Revenue Generation | 21 | Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years. |
| Revenue Generation | 22 | Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. |
| Cost Containment | 29 | Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance. |

Table 9. Continued

| Category | Issue | Forecast |
|---|---|---|
| Cost Containment | 31 | Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years. |
| Cost Containment | 32 | The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years. |
| Cost Containment | 33 | An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. |
| Cost Containment | 34 | Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed. |

***Research Question Four – Likelihood of Occurrence***

The 35 forecasted issues were rated for three things by the nine athletic directors serving on the final Delphi panel: the first was the desirability for each issues to occur or not to occur, the second was the perceived impact that each issue would have on the landscape of major college athletics, and finally, the panelists rated each issue on its likelihood of occurring within the next ten to fifteen years. The panel rated each issue on a five-point scale: 1 (0-20% chance of occurring), 2 (21-40%), 3 (41-60%), 4 (61-80%) and 5 (81-100%). Appendix F contains a summary analysis of the 35 futuristic financial issues including the frequency distributions, percentile scores and minority reports based on likelihood of occurrence.

Two forecasted financial issues were rated by the panelists of having a low likelihood of occurring. Table 10 lists the issues.

Table 10. Forecasted Financial Issues Receiving a Median Score of 1 (0-20% Chance of Occurring) for Likelihood of Occurring within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Cost Containment | 29 | Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance. |
| Cost Containment | 33 | An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. |

Table 11. Forecasted Financial Issues Receiving a Median Score of 2 (21-40% Chance of Occurring) for Likelihood of Occurring within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 1 | The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. |
| Comprehensive Issues | 2 | The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues. |
| Comprehensive Issues | 4 | The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years. |
| Cost Containment | 30 | Sport season lengths will be lessened over the next 10-15 years to save on costs. |
| Cost Containment | 31 | Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years. |
| Cost Containment | 32 | The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years. |
| Cost Containment | 34 | Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed. |
| Cost Containment | 35 | There will be less debt issued for facilities construction over the next 10-15 years. |

The panelists rated eight of the 35 issues of having a 21-40% chance of occurring. The eight issues are listed in Table 11.

A majority of the 35 issues, fourteen, were rated as having a 41-60% chance of occurring within the next ten to fifteen years. The issues are presented in Table 12.

Ten of the forecasted financial issues were rated by the nine athletic director panelists of having a 61-80% chance of occurring over the next ten to fifteen years. The issues are listed in Table 13.

One issue was believed to have a high likelihood of occurring (5) by the final, nine-member athletic director Delphi panel. Within the cost escalation category, the fourteenth forecast that "employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years," was rated with a 81-100% chance of occurring.

Table 12. Forecasted Financial Issues Receiving a Median Score of 3 (41-60% Chance of Occurring) for Likelihood of Occurring within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 5 | There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences. |
| Comprehensive Issues | 7 | Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years. |
| Comprehensive Issues | 8 | University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years. |
| Cost Escalation | 13 | Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years. |
| Cost Escalation | 15 | Women's rights advocates will force further gender-related funding issues over the next 10-15 years. |
| Revenue Generation | 17 | Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. |
| Revenue Generation | 18 | The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years. |
| Revenue Generation | 19 | The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments. |
| Revenue Generation | 21 | Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years. |
| Revenue Generation | 22 | Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. |
| Revenue Generation | 24 | Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network). |
| Revenue Generation | 26 | Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use). |

Table 12. Continued

| Category | Issue | Forecast |
|---|---|---|
| Revenue Generation | 27 | Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences. |
| Cost Containment | 28 | There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools). |

***Consensus Among Issues***

Among the central benefits of using the Delphi technique is that it brings a group of experts to arrive at a consensus of opinion when the critical issues are subjective, and not evidenced-based (Ludwig, 1997). In this particular study, the final round of the modified Delphi study sought agreement, disagreement and insights. The data that was ranked based on likelihood of occurrence, impact and desirability in the previous round of the study which was aggregated and presented back to the panel. Each of the panelists were presented with their answer, the median score and an open column labeled "change" that offered them an opportunity to change their score and move toward consensus or to keep their answer the same and briefly defend their answer. The IQR is the distance between the 75th percentile and the 25th percentile. To reiterate, the IQR is essentially the range of the middle 50% of the data. After consultation with my committee and a statistician at Oklahoma State University, before the final round it was determined that this statistic would be appropriate in gauging consensus.

In the final round of the study, a number of panelists changed their answers to move toward consensus and within the IQR. To be exact, 23 issues went from not having a consensus and falling within the IQR, to obtain consensus. A summary of the changes can be found in Table 14.

Table 13. Forecasted Financial Issues Receiving a Median Score of 4 (61-80% Chance of Occurring) for Likelihood of Occurring within the Next Ten to Fifteen Years

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 3 | The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years. |
| Comprehensive Issues | 6 | Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. |
| Comprehensive Issues | 9 | Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years. |
| Cost Escalation | 10 | The "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes. |
| Cost Escalation | 11 | Coaching salaries and compensation packages will continue to escalate over the next 10-15 years. |
| Cost Escalation | 12 | Athletic director salaries will continue to escalate over the next 10-15 years. |
| Revenue Generation | 16 | A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years. |
| Revenue Generation | 20 | Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. |
| Revenue Generation | 23 | Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. |
| Revenue Generation | 25 | Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years. |

A total of 70 items did not change from rounds two to three. One of the reasons for the lack of change could be from a strong belief in a certain answer. Another reason the panelists did not change their answers is because they were already in agreement; a total of nine of the issues already had consensus before the final round and did not change.

Twelve of the issues fell into a category that was not expected to arise during the course of this study. The biggest research challenge occurred between the completions of the first and second rounds of the modified Delphi study. The number of panelists that completed the first Delphi round was eleven. Upon completion of that round, data was aggregated in median and IQR form based on eleven participants. Two panelists wished to no longer participate after the final round was sent. This presented a complex situation because some of remaining nine panelists' answers that fell within the IQR after round one of the study did not fall within the IQR range after the second round based on the number of panelists going from eleven to nine and affecting the median and IQR. After consultation with my doctoral committee members, it was determined that these twelve issues would be classified as having consensus, because the panelists were not asked to review the ratings of these twelve issues because their answers fell within the IQR.

After an extensive review of the final IQR scores, it was determined that consensus was reached on a total of 44 of the 105 (42%) issues rated in the Delphi study. Specifically, consensus was reached on 15 of the 35 (43%) desirability ratings, 19 of the 35 (54%) impact ratings, 10 of the 35 (29%) likelihood of occurrence ratings. The forecasted financial issues that reached consensus, within the three ratings areas, can be found in Tables 15, 16 and 17.

Table 14. Number of Changes in IQR Scores by Category

| | Change | No Change |
|---|---|---|
| Desirability | 12 | 23 |
| Impact | 16 | 19 |
| Likelihood of Occurrence | 7 | 28 |
| TOTAL | 35 | 70 |

Table 15. Forecasted Financial Issues Which Reached Consensus in Desirability after the Final Round, with Median Score Sorted in Descending Order

| Category | Issue | Forecast | Median |
|---|---|---|---|
| Revenue Generation | 17 | Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. | 5 |
| Revenue Generation | 19 | The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments. | 5 |
| Revenue Generation | 20 | Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. | 5 |
| Comprehensive Issues | 3 | The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years. | 4 |
| Comprehensive Issues | 5 | There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences. | 4 |
| Cost Escalation | 13 | Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years. | 4 |
| Revenue Generation | 21 | Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years. | 4 |

Table 15. Continued

| Category | Issue | Forecast | Median |
|---|---|---|---|
| Revenue Generation | 25 | Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years. | 4 |
| Revenue Generation | 23 | Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. | 3 |
| Cost Containment | 33 | An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. | 3 |
| Cost Containment | 35 | There will be less debt issued for facilities construction over the next 10-15 years. | 2 |
| Comprehensive Issues | 1 | The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. | 1 |
| Comprehensive Issues | 2 | The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues. | 1 |
| Cost Escalation | 14 | Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years. | 1 |
| Cost Containment | 34 | Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed. | 1 |

Table 16. Forecasted Financial Issues Which Reached Consensus in Impact after the Final Round, with Median Score Sorted in Descending Order

| Category | Issue | Forecast | Median |
|---|---|---|---|
| Comprehensive Issues | 1 | The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. | 5 |
| Comprehensive Issues | 6 | Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. | 5 |
| Comprehensive Issues | 7 | Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years. | 5 |
| Cost Escalation | 11 | Coaching salaries and compensation packages will continue to escalate over the next 10-15 years. | 5 |
| Cost Escalation | 14 | 14. Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years. | 5 |
| Revenue Generation | 19 | The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments. | 5 |
| Revenue Generation | 20 | Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. | 5 |
| Revenue Generation | 22 | Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. | 5 |
| Cost Containment | 29 | Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance. | 5 |
| Cost Containment | 33 | An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. | 5 |

Table 16. Continued

| Category | Issue | Forecast | Median |
|---|---|---|---|
| Cost Containment | 34 | Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed. | 5 |
| Comprehensive Issues | 4 | The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years. | 4 |
| Cost Escalation | 13 | Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years. | 4 |
| Cost Escalation | 15 | Women's rights advocates will force further gender-related funding issues over the next 10-15 years. | 4 |
| Revenue Generation | 17 | Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. | 4 |
| Revenue Generation | 23 | Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. | 4 |
| Cost Containment | 35 | There will be less debt issued for facilities construction over the next 10-15 years. | 4 |
| Revenue Generation | 26 | Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use). | 3 |
| Cost Containment | 28 | There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools). | 3 |

Table 17. Forecasted Financial Issues Which Reached Consensus on Likelihood of Occurrence after the Final Round, with Median Score Sorted in Descending Order

| Category | Issue | Forecast | Median |
|---|---|---|---|
| Comprehensive Issues | 6 | Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. | 4 |
| Cost Escalation | 11 | Coaching salaries and compensation packages will continue to escalate over the next 10-15 years. | 4 |
| Revenue Generation | 16 | A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years. | 4 |
| Revenue Generation | 23 | Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. | 4 |
| Revenue Generation | 22 | Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. | 3 |
| Comprehensive Issues | 1 | The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. | 2 |
| Comprehensive Issues | 2 | The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues. | 2 |
| Comprehensive Issues | 4 | The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years. | 2 |
| Cost Containment | 30 | Sport season lengths will be lessened over the next 10-15 years to save on costs. | 2 |
| Cost Containment | 35 | There will be less debt issued for facilities construction over the next 10-15 years. | 2 |

Table 18. Forecasted Financial Issues That Reached Consensus on Desirability, Impact, and Likelihood of Occurrence, after the Final Round

| Category | Issue | Forecast | Des | Imp | Lik |
|---|---|---|---|---|---|
| Comprehensive Issues | 1 | The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. | 1 | 5 | 2 |
| Revenue Generation | 23 | Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. | 3 | 4 | 4 |
| Cost Containment | 35 | There will be less debt issued for facilities construction over the next 10-15 years. | 2 | 4 | 2 |

A closer examination of the items gaining consensus illustrates that only 9% of the issues (3 of 35), gained consensus on all three of the areas that they were rated: desirability, impact and likelihood of occurrence. The issues, with their median scores, are featured in table 18. Twelve of the 35 issues gained consensus in two of the three areas they were rated. This comprised 34% of the issues. The issues are presented in Table 19.

There were 11 forecasted financial issues that gained consensus on only one of the three areas rated; 31% of the issues fell into this category. These issues are listed Table 20. Lastly, nine of the 35 issues did not reach consensus on any of the three areas rated. This composed 26% of the issues. They are listed in Table 21.

