

A grayscale photograph of a baseball field, showing the infield and outfield with white base paths. The image is used as a background for the title and subtitle.

# Trust, Accountability, and Integrity

Board Responsibilities for  
Intercollegiate Athletics

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Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,250 member boards, 1,900 institutions, and 36,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

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# Trust, Accountability, and Integrity

Board Responsibilities for  
Intercollegiate Athletics



# AGB Intercollegiate Athletics Project

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# Foreword

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The Association of Governing Boards of Universities and Colleges (AGB) is pleased to share the results of its recent study on the engagement of governing boards in the oversight of intercollegiate athletics. As spending on athletics by colleges and universities continues to rise, accompanied by mounting public ire about ethical and moral misconduct, it is critically important that governing boards monitor and oversee the impact of athletics on the academic missions of the institutions for which they have fiduciary responsibility. The Knight Commission on Intercollegiate Athletics (KCIA), which has supported AGB's leading work with governing boards and presidents since AGB issued its first formal statement on the topic in 2004, encouraged AGB to pursue this research to assess the challenges confronting board oversight of intercollegiate athletics. Through reports and analyses calling for more concerted involvement of institutional leadership in intercollegiate athletics from the early 1990s onward, both KCIA and AGB have contributed actively to the national dialogue.

In 2009, AGB's Board of Directors approved a revised "Statement on Board Responsibilities for Intercollegiate Athletics," which replaced its earlier statement issued in 2004. The 2009 statement, written with the input of the National Collegiate Athletic Association (NCAA), clarified areas of board policy and oversight while clearly indicating that the administrative leadership of an institution's athletics program should be firmly in the hands of chief executives of institutions and systems.

In this report, AGB explores what boards are really doing in the area of athletics oversight.

We surveyed chief executives and board chairs of Division I institutions, as well as systems that include Division I institutions, about how they have applied the recommendations from AGB's 2009 statement and about other governance issues related to college sports. Our findings demonstrate substantive board engagement but also point to certain areas of responsibility that need to be strengthened. Although public and independent colleges, universities, and systems have their own governing boards and enjoy relative autonomy, they seem much less independent when it comes to intercollegiate sports. Powerful interests that benefit financially from big-time sports, as well as fans and booster clubs with emotional investments, can distort the clarity of mind required for effective governance.

The institutional leaders who responded to our survey and comprised our advisory group represent large athletics programs—either as board leaders, institutional chief executives, or system heads—and have guided our thinking and focus. Their responses to our survey make clear that the positive impact of college-sports programs on student athletes and colleges and universities can be significant and profound. Clearly, a disproportionate share of problems in intercollegiate athletics involves football and basketball programs and their broader oversight. Yet the findings and recommendations included in this report are broadly applicable to all athletics programs and pertinent to institutions across all competitive athletic divisions.

This report focuses on three recommendations for appropriate board engagement in intercollegiate athletics:

1. *The governing board is ultimately accountable for athletics policy and oversight and should fulfill this fiduciary responsibility.*
2. *The board should act decisively to uphold the integrity of the athletics program and its alignment with the academic mission of the institution.*
3. *The board must educate itself about its policy role and oversight of intercollegiate athletics.*

We are not urging boards to move into areas of management prerogative; AGB's earlier statements on athletics make clear our recommendations about the ideal breadth and limitations of board engagement. However, there is no getting around the fact that the changes affecting higher education don't stop at the water's edge of intercollegiate sports. Further, while we urge boards to delegate the administration of their institutions' sports programs to their chief executives, boards must still become more aware of the issues and engage actively and appropriately in policy considerations, which ultimately impact the institution's financial welfare and reputation. We think these recommendations will help boards to strike the right balance in exercising their authority, and to restore the balance between academics and athletics. Getting governance right is part of the story. We must write that chapter or it will be written for us.

Our survey was conducted before the revelations of the Penn State University scandal. As with other cases, the impact at Penn State extends far beyond the reputational damage to its own athletics program or to the university. It was, instead, a painful reminder that all boards need to be well informed and must clearly establish the appropriate role of athletics in relation to

the core values and academic mission of their institutions. When the board fails to provide effective oversight or ask the questions that hold the president of the institution accountable, the consequences can be enormous.

Several months ago a member of this project's advisory group advised his colleagues that our report must answer the question, "Why do boards need to step up their oversight of intercollegiate sports?" As the fiduciary body charged with being the steward of their institution or system," he continued, "they really have no other option."

We appreciate funding support from the Knight Commission for this study, as well as the active participation of the members of the project's advisory group. AGB's director of research, Merrill Schwartz, served as the primary staff lead on the project. We are also grateful to Greg Wegner, the director of program development for the Great Lakes Colleges Association and the author of several of AGB's most essential project reports, for applying his considerable writing skills and good thinking to this report.

John T. Casteen, III  
Director, AGB Intercollegiate Athletics Project  
President Emeritus, University of Virginia

Richard D. Legon  
President, Association of Governing Boards

August 15, 2012

# Executive Summary

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In recent years, higher education institutions of all kinds have come under increasing public pressure to contain costs while making more effective use of resources. For both public and independent institutions, this environment of increased public scrutiny has intensified the need for more prudent allocation of institutional funds to core purposes. While many areas of the academy today operate in these leaner circumstances, intercollegiate athletics is a category of institutional expenditures that has continued to grow, especially among Division I institutions.

Intercollegiate athletics is big business, and it is getting bigger across most athletic divisions—particularly in Division I universities in the Football Bowl Subdivision (FBS). In its 2010 report, “Restoring the Balance: Dollars, Values, and the Future of College Sports,” the Knight Commission on Intercollegiate Athletics reported that between 2005 and 2008 the rate of spending per student for academic programs in the FBS grew by 20.5 percent; during that same period, the rate of institutional spending for athletes grew by 37.9 percent. What those percentages do not reveal as clearly are the major differences in the *amount* of spending in each category: The Knight Commission’s analysis finds that among that set of institutions the rate of spending per athlete ranged from four to 10 times the expenditures made for educational purposes per student.

Over the past several years, the Association of Governing Boards of Universities and Colleges (AGB) has contributed to the national discussion of the appropriate engagement of governing boards in this often challenging area of institutional activity. To address oversight

and accountability responsibilities at the institutional level, AGB issued its most recent “AGB Statement of Board Responsibilities for Intercollegiate Athletics” in 2009, accompanied by an “Illustrative Policy on Intercollegiate Athletics for Boards and Presidents.”

This new report presents results and reflections from a study designed to identify gaps between actual practices and the principles of effective oversight articulated in the AGB Statement of 2009. We present these findings and observations to governing boards of individual colleges and universities as well as university systems, chief executive officers, and other stakeholders—including the NCAA and the major athletic conferences—in hopes of ensuring the ability of boards and institutional leaders to develop and implement the best policies for their institutions.

