Thank you, and welcome to Indianapolis and the NCAA national office. We are pleased to host a portion of this important gathering, and I am especially pleased to be included in your program today.

The schedule before you over the next three days is a full and interesting one. I commend your interest in discussing issues around the role and current status of intercollegiate athletics. The moment is right for your discussion, because college sports, in my view, is at a crossroads. It is that crossroads which I want to discuss with you today.

Before I do so, I want to make sure we have a common understanding of what the NCAA is and the role it has within intercollegiate athletics. This is not as easy as you might think. There are some obvious facts about the NCAA. For example, there are three divisions of membership – Divisions I, II and III – and three subdivisions of football in Division I. More than 360,000 student-athletes will participate in college sports this academic year, and more than 44,000 of them will compete in the 88 championships sponsored by the NCAA in 23 different sports. These are the essential data, but they do not really define the NCAA.

But, one of the facts that has become surprisingly apparent to me since assuming the position of NCAA president is the confusion that exists with regard to what the Association is and what it is supposed to do.

It is an oversimplification to just say that the NCAA is an Association, and yet that is critical to understanding the organization. As an association, it is membership driven, self-governed and self-policing. Although the nearly one thousand institutions are all four-year, degree-granting colleges and universities, there is little homogeneity among them. The budgets, missions, philosophies and levels of support are myriad.

Even within the three divisions, there are great and dividing differences among the members. The budgets within Division I, for example, vary from less than a million dollars to more than $80 million. That is a profound gap to overcome for some 300 institutions trying to compete with a level of equity.

Even more confusing to the NCAA membership and the public alike is the difference between the NCAA as a national office and the NCAA as an organization – an association. We are engaged in the most comprehensive strategic planning ever undertaken by the NCAA. Last week, we brought together a cross-section of constituents to provide feedback on such things as core purpose and values, as well as overarching and short-term goals. I was struck by the continued dialogue that took place about where the role of the NCAA as national office ends and the role of the NCAA as an association begins.

The confusion is even more pronounced for the public and media. As the sensational and sometimes truly scandalous events of the last few months unfolded, there were increasingly strident expectations that the NCAA national office and I, as president, should exert authority to set things right. In fact, the Association, the national office and the NCAA president have no authority other than that explicitly granted by the membership. That is a critical concept. The NCAA is not an all-powerful presence and the NCAA president is not the omnipotent czar of intercollegiate athletics.

But, I do have the bully pulpit, and I can help set the national agenda, as I am doing now.

For good or ill, the NCAA is an association that acts only after considerable deliberation, reflects the majority will of the membership and authorizes the national office to execute its decisions. The member institutions retain far more autonomy over their athletics programs than they cede to the NCAA.
But as the Association approaches its centennial in 2006, I sense that we also are approaching a crossroads. A neutral observer of intercollegiate athletics in 2003 would see a confusing picture. In some ways, college sports has never been more popular or in better shape.

- College football will likely set new attendance records again this fall, and there are more football games on television than ever before.
- Athletics participation for women has grown by 400 percent over the last 30 years, and it continues to increase.
- College basketball has created one of the true premier sporting events in the world – the Division I Men’s Basketball Championship that culminates in the Final Four.
- Revenues are greater than ever before, and fan support of intercollegiate athletics steadily increases.
- Graduation rates for student-athletes have been rising and in 2002 are at an all-time high.

Visit any college campus this fall where college sports are conducted, and you will find vitality and excitement on campus. Alumni and fans will throng to sporting events to support their teams. Campuses across the country have come to appreciate the exposure athletics brings to the college or university.

But the neutral observer would also read and hear about a disturbing set of facts that confront college sports.

- If revenues are at an all time high, so are costs. As a whole, intercollegiate athletics on all campuses combined brings in about $4 billion annually in revenue, but spends in excess of $5 billion.
- And while graduation rates for student-athletes on average are improving, the rates for football and especially men’s basketball in Division I are below those of the general student body.
- We have witnessed a series of scandals on a major scale over the last several months. Coaches have been acting badly in ways that damage not only the integrity of their own profession, but the credibility of college sports and, indeed, all of higher education.
- State legislatures are debating bills designed to address what they see as inequitable treatment of student-athletes, including in some cases, pay for play.
- Charges of academic fraud among student-athletes continue to plague some of the best institutions of higher education in the country.
- And the concept of amateur athletics within intercollegiate athletics appears to be an untenable principle in the face of million-dollar coaches, multi-million dollar budgets and facility expansions that could easily finance an entire academic department.