Table 19. Forecasted Financial Issues That Reached Consensus on Two of the Three Areas Rated: Desirability; Impact; or Likelihood of Occurrence, after the Final Round

| Category | Issue | Forecast | Des | Imp | Lik |
|---|---|---|---|---|---|
| Comprehensive Issues | 2 | The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues. | 1 | | 2 |
| Comprehensive Issues | 4 | The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years. | | 4 | 2 |
| Comprehensive Issues | 6 | Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. | | 5 | 4 |
| Cost Escalation | 11 | Coaching salaries and compensation packages will continue to escalate over the next 10-15 years. | | 5 | 4 |
| Cost Escalation | 13 | Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years. | 4 | 4 | |
| Cost Escalation | 14 | Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years. | 1 | 5 | |
| Revenue Generation | 17 | Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. | 5 | 4 | |
| Revenue Generation | 19 | The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments. | 5 | 5 | |

Table 19. Continued

| Category | Issue | Forecast | Des | Imp | Lik |
|---|---|---|---|---|---|
| Revenue Generation | 20 | Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. | 5 | 5 | |
| Revenue Generation | 22 | Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. | | 5 | 3 |
| Cost Containment | 33 | An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. | 3 | 5 | |
| Cost Containment | 34 | Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed. | 1 | 5 | |

Table 20. Forecasted Financial Issues That Reached Consensus on One of the Three Areas Rated: Desirability; Impact; or Likelihood of Occurrence, after the Final Round

| Category | Issue | Forecast | Des | Imp | Lik |
|---|---|---|---|---|---|
| Comprehensive Issues | 3 | The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years. | 4 | | |
| Comprehensive Issues | 5 | There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences. | 4 | | |
| Comprehensive Issues | 7 | Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years. | | 5 | |
| Cost Escalation | 15 | Women's rights advocates will force further gender-related funding issues over the next 10-15 years. | | 4 | |
| Revenue Generation | 16 | A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years. | | | 4 |
| Revenue Generation | 21 | Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years. | 4 | | |
| Revenue Generation | 25 | Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years. | 4 | | |
| Revenue Generation | 26 | Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use). | | 3 | |
| Cost Containment | 28 | There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools). | | 3 | |

Table 20. Continued

| Category | Issue | Forecast | Des | Imp | Lik |
|---|---|---|---|---|---|
| Cost Containment | 29 | Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance. | | 5 | |
| Cost Containment | 30 | Sport season lengths will be lessened over the next 10-15 years to save on costs. | | | 2 |

Table 21. Forecasted Financial Issues That Did Not Reach Consensus on any of the Three Areas Rated: Desirability; Impact; or Likelihood of Occurrence, after the Final Round

| Category | Issue | Forecast |
|---|---|---|
| Comprehensive Issues | 8 | University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years. |
| Comprehensive Issues | 9 | Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years. |
| Cost Escalation | 10 | The "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes. |
| Cost Escalation | 12 | Athletic director salaries will continue to escalate over the next 10-15 years. |
| Revenue Generation | 18 | The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years. |
| Revenue Generation | 24 | Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network). |
| Revenue Generation | 27 | Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences. |
| Cost Containment | 31 | Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years. |
| Cost Containment | 32 | The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years. |

# CHAPTER V
# SUMMARY AND CONCLUSIONS

The purpose and findings of this modified Delphi study will be reviewed in this chapter. Then, a discussion of the results will occur. Conclusions will then be drawn from the findings and theoretical framework. A summary statement will then follow with implications for future research, practice, and recommendations.

## ***Summary of Research Problem and Methodology***

The financial landscape of major intercollegiate athletics continues to present major challenges due to the difficulty to contain costs related to complying with gender equity issues and related higher education costs (Howard & Crompton, 2005). Research commissioned by the NCAA shows that spending in NCAA Division I intercollegiate programs has outpaced that of higher education anywhere from two to three times in the last eight years (2006). A report released by the NCAA Task Force on the Future of Division I Intercollegiate Athletics summarizes the current fiscal difficulties, "There is significant stress in the system with rising operational costs and capital expenditures" (2006).

This study seeks to provide a forecast of financial trends of major intercollegiate athletics over the next 10-15 years for strategic planning purposes. This effort focuses specifically on trends of revenue generation and cost containment in the athletic departments of the public institutions in the ACC, Big 12, and SEC Conferences (N=30). A majority of these programs are self-funded.

As adequately funding competitive programs becomes more difficult, administrators will need to become more creative in finding ways to contain costs and create and expand revenue streams. This study outlines where leaders in intercollegiate athletics think the fiscal future is headed.

Administrators may use this study to serve as a precursor for strategic plans of the larger NCAA Football Bowl Subdivision athletic programs. The administrators that grasp the trends will be better prepared to face the challenges of the future (Buckner, 2003). Forecasting gathers the assumptions that are needed to serve as a basis for future

planning (Makridakis, 1990). Forecasted future knowledge allows leaders to influence the direction of their programs (Buckner, 2003).

To forecast these critical fiscal issues, a modified Delphi technique was chosen. The technique seeks expert opinion in forecasting situations (Rowe & Wright, 1999). Rather than relying on certain individuals, the technique seeks group opinion. Two primary features of the technique are that: it is a method that can be conducted using participants that geographically dispersed and it is a group technique that does not allow for groupthink (Rowe & Wright, 1999). This method of research fit well with the study's objectives, giving the researcher an opportunity to survey athletic directors, who oversee the budgets and fiscal direction of their programs.

The first of this two-pronged study consisted of interviews with a conference commissioner of a major NCAA Football Bowl Subdivision and an intercollegiate athletic consultant. Both interviews were conducted in June and July 2007. From the pair of interviews, which uncovered thick and rich data, the duo identified 35 critical fiscal forecasts.

The second portion of the study consisted of a Delphi panel of athletic directors rating the issues identified in the interviews in three areas: desirability, perceived impact and likelihood of occurrence. The area of focus of this study was the three most similar athletic conferences, the Atlantic Coast (ACC), Big 12 and Southeastern Conferences. Further, this study only sought ratings form the athletic directors at the public institutions within the three conferences. In September 2007, a solicitation mail out was sent to the 30 eligible athletic directors, who based on the assumptions of this study were deemed to be experts of intercollegiate athletic finance. The mail out included three things: a letter from the researcher asking for participation, a response form with a self-addressed stamped return envelope, and a letter from former NCAA President Gene Corrigan encouraging participation. The letter from the researcher explained what the study entailed, including the methods and clearly outlined the confidentiality aspect of the study. The response form asked them to indicate if they would participate, and gathered their contact information and professional background. The letter from

Corrigan, who has held many prominent professional positions such as being the former NCAA President, athletic director at the Universities of Virginia and Notre Dame, and former commissioner of the ACC, was included to lend credibility to this study.

After a series of follow up calls and e-mails, twelve athletic directors (40% of the population) committed to participating in the survey. Before engaging the twelve-member panel, the 35 issues identified from the qualitative portion of this study were coded and put into four categories: comprehensive issues, costs containment, cost escalation and revenue generation. An on-line survey was then constructed over a two-month period. Before being sent to the panelists, the web-based survey was tested by all four doctoral committee members, four other doctorate holding sport management professors, and one doctoral student, for participant fatigue and reliability.

In November 2007, the first web-based Delphi round was e-mailed to the twelve athletic director panelists. Over the course of approximately three months, athletic directors rated each of the 35 issues based on their desirability, perceived impact, and their likelihood of occurring within the next ten to fifteen years. Each of the issues were rated using the five-point Likert scale from one to five. One of the twelve panelists elected to no longer participate after having to deal with the after effects of a high profile coaching search. Upon completion of the first round of the Delphi study, using the athletic director panel, the data was aggregated and arranged to show each panelists how their answers matched against the group median answers.

The final round of the survey was then e-mailed to the remaining eleven directors of athletics on February 10, 2008. The researcher stated the goal of this round was to seek agreement, disagreement and insight on the 35 issues surveyed in the areas of desirability, impact and likelihood of occurrence. The e-mail had two documents attached. The first document contained a summary of round one of the survey. It was personalized to contain each panelist's response and to the immediate right of each of their responses was the average group response, calculated by using median score. If their responses fell outside of the interquartile range (IQR), the distance between the 25th percentile and the 75th percentile, then it was bolded and highlighted in yellow. If

their answer was bolded and highlighted in yellow, they had two options: either change it to the group answer in the open third column labeled "change" or make no change and provide a brief defense of the answer on the "critical issue defense page" document that was attached.

Upon completion of the second and final Delphi round, the data was aggregated to determine if consensus had been reached in the 105 items that had been rated. Each of the 35 issues was rated in three areas: desirability, perceived impact and likelihood of occurrence. The summary analysis of the final round can be found in Appendix G.

***Summary of the Findings and Conclusions***

A summary of the findings and conclusions related to this study will be presented with an analysis of the findings and related intercollegiate athletics literature. Particular emphasis will be placed on intercollegiate athletic forecasting studies by Branch and Crow (1994) and Drain and Ashley (2000), which used the Delphi technique, and Bowen (1980) which extensively outlined his financial theory of higher education. In this research, a modified Delphi technique was applied, 35 financial forecasted issues were identified by a major NCAA Football Bowl Subdivision and an intercollegiate athletic consultant. The study then moved to a Delphi panel to rate the 35 issues in the areas of desirability, perceived impact and likelihood of occurrence. The aforementioned issues were coded into four divisions: comprehensive issues, cost containment, cost escalation and revenue generation.

**Comprehensive Issues**

The financial issues within the comprehensive division primarily dealt with a macro-level view of the financial future of major college athletics. Nine of the 35 issues fell into this division. The first issue, which predicted that intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years, was deemed highly undesirable by the Delphi panelists. The panelists also felt that even though this forecast had a low chance to occur, they believed that it would have a high impact on the future of intercollegiate athletics.

Second of the nine issues predicted was that the economic well-being of the country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletic programs to generate revenues. The athletic director panel considered this to be a highly undesirable issue that would have a high impact on athletics. While the national economy could falter and have a dramatic impact on athletics, the panel felt that this issue has a low likelihood of taking place. One panelist wrote that, "I believe that there will be an impact. It will be less than the impact on other sectors of the economy, as history suggests." Another panelist stated, "I am not a believer that the impact will be off the charts like those that (rated this issue to have a high impact). It will have an impact but I do not believe as great as the pessimist's project. History has shown that support for college athletics/entertainment tends to not be as drastic as it probably should be."

Two of the projected issues foresee a continued tangible and/or intangible separation between the eleven conferences within the NCAA Division I Football Bowl Subdivisions. This separation could be in such areas as prestige, operating budgets and/or competitiveness. The first issue outlined that the athletic departments, within the six major conferences, will continue to have their revenues grow faster than those in the other five conferences over the next 10-15 years. While the Delphi panel felt that this would be desirable, as they are leaders within the six power conferences, most felt that it would only have some impact. One panelist clearly outlined why, "It seems that the gap between these 6 conferences and the others is already significant." Another panelist wrote, "The BCS conferences have and will continue to have the ability to generate more incremental revenue than the smaller conferences have. If revenue opportunities tighten, it will only impact the smaller conferences in a great percentage than the larger conferences." Needless to say, the panelists felt that the widening of the gap, between the six major conferences and the five others, is likely to occur.

Another issue predicted further segmentation within the six power conferences. This issue forecasted that the intangible groupings within the six major conferences will become distinct financially and competitively over the next 10-15 years. While the panel

rated this only to have some impact on the enterprise and a low chance to develop, it was deemed highly undesirable.

Attempting to benchmark the finances of one peer institution's athletic program finances to another is difficult. Each program has the freedom to report their revenues, debts and expenses differently. There is no uniform practice. One of the macro level forecasts calculated that there will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences. The athletic director panel felt that this was desirable, although they felt it only had a 41-60% chance of occurrence. One panelist felt more strongly that it would occur, "We're moving that way if people comply." Another panelist was not as confident, "It may be unlikely but the impact will be great if it happens." The panelists were neutral on the impact that this would have on intercollegiate athletics; however, some felt that this would have a strong impact. One panelist wrote, "This type of standardized reporting is long overdue and as it becomes more widely accepted, more and more institutions will use the info to support their decision making." The desire to have this forecast come to fruition was outlined by another panelist, "It has already started with the Presidential taskforce on dashboard indicators. As the use of those dashboard indicators becomes more widespread, it will only increase the desire for more national conformity."

One of the higher level forecasts that each athletic department has control over, unlike those that deal with the national economy and legislation, deals with strategic planning. The prediction was that athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. Panelists rated this to have a high impact and felt that it is likely to occur. Further, they felt that strategic planning was highly desirable. Not all felt the same way, one dissenting opinion from an athletic director felt that, "Strategic planning is time consuming and often superficially conducted to promote legitimacy within administration." However, the same panelist also affirmed that, "I believe it is conducted to promote fiscal health."

In early 2008, Oklahoma State University decided to terminate the contract of its head basketball coach. Doing so came with a substantial cost: $2,200,000. Because of this type of example, it was forecasted that athletic departments will be encouraged to start or grow their financial reserve fund over the next 10-15 years. The panel felt that this forecast was highly desirable. An athletic director added, "This means that potential liabilities will continue to grow." Having a reserve fund would have a high impact, the panel projected. While one panelist wrote that the need of a reserve fund is a, "Fiscal reality," the panel only rated the likelihood of occurrence between 41-60%.

University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years. This forecasted issue incited much comment from our panel. It was rated highly desirable. One panelist felt that it is a given that, "Some schools recognize the value in a robust athletics program and will continue to provide some resources." However, one panelist felt this forecast highly undesirable. The athletic director said, "I believe that thought process, (which) good in theory, is not good for our industry. Institutions need to establish the educational and promotional value of intercollegiate athletics and then determine how much they are willing to fund for the educational and promotional value that is derived for sports. Much like an institution does not expect the English department, the chemistry department or any other major unit to be self –supporting, the desire to make intercollegiate athletics self-supporting is misguided." While as a whole the Delphi panel felt that this issue would have a high impact, one felt otherwise, "The impact will be minimal, as this is now the case. Therefore, the impact has already occurred." The likelihood of this occurring, as rated by the panel, is 41-60%; however, one athletic director was more confident that this forecasted financial issue is already present and will remain. The director stated, "No doubt we will remain self-sufficient." Another said this issue was fine "if you are talk(ing) expectations." Others felt less confident than the group, "There is not and has never been the overall ideal that all programs are self sufficient."