The AGB Intercollegiate Athletics Project, funded in part by a grant from the Knight Commission on Intercollegiate Athletics (KCIA), includes the findings of a survey of chief executives and board chairs of Division I institutions, as well as leaders of systems with institutions affiliated with Division I conferences. Our project was informed by an advisory group of presidents and board chairs of public and independent universities. This project group provided a range of contexts and perspectives in considering recent developments in intercollegiate athletics, and informed our recommendations regarding board engagement and board-president collaboration in this realm of institutional responsibility. The project was directed for AGB by John T. Casteen, President Emeritus of the University of Virginia.



# Executive Summary

Our gap analysis yielded key findings in five broad areas:

## *Board Policy on Athletics*

- We asked whether the governing board has a policy on intercollegiate athletics similar to the illustrative policy in “The AGB Statement on Board Responsibilities for Intercollegiate Athletics.” While 47 percent of respondents do have such a policy, and another 28 percent of boards have a policy that includes some aspects of the AGB Statement, fully one-fourth of the respondents stated their institutions have no such policy.

## *Delegation of Authority and Responsibility to Chief Executive*

- The survey found that two-thirds of respondents had a formal board policy defining the delegation of responsibility for athletics to the chief executive.
- While 86 percent of respondents stated that the board conducts an annual assessment of the chief executive’s performance, 12 percent said the board does not, and two percent did not know.
- Of those institutions that do conduct an annual assessment of the president, only 71 percent include in it the president’s responsibility for athletics, 15 percent of the institutions do not include the president’s accountability for athletics as part of the assessment, and 14 percent of respondents did not know.

## *Financial Responsibility*

- Our survey asked if the athletics department is self-supporting in the sense of not requiring subsidy from institutional resources. Nineteen percent of respondents to our survey stated that the athletics department is self-supporting and has no need for subsidy from institutional resources.
- For institutions in which athletics is not self-supporting, the subsidy provided ranged from one percent to more than nine percent of an institution’s budget.
- Thirty-eight percent of survey respondents said that the full board receives sufficient financial information on revenues and expenditures for each revenue-generating sport, including net amount of institutional support. Thirty-six percent said a board committee has sufficient information to review these matters. Yet over one-quarter reported that the board is not well informed on these matters.

## *Student Well-Being*

- While 84 percent of boards reported that they receive sufficient data to monitor academic progress of athletes by team, only about one-third of boards reported having sufficient information to oversee declared academic majors of student-athletes or the demands that sports participation places on students’ time.

# Executive Summary

## *Compensation of Athletics Personnel*

- Eighty-six percent of respondents stated that the chief executive approves all coaches' and athletic directors' contracts; 14 percent said the president does not perform this function.
- When asked if the chief executive consults with the institution's board on major policy issues coming before the athletic conference's governing body, 69 percent of respondents answered in the affirmative, while 27 percent answered no.
- Our survey found that boards feel least well prepared to oversee their institutions in terms of those limited NCAA rules applicable to governing boards. While 35 percent characterize their boards as *very well prepared* and another 36 percent described their boards as *somewhat well prepared* in this respect, 29 percent of respondents characterized the board's preparation to oversee compliance with NCAA rules as *neutral*, *somewhat poorly*, or *poorly*.

With the endorsement of the project's advisory group, this essay reaffirms the core recommendations set forth in the 2009 "AGB Statement on Board Responsibilities for Intercollegiate Athletics."

The findings of our survey and insights of our advisory group confirm our sense that an appropriate integration of athletics into the academic mission cannot be achieved and maintained unless the governing board firmly establishes needed policies and exercises fiduciary oversight to ensure accountability and keep that balance intact. Accordingly, we make

three primary recommendations to governing boards from the work of this project:

1. **The governing board is ultimately accountable for athletics policy and oversight and should fulfill this fiduciary responsibility.** As the fiduciary body of the institution, the governing board bears responsibility for establishing a policy framework governing athletics. The board must act on this authority, establish high standards for transparency and ethical standards, and hold itself and the institution's chief executive accountable for the implementation of those policies—in part through periodic performance assessment that includes the chief executive's responsibility for the athletics program. Even the most effective administrators cannot succeed in regulating athletics without a clear framework of institutional policy to define the boundaries. Effective oversight requires that the board inform itself about the athletics program — including risks and challenges — and engage in policy questions that address those issues. While the board delegates management of intercollegiate athletics to the chief executive, it must recognize its ultimate responsibility.
2. **The board should act decisively to uphold the integrity of the athletics program and its alignment with the academic mission of the institution. Policies that define the administration of athletics programs should be consistent with those for other academic and administrative units of the institution or system.** The athletics

# Executive Summary

program should, further, be functionally integrated into the administrative structure and philosophically aligned with the mission of the institution. Boards should have a process in place to review contract agreements for highly compensated athletics personnel, financial information concerning athletics, and indicators of the academic progress and well-being of student athletes. The governing board should be informed of and consulted on issues related to conference membership, have final review of data ascertaining compliance with NCAA and conference regulations, and, on an annual basis, publicly certify that the institution is in compliance.

- 3. The board must educate itself about its policy role and oversight of intercollegiate athletics.** The governing board of the institution must act intentionally to increase its collective span of knowledge concerning athletics. Also, each board member should be aware of the standards of behavior and regulations that apply to them individually. New board members, as part of their orientation, and all board members, ongoing, should be informed about the business and challenges of intercollegiate sports, risk assessments, pertinent NCAA and conference rules, Title IX and other federal regulations, and the progress and well-being of student athletes. The board needs to be aware of the balance between appropriate oversight and involvement in institutional policy and intrusion into management prerogatives — an especially important understanding for effective oversight of intercollegiate athletics.

We encourage *chief executive officers* to act transparently on matters related to intercollegiate athletics and to support the board in exercising its appropriate authority. And we call on *governing bodies of university systems* to exercise an appropriate level of oversight to ensure that athletics programs in each college or university operate according to board policies, principles of financial and academic integrity, and mission fulfillment. Finally, we urge *the NCAA* to include in its manuals clear statements recognizing the ultimate responsibilities of governing boards for intercollegiate athletics.

Boards need to have a clear sense of responsibility — one that recognizes both the extent and limits of its role in athletics. It is neither efficient nor appropriate for governing boards to be directly involved in day-to-day operations of colleges and universities, including their athletics programs. But board accountability appropriately includes oversight of intercollegiate athletics, just as it does student life, academic affairs, finance, and other key areas of the institution. Integrating athletics programs into the culture and structure of higher education institutions may require boards to rethink their roles and may require changes in how many athletics programs operate.

Given the continued growth of athletics expenditures relative to other purposes and programs, our concern is that if boards do not act to ensure an appropriate balance between athletics and academics in our higher education institutions, policy makers or others will do it for us.

The first definition given to the word “trust” in the Oxford English Dictionary (OED) is “Confidence in or reliance on some quality or attribute of a person or thing, or the truth of a statement.”

Historically, this concept of trust precedes the more particular definitions of the word as it is used in law or finance. Other definitions from the OED make clear the strength of commitment that anyone accepting the role of trustee must make: Trust also describes “the obligation or responsibility imposed on one in whom confidence is placed or authority is vested, or who has given an undertaking of fidelity.”