So, we are at a crossroad.

In one direction is the revitalized support and integrity of the collegiate model of athletics. In the other direction is a steady shift toward the professional model of athletics.

The former – the collegiate model – is educationally based. The professional model is profit based. This is the critical difference between the two, and for many, the line is being blurred.

Don’t misunderstand; there is nothing wrong with professional athletics. We know from our research that the American public enjoys and will support professional athletics. They accept the hype and understand what the motivation is for the athletes.

But that same research also reports that the American public enjoys and supports the intercollegiate model and they do not want it to move toward the professional approach. What they like about intercollegiate athletics is the
educational environment. They appreciate and value the connection between athletics participation and academic mission.

The tag word most often associated with the collegiate model is “amateurism.” College sports is supposed to be the last bastion of amateur athletics. In the minds of many, our institutions of higher learning are supposed to be defenders of this noble concept, the purity of sport-for-the-love-of-sport.

Others see amateurism so defiled by what they assume are the engorged profits of big time college sports that they call for an end to the sham. They argue that we should just pay the student-athletes to play and be done with it.

I reject both positions. Amateurism in practice was never as noble and pure as some would claim it should be. As much as anything, the concept as applied to sport was an elitist notion designed to perpetuate class distinctions. The sanctimonious baggage associated with amateurism has raised expectations of conducting college sports without revenue, which is an impossible goal.

I emphatically reject the notion that we should pay students to play sports. It is both impractical and philosophically wrong.

What I support – and encourage you to do the same – is the intercollegiate model of sports. This model is firmly grounded in the education of students who participate in athletics. This is our target and should guide how we conduct intercollegiate athletics. If we fail at this, we fail at the notion that athletics should be associated with the academy at all.

I am unbendable on this point. The education of students must be our first priority.

How are we really doing?

Better than most believe, but not well enough. Significant academic reform has taken place since the early 1980s. These began with what has come to be known as Prop 48. Prop 48 set new standards in Divisions I and II for determining freshman athletics participation eligibility based on a combination of successfully completing a selection of high school academic core courses and results on standardized tests.

There have been refined iterations since then, and we have seen positive results in general as measured by the federally mandated graduate rate. The graduation rates of the last two years have been the most encouraging.

If fact, the class that graduated in 2002 showed the average rate for all student-athletes at all Division I schools as 62 percent – the highest in the dozen years the Department of Education has been collecting the data. That 62 percent is three percentage points higher than the general student body average in Division I.

Women and minorities are doing significantly better than their counterparts in the student body – 8 and 13 percentage points better, respectively. Football players in Division I graduated at a rate of 54 percent, somewhat under the 59 percent average for the student body and only a little under the 56 percent for other males in the student-body.

But male basketball student-athletes in Division I graduated at 44 percent, significantly under the average for the student body or even males in the student body.

The most discouraging news over the last dozen years has been the declining graduation rate of African-American male basketball players in Division I-A – the most visible level of college sports. The 2002 data shows a 10-percentage point increase for this group. BUT, the increase is from 28 percent to 38 percent -- a completely unacceptable graduation rate even if it is better than African-American males in the Division I-A general student body.

We are making progress, but there is more to do. These improvements are the result of more than two decades of concentrated academic reform. Initial-eligibility standards, the criteria for being able to play when entering the institution, have steadily increased since the mid-1980s with the current emphasis on the use of academic core
courses in high school as a predictor of success for student-athletes as freshmen. The number of core academic high school courses has increased from 11 to 14. Because of recent action by the NCAA, it will increase again to 16 in 2008. There is no question that this has raised the bar for high schools as they prepare student-athletes for college-level work.

