THE BROOKINGS INSTITUTION

Brookings Cafeteria Podcast:
What went wrong with college sports

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DEWS: Welcome to the Brookings Cafeteria, a podcast about ideas and the experts who have them. I'm Fred Dews. The National Collegiate Athletic Association, or NCAA, regulates athletic programs at over 1,200 colleges and universities that involve over 450,000 student athletes. In recent years, the NCAA has generated nearly a billion dollars in revenue, much of that from the Division I men's college basketball tournament, or March Madness, which is now underway. Most of that money is distributed back to its member schools in various way. In a new book from the Brookings Institution Press, three expert authors take a critical look at the tension between the larger role of the university and the commercialization of college sports. *Unwinding Madness: What Went Wrong with College Sports and How to Fix It* is the most comprehensive examination to date of how the NCAA has lost its way in the governance of collegiate athletics, and why it must be replaced.

In this episode of the Brookings Cafeteria, my colleague Bill Finan speaks with one of the authors, Donna Lopiano, who is president of Sports Management Resources and former Director of Women's Athletics at the University of Texas at Austin. Her coauthors are Gerald Gurney, Assistant Professor of Education at the University of Oklahoma, and Andrew Zimbalist, the Robert A. Woods professor of economics at Smith College and a widely-cited sports economist. Professor Zimbalist appeared as a guest on this show in 2015 to discuss his Brookings Press book *Circus Maximus: The Economic Gamble Behind Hosting the Olympics and the World Cup*. Stay tuned after the interview to hear another installment of Steve Hess Stories, in which Steve recounts traveling with Spiro Agnew. And now, here's Bill Finan with Donna Lopiano.

FINAN: Hello Donna, and thanks for joining us today to talk about *Unwinding Madness: What Went Wrong with College Sports and How to Fix It*. So March Madness is about to begin, but this book isn't about brackets or whether Villanova will be number one again – although coming from Philadelphia I have to say, why not?

[LAUGHTER]

FINAN: Instead, this madness is about a problem that has become even more acute over the years: how college sports has undermined, distorted what college is supposed to do for students, and that is educate them, and that's the argument of the book. You and your co-authors are not just pointing at college athletics but at systemic issues, where coaches are more highly prized and paid than scholars at some universities. I want to begin by asking you a few questions to set the stage for the problem. First, the book begins with a history of college sports, and there's always been a tension between college sports and the rest of the university, it seems. There's a quote from 1890 from Woodrow Wilson, who was then the head of Princeton University before he became the President of the United States, that captures that. "Princeton is noted in this wide world for three things: football, baseball, and collegiate instruction." That priority from more than a hundred years ago shows what the problem was then and is today, but why has it become more pronounced today?

LOPIANO: Well, I think the history is a very interesting one, because it revolves around the fact that the American system of education has always been highly commercialized and seeking of consumers; as opposed to the European and other systems, where you have very few universities in the country, it's all merit-based, it's –

you know. Can I work hard enough and get good enough grades to get in? And then I get my place at a university.

FINAN: Mhm.

LOPIANO: Here in the U.S., we have two to three thousand colleges and universities that are vying for the same group of students. How do they differentiate themselves? And early on, the college presidents, instead of embracing academic distinctions, they embraced community. They embraced, “Oh, it’s exciting to come here. We have a great football team.” So one of the interesting parts of the history that we go over is how these college presidents have been complicit in misstating the universities’ mission and leading us off track.

FINAN: So it’s become exacerbated in recent years, more so than in the past, is what you’re saying?

LOPIANO: Well, not only is it exacerbated but it’s been mischaracterized by college presidents, who overvalue athletics as the front porch. You could see where the laboratory could be the front porch, other things could be celebrated. But I think what has really exacerbated it is the huge amount of money that media is now throwing into collegiate sports. And wherever you have money, you have corruption, and in the case of a nonprofit organization like athletics, the corruption ends up being the corruption of the system and the mission as opposed to people tossing it in their back pockets – although, you know, some coaches’ back pockets have been pretty full.

FINAN: Much of the book has as its focus the National Collegiate Athletic Association, the NCAA. The NCAA had its beginnings, as you point out in the book, as

an attempt to set guidelines, rules to keep football from being so lethal, in fact. It had its founding, you write, after President Teddy Roosevelt's son broke his nose at football game playing for Harvard, and that was in the early 1900s. You and your co-authors write that in the decade before the establishment of the NCAA, 300 students were killed playing football, which is an incredible statistic. Can you briefly describe the history of the NCAA and why it is in crisis today?