The significance of trust as evoked in these definitions underscores the fundamental responsibility that every member of a governing board — every trustee — must accept. The financial and legal dimensions of trusteeship stem from the broader conception of trust that emphasizes trustees’ responsibility to uphold and protect the integrity of the institution and its programs as a mission-centered institution of higher education. In accepting the mantle of trust, the board pledges the highest degree of responsibility to ensure the integration of athletics as a contributing element to the academic and educational mission.

The AGB Intercollegiate Athletics Project was undertaken as a “gap analysis” — a process to gauge the extent to which governing boards fully understand and act upon the responsibilities of trust and trusteeship with regard to intercollegiate athletics at their institutions. Our research process compared the recommendations to governing boards as stated in the 2009 “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (endorsed by the Knight Commission and drafted with input from the NCAA) to the

actual behaviors of boards and board members as reflected in the survey and advisory group discussions.

The survey was conducted by e-mail and the population included presidents and board chairs of Division I institutions. The survey of presidents (CEOs) was conducted during an eight-week period in the spring of 2012. One hundred forty-three (143) college presidents responded to the survey, representing approximately 42 percent of the Division I institutions.<sup>1</sup>

The institutional attributes of the 143 respondents to the survey of presidents were:

- 53 independent and 90 public
- 7 baccalaureate, 54 master’s, and 82 research and doctoral
- 41 Division I (no football), 51 I-FBS, and 51 I-FCS
- Operation budgets of respondent institutions in Division 1-no football (39) and Division I-FCS (49) were under \$40 million in FY12, while two-thirds of the institutions in I-FBS (33 institutions or 66 percent) had athletics department operating budgets equal to or greater than \$40 million.

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1. Three additional surveys were conducted, with fewer respondents: 15 system heads, nine system board chairs, and 25 board chairs. Data from the presidents’ survey were most representative and are featured in this analysis. Comments from system heads, system chairs, and regular chairs are also included. A comparison of responses of presidents and board chairs showed that they agreed on most issues. Differences in responses were evaluated and “don’t know” accounted for most answers with large disparities (differences greater than 20 percent). This lends credibility to reliance here on responses from presidents.



# Introduction

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This gap analysis focuses particularly on areas of board responsibility as identified in the 2009 AGB Statement, drawing from survey results and insights of our advisory group. The complete results of the survey are available online at [www.agb.org](http://www.agb.org). We understand the inherent limitations of a survey in which respondents describe attributes of their own institution, though we think the observations from this method provide valuable insights into the role of athletics within the culture of a range of universities and colleges. At the same time, the results from this survey offer questions for further research.



# General Oversight Responsibility

***“The well-being of the student body and student athletes and the success of the institution’s academic mission depend on communication, cooperation and coordination on every level; clear delineation of responsibilities is critical. An intercollegiate athletics policy should spell out roles of the board, president, and athletics department in a manner consistent with their requisite leadership and oversight responsibilities.”***

— Preamble, Illustrative Policy on Intercollegiate Athletics for Boards and Presidents, “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

One of our survey questions asked whether the governing board has a policy on intercollegiate athletics similar to the illustrative policy in the “AGB Statement on Board Responsibilities for Intercollegiate Athletics.” We note with some concern that while some 47 percent of

respondents do have such a policy, and another 28 percent of boards have a policy including some aspects of the AGB’s illustrative policy, fully one-fourth of the respondents stated that their institutions have no such policy.

**Table 1 – Does your board have a policy on intercollegiate athletics similar to the illustrative policy in AGB’s 2009 “Statement on Board Responsibilities for Intercollegiate Athletics”?**

	Number	Percent
Yes, similar policy	66	46.8
Yes, includes some aspects of AGB’s illustrative policy	40	28.4
No	35	24.8
Total	141	100.0

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# General Oversight Responsibility

## Presidential Authority and Performance Assessment

***“Boards should delegate direct responsibility for the conduct and control of the athletics department to the institution’s chief executive. This authority must be explicitly defined, clearly understood, and articulated in a formal policy statement. It should be reinforced by consistent and visible public support of the chief executive.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

In athletics, as in every other component of an institution’s operations, the role of board members is to provide oversight and guidance without becoming directly involved in operations. In concept, the governing board invests the chief executive with authority to manage operations; in carrying out its fiduciary responsibility, the board holds the president accountable for ensuring that all programs and units contribute to the fulfillment of the mission while maintaining the financial health

of the institution. Our survey found that two-thirds of respondents had a board policy defining the delegation of responsibility for athletics to the chief executive.

When asked whether the board has interfered inappropriately with athletics during the current tenure of the chief executive, 86 percent of respondents in our survey said no; another nine percent said yes, and five percent did not know.

Table 2 – Delegation of authority to the chief executive (in percentages)			
	Yes	No	Don’t know
Board has policy/statement defining delegation of responsibility for athletics to chief executive	67.6	23.9	8.5
Board respects the authority for athletics delegated to chief executive	90.1	4.3	5.7
Board has interfered inappropriately with athletics during current tenure of chief executive	9.2	85.9	4.9

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# General Oversight Responsibility

***“The board should support the president in setting benchmarks and standards for the conduct, operation, and oversight of the athletics program, monitor progress, and hold the president accountable for the results.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

We asked if the board conducts an annual assessment of the chief executive’s performance. While 86 percent of respondents answered yes, 12 percent said no, and two percent did not know. Of those institutions that conduct an annual assessment of the president, only 71 percent include the president’s

responsibility for athletics as part of the assessment. At 15 percent of the institutions in which the board conducts an annual assessment of the chief executive’s performance, the president’s accountability for athletics is not part of the assessment. Fourteen percent of respondents did not know.

**Table 3 – Does the board conduct an annual assessment of the chief executive’s performance?**

	Number	Percent
Yes	122	85.9
No	17	12.0
Don’t Know/Not Applicable	3	2.1
Total	142	100.0

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**Table 4 – If yes, does this assessment address accountability for intercollegiate athletics?**

	Number	Percent
Yes	89	71.2
No	19	15.2
Don’t Know/Not Applicable	17	13.6
Total	125	100.0

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# General Oversight Responsibility

## Child-Safety Policies

We would be remiss if we did not acknowledge a special responsibility of boards to ensure the safety of minors participating in activities on campus. Survey results showed that 99 percent of the responding institutions offer camps, programs, or the use of athletics facilities for children and teens (other than enrolled students); only 50 percent of those institutions have board policies regarding the safety and protection of children. Colleges and

universities typically invite youth to participate in a broad range of academic, cultural, and athletics programs on campus. This provides a service to the community and a benefit to young people. Boards are reminded that this also presents an obligation for ensuring the safety of children and protecting the institution from risk. Board policies applicable to all campus programs are needed.