While self sufficiency as a department may or may not be in the future, another issue the panel rated as likely to occur is the heavy scrutiny of the fiscal behavior for

their athletic departments over the next 10-15 years from presidents and chancellors of individual institutions. One panelist wrote that this is a "Fiscal reality and public scrutiny." Another added, "As dollars are in short supply across campus, there is no doubt the central administration will be looking harder at auxiliaries with money." While it was rated as having only some impact, the panelists felt the forecast to be desirable. One athletic director outlined, "I believe presidents should be involved more in understanding the fiscal behavior of their athletics program. The pessimists assume this means to cut spending. In my opinion, if more presidents took the time to fully understand the fiscal values of intercollegiate athletics they could then better appreciate the education and promotional values of intercollegiate athletics."

Research findings are in line with the panelist opinions which believe a slowing national economy faltering could have a dramatic impact on athletics, this forecast has a low likelihood of taking place. For example, even in the greatest national economic depression, lasting over ten years, most institutions continued to invest in their college football programs (Thelin, 2004). In 1931, the Southern Methodist University governing board elected to garnish faculty wages in order to pay off debt from a new football stadium, whose plans were approved before the depression began (Thelin, 2004). Another example during this time was that although the depression did have an effect on college football attendance, in 1935 attendance surpassed all of its previous attendance records (Thelin, 2004).

In the early 1990s, the national recession brought a new urgency to the demands for higher education accountability. More than ever, the public who supported higher education wanted to be sure their tax money was spent wisely (Thelin, 2004). During this time, many of the top university president's succinctly outlined the current landscape of state funding for their institutions: "'we used to be state supported; then we were state assisted; and now we are state located'" (Thelin, 2004, p. 359). Many states were in a financial crisis at this time. State appropriations for higher education continued to fall, even though leaders had expectations higher than ever (Burke, 2002). Higher education went through the process of annual budget cuts so frequently that reductions

became expected (Burke, 2002). Although the country and individual states struggled through another economic downturn, athletics flourished. In short, by the end of the decade football and basketball had become so popular, record televisions deals were signed – including the BCS pact in 1997 that brought in $450 million for the six power conferences (Dunnavant, 2004).

A possible slowing national economy may indirectly affect intercollegiate athletics; however, as the tax exempt status that college athletics has enjoyed has come into question, there have been other movements at the national level that have directly and significantly impacted athletics. After seeing the violent nature of college football in 1904, President Theodore Roosevelt immediately called college presidents together to discuss the possible reform of intercollegiate athletics and in particular football (Thelin, 2004). It was then that Roosevelt made it clear that athletics needed change and the violence to cease or he would seek an Executive Order to make it happen (Crowley, 2006). Another major event occurred on June 23, 1972. On that date federal legislation was passed to end gender inequity in education, including sport (Breaux, 2001). The legislation, Title IX, states that no programs in the U.S. shall, on the basis of sex be excluded from participation in, denied the benefits of, or be subject to discrimination under any program receiving federal assistance (Breaux, 2001). While the legislation has created enormous opportunity for participation for female student-athletes, its detractors point to the loss of men's programs and increased expenditures as major reasons that this legislation has hurt intercollegiate athletics (Breaux, 2001).

Not all legislation has been as controversial. In the late 1980s a legislative bill was introduced from a former student-athlete, Senator Bill Bradley of New Jersey, to further promote academic accountability for intercollegiate athletic programs (Sperber, 2000). The bill sought to require colleges to make the graduation rates of their athletics programs a matter of public record (Sperber, 2000).

The forecasted issue of the tax exempt status of the NCAA being changed may be a major concern to most athletics administrators. Many followers and the popular press see major intercollegiate athletics as big business, which is a concern. Up until the

1970s, the NCAA was advised that the Supreme Court interpreted the Sherman Act as applying only to the business world (Dunnavant, 2004). That changed in 1975. A decision involving the Supreme Court outlined, for the first time, that a nonprofit organization "did not enjoy blanket exemptions from antitrust laws" (Dunnavant, 2004, p. 195). Eventually this led to the NCAA television plan being found to have violated the Sherman Antitrust Act in the mid-1980s (Breaux, 2001). Further, this also led to the NCAA violating this law with the restricted earnings coach legislation less than a decade later (Breaux, 2001).

While the national economy, court system and legislation are high-level concerns on the financial future of intercollegiate athletics, macro-level leadership at the campus level may lead to fiscal changes within major college athletics. Presidential focus on athletics is not new. Even in the nineteenth century, college presidents examined the benefits and drawbacks of intercollegiate athletics (Thelin, 2004). For example, the first University of Chicago president, William Rainey Harper, believed that a winning football program can be very beneficial to an institution – in both exposure and in donations (Thelin, 2004). One of the reasons higher education leaders have increased their oversight of intercollegiate athletics is due to the scandals of the late 1980s (Seidler, Gerdy, and Cardinal, 1998). Presidential involvement was encouraged in 1991 Knight Foundation Report, a 47-page document, which was the beginning of calls for presidents to be directly in charge of intercollegiate athletics and reaffirmed that presidential control of intercollegiate athletics is essential to curbing abuses (Crowley, 2006).

Presidential scrutiny could lead to forecasted expectations that athletic administrators lead a financial self-sufficient program and that those administrators start or grow a financial reserve for their programs. As forecasted, presidential leadership may also encourage strategic planning within athletic programs. This type of planning studies and scans the external environment for trends and tries to incorporate these trends into planning for all areas of the organization (Birnbaum, 2001). In this process, schools search for changes or possible changes in their environment in order to chart a

successful path for the organization in the future. As outlined by one of the panelists, strategic planning also takes a great deal of time and effort to successfully implement.

**Cost Escalation**

The second area of forecasted issues dealt with the escalation of costs. There has been widespread concern that expenses are rising faster than revenues, which is an alarming trend. Since the 1970s, Padilla and Baumer (1994) found the typical major athletic department budget increases nearly 20% on an annual basis. This concern has been well documented in the popular press; major college athletic directors frequently mention their fight with inflation. Six issues were forecasted in this area and then rated by the panelists.

First of the cost escalation issues forecasted was that the "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes. The panel rated this trend is likely to continue and will continue to have a high impact. One panelist added that, "We are already in an arms race so I see no different impact (than what) we are already experiencing." The athletic director panel took a neutral stance on desirability; however, one panelist in particular does not desire this forecast of the continuation of the arms race. The director saw it as a negative trend, adding, "As long as the focus is on buildings, the people and the product will suffer."

The next forecast rated in this area was that coaching salaries and compensation packages will continue to escalate over the next 10-15 years. This forecast was rated with pessimistic view. Panelists see this trend continuing, as they rated it likely to occur. Further, they thought it would have a high impact, although highly undesirable.

Coaching salaries are perceived by athletic directors to be spiraling out of control. Because of these upward salary spikes, it was forecasted that athletic directors, with regard to finances, will look for value when hiring coaches. While the panel did find this forecast desirable, they did not have a lot of confidence that this would occur, giving this rating only a 41-60% chance of occurring over the next 10-15 years. One panelist thought this might occur if the money to pay coaches is not available. One

panelist believes the "Tipping point for fan's willingness to pay will be critical to this issue." Another panelist does not believe this forecast will ever evolve in major college athletics, saying, "Winning will still matter and for that, a higher price may need to be paid." According to the panel, this forecast would only have some impact in remedying the escalation of salaries.

While coaching salaries are steadily growing, so are athletic director salaries. Surprisingly, the athletic director panel was only neutral in desire for their salaries continuing to escalate over the next 10-15 years, although they said it was likely to occur. They only saw this having some impact on the financial future of major intercollegiate athletics. One panelist believed it was less of an issue than coaching salaries because, "Mobility at the AD level is much less than at high profile coaching levels."

It was forecasted that in addition to employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years. The athletic director panel rated this forecast with much concern, rating it highly undesirable, having a high impact, and highly likely to occur. This is one of only a handful of forecasts to provoke such strong group opinion.

Outlined extensively in chapter II, Title IX has had a major financial impact on intercollegiate athletics. The last cost escalation forecast predicts that women's rights advocates will force further gender-related funding issues over the next 10-15 years. As one might predict, the panel rated this not very desirable. One panelist sees good in the forecast stated that, "With the success of women's athletics in general there will continue to be a focus on maintaining and increasing opportunities." If this occurs, which the panel gave it a 41-60% chance; it will have only some impact on the financial landscape of major college athletics. This fiscal reality was outlined by one panelist, "Females in sport will continue to grow, while financial resources will continue to be squeezed."

Empirical evidence clearly identifies that the alarming realities of cost escalation are evident for athletics. A report commissioned by the NCAA outlined that expenditures for NCAA Division I-A athletics programs accounted for roughly three percent of total institution spending in 1997, while it accounted for roughly three and a half percent of total institution spending in 2001 (Litan et al., 2003). From the early 1990s to 2003, athletics expenditures have accounted for less than 4 percent of total institutional spending (Fulks, 2004).

While spending is at an all time high because of a competitive marketplace and escalating costs, a logical conclusion for athletics program leaders is to just scale back: pay less for coaches and not build new athletics facilities; however, in doing so programs would not be able to attract the high-quality coaches and student-athletes to become or remain competitive. Curbing expenditures is highly unlikely in a competitive marketplace, since empirical evidence indicates the ability to generate revenue for athletics directly correlates with the ability to win football games (Padilla & Baumer, 1994). High expectations from alumni, which put pressure on governing boards, and in turn put pressure on presidents and chancellors, are another major reason for not cutting costs. Alumni want to win. In short, there are two viewpoints in alleviating fiscal problems in major athletics programs: first, curb costs to meet budgets while trying to remain competitive and/or to generate more revenue to continue to successfully meet high expectations. Although generating revenue and containing costs generally conflict in an intercollegiate athletics setting as the main focus should be the student-athlete, this is the current landscape of big-time college athletics.

The cost escalation within intercollegiate athletics has been well-documented through research in two areas. These two major expenditures include coaches' salaries and student-athlete scholarships. Since the implementation of Title IX, scholarship costs have also increased a great deal. This federal legislation mandates that any organization receiving federal funds must provide equal gender opportunities, thus more scholarships for women's athletics were a must. In 1975, NCAA president John Fuzak of Michigan State University, wrote to President Gerald Ford, alarming him that "The Department of

Health, Education and Welfare (HEW) concepts of Title IX as expressed could seriously damage, if not destroy, the major men's intercollegiate athletic programs" (Crowley, 2006). Fuzak was undoubtedly concerned with the looming financial realties of this legislation. Before this legislation, small women's athletics programs made sense because to start and then sustain a program was essentially a fiscal drain, as they did not draw larger crowds or receive major apparel sponsorships. Still today, even with the rise in popularity of women's sports, they produce less than 10% of the overall revenues within a typical department (Howard & Crompton, 2005).

While scholarships have increased with the cost of higher education, the costs of obtaining and then keeping coaches at the highest level in intercollegiate athletics has been substantial. Coaching salaries rose 89%, from 1997 to 2003, while revenues only increased by 66% over the same time according to the NCAA (Fulks, 2004). Major college athletic programs, especially the major six conferences within NCAA Division I Football Bowl Subdivision, produce a large portion of their revenue through the football and basketball programs (Fort, 2003). It has been estimated that nearly all universities, in NCAA Division I Football Bowl Subdivision level conferences, receive revenues far greater than expenses in both football and basketball (Goff, 2000). At least 70% of the schools the difference is greater than $1 million (Goff, 2000). One of the ways that athletic directors maintain the fiscal health of their football and men's basketball programs is by attracting talent to lead these sports. According to budget data obtained from Texas A&M University, the 2003-2004 athletic department's budget saw over 2/3 of its revenues (ticket sales, donations, concessions, etc.) come from the football program. Another snapshot of how fiscally important football is at the major college level is a look at the 2001 Ohio State University football program, which captured a national championship, produced a $20.3 million profit (Suggs, 2002). Because football and in most cases basketball, are incredibly important to major college program's budgets, it is program leaders believe that they must find a way to keep their major revenue streams running smoothly.

Less than twenty-five years ago the first head football coach was paid $1 million a year. With head coaches, such as Nick Saban, being paid more than $4 million annually, the trend of increasing coach's salaries is clearly evident.