LOPIANO: Yeah, lots of people don't realize that even though it was started in 1906 in response to deaths in football, and really in response to, you know, a challenge by the President of the United States, the NCAA did not promulgate or enforce rules until the mid-1950s. All it did was establish guidelines. None of them were enforceable. It wasn't until Walter Byers became the NCAA's leader that all of a sudden enforcement took place, and then this thick NCAA rule book was created. But rather than that rulebook focusing on protection of student athletes, it seems to have focused on, how can we make recruiting an equal playing field; how can we make sure with rules of amateurism that we keep our hands on a low-paid labor force; that we insist that, you know, athletes not get paid; that they just get a minimal amount of money to let them get a college education. And so the rulebook has never been consistent with what the origins of the NCAA should have been, which was protecting health and welfare and educating the student athletes.

FINAN: So it was never really a regulatory agency in that sense?

LOPIANO: That's right. And it becomes particularly important now, with concussions, for instance. You have to ask yourself. The NCAA publishes a handbook of all of the best practices in terms of sports medicine protocols, everything from

concussions to heat- or cold-related illnesses to lightning strikes – all the best practices, but it doesn't require all of its members to follow those protocols, and it doesn't do this because it wants to shift the liability to the institution itself rather than to the NCAA. So you have this system that has lost its way. The NCAA as a national organization has lost its way in terms of the primary purpose of governance, and then its methodology in governance is to constantly shift responsibility to the member institutions. And the result is a very fragmented industry, where, you know, individual institutions can pretty much go hog-wild with the NCAA not really having a great enforcement system.

FINAN: So the book is very much an indictment of the NCAA, it seems to me. In fact, at one point you and your co-authors call it a plutocracy. Why?

LOPIANO: So in 1997, the NCAA moved from a one-member, one-vote system where Division II and Division III, almost like our Congress, had oversight responsibilities where it could veto actions of Division I if it went too far off course.

FINAN: Can I ask you to explain Division I, Division II, Division III for those who aren't college sports followers?

LOPIANO: Yeah. The NCAA has three competitive divisions. The highest competitive division, they have the University of Alabama, you know, big-time football schools with $100-$150 million dollar athletic programs. They give scholarships, they're highly commercialized. There are about 300 institutions, 350 institutions in there. About 200 of them sponsor football, and then there's a whole group that just, you know, are in there because of March Madness and the payoff of March Madness. Division II are smaller institutions, a lot of state schools. They give scholarships but much fewer

scholarships, and there are about 250 of those. And then Division III is the largest division, it's a non-scholarship division with about 500 institutions or so.

And in 1997 – and before that the NCAA operated on a one-institution, one-vote rule where Division II and Division III could veto something that Division I did if they were really off base. But in 1997, Division I, the biggies in Division I, threatened to leave. They said, look, we're making the money here and you're not going to get any of that money if we leave. We want voting power commensurate with our contribution to the NCAA, our financial contribution. So Division II and III agreed to give Division I, most notably FBS, the very – the top 120 school in Division I – gave them majority vote over the NCAA's executive council that literally controls distribution of revenues and, you know, controls the NCAA. So that's why it became a plutocracy that is ruled by the wealthiest.

FINAN: Money plays a central role here, it seems. At one point the book says that the NCAA has long functioned as a trade association for commercialized athletic programs and that these business continue to grow and experience revenue growth. So do the salaries and careers of the coaches, the athletic directors and conference commissioners. Can you give us some examples of those salaries for coaches?

LOPIANO: Absolutely. So, here you have a system where – let's take the comparison to professional sports. In professional sports, 50% of all revenues, generally, go to the athletes themselves in the form of pay. In college sports, about 14%. Big difference, right, and that 14% represents scholarships – the financial aid, the athletic scholarship that kids get. So it has a very low cost of labor. As a result, when it makes money it has two choices: Give it back to the institutions, which they don't do, or

keep it within the athletic program and pad the salaries of coaches, of administrators. But make sure it looks like we spend everything. You know, you look at the books of all these member institutions and there are only 20 of them in any given year that actually bring in more than they spend. So what's happened is, as the media revenues have gone up, that big money now has filtered down into coaches, who are making anywhere from $3 to $8 million – a Division I, FBS, football-bowl subdivision, you know, top-of-the-heap football coach. You know, $3 to $8 million. Same thing in basketball.

FINAN: And how do those compare to the salaries of say, college professors or presidents?

[LAUGHTER]

LOPIANO: It doesn't compare. So you're looking at college presidents who, if they're in the mid-six figures – it really depends on the institution, of course – but they're in the mid-six figures, you know, in the $300,000-$600,000 range, that's a lot. More college presidents are probably in the $250,000-$350,000 range. The salaries for coaches and the salaries for administrators don't compare to faculty or the administration for universities. They're way out of whack.