**Table 5 – Does the athletic department or staff offer camps, programs, or use of campus athletics facilities to children and teens (other than enrolled students)?**

	Number	Percent
Yes	139	99.3
Don't Know/Not Applicable	1	.7
Total	140	100.0

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**Table 6 – If yes, does the board have policies and procedures regarding the protection and safety of children and teens?**

	Number	Percent
Yes	71	50.4
No	40	28.4
Don't Know/Not Applicable	30	21.3
Total	141	100.0

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# General Oversight Responsibility

## Boards must ask:

- Has the board approved a policy related to the role of intercollegiate athletics in furthering the overall mission of the institution?
- Has the board established a clear framework of policies that (1) confers authority and responsibility for athletics to the chief executive and (2) details appropriate board engagement?
- Does the board (and its standing committee on athletics, if there is one) receive sufficient information to exercise reasonable oversight of athletics in the fulfillment of the board's duty of trust?
- Does the board monitor key performance indicators for the athletics programs regarding academic progress of student-athletes by team, budgets (including institutional costs for revenue-generating sports), expenditures per athlete, etc.?

# Fiscal Responsibility

As noted previously, the Knight Commission on Intercollegiate Athletics has demonstrated that the rate of institutional expenditures per athlete exceeds the expenditures per student by a considerable margin. This disparity between the investment in academic programs per student and the much larger proportionate allocation of resources to athletics per athlete can easily give rise to questions of institutional priorities,

and ultimately questions about the institution's integrity in achieving its academic mission. The magnitude of institutional investment in athletics makes it incumbent upon boards to be apprised of the financial model for athletics programs, to understand the sources that contribute to the athletics budget, and to monitor the growth of institutional expenditures from year to year. The range of athletics expenditures among institutions in our survey conveys the scale of the enterprise.

## The Athletics Budget

Table 7 – Respondents by size of athletics operating budget		
	Number	Percent
No answer	5	3.5
\$1 million - \$9.9 million	35	24.5
\$10 million - \$19.9 million	47	32.9
\$20 million - \$39.9 million	23	16.1
\$40 million - \$59.9 million	14	9.8
\$60 million - \$79.9 million	11	7.7
\$80 million - \$99.9 million	6	4.2
Over \$99.9 million	2	1.4
Total	143	100.0

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Our survey asked if the athletics department is self-supporting in the sense of not requiring subsidy from institutional resources. Nineteen percent answered that the athletics department is self-supporting and has no need for institutional subsidy.

## Fiscal Responsibility

For institutions in which athletics is not self-supporting, we also asked what percentage of the institution's operating budget is used to subsidize the cost of the athletics department. The results are presented in the following

table. Because of the difficulty in defining "self-supporting" and identifying and attributing all athletics-related costs and subsidies, we think institutional support is likely underreported.

**Table 8 – Is the athletics department self-supporting—that is, does revenue from sources other than state appropriations, student fees, tuition, and other institutional funds exceed expenses?**

	Number	Percent
No	110	78.0
Yes	27	19.1
Don't Know/Not Applicable	4	2.8
Total	141	100.0

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**Table 9 – If no, what is the approximate percentage of the institution's operating budget used to subsidize the cost of the athletics department?**

	Number	Percent
< 1 percent	18	16.8
1-3 percent	38	35.5
4-5 percent	20	18.7
6-7 percent	9	8.4
8-9 percent	9	8.4
> 9 percent	13	12.1
Total	107	100.0

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# Fiscal Responsibility

***“Boards should review and approve the intercollegiate athletics budget as part of the institution’s regular budgeting process.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

Investments at these levels should entail a full and careful review for a board committed to fulfill its fiduciary responsibility to the institution. Our survey asked if the full board reviews and approves the intercollegiate athletics budget as part of the full budgeting process. Sixty-two percent of respondents answered yes, while 35 percent answered no.

A governing board needs to be confident that it has brought the full degree of rigor required in reviewing the athletics program and its impact on the institution as a whole from the standpoint of budget, student-well-being, and other considerations. The question often arises whether a board should establish a separate standing committee on athletics. Our survey found that institutions were divided: 52 percent do not have a separate

board committee on athletics, 46 percent do, and 2 percent didn’t know. The discussions of our advisory group indicate that there is no universal answer to this question; the history and circumstance of different institutions have yielded different governance arrangements, each of which can serve a board’s need to be well-informed on athletics. Either a separate athletics committee or explicit designation of responsibility for athletics in the charge of one or more standing committees can accomplish this goal. Regardless of the particular mechanism chosen, the board structure and culture should ensure the board’s effectiveness in exercising oversight of athletics. We refer readers to the AGB Statement of 2009 (page 12) for a discussion of the arguments for and against boards establishing a separate athletics committee.

Table 10 – Does the board have a standing committee on athletics?

	Number	Percent
No	74	52.1
Yes	65	45.8
Don’t Know/Not Applicable	3	2.1
Total	142	100.0

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## Understanding Athletics Funding

***“Boards should devote the necessary time to understand the complexities of the financing of intercollegiate athletics. Elements include such matters as revenue flows from television contracts, booster clubs, affiliated foundations, corporate sponsorships, and athletics conference, as well as revenues allocated to the athletics department from direct and indirect institutional support, governmental support, and student fees.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

The board needs to know the extent to which the funding for athletics comes from the institution’s general fund, student fees, or support from affiliated foundations or state government, and how such funding comports with board policy. The

board should understand the extent to which funds that might otherwise go to academic programs are directed instead to athletics. Our survey asked how well the board is apprised of several aspects of the financial models for athletics:

**Table 11 – Does the board receive sufficient financial data to monitor the following? (in percentages)**

	Yes, full board	Yes, board committee(s)	No
Revenue flows from television contracts, booster clubs, affiliated foundations, corporate sponsorships, and athletics conferences	32.6	41.8	25.5
Revenues allocated to the athletics department from direct and indirect institutional support, governmental support, and student fees	50.4	39.6	10.1
Self-sufficiency of the athletics department or if it is supported by student fees, state appropriations, tuition, or other institutional revenues	60.4	31.7	7.9
Revenues and expenditures for each revenue-generating sport, including net amount of institutional support	38.4	35.5	26.1

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# Fiscal Responsibility

## Risk Assessment

***“Boards should be certain that clear policies and reporting requirements exist with respect to the finances and fundraising activities of outside organizations. Specifically, boards should ensure that all funds raised by booster clubs and affiliated organizations and expended on behalf of the athletics department are under the clear control of the institution and subject to appropriate oversight by an office of the institution that is independent from the athletics department.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

All boards must understand “risk” as the term applies to intercollegiate athletics. Our survey asked if the institution conducts an annual risk assessment to evaluate the internal controls of the athletics department. While a strong majority of institutions do assess such risk, 14 percent of

responding institutions do not. A few of those institutions that do conduct risk assessment do not involve the institution’s internal audit office, and 14 percent of respondents did not know if the internal audit office is involved in risk assessment involving athletics.

Table 12 – Is an annual risk assessment conducted to evaluate the internal controls of the athletics department?

