

CONFRONTING THE ARMS RACE – CONFERENCE COMMISSIONER PERSPECTIVES  
ON SPENDING WITHIN INTERCOLLEGIATE ATHLETICS

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ABSTRACT  
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The commercial enticements of national exposure and lucrative television contracts in intercollegiate athletics have led to an increase in spending amongst National Collegiate Athletic Association (NCAA) Football Bowl Subdivision (FBS) programs. This phenomenon has been referred to as the arms race of expenditures wherein athletic administrators outbid one another in an effort to gain a competitive advantage (DeBarros, Dougherty, Evans, Newman, & Palmer, 2009; Knight Commission, 2010; Luebchow, 2008). Intercollegiate conference commissioners fill integral roles as administrators that seek to preserve athletics within their conferences and can offer a unique perspective on the arms race phenomenon (Big Ten, 2011; Covell & Barr, 2010; “The 10 most powerful people,” 2007). The purpose of this study is to explore the perceptions of conference commissioners on the arms race within NCAA Division I (FBS) intercollegiate athletics in order to gain a deeper understanding of current practices and to supplement this void in the arms race literature. Therefore, four FBS conference commissioners, 17 associate commissioners, and four assistant commissioners (n =25) were surveyed. The inquiry was informed by institutional theory, which enabled an examination of the conferences as orbits of competition (Washington & Patterson, 2011). Results indicated that a majority of commissioners believed the arms race was having a negative effect on their conference, and they had a lack of faith in any suggested policy changes. A general discontent with the current BCS model was also expressed, especially from the commissioners of non-automatic qualifying conferences. Finally, the commissioners indicated feeling a lack of power toward curtailing spending, even if they united with conferences on a national level.

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## INTRODUCTION

University academic and athletic programs provide many collegiate athletes with an invaluable education. Shortly after its inception in 1852 (Rader, 1999), the presence of athletics within academe has been the focus of research seeking reformation (The Drake Group, n.d.; Knight Commission, 2001, 2010; Sack, 2009) in order to preserve the foundational principles of athletic education (Benford, 2007; Budig 2007; Kilborne, 1994; Lapchick, 2006). A common element of criticism is the increased spending in athletics, which is viewed as a threat to the foundational principles of intercollegiate athletics. This in turn has led reformers to search for possible solutions (Knight Commission, 2010), or justifications (Brand, 2006), to the amount of money (NCAA, 2010a) that is being poured into collegiate athletics (Upton, 2011).

Today's atmosphere has changed significantly from when college athletics first began in 1852 (Rader, 1999). Initially, each school was left to manage its own sport programs and teams, in everything ranging from eligibility, recruitment, and financing (Rader, 1999). However, in an effort to standardize collegiate sport, the first athletic conference was formed in 1888, the Michigan Intercollegiate Athletic Association (Quarterman, 1994). Shortly thereafter the Big Ten Conference and the Ohio Athletic Conferences were formed in 1895 and 1902, respectively. These conferences were created in an effort to produce rules that the member schools could follow (Quarterman, 1994), but with vast distances dividing the conferences, and no one single entity to set a standard, the sport of football was in chaos. This chaos drew national attention as the level of brutality led to athletes perishing, and so President Teddy Roosevelt stepped in and threatened to do away with college football unless the issue was addressed (Lapchick, 2006).

So it was, in late 1905, that delegates from 62 colleges met in New York and by 1906 had formed the Intercollegiate Athletic Association, which in 1910 was renamed the National

Collegiate Athletic Association (Rader, 1999). This association was charged with forming rules that would promote the sport but also keep the players safe (Rader, 1999). As summarized by Quarterman (1994), Intercollegiate athletic conferences within the NCAA were originally developed for:

- (a) formulating and enforcing rules and regulations pertaining to the eligibility of student athletes, (b) scheduling stability within geographic areas, (c) controlling travel expenses, (d) preventing inferior officiating, (e) preventing overtraining during preseason, (f) assisting in the elimination of excessive football injuries, (g) controlling unruly spectators, and (h) lifting some of the political burden away from the individual member institutions. (p. 129)

By developing conferences and giving them these roles, individual students or schools were no longer in charge of governing intercollegiate sport.

It was a difficult task that these conferences, and their commissioners, were given. Some of the issues that arose in the early days of intercollegiate athletic competition highlight early beginnings of striving to gain a competitive advantage and what has become an arm race. For example, schools would hire “tramp” athletes, who were paid to play on football teams, even though they did not attend the schools for which they were playing (Rader, 1999). Often, they were older and more mature physically because there was no limit to how long a player could play on a team – there could be grad students and even faculty members who played in order to gain a competitive advantage (Watterson, 2000). This is an example of schools stockpiling premier athletes to win the game at all costs. Issues like this continue to happen today, leading reformers to continue to call for change.

Reformers have pointed to continually rising spending (NCAA, 2010a) as a threat that could destroy the world of contemporary intercollegiate athletics (Clopton, 2008; Knight Commission, 2010; Lawrence, 2009; Sack, 2009). This view of increased spending as an undermining trend is what has become known as the arms race of expenditures (Cooper & Weight, 2011; Knight Commission, 2001, 2010; Rapp, 2005; Warren & Tyagi, 2003). Cedric Dempsey, President of the NCAA from 1993-2002, has been credited as first applying this term to college sport (Knight Commission, 2001). The arms race of expenditures, when used in reference to college sport, represents a phenomenon wherein athletic administrators outbid one another in spending in an effort to stockpile “arms” (Knight Commission, 2001, 2009, 2010; “Sports arms race unjustified,” 2003; Suggs, 2001) It is a term that has been appropriated from the cold war era, where it meant a stockpiling of arms, specifically nuclear bombs, in an effort to become the most powerful nation (Trueman, 2000). The cold war existed between the USA and the Soviet Union after World War II, when the two former allies became bitter enemies. While neither side physically fought each other, the years from 1945 to 1980 were spent stockpiling weapons of destruction, which could be used in the event of potential conflict (Trueman, 2000). This stockpiling of arms became known as the “arms race” (Trueman, 2000).

Today, it has become a generalized term that is synonymous with two sides building up their resources in an attempt to outdo an opponent (Murdock, 2007). It has been applied to college athletics in a similar manner, such as when administrators stockpile by building bigger facilities (Frei, 2011; Knight Commission, 2001; 2009); and/or by paying coaches exorbitant salaries (Budig, 2007); and/or by recruiting more athletes than the available scholarships or legal roster spots (Guilbeau, 2011); each of these is done in order to gain a competitive advantage,

especially in football and men's basketball. This spending – and often unnecessary stockpiling of resources, is the root of many reform concerns in collegiate athletics.

This practice is particularly troubling because the superfluous spending often occurs despite the fact that these universities do not have the budget, or resources, for such expenditures (Berkowitz, 2010). In the schools that participate in this practice of deficit spending, the sacrifice often comes at the expense of other sports and necessary programs within the athletic department (Knight Commission, 2009, 2010; Schlabach, 2009). This race can also contribute to tuition hikes or new fees to all students (Knight Commission, 2010). The strain that this fiscal irresponsibility (Dadigan, 2010; Frei, 2011; Knight Commission, 2009; Luebchow, 2008) places on the athletic/academic relationship could permanently sever the connection between athletics and the universities which house them by compromising the original mission of college athletics and putting the institutions' financial security at risk (Knight Commission, 2010; Splitt, 2009).

While some universities manage to keep their programs operating in the black, the majority of football bowl subdivision schools finish deep in the red (NCAA, 2010a). Only 14 programs reported positive net revenues in 2009, out of 119 programs in the FBS (NCAA, 2010a). Total expenses continue to grow in the FBS, at a rate far greater than inflation. Because more than 60% of intercollegiate athletic expenses are market driven (e.g., coaching salaries and scholarships [NCAA, 2010a]), attempts to reduce expenditures are often challenging as a majority of line-items are beyond the athletic department or conference administrator's control (Knight Commission, 2009). Because reducing expenditures can be a challenge, the lure of spending money to make money draws many athletic administrators to invest in lavish facilities and multi-million dollar contracts for big-name coaches in an attempt to gain a competitive advantage over neighboring rival institutions and also to facilitate a journey to national

recognition (Budig, 2007; Dadigan, 2010; Epstein, 2006). For instance, if one school in a conference builds a new state-of-the-art convocation center, a neighboring institution may feel that in order to attract recruits and therefore be competitive in the conference, they need to invest in a bigger, better facility (Frei, 2011; Knight Commission, 2001, 2009). As an example, the University of Oregon spent \$90 million to upgrade its Autzen Football Stadium in 2002. The list of improvements included 12,000 new seats, 32 luxury boxes, and improved amenities (“University of Oregon,” 2003). As this trend of facility development has continued, research has begun to investigate the correlation between recruiting advantages, on-field success, and facilities (Budig, 2007; Epstein, 2006).

As individual schools strive to gain this competitive advantage, each school slightly outspends one another, but at the end of the day, no matter how much is spent, most schools end up losing (Knight Commission, 2009). Often the projected revenue does not follow the expenditures, and schools are left with budget crises (NCAA, 2010a) which can result in non-revenue and women’s sport scholarships being reduced and programs being cut (Ridpath, Yiamouyiannis, Lawrence & Galles, 2008; Weight & Cooper, in press).

There is a growing body of literature exploring possible remedies to the arms race and the fallout that occurs in its wake (Benford, 2007; Budig 2007; Knight Commission, 2009, 2010; Peloquin, 2010; Schlabach, 2009; Splitt, 2009). However, in that literature, there is a noticeable void concerning conference commissioners and their perceptions on spending within college athletics. Conference commissioners are essentially managers of the member schools in their respective conference (Covell & Barr, 2010; Quarterman, 1994, 1998). With that managerial role, we understand how they can lead their member institutions by applying institutional theory. Institutional theory suggests that organizations (member schools) within a certain group

(conferences) tend to seek approval from other parties within their organization (Washington & Patterson, 2011). When those organizations begin to mirror one another, it becomes known as institutional isomorphism within institutional theory (DiMaggio & Powell, 1983; Washington & Patterson, 2011). As leaders within the conference, commissioners can set a new standard of fiscal responsibility that the member schools will follow. This is because once a standard is set, according to institutional theory, the member schools will seek to meet that standard in order to seek approval from their member schools. Therefore, commissioners hold an important role in leading the conference, and potentially college athletics, in a positive direction.

As proof of the power that commissioners hold, *Business Week* had a cover story that listed Commissioner Jim Delany as 31<sup>st</sup> out of the 100 most influential people in sports (“The 10 most powerful people,” 2007). *The Chronicle of Education* then surveyed several dozen experts that included athletic directors, presidents, conference officials, and NCAA officials, and named Commissioner Michael Slive as one of the top ten most powerful people in shaping the college game (“The 10 most powerful people,” 2007). The authors further emphasized that “conference commissioners wield much of the power in college sports, negotiating television contracts and representing their leagues on influential NCAA committees” (“The 10 most powerful people,” 2007, ¶6), providing further evidence that commissioners shape the world of college sport. Commissioners hold an important leadership role in college athletics, and that leadership is important because it can influence the future of college athletics.

That leadership role is important because researchers have demonstrated that now, more than ever, the arms race is having a powerful effect across every major Football Bowl Subdivision (FBS) conference. The FBS, renamed from the former Division IA in 2007, is made up of 11 conferences and 120 member institutions (“BCS explained,” 2010). All members of the

FBS are members of the BCS, but only six of the conferences are granted automatic qualification to the major bowl games, which means that the champions of the Atlantic Coast, Big East, Big Ten, Big 12, Pac-10 and the Southeastern conferences will play in a bowl game (“BCS explained,” 2010). The other five conferences, Conference USA, the Mid-American Conference, the Mountain West Conference, the Sun Belt Conference, and the Western Athletic conference will not earn an automatic bid to a lucrative BCS bowl game, which can cost these conferences millions (Hanna & Brunno, 2009). Regardless of the amount of money being earned from these bowl games, all of the conferences are feeling the effects of the arms race (Berkowitz, 2011; Dadigan, 2010; Frie, 2011; Knight Commission, 2009, 2010).

Today, these effects range from sport cuts (Ridpath, et al., 2008; Schlabach, 2009), to conference realignments (Peloquin, 2010), to spiraling coaches and athletic director salaries (Budig, 2007), to accusations of cheating becoming more prominent (Benford, 2007). For example, in the FBS, head football coaches’ salaries rose from \$582,000 in 2004 to \$855,500 in 2006, a 47 percent increase (Luebchow, 2008). The top five football coaches listed in a 2009 study conducted by *USA Today* had a total annual income average of \$4,062,330, with Pete Carroll topping the list at \$4,386,652 (DeBarros, et al., 2009). In 2010, the study was again conducted by *USA Today*, and it showed that the top five coaches received an average of \$4,689,769 for their salary, with Nick Saban making the most at \$5,997,349 (Berkowitz, Upton, Leven, Lattinville, & Ahearn, 2010). This is evidence of the increasing cost of FBS head football coaches’ salaries.

With their unique perspectives and leadership roles, conference commissioners could provide some illuminating insight on the issue of spending within college athletics. Can they impact the allegations of cheating, the spiraling coaches’ salaries, or the proliferation of spending

on facilities? To set the stage for this inquiry, a review of the literature will be completed that will provide a solid framework from which this inquiry will be built. It will begin by covering the history of college sport and the arms race. It will also address anti-trust regulation, the NCAA, intercollegiate conferences, and the role of the commissioner within those conferences.

## PURPOSE AND SIGNIFICANCE

The purpose of this study is to explore the perceptions of conference commissioners on spending within intercollegiate athletics. If the arms race continues unchecked, intercollegiate athletics, which, since 1852 (Rader, 1999), have been ultimately for the benefit of the students (“Big Ten Conference,” 2011), could conceivably crumble. They could cease to exist as they do today and thereby deny the students participating in them the opportunity to participate and gain an invaluable experience (Brand, 2006; Knight Commission, 2009). It might not be today, or tomorrow, but according to University presidents across the country, it is not a matter of *if*, but *when* the system of college athletics collapses (Knight Commission, 2009). With their distinctive perspective and objective to preserve and grow intercollegiate athletics within their conferences (Big Ten, 2010), the commissioners are an important player in the intercollegiate athletic governance process. Despite the influential role of commissioners, to date this population has not been studied with respect to their opinions regarding collegiate spending. Their insights have the potential to supply valuable information, which combined with other research into the subject (The Drake Group, n.d.; Knight Commission, 2009, Luebchow, 2008, Sack, 2009) could shed light on the issue of collegiate spending. To this end, the following research questions were posed:

RQ1 – How do conference commissioners perceive current resource allocation decisions in intercollegiate athletics?

RQ2 – How do conference commissioners perceive the ideas and prohibitions, as outlined and adapted from the Knight Commission (2009) study, that have been suggested to curtail the arms race of expenditures?

RQ3 – How do commissioners envision their role in the effort to affect spending within college athletics?

RQ4 – What ideas or suggestions do conference commissioners hold that may influence the future of intercollegiate athletic expenditures?