Some things are out of the control of leaders. They can not command the cost of utilities to stop rising or Title IX based legislation to suddenly disappear, but they can control the competitive arms race for facilities and salaries. As the aforementioned empirical evidence clearly shows, the trend is not toward looking for financial value when hiring head coaches. The stakes are too and there is too much pressure from all the stakeholders of the athletic programs.

**Revenue Generation**

The third division of financial forecasted issues relates to generating revenue. Eleven issues were forecasted in this division. Generating more revenue is more important than ever because research shows that the expenditures continue to rise at a distressing rate. Drain and Ashley (2000) found that revenue sources will need to become increasingly diversified.

During the 2003-2004 academic year, the Big 12 Conference generated 14% of the revenues for the operating budget of the Texas A&M University athletic department. The percentage may grow in future years. It was forecasted that athletic conferences, such as the Big 12, will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years. One panelist agreed with the forecast, concisely writing, it was a "Fiscal reality." The panel rated this forecast as highly desirable; however, they believed it to only have some impact and gave it only a 41-60% chance of occurring.

Two of the forecasted issues involved television contracts related to football, which are negotiated and allocated by the conferences. The first issue, related to these aforementioned contracts, forecasted was that the Bowl Championship Series arrangement will only strengthen over the next 10-15 years, helping the major conferences by giving them huge fiscal commitments. The athletic director panel

considers this forecast highly desirable and to potentially have a high impact. While they want it to come to fruition, their confidence in it occurring was only 41-60%.

The second of the football television contract forecasted issues, predicted that a big focus will be on seeking additional dollars from the football post-season over the next 10-15 years. The panel rated this forecast as likely to happen and desirable, but one panelist wrote that they only desire it in the current arrangement, not through implementing a playoff for more television revenue. “I do not support a football playoff and I hope that we do not eventually change to a playoff format. College football is by far and away the most exciting sport during the regular season. A playoff system will negatively impact the importance of the regular season (much like basketball already has) which I think would be unfortunate,” the panelist wrote. Although the panelist believes this could have a high impact, the panel rated thought it would only have some impact.

Another television related forecast believed that the NCAA will have difficulty in securing another lucrative multi-year television commitment for the men’s basketball tournament over the next 10-15 years. While they were mixed on if this would happen (41-60% chance), they felt this to be bad news, rating it as highly undesirable. Most felt it would have a high impact on the fiscal future of major college athletics, but one panelist felt otherwise by writing, “The impact on our individual institution will be less than other potential economic changes.”

The final television related forecast predicted that over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network). Panelists felt neutral in their desire for this to take place. One felt that other conferences will be in a holding pattern until they either see the success or failure of the Big Ten Network, adding, “This will be very much studied as new way to generate revenues.” Another panelist was open to the idea of a network to increase revenues, offering “Incremental revenue opportunities continue to increase in importance.” At the current time, the athletic directors only believe a network would have some impact. One believed otherwise, “I don’t think it will have that much of an impact.” The panel only gave it a

41-60% chance of occurring, but one panelist thought that more would follow the Big Ten's lead, writing that most conferences "will try - most will fail."

Fundraising plays substantive role in operating budgets. Research shows that over 15% of the revenue generated by NCAA Division I Football Bowl Subdivision programs is derived from donations (Fulks, 2002). In the six major conferences, that percentage could be even greater. Drain and Ashley (2000) found that it is increasingly important for programs to find external funding for the funding of their programs. Three forecasts dealt with fundraising issues. The first predicted that major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years. The panel deemed this as highly desirable and predicted that it would have a high impact. They also felt that is was likely to occur. One panelist added that, "It's shocking that they aren't this way already."

Second of the three fundraising forecasts was that endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years. The panel gave it a 41-60% chance of occurring, despite it being rated as desirable. If the forecast should occur, the athletic directors felt that it would have a high impact. One slightly disagreed with the group; "Our industry already relies heavily upon fundraising so I am not sure the change in focus from facilities to endowment will have a noticeable impact on our industry."

The last fundraising related forecast predicted that annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years. As expected, since fundraising revenues play such an integral role in operating budgets, this was rated by the panel as having a high impact and highly undesirable. The panelists did not feel strongly about the likelihood of this forecast occurring, giving it a 41-60% chance.

It was in the 1970s that the University of Missouri was believed to be the first athletic department to outsource their sales inventory to a third party, Learfield Sports. Over three decades later, this trend has percolated through major college athletics. Drain and Ashley (2000) found that corporate sponsorships will become a major source of

revenue for intercollegiate athletic programs. In this study, it was forecasted that athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. The panelists felt that this was likely to happen, although they felt it would only have some impact and were neutral in their desire for it to occur.

Ticket revenue has long been the biggest source of revenue for major college athletic programs. It was forecasted that football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years. While as a group the athletic director panel felt this to be desirable and likely to occur, one panelist took a pragmatic view, writing that, "Fan interest and potential for revenue increases will dictate it." Comments also followed about the impact. The panelists thought that this forecast could only have some impact. One panelist wrote that, "It already is since nearly 60% of our revenue comes from ticket sales and donation tied to ticket locations. The next 10 to 15 years should be no different." In other words there is not much room for growth. Another panelist concurred, "Most can't raise their ticket prices much more without risking a big loss of fans."

The forecast that universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership, such as hotels paying athletic departments for their land use) was met with impartial ratings. The panel only gave this a 41-60% chance of occurring, while rating it neutral for their desire for the forecast to take place and feeling that it would only have a neutral impact. One panelist wrote that this would only lead to "incremental opportunities" and thus not have much impact. Another felt more strongly that the industry is moving in this creative revenue generating direction because of an "increased pressure on athletics to be less funded."

It has been documented that the major college athletic programs rely on student fee revenues less than in Football Championship Subdivision conferences and other smaller Football Bowl Subdivision programs (Litan et al., 2003). As one panelist wrote, "The smaller conferences rely upon institutional and student support much greater than the BCS conferences." That stated, it was forecasted that student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15

years, as they are in the other five Football Bowl Subdivision conferences. It was only given a middle-of-the-road chance of occurring and for its potential impact. Further, it was deemed as not very desirable. One panelist thought against it because major programs asking for student fees, would have a negative "public relations impact."

Research shows that it is difficult to provide the necessary financial resources to balance spending in order to stay competitive in a highly charged enterprise. What makes it so difficult is revenues depend on a number of changing factors from year-to-year (NCAA, 2006). The top sources of revenue in major college athletics is derived from football ticket sales, fundraising, and television contracts (Litan et al., 2003).

Fulks (2002) reported that donations alone account for over 15% of the revenue generated by Division I-A programs. This is the second largest area for revenue, trailing only ticket sale revenues (Fulks, 2002). Annual fundraising, primarily via priority seat programs, have been a point of emphasis for athletic departments. Mahony, Gladden, and Funk (2003) examined donors at varying NCAA Division I institutions and determined that the areas of priority seating and improving the revenue generating sports on campus were the most important to athletic donors. Endowment and major gift campaigns, as they have been for years for academic support, are also more prevalent in major college athletics.

The financial impact of television contracts has also been well documented. Through 2002, the NCAA Division I Men's Basketball Tournament alone has produced a television contract from the CBS network that has provided schools over $1.7 billion (Fulks, 1998). In football, the six prominent Division I Football Bowl Subdivision conferences have been able to use television to increase their power, mostly through their ability to demand large contracts. In order to generate the best television contract, the six power conferences, formerly known as the BCS, initiated a coalition for the 1998 football season (Dunnavant, 2004). This television contract signed in 1997 stipulated that four high-profile football bowl games (Fiesta, Orange, Rose, and Sugar) would serve the power conferences (Dunnavant, 2004). In the BCS arrangement, the four bowl games provided over $450 million to the six BCS power conferences in its first five

years of existence (Dunnavant, 2004). These large television contracts further highlight football and men's basketball fiscal importance within an athletic department.

As history teaches, there is a perpetual search for more television revenue. The desire to produce more revenue may lead to a playoff system being implemented. In 1993, a special committee started gathering information about the feasibility of a Division I-A football championship (Dunnavant, 2004). A call for a playoff system has intensified with controversial pairings for the championship games.

While private support and television contracts will likely have an increased role in the funding of the intercollegiate athletic enterprise, student fees are believed to be a thing of the past in major college athletics. As state funding for higher education has dramatically decreased in the past decades, the burden to fund higher education has been placed on the user: students. If student fees for athletics increase or is implemented, there would likely be a public relations backlash (Thelin, 2004).

Generating revenue is undoubtedly a focus for leaders in central administration and athletic programs. The areas of fan/alumni interest and revenue will likely correlate despite the threat of any national economic downturn. Overall, research seems to show that the biggest sources for revenue generation may lie primarily in television contracts, ticket sales and private support.

**Cost Containment**

In light of declining revenues and increasing costs, athletic administrators are seeking ways to maintain competitive programs (Sheehan, 1996). The first division of forecasts contained comprehensive issues. In this division it was determined that some issues that intercollegiate athletic leaders face they can control; however, most they can not control. The next two divisions of forecasted issues, cost escalation and revenue generation, outlined that there are likely financial difficulties ahead. The last division of issues, cost containment, has forecasted eight issues that were rated by the group of athletic director panelists.

The first forecasted issue predicted that there will be no national level movements in containing costs over the next 10-15 years because of both federal law

and institutional autonomy (i.e. different missions and sizes among the schools). The panel felt neutral on their desire for a movement toward containing costs and gave it a 41-60% chance of occurring. One panelist outlined a reason against this forecast occurring, saying that the "Competitive independence and institutional mission autonomy" of each program will determine if they focus on containing costs. Another panelist believes otherwise. The athletic director wrote, "I think there is a very high likelihood of a national movement to contain costs. When we tried it as an industry, we were sued and lost an antitrust lawsuit. The only way to ultimately contain costs is to have some kind of national intervention." Overall, the panel felt this forecast occurring would only have a neutral impact on the financial health of intercollegiate athletics.

Another forecast was that an antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages. Although the panel felt this would not likely occur, they believed that if it did, it would have a high impact on intercollegiate athletics. The panel was indifferent in their desire for this forecast to occur.

The next forecast dealt with leadership salaries being contained through government intervention. The forecast predicted that coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years if the tax exempt status is changed. Panelists rated this as having only a low chance of occurring. One panelist wrote, "I am not convinced there will be a change in tax exempt status." A second panelist added that this is not likely because salaries are "market driven." This comment was probably influenced by the past Sherman Antitrust Act violations that the NCAA has experienced. Overall, the panel felt this forecast to be highly undesirable and that it would have high impact should it occur.

The NCAA has reduced football scholarships twice in the past twenty-five years. First, it reduced scholarships from 105 to 95 in 1987, then again in 1993 from 95 to 85 (Dunnavant, 2004). A reduction was forecasted for the future. It was predicted that football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and possibly less fiscal pressure in Title IX

compliance. Although one panelist believes, “This is one way to limit costs,” it was deemed highly undesirable by the panel. It was also rated to have a high impact on college athletic finances; however, the panel believes that it will not likely occur. One panelist concludes that it is, “Unrealistic given realities of the sport.”

The next four forecasts deal with the reduction of competitions played, coach staffs, sports required by the NCAA and facility debt issued. The first forecast predicted that various sport season lengths will be lessened over the next 10-15 years to save on costs. Panelists believed this had a low chance of happening and found it not very desirable. Further, they only believed this to have only some impact.

Subsequently, it was forecasted that overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years. The panelists were only neutral in their desire for this to occur. One panelist wrote, “This is another way to limit costs.” Although they only gave it a low chance of occurrence, they believed that shall it occur, that it would have a high impact. One panelist took a realistic view, “We’ll still spend the money somewhere. Innovative departments and coaches will find ways to pay coaches to help.”

Another way to contain costs would be by the NCAA reducing the number of required sports over the next 10-15 years. The panel rated the likelihood for this occurring low, but felt that it would have a high impact; however, one panelist disagreed, “We’re already over the minimum. I can’t see us cutting sports just because the minimum was lowered.” In other words, should the NCAA lower the minimum amount of sports required, athletic directors would not be quick to eliminate various sport programs. For that possibly that reason, the panelists were only neutral in their desire for this to occur.

The *Sports Business Journal* reported in late 2005 that spending on intercollegiate athletic facilities within the past decade has reached $15.2 billion (King, 2005). This spending spree may slow. It was forecasted that there will be less debt issued for facilities construction over the next 10-15 years; however, the panel only gave a it a low chance of occurring, while given the competitive environment, they found it not

very desirable. Further, they only found the forecast to have some impact should it occur.

Given the historical perspective on major intercollegiate athletics, there will likely be no national movements to contain costs in areas such as coaching and administrative salaries. Intercollegiate athletics have looked to contain these types of costs before and failed. The NCAA formed a committee in 1989, the "Cost Reduction Committee," to identify areas in which intercollegiate athletics programs could contain costs (Breaux, 2001). This committee identified five areas in which programs could control costs (Breaux, 2001).