	Number	Percent
Yes	116	81.7
No	20	14.1
Don’t Know/Not Applicable	6	4.2
Total	142	100.0

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Table 13 – If yes, is the institution’s internal audit program/office of risk assessment engaged in the evaluation?

	Number	Percent
Yes	104	82.5
No	5	4.0
Don’t Know/Not Applicable	17	13.5
Total	126	100.0

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# Fiscal Responsibility

Boards need to take a stand in bringing about a new era of heightened accountability in the domain of intercollegiate athletics. All too often, boards are unclear about the financial model, whether the athletics program is self-sufficient, or whether athletics programs are supported by institutional funds (often derived from student

fees and other sources). In rare but well-known instances, boards have been lax in assessing institutional risks in athletics—with dire consequences for their institutions.

## **Boards must ask:**

- **Does the institution use an understandable and transparent financial model for athletics?**
- **Does the board understand and review the allocation of athletics cost among student fees, revenues from spectator sports, private gifts, and state support?**
- **Does the board objectively consider the balance between athletics and the academic mission of the institution, as reflected in budget decisions? How well integrated are athletics into the fiscal and cultural aspects of the institution?**
- **Are athletics finances assumed under the overall institutional budget? If not, does the board retain appropriate financial monitoring of all revenues and expenses related to athletics?**
- **How transparent is the institution in disclosing the budget for athletics?**

# The Well-Being of Student-Athletes

***“Boards should review graduation-rate data, information on the number and rates of special admissions of athletes compared to the regular student body, and information on the declared majors of student-athletes.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

To honor and exercise the duty of trust, the board must ensure that student-athletes are in fact successful as students. Boards must be attentive to the academic progress of athletes, ensuring that their participation in intercollegiate sports does not negatively affect their progress and success in the curriculum.

Eighty-four percent of the institutions responding to our survey reported that the governing board receives sufficient data to monitor student-athletes’ academic progress by team, and only

about one-third of respondents stated that the board receives sufficient information regarding three other key categories to gauge the impact of athletics participation on student academic progress: the declared majors of student-athletes, the demands of sports on student-athletes’ time, and the number of student-athletes who transfer out of the institution. These three measures lend substance to the academic indicators. Boards need to understand and use them if they are to protect the well-being of student-athletes.

**Table 14 – Does the board or its committees receive academic data sufficient to monitor student-athletes in the following areas? (in percentages)**

	Yes	No	Don’t know
Academic progress (APR) by team	84.3	11.4	4.3
Declared academic majors of student-athletes	32.1	55.0	12.9
Demands on time for sports	36.7	48.9	14.4
Student-athletes who transfer out of the institution	32.1	51.4	16.4
Student-athletes who transfer in from community colleges or other institutions	31.2	52.9	15.9

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# The Well-Being of Student-Athletes

***“Boards should be certain that the intercollegiate athletics program reflects the institution’s academic values and does not detract from or undermine them. Student-athletes should be held to the same academic and social standards as other students...”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

A team grade-point average significantly below that of the student body, a clustering of athletes into less-demanding courses and programs of study, and a pattern of increasing travel and absence by

athletes due to extended playoffs and a change in athletic conference are all indicators of sports participation impeding the academic progress and welfare of student-athletes.

## **Boards must ask:**

- **How thoroughly does the board monitor the grade-point averages, graduation rates, and academic-progress rates (APR) of athletes?**
- **Has the board established policies indicating steps to take if the academic progress of athletes is less than satisfactory?**
- **How fully integrated are athletes in the institution’s curriculum? How do their programs of study compare to those of the student body in general? To what extent do athletes cluster in a set of courses and majors commonly regarded as being less rigorous than the curriculum as a whole?**
- **How does the academic success and graduation rate of athletes, by sport, compare to that of the student body as a whole? What is the relationship between athletic success and academic achievement?**



# Compensation Packages of Coaches

Coaches' compensation provokes inherent tensions between academics and athletics. Respondents were asked if they thought salaries were excessive for football coaches at their institution. Only 14 percent of respondents answered yes to this question, 58 percent said no, and 29 percent did not know. Similarly, only 15 percent of respondents said that salaries of men's basketball coaches

are excessive at their institutions, 82 percent said they are not excessive, and 3 percent didn't know. Respondents were also asked whether the chief executive approves in advance all coaches' and athletic directors' contracts: 86 percent of respondents said yes, and 14 percent said no.

***“Boards should review and approve policies intended to ensure that compensation procedures and practices for the intercollegiate athletics program are consistent with overall institutional standards and practices.”***

***“The board’s compensation committee should ask to review the compensation packages of the athletics director and head coaches of major sports.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

When considering parameters for compensation of coaches, boards should direct careful attention to ensure that those agreements reflect the institution's mission. Boards should also remain mindful of the message that such compensation agreements send to faculty, students, and external constituents about the relative value of sports.

Potentially controversial compensation issues go beyond salary. At many institutions, coaches and other athletics personnel are allowed, or even encouraged, to supplement their salaries with outside sources of income including testimonials, call-in radio shows, and other financial opportunities. One of our survey questions asked whether the chief executive discloses to the board non-standard terms for coaches' and athletic directors' contracts: 74 percent of respondents answered yes, while 26 percent said no. At some universities, the compensation a coach receives can become so deeply embedded in the prevailing

culture that it becomes very difficult for the institution to control.

We affirm that the board must establish a policy regarding a coach's complete compensation package – one that requires a coach to disclose all sources of income beyond the salary earned from the institution. The board should be prepared to stipulate what actions a coach can take to augment compensation from sources outside the institution. Beyond that, a board should ask questions about, and be informed of, the terms of coaches' contracts. If the compensation package seems unreasonable, in itself or in relation to other highly valued employees of the institution, the board must be willing to act in ways that bring the compensation within an acceptable range. A board must be supportive of a president to hold the line against an athletics director's assertion of the need for ever-more costly compensation packages in order to prevent a coach being recruited to other institutions.

# Compensation Packages of Coaches

## Boards must ask:

- Does the board have a guiding philosophy and appropriate policies regarding highly compensated employees? Does the board require use of a contract template for highly compensated employees and its approval of multi-year contracts?
- Has the board satisfied itself that differences between the compensation of athletics personnel and professionals with comparable responsibilities in other units have not negatively affected the academic culture of the institution?



# Athletic-Conference Participation and Realignment

A development that has become increasingly significant since the 2009 “AGB Statement on Board Responsibilities for Intercollegiate Athletics” is the phenomenon of conference realignment among Division I institutions. While it is commonly believed that higher education institutions change conferences entirely on the basis of money, without substantial concern for the well-being of their student-athletes, that is only part of the explanation: The motivation for a change in athletic conference membership also often includes the prospect of greater status through television exposure and postseason play. For some institutions, student-athletes’ longer travel times to games and possibly extended playoff seasons seem to matter less than the chance to showcase the teams — and, by extension, the institution — and the enhanced reputation, prestige, and revenues that result.