## THEORETICAL FRAMEWORK

Institutional theory suggests that organizations within a certain group (e.g. a conference) tend to seek approval from other parties within their organization (DiMaggio & Powell, 1983; Washington & Patterson, 2011). Because of this, consistent behaviors, methods, and organizational practices often exist between establishments within the same institutional circles, and these organizations are influenced by the actions and philosophies of one another (DiMaggio & Powell, 1983; Scott & Meyer, 1994, Washington & Patterson, 2011). Over time, these organizations become more and more similar to those within their sphere of influence. This progressive mirroring has been labeled institutional isomorphism (DiMaggio & Powell, 1983; Washington & Patterson, 2011). Institutional theory has become a significant theory used within sport management literature (Kikulis, 2000; Washington, 2004; Washington & Ventresca, 2008; Washington & Patterson, 2011). This is because “sports provide a rich empirical setting to elaborate and illuminate some of the basic tenets of institutional theory” (Washington & Patterson, 2011, p. 2). These studies have focused on the advancement of institutional theory by placing the NCAA as the dominant institution in amateur athletics.

This study will seek to apply this theory in sport management by determining whether the conferences, and by extension, the commissioner, can hold the position of dominant organization in college athletics. It will apply this theory at the conference level, with concern to the member schools, and whether through that application there can be an impact on a national scale. This stems from the notion that athletic administrators at the individual member institutions within intercollegiate athletic conferences’ possess an aspiration to be similar to the other member schools in their conferences and seek to follow trends that those other schools are setting. Thelin (1996) demonstrates why member schools may feel this aspiration.

The conference is the crucial unit in shaping and regulating intercollegiate athletics because it can have more impact on shaping athletic polices than the NCAA...(and) is the locus where a small group of institutions in the voluntary association agree to work together, to compete while showing some sign of mutual respect and comparable academic standards. (p 129)

This statement demonstrates how conferences are indeed governed by the principles of institutional theory.

In application, institutional theory explains the progression of expenditures in intercollegiate athletics. For example, when one school builds a state-of-the-art facility for housing athletic competition, or hires a new coach at an inflated salary, a neighboring school competing for the same recruits feels the pressure to keep up in order to attract top coaches and athletes to their program (Dadigan, 2010; Frei, 2011, University of Oregon, 2003). The desire conference schools feel to mirror one another presents financial evidence of institutional isomorphism driven by the arms race of expenditures.

The arms race of expenditures reflects how institutional theory operates, as schools seek to mirror one another by increasing their spending. So, institutional theory clearly supports the arms race as it has progressed, but it may also hold the promise of unraveling the arms race in the future if a league of like-minded individuals emerges as active change agents (Washington & Patterson, 2011). Because conferences create a sphere of influence with their member schools, the conference commissioner holds an important managerial role in affecting change. They are responsible for not only managing the conference, but are responsible for managing the other managers within the conference (Quarterman, 1994). As Quarterman states, “when commissioners are classified by scope of responsibilities, they are considered general managers,

meaning they are responsible for all of the functional areas and functional managers of the conference” (1994, p. 130). Because some of the roles of the conferences are to “formulate and enforce rules and to control expenses” (Quarterman 1994, p. 129), the Commissioners can play a vital role in setting a spending standard that all the member institutions would follow according to institutional theory.

Institutional theory was applied to a governing body, setting a spending standard through the study *Sport Canada*, where an organization was able to enact change across its 36 national-level sports by using isomorphic pressure (Slack & Hinings, 1994). As Sport Canada had its National Sport Organizations be more professional and bureaucratic, the variety in differences across the 36 organizations declined as those organizations became more similar through the shared practices (Washington & Patterson, 2011). Similarly, this study will specifically explore the role that conference commissioners, as managers, could potentially hold in setting a standard and facilitating institutional isomorphic behavior between the schools to uphold the standard. The managerial role and influence is defined by Kjeldsen (1992):

The manager serves as a regulator (one among many) of the organization and of the organizational/societal system of which it is a part. Therefore, the manager transcends the boundaries of the organization as he or she seeks to influence the other organizations in the system and to influence the conditions of the system itself. Although perhaps *one* cannot change the system, managers in cooperation with allies can change the part or parts of the system they deal with (e.g., form a league of like-minded schools) and thus change the conditions and, consequently, the social experience with which they...must cope. (p. 107)

So, according to Kjeldsen's (1992) definition, when the conference commissioners, as managers, set the standard for a conference by implementing rules and regulations related to spending, the member schools may fall into line because they are a part of a larger whole.

Therefore, conference commissioners have an important leadership/managerial role (Covell & Barr, 2010). With this in mind it might be possible for commissioners to guide their member schools to make better fiscal decisions that could shape the future of intercollegiate athletics. Therefore, the opinions and information conference commissioners possess is of vital importance.

## LITERATURE REVIEW

### Overview

The foundation of this study is comprised of several lines of inquiry into the literature. It begins with an overview of the general history of college sport, which will lead into a historical study of the arms race. Following that, the reformations of early 1990's to the present day will be studied by using the Knight Commission's reports from 1991-1993, 2001, and 2010. Then there will be a review of a similar instrument utilized by the Knight Commission directed towards University Presidents. The differing perspective on the arms race will then be investigated, followed by a study of how anti-trust laws figure into our understanding of the arms race. Finally, the NCAA, intercollegiate conferences and the role of the commissioner within those conferences will complete the literature review.

### Historical Background

College sport first began with an intercollegiate regatta match in 1852, when Harvard out raced Yale during a very peaceful and amicable competition (Lapchick, 2006; Rader, 1999). Shortly thereafter, amid growing popularity of intercollegiate competition in sports such as rowing, baseball, American football, and track and field, many different governing organizations were formed – the Rowing Association of America, the Intercollegiate Football Association and the Intercollegiate Association of Amateur Athletics of America (Rader, 1999). During the next decade, the competition between schools grew more serious, with teams hiring coaches and training extensively (Rader, 1999). That competition served to form a bond between classmates at universities and helped to overcome “social background, personal values, and the lack of a common curriculum” (Rader, 1999, p. 90). Presidents and faculty recognized the bond that athletics were creating on their campuses, and also recognized the public attention that these

sporting events were bringing to their universities (Lapchick, 2006). In an effort to organize and capitalize on these benefits, intercollegiate athletics were born (Rader, 1999).

As the public began to take notice of these events, more fans began to show up for the games. In the 1890's, major football games had around 40,000 fans, with an estimated 120,000 athletes participating across the nation (Rader, 1999). With this rise in popularity, there came increased stakes and heightened competition. The presence of "tramp" athletes demonstrates the competitiveness of colleges as they sought to win at all costs (Rader, 1999). The "tramp" athletes were older and more mature physically (Watterson, 2000), which posed a physical threat to the younger, less mature players. This threat for physical injury prompted the President of the United States, Theodore Roosevelt, to push for some kind of oversight and led to the formation of the NCAA. In 1906, the NCAA was organized to protect student athletes from the dangerous practices of the time and to provide much needed oversight (NCAA, 2010c, Rader, 1999).

As athletics grew in popularity, the NCAA grew in its role as a governing force. It served to make rules and function as a discussion group. Eventually, in 1921, it held its first national championship (NCAA, 2010c). From that point on, the NCAA continued organizing and creating championships. In 1951, Walter Byers was named the first executive director. Coincidentally, Mr. Byers was appointed right around the same time that the NCAA began to be called a cartel. (Eckard, 1998; Rader, 1999) Prior to 1941, the NCAA was primarily responsible for making *playing* rules with the sports and asserting principles (Rader, 1999). However, the NCAA did not really have any way to enforce those rules or principles other than relying on "moral suasion" (Rader, 1999, p. 262). However, the schools were not policing themselves, so in 1952, the NCAA was granted the power to issue sanctions and punish schools for violations (Rader, 1999). It was because they were given such total control of collegiate athletics, during

this time, that the NCAA began to be called a cartel (Lapchick, 2006; Rader, 1999). As time continued to pass, collegiate athletics continued to grow exponentially, and accompanying that growth was the need for some further classifications within the NCAA. In 1973, three different legislative and competitive divisions were created to address the individual needs of its member schools. These were known as Divisions I, II, and III, with Division I-A and I-AA (renamed Football Bowl Subdivision and Football Championship Subdivision in 2007) being formed five years later in 1978 (NCAA, 2010c).

As collegiate sports entered the 1980s it entered a period that called for greater oversight due to rampant rules and ethics violations (NCAA, 2010c). It was also during this time that Title IX (1972), a law that outlawed sexual discrimination in schools that receive federal aid, was beginning to be enforced. So it was during these years that the NCAA decided that in order to conform to Title IX, it was to going sponsor women's sports (Rader, 1999). The NCAA offered far more money and television coverage than the women's athletic association, the Association of Intercollegiate Athletics for Women (AIAW) (Rader, 1999). This effectively put the AIAW out of business, a move that demonstrated the level of power the NCAA held during the early eighties (Lapchick, 2006; Rader, 1999). In effect, during this time, the NCAA increased their scope to include women's sport (NCAA, 2010c). As the years progressed, and rules continued to be broken, the NCAA had to put greater emphasis on the policies already in place, and create new policies to address the arising concerns (NCAA, 2010c). One of the policies they focused on was Prop No. 48, which raised academic requirements for future collegiate athletes (NCAA, 2010c). Prop 48 dictated that athletes have minimum test scores and high school grade point averages before they could be recruited (Rader, 1999). Today, these requirements include the completion of 16 core courses and a sliding scale of high school grade point average (GPA)

versus standardized test scores (NCAA, 2010c). So if a student has a higher GPA, they may have a lower test score, and vice versa. However, when the NCAA entered the 1990's it was still in the process of implementing some of these policies (NCAA, 2010c).

As an example of some of the policies the NCAA put into place to police intercollegiate athletics, at a convention in January of 1992, they implemented certain dated strictures for universities to impose on their student athletes (NCAA, 2010c). Within the course of that year (1992), universities must have ensured that student athletes were making satisfactory progress in degree requirements, grade point average, and in school year. The policies regarding official visits and transfer students also underwent major renovations that demonstrated a commitment to education (Knight Commission, 1993). Effective by 1993, presidential control, certification, gender equity, and cost containment measures were to be put into place (Knight Commission, 1993). Financial integrity was scheduled to be examined and then analyzed by university presidents and the NCAA council by 1994 (Knight Commission, 1993). And finally, in 1995, initial eligibility rules were to be in place that required incoming freshmen to have at least a 2.5 grade point average (Knight Commission, 1993).

#### Arms Race of Expenditures in Intercollegiate Athletics – Historical Perspective

Leading up to the 1990's scandals surrounding intercollegiate athletics had reached a fever pitch. It was widely considered to be an environment of powerful coaches and pampered players, and the public was losing faith in the system (Thelin, 1996). During this time, 109 universities were sanctioned or censured, illicit payments to college football players were rampant, and 35 out of 100 schools reported a graduation rate of less than 20 percent (Knight Commission, 1993). In response to these scandals, the John S. and James L. Knight Foundation was formed (Knight Commission, 1993). The Knight Foundation is an organization that is

“committed to the same drive to transform, with the same dedication to the discovery of ideas, and the same belief that vision, courage, tenacity and know-how are essential” (“About Transformation,” 2011, ¶2). In the spirit of transformation, the trustees formed the Knight Commission in October of 1989 with a mission to facilitate regulation and oversight in college athletics (Knight Commission, 1993). The Foundation founders recognized this need, and upon formation charged the commission to preserve the integrity of higher education against the onslaught of commercial athletics.

Fundamental to the research and goals of the Knight Commission is the belief that the purpose of intercollegiate athletics is education (Knight Commission, 2010). Since its inception, the Knight Commission has fulfilled its resolutions through conducting research and publishing numerous reports and reform agendas. There are some who credit the Knight Commission with providing the blueprint for change in college sports (Sander, 2009). The reports that it has published have helped to define problem areas, define how the issues affect intercollegiate athletics, and identify potential solutions to rectify current intercollegiate athletic deficiencies, which will be discussed below. The reports have also defined and followed the rapid increase in spending, labeled it an impending crisis, and explored potential solutions (Knight Commission, 2010).

The remainder of this historical study will be framed by outlining the reformation movement of the early 1990’s and discussing relevant reform and arms-race evolution through the present day. In response to intercollegiate athletic deficiencies, many different organizations exist today that seek to enact change throughout the industry (Sack, 2009). However, in the 1990’s, The Knight Commission was the main authority on the subject (Lederman, 1991). Since its inception, the commission drafted a series of reports that helped to define the current state of

intercollegiate athletics and the dangers, (not limited to commercialization and the arms race) that could serve to undermine the whole system. Therefore, fundamental to this inquiry is a comprehensive treatment of the Knight Commission's reports issued from 1991-2010. These reports began a process of reformation in the university/athletic relationship, and from these studies, the full breadth of the struggle taking place within intercollegiate athletics and academics can be more fully appreciated. Below is a discussion of the 1991-1993, 2001, 2010, and presidential reports. The discussion will be integrated with relevant publications that occurred during those times.

#### 1991 – 1993 Reports

Throughout the course of 1991 the commission went through a rigorous amount of study and debate while meeting with over eighty experts and leaders from the field, which included “athletes, coaches, athletics directors, faculty members, conference commissioners, television executives, writers, accrediting officials and leaders from professional sports” (Knight Commission, 1993, p. 42). From the very beginning, through their statement of purpose, the Knight Commission extolled the value of athletics within a collegiate atmosphere, and sought to maintain that worth.

As our nation approaches a new century, the demand for reform of intercollegiate athletics has escalated dramatically. Educational and athletics leaders face the challenge of controlling costs, restraining recruiting, limiting time demands, and restoring credibility and dignity to the term “student-athlete.” In the midst of these pressures, it is easy to lose sight of the achievements of intercollegiate sports and easier still to lose sight of why these games are played. (Knight Commission, 1993, p. 20)

The Knight Commission was very clear in this statement of purpose that intercollegiate athletics were in need of drastic reformation.

In order to preserve and maintain the positive value of intercollegiate athletics, the Commission proposed, in their first publication, *Keeping Faith with the Student Athlete*, the “one-plus-three” plan (Knight Commission, 1993). The main focus, the “one” part of the plan, would be on sustaining and fortifying the authority of the University Presidents that they might implement the “three” part of the plan. The “three” consisted of maintaining academic integrity, financial integrity and accountability through certification. The Commission laid out the plan and ways to implement their suggestions for the university presidents, chairs of governing boards, faculty, athletic directors, student athletes, coaches, alumni, secondary school officials, and the National Collegiate Athletic Association (NCAA). The Commission specifically stated “reform will not be realized with calls for improvement or with recommendations that sit on a shelf” (Knight Commission, 1993, p. 35). The Commission then proceeded to set specific charges for each group and emphasized that change must come from within, not from without (Knight Commission, 1993).