One of those five areas was coaching salaries. The committee lessened the number of full-time coaching spots in baseball by one, but then added a coaching position which salary was capped, called the restricted earnings coach (Breaux, 2001). This coaching salary cap was challenged and eventually the NCAA lost. A federal judge ruled that the NCAA violated the Sherman Antitrust Act with the rule in 1995 (Breaux, 2001). In May 1998, the same judge awarded $67 million to the coaches, trebling the actual damages as required under antitrust law (Breaux, 2001). The NCAA appealed in March 1999 and the plaintiffs and NCAA settled the case for $54 million (Breaux, 2001). Until the court system grants the NCAA special status that allows them to circumvent the Sherman Antitrust Act, little can be done to curtail the competitive, marketplace driven salaries for high-profile coaching and administrative positions.

## ***Conclusion***

The purpose of this study was to identify and analyze the influences on the finances for larger NCAA Division I Football Bowl Subdivision athletic programs. Also, this study sought to identify current efforts underway to contain costs and grow revenues within larger NCAA Division I Football Bowl Subdivision athletic programs. Lastly, this study wanted to forecast the financial future for larger NCAA Division I Football Bowl Subdivision athletic programs and determine the likelihood, desirability and impact of each forecast. The following conclusions have been derived from this study:

1. One issue was rated as having the highest possible likelihood of occurrence: employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years.
2. A total of ten issues were ranked as having a 61-80% chance of occurring in the next 10-15 years. These issues dealt in the areas of increased strategic planning, strengthening of the top tier programs, increased presidential scrutiny, a continuing arms race, coaching and athletic directors salaries escalating, increased revenue from the football post-season, formalizing major gift fundraising programs, an increase in multimedia deals, and continued focus on football and men's basketball ticket sales.
3. Fourteen issues were given a 41-60% chance of occurring. These include issues involving: uniform financial reporting, growing financial reserves, budgetary self-sufficiency, seeking value in hiring coaches in high profile sports, increased gender-based funding, more conference related revenue, difficulty in securing another lucrative men's basketball postseason television contract, focus on endowment fundraising, annual giving levels decreasing should tax-exempt status be removed, increase in conference based television networks, use of private assets to bring more public revenue, no future increase in student fee subsides and no national movements in containing costs.
4. Eight issues were given a 21-40% chance of occurring. These forecasts included the following issues: college athletic tax exempt status being reduced or eliminated, national economic downturn affecting athletics financially, competitive separation within the six major conferences, salaries growth slowing if the tax exempt status is eliminated, and finally, sport seasons, coaching staffs, NCAA required sports and facility debt is be reduced.
5. Two issues were given only a 0-20% chance of occurring within the next 10-15 years. The first was forecasted that football scholarship limits will be lowered from 85 over the next 10-15 years. The second forecasted that an antitrust

exemption will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages.

6. Six forecasts were highly desired by the panel to occur. These included a strengthening or implementation of strategic plans, starting or growing their financial reserve funds, financial self-sufficiency, athletic conferences generating more revenue, the BCS-related revenues continuing to grow and help major programs, and major gift fundraising programs becoming a greater point of emphasis.
7. Nine forecasts were not desired. Tax exempt status being reduced or eliminated, economic health of country affecting athletic fiscal well-being, competitive separation within the six major conferences, coaching salaries escalating, athletic inflation rates growing greater than the national average, NCAA will not be able to secure another lucrative television deal, salaries and annual giving levels will decrease should there be a change in athletic tax-exempt status, and football program scholarships will be decreased.
8. Over half of the forecasts (51%) were rated by the panel as having a high impact should they occur. These eighteen forecasts include: tax exempt status reduced or eliminated, economic health of country affecting college athletics fiscal well-being, strengthening or implementation of strategic plans, starting or growing financial reserve funds, financial self-sufficiency, arms race continuing, coaching salaries escalating, athletic inflation rates growing greater than the national average, NCAA not being able to secure another lucrative television deal for men's basketball, the BCS television contract will strengthen, major gift and endowment programs will be a greater focal point, annual giving levels tapering should there be a change in athletic tax-exempt status, football program scholarships will be decreased, coaching staffs and the number or NCAA required sports will be reduced, an antitrust exemption will be given to college athletics in an effort to cap salaries, and salaries will be slowed should athletic lose their tax exempt status.

9. No issues were rated as having no or low impact.
10. Twelve issues obtained consensus from the panel of athletic directors in two of the three areas rated. These twelve issues included: the economic health of country affecting college athletics fiscal well-being, competitive separation within the six major conferences, strengthening or implementation of strategic plans, the escalation of coaching salaries, athletic directors looking for value when hiring head coaches in high profile sports, athletic inflation rates growing greater than the national average, athletic conferences generating more revenue, the BCS television agreement strengthening, major gift fundraising programs being a greater focal point, annual giving levels decreasing should there be a change in athletic tax-exempt status, an antitrust exemption being given to college athletics in an effort to cap salaries, and salaries will be slowed should college athletics lose their tax-exempt status.
11. Three of the issues obtained consensus in all areas rated: desirability, impact and likelihood of occurrence. First, the intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years. Second of the issues, athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years. Lastly, there will be less debt issued for facilities construction over the next 10-15 years.
12. Bowen's (1980) revenue theory of cost may be further reviewed to determine what impact external forces have on its applicability in the area of intercollegiate athletics.

***Researcher's Comments***

After a review of the literature, I found it interesting that no academic-related study has ever looked at the finances of only the major, six power conferences. All I was able to find are studies that grouped all NCAA level programs (I, II, III), a mixture, or only NCAA Division I Football Bowl Subdivision (FBS), which was formerly referred to as the NCAA Division I-A. The more I studied the budgets and competitiveness within the FBS, the more diversity I saw between the five lower profile FBS conferences

(Mid-American, Mountain West, Sun Belt, USA and Western Athletic) and the six high profile conferences (Atlantic Coast, Big 12, Big East, Big Ten, PAC10 and Southeastern). Further, I saw more diversity between the public and private athletic programs. One of the big differences was the lack of full financial reporting between the public and private based programs. In addition to the conference and institution profiles, I thought that there may be differences between the Big East, Big Ten and PAC 10 and the Atlantic Coast, Big 12 and Southeastern conferences. The primary reason is that these conferences are most alike because they play in a revenue generating, nationally televised football conference championship game. After uncovering the diverse competitive and financial backgrounds of hundreds of intercollegiate athletic programs, I believed that a study should be done of the financial future of major college athletics. The financial situation of major college athletics has worsened. An NCAA study shows that spending in Division I intercollegiate programs has outpaced that of higher education anywhere from two to three times in the last eight years (2006). Since the 1970s, the average major athletic department budget has increased nearly 20% each year (Padilla & Baumer, 1994). In the aforementioned report released by the NCAA (2006) Task Force on the Future of Division I Intercollegiate Athletics the difficult situation facing the enterprise was captured in one sentence, “There is significant stress in the system with rising operational costs and capital expenditures.”

I have been intrigued with the fiscal direction of major college athletics. I sought to uncover how forecasting could help administrators with their ability to lead and make decisions that affect the vitality of their programs. Planning for the future is undoubtedly needed. To help with planning, certain assumptions were needed. Those assumptions can be obtained through forecasting. Without forecasting, “no planning or strategy is possible” (Makridakis, 1990).

To uncover the future, I decided to use the modified Delphi methodology. I liked this technique for three reasons. The first reason was I could survey an expert panel of athletic directors (Rowe & Wright, 1999). These professionals have oversight on the day-to-day operation of athletic program budgets. Another reason the Delphi was

applicable was I could survey a group of geographically dispersed panelists (Salancik, Wenger and Helfer, 1971; Rojewski & Meers, 1991). The panel could have consisted of athletic directors from 19 different states. Thirdly, this technique did not allow for groupthink (Rowe & Wright, 1999). For example, I did not want panelists with over a decade of athletic director experiences (n=3) influence the opinion of a panelist with only three years of experience (n=4).

Using a panel of major college athletic directors presented challenges. From the solicitation to the second and final round it took almost a half-year to complete the study. As I initially predicted, these athletic directors, while their data was valuable, are consumed professionally by the day-to-day issues of their position. Because of their professional demands, I compiled the issues via interviews with a conference commissioner and an intercollegiate athletic consultant. This was extremely helpful because it limited the number of rounds to the athletic director panel by one or two.

A related and groundbreaking book that gave in depth look at higher education finance was, *The Costs of Higher Education*, by Howard Bowen (1980). In this book he outlined five laws of finance for institutions of higher education. The first was that institutions of higher education look to obtain excellence and prestige (Bowen, 1980). The second was that in this pursuit that there is not a limit on the amount that each institution is willing to pay in obtain excellence and prestige (Bowen, 1980). Thirdly, each institution tries to generate as much revenue as possible (Bowen, 1980). Fourthly, as soon as the money comes in, it is spent to obtain goals of excellence and prestige (Bowen, 1980). Lastly, the effect that the first four laws have on the fiscal status of higher education, is that expenditures are always increasing (Bowen, 1980). All of these laws can be applied to major intercollegiate athletics and this study.

The first law is that institutions attempt to obtain excellence. I have heard it said that, if you are going to keep score, you might as well try to win. Leaders in intercollegiate athletics will have difficulties scaling back costs unless in dire need. Scaling back sends a message to alumni with high expectations that we are not properly investing in recruiting, facilities and coaches. The second law, that there is not a limit on

spending to obtain excellence, can be directly related to the so called arms race in major college athletics. Thirdly, the law that each institution attempts to maximize its revenues, is evident through the conferences consolidation and movement within the past two decades and an increase in human resources in areas of fundraising and sponsorships sales. The fourth law that money is spent shortly after it is obtained, is evident from the 2004-2005 financial data which concluded excluding institutional support, 95 of the 117 the NCAA Division I Football Bowl Subdivision athletic programs lost money (Zimbalist, 2007). The last law states that because the first four laws exist, expenditures will never stop rising. This explains why since the 1970s the typical major college athletic program had its budget increase by nearly 20% each year (Padilla & Baumer, 1994).

While Bowen's laws are empirically based, are they the wave of the future for major college athletics? After a closer examination of the results of this study, Bowen's laws may be only partly true. This study revealed five issues that were rated both high in impact and desire by the athletic director panel. The first of these issues was that athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health. The second forecast was that athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years. The third forecast that was rated high in both perceived impact and desire was that university leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years. These three issues deal with taking a proactive, fiscally sound approach. Growing a financial reserve fund is not in line with institutions will spend all of their revenues. However, Bowen laws are evident in the fact that the panelists felt strongly in their desire to produce more revenue with the next BCS television contract and through major gift fundraising programs. The BCS generates revenue primary for the top six conferences. Further, major gift fundraising programs may be helped more by large alumni bases from institutions such as University of Michigan over the University of Louisiana at Monroe. The rich are predicted to get richer, while the smaller five FBS conferences will be left further behind.

The one force that can disprove Bowen's theory is external forces (Bowen, 1980). In the case of intercollegiate athletics, this could be the college president, the board, fans, donors and alumni. For example, should a president and the governing board inform the athletic director to cease spending and save, Bowen's theory could be counteracted.

***Recommendations***

Based on the review of literature and the findings of this study, I make the following seven recommendations:

1. College athletic programs, within the five major FBS conferences, should formulate an internal strategic planning team and/or consider using a third-party consultant to evaluate financial operations and revenue generating opportunities, such as fundraising.
2. College athletic programs should, within the five major FBS athletic conferences, use the results of this study to aid in strategic planning, particularly in the area of financial considerations.
3. Leaders of major college athletic programs, within the five major FBS athletic conferences, should strengthen relationships with top institution leaders, such as the president, chancellors and board members, seeking their input on the financial future of the athletic department to work together to reach the mission and goals of the institution and obtain unified support across campus.
4. Institutions should closely examine their operating budgets to see how expenditures relate to performance in the classrooms and on the playing fields. This exploration should aid in keeping the mission of the athletic department and institution aligned.
5. Since it was determined that cost containment will be minimal in the future, it is recommended that athletic programs explore ways to maximize current revenue streams and develop programs with revenue potential and fan interest.

6. The NCAA should continue identifying ways, through research such as the Presidential Leadership~Institutional Accountability report, to help athletic departments in their quest to make empirical-based financial decisions.
7. Sport management programs should implement more intercollegiate athletic based courses for their curriculum, particularly in athletic finance. Many positions within intercollegiate athletic programs are becoming more professional in nature. Further, the demand for prepared professionals, and not retiring coaches, to fulfill those aforementioned positions is growing.