Given that the infusion of big money into intercollegiate athletics threatens to distort the academic values of mission-centered institutions, many commentators, academics, administrators, and experts have charged that the increasing flow of money into the institution from conference playoffs has led to institutional exploitation of student athletes, who reap no direct financial benefits from their play and receive only the attention that results from being placed in the

public spotlight. These issues and others mean that the impact of a conference change on an institution’s other, non-revenue sports and teams necessitate policy clarification by the board.

In our survey, we asked whether the chief executive consults with the institution’s board on major policy issues coming before the athletic conference’s governing body. While 69 percent of respondents answered in the affirmative, 27 percent answered no.

Another important consideration regarding a change in athletic conferences that should involve the board is how additional revenues, if any, from media contracts are allocated within the institution. The rationale has often been that if the revenue comes in through athletics, it belongs to athletics to spend for its own purposes. But it is the responsibility of the governing board to determine and state clearly whether those revenues should in fact belong to the institution, to be allocated in ways that advance the most pressing needs in fulfillment of the institution’s mission. The financial landscape of the world economy changed fundamentally in 2008, and universities and colleges today are still defined by those circumstances. The academic mission should come first; higher education institutions of all kinds face the imperative to husband their resources in ways that contribute

**Table 15 – Does the chief executive consult with the institution’s board on major policy issues coming before the athletic conference’s governing body?**

	Number	Percent
Yes	94	68.6
No	37	27.0
N/A	6	4.4
Total	137	100.0

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# Athletic-Conference Participation and Realignment

most effectively to the fulfillment of the academic mission. Given this dramatic change in the financial environment, boards must ensure that the institution directs new revenues from conference participation to the most crucial needs.

Boards must weigh such factors as cost, reputation, the impact on student athletes, and the

ramifications of the decision on other sports at the institution when debating a potential change in athletic conference. A final decision to change athletic conferences should involve the governing or system board to a significant degree, in collaborative review with institutional leadership.

## **Boards must ask:**

- **What are the advantages and disadvantages of current conference affiliations?**
- **What factors are driving consideration of changing conferences? Will a change in conferences be in the interest of student-athletes?**
- **Who is involved in the decision about conference membership? Has the president been central to the decision? Has the board been consulted in the deliberations, and has it given approval to the decision?**
- **How will a change in conferences affect financing of the athletics program? How will the institution fund additional expenses or allocate additional revenue?**

# Self-Study and Certification of Compliance with Conference and NCAA Regulations

Fiduciaries must account for their stewardship. One of the most important acts that a governing board can perform to ensure the integrity and academic-mission alignment of an athletics program is to engage in the compliance processes for annual certification by its athletic conference and with NCAA regulations. Our survey found that of all the information that boards receive to prepare for oversight in intercollegiate athletics,

boards feel least well prepared to oversee their institutions in terms of NCAA rules applicable to governing boards. While 35 percent characterize their boards as *very well prepared* and another 36 percent as *somewhat well prepared* in this respect, 29 percent of respondents characterized the board's preparation to oversee compliance with NCAA rules as either *neutral*, *somewhat poor*, or *poor*.

***“Boards should review and discuss results of the NCAA institutional self-study and certification processes...Boards should review and monitor the institution’s plans to ensure gender equity...Boards should insist that NCAA rules and regulations relating to the time demands placed on student-athletes are met in spirit and in practice.”***

— “AGB Statement on Board Responsibilities for Intercollegiate Athletics” (2009)

Table 16 – Does the board receive the athletics program financial reports prepared by the institution and submitted to the NCAA?

	Number	Percent
No	49	35.8
Yes, board committee(s)	49	35.8
Yes, full board	39	28.5
Total	137	100.0

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In our survey, we asked if the board receives financial reports concerning the athletics program, which are prepared by the institution and submitted to the NCAA. More than one-third of the respondents answered that the board does not receive such reports.

# Self-Study and Certification of Compliance with Conference and NCAA Regulations

When asked if the board has reviewed and discussed the results of the most recent institutional self-study and certification process, 59 percent of chief executives responding said yes, while 27 percent had not, and 14 percent did not know.

We recommend that governing boards actively participate in the process of certifying the institution's compliance with NCAA and conference regulations. The board's engagement in this process ensures that the financing and operations of athletics have been subject to the full rigor of review by the board of trustees. We commend the Atlantic Coast Conference for their three-step board certification process and recommend it as an example for others to follow:

1. The board receives training in what it means to certify compliance with the regulations.
2. After completing training and reviewing the certification data, the governing board in full session makes a motion for the chair to sign the compliance statement in open meeting.
3. The board chair signs the statement in the presence of the full assembled board. (*A model statement is provided in the Appendix.*)

Ultimately the board bears final responsibility for ensuring that the institution complies with the principles of certification established by the athletic conferences or NCAA. These three steps ensure that a board's role in the certification process constitutes something more than perfunctory approval. Through these actions, the board publicly affirms its commitment to ensure that the institution is in compliance not just with the formal requirements of an external agency but also with the spirit of the academic mission, which conceives athletic participation as part of a student's educational experience at college. This process is valuable for its educational and symbolic import, which impresses on board members the weight of responsibility they accept in certifying the institution's compliance with external standards of participation in intercollegiate athletics.



# Self-Study and Certification of Compliance with Conference and NCAA Regulations

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## **Boards must ask:**

- **Has the board or a key standing committee familiarized itself with the terms of compliance with conference and NCAA regulations?**
- **Has the board reviewed the data that the institution has prepared for submission as part of the NCAA certification process? Has it satisfied itself of the accuracy and completeness of the information?**
- **Has the full board moved to have its chair sign the certification agreement on behalf of the institution?**



# Intercollegiate Athletics in Public University Systems

Many public universities competing in Division I athletics are part of state university systems. In such cases, the weight of authority and decision making with regard to athletics tends to reside mainly with the individual campuses and their presidents. That reality gives rise to several key questions: How do the responsibilities of a system board compare to those of an individual institution? How should a board which oversees many institutions, which may have different missions and participate in different athletics divisions and conferences, exercise its fiduciary responsibilities for athletics?

Though the scale and complexity of systems can be extensive, this does not relieve system boards of the responsibility to provide informed oversight of intercollegiate athletics. For the same reason that boards of individual universities and colleges need a clear understanding and oversight of athletics at their institutions, a system board must be attentive to the policies and practices for athletics within the system as a whole. At the same time, the system board must support the unique role of the system head and his/her responsibility for the president or chancellor of each campus. Toward this end, a key question for system boards is the degree to which athletics should be delegated to campus presidents and local boards (if any), and the respective roles of the system head and system board in ensuring the integrity of athletics.

A system board should establish clear policies concerning intercollegiate athletics in ways that are consistent with its other oversight responsibilities. A system board must also take steps to ensure that it is informed about the financial health and operational integrity of intercollegiate athletics across its campuses.