The second publication, *A solid start: A report on reform of Intercollegiate Athletics* (1992), began with an analysis of just how successful *Keeping faith with the Student Athlete* was. It had been well received by the public (Lederman, 1991), and according to the Commission, it had also brought about some positive changes. Notably, there was a 31% decline in the number of people that felt big-time collegiate athletics were out of control, down from 78% to 47% (Knight Commission, 1993). The percentages were taken from two Louis Harris polls, one conducted in 1989, the other being conducted in February of 1992 (Knight Commission, 1993). In January of 1992, at the NCAA convention, significantly higher academic standards were

approved and became binding for university athletic programs. These standards came as a result of the proposals that were presented by the University Presidents, further indicating success because it demonstrated that the presidents had indeed taken charge. Approximately 25,000 copies of the report were distributed without any help or assistance with distribution from the NCAA, resulting in independent changes being made on individual campuses (Knight Commission, 1993). These changes included, but were not limited to, satisfactory progress in degree requirements, grade point average and school year, transparency in coaches' income, increased presidential control, and transparency with finances (Knight Commission, 1993).

These changes, while showing that things were progressing in a positive direction, were far from indicating that everything had been resolved. The commission feared that there would be detours that would be taken on the road to reform (Knight Commission, 1993) and that people (more specifically, university presidents) would see the complexity and challenges ahead and simply quit the effort of reformation, just because it would be the easier path to take (Knight Commission, 1993).

The final detour is the danger of despair. Given the complexity of these issues, their detail in public volatility, presidents could easily throw up their hands fearing the effort might be endless and ultimately futile. Presidents must stay the course, and governing boards must give them the authority to act. Presidents cannot lead without the board's support. (Knight Commission, 1993 p. 54)

The commission emphasizes here that despair cannot keep the Presidents from acting and leading collegiate athletics on a path of reformation.

In order to avoid potential detours, the final report of the series, *A new beginning for a new century: Intercollegiate Athletics in the United States* (1993), the Knight Commission

included a summation of the previous two reports but also included a more vigorous set of objectives and goals (Blum, 1993). Contained within it was a trumpeting of the “one-plus-three” model and a description of how it had been implemented across the country. University presidents were being held accountable and were beginning to take the responsibility of athletic oversight seriously. The institutional indifference and presidential neglect that led to disturbing patterns of abuse throughout the 1980s had been replaced with a new structure insisting on institutional oversight and presidential leadership backed up by trustee support (Blum, 1993). The leaders and members of the NCAA now possessed a framework for meaningful reform (Knight Commission, 1993). Over the next few years, University presidents gained more and more power over their athletic programs within their institutions. The public’s faith in intercollegiate athletics was steadily being repaired (Blum, 1993; Knight Commission, 1993). However, there were still many struggles to overcome in the effort to restore and sustain the intended purity in collegiate athletics. It is in part due to these initial reports that a realization of the rampant commercialization and the resultant arms race was brought to light (Knight Commission, 2010). What follows is a discussion of developments researched by the commission throughout the subsequent decade in order to fully set the context of the arms race we see today.

### 2001 Report

Seven years after the publication of the 1993 report, the Knight Commission reconvened in 2000 to evaluate the progress of the industry of collegiate athletics and to study the results of their previous three reports. The commission found that the principles that they had put into place, namely the one-plus-three rule, had taken root and had been effective in certain areas (Knight Commission, 2001). However, with this study that the Knight Commission published in

2001, they found that some problems of the past had developed into glaring problems during the decade: commercialization, a financial arms race, and academic transgressions. The Commission found that their original recommendations had been followed and that many rules had been put into place that helped to curb a lot of the issues they previously noted (Knight Commission, 2010). However, it was evident that there was still room for growth and that the new issues facing collegiate athletics posed challenges that strongly threatened the intercollegiate athletic sphere (Suggs, 2000).

In the 2001 report that was based on the meeting in 2000, the Knight Commission concluded that having more NCAA rules would not restore the balance between athletics and academics on the nation's campuses (Knight Commission, 2001). Instead, the Commission proposed a new "one-plus-three" model for these new times – a Coalition of Presidents, directed toward an agenda of academic reform, de-escalation of the athletics arms race, and de-emphasis of the commercialization of intercollegiate athletics (Knight Commission, 2001). This is the first time that the Knight Commission specifically mentioned the arms race in their reports, and indicated that it was commercialization, such as TV contracts, coaches' salaries, and commercial venues, that were escalating towards an arms race (Knight Commission, 2001). As the report progressed, it stated that the seriousness of the arms race is one of the primary concerns facing modern collegiate athletics. Institutions decide what is best for them and how to allocate their resources. Many institutions view potential national exposure as just a championship away, and toward this goal choose to join the arms race (Knight Commission, 2004). Presidents and trustees accept their athletics department's argument that they have to keep up with the competition, and subsequently allow extravagances, which the Commission reported, was leading to significant deficit spending (Knight Commission, 2001).

## 2010 Report

Ten years later, not much had changed (Dadigan, 2010, Knight Commission, 2010).

*Restoring the balance: Dollars, values, and the future of college sports* cataloged how spending was still escalating (Knight Commission, 2010). The blame for this spending can mostly be laid at the feet of the rampant commercialization of college athletics. However, the report emphasizes that changes can still happen. The Commission was adamant that if there was not a change in direction, and soon, that collegiate athletics as we know it will cease to exist.

In brief, if the business model of intercollegiate athletics persists in its current form, the considerable financial pressures and ever-increasing spending in today's college sports system could lead to permanent and untenable competition between academics and athletics... and that today's revenue and spending trends are not sustainable for athletics programs as a whole (Knight Commission, 2010, pp. 9-10).

An important point here is that the Knight Commission believed that the current business model of intercollegiate athletics was not sustainable.

Therefore, the report begins with the Knight Commission's principles, which are academics first and responsible spending second. With these principles in mind, the Commission outlined three basic steps (Knight Commission, 2010, p. 10).

1. "Requiring greater transparency, including better measures to compare athletics spending to academic spending.
2. Rewarding practices that make academic values a priority.
3. Treating college athletes as students first and foremost — not as professionals."

A point-by-point application for these basic steps follows in the rest of the report, but for the purposes of this study, the listing of the steps and a brief explanation is included. The first and biggest change is the call for transparency. The Commission believes that knowledge is

power, and once the public is aware that there is a reliance on institutional funds to subsidize athletics, to the point of cutting academic programs (Knight Commission, 2010), the public will become enraged and hold those in charge accountable.

The two remaining steps are in line with the basic principle of maintaining academic integrity that was set forth in the very first Knight Commission report in 1991. The steps are: rewarding practices that make academics a priority and remembering that athletes are students, first and foremost, and that they are not professionals (Knight Commission, 2010). To sacrifice a student athlete's education for the gain of an athletic program is deplorable and these two steps and their implementation seek to keep that from happening (Knight Commission, 2010). The time for reform is now; and inattentiveness will have serious consequences (Knight Commission, 2010). The Knight Commission reports provide an excellent historical foundation for this study as the reports outline the evolution of commercialization and efforts of reform in the last twenty years. Within the commission reports, however, the potentially significant and influential role of conference commissioners was overlooked. Unfortunately, the Knight Commission does not mention why this was. The change agent of focus throughout their reports was the university president. The Knight Commission believes that the presidents of the universities should have "the same degree of control over athletics that they exercise elsewhere in the university" (Knight Commission, 1993, p. 18). With this particular emphasis, the Knight Commission created a survey that they subsequently administered to the university presidents.

#### Arms Race of Expenditures – Presidential Perspective

A common theme running throughout the Commission's reports was an emphasis on the University Presidents taking action (Knight Commission, 1993, 2001, 2010). Therefore, the Knight Commission would have been remiss had it not chosen to poll those presidents and find

out directly from those presidents whether the Knight Commission's findings and subsequent suggestions had merit. To that end, in October of 2009, the Commission questioned 119 FBS University presidents from across the nation and published the findings in *Quantitative and Qualitative Research with Football Bowl Subdivision University Presidents on the Costs and Financing of Intercollegiate Athletics: Report of Findings and Implications*. This study was conducted independent of the previous studies completed by the Knight Commission in 1993, 2001, and 2010.

From the beginning of this study, the Knight Commission invested a tremendous amount of effort and resources to ensure that the results could positively be identified as a definitive look into the world of University Presidents with regard to their opinions on the future of intercollegiate athletics. Findings from this presidential study provide a solid launch point to initiate change (Knight Commission, 2009).

First, almost unanimously, the University Presidents agreed that there was a need for change and an over-haul of intercollegiate athletics. Most of them, however, indicated that they felt powerless and unable to do anything to enact change in relationship to their own athletic programs because of the perception that athletic spending was out of control and athletic departments were generally separate from the rest of the academic community (i.e. departments, colleges, etc.). In fact, one President even indicated that Presidents are fearful of getting involved in athletics.

The real power doesn't lie with the presidents; presidents have lost their jobs over athletics. Presidents and chancellors are afraid to rock the boat with boards, benefactors, and political supporters who want to win, so they turn their focus elsewhere (Knight Commission, 2009 p. 16).

This quote demonstrates one reason that Presidents felt powerless – they were fearful of the boards and supporters of the program.

As a result of this fear, athletics have grown away from the University community, and the presidents indicated that their control over the athletics programs had been diminished, which led to a loss of some of their authority to enact change. So while the presidents admit there were problems with the system, they almost as quickly admit that there was not much they feel they could do about it (Knight Commission, 2009).

Another issue brought out by this investigation was one of sustainability. As has been established, the presidents recognize that there was an issue with out of control spending, but the truly alarming issue was that they do not feel that the current model can sustain this spending.

Based on findings from the quantitative and qualitative research, it is clear that the question for a majority of presidents of equity and non-equity institutions alike is not whether or not the current model is sustainable but, given the forces at work, how long it can be sustained (Knight Commission, 2009, p 8).

So, without a change in course, the presidents do not believe the current system can last. They believe that their individual institutions will be fine, but spread out over the system, it cannot continue. The main item that causes them to doubt the longevity of the system is indeed the arms race. “The qualitative research suggests that presidents see the issue of coaches’ salaries as a key contributor to the “arms race” in intercollegiate athletics. *Coaches’ salaries are seen as the greatest impediment to sustainability*” (Knight Commission, 2009, p. 10). The presidents indicated here that the coaches’ salaries contributing to the arms race could prevent collegiate athletics from being sustained.

Coaches' salaries, specifically in football and men's basketball, were identified as a "key contributor" and the primary cause for a lack of confidence in the current system. Fifty-six percent of presidents felt that as private contributions to coaches' salaries had increased, their control over those salaries had decreased (Knight Commission, 2009). Similar to this percentage, the presidents indicated in the qualitative data that they were afraid to enact any sort of change, and believed that allowing federal government to control costs is also not the answer.

The current recession, which started in 2008, has compounded additional strain to intercollegiate budgets. Sixty-two percent of the 119 presidents that were surveyed felt that the recession had affected athletics just as it did with the rest of the university. Despite the losses, however, many of the presidents believed that there were many benefits to pumping more money into the athletics program in pursuit of national prominence through on-field success. They indicated in this study that they believed that a successful athletic program had many benefits such as increasing applications, quality of the student body, enhanced school spirit, and raising positive public awareness (Knight Commission, 2009).

The final issue emphasized in the president's report included a call for increased transparency.

While most presidents have confidence in the accuracy of financial data provided by their own institutions and have some confidence in that provided by their peers, a great majority of presidents agree that greater transparency of athletics operating and capital costs is needed. (Knight Commission, 2009, p. 46)

As indicated here, the Presidents trusted the data, but yet they still felt that having access to that data through transparency could have a positive effect. As a whole, 95% of presidents trusted their athletic departments and the financial information that they received. Despite the

overwhelming trust that the university presidents had in the departments, around 8 in 10 presidents said that they would like to see a greater transparency in athletics costs (Knight Commission, 2009). According to the report, when the books are opened, actions and speculations of extravagant spending can be curtailed and controlled (Knight Commission, 2009).

Overall the Knight Commission study provides a solid framework upon which this study regarding FBS Conference Commissioners can be built. While the university presidents felt that the pressure was building from the arms race, they were not sure what to do about it. Perhaps the thoughts and opinions of the conference commissioners could provide illumination into a possible solution.

#### Arms Race of Expenditures – Differing Perspectives

The arms race of expenditures is a term used to represent how commercialization, such as lucrative T.V. contracts and pricey coaches' salaries (DeBarros, et. al., 2009; Knight Commission, 2010; Luebchow, 2008) within intercollegiate athletics has led to an increase in spending as schools seek a competitive advantage (Dadigan, 2010; Knight Commission 2010). Athletic administrators outbid one another in spending in an effort to gain this advantage mainly in football and men's basketball which can result in spending to stay competitive and can lead to a practice of deficit spending in order to compete on the national stage. To fully appreciate how the arms race grew to be what it is today, a proper study of the bond between intercollegiate athletics and the academic universities in which they reside must be undertaken. Historically, one of the reasons why departments of intercollegiate athletics are housed in the university structure is because of the educational value of sport participation and observation (NCAA, 2010c; Rader, 1999). The values that can be learned through sport include teamwork, discipline,

perseverance, hard work, and sacrifice (Brand, 2006). Intercollegiate athletic competition should facilitate a holistic education difficult to replicate or match through any other educational avenue (Brand, 2006). All of the positive contributions that sport can bring to higher education, however, are threatened by disturbing patterns of abuse, particularly in some big-time programs (Dadigan, 2010; Splitt, 2009; Upton, 2011). These patterns are grounded in institutional indifference, presidential neglect, and the growing commercialization of sport combined with the urge to win at all costs (Knight Commission, 1993). The unfortunate truth is that on too many campuses, high profile revenue generating sports are financially out of control (Knight Commission, 1993).

Schools do not join a conference because they want to participate in an arms race, schools feel compelled to participate in the arms race because they feel the need to spend more and more on their programs in an effort to recruit and perform better than the competition and therefore bring in additional revenue – spending more in an effort to make more through winning in competitions. Despite this increased spending, only one team can win – but the result is an arms race of increased expenditures just to keep up and possibly get ahead of one another. The arms race was articulately defined by Robert Frank (2004) as follows:

Any given athletic director knows that his school's odds of having a winning program will go up if it spends a little more than its rivals on coaches and recruiting. But the same calculus is plainly visible to all other schools...the gains from bidding higher turn out to be self-canceling when everyone does it. The result is often an expenditure arms race with no apparent limit. (p. 10)

A side effect of this arms race as described by Frank is that half of the schools in the NCAA's Division I-A level had their expenses exceed their revenue with capital expenditures increasing

two hundred and fifty percent in the seven years analyzed in the report (Knight Commission, 2001). More recently, the NCAA Revenues and expenses report showed that only 14 of 119 programs in the FBS were operating in the black (NCAA, 2010a).

The biggest losers in the arms race are the schools whose revenues do not exceed their expenditures. In order to keep up with the competition they must find alternative sources of funding in order to keep up with the institutions within their conferences. This supplementary income often comes at the expense of other sports programs (Weight & Cooper, in press), or in the form of tuition hikes or new fees levied on the general student body (Berkowitz, 2011; Knight Commission, 2001, 2010). These actions compromise the mission of FBS college athletics and put the department's financial security in a precarious position. Most of the literature (Dadigan, 2010; Frei, 2011; Knight Commission, 2010; Rapp, 2005; Splitt, 2009) on increased spending focuses on the negative aspect of the arms race, but there is literature that investigates other aspects.