The NCAA membership has also adopted a new approach to academic reform for enrolled student-athletes. In the past, we called these standards continuing-eligibility requirements, which frankly were focused on keeping student-athletes eligible. They have been replaced with progress-toward-degree requirements that put and keep student-athletes on a track to graduation. Genuine progress toward a degree must be made semester by semester.

These requirements are based on empirical data – the best database on academic progress ever available to us. We know what the data looks like for students who are on track to graduate, and student-athletes will either fit this empirically based profile for graduation or they WILL NOT COMPETE.

These are significant steps toward sustaining the collegiate model for athletes – the education-based model. This is the road we should be traveling down.

The next important step in the academic reform effort is passage of an incentives-disincentives package that provides a measure of institutional accountability for the academic success of student-athletes that has never existed before. In a number of ways, this part of the reform package is the pinnacle for the current approach.

This initiative directly ties the academic success of student-athletes to the ability of member institutions to benefit fully from the revenue distribution and other incentives OR be penalized with loss of scholarships or championships participation opportunities as disincentives. This package will go the membership for review in October and will be before the Division I Board of Directors next April for final approval.

I am encouraged about these current and future academic reform efforts. Much of my optimism comes from what has been accomplished to date and from what I see as a confluence of interests in assuring that the effort is sustained.

There has been nearly universal support of the academic reform efforts, including an alliance of representatives from the NCAA, the Association of Governing Boards and the faculty-based Coalition on Intercollegiate Athletics who met in Chicago during April to endorse the initiatives. You will hear from representatives of both the AGB and the Coalition later today as they share their perspectives, but the significance of the alliance is that academic reform in college sports is taking hold.

We are also at a crossroads with regard to student-athlete welfare issues. The degree to which we keep student-athletes central to how we conduct intercollegiate athletics helps set the collegiate model of sports apart from the professional model. Again, there has been success. For example:

After a troubling pre-season football workout period two years ago when three student-athletes died under alleged heat- and training-related circumstances, significant changes were made this year to help acclimate football student-athletes to late summer practice sessions.

We are re-examining the time commitments for student-athletes to ensure that they have opportunities to be college students not just in the classroom but with regard to the full campus experience.

We have passed legislation to provide health insurance anytime student-athletes are practicing or competing under supervision of athletics personnel.

You may also have read that I support increasing the amount of an athletics scholarship to the full cost of attendance. Let me say again that I am categorically opposed to pay for play. But if we are to support the educational-based model of athletics in higher education, we must adjust the financial aid of student-athletes with the times. And it is time to ensure that athletics scholarships ensure that student-athletes can fully partake of the collegiate experience. One potential source for some of these funds is the three-quarters of a billion dollars that the NCAA will provide to institutions from the long-term CBS and ESPN contracts for the direct benefit of student-athletes.
The collegiate model of athletics is also at a crossroads with regard to expectations for how coaches and others conduct themselves.

Since the first of the year, there has been a string of violations, unethical behavior, peccadilloes and disturbing scandals. These events impugn the reputation of coaches, the stature of college sports and the integrity of higher education. I am convinced that the vast majority of coaches are doing their job well, in an ethical and professional manner. But a few are obviously not.

Contrary to what is reported in the press, there is also something quite positive taking place. College presidents and athletics directors have stepped up to investigate the allegations, take swift action to rid their programs of these bad actors, and set new courses for accountability-based standards. The National Association of Basketball Coaches will hold a summit of its members October 15 to express their concern and announce an action plan for addressing the misbehavior of basketball coaches.

I see all this as a good sign. There was a time not long ago when some campus leaders – including some presidents and ADs – would have been more interested in damage control than rectifying the problem. But, the rules have changed. The expectation for coaches to comport themselves in a manner appropriate for a representative of the university has risen. It may be that these higher norms of behavior have resulted from the greater visibility due to large compensation packages of a few coaches. The spotlight has become brighter, and the level of tolerance is lower.

A year ago, when the NCAA Executive Committee hired me to become the chief executive officer of the Association, I said I was an advocate for the values that characterize college sports. I also said I wanted to integrate intercollegiate athletics into the academic mission of the university. After nine months on the job, I am even more convinced of both positions.