The range of actual practices, however, is great, as AGB's survey results demonstrate. Some respondents who serve as presidents of institutions in public university systems thought the questions in our survey were not directly applicable to a system structure; in their cases, their governing boards play a very limited role in the oversight of athletics. Meanwhile, other respondents indicated that their state university systems have set in place high expectations for student-athletes, clear policies, and clear reporting requirements. Input from the AGB project advisory group assisted in shaping the thinking and recommendations included in this study. It is clear that a system board, working in collaboration with the system head, must establish its appropriate level of authority and accountability for this area of oversight.

We commend the steps taken recently by the University System of Maryland (USM) to reaffirm and enhance its governing board's role in reviewing and approving the operation of athletics within its system campuses. Prompted by concerns about the financing of intercollegiate athletics and the academic progress of students, USM undertook a thorough review of intercollegiate athletics at each of its institutions.

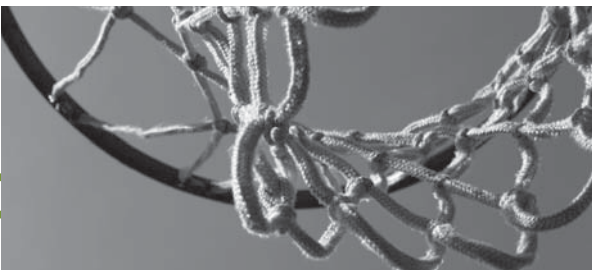
The resulting white paper, "The University System of Maryland Board of Regents' Oversight of Intercollegiate Athletics Programs," (2011) offers useful insights for public university systems to consider. For example, the paper's authors assert that the system board should delegate authority to each campus president, who should then report through the system's chancellor and to the system governing board. The system chancellor and board must then continually monitor and approve the functioning of intercollegiate athletics at their

# Intercollegiate Athletics in Public University Systems

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institution, and should receive regular reports regarding their institution's financing of athletics and the academic progress and success of athletes. The white paper also endorses a process in which the system chancellor and board review the contracts of coaches and athletic directors.

The fundamental message of the paper is that oversight of athletics from the system level must be consistent with a system's treatment of academic programs and other areas of oversight. Inherent in the review process outlined by the authors is the premise that funds intended for academic purposes cannot be diverted to athletics departments on system campuses. Their recommendations can help ensure that athletics retains their integral link to the academic mission of each campus and the system as a whole.



Since its founding in 1906, the National Collegiate Athletic Association (NCAA) has overseen intercollegiate athletics. During the past three decades, in particular, the NCAA has endeavored to ensure that intercollegiate athletics remain central to the academic purposes of colleges and universities. In its efforts to provide a framework of rules and procedures to safeguard sportsmanship and fair play, however, the NCAA Division I rule book has expanded in response to specific infractions to more than 400 pages.

While the NCAA describes many aspects of athletics competition in explicit detail, it is remarkably reticent in attributing governance responsibility for athletics to the governing board of individual universities and colleges or to system boards. The handbook states only that “[t]he institution’s governing board provides oversight and broad policy formulation for intercollegiate athletics in a manner consistent with other units of the institution,” and that “[t]he chancellor or president is assigned ultimate responsibility and authority for the operation, fiscal integrity, and personnel of the athletics program.” [NCAA Rule Book, Bylaw Article 22.2.1, p. 368]

While those principles do identify the fundamental responsibility and authority of the board and president, the sparseness of the statements within the profusion of rules allows the key points to be easily overlooked. We urge the NCAA to include stronger and more extensive statements about the responsibility of governing boards for intercollegiate athletics policy and oversight in their institutions. The responsibility for athletics, especially in Division I and as it relates to revenue-generating sports programs, constitutes an important part of the duty of trust that governing boards must

assume in accepting their fiduciary responsibility. The NCAA should give greater prominence to particular aspects of the board’s responsibility by focusing on the policymaking role of boards, the accountability of boards for authority delegated to presidents, and the board’s responsibility for establishing high standards, setting and reviewing key performance indicators, participating in the certification process, and overseeing contracts for highly compensated personnel.

When asked to identify changes needed in intercollegiate athletics, many survey respondents took the opportunity to voice frustrations about the NCAA. Among the themes repeatedly voiced were calls for the NCAA to speed up enforcement proceedings and impose penalties in a timely way, simplify rules and get out of the weeds of minor infractions, more equitably share revenue from media contracts, control the corrupting influences of money on sports, and exercise greater authority over postseason play. These suggestions from our survey respondents cast in sharp relief the need for the NCAA to apply its high standards to its own operations and to become more effective in its enforcement of major infractions against ethical practice in athletics.

The NCAA should recognize in its rule books boards’ responsibility for ensuring that participation in sports does not impede the academic success or well-being of their institutions’ student-athletes. Furthermore, NCAA rule books should recognize the responsibility of boards to review and certify the integrity of the financial model that funds athletics, paying particular attention to ensuring that cross-subsidies that support athletics neither detract from academic programs nor impose inordinate fees on students — charges

# The NCAA

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that contribute to the escalating cost of higher education. Finally, NCAA rules should clarify standards of conduct regarding intercollegiate athletics for members of governing boards and articulate its expectations for board members to inform themselves and comply.

Perhaps the NCAA, in its failure to clarify the role of board oversight of athletics, also fails to recognize where institutional authority ultimately lies.



# Recommendations

We present this survey analysis with the knowledge that no single publication or series of recommendations will bring about a transformation that restores the integrity and reputation of intercollegiate athletics – particularly the revenue sports of Division I. We nonetheless stress the need to address the financial challenges associated with college sports, to ensure the link between intercollegiate athletics and academic priorities, and to reaffirm standards and ethics in college athletics. Colleges and universities need more-comprehensive and better-informed collaborative policy making between governing boards and their institutions in an area where boards have had a mixed report card, limited engagement, and a unique degree of interest. Good governance reconciles delegated authority, shared responsibility, and board accountability. Finally, this study and its recommendations are offered in the name of protecting higher education's values and preserving colleges and universities as places of learning.

The balance between athletics and academics cannot be maintained unless the governing board firmly establishes a basis of policy and accountability for keeping that balance intact. Accordingly, we make three primary recommendations to governing boards:

1. **The governing board is ultimately accountable for athletics policy and oversight and should fulfill this fiduciary responsibility.** As the fiduciary body of the institution, the governing board bears responsibility for establishing a policy framework governing athletics. The board must act on this authority, establish high standards for transparency and ethical standards, and hold

itself and the institution's chief executive accountable for the implementation of those policies. Even the most effective administrators cannot succeed in regulating athletics without a clear framework of institutional policy to define the boundaries. Effective oversight requires that the board inform itself about the athletics program—including risks and challenges—and engage in policy questions that address those issues. While the board delegates management of intercollegiate athletics to the chief executive, it must recognize its ultimate responsibility.