While most reformers focus on the negative effects of the arms race (Dadigan, 2010, Frei, 2011; Knight Commission, 2010; Rapp, 2005; Splitt, 2009), there are those that embrace the trend (Anctil, 2008; Brand, 2006; Kirp, 2003). Most of these supporters focus on the positive aspects of increased spending and commercialization for public institutions of higher education (Anctil, 2008; Kirp, 2003). They purport that declining federal and state assistance and increased competition from for-profit institutions necessitates that the public schools subsequently realign themselves to stay relevant in the marketplace (Anctil, 2008). This argument aligns closely with increased spending in the collegiate athletic realm. Former NCAA President Myles Brand was the leading proponent of what has become known as the academic capitalist model – one of three conceptual models of reform theory, the other two models being

called intellectual elitist and athletes' rights (Sack, 2009). Supporters of the academic capitalist model believe the true purpose of college athletics - education, can be preserved while still increasing commercial value (Brand, 2006). However, these academic capitalists do not ascribe to irresponsible spending – they only wish to see universities and their athletic programs maximize profit as long as it is done in a way that does not compromise the underlying educational principles of the university (Sack, 2009). Therefore, in an effort to supplement the literature in a way that will encourage fiscal responsibility, this study will examine the arms race and conference commissioner perspectives on potential avenues of reform in order to promote fiscal responsibility within athletic departments.

#### How Anti-Trust Laws Figure into our Understanding of the Arms Race

A possible solution to the arms race that has been investigated involves salary and expenditure restrictions levied by the governing body of intercollegiate athletics, the NCAA (Cotton & Wolohan, 2010; Monaghan, 1998). While these actions would certainly curtail the race, legal ramifications have prevented this action to date. Antitrust laws are established in order to promote competition and prevent the formation of monopolies (“Clayton Anti-Trust Act of 1914,” 2009). Monopolies are viewed as negative because the restriction that they place on competition limits consumers' choices (Hanna, & Bruno, 2009). In 1890, Congress passed the first statute that sought to limit monopolizations and break up business cartels, the Sherman Antitrust Act. Then in 1914, it passed the Clayton Anti-Trust Act, which further clarified the application of Anti-Trust laws in America (“Clayton Anti-Trust Act of 1914,” 2009). Under section one of the law it mandates that any contract or conspiracy to restrain trade or commerce among several states is illegal (“Clayton Anti-Trust Act of 1914,” 2009). Under section two, it declares that any person seeking to monopolize any part of trade or commerce among several

states is guilty (“Clayton Anti-Trust Act of 1914,” 2009). If a party is found guilty, they will have to pay treble damages, which are up to three times the damage (Cotton & Wolohan, 2010).

Antitrust laws could be applied to the NCAA, and by association, the conferences within it, but that has been prevented from happening on a broad scale due to the mission of the organization (Hackney, 2005). The NCAA acts as an organization that promotes amateur sport within intercollegiate athletics and therefore it has been mostly exempted from the Sherman Act because when it does so, it does not place restrictions on commerce. The NCAA usually contends that all of the restrictions it puts in place are only to protect the amateur status of its student athletes (Hackney, 2005; NCAA, 2010c). With the primary goal of the NCAA being to purportedly protect the educational value of intercollegiate athletics, they have argued that if they were subject to antitrust laws they could not accomplish this goal (Oliva, 2010). There is a growing movement of vocal oppositionists (Hackney, 2005; Oliva, 2003; Split 2009) that claim this argument is flawed because the NCAA demonstrates greed in many areas and often puts financial concerns ahead of concerns about the athletes it is supposed to protect (Oliva, 2003; Splitt, 2009; The Drake Group, n.d.). Supporting this argument are several cases where the NCAA has been found guilty of restricting trade.

In 1984, the Board of Regents of the University of Oklahoma sued the NCAA when it laid out a plan for limiting television contracts (Cotton & Wolohan, 2010). They contended that such limitations were in violation of the Sherman Antitrust Act (Cotton & Wolohan, 2010). The court ruled in their favor, stating that:

The plan on its face constituted a restraint on operation of a free market; the relevant market was college football; and that the restraints were not justified on the basis of

precompetitive effect, protecting live attendance, or maintaining competitive balance among amateur athletic teams. (Cotton & Wolohan, 2010, p. 660)

In this decision, the courts ruled that the limiting of television contracts that the NCAA was proposing restricted the free market and was therefore illegal.

The second case of importance is *Law v. National Collegiate Athletic Association* in 1998. In this case, the NCAA developed bylaws limiting the number of coaches a team (other than football) could have and how much the “restricted-earnings” coaches could make (Cotton & Wolohan, 2010). The court found that doing so was indeed a violation of antitrust law that restrained trade because it was anticompetitive and did not possess any precompetitive aspects. After treble damages were applied, the NCAA was potentially liable for around \$67 million as punishment. In light of this, the NCAA settled with the restricted earnings coaches for \$54.5 million (Cotton & Wolohan, 2010).

These two cases are good examples of reasons that the NCAA does its best to maintain the amateur status of its student-athletes while not unreasonably restricting trade with regard to more commercial concerns. So, in essence, one reason the NCAA appears hesitant to enact rules and change affecting the arms race, such as placing salary caps on its coaches or altering the structure of the Bowl Championship Series (BCS), is because of this past litigation (Hackney, 2005).

In this sense, antitrust laws are actually impeding the NCAA in some areas where it might do the most good with regards to curtailing the arms race, such as in the examples provided above. Within the Football Bowl Subdivision, there is a perpetual conflict between schools in the Bowl Championship Series (BCS) that receive automatic qualification (AQ) to lucrative bowl games and those that do not (non-AQ) (Gardiner, Whiteside & Lambert, 2006).

Today, six conferences (the Atlantic Coast Conference, Big Ten Conference, Big 12 Conference, Big East Conference, Pac-10 Conference, and the Southeastern Conference) receive automatic bids to Bowl Games (Peloquin, 2010) based on mathematical standards of performance from the 2004-2007 regular seasons (“BCS explained,” 2010). The non-AQ are the Conference USA, Mid-American Conference, Mountain West Conference, Sun Belt Conference, and the Western Athletic Conference (“BCS Explained,” 2010). These non-AQ schools have to earn the right, through a superior record, to be invited to the games. While on the surface it may appear that it is a fairly superficial argument, in actuality, it involves *millions* in potential revenue (Hanna, & Bruno, 2009; Monaghan, 1998).

While AQ institutions receive lucrative payouts from the Bowl Games, the non-AQ schools are left behind with insufficient funding to keep up. In 2005, the six AQ conferences received an estimated \$17 million because they were given automatic qualification to the major, lucrative bowls, while non-AQ conferences, without that automatic qualification, were only able to receive about \$9 million. In essence, which conference you are in can mean the difference of up to 8 million dollars (Gardiner, et al., 2006). Further, when a school’s record is not good enough, and they do not qualify for a major Bowl Game, they lose national visibility, which in turn can hamper a school’s opportunity to gain donor support and top recruits (Knight Commission, 2009). When universities are in AQ conferences, they are better able to garner enough donor support to keep their programs operating in the black while spending these millions, while the majority of schools in non-AQ conferences finish deep in the red (NCAA, 2010a). According to a report published by the NCAA, there were only 14 schools in the Football Subdivision that finished in the black (NCAA, 2010a). These 14 schools were not named in the report. Because of this, all of the schools that finished in the red feel an added

pressure to increase revenues so that they can dig themselves out of the hole. So each school in these conferences strives to gain a competitive advantage in order to raise revenue, and start trying to outspend one another and expenses rise faster than revenues (Knight Commission, 2009). The struggle to keep up is lost, and the school often finds itself in a budget crisis (Ridpath, et al., 2008). Major shifts in conference affiliations (as was demonstrated in 2010) represent clear evidence of the financial incentives associated with conference affiliation.

This BCS system appears to be in clear violation of the Sherman Act because within the BCS system, it could be argued that competition is restricted (Gardiner, et al., 2006), and if the BCS were actually to be challenged in court to see if it violated antitrust laws, non-AQ schools would have a legitimate chance at winning (Hanna & Brunno, 2009). It would all come down to whether or not the courts believe that the restrictions the BCS places on trade and competition enhance competition or restrict it. Yet, if the non-AQ schools did win, they could break out of the current mold and receive automatic bids to the lucrative bowl games, which would bring in more revenue and notoriety through larger television contracts (Hanna & Brunno, 2009; Knight Commission, 2009). This increase in revenue for the schools in these conferences could help to solve many budget crises (Knight Commission, 2009; Ridpath, et al, 2008).

Despite the fact that many consider the current BCS system as unfair (Gardiner, et al. 2006; Peloquin, 2010; Rapp, 2005) and in violation of antitrust law (Hanna & Bruno, 2009), it is unlikely that any change will come soon from the courtrooms. It is unlikely because it is going to be a lengthy and arduous legal battle, one that will rely on overturning precedents and judicial decisions (Cotton & Wolohan, 2010; Hackney, 20005). Although many have spoken out against the system (Gardiner et al., 2006; Rapp, 2005), no one appears ready to take up the cause, and because of that the BCS does not appear to be in any danger of receiving a challenge in the court

system (Cotton & Wolohan, 2010). So, it appears that it would be up to the NCAA to intercede and enact changes. As mentioned earlier, however, the chance of the NCAA stepping in and changing the current BCS system in a way that would slow the arms race is slim to none, because they are hesitant about having potential litigation (Hackney, 2005; Knight Commission, 2010). Thus, while antitrust law plays a role in intercollegiate athletics, it appears that it cannot yet play a role in curtailing the arms race (Cotton & Wolohan, 2010; Hackney, 2005).

### NCAA

The National Collegiate Athletic Association (NCAA) is the governing organization that regulates and oversees the management of athletics within the collegiate environment. According to the NCAA, its core purpose is to “govern competition in a fair, safe, equitable and sportsmanlike manner, and to integrate intercollegiate athletics into higher education so that the educational experience of the student-athlete is paramount” (NCAA, 2010c, ¶1). In essence, the purpose of the NCAA is to ensure that the athletes participating in its sports gain an education (NCAA, 2010c).

While on the surface the NCAA purports to have only the best of intentions, there are many detractors that feel the NCAA is a corrupt institution (Byers, 1995; Sack & Staurowsky, 1998; Splitt, 2007; The Drake Group, n.d.). Frank G. Splitt (2007) is one vocal detractor who has published many articles concerning the relationship between college athletics and the NCAA. Splitt’s background is actually in Electrical and Computer Engineering, for which he holds a Ph.D., but he has chosen college sport reform as his passion. He has published many technical papers on the subject (The Drake Group, n.d.). He believes that “the NCAA cartel is incapable of reforming itself to stem the growth of commercialism” (Splitt, 2007, p. 4). Consequently, he believes that a focused congressional hearing on intercollegiate athletics would

reveal the true nature of the NCAA with regard to commercialization and the arms race and how corrupt the whole process has become (Splitt, 2007). It is Splitt's belief that this hearing would expose the NCAA as a fraudulent entity that does not deserve its tax-exempt status (Splitt, 2009). He believes that college athletics are not amateur, but professional, having a comfortable relationship with the entertainment industry and that they provide little, if any, benefit to the academic mission of the universities (Splitt, 2007).

Despite what the detractors might say, the NCAA remains charged with intercollegiate athletic oversight (NCAA, 2010b). As such, the association remains a prime candidate to lead reform with regards to the arms race today. However, as stated earlier, because of the Sherman Antitrust Act, its hands are largely tied if it would try to contain some of the key elements of the arms race, such as coaches' salaries, television contracts, etc. (Cotton & Wolohan, 2010). Thus, even though the NCAA is the governing body of intercollegiate athletics, there is little that it is willing to do in terms of enforcement toward containing the arms race of expenditures.

#### Intercollegiate Conferences

If the NCAA does not have the power, or the will, to curtail spending, perhaps the conferences within college athletics can play a role. To understand what influence the conferences can have in curtailing the arms race, a study of the roles that conferences play in intercollegiate athletics must be undertaken. Conferences serve as "competitive orbits that operate between the like-minded for the betterment of all members" (Covell, & Barr, 2010, p. 72). They are central mechanisms that unify the member schools that have voluntarily joined the association. Within the NCAA, there are three divisions - Divisions I, II, and III. Within Division I, which has 335 members, there are three subdivisions – Football Bowl Subdivision (FBS), Football Championship Subdivision (FCS), and Division I (NCAA, 2010c). Within the

FBS, schools must offer 16 teams and meet minimum attendance standards, and the members participate in a postseason bowl system (NCAA, 2010c). There are 11 conferences in the FBS, all of which belong to the BCS, but only six of which receive automatic qualification bids to the lucrative bowl games (“BCS explained,” 2010).

When schools join a conference, they agree to abide by the ordinances and bylaws that are set within that particular conference (Quarterman, 1994). While the member schools decide what regulations to formulate, they ultimately operate within the confines of the NCAA, so the rules and regulations closely mirror those of the NCAA (Quarterman, 1994). Because the conferences were designed to lift some of the political burden off its member schools (Quarterman, 1994), the conference must set its policies according to what the NCAA dictates (NCAA, 2010c). Some of these rules include watching over student eligibility, controlling travel expenses, and monitoring preseason workouts (Quarterman, 1994). As a by-product of this regulation the member schools are able to put some of the political burden on the conference as an institution (Quarterman, 1994).

According to the Big Ten’s website (Big Ten Conference, 2010), the conference “is comprised of world-class academic institutions who share a common mission of research, graduate, professional and undergraduate teaching and public service” (§1). It also states that its goal is to have:

A comprehensive set of shared practices and policies that enforce the priority of academics and emphasize the values of integrity, fairness and competitiveness in all aspects of its student-athletes' lives, with the ultimate goal of ensuring that each individual has the opportunity to live a Big Life. (Big Ten Conference, 2010, §2)

One important aspect to note is that it is a major stated goal of this conference to preserve the quality of the education of its student athletes.

Most of the other 119 FBS schools in the eleven conferences operate under similar auspices (Big East, 2011; SECsports.com, 2011); therefore the conference commissioners in general should be concerned about anything that might potentially have a negative impact on their student athlete's lives. One such negative impact is the arms race. The arms race may present a threat, because as commercialization and spending continually rise (Berkowitz, 2011), the educational emphasis of athletics within intercollegiate athletics declines, to be replaced by a need to win at all costs (Dadigan, 2010). Whether it is through the cutting of non-revenue sports, a reduction in admission standards, or increases in tuition for all students (Knight Commission, 2009, 2010; Schlabach, 2009), all students at the university end up suffering and ultimately paying the cost with their education (Dadigan, 2010). Therefore, the conference commissioners should be concerned about the arms race, because of the threats listed above.