***Implications for Future Research***

1. The forecast should be reviewed in 15 years to review the accuracy of the 35 financial forecasts.
2. A comparative study, surveying the athletic directors of the lower profile conferences (Mid-American, Mountain West, Sun Belt, USA and WAC) and the higher profile conferences (ACC, Big 12, Big East, Big Ten, PAC10 and SEC), could be conducted evaluating the likelihood, perceived impact and desirability of the financial issues forecasted.
3. A similar study could be conducted comparing perceptions of private versus public school athletic directors within the higher profile conferences (ACC, Big 12, Big East, Big Ten, PAC10 and SEC).
4. A financial forecast study could be conducted using the perceptions of presidents and/or associate athletic directors/chief financial officers, who also have a great understanding of intercollegiate athletic finance.
5. Because athletic directors have diverse backgrounds (i.e. development experience, coaching background, business operations experience, compliance background), one may choose a similar study segmenting athletic directors based on an experience level or background.
6. In future studies, a true Delphi study may be used in a similar financial forecasting study. In this study, forecasted issues were obtained from a FBS-level conference commissioner and an intercollegiate athletics consultant.

7. This type of study could be extended using a larger sample size. For example, the sample size could include athletic directors from the Big East, Big Ten and PAC10 in addition to the ACC, Big 12 and SEC.
8. Since the cost containment area forecasts were rated less likely to happen and desired less, despite relatively high impact ratings than that of the other three coded areas, an in depth study could be done to find out why this area is less likely to happen and not desired.

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# APPENDIX A

## PUBLIC INSTITUTIONS OF THE ACC, BIG 12 AND SEC

Atlantic Coast Conference (ACC)
Clemson University
Florida State University
Georgia Institute of Technology
University of Maryland
University of North Carolina
North Carolina State University
University of Virginia
Virginia Tech University

Big 12 Conference (Big 12)
University of Colorado
Iowa State University
University of Kansas
Kansas State University
University of Missouri
University of Nebraska
University of Oklahoma
Oklahoma State University
University of Texas
Texas A&M University
Texas Tech University

Southeastern Conference (SEC)
University of Arkansas
Auburn University
University of Florida
University of Georgia
University of Kentucky
Louisiana State University
Mississippi State University
University of Mississippi
University of South Carolina
University of Tennessee

# APPENDIX B

## SOLICITATION PACKET

September 13, 2007

Dear FIRST,

I am respectfully asking for your assistance in the development of a forecast regarding the financial trends facing intercollegiate athletic programs of the ACC, Big 12 and SEC Conferences in the next fifteen years. The forecast will aid in the fulfillment of my dissertation requirements for a Ph.D. in Educational Administration at Texas A&M University.

The study will utilize a modified Delphi technique consisting of *four web-based rounds* with the fourth round being the dissemination of the results to the expert panel. The first questionnaire will soon follow, with every other questionnaire following at approximately two-week intervals via the Internet. The study requires expert opinion in the area of intercollegiate athletics. Your background and experience are critical factors in the completion and accuracy of this study.

I fully understand the serious time constraints of your professional position. As director of the fundraising arm for athletics at Oklahoma State University, I fully realize that your time is extremely valuable and would not normally make such a request. However, I feel a forecast is a worthwhile and practical exercise that will enable administrators to more effectively plan for years ahead. The estimated time to complete each survey is ten minutes a round.

I assure you that complete confidentiality and anonymity will be utilized in the conduction of this study. As no time during this study will your name or institution be mentioned, nor will you know others serving on the panel. All expert panelists and their respective institutions will never be specifically mentioned in the text of this study.

Thank you in advance for your cooperation, time, and expertise. Please fax the response form to me at your earliest convenience, or feel free to use the self-addressed stamped envelope.

Respectfully,
Jason C. Penry
POSSE Director

SOLICITATION PACKET (CONT.)

RESPONSE FORM

Name: _____ Institution: _____

Please circle one

YES. I will volunteer to participate in your study which aims to develop a forecast regarding the future facing NCAA Division I-A athletic programs in the next 15 years.

NO Unfortunately, I will not be able to participate in your study.

If you answered yes, please fill out the following. As a reminder, your name and institution will never be revealed throughout this study. The data requested on this form simply informs the future reader the average qualifications of the athletic directors surveyed in this study. The data will also help the researcher keep track of the response rate.

Female or Male (circle)

Age: _____

Number of years at the current institution as Director of Athletics: _____

Number of years as Director of Athletics (any division) total: _____

Highest degree attained (check one): Bachelors ___ Masters ___ J.D. ___ Doctorate ___

Please return utilizing either the enclosed envelope or by faxing to:
(405) 744-9084

SOLICITATION PACKET (CONT.)

Dear FIRST:

I am writing this letter to you on behalf of Mr. Jason Penry, the POSSE Director at Oklahoma State University. Previously, he served at the Texas A&M University's 12th Man Foundation for three years.

As you can see from his enclosed letter, Mr. Penry is working on his doctorate degree in Educational Administration at Texas A&M University. His dissertation is studying the future financial trends facing intercollegiate athletic programs of public institutions in the ACC, Big 12 and SEC Athletic Conferences, as perceived by athletic directors.

I know your time is valuable; however, Mr. Penry has informed me that the time to complete each questionnaire is minimal, and the data generated will be valuable to each of us. Please know that the research technique guarantees anonymity for both you and your institution throughout the entire procedure.

In closing, I hope you take the time to do this and I appreciate your help.

Sincerely,

Gene Corrigan

# APPENDIX C

## ROUND ONE OF DELPHI SURVEY

Forecasting Financial Trends

Contact Information (Page 1)
Complete confidentiality and anonymity will be utilized in the conduction of this study. At no time during this study will your name or institution be mentioned, nor will you know others serving on the panel. All expert panelists and their respective institutions will never be specifically mentioned in the text of this study.

1. Name

2. Institution -Please Select-

The following forecasts in this survey were derived and adapted from interviews with a Division I Football Bowl Subdivision conference commissioner and an intercollegiate athletics consultant in June and July 2007.

Comprehensive Issues (Page 2)

1. The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

2. The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

3. The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)

What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

4. The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

5. There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

6. Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

7. Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

8. University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

9. Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

Cost Escalation (Page 3)

10. The "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

11. Coaching salaries and compensation packages will continue to escalate over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

12. Athletic director salaries will continue to escalate over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

13. Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

14. Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years.

How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

15. Women's rights advocates will force further gender-related funding issues over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

Revenue Generation (Page 4)

16. A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

17. Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

18. The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

19. The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments.

How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

20. Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

21. Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

22. Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

23. Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

24. Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network).
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)

What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

25. Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

26. Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use).
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

27. Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

Cost Containment (Page 5)

28. There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools).
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

29. Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

30. Sport season lengths will be lessened over the next 10-15 years to save on costs.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

31. Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

32. The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

33. An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

34. Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

35. There will be less debt issued for facilities construction over the next 10-15 years.
How much DESIRE do you have for this forecast to occur? (1-Low to 5-High)

What IMPACT would this forecast have? (1-Low to 5-High)
What is the LIKELIHOOD of this forecast occurring? (1 = 0-20%, 2 = 21-40%, 3 = 41-60%, 4 = 61-80%, 5 = 81-100%)

# APPENDIX D

## DESIRABILITY SUMMARY

### Frequency Distributions, Percentile Scores and Minority Reports

Issue 1 (Comprehensive Issues): The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 10 | 0 | 0 | 1 | 0 | 1 | 1 | 1 |
| | 2 | 9 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |

Issue 2 (Comprehensive Issues): The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 9 | 1 | 1 | 0 | 0 | 1 | 1 | 1 |
| | 2 | 9 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |

Issue 3 (Comprehensive Issues): The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 0 | 1 | 4 | 1 | 5 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 4 | 1 | 4 | 3 | 4 | 5 |

Issue 4 (Comprehensive Issues): The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 6 | 2 | 1 | 1 | 1 | 1 | 1 | 2.5 |
| | 2 | 7 | 1 | 0 | 1 | 0 | 1 | 1 | 1 |

Issue 5 (Comprehensive Issues): There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 2 | 0 | 2 | 3 | 4 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 1 | 5 | 3 | 4 | 4 | 5 |

**Minority Report**:
It has already started with the Presidential taskforce on dashboard indicators. As the use of those dashboard indicators becomes more widespread, it will only increase the desire for more national conformity.

Issue 6 (Comprehensive Issues): Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 0 | 0 | 2 | 1 | 8 | 4.5 | 5 | 5 |
| | 2 | 0 | 0 | 1 | 0 | 8 | 5 | 5 | 5 |

**Minority Report**:
Strategic planning is time consuming and often superficially conducted to promote legitimacy within administration.

Issue 7 (Comprehensive Issues): Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 0 | 0 | 2 | 1 | 8 | 4.5 | 5 | 5 |
| | 2 | 0 | 0 | 1 | 0 | 8 | 5 | 5 | 5 |

Issue 8 (Comprehensive Issues): University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Desirability | 1 | 1 | 2 | 1 | 1 | 6 | 2.5 | 5 | 5 |
| | 2 | 0 | 1 | 2 | 0 | 6 | 3 | 5 | 5 |

**Minority Reports**:
Some schools recognize the value in a robust athletics program and will continue to provide some resources.

I believe that thought process, well good in theory, is not good for our industry. Institutions need to establish the educational and promotional value of intercollegiate athletics and then determine how much they are willing to fund for the educational and promotional value that is derived for sports. Much like an institution does not expect the English department, the chemistry department or any other major unit to be self – supporting, the desire to make intercollegiate athletics self-supporting is misguided.

Issue 9 (Comprehensive Issues): Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 2 | 4 | 5 | 2 | 3 | 4 | 4 |
| | 2 | 0 | 0 | 4 | 4 | 1 | 3 | 4 | 4 |

**Minority Report**:
I believe Presidents should be involved more in understanding the fiscal behavior of their athletics program. The pessimists assume this means to cut spending. In my opinion, if more Presidents took the time to fully understand the fiscal values of intercollegiate athletics they could then better appreciate the education and promotional values of intercollegiate athletics.

Issue 10 (Cost Escalation): The “arms race” will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 2 | 2 | 6 | 0 | 1 | 2 | 3 | 3 |
| | 2 | 1 | 2 | 6 | 0 | 0 | 2 | 3 | 3 |

**Minority Report**:
As long as the focus is on buildings, the people and the product will suffer.

Issue 11 (Cost Escalation): Coaching salaries and compensation packages will continue to escalate over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 7 | 1 | 2 | 1 | 0 | 1 | 1 | 2.5 |
| | 2 | 7 | 1 | 1 | 0 | 0 | 1 | 1 | 1 |

Issue 12 (Cost Escalation): Athletic director salaries will continue to escalate over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 1 | 5 | 1 | 3 | 3 | 3 | 4.5 |
| | 2 | 0 | 0 | 6 | 1 | 2 | 3 | 3 | 4 |

Issue 13 (Cost Escalation): Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 0 | 4 | 6 | 0 | 3 | 4 | 4 |
| | 2 | 0 | 0 | 3 | 6 | 0 | 3 | 4 | 4 |

Issue 14 (Cost Escalation): Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 8 | 1 | 0 | 0 | 2 | 1 | 1 | 1.5 |
| | 2 | 9 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |

Issue 15 (Cost Escalation): Women's rights advocates will force further gender-related funding issues over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Desirability | 1 | 4 | 2 | 4 | 1 | 0 | 1 | 2 | 3 |
| | 2 | 4 | 1 | 3 | 1 | 0 | 1 | 2 | 3 |

**Minority Report**:
With the success of women's athletics in general there will continue to be a focus on maintaining and increasing opportunities.

Issue 16 (Revenue Generation): A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 2 | 2 | 2 | 4 | 2.5 | 4 | 5 |
| | 2 | 0 | 1 | 2 | 3 | 3 | 3 | 4 | 5 |

**Minority Reports**:
I do not support a football playoff and I hope that we do not eventually change to a playoff format. College football is by far and away the most exciting sport during the regular season. A playoff system will negatively impact the importance of the regular season (much like basketball already has) which I think would be unfortunate.

Another television related forecast believed that the NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years.