FINAN: So while we're talking about numbers, can you tell us about how much the NCAA brings in in revenues yearly?

LOPIANO: Well the NCAA brings in around – these are round numbers – about $100 million, but spends about 150-280, maybe 12-14% on itself, right? And then returns to its members the rest of it. And by decision of the plutocracy, returns the bulk of it to the Division I members. So you have to look at the money that comes in. Most of

this money is the result of media contracts. About $760 million of this is from the Final Four, this March Madness that we're about to embark upon. People don't realize that another $440 million comes from the college football playoff, but that property is not owned by the NCAA. It's owned by the plutocrats, the top ten conferences in the United States, and this football-bowl subdivision own the college football playoff, and they don't share with anybody. In fact, the top five conferences take 75% of that money, the bottom five conferences take 25%. So there's a big chunk of change there, and that's only for a four-team playoff, that is just going back into their pockets. As soon as they expand that to eight teams, it's a billion dollar property; and if they do sixteen teams, like the football championship subdivision does right now – the one level below within Division I – then they're talking about a $2 billion property. So there's no sign here that, you know, this financial imbalance is going to do anything more than separating the haves and have-nots.

But the bigger problem is this: that this money is not flowing to protect student athletes. The public may not realize this, but in order to play sports, the member institutions of the NCAA say to the kid and their family, you have to bring your insurance with you. You have to buy it yourself, or you go on your parents' insurance policy. All that the schools have to carry in the athletic department is secondary insurance. So we're not even providing insurance for these kids. Yes, we're providing some catastrophic insurance, but there are plenty of sport injury-related expenses that are not getting paid for in terms of these kids. And that's where the crime is, especially when you look at concussion and the fact that the symptoms, the – you know, we're learning more and more about dementia-related symptoms well after somebody's career – none

of these protections are there for these football players, and that's where the shame really is.

FINAN: Another central concern of the book is the clash between the NCAA and academics, or between college sports and academics, and you of course point this out as long-standing concern, as that Woodrow Wilson quote points out. The book does a great job of pointing out the academic standards that are in place when someone is recruited as an athletic – test scores and grade point averages. Can you give some examples of some of the more egregious cases?

LOPIANO: The biggest fraud that is occurring right now, and this is occurring in the most prestigious, the most selective institutions of higher education with the most famous football and basketball programs – the Dukes, from University of Texas to the University of Minnesota, and all the flagship institutions – is that they are purposefully recruiting underprepared student-athletes who are highly talented, and waiving all of their normal academic admissions standards that are applicable to all of the students to get them to come play. So that starts this whole domino-falling effect of ok, I recruit a kid who, you know, may be illiterate. He's probably a minority youngster, he's underprepared, and we throw that kid into a classroom where he has no hope of competing. We surround him with tutors and with academic advisers who then start the other dominoes falling in place, which is, can we find the easiest academic major? Can we find the friendliest professor? Can we surround him with tutors that, oh, may be helping him a little too much? The University of North Carolina fraud came when they actually make up nonexistent courses. We haven't even touched the tip of that iceberg yet. Everybody's doing it, and there is no transparency of these special admissions. So

it's something that the NCAA has gotten a handle on. Could the NCAA stop it? Sure. It could say that every athlete has to pass the normal admissions standard of every member institution. They could say that, but the plutocracy would never vote for it.

FINAN: And it seems that it's made some stabs in that direction over the years, but it's not come to anything.

LOPIANO: I don't think it's really made a dent at all, because when you look at the academic standards of – for initial eligibility and continuing eligibility, they're still very weak. For instance, a student has to be enrolled for 12 hours full-time in the fall and the spring, right, in order to be eligible to play. But the NCAA only says you have to pass 18 hours in your first year. Where do you get that math?

[LAUGHTER]

LOPIANO: Right, where do you get that kind of an expectation? So the public just isn't educated about how far down the academic standards have been drawn in the name of, listen, it's more important to recruit kids who can play.

FINAN: You also point out that college sports has a problem when it comes to race, gender, and disabilities, and Title IX comes up for a special focus. Can you explain what Title IX is and why that concern is there?