There are many similarities between conferences with regard to how much power each conference commissioner has to enact serious changes. They can invoke punishments, as in a case from 1907 when the Western Conference (the forerunner of the Big Ten) ruled out the University of Michigan because of "its refusal to observe conference rules" ("Yost and Michigan," n.d., ¶22). Michigan later rejoined the conference in 1917, after failing to find success as an independent ("Yost and Michigan," n.d.). Another example is found in the case of a point-shaving scandal that occurred in 1951. This incident occurred because some of the players were involved with gamblers at Madison Square Garden and had been found to be shaving points. During competitions they had fixed the scores of the games in order to swing the games in the direction that would yield the greatest outcome on their bets (Covell & Barr, 2010).

As a result, the Southeastern Conference banned Kentucky from conference play for the 1952-53 seasons and asked for the resignation of the head coach (Rosen, 1999). In the end, the school rejected the suggestion to fire the head coach. In this example, we see that the conference only had the power to ban the team and could only suggest the firing of the coach. However, because the conference had the power to ban the school, they could have subsequently increased the ban to put additional pressure on the school to fire the coach. The conference could have even threatened to eject the school from the conference (Covell & Barr, 2010). This really demonstrates the balance that conferences have to maintain. They can either choose to run a very strict conference, or play the game of trying to appease their stakeholders: the nation, the member schools, and the NCAA.

There have been examples of conferences that have tried to manage their conferences with an iron fist, and ended up failing. One such example happened in the 1940's in the Pacific Coast Conference, when Edwin Atherton took over as the first commissioner (Covell & Barr, 2010). Atherton sought to clean up the conference by enforcing recruiting guidelines. However, all of the member schools did not support this new direction, and the conference was eventually disbanded as a result of the strife that these new rules caused (Covell, & Barr, 2010). So each new rule needs to be tempered with a healthy dose of respect for the member institutions' wishes, in a shared governance model (Covell & Barr, 2010). As demonstrated, leading by a shared governance model is a fine line to walk.

### The Role of the Conference Commissioner

It is the Conference Commissioners and their senior administrator's job to walk the fine line of leading by shared governance. Yet within the conference office, the Commissioner is lead manager (Quarterman, 1994). It is their responsibility to find qualified individuals and

assign them the necessary operational tasks so that the Commissioner can then be free to plan strategically and forecast what the member institutions need (Covell & Barr, 2010).

According to an interview conducted with Jon LeCrone, conference commissioner of the Horizon League, the commissioners work in a shared governance model (Covell & Barr, 2010). Essentially, it means that there has to be consensus, even begrudgingly, given amongst the member schools and then they place the conference office, and by their leadership role, the commissioner, in charge of formulating and enforcing rules. It also means that the Commissioner takes the political responsibility, as leader of the conference, for all of these rules (Covell & Barr, 2010).

In essence, the Commissioner is in charge of leading the conference office in its responsibilities listed above. They are both hampered and strengthened by this model. If they can get all the member institutions on board with a certain goal, then it will be easy to implement and enforce because all of the schools will support it. However, if they try to institute a rule that is unpopular among the majority of its schools, then the enforcement becomes a tricky issue. If the majority of those schools do not choose to follow it, then the commissioner has to levy sanctions against the schools, which could lead to those schools rebelling en masse, and maybe even leaving, as was the case with the Atherton situation mentioned earlier (Covell & Barr, 2010). The commissioners balance membership priorities with popular vote.

Investigating if and how the commissioners can lead in a shared governance model in an attempt to curtail the arms race is vital information to possess. If the commissioners plan to walk this line, how will they do so? These are important questions to address, and through this study, the answers can be found.

## Conclusion

Based on this review of literature, the opinions and insights the commissioners provide will give additional information that will create a better understanding of the arms race and provide insight that may help to curtail the rapid increases in intercollegiate athletic spending. Conference commissioners are some of the most powerful people in collegiate athletics (Quarterman, 1994; “The 10 most powerful,” 2007), and with the literature pointing to an eventual collapse of the current system of collegiate athletics (Dadigan, 2010; Frie, 2011; Knight Commission, 2009, 2010; Splitt, 2007; “Sports arms race,” 2003; Suggs, 2001), the opinions and thoughts of these influential administrators could provide much needed information that will contribute positively to the literature and intercollegiate athletic community.

## METHOD

The purpose of this study is to explore the perceptions of conference commissioners on spending within intercollegiate athletics. Despite the influential role of commissioners, to date this population has not been studied with respect to their opinions regarding collegiate spending. Their insights have the potential to supply valuable information, which combined with other research into the subject (The Drake Group, n.d.; Knight Commission, 2009; Luebchow, 2008; Sack, 2009) could shed light on the issue of collegiate spending.

The research questions were addressed through survey methodology, for according to Reips (2002), this method is advantageous in that it allows ease of access to specific participant populations, avoidance of time constraints, and completely voluntary participation. Due to the difficult-to-reach nature of this population, this method was deemed most appropriate.

### Participants

The research conducted within this study utilized a survey methodology to examine Division I FBS conference commissioner perspectives on the arms race in intercollegiate athletics. The eleven Division I FBS conferences were selected as the primary focus because the arms race of expenditures is fueled by this division (Knight Commission, 2010; Peloquin, 2010). The commercial enticements driving Division I FBS schools to out-bid one another in hopes of gaining a competitive advantage on the field and in receipts is not nearly as prevalent at the Division II or III level (Knight Commission, 2009). Thus, only the conference commissioners, associate, and assistant commissioners within the Division I FBS level were invited to participate in the study. The instrument, data collection procedures, and methods of analysis will be discussed in the following sections.

## Instrument

In order to examine the conference commissioners' perceptions, a thorough review of literature surrounding the arms race was conducted in order to develop an appropriate instrument. Through this research, the 2009 Knight Commission Presidential Survey (see Appendix A) was deemed the most appropriate framework to employ because it specifically addressed the issues relevant in this research. This survey had been successfully administered to a large sample of 119 university presidents, and the results are widely cited and accepted (Knight Commission, 2009). The Knight Commission was contacted in order to gain permission to utilize and adapt the survey, and permission and feedback was attained (see Appendix B). In order to tailor the survey to the target population of conference commissioners, slight changes in wording were made and relevant questions were added and subtracted from the original survey.

Because this population had not been previously examined about the arms race and the instrument was newly constructed, there was a need to address the survey's construct validity. In order to address this issue to ensure the instrument's content was appropriate, the researcher consulted with a panel of experts including four professors, a Knight Commission representative with experience utilizing the initial survey, and two senior-level intercollegiate athletic administrators. After several rounds of modification, unanimous support by the panel was attained.

The final instrument was comprised of 19 questions including the following five subsections:

- 1) Demographic information including conference affiliation and title (two questions).

- 2) Sustainability of intercollegiate athletics including questions addressing the impacts current economic conditions might have on the conference as well as the impact the arms race of expenditures is having on the conference (seven questions).
- 3) Perspectives on proposed policy changes including suggestions analysts have made where policy change might impact revenues and expenditures (one question).
- 4) Power and priorities of the conference leaders including questions addressing their top priorities as commissioners and feelings of empowerment relative to enacting change to create a healthier model of intercollegiate athletics (three questions).
- 5) Benefits of intercollegiate athletics including benefits of intercollegiate athletics most often cited in the literature (one question).

The majority of instrument questions utilized a five point Likert scale with the following scale: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree. Following most questions, there was an opportunity for the commissioners to leave comments that they felt would be pertinent to the investigation in supplement to the quantitative response. Two open-ended questions also allowed commissioners the opportunity to expound on their thoughts about the role of conferences in the arms race and any efforts their conference had taken to reduce expenditures of their member institutions.

#### Data Collection

The survey was launched online through zoomerang.com and distributed via email to the eleven Division I-FBS conference commissioners and their senior executive teams including associate and assistant commissioners. This population included between four and seven individual email invitations sent to each conference for a total distribution of 65 valid email contacts gleaned from the National Association of Collegiate Directors of Athletics Directory,

published 2009-2010, and directly from the conference websites. After one week, the initial response to the first round of invitations was  $n = 11$  (16.9%). Follow-up emails were sent to all contacts thanking those that participated and asking those that had not yet filled it out to take the time to do so. After this follow-up invitation, an additional 14 surveys were completed bringing the final number of responses to  $n = 25$ , for a 38.5% response rate including four conference commissioners, 17 associate commissioners, and four assistant commissioners. All responses were received from May 12, 2011 until May 24, 2011. The survey was administered in an anonymous response mechanism so the commissioners would not have to be concerned with potential backlash or retribution from their colleagues (Splitt, 2007), so specific respondent conference distribution is unknown. However, based on email exchanges initiated by respondents, the researcher is aware of at least nine of the eleven conferences being represented in the survey results.

### Design and Analysis

Quantitative data based on survey responses was analyzed through Microsoft Excel and SPSS. Results were tabulated and descriptive statistics were calculated through Excel, and a One-way ANOVA was conducted to analyze variance between the BCS Automatic Qualifying (AQ) Conference commissioner respondents and BCS Non-Automatic Qualifying (non-AQ) conference commissioner respondents. Due to the small sample size, qualitative survey responses were primarily used to draw richer meaning from quantitative analysis and are infused into the discussion section.

## RESULTS

### Sustainability of Intercollegiate Athletics

When conference leaders were asked about issues of sustainability and concern related to the arms race of expenditures in intercollegiate athletics, there was a wide range of responses. Respondents generally agreed (60%,  $n=15$ ) that the arms race is having a negative impact on the institutions in their conference. The overall mean was 3.52 with a standard deviation of 1.0. There was a significant difference between BCS Automatic Qualifying (AQ) schools and Non-Automatic Qualifiers (non-AQ) on this issue [ $F(23) = 4.596, p < .05$ ], however, with the schools who do not receive an automatic bid to a BCS bowl feeling the negative pressure of the arms race more heavily ( $M=4.33, SD=0.516$ ) than the automatic qualifiers ( $M=3.26, SD=0.99$ ).

This feeling of greater affect by the non-AQ schools was also evident in the responses to who should be concerned about the arms race. Non-AQ schools believed athletic directors should be very concerned with all non-AQ respondents marking strongly agree or agree ( $M=4.83, SD=0.41$ ). This sentiment was echoed by the AQ commissioners, but to a lesser extent ( $M=4.26, SD=0.56$ ). Overall, the commissioners agreed the arms race to be of most concern to athletic directors ( $M=4.40, SD, 0.58$ ), followed closely by university presidents, conference commissioners, the NCAA, and the faculty. See Table 1 for a complete listing of statistics.

<<<Insert Table 1 Here>>>

The economic conditions appear to be affecting every conference and their institutions. The leaders resoundingly reported the effects with 68% ( $n=17$ ) strongly agreeing and 24% ( $n=6$ ) agreeing that the economic conditions are impacting the institutions in their conference.

Table 1

*Commissioner Responses to the Question "The Arms Race of Expenditures is a concern for:"*

Constituency	Cumulative		BCS AQ Commissioners		BCS Non-AQ Commissioners		F	<i>p</i>	Mean Difference
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>			
Athletic Directors*	4.40	0.58	4.26	0.56	4.83	0.41	5.23	0.032	0.57
University Presidents	4.20	0.71	4.05	0.71	4.67	0.52	3.85	0.062	0.62
Conference Commissioner:	3.92	0.91	3.79	0.79	4.33	1.21	1.68	0.208	0.54
The NCAA	3.68	1.07	3.68	0.82	3.67	1.75	0.00	0.973	0.02
Faculty	3.48	0.99	3.84	0.90	3.83	1.33	0.00	0.985	0.01

Note: The scale ranged from Strongly Disagree (1) to Strongly Agree (5)

*N* =25

\**p* < .05

Non-AQ commissioners unanimously marked strongly agree ( $M=5.0$ ,  $SD=0$ ), and AQ commissioners were slightly less concerned with a mean of 4.47 and standard deviation of 0.696.

Related to these economic concerns, conference leaders were asked in the survey whether they felt athletics operations are sustainable in their current form. Conference leaders varied in their responses garnering a mean and mode of three – neutral, with a moderate standard deviation of .8819. Just under one third ( $n=8$ , 32%) did not believe athletic operations are sustainable in their current form. Ten (40%) were neutral, six (24%) believed athletic operations are sustainable, and one (4%) strongly believed athletic operations are sustainable. There was not a significant difference between AQ and non-AQ conference leaders – in fact the two populations shared the same mean.

Variance was also existent in the perceptions of the respondents about the amount head football and basketball coaches are paid. The majority of respondents (48%,  $n=12$ ) felt the total compensation to be excessive, while 24% ( $n=6$ ) were neutral, and 24% ( $n=7$ ) did not believe the compensation to be excessive. Again, there was agreement between AQ and non-AQ conference commissioners with both holding means of 3.2 with standard deviations of 1.032 and .983, respectively.

#### Conference Commissioner Perspectives to Policy Change Proposals

Utilizing the suggestions of policy changes from the Knight Commission Presidential Survey that could impact revenues and expenses, conference leaders were asked to indicate their level of agreement with potential policy changes. The cumulative responses indicate no policies with mean significantly greater than 3.0 (neutral), indicating a lack of belief that any of the policy changes might be effective. There were, in fact, only two policy change suggestions with cumulative means over 3.0 (see Table 2). Fifty-six percent ( $n=14$ ) agreed or strongly agreed that

reducing the number of sport specific personnel other than coaches or academic support (e.g. the director of football recruiting or the director of basketball operations) would be an effective policy change that could reduce departmental expenses. This policy change garnered a mean of 3.56, however the standard deviation reflected the variance in responses (SD =1.12). The only other policy change with a cumulative mean of over 3.0 was a potential reduction in the number of coaches per sport for revenue producing sports (M=3.04; SD=1.02).

<<<Insert Table 2 Here>>>

For the most part, BCS AQ and Non-AQ conference commissioners agreed on the potential policy changes (see Table 3), however one significant difference appeared with nearly two full points of separation between the two populations. Commissioners from the conferences without an automatic bid to a BCS bowl strongly agreed (M=4.33, SD .82) that a change in the BCS revenue distribution policies would impact the revenues and expenses and perhaps make a positive impact on the arms race. BCS AQ commissioners generally did not feel the same way, with a mean resting between disagree and neutral at 2.53 (SD=1.26).