2. **The board should act decisively to uphold the integrity of the athletics program and its alignment with the academic mission of the institution.** Policies that define the administration of athletics programs should be consistent with those for other academic and administrative units of the institution or system. The athletics program should be functionally integrated into the administrative structure and philosophically aligned with the mission of the institution. Boards should have a process in place to review contract agreements for highly compensated athletics personnel, financial information concerning athletics, and indicators of the academic progress and well-being of student athletes. The governing board should be informed of and consulted on issues related to conference membership, have final review of data ascertaining compliance with NCAA and conference regulations, and, on an annual basis, publicly certify that the institution is in compliance.



# Recommendations

- 3. The board must educate itself about its policy role and oversight of intercollegiate athletics.** The governing board of the institution must act intentionally to increase its collective span of knowledge concerning athletics. Also, each board member should be aware of the standards of behavior and regulations that apply to them individually. New board members, as part of their orientation, and all board members, ongoing, should be informed about the business and challenges of intercollegiate sports, risk assessments, pertinent NCAA and conference rules, Title IX and other federal regulations, and the progress and well-being of student athletes. The board must be aware of the balance between appropriate oversight and involvement in institutional policy and intrusion into management prerogatives—an especially important understanding for effective oversight of intercollegiate athletics.

The findings of our survey and insights of our advisory group have strengthened our conviction that the presence of administrative or managerial oversight alone is not sufficient to counter the forces that cause athletics to equal and even overshadow the academic purposes of an institution. Boards are the natural agents to provide that presence because of the fiduciary responsibility they have for their institutions. There must be a framework of policy and a system of accountability to provide boundaries for athletics in universities and colleges.

It is not appropriate for governing boards to be directly involved in day-to-day operations and decisions. But the board must provide oversight

and satisfy itself that the athletics program operates with integrity, a distinction that can be both challenging in practice and essential to good governance. Acting as a unified governance body, the board must bring a high degree of awareness and engagement in carrying out its fiduciary responsibility with regard to athletics. Boards need to have a clear sense of responsibility that recognizes both the board's authority and the limitations of its authority over athletics.

It is equally important for the board to understand the distinction between public interests and any unique or private interests its members may have in athletics. In accepting its corporate responsibility for the fiduciary health and integrity of the institution, boards must rise above the culture that makes people fans of athletics. In matters of athletics, “everyone is an expert.” Board members have the right – and the responsibility – to make the judgments that others do not have to make regarding athletics. When trustees come to believe the kinds of opinions that fans of the team express in a state of pitched excitement – that “the coach is an idiot,” “the player is incompetent,” or “the university is ruined because the team is losing” – boards are not able to do their work.

When all is said and done, boards must function at a higher level of awareness and judgment. The growing sense of urgency in this matter stems from the fact that Division I athletics are a very visible part of the higher education landscape. If policy makers, students, parents, and the general public come to perceive that big-time intercollegiate athletics are a sham, that the rules are slack and money is the prime mover, the danger is that all of athletics – and all of higher education – will suffer. Part of what boards need to develop is the

# Recommendations

ability to think beyond the passion and emotional exaggeration that characterize an athletics fan. There is a need for board awareness, education, and engagement that allows a board to maintain a clear grasp of the issues.

While our focus and primary recommendations are to university and college governing boards, we have summary advice for presidents regarding working with their boards on athletics and offer the following recommendations to *presidents, system boards, and the NCAA*:

## To Presidents

- *Impress on board members the need for the board's support in designating the chief executive as the officer who is responsible for athletics at the institution. A president who has the explicit public support of the board is much better positioned to deal straightforwardly with athletics in an institution – and to deal in particular with potentially damaging issues that may arise.*
- *Establish with the board the information it should receive to monitor institutional performance and that of the president. Ensure the timely consideration of policy matters with the board.*

## To System Boards

- *Maintain sufficient oversight at the system level to ensure that the fiscal and programmatic integrity of athletics at each institution aligns with principles of responsible governance across the system as a whole.* System boards can and should establish appropriate policies, set high expectations for good conduct, and request and review key data regarding the financing of athletics and the academic progress of athletes at each institution within the system. System boards should also carefully consider decisions

regarding the divisions and conferences in which its institutions compete.

## To the NCAA

- *Include in the NCAA rule book stronger, more detailed statements about the responsibility that governing boards have for intercollegiate athletics in their institutions.*
- *Take a stronger stance in addressing major violations and the root causes of infractions, and support institutions in making changes in a fundamental and sustained manner.*

# Restoring the Balance

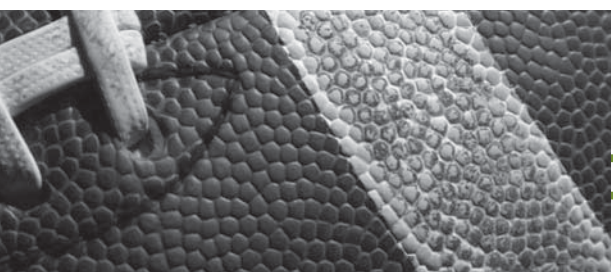
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We are not naïve in issuing this renewed call for enhanced board engagement in intercollegiate athletics. We don't pretend that our recommendations are easy to implement. Beyond the ethos of colleges and universities themselves, there are cultures of popular and political support that have become deeply interwoven in the fabric of intercollegiate athletics in many settings. Any action to call the increasingly independent trajectory of athletics to account can expect to encounter strong resistance from many quarters where public support for athletics may overshadow support for the institution itself.

Yet the urgency to act remains. Ensuring that student-athletes are successful students is essential to deflect the suggestion that intercollegiate athletics be re-designated as professional ventures. The more that higher education institutions exhibit behaviors and motivations befitting

a for-profit enterprise rather than a mission-centered institution of higher education, the more pointed the questions become about the extent to which these institutions exist to serve the nation's educational purposes – and the more willing policy makers may become to consider seriously the possibility of revoking the tax-exempt status of higher education institutions or isolating the “unrelated business income” of their athletics programs.

Given the continued disproportionate growth of athletics relative to other purposes and programs, our concern is that if boards do not act to ensure an appropriate balance between athletics and academics in our higher education institutions, policy makers or others will do it for us.



## Governing Board Certification Form Academic Year 2012-13<sup>1</sup>

As Chair of the Governing Board of the [University/College/System], I attest that:

1. The board has had its annual education session on rules of the NCAA and [insert conference] and its obligations under them.
2. Responsibility for the administration of the athletics program has been delegated to the chief executive officer of the institution.
3. The chief executive officer has the mandate and support of the board to operate a program of integrity in full compliance with NCAA, [insert conference], and all other relevant rules, regulations, and laws.
4. The chief executive officer, in consultation with the faculty athletics representative and the director of athletics, determines how the institutional vote shall be cast on issues of athletic policy presented to the NCAA and the [insert conference]

Date Presented to the Governing Board: \_\_\_\_\_

Signed: \_\_\_\_\_  
Chair of the Governing Board

Signed: \_\_\_\_\_  
CEO of Member Institution

*Please submit the completed form before October 31, 2012 to: [insert commissioner and mailing address of the intercollegiate athletics conference]*

<sup>1</sup>. Adapted by AGB from the Atlantic Coast Conference, Governing Board Certification Form, 2011-12.



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