Issue 17 (Revenue Generation): Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 0 | 0 | 4 | 1 | 6 | 3 | 5 | 5 |
| | 2 | 0 | 0 | 3 | 1 | 5 | 3 | 5 | 5 |

Issue 18 (Revenue Generation): The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 9 | 0 | 0 | 1 | 1 | 1 | 1 | 1 |
| | 2 | 8 | 0 | 3 | 0 | 1 | 1 | 1 | 1 |

Issue 19 (Revenue Generation): The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 0 | 0 | 0 | 4 | 7 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 3 | 6 | 4 | 5 | 5 |

Issue 20 (Revenue Generation): Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 0 | 0 | 4 | 6 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 3 | 6 | 4 | 5 | 5 |

Issue 21 (Revenue Generation): Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 0 | 3 | 2 | 5 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 2 | 3 | 4 | 4 | 4 | 5 |

Issue 22 (Revenue Generation): Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 10 | 0 | 1 | 0 | 0 | 1 | 1 | 1 |
| | 2 | 8 | 0 | 1 | 0 | 0 | 1 | 1 | 1 |

Issue 23 (Revenue Generation): Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years.

| Area | | Frequency Distribution | Interquartile Range |
|---|---|---|---|

| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
|---|---|---|---|---|---|---|---|---|---|
| Desirability | 1 | 0 | 1 | 6 | 2 | 2 | 3 | 3 | 4 |
| | 2 | 0 | 0 | 7 | 2 | 0 | 3 | 3 | 3 |

Issue 24 (Revenue Generation): Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 0 | 7 | 2 | 1 | 3 | 3 | 3.5 |
| | 2 | 0 | 0 | 7 | 2 | 0 | 3 | 3 | 3 |

**Minority Reports**:
This will be very much studied as new way to generate revenues.

Incremental revenue opportunities continue to increase in importance.

Issue 25 (Revenue Generation): Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 0 | 0 | 4 | 3 | 4 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 3 | 3 | 3 | 3 | 4 | 5 |

Issue 26 (Revenue Generation): Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 2 | 6 | 2 | 0 | 2.5 | 3 | 3 |
| | 2 | 0 | 1 | 6 | 2 | 0 | 3 | 3 | 3 |

Issue 27 (Revenue Generation): Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences.

| Area | | Frequency Distribution | Interquartile Range |
|---|---|---|---|

| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
|---|---|---|---|---|---|---|---|---|---|
| Desirability | 1 | 3 | 4 | 4 | 1 | 0 | 1.5 | 2 | 3 |
| | 2 | 1 | 4 | 3 | 1 | 0 | 2 | 2 | 3 |

**Minority Report**:
Public relations impact.

Issue 28 (Cost Containment): There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 1 | 3 | 4 | 2 | 1 | 2 | 3 | 3.5 |
| | 2 | 0 | 2 | 6 | 1 | 0 | 3 | 3 | 3 |

Issue 29 (Cost Containment): Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 6 | 2 | 2 | 0 | 1 | 1 | 1 | 2.5 |
| | 2 | 5 | 2 | 2 | 0 | 0 | 1 | 1 | 2 |

**Minority Report**:
This is one way to limit costs.

Issue 30 (Cost Containment): Sport season lengths will be lessened over the next 10-15 years to save on costs.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 4 | 2 | 2 | 1 | 2 | 1 | 2 | 3.5 |
| | 2 | 2 | 4 | 2 | 1 | 0 | 2 | 2 | 3 |

Issue 31 (Cost Containment): Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years.

| Area | | Frequency Distribution | Interquartile Range |
|---|---|---|---|

| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
|---|---|---|---|---|---|---|---|---|---|
| Desirability | 1 | 2 | 2 | 2 | 2 | 3 | 2 | 3 | 4.5 |
| | 2 | 1 | 1 | 4 | 1 | 2 | 3 | 3 | 4 |

**Minority Report**:
This is another way to limit costs.

Issue 32 (Cost Containment): The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 4 | 1 | 3 | 1 | 2 | 1 | 3 | 3.5 |
| | 2 | 3 | 1 | 4 | 0 | 1 | 1 | 3 | 3 |

Issue 33 (Cost Containment): An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages.

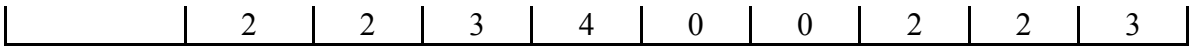
| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 3 | 1 | 3 | 0 | 4 | 1.5 | 3 | 5 |
| | 2 | 0 | 1 | 5 | 0 | 3 | 3 | 3 | 5 |

Issue 34 (Cost Containment): Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 9 | 1 | 0 | 1 | 0 | 1 | 1 | 1 |
| | 2 | 9 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |

Issue 35 (Cost Containment): There will be less debt issued for facilities construction over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Desirability | 1 | 4 | 2 | 4 | 1 | 0 | 1 | 2 | 3 |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# APPENDIX E

## IMPACT SUMMARY

### Frequency Distributions, Percentile Scores and Minority Reports

Issue 1 (Comprehensive Issues): The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 0 | 3 | 8 | 4.5 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 0 | 9 | 5 | 5 | 5 |

Issue 2 (Comprehensive Issues): The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 3 | 1 | 7 | 3.5 | 5 | 5 |
| | 2 | 0 | 0 | 2 | 0 | 7 | 5 | 5 | 5 |

**Minority Reports**:
I believe that there will be an impact. It will be less than the impact on other sectors of the economy, as history suggests.

I am not a believer that the impact will be off the charts like those that (rated this issue to have a high impact). It will have an impact but I do not believe as great as the pessimist's project. History has shown that support for college athletics/entertainment tends to not be as drastic as it probably should be.

Issue 3 (Comprehensive Issues): The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 1 | 3 | 3 | 4 | 3 | 4 | 5 |
| | 2 | 0 | 1 | 2 | 3 | 3 | 3 | 4 | 5 |

**Minority Reports:**
It seems that the gap between these 6 conferences and the others is already significant.

The BCS conferences have and will continue to have the ability to generate more incremental revenue than the smaller conferences have. If revenue opportunities tighten, it will only impact the smaller conferences in a great percentage than the larger conferences.

Issue 4 (Comprehensive Issues): The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 4 | 5 | 2 | 3 | 4 | 4 |
| | 2 | 0 | 0 | 2 | 7 | 0 | 4 | 4 | 4 |

Issue 5 (Comprehensive Issues): There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 2 | 1 | 4 | 2 | 2 | 2.5 | 3 | 4 |
| | 2 | 0 | 0 | 5 | 2 | 2 | 3 | 3 | 4 |

**Minority Report**:
This type of standardized reporting is long overdue and as it becomes more widely accepted, more and more institutions will use the info to support their decision making.

Issue 6 (Comprehensive Issues): Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 1 | 0 | 5 | 1 | 4 | 3 | 3 | 5 |
| | 2 | 0 | 0 | 3 | 1 | 5 | 3 | 5 | 5 |

**Minority Report**:
I believe it is conducted to promote fiscal health.

Issue 7 (Comprehensive Issues): Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 3 | 3 | 5 | 3.5 | 4 | 5 |
| | 2 | 0 | 0 | 0 | 4 | 5 | 4 | 5 | 5 |

**Minority Report**:
Fiscal reality

Issue 8 (Comprehensive Issues): University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 1 | 1 | 9 | 5 | 5 | 5 |
| | 2 | 0 | 0 | 1 | 0 | 8 | 5 | 5 | 5 |

**Minority Report**:
The impact will be minimal, as this is now the case. Therefore, the impact has already occurred.

Issue 9 (Comprehensive Issues): Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 4 | 4 | 3 | 3 | 4 | 4.5 |
| | 2 | 0 | 0 | 4 | 4 | 1 | 3 | 4 | 4 |

Issue 10 (Cost Escalation): The “arms race” will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 2 | 2 | 7 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 1 | 2 | 6 | 4 | 5 | 5 |

Issue 11 (Cost Escalation): Coaching salaries and compensation packages will continue to escalate over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 0 | 1 | 10 | 5 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 0 | 9 | 5 | 5 | 5 |

**Minority Report**:
We are already in an arms race so I see no different impact that we are already experiencing.

Issue 12 (Cost Escalation): Athletic director salaries will continue to escalate over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 1 | 1 | 3 | 4 | 4 | 3 | 4 | 5 |
| | 2 | 0 | 1 | 1 | 3 | 4 | 4 | 4 | 5 |

**Minority Report**:
Mobility at the AD level is much less than at high profile coaching levels.

Issue 13 (Cost Escalation): Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 4 | 6 | 1 | 3 | 4 | 4 |
| | 2 | 0 | 0 | 3 | 6 | 0 | 3 | 4 | 4 |

Issue 14 (Cost Escalation): Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 0 | 1 | 10 | 5 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 0 | 9 | 5 | 5 | 5 |

Issue 15 (Cost Escalation): Women's rights advocates will force further gender-related funding issues over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 2 | 2 | 2 | 5 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 2 | 3 | 4 | 4 | 4 | 5 |

Issue 16 (Revenue Generation): A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 1 | 4 | 6 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 1 | 4 | 4 | 4 | 4 | 5 |

Issue 17 (Revenue Generation): Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 4 | 2 | 5 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 4 | 1 | 4 | 3 | 4 | 5 |

Issue 18 (Revenue Generation): The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 1 | 0 | 2 | 0 | 8 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 1 | 0 | 8 | 5 | 5 | 5 |

**Minority Report**:
The impact on our individual institution will be less than other potential economic changes.

Issue 19 (Revenue Generation): The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 0 | 4 | 7 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 3 | 6 | 4 | 5 | 5 |

Issue 20 (Revenue Generation): Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 0 | 4 | 7 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 3 | 6 | 4 | 5 | 5 |

Issue 21 (Revenue Generation): Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 3 | 2 | 6 | 3.5 | 5 | 5 |
| | 2 | 0 | 0 | 2 | 1 | 6 | 4 | 5 | 5 |

**Minority Report**:
Our industry already relies heavily upon fundraising so I am not sure the change in focus from facilities to endowment will have a noticeable impact on our industry.

Issue 22 (Revenue Generation): Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 1 | 3 | 7 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 1 | 8 | 5 | 5 | 5 |

Issue 23 (Revenue Generation): Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years.

| Area | | Frequency Distribution | Interquartile Range |
|---|---|---|---|

| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
|---|---|---|---|---|---|---|---|---|---|
| Impact | 1 | 0 | 0 | 4 | 5 | 2 | 3 | 4 | 4 |
| | 2 | 0 | 0 | 3 | 6 | 0 | 3 | 4 | 4 |

Issue 24 (Revenue Generation): Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 1 | 1 | 6 | 3 | 4 | 4 | 4.5 |
| | 2 | 0 | 1 | 0 | 8 | 0 | 4 | 4 | 4 |

**Minority Report**:
I don't think it will have that much of an impact.

Issue 25 (Revenue Generation): Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 2 | 5 | 4 | 4 | 4 | 5 |
| | 2 | 0 | 0 | 1 | 6 | 2 | 4 | 4 | 4 |

**Minority Reports**:
It already is since nearly 60% of our revenue comes from ticket sales and donation tied to ticket locations. The next 10 to 15 years should be no different.

Most can't raise their ticket prices much more without risking a big loss of fans.

Issue 26 (Revenue Generation): Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 1 | 1 | 4 | 4 | 1 | 3 | 3 | 4 |
| | 2 | 0 | 0 | 6 | 3 | 0 | 3 | 3 | 4 |

**Minority Reports**:
Incremental opportunities

Increased pressure on athletics to be less funded.

Issue 27 (Revenue Generation): Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 1 | 1 | 5 | 4 | 0 | 3 | 3 | 4 |
| | 2 | 1 | 1 | 4 | 3 | 0 | 3 | 3 | 4 |

Issue 28 (Cost Containment): There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 1 | 0 | 6 | 3 | 1 | 3 | 3 | 4 |
| | 2 | 0 | 0 | 7 | 2 | 0 | 3 | 3 | 3 |

Issue 29 (Cost Containment): Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 1 | 4 | 6 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 3 | 6 | 4 | 5 | 5 |

Issue 30 (Cost Containment): Sport season lengths will be lessened over the next 10-15 years to save on costs.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 3 | 1 | 4 | 3 | 2.5 | 4 | 4.5 |
| | 2 | 0 | 1 | 1 | 7 | 0 | 4 | 4 | 4 |

Issue 31 (Cost Containment): Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 2 | 3 | 6 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 1 | 1 | 7 | 5 | 5 | 5 |

**Minority Report**:
We'll still spend the money somewhere. Innovative departments and coaches will find ways to pay coaches to help.