<<<Insert Table 3 Here>>>

#### Conference Commissioner Power and Priorities

The study respondents were asked to reply to questions about their top priorities and feelings of power relative to the curtailment of the arms race of expenditures. Relative to a commissioner's top priority, the vast majority of respondents agreed (40%, n=10) or strongly

Table 2

*Cumulative Conference Commissioner Responses to Potential Policy Change*

Policy Change	M	SD
<b>Sport-specific Personnel Reduction</b>	3.56	1.12
<i>Reducing the number of sport specific personnel other than coaches or academic support</i>		
<b>Revenue Coach Reduction</b>	3.04	1.02
<i>Reducing the number of coaches per sport for revenue producing sports</i>		
<b>BCS Revenue Distribution</b>	2.96	1.40
<i>Changing the BCS revenue distribution policies</i>		
<b>NCAA Basketball Revenue Distribution</b>	2.67	1.24
<i>Changing NCAA basketball revenue distribution policies</i>		
<b>Federal Salary Legislation</b>	2.67	1.24
<i>Seeking changes to federal legislation to allow some level of control on coaching staff salaries</i>		
<b>Non-Revenue Contest Reduction</b>	2.44	1.04
<i>Reducing the number of contests for nonrevenue producing sports</i>		
<b>Nonrevenue Coach Reduction</b>	2.44	0.92
<i>Reducing the number of coaches per sport for nonrevenue producing sports</i>		
<b>Conference Revenue Distribution</b>	2.38	1.01
<i>Changing conference revenue distribution policies</i>		
<b>Revenue Scholarship Reduction</b>	2.32	0.95
<i>Reducing the number of or total expenditures on scholarships for revenue producing sports</i>		
<b>Nonrevenue Scholarship Reduction</b>	2.17	0.92
<i>Reducing the number of or total expenditures on scholarships for nonrevenue producing sports</i>		
<b>Revenue Contest Reduction</b>	1.96	0.79
<i>Reducing the number of contests for revenue producing sports</i>		

Note: The scale ranged from Strongly Disagree (1) to Strongly Agree (5)

*N* =25

Table 3

*BCS Automatic Qualifier vs. BCS Non-Automatic Qualifier Conference Commissioner Responses to Potential Policy Change*

Potential Policy Change	BCS AQ Commissioners		BCS Non-AQ Commissioners		F	<i>p</i>	Mean Difference
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>			
Sport-specific Personnel Reduction	3.53	1.17	3.67	1.03	0.07	0.796	0.14
Revenue Coach Reduction	3.00	1.00	3.17	1.17	0.12	0.735	0.17
Non-Revenue Contest Reduction	2.68	1.07	2.66	1.03	0.36	0.553	0.02
Nonrevenue Coach Reduction	2.58	1.02	2.00	0.00	1.89	0.183	0.58
NCAA Basketball Revenue Distribution	2.58	1.07	2.67	1.21	0.03	0.867	0.09
BCS Revenue Distribution*	2.53	1.26	4.33	0.82	10.68	0.003	1.80
Federal Salary Legislation	2.48	1.22	3.40	1.14	2.34	0.132	0.92
Conference Revenue Distribution	2.42	1.07	2.20	0.84	0.18	0.674	0.22
Revenue Scholarship Reduction	2.31	1.06	2.33	0.52	0.00	0.969	0.02
Nonrevenue Scholarship Reduction	2.17	1.04	2.17	0.41	0.00	1.000	0.00
Revenue Contest Reduction	1.89	0.74	2.16	0.98	0.53	0.474	0.27

Note: The scale ranged from Strongly Disagree (1) to Strongly Agree (5)

\**p* < .01

agreed (44%, n=11) that the facilitation of educational experiences was their top priority. This priority received the top ranking with a mean of 4.20 and standard deviation of 0.91 (see Table 4). With a much more varied response, the priority of profit maximization averaged 3.44 with a relatively large standard deviation of 1.23 through between two (strongly disagree) and nine (agree) responses in each response category. While not significant at the  $p < .05$  level, there were large mean differences between the AQ and Non-AQ commissioners (see Table 5) with Non-AQ emphasizing their top priority of profit maximization ( $M=4.17$ ,  $SD=0.75$ ), and AQ commissioners more strongly emphasizing their role in facilitating an educational experience ( $M=4.37$ ,  $SD=0.75$ ).

<<<Insert Table 4 Here>>>

<<<Insert Table 5 Here>>>

In an effort to gauge the level of power that the commissioners felt they had relative to the curtailment of the arms race of expenditures, they were asked whether they, as a conference leader, had the power to curb the arms race. Only one leader (4%) responded positively with an “agree”. The mean response was 2.20 ( $SD=0.87$ ) with the median “disagree” and mode “neutral” and “disagree” each with nine or 36% of the sample population (see Table 4). Six respondents marked “strongly disagree” denoting feelings of a complete incapacity to influence the trend of rapidly increasing expenses. While both AQ and non-AQ commissioners shared feelings of powerlessness, non-AQ respondents felt significantly less power with a mean of 1.50 ( $SD=0.84$ ), nearly a full point below the AQ respondents (see Table 5). A follow-up question that related to institutional theory assessed the degree to which the respondents agreed to the

Table 4

*Cumulative Commissioner Perspectives of Power and Priorities*

Question	<i>M</i>	<i>SD</i>
<b>My top priority is:</b>		
<i>Profit Maximization</i>	3.44	1.23
<i>To Facilitate Educational Experiences</i>	4.20	0.91
<b>As a conference leader,</b>		
<i>I have the power to curb the arms race</i>	2.20	0.87
<b>If FBS conference leaders united,</b>		
<i>We would have the power to curb the arms race</i>	2.72	1.10

Note: The scale ranged from Strongly Disagree (1) to Strongly Agree (5)  
*N* =25

Table 5

*BCS Automatic Qualifier vs. BCS Non-Automatic Qualifier Commissioner Perspectives of Power and Priorities*

Question	BCS AQ Commissioners		BCS Non-AQ Commissioners		F	<i>p</i>	Mean Difference
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>			
<b>My top priority is:</b>							
<i>Profit Maximization</i>	3.21	1.27	4.17	0.75	2.92	0.102	0.96
<i>To Facilitate Educational Experiences</i>	4.37	0.76	3.67	1.21	2.96	0.100	0.70
<b>As a conference leader,</b>							
<i>I have the power to curb the arms race*</i>	2.42	0.77	1.50	0.84	5.06	0.035	0.92
<b>If FBS conference leaders united,</b>							
<i>We would have the power to curb the arms race</i>	2.68	1.00	2.83	1.47	0.21	0.653	0.15

Note: The scale ranged from Strongly Disagree (1) to Strongly Agree (5)

*N* =25

\**p* < .05

statement “if FBS conference leaders united, we would have the power to curb the arms race”. The response was also below the neutral point ( $M=2.72$ ), with an increase in variance ( $SD=1.10$ ).

### Benefits of Intercollegiate Athletics

Conference commissioners were given a list of benefits of housing competitive sport within an educational institution often cited in the literature (Knight Commission, 2009). Respondents were asked whether they believed the schools within their conferences realized the benefits. Cumulative results are available in Table 6. Results revealed six of the ten listed benefits to hold a mean of 4.0 (agree) or above, and the other four holding means above 3.68, between neutral and agree. Most highly ranked benefits included enhancing school spirit and campus life ( $M=4.56$ ,  $SD=0.58$ ), gaining national publicity and media attention ( $M=4.48$ ,  $SD=0.59$ ), generating higher levels of giving for uses outside of athletics ( $M=4.36$ ,  $SD=0.70$ ), and improving the overall reputation of the institution ( $M=4.32$ ,  $SD=0.63$ ).

<<<Insert Table 6 Here>>>

Commissioners in the BCS Automatic Qualifying conferences varied significantly from non-AQ conference commissioners on three benefits. BCS AQ commissioners believed holistic educational elements to be significantly more beneficial in their member institutions than the non-AQ commissioners with means varying by just under one point ( $M=4.05$ ,  $SD=0.71$  vs.  $M=3.17$ ,  $SD=0.98$ ). Conversely, BCS Non-Automatic Qualifying institutions ranked two benefits significantly higher than the BCS AQ commissioners. Their responses indicated a belief that generating higher levels of giving from alumni and friends for uses outside of athletics

Table 6

*Cumulative Conference Commissioner Intercollegiate Athletic Benefit Beliefs*

Benefit	M	SD
<b>Enhancing School Spirit</b>	4.56	0.58
<i>Enhancing school spirit and campus life</i>		
<b>Gaining National Publicity</b>	4.48	0.59
<i>Gaining national publicity and media attention</i>		
<b>Generating Donations</b>	4.36	0.70
<i>Generating higher levels of giving for uses outside of athletics</i>		
<b>Improving Institutional Reputation</b>	4.32	0.63
<i>Improving the overall reputation of the institution</i>		
<b>Attracting More Students</b>	4.28	0.54
<i>Attracting greater number of prospective students</i>		
<b>Providing Opportunities</b>	4.00	0.82
<i>Providing opportunities for socio-economically disadvantaged students</i>		
<b>Providing Holistic Education</b>	3.84	0.85
<i>Providing a holistic education for student athletes</i>		
<b>Attracting Quality Students</b>	3.80	0.76
<i>Attracting higher quality students</i>		
<b>Generating Revenue</b>	3.68	0.85
<i>Generating additional revenue for uses outside of athletics</i>		
<b>Raising Institutional Profile</b>	3.68	0.75
<i>Raising the profile of the institution among elected officials</i>		

Note: The scale ranged from Strongly Disagree (1) to Strongly Agree (5)

*N* = 25

( $M=4.83$ ,  $SD=0.41$ ) and attracting a greater number of prospective students ( $M=4.67$ ,  $SD=0.52$ ) were significantly more beneficial than the leaders in the BCS AQ schools with mean differences of 0.62 and 0.51, respectively. Refer to Table 7 for a breakdown of all AQ and Non-AQ benefit statistics.

<<<Insert Table 7 Here>>>

### Conclusion

Survey results lead to a conclusion the arms race of expenditures is a concern for all stakeholders within intercollegiate athletics with the highest level of concern indicated for athletic directors and university presidents. Commissioners indicated a general lack of confidence in any of the proposed policy changes to affect the arms race aside from a moderate amount of agreement that reducing the number of sport specific personnel other than coaches or academic support may be a feasible policy change. One policy change revealed a significant difference between BCS automatic qualifying and non-automatic qualifying commissioners with non-automatic qualifying commissioners indicating change is needed in the BCS revenue distribution policy. Commissioner respondents indicated a high level of priority placed on the facilitation of educational experiences, and a moderate-positive priority placed upon profit maximization, with enhancing school spirit, gaining national publicity, generating donations, and improving institutional reputation as the primary benefits of intercollegiate athletics. Overall, however, the conference leaders indicated low levels of felt-power to influence or curb the arms race.

Table 7

*BCS Automatic Qualifier vs. BCS Non-Automatic Qualifier Conference Commissioner Intercollegiate Athletic Benefit Beliefs*

Benefit	BCS AQ Commissioners		BCS Non-AQ Commissioners		F	<i>p</i>	Mean Difference
	M	SD	M	SD			
Enhancing School Spirit	4.53	0.61	4.67	0.52	0.23	0.635	0.14
Gaining National Publicity	4.42	0.61	4.67	0.52	0.47	0.499	0.25
Improving Institutional Reputation	4.26	0.65	4.50	0.55	0.76	0.392	0.24
Generating Donations*	4.21	0.71	4.83	0.41	4.32	0.049	0.62
Attracting More Students*	4.16	0.50	4.67	0.52	5.51	0.029	0.51
Providing Opportunities	4.11	0.81	3.67	0.82	1.45	0.243	0.44
Providing Holistic Education*	4.05	0.71	3.17	0.98	5.04	0.036	0.88
Attracting Quality Students	3.89	0.74	3.50	0.84	1.21	0.284	0.39
Generating Revenue	3.79	0.71	3.33	1.21	1.06	0.316	0.46
Raising Institutional Profile	3.63	0.68	3.83	0.98	0.43	0.518	0.20

Note: The scale ranged from Strongly Disagree (1) to Strongly Agree (5)

\**p* < .05

## DISCUSSION

### Introduction

The quantitative results of this survey combined with the open-ended comments contribute to the literature surrounding the arms race of expenditures within collegiate athletics. This data provides valuable insight into the benefits and sustainability of intercollegiate athletics, conference commissioner priorities, and conference commissioner perspectives on responsibility and policy change proposals. The study also offers a comparison of conference commissioner and University President views, along with an application of Institutional Theory. Finally, the future research ideas that emerged from the data provide a path of informed direction for possible reform research in the institutional sphere of Division I FBS college athletics.

### Benefits of Intercollegiate Athletics

Conference commissioners unanimously agreed that each of the items listed as potential benefits to Division I universities did indeed benefit those universities. This indicates that the commissioners believe that athletics play an important role in lives of their students, supporting the literature (Brand, 2006; Knight Commission, 2009, 2010; Rader, 1999). The commissioners also indicated a belief that athletics provide a benefit to the Universities in which they are housed, as is indicated in the literature (Knight Commission, 2009). Respondents felt most strongly that enhancing school spirit and campus life, gaining national publicity and media attention, and attracting greater number of students were some of the most important benefits that collegiate athletics offer universities as indicated by the strong means between agree and strongly agree (4.56 and 4.36 respectively) and minimal standard deviations below .60.

### Conference Commissioner Priorities

The vast majority of conference commissioners indicated that the facilitation of educational experiences was their top priority (4.2), ranking significantly more important than profit maximization (3.44) supporting the mission statements on many conference websites, e.g. Big Ten Conference (2010). The high educational value indicates that despite the current economic recession, the commissioners still maintain that their focus is primarily on their athletes. However, even though the majority of their focus is on the athletes, a 3.44 is an indication that profit maximization is a concern that weighs on the commissioners' minds. This concern and the effects that it has on the student athletes will be thoroughly explored throughout the following sections.

### Sustainability of Intercollegiate Athletics

When conference leaders were asked about issues of sustainability and concern related to the arms race of expenditures in intercollegiate athletics, 60% felt that the arms race was having a negative impact on the institutions in their conference. With only 14 of the 119 institutions operating in the black (NCAA, 2010a), compounded by the reality of current economic conditions and resulting state budget deficits, this result confirms the literature (Knight Commission, 2009) and many of the headlines (Berkowitz, 2011; Dadigan, 2010) that have bemoaned the financial realities of intercollegiate athletics. This study adds an important layer to the scholarly investigations of the arms race because to date the commissioner's voice and valuable insights had not been explored in the research with regard to the arms race.

A particularly illuminating finding was the significant difference found between the responses of the AQ and non-AQ conference commissioners. Those representing the non-AQ

teams felt a greater pressure as a result of the arms race. Lamenting the negative effect the arms race is having on his/her conference, Associate Commissioner 22 commented, “The distance between the ‘haves’ (BCS conferences-AQ) and the ‘have-nots’ (non-BCS conferences - non-AQ) is increasing and it is becoming increasingly difficult to remain competitive” (Associate Commissioner 22, non-AQ). This Associate commissioner echoes the literature that delineates the tremendous divide the BCS is creating between automatic qualifying schools and non-automatic qualifying schools (“BCS explained,” 2010; Gardiner, et al., 2006; Hanna & Bruno, 2009; Knight Commission, 2009, 2010). Several other respondents echoed this position. Again, expounding on the negative effect of the arms race, Associate Commissioner 24 expressed, “[the AQ/non-AQ divide] is exacerbated by the fact that, despite performing at similar levels, our institutions are not able to access the guaranteed revenue streams available to the BCS automatic-qualifying conferences” (non-AQ). The literature supports this claim - it costs conferences millions in potential revenue when they are not in an automatic qualifying conference (Hanna & Brunno, 2009).