LOPIANO: Yeah, the title of this chapter is "A Continuing Disgrace" and it absolutely is. Title IX is a federal law that passed in 1972 that happened to also apply to extracurricular activities, and pretty much it said that you have to treat male and female athletes equally. They're not being treated equally in terms of participation opportunities, in terms of recruiting. And the NCAA has a principle that, you know, every institution

should follow federal law, but it has no enforcement that will say, for instance – it doesn't have any rule that says – in order to be eligible for post-season play, your institutions has to be in compliance with Title IX. It doesn't do anything to assess or make sure that your institution is in compliance. It had a program, certification program, that was starting to do that, and then Mark Emmert, the President of the NCAA discontinued it several years ago, and it has not been replaced at all. And that certification program required a lot of committees, in the institution outside the athletic department to – once every ten years – do a full court press(?) examining the athletic department, including Title IX compliance, and they just absolutely dumped the program. It exists no more.

FINAN: You mention roster shenanigans that occur – male students getting more uniforms, better facilities for male athletes?

LOPIANO: Well, Title IX covers all of that. It's not only about scholarships and participation, but it's uniform equipment, supplies; it's facilities; it's quality of coaching. There's no question that women are getting shortchanged on all of these areas.

But we also have, you know, discrimination on the basis of race. And I describe this to you in terms of the recruiting of underqualified young people, and, you know, putting them in a position where they can't succeed. So this is a race issue too, because the majority of those people who are being specially admitted, are minority kids. And, you know, they've been pushed up the system at the high school, they're enabled by this college system, and we see that we ghettoized collegiate sport and that you have athletes of color, both male and female, who are overrepresented in football and in basketball and track and field, and they're underrepresented in all the other NCAA

sports. So you look at the NCAA, you see in 20 of the 25 NCAA championships, persons of color are underrepresented. And so the whole system is discriminating on the basis of race.

FINAN: I want to come back to the issue of college presidents, too, the issue of governance. So the point you bring up is there are problems there, and also where there need to be solutions – how college presidents, are you point out, have not exercised control over athletic programs. There's both the enormous revenues these programs produce and the publicity that competes with basically doing the right thing when it comes to keeping academics first. What are some of the ways out of that problem?

LOPIANO: You know, at the heart of the problem is you have this dilemma where the athletic directors are between a rock and a hard place and so is the college president. You've got the board of regents, who want to win. You have a president who's more commercially rather than academically inclined. You have an athletic director that kind of has to manage this winning operations, but he's between the rock and the hard place, that the pressure to succeed and to make money than the pressure to graduate kids. The reason why I don't see a way out is that the presidents aren't stepping up to the plate because they're afraid they're going to lose their jobs. You know, they're not the top of the heap. The regents are, the alumni who want this winning team, are at the top of the heap. So that's where it's a real dilemma. We suggest in the book that the solution is a special commission, presidential commission, to look at intercollegiate athletics, very similar to what happened in the mid-1970s with Olympic sports in this country, with a full transparent expose of where college athletics has gone

wrong. And rather than looking at fixing the NCAA, replacing the NCAA with another nonprofit organization in the same way that the Amateur Athletic Union was replaced in 1978 with the United States Olympic Committee, because nobody could fix the Amateur Athletic Union. So, you know, I think it's going to take action by Congress before the NCAA is going to get cleaned up.

FINAN: Right, so the NCAA would be rendered obsolete. A new organization would be put in its place.

LOPIANO: Yeah, and I mean the biggest threat to the NCAA is all of these antitrust suits, and they're lined up on the runway, you know, one airplane after the other. And they just settled a $200 million antitrust suit, and there are more coming behind them. We know that there's probably at least a billion dollars in concussion liability that the NCAA is going to have to deal with, not even talking about its member institutions. So what Congress can do is create, in return for a limited antitrust exemption that would prevent these lawsuits, for instance, it could create a series of conditions to bring intercollegiate athletics back in line with the educational mission. It could say, guess what, the first call on your money can't be putting it in the back pocket of a football coach. First call on your money has to be insurance coverage for every kid who plays and up to seven years after – it's only two right now and there's no NCAA rules with regard to that. It's the insurance company rules. And it could also say, guess what, you can't recruit kids who can't be admitted to your institution. It can do all the things that the book is talking about as a condition for getting the NCAA out of financial hock. I think the tipping point is it's got to go into financial hock from all these lawsuits first. You know, something's got to crack here.

FINAN: Right. On the Congressional side, what do you think the chances are of Congress actually sitting down and entertaining this idea?

[LAUGHTER]

LOPIANO: Today, no no no. I don't want Congress to pay any attention to this today. It is a long-term thing. In the mid-1970s when this happened with amateur sport and our Olympic sports, it took three years to even get a Congressional action. In fact, it was a President's Commission by President Ford at the time. And then it took another three years for them to do their job. So we're not looking at a short-term fix.

FINAN: Donna, I want to thank you very much for talking to us today about *Unwinding Madness.*

LOPIANO: I enjoyed it, Bill.

