

Big-time college sports: A plausible alternative to pro sports?

By Frank G. Splitt

Troubling Signs in Pro Sports – In his Jan. 30, 2009, *Wall Street Journal* opinion piece, "Are Pro Sports Too Big to Fail?", Jonathon Last discusses the emergence of troubling signs in pro sports since the onset of the current economic crisis saying, among other things:

Adding an extra layer of danger for pro sports is the fact that big-time college sports now represent a plausible alternative product. The collegiate levels have made great strides in the quality of play and, unlike the pros, they have relatively fixed costs.

To be sure college sports have made great strides over the years thanks to the persistent efforts of the NCAA cartel—the National Collegiate Athletics Association and its member institutions. Over the years, the NCAA cartel has made a number of rule changes that have emphasized athletics over academics so as to move their D-1A football and men's basketball programs to professional levels. As a matter of fact, the NFL and NBA pro sports franchises already rely on colleges and universities to supply their teams with professional-level players many of whom have been coached by former professional coaches.

Financial Advantages with Nonprofits – Perhaps even more important to the plausibility of big-time college sports as an alternative to pro sports are the related financial advantages of operating from a nonprofit base, especially so with recession worries everywhere.

The NCAA cartel could continue with its successful amateur charade and operate its sports entertainment businesses as nonprofit organizations with minimum payroll expenses though their continuing use of unpaid professionals (counterfeit amateurs a.k.a. student-athletes)—providing the cartel with a tremendous competitive advantage.

There are substantial cost (tax) benefits to the TV, cable, and satellite network providers, as well as to their advertisers and sponsors who transact business with the nonprofit schools. These benefits stem from the government's weak enforcement of the unrelated business income tax law (UBIT) that was designed to curb unfair competition between for-profit and not-for-profit businesses. .

To assist in building their sports endowments, the schools can take advantage of tax-exempt contributions with benefits to donors in the form of the right to buy football or men's basketball tickets—the bigger the gift, the better the seats, the better the luxury boxes, and other fringe benefits.

As reported by Brad Wolverton in the Jan. 29, 2009, issue of *The Chronicle of Higher Education*, some of the nation's biggest athletics departments are already trying to raise hundreds of millions of dollars for separate sports endowments—more than two dozen of which are involved in or planning endowment campaigns with a combined goal of \$2.3-billion.

With these financial advantages in hand, NCAA cartel officials must then take advantage of the fact that the American public does not really care about the academic integrity and the academic missions of our nation's colleges and universities—and much less about global realities.

Proven Means and Guidelines – To win out over the current model of pro sports, the NCAA cartel needs to get serious. That means implementing sets of means and guidelines at candidate schools that will insure success—in the sense that big-time college football and men's basketball programs will be viable alternatives to today's NFL and NBA.

Here is a list of proven means and guidelines aimed at achieving the best possible level of competition by the best athletes that can be garnered for play in the big-time college sports entertainment business:

- 1) *Remind college presidents* that the mission of their schools is to create teams of athletes worthy of professional play, not well educated citizens whose educations are enhanced by participation in competitive sports;
- 2) *Pack the school's board of governors* with wealthy, sports-crazed boosters that will force the president to adhere to the school's athletic mission while sparing no expense in keeping up with the athletics arms race;
- 3) *Emphasize the primacy of athletics over academics*, by increasing the number of NCAA approved "special admits" (athletes with combined SAT scores well below the old minimum of 820) and recruiting other academically challenged athletes that want to play at a professional level;
- 4) *Establish discreet programs* that will: a) make it financially worthwhile for superb athletes to sign up to play for pay, e.g., summer jobs involving large pay with little if any work, b) facilitate tax-free donations to help fund athletic endowments that can, in turn, fund coaches salaries, athletic scholarships, athletic facilities, and a professional public relations staff, c) allow for undetectable transfers of general academic funds to designated athletic programs;
- 5) *Invest in first-class athletes-only academic facilities* staffed by tutors, counselors and learning specialists, as well as equipped with the latest computer technology and other amenities so that athletes' need not be unnecessarily distracted by academic work;
- 6) *Expand the number of "friendly faculty"* to hand out A's to athletes who have done little work and have attended few if any classes as well as expand the number of less rigorous academic majors to avoid the appearance of clustering;
- 7) *Cast a blind eye* toward the use of performance enhancing drugs and personal violence, as well as demand that athletes give their lives to sports (This applies to the school president as well to all school administrators, especially members of the coaching staff).

The implementation of these means and guidelines will level the playing field and all but guarantee more high-quality teams of the professional caliber now fielded by some of the colleges and universities in Florida, California, Texas, Oklahoma, Alabama, Louisiana, and Georgia.

NCAA Cartel 'To Dos' – Finally, to assure that big-time college sports will be a viable alternative to pro sports, the NCAA cartel needs to:

- 1) *Defend its tax-exempt status* along with its enabling 'student-athlete' ruse that has not only successfully 'sold' college athletes as amateurs, but also as bona fide students;
- 2) *Obstruct the efforts of reform-minded organizations* to have the government impose requirements for transparency, accountability, and oversight of its operations that could put its tax-exempt status at risk;
- 3) *Continue to provide weak enforcement* of its eligibility rules while maintaining the focus of its investigations on non-big-time schools;
- 4) *Continue to work with the Knight Commission* to maintain the façade of ongoing reform;
- 5) *Begin to schedule games on Sundays* so as to provide evidence that they can offer college sports entertainment 7days a week for America's sport's addicted public—and especially for the students at its 'beer and circus' campuses; and
- 6) *Prepare its vast legal, political, and lobbying resources for court battles* with ardent defenders of pro sports.

Concluding Remarks – Nobody close to college sports can miss the progress made by the NCAA cartel in moving big-time college football and men’s basketball programs to professional levels—a work still in progress. Nevertheless, it may be surprising to some just how plausible big-time college sports are as an alternative to pro sports—not as far fetched as many would have thought. Additional financial help could come to the schools via funds from the federal economic stimulus program that could, in turn, provide money for the shovel-ready construction and/or improvement of athletic facilities, or, for debt service on previous construction.

Further tweaking of eligibility and compensation rules, and game scheduling, along with strategic relationship building at state and federal levels could have college sports as America’s first choice for sports entertainment—a real alternative to pro sports.

But there will problems to resolve, first and foremost would be legal challenges by defenders of the pro sports industry. They will be sure to question the justification for the tax-exempt status of college sports—likely building on the work of The Drake Group but with many more resources to bring to bear on the matter. They will also claim unfair competition from not-for-profit businesses and lobby for strong UBIT enforcement.

Perhaps the biggest problems could come from Washington. There—in the light of global realities and the financial crisis—the president and members of his administration as well as members of the U.S. Congress may finally come to realize that prioritizing investments in athletics over investments in academics at America’s colleges and universities is not only a very bad idea, but also a big waste of taxpayer money.

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