This divide and increased pressure between the AQ and non-AQ schools stems from a lesser payout from the BCS (Gardiner, et al., 2006) and possibly less visibility that would help those conferences to garner donor support (Knight Commission, 2009). Essentially, this supports the existing research that asserts being in an AQ conference relieves much of the pressure of the arms race (Clopton, 2008; Gardiner, et al., 2006; Knight Commission, 2009; Sack, 2009; University of Oregon, 2003). A common theme that emerged from the results was the belief that the current BCS system is flawed and is perpetuating a divide between the AQ conferences and the non-AQ conferences. This results in the non-AQ conferences feeling greater

pressure economically than the AQ conferences (Gardiner, et al. 2006; Hanna, & Bruno, 2009; Knight Commission, 2009)

Vocal opinions relative to the BCS system were voiced in the open ended comments. Non-AQ commissioner 21 expressed, “I strongly believe the BCS revenue and automatic qualifying conference plan is blatantly unfair and based on criteria other than performance on the field.” Similarly, proposing a potential solution, non-AQ Associate Commissioner 25 recounted, “Television revenue at the BCS level rapidly is increasing the distance between the BCS (AQ) and non-BCS (non-AQ) levels. NCAA basketball tournament revenue should be distributed equally among Division I conferences rather than by appearance numbers (units)...”

This divide between the haves and the have-nots is well documented in the literature (“BCS explained,” 2010; Dadigan, 2010; Frie, 2011; Knight Commission 2009, 2010; Rapp, 2005). The divide between the AQ conferences and non- AQ conferences was further emphasized as commissioners shared their thoughts about the sustainability of the programs in their conference within the current form of intercollegiate operations. AQ Commissioner 20 stated, “[Will our programs be] sustainable? Yes. Will there be a significant discrepancy between the haves and have-nots? Absolutely.” Expressing a similar belief with additional insight, Associate Commissioner 22 asserted

The BCS conferences can sustain operations in the current environment and the non-BCS cannot.... I predict that many of the non-BCS institutions will discontinue football in the near future because they simply can no longer afford to lose money supporting a program that has no chance to be competitive (non-AQ).

This quote, along with the others, demonstrates the level of affect the current BCS system is having on collegiate athletics, and support the existing literature (Berkowitz, 2011; Hanna & Bruno, 2009). Evidence of the clear divide the BCS creates between haves and have-nots was presented in the data. The commissioners of non-AQ conferences felt that a change in the revenue distribution of the BCS would have a positive impact on the arms race. The members of the non-AQ conferences agreed ( $M=4.33$ ,  $SD=.82$ ) that a change would be good, and the commissioners of the AQ conferences significantly differed indicating disagreement that changing the BCS distribution would have a positive impact on the arms race ( $M=2.53$ ,  $SD=1.26$ ). It appears that the conference commissioners of the BCS (AQ) conferences are not experiencing as much of a financial crisis as the non-BCS (non-AQ) conference, and this is in part because of the larger revenue streams that come from being in an automatic qualifying conference.

The automatic qualification status of the conference also determined the focus of the commissioners. In the data, AQ commissioners indicated belief that the holistic educational elements were a main benefit of intercollegiate athletics. Conversely, the non-AQ commissioners indicated that the fund raising benefits of athletics were the most important. This would indicate that the non-AQ schools have to spend more of their focus on generating funds and the AQ commissioners do not have to put as much focus into that aspect of intercollegiate athletics when the budgets of the AQ vs. non-AQ conferences are compared. Based on these findings, it would appear that when money is flowing freely as it often is in AQ conferences, it creates the opportunity to focus on the holistic educational elements of intercollegiate athletics. When money is in short supply, fundraising becomes a much higher priority.

### Conference Commissioner Perspectives on Responsibility

Regardless of AQ status, every commissioner indicated that the arms race of expenditures was a concern. The commissioners strongly voiced a belief that the arms race is of primary concern for institutional athletic directors, followed closely by university presidents. It was after these two positions that they then listed the conference commissioners. It appears that the conference commissioners' beliefs are in line with what the Knight Commission states – that University Presidents hold a crucial role in curtailing spending in collegiate athletics (Knight Commission, 2009). According to the findings, it was only after the athletic directors and the University Presidents were listed that the commissioners then listed themselves. The findings therefore suggest that the commissioners agree with the Knight Commission's recommendation that it be the university presidents that should shoulder the fiscal constraint within collegiate athletics (Knight Commission, 2010).

This feeling of inability to curb the arms race at the conference level arises from the fact that a conference is run by a shared governance model wherein conferences are guided by member institution majority vote (Covell & Barr, 2010). Several commissioners related to the conference effort toward reducing expenditures voiced the frustration with this system. Associate commissioner 12 recounted,

I would not say that we are making any efforts to 'curtail the arms race.' We did discuss cost containment, though, and proposed NCAA legislation that would achieve some level of cost containment (in areas where legislation exists), but all of those proposals were defeated. (AQ Commissioner 12)

Here, the associate commissioner demonstrates how the conference proposed some changes only to see those ideas vetoed by the conference members.

Similarly, another respondent reflected upon failed attempts to initiate change. The respondent mentioned the conference is making virtually no effort anymore after attempts were rejected: “Some token efforts to control costs implemented in the last few years have been reversed” (AQ Commissioner 3). Others reflected upon the process of conference governance which leads to an inability to initiate change. “Schools can agree to conference policies, but conferences cannot dictate to schools” (AQ Associate Commissioner 11); and “conferences work at the behest of their member institutions. Therefore, those member institutions would have to set the tone on this topic” (Non-AQ Associate Commissioner 24).

These results highlight the amount of control commissioners can exert. They continually rely on member-institution support in all efforts to run and influence the conference (Covell & Barr, 2010). This leads to difficulty when it comes time to enact any change that could help to curb spending. Commissioners further emphasized this difficult balancing act when asked whether they held the power to reduce spending. The majority of the commissioners responded with “disagree,” while the lesser majority responded with “strongly disagree.” When it came to changes that could be enacted to curtail spending within intercollegiate athletics, the commissioners believed that it would have to be done at a national level, mainly through the University Presidents in concert with the NCAA (AQ Assistant Commissioner 19). Commissioner four stated,

Ultimately it has to be the university presidents, exerting leadership on campus, through their conference, and through the NCAA Board of Directors. No one will act

unilaterally, however, if they “want to compete” so there has to be some larger framework. (AQ)

It is clear from this quote, that Commissioner 4 believes that there has to be a larger, or national, effort to reduce spending, led by the university presidents.

The Commissioners were clear that their sphere of control remained within their conference, and so indicated that any real change to spending would have to be implemented nationally and with the agreement of all parties, such as the other conference, the NCAA, and the university presidents. The commissioners shared a few reasons why they felt any cost containment measures would not work at the conference level. One commissioner felt that “threat of antitrust violations hinder such efforts at the conference level (AQ Associate Commissioner 12). Another commissioner stated that they would “need unanimity from all Division 1 conferences and independents to any effective action” (AQ Commissioner 14). Another Associate Commissioner agreed - “Not much can be done at the conference level. Any conference rules passed to limit expenditures or limit staff unless done at the national level would only further harm the ability to remain competitive” (non-AQ Associate Commissioner 22). That same Associate Commissioner articulated the reason that conferences would not be able to remain competitive when he/she stated that:

Conferences are for the most part not in a position to unilaterally make decisions to reduce cost without agreement that all conferences would ‘play by the same rules.’

Therefore, any meaningful attempt to limit the arms must be accomplished at the national (NCAA) level. (non-AQ Associate Commissioner 22)

This Associate Commissioner indicates that he/she believes any change would have to be done at a national level, because if only one conference chooses to make changes, they would not remain competitive with other conferences.

The conference commissioners were then asked if they thought uniting with other FBS conference leaders would give them the power to enact change. The responses were neutral leaning toward negative, (2.68 – AQ, 2.63 – non-AQ on a five point scale). This data supports the literature (Covell & Barr, 2010) by demonstrating that each commissioner feels that their conference is unique and is mostly effective on a regional level instead of on a national level. So while the data suggests the conference commissioners look to outside (national) sources for help with cost containment measures, it also suggests that they do not believe the solution would come from a national coalition.

#### Conference Commissioner Perspectives toward Policy Change Proposals

The conference commissioners indicated that they did not have faith that any one policy change could have a significant impact on the arms race. Of all the reform suggestions taken from the 2009 Knight Commission Presidential Survey, no means were significantly higher than neutral (3.00). An automatic qualifying conference commissioner explains why this population may be disillusioned by reform efforts in a response to how they have addressed the issue in his conference.

I don't think it is a question of curtailing [the arms race]. We seem to underestimate that one of the most fundamental underlying premises of our enterprise is competition. At the major I-A level in particular, there is a strong commitment to be successful whenever we compete, regardless of whom the opponent may be. That inherently leads to what could

(be) described as an “arms race.” But is it an “arms race,” or is escalating spending merely a function of operating an enterprise that is based upon competing and winning? I would suggest that we became ok with an arms race when we sanctioned the model over 100 years ago. Consequently, the question isn’t about curtailing, it’s about making responsible spending decisions relative to your ability to generate the revenue need to subsidize those decisions. (14)

This quote demonstrates the frustration the commissioners are feeling. This commissioner feels that they are just participating in a system that was developed 100 years prior, and so encourages responsible spending rather than curtailing spending.

Although much of the literature points to escalating spending as the primary ailment in collegiate athletics (Dadigan, 2010; Frie, 2011; Knight Commission 2010), it is the spending choices - often irresponsible spending - that is the problem (Knight Commission 2009, 2010). Going back to the cold war root of the term “arms race” and the stockpiling of arms, it is important to remember this term and the issue is not synonymous with escalating costs, but rather the misallocation of precious resources (Knight Commission, 2010). Money can be spent on college athletics, it just needs to be spent responsibly (Knight Commission, 2010).

Although there was a lack of consensus within the data to suggest that the conference commissioners believed any one policy change could have an effect on the arms race, there were quite a few open ended responses that provide some reasonable suggestions. Addressing an opportunity to scale back expenses through limiting the number of allowed personnel on coaching staffs, one Assistant Commissioner said,

In my opinion there are too many staff authorized for each sport - particularly men's basketball and football. The number of coaches and support staff could be limited thus reducing costs with limited impact on the sport. Does basketball really need 4 coaches, a director of operations, a recruiting coordinator, etc. for only 15 players? (AQ, 12)

In this quote, this assistant commissioner articulates an area that they believe is one of irresponsible spending. Similarly, Associate Commissioner 16 believes "reasonable limits on support personnel for all sports, especially football and men and women's basketball" would be helpful in reducing expenditures. (AQ, 16)

Addressing the lavish over-expenditures of so-called "revenue" sports within their conferences, an AQ commissioner posited, "so called 'non-revenue' sports should not be the only targets in budget cuts. I think a big part of the issue is what is now considered 'normal' or a 'must have' for college student-athletes, which is closer to what is typical for professional teams" (4). In the same vein, AQ associate commissioner number 15 mentioned, "The trend to mimic the pros and see college sports as entertainment rather than as part of the campus fabric is troublesome to me and contributes to increased expenses." If the impact of the implementation of some of these suggestions were studied, at the local, or micro level, it could provide informed solutions that could be used to help curtail spending.

#### Comparison to Knight Commission Survey

When the data within this inquiry is compared to the presidential Knight Commission survey (2009), there were many similarities that emerged from the results of this and the Knight Commission studies. Both university presidents and conference commissioners agree that the current system is not sustainable, reinforcing the need for reform. Second, they both indicated

there is a need to change the current system, but interestingly enough, both felt that they were powerless to do anything. Third, both groups indicated that they felt the pressure of the current recession affecting their institutions. One Associate Commissioner stated that “costs, primarily scholarships and travel, are increasing and most institutions are experiencing reduced funding from the states” (non-AQ, 22). Lastly, there was a general consensus between both the presidents and the commissioners that the football and basketball coaches’ pay is excessive.

### Institutional Theory

The findings in this study substantiate Thelin’s (2006) claims that conferences are orbits of competition and therefore that the commissioners have limited control over leading their member schools in agreed-on policies. The data supports that the conference commissioners do indeed feel that they have an important leadership/managerial role (Covell & Barr, 2010) within their conference. The commissioners have indicated that when they set the standard for a conference by implementing rules and regulations, the member schools will follow (Covell & Barr, 2010). Institutional theory then posits that all the schools will follow those rules because they will seek appropriation from the rest of the conference (Washington & Patterson, 2011). However, there is a limit to how much the commissioners feel that they can do.

The commissioners have indicated there is a limit to how much control they can exert, and would therefore need a national initiative in order to implement any real cost curtailing measures. This data further supports Washington and Patterson’s (2011) assertion that the NCAA is the dominant institution in intercollegiate athletics. This is indicated because the conference commissioners signified that any cost reduction measures would only hurt their

chances of remaining competitive nationally, as previously discussed, and therefore looked toward national cost reduction measures as a solution to the arms race.

Therefore, when institutional theory is applied to the results, it appears that multiple governing bodies (NCAA, BCS, University Presidents and Intercollegiate Conferences) would need to implement any significant change in concert with one another in order for there to be any result. By applying institutional theory, and specifically institutional isomorphism, conferences are recognized as organizations within the NCAA that are attempting to mirror one another. As was mentioned previously, this phenomenon is currently reinforcing increased spending, but could be reversed and hold the key to unraveling the arms race. Considering this and the fact that the world of collegiate sport is a national sport, the policy changes that are needed would have to be national policy changes (Washington, 2011). According to this study and the Knight Commission study (2009), the conference commissioners and the University Presidents would be open to an implementation of these policy changes. The Commissioners also listed potential suggestions that could be implemented to help reform college athletics.

### Conclusion

As addressed above, the research questions of this study were completely addressed. The Commissioners indicated tremendous concern about the arms race and the resulting increase in spending that it causes. The Commissioners provided insightful suggestions of methods to help curb the rapid expenditures within Division I FBS intercollegiate athletics. This population is ready to play a role in scaling back spending in collegiate athletics, but indicate their action will come when a national initiative is implemented. It is vital that these initiatives happen soon, as

both the University Presidents (Knight Commission, 2009) and the Conference Commissioners agree that collegiate athletics are not sustainable in their current form.

#### Future Research

The suggestions listed by conference commissioners for possible solutions to the arms race should be researched more thoroughly through other stakeholders in the institutional sphere, such as athletic directors, the NCAA, the BCS, and University Presidents. Leaders in the industry that possess an intimate knowledge of the system and therefore hold significance have made these suggestions. Commissioners indicated that they do not have the power to implement these suggestions on a local level because their member institutions did not accept anything they have suggested. Yet, the Commissioners further indicated that if they did implement changes, regardless of their member institutions' wishes, it would affect the conference's ability to remain competitive nationally. Research could be done to find out if these suggestions are practical on a national level and could therefore be implemented nationally. As evidenced by one particular respondent's quote – "On several of the concepts, I would need to see some concrete proposals to gauge the impact and finalize the position" (Non-AQ Associate Commissioner 24). Studies should be conducted to gauge the potential effect of implementing suggestions nationally in order to pave a pathway for informed reform. Therefore, future research into the implementation of these potential policies would facilitate a more informed effort toward the reformation of college athletics.