Issue 32 (Cost Containment): The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 1 | 2 | 2 | 6 | 3.5 | 5 | 5 |
| | 2 | 0 | 1 | 0 | 1 | 7 | 5 | 5 | 5 |

**Minority Report**:
We're already over the minimum. I can't see us cutting sports just because the minimum was lowered.

Issue 33 (Cost Containment): An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 2 | 2 | 7 | 4 | 5 | 5 |
| | 2 | 0 | 0 | 0 | 1 | 8 | 5 | 5 | 5 |

Issue 34 (Cost Containment): Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 0 | 0 | 2 | 4 | 5 | 4 | 4 | 5 |
| | 2 | 0 | 0 | 0 | 4 | 5 | 4 | 5 | 5 |

Issue 35 (Cost Containment): There will be less debt issued for facilities construction over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Impact | 1 | 1 | 0 | 3 | 3 | 4 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 3 | 3 | 3 | 4 | 4 | 5 |

# APPENDIX F

## LIKELIHOOD OF OCCURRENCE SUMMARY

### Frequency Distributions, Percentile Scores and Minority Reports

Issue 1 (Comprehensive Issues): The intercollegiate athletics tax-exempt status will be reduced or eliminated in the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 5 | 2 | 4 | 0 | 0 | 1 | 2 | 3 |
| | 2 | 4 | 2 | 3 | 0 | 0 | 1 | 2 | 3 |

Issue 2 (Comprehensive Issues): The economic well-being/health of our country will be slowed over the next 10-15 years, thus slowing down the ability of intercollegiate athletics to generate revenues.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 5 | 5 | 0 | 0 | 2 | 2 | 3 |
| | 2 | 0 | 5 | 4 | 0 | 0 | 2 | 2 | 3 |

Issue 3 (Comprehensive Issues): The athletic departments, within the six major conferences, will continue to have their revenues compound/grow much faster than those in the other five conferences over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 1 | 2 | 4 | 3 | 3 | 4 | 4.5 |
| | 2 | 1 | 0 | 2 | 4 | 2 | 3 | 4 | 4 |

Issue 4 (Comprehensive Issues): The intangible groupings (upper, mid, lower levels) within the six major conferences will become distinct financially and competitively over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 5 | 3 | 2 | 0 | 2 | 2 | 3 |
| | 2 | 0 | 6 | 3 | 0 | 0 | 2 | 2 | 3 |

Issue 5 (Comprehensive Issues): There will be a movement over the next 10-15 years toward uniformity in the application of national financial reporting practices to make reports and compare institutions in and out of conferences.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 2 | 5 | 2 | 1 | 2.5 | 3 | 3.5 |
| | 2 | 0 | 0 | 6 | 2 | 1 | 3 | 3 | 4 |

**Minority Reports**:
We're moving that way if people comply.

It may be unlikely but the impact will be great if it happens.

Issue 6 (Comprehensive Issues): Athletic departments will strengthen or implement strategic plans over the next 10-15 years, to promote fiscal health.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 1 | 1 | 6 | 2 | 3.5 | 4 | 4 |
| | 2 | 0 | 0 | 0 | 9 | 0 | 4 | 4 | 4 |

Issue 7 (Comprehensive Issues): Athletic departments will be encouraged to start or grow their financial reserve fund(s) over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 2 | 1 | 4 | 3 | 1 | 2.5 | 3 | 4 |
| | 2 | 0 | 0 | 7 | 1 | 1 | 3 | 3 | 3 |

Issue 8 (Comprehensive Issues): University leaders will expect athletic programs to become/remain self-sufficient over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 3 | 4 | 1 | 3 | 2.5 | 3 | 4.5 |
| | 2 | 1 | 1 | 5 | 0 | 2 | 3 | 3 | 3 |

**Minority Reports**:

No doubt we will remain self-sufficient.

If you are talk(ing) expectations.

There is not and has never been the overall ideal that all programs are self sufficient.

Issue 9 (Comprehensive Issues): Presidents and chancellors of individual schools will more heavily scrutinize the fiscal behavior for their athletic departments over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 2 | 0 | 2 | 4 | 3 | 3 | 4 | 4.5 |
| | 2 | 1 | 0 | 1 | 5 | 2 | 4 | 4 | 4 |

**Minority Reports**:
Fiscal reality and public scrutiny.

As dollars are in short supply across campus, there is no doubt the central administration will be looking harder at auxiliaries with money.

Issue 10 (Cost Escalation): The "arms race" will continue over the next 10-15 years because of the competitive nature of college athletics to attract the best coaches and student-athletes.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 0 | 1 | 6 | 4 | 4 | 4 | 5 |
| | 2 | 0 | 0 | 1 | 6 | 2 | 4 | 4 | 4 |

**Minority Reports**:
Tipping point for fan's willingness to pay will be critical to this issue.

Winning will still matter and for that, a higher price may need to be paid.

Issue 11 (Cost Escalation): Coaching salaries and compensation packages will continue to escalate over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 0 | 0 | 7 | 4 | 4 | 4 | 5 |
| | 2 | 0 | 0 | 0 | 5 | 4 | 4 | 4 | 5 |

Issue 12 (Cost Escalation): Athletic director salaries will continue to escalate over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 1 | 2 | 6 | 2 | 3.5 | 4 | 4 |
| | 2 | 0 | 1 | 2 | 6 | 0 | 3 | 4 | 4 |

Issue 13 (Cost Escalation): Athletic director's, with regards to finances, will look for value when hiring coaches over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 2 | 6 | 2 | 0 | 2.5 | 3 | 3 |
| | 2 | 0 | 1 | 6 | 2 | 0 | 3 | 3 | 3 |

Issue 14 (Cost Escalation): Employee compensation, utility bills, travel costs, and medical insurance will increase for institutions and athletic departments faster than the general, national rate of inflation over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 1 | 1 | 3 | 6 | 4 | 5 | 5 |
| | 2 | 0 | 1 | 0 | 2 | 6 | 4 | 5 | 5 |

Issue 15 (Cost Escalation): Women's rights advocates will force further gender-related funding issues over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 2 | 0 | 5 | 1 | 3 | 3 | 3 | 4.5 |
| | 2 | 1 | 0 | 6 | 1 | 1 | 3 | 3 | 3 |

**Minority Report**:
Females in sport will continue to grow, while financial resources will continue to be squeezed.

Issue 16 (Revenue Generation): A big focus will be on seeking additional dollars from the football post-season over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 1 | 3 | 4 | 3 | 3 | 4 | 4.5 |
| | 2 | 0 | 0 | 3 | 6 | 0 | 3 | 4 | 4 |

Issue 17 (Revenue Generation): Athletic conferences (i.e. Big 12, Big Ten and SEC) will be expected to generate even more revenues and then find equitable ways of distributing those revenues with its membership base over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 0 | 6 | 2 | 3 | 3 | 3 | 4.5 |
| | 2 | 0 | 0 | 7 | 1 | 1 | 3 | 3 | 3 |

**Minority Report**:
Fiscal reality.

Issue 18 (Revenue Generation): The NCAA will have difficulty in securing another lucrative multi-year television commitment for the men's basketball tournament over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 3 | 3 | 4 | 0 | 1 | 1.5 | 2 | 3 |
| | 2 | 0 | 4 | 4 | 0 | 1 | 2 | 3 | 3 |

Issue 19 (Revenue Generation): The Bowl Championship Series arrangement will only strengthen over the next 10-15 years, and help the major conferences by giving them huge fiscal commitments.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 2 | 7 | 1 | 1 | 3 | 3 | 3 |
| | 2 | 0 | 1 | 8 | 0 | 0 | 3 | 3 | 3 |

Issue 20 (Revenue Generation): Major gift fundraising programs will become more formalized and be a greater point of emphasis over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 0 | 2 | 2 | 3 | 4 | 3 | 4 | 5 |
| | 2 | 0 | 1 | 2 | 2 | 4 | 3 | 4 | 5 |

**Minority Report**:
It's shocking that they aren't this way already.

Issue 21 (Revenue Generation): Endowment fundraising will be a larger focus than facility fundraising over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 2 | 4 | 3 | 1 | 2.5 | 3 | 4 |
| | 2 | 0 | 2 | 4 | 3 | 0 | 3 | 3 | 4 |

Issue 22 (Revenue Generation): Annual athletic giving levels will decrease if an IRS tax write-off is lessened or eliminated over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 2 | 4 | 5 | 0 | 0 | 2 | 2 | 3 |
| | 2 | 0 | 4 | 5 | 0 | 0 | 2 | 3 | 3 |

Issue 23 (Revenue Generation): Athletic departments will continue a trend of outsourcing their multimedia-rights over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 0 | 3 | 3 | 4 | 3 | 4 | 5 |
| | 2 | 0 | 0 | 2 | 3 | 4 | 4 | 4 | 5 |

Issue 24 (Revenue Generation): Over the next 10-15 years, athletic conferences will start their own network (e.g. Big Ten Network).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | # | | | | | | | | |
| Likelihood | 1 | 1 | 2 | 3 | 3 | 2 | 2.5 | 3 | 4 |
| | 2 | 0 | 1 | 4 | 2 | 2 | 3 | 3 | 4 |

**Minority Report**:
(Most) will try - most will fail.

Issue 25 (Revenue Generation): Football and men's basketball ticket sales will be a focus of immediate revenue growth over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 1 | 1 | 1 | 5 | 3 | 3.5 | 4 | 4.5 |
| | 2 | 1 | 1 | 0 | 6 | 1 | 4 | 4 | 4 |

**Minority Report**:
Fan interest and potential for revenue increases will dictate it.

Issue 26 (Revenue Generation): Universities will use their assets, over the next 10-15 years, to help generate revenues (example: private/public partnership - hotels pay athletic department for their land use).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 3 | 0 | 6 | 1 | 1 | 2 | 3 | 3 |
| | 2 | 2 | 0 | 7 | 0 | 0 | 3 | 3 | 3 |

Issue 27 (Revenue Generation): Student fees will still not be a major revenue focus in the programs of the top six conferences over the next 10-15 years, as they are in the other five Football Bowl Subdivision conferences.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 3 | 3 | 4 | 0 | 1 | 1.5 | 2 | 3 |
| | 2 | 1 | 3 | 4 | 0 | 1 | 2 | 3 | 3 |

**Minority Report**:
The smaller conferences rely upon institutional and student support much greater than the BCS conferences.

Issue 28 (Cost Containment): There will be no national level movements in containing costs over the next 10-15 years because of both federal law and institutional autonomy (i.e. different missions and sizes among the schools).

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 3 | 1 | 3 | 2 | 2 | 1.5 | 3 | 4 |
| | 2 | 2 | 0 | 5 | 2 | 0 | 3 | 3 | 3 |

**Minority Reports**:
Competitive independence and institutional mission autonomy.

I think there is a very high likelihood of a national movement to contain costs. When we tried it as an industry, we were sued and lost an antitrust lawsuit. The only way to ultimately contain costs is to have some kind of national intervention.

Issue 29 (Cost Containment): Football scholarship limits will be lowered from 85 over the next 10-15 years, which will cause a lower scholarship expense and less fiscal pressure in Title IX compliance.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 5 | 5 | 1 | 0 | 0 | 1 | 2 | 2 |
| | 2 | 5 | 3 | 1 | 0 | 0 | 1 | 1 | 2 |

**Minority Report**:
Unrealistic given realities of the sport.

Issue 30 (Cost Containment): Sport season lengths will be lessened over the next 10-15 years to save on costs.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 4 | 2 | 5 | 0 | 0 | 1 | 2 | 3 |
| | 2 | 4 | 1 | 4 | 0 | 0 | 1 | 2 | 3 |

Issue 31 (Cost Containment): Overall coaching staff limits will be imposed to lessen human resource costs over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Likelihood | 1 | 3 | 4 | 2 | 2 | 0 | 1.5 | 2 | 3 |
| | 2 | 1 | 5 | 2 | 1 | 0 | 2 | 2 | 3 |

Issue 32 (Cost Containment): The number of required sports by the NCAA will be lowered to reduce expenses over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 3 | 3 | 5 | 0 | 0 | 1.5 | 2 | 3 |
| | 2 | 1 | 4 | 4 | 0 | 0 | 2 | 2 | 3 |

Issue 33 (Cost Containment): An antitrust exemption, similar to those in professional leagues, will be implemented over the next 10-15 years for intercollegiate athletics by the federal government to cap wages.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 7 | 2 | 2 | 0 | 0 | 1 | 1 | 2 |
| | 2 | 6 | 2 | 1 | 0 | 0 | 1 | 1 | 2 |

Issue 34 (Cost Containment): Coaching and administrator salaries, supplemented by booster organizations, will be slowed over the next 10-15 years when the tax exempt status is changed.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |
| Likelihood | 1 | 5 | 3 | 3 | 0 | 0 | 1 | 2 | 2.5 |
| | 2 | 3 | 4 | 2 | 0 | 0 | 1 | 2 | 2 |

**Minority Reports**:
I am not convinced there will be a change in tax exempt status.

Market driven.

Issue 35 (Cost Containment): There will be less debt issued for facilities construction over the next 10-15 years.

| Area | | Frequency Distribution | | | | | Interquartile Range | | |
|---|---|---|---|---|---|---|---|---|---|
| | Round # | 1 | 2 | 3 | 4 | 5 | 25th | 50th | 75th |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Likelihood | 1 | 4 | 2 | 5 | 0 | 0 | 1 | 2 | 3 |
| | 2 | 2 | 3 | 4 | 0 | 0 | 2 | 2 | 3 |

# VITA


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|---|---|
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