[MUSIC]

DEWS: Learn more about *Unwinding Madness* on our website. You get 25% off the price by entering the code "NCAA" during the checkout process.

Here's Steve Hess recounting traveling with Vice-Presidential running mate Spiro Agnew in 1968. He served as Vice President of the United States from 1969 to 1973, when he was forced to resign for having accepted bribes.

[MUSIC]

HESS: Two things happened when Nixon ran in 1968. I semi-joined the group by rewriting Mazo – Earl Mazo's biography of Nixon. He had written a very good biography in 1959, and he was not in a position to rewrite it. So I agree to take over and rewrite it,

and that gave me a certain “in” as well, a certain reason to be around. I didn’t know that it had an inconsequent effect that Bill Safire talked about. The cover of the book a hard line crayon profile of Nixon, and there was nothing I could do about it. And Bill Safire told me that Nixon, through a friend who ran the bookstores in the airports, had it pulled so that everybody would not have to get off the plane and look at that awful picture of Richard, Richard Nixon. But I had no complaint since Nixon won and I sold a lot of copies of the book.

I had proposed to Nixon that I would be at his side, take notes of everything he did. If he won, I would give him all the notes for his memoir. If he lost, I would write the story of the ’68 campaign, which in those days were written by journalists who were on the outside or unhappy staffers or so forth. He said fine, that’s fine. But his staff didn’t say that’s fine. They thought that was a terrible idea. So I said ok, your first order is winning the election.

He picked Spiro Agnew as his Vice President, which was a strange pick as Spiro Agnew kept saying very awkward things. You’ve seen one tree, you’ve seen them all, whatever it might be. And I was at Harvard, and I got a call from Bob Haldeman saying “RN wants you on the plane with Agnew.”

So I met the plane at Washington Baltimore Airport. Unfortunately, the day I met the plane the leading paper of Agnew’s state, the Baltimore Sun, had an editorial that said in a sense, Nixon is sending Hess, you’d better listen to him. Of course, that was the end of my relationship with Agnew. So I traveled 60,000 miles with Agnew but he was not really accepting my species, but he couldn’t anything about it.

I liked him as a person. I remember the first trip, we were flying into Wyoming – Casper, probably – and I moved up to the seat next to him. He had a speech that he had been using about population dispersal. There are too many people of one sort in the wrong place. And so I sat next to him and I said to him, “Look out the window. See that light over there? See, fifty miles away there’s another light, and so forth? I don’t think that speech about population dispersal is going to go over too big.” He nodded. We went into the high school auditorium, the drum majors did their thing, and he came out. And he gave his population dispersal speech, and I was stunned.

So I went back to the hotel, and his aide came to see me. “He wants to see you.” In his room he was sitting in the uncomfortable chair, head down, papers all over the floor, and he said, “Steve, I picked up the wrong papers.”

Oh, boy. So what happened, basically, was also was sent to see to, look after Agnew, as best as I could was John Sears. And I think all that we really did was a campaign where we had lots of money. So we did get the campaign basically moved from seven days a week to five days a week. We could pull into Honolulu or someplace else and have two days till we had to go back on the plane. Unfortunately, he made a serious mistake about somebody on the plane going to Hawaii, but nevertheless.

But I should say one thing so that it’s clear. I did not know about his corruption. Simply didn’t know. And I had an opportunity to find out, if I could. I owned a weekend cottage with a man named Al Otten, who was the Bureau Chief of the Wall Street Journal. We were very dear friends, but we never compared notes on anything. And when I was asked to go with Spiro Agnew, I called Otten and I said, “I know that you have a reporter in Towson, a special reporter, a man named Mike Landau. Are they

sending me out with a crook?" And the bureau chief said, "we can't find anything." And that was that.

[MUSIC]

DEWS: Steve Hess is author of numerous books about politics and government, including *The Professor and the President* and *America's Political Dynasties from Adams to Clinton.* You can find both title and more on our website.

[MUSIC]

DEWS: And that does it for this edition of the Brookings Cafeteria, brought to you by the Brookings Podcast Network. Follow us on Twitter @policypodcasts. My thanks to audio engineer and producer Gaston Reboredo, with assistance from Mark Hoelscher. Vanessa Sauter is the producer, Bill Finan does the book interviews, and our intern is Kelly Russo. Design and web support comes from Jessica Pavone, Eric Abalahin, and Rebecca Viser; and thanks to David Nassar and Richard Fawal for their support. You can subscribe to the Brookings Cafeteria on iTunes and listen to it in all the usual places. Visit us online at brookings.edu. Until next time, I'm Fred Dews.