This research in concert with previous literature suggests that a major change is needed throughout collegiate athletics. The findings suggest if change does not happen soon, intercollegiate athletics will cease to exist, thereby denying those university students the

opportunities to learn and grow through their experiences as college athletes. Because both University Presidents and Commissioners indicate that changes need to happen on a national scale, ideally the NCAA should step up as the natural change agent. If this does not occur, there needs to be a national coalition formed that would self-impose restrictions on conferences nationwide guided by the findings in this study and the research suggestions above. What has emerged from this study, combined with the 2009 Presidential Study (Knight Commission, 2009), is a need for a revolution in our day, similar to the Revolution of 1906 (Lapchick, 2006; Rader, 1999). It is clear, without a change in course, university athletics could become a thing of the past.

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## APPENDIX A

Survey



## Conference Arms Race Survey

Created: May 10 2011, 7:11 PM

Last Modified: May 20 2011, 10:56 AM

Design Theme: Cartographic Gray

Language: English

Button Options: Custom: Start Survey: "Start Survey!" Submit: "Submit"

Disable Browser "Back" Button: False

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### Conference Arms Race Survey

Page 1 - Question 1 - Choice - Multiple Answers (Bullets)

What is your conference affiliation?

- BCS (Automatic Qualification)
  - Non-BCS (non – Automatic Qualification)
  - Other, please specify
- 

Page 1 - Question 2 - Choice - Multiple Answers (Bullets)

What is your title?

- Conference Commissioner
  - Associate Commissioner
  - Assistant Commissioner
  - Other, please specify
- 

Page 1 - Question 3 - Choice - Multiple Answers (Bullets)

The current economic conditions are impacting the institutions in my conference.

- Strongly Agree
  - Agree
  - Neutral
  - Disagree
  - Strongly Disagree
  - Comments
-

## Page 1 - Question 4 - Choice - Multiple Answers (Bullets)

The current economic outlook will impact the number of non-revenue varsity sports my conference can retain in the future.

- Strongly Agree
  - Agree
  - Neutral
  - Disagree
  - Strongly Disagree
  - Comments
- 

## Page 1 - Question 5 - Choice - Multiple Answers (Bullets)

The arms race of expenditures (a term that has been used by presidents, media and analysts to describe the competitive spending environment in the FBS) is having a negative impact on the institutions in my conference.

- Strongly Agree
  - Agree
  - Neutral
  - Disagree
  - Strongly Disagree
  - Comments
- 

## Page 1 - Question 6 - Rating Scale - Matrix

Analysts have identified areas where potential policy changes can impact revenues and expenses. Indicate whether you agree the following policy changes should occur;

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Reducing the number of contests for nonrevenue producing sports.	<input type="radio"/>				
Reducing the number of contests for revenue producing sports.	<input type="radio"/>				
Reducing the number of coaches per sport for nonrevenue producing sports.	<input type="radio"/>				
Reducing the number of coaches per sport for revenue producing sports.	<input type="radio"/>				
Reducing the number of or total expenditures on scholarships for nonrevenue producing sports.	<input type="radio"/>				
Reducing the number of or total expenditures on scholarships for revenue producing sports.	<input type="radio"/>				
Reducing the number of sport specific personnel other than coaches or academic support (for example, the director of football recruiting or director of basketball operations).	<input type="radio"/>				
Changing BCS revenue distribution policies.	<input type="radio"/>				
Changing Conference revenue distribution policies.	<input type="radio"/>				
Changing NCAA basketball revenue distribution policies.	<input type="radio"/>				
Reducing the level of financial commitment required for FBS membership.	<input type="radio"/>				
Seeking changes to federal legislation to allow some level of control on coaching staff salaries.	<input type="radio"/>				

## Page 1 - Question 7 - Open Ended - Comments Box

Please share thoughts related to the policy changes listed above.

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## Page 1 - Question 8 - Rating Scale - Matrix

Given the trends in revenues and expenses, including both operating and capital expenses, I believe that athletics operations are sustainable in their current form;

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
In my conference Additional Comments	<input type="radio"/>				
In other FBS Conferences Additional Comments	<input type="radio"/>				

## Page 1 - Question 9 - Choice - Multiple Answers (Bullets)

The total compensation head football and basketball coaches receive in my conference in the context of higher education is excessive.

- Strongly Agree
  - Agree
  - Neutral
  - Disagree
  - Strongly Disagree
  - Comments
- 

## Page 1 - Question 10 - Choice - Multiple Answers (Bullets)

The total compensation coaches receive in OTHER FBS conferences in the context of higher education is excessive.

- Strongly Agree
  - Agree
  - Neutral
  - Disagree
  - Strongly Disagree
  - Comments
-

## Page 1 - Question 11 - Rating Scale - Matrix

The arms race of expenditures is a concern for:	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
T h e N C A A .	<input type="radio"/>				
University presidents.	<input type="radio"/>				
Conference commissioners.	<input type="radio"/>				
Athletic directors.	<input type="radio"/>				
F a c u l t y .	<input type="radio"/>				

## Page 1 - Question 12 - Open Ended - Comments Box

Who do you feel is in the best position to curtail the arms race?

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## Page 1 - Question 13 - Choice - Multiple Answers (Bullets)

As conference leader, I have the power to curtail the arms race of expenditures.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree
- Comments

---

## Page 1 - Question 14 - Choice - Multiple Answers (Bullets)

If FBS or DI conference leaders united, we would have the power to curtail the arms race of expenditures

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree
- Comments

---

## Page 1 - Question 15 - Open Ended - Comments Box

What efforts (if any) is your conference making to curtail the arms race?

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Page 1 - Question 16 - Open Ended - Comments Box

Please elaborate on any thoughts you have on the role of conferences and the arms race.

Page 1 - Question 17 - Rating Scale - Matrix

As a conference leader, my top priority is:

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Profit Maximization.	<input type="radio"/>				
To facilitate educational experiences for student-athletes.	<input type="radio"/>				

Page 1 - Question 18 - Rating Scale - Matrix

There have been many debates regarding the benefits that intercollegiate athletics programs might provide to Division I universities. I believe that [INSERT] is a benefit of intercollegiate athletics to schools in my conference.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Raising the profile of the institution among elected officials	<input type="radio"/>				
Generating additional revenue for uses outside of athletics	<input type="radio"/>				
Attracting greater number of prospective students	<input type="radio"/>				
Attracting higher quality students	<input type="radio"/>				
Generating higher levels of giving from alumni and friends for uses outside of athletics	<input type="radio"/>				
Enhancing school spirit and campus life	<input type="radio"/>				
Gaining national publicity and media attention	<input type="radio"/>				
Improving the overall reputation of the institution	<input type="radio"/>				
Providing opportunities for socio-economically disadvantaged students	<input type="radio"/>				
Providing a holistic education for student-athletes	<input type="radio"/>				

Page 1 - Question 19 - Yes or No

Would you like the opportunity to speak with me in person?

- Yes  
 No

Page 1 - Heading

If you would like a personal copy of the study findings, please email [mweight@bgsu.edu](mailto:mweight@bgsu.edu).  
Thank you so much for your participation - your insights are incredibly valuable!

Thank You Page

Standard

## APPENDIX B

Email exchange with a representative of the Knight Commission

From: Matthew Aaron Weight [mailto:mweight@bgsu.edu]  
Sent: Tuesday, January 25, 2011 1:04 PM  
To: [aperko@nc.rr.com](mailto:aperko@nc.rr.com)  
Subject: Presidential Survey Adaption

Ms. Perko,

My name is Matt Weight and I am a graduate student at Bowling Green State University, where I am studying for a Master's Degree in Sport Administration. I am writing to obtain permission to use an adapted version of the survey the Knight Commission used in "Quantitative and qualitative research with football bowl subdivision university presidents on the costs and financing of intercollegiate athletics." The title of my thesis is "Confronting the arms race - conference commissioner perspectives on spending within intercollegiate athletics," and I would like to adapt the survey so that it can be sent to the FBS conference commissioners. I have attached a rough copy of the survey that I have put together thus far, but would like permission before I go any farther.

Additionally, any input that you may have would be greatly appreciated. Thank you for your time!

Matthew Weight

## APPENDIX C

From: Amy Perko <[aperko@nc.rr.com](mailto:aperko@nc.rr.com)>  
Date: January 30, 2011 19:27:43 EST  
To: Matthew Aaron Weight <[mweight@bgsu.edu](mailto:mweight@bgsu.edu)>  
Subject: RE: Presidential Survey Adaption

Dear Matt,

Thank you for your request concerning adapting the Knight Commission's survey of FBS university presidents on the costs and financing of intercollegiate athletics to administer to conference commissioners. I've attached suggested comments on your survey. I believe changing the wording on No. 5 is appropriate since the membership has moved beyond studying and is putting policy proposals forward, such as a reduction in non-coaching personnel that will be considered by the Board of Directors in April.

I've noted reasons on the attached document for other suggested changes.

Our survey did not use the term "arms race" but the presidents used that term frequently in the qualitative interviews. Just noting this as you may want to consider defining the term in the first instance you use it and perhaps describe as a term that has been used by presidents, media and analysts to describe the competitive spending environment in the FBS.

While we are providing approval for your use, such approval should not be characterized as any endorsement of your survey by the Knight Commission. We wish you much success, and will be glad to be of further assistance if needed. Look forward to seeing the results.

Best regards,

Amy

# BGSU

Bowling Green State University

Office of Research Compliance  
 309A University Hall  
 Bowling Green, OH 43403-0183  
 Phone: (419) 372-7716  
 E-mail: [hsrb@bgsu.edu](mailto:hsrb@bgsu.edu)

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You have  
 met the  
 conditions

April 29, 2011

TO: Matthew Weight  
 Sport Management

FROM: Hillary Harms, Ph.D.  
 HSRB Administrator

RE: HSRB Project No.: H11T227GE7

TITLE: *Confronting the Arms Race Conference Commissioners  
 Perspectives on Competitive Spending Within Intercollegiate  
 Athletics*

for approval for your project involving human subjects. As of April 29, 2011, your project has been granted final approval by the Human Subjects Review Board (HSRB). This approval expires on April 14, 2012. You may proceed with subject recruitment and data collection.

The final approved version of the consent document(s) is attached. Consistent with federal OHRP guidance to IRBs, the consent document(s) bearing the HSRB approval/expiration date stamp is the only valid version and you must use copies of the date-stamped document(s) in obtaining consent from research subjects.

You are responsible to conduct the study as approved by the HSRB and to use only approved forms. If you seek to make any changes in your project activities or procedures, send a request for modifications to the HSRB via this office. Those changes must be approved by the HSRB prior to their implementation.

You have been approved to enroll 45 participants. If you want to enroll additional participants you must seek approval from the HSRB.

Good luck with your work. Let me know if this office or the HSRB can be of assistance as your project proceeds.

Comments/ Modifications:

Please add text equivalent to the BGSU HSRB approval/expiration date stamp to the "footer" area of the electronic consent forms (see attached for specific text).

**BOWLING GREEN STATE UNIVERSITY**

Division of Sport Management, Recreation, &amp; Tourism

School of Human Movement, Sport, and Leisure Studies

Dear \_\_\_\_\_

My name is Matthew Weight, and I am a masters student at BGSU. For my graduate thesis, I am contacting you seeking insight into the arms race of expenditures within intercollegiate athletics. As a conference commissioner, you possess a distinctly unique perspective on spending within college athletics. These unique perceptions to date have gone largely unexamined within the literature. The purpose of this investigation is to explore those perceptions. I know that your time is extremely valuable, so this survey is very short and will only take -12 minutes to complete. Please take a moment to fill it out so your insights can be added to the dialogue on this important issue.

Your responses will remain confidential. As the lead researcher, I will be the only one who will know your identities. I will then de-identify the results for publication upon receipt of the data utilizing a coding system securely stored on a password-protected computer separate from the computer storing the data. All data will be destroyed upon completion of data analysis. As such, participation in the study poses risks no greater than those normally encountered in daily life, and the potential benefits to collegiate sport are potentially great.

If you are interested, you will be given the chance to set up an interview at the end of the survey. These interviews will be conducted over the phone and taped for accuracy. The interview will allow you to expound on the same questions you answer in this survey. Your privacy will be protected in the same way as the collected survey data.

If you have any questions during this study, please contact Matthew Weight at [mweight@bgsu.edu](mailto:mweight@bgsu.edu) or 419-819-8204, or the project advisor Ray Schneider at [rayschn@bgsu.edu](mailto:rayschn@bgsu.edu) or 419-372-0215. You may also contact the Chair of the Human Subjects Review Board at 419-372-7716, or [hsrb@bgsu.edu](mailto:hsrb@bgsu.edu), with any question regarding participant rights. By clicking on the URL, you will be signifying that you have given consent to participate in this study. Of course you are free to terminate your participation in the survey any time before clicking the submit button, and all information will be erased. I would also advise you to clear your browser cache and page history upon completion. Once again, I appreciate your taking the time to fill out this survey!

Please access the survey at the following URL: \_\_\_\_@surveymonkey.com

Sincerely,

Matthew Weight

**BOWLING GREEN STATE UNIVERSITY**

Division of Sport Management, Recreation, &amp; Tourism

School of Human Movement, Sport, and Leisure Studies

Dear \_\_\_\_\_

My name is Matthew Weight, and about a week ago, I sent you an email regarding a study that I am completing for my graduate thesis. To those of you who have completed the survey, thank you! To those that have no, I have reattached the recruitment/consent letter below. Please take a moment to read it over, the information you provide could be vital to this investigation.

I am contacting you seeking insight into the arms race of expenditures within intercollegiate athletics. As a conference commissioner, you possess a distinctly unique perspective on spending within college athletics. These unique perceptions to date have gone largely unexamined within the literature. The purpose of this investigation is to explore those perceptions. I know that your time is extremely valuable, so this survey is very short and will only take -12 minutes to complete. Please take a moment to fill it out so your insights can be added to the dialogue on this important issue.

Your responses will remain confidential. As the lead researcher, I will be the only one who will know your identities. I will then de-identify the results for publication upon receipt of the data utilizing a coding system securely stored on a password-protected computer separate from the computer storing the data. All data will be destroyed upon completion of data analysis. As such, participation in the study poses risks no greater than those normally encountered in daily life, and the potential benefits to collegiate sport are potentially great.

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If you have any questions during this study, please contact Matthew Weight at [mweight@bgsu.edu](mailto:mweight@bgsu.edu) or 419-819-8204, or the project advisor Ray Schneider at [rayschn@bgsu.edu](mailto:rayschn@bgsu.edu) or 419-372-0215. You may also contact the Chair of the Human Subjects Review Board at 419-372-7716, or [hsrb@bgsu.edu](mailto:hsrb@bgsu.edu), with any question regarding participant rights. By clicking on the URL, you will be signifying that you have given consent to participate in this study. Of course you are free to terminate your participation in the survey any time before clicking the submit button, and all information will be erased. I would also advise you to clear your browser cache and page history upon completion. Once again, I appreciate your taking the time to fill out this survey!

Please access the survey at the following URL: \_\_\_\_@surveymonkey.com

Sincerely,

Matthew Weight