The values of participation in college sports – teamwork, self-discipline, pursuit of excellence, learning to lose and win with grace – are important character-development tools that educate us all. Student-athletes are the prime beneficiaries of this developmental education; but all students gain from being exposed on campus to this approach. These values are worthy of preserving and supporting. They are a significant component of the relationship between athletics and education.

One of the ways we ensure that the intercollegiate model of athletics – the educational-based model rather than the vocation-based model of professional sports – will be sustained is mainstreaming athletics into the university. Some institutions have done this already with good results – the University of California-Berkeley and the University of Notre Dame are two examples.

Most institutions, however, have steadily moved athletics away from the university’s other units. The estrangement of athletics from academics on the campus is not a new problem. We can find evidence of concern about the role of college sports within the university as long ago as the 1920s. It also is not confined to so-called “big-time” college sports. William Bowen, head of the Mellon Foundation and former Princeton University president, has discussed the separation of both the athletics department and the athletes themselves from their counterparts on campus in his groundbreaking book, The Game of Life. In his just-released sequel, Reclaiming the Game, he examines those relationships within Division III institutions.

But because of their high visibility, intense media coverage and size of budgets, it is the Division I programs where the separation between athletics and academics has become the most apparent. Here is where the charges of creeping commercialism and profiteering professionalism are made.

It is also here where the “principle of self-sufficiency” has been institutionalized in the Division I philosophy statement. The statement declares that athletics programs in Division I should be as self-sufficient as possible.

If you view athletics as a solely ancillary enterprise, devoid of standing or contribution to the academic mission, and an entertainment function to distract alums and fans, the statement makes sense. In fact, it will be perceived as commendable by those who want to place athletics as far outside the academy as possible.
But it doesn’t work. It doesn’t work on either a practical or philosophical basis.

From a practical point of view, it becomes less successful with each passing academic year. Fewer and fewer Division I institutions generate revenue from athletics sufficient to cover their costs. It is claimed that only about 40 programs in the entire nation have revenues that exceed expenses when institutional subsidization is removed.

When all costs are factored in, the real number may be as few as a dozen or so. The rest are not only not self-sufficient, but the amount of subsidization has been steadily increasing. In Division I on average, the shortfall is approximately $2.2 million annually and rising.

Self-sufficiency also does not work philosophically. Athletics departments have increasingly looked to outside sources for new revenue streams – corporate sponsors or large endowments. They have expanded stadiums and arenas to improve gate receipts, and built larger facility complexes to accommodate increased demand for participation opportunities. In the process, they have less reason to understand and relate to the university’s academic mission, less involvement with campus-wide strategic goals, and more reason to isolate themselves both physically and emotionally from the rest of the campus.

Increasingly, athletics at the Division I level have become a bottom-line enterprise that fails to meet even the most rudimentary profit-and-loss test and increasingly are failing to be perceived as advancing the cause of higher education.

The solution, in my view, is to utilize normal university budget controls in the case of athletics. The result may or may not be smaller athletics budgets. But the same system of priorities and controls that obtains for the rest of the university will ensure that athletics expenditures are producing values for the students and the campus.

The principle of self-sufficiency, and with it autonomous budgets, has led to decision-making based on anecdote, isolated success stories, and assumptions that cannot be supported by empirical data.

Earlier this summer, the NCAA released the initial results of a study commissioned by the Division I Board of Directors to examine the effects of spending in college sports. You will receive a full report this afternoon on this study from Dr. Peter Orszag, a Brookings Institution fellow and one of the study’s researchers and authors. I will leave the details of the report for Dr. Orszag to present this afternoon, but allow me to touch on some crucial points.

The good news from the report is that intercollegiate athletics is not the tail wagging the dog. In fact, athletics spending is largely in line with schools or larger departments on campus. On average, the operating budget for athletics is about 3 to 4 percent of the entire university budget. This is not news to university presidents. College sports are not leading the university down the path to financial ruin.

A number of the results of the study are myth-breaking. For example, there is no correlation between increased spending and increases in winning or between increased winning and increases in net operating revenue. One new dollar spent in the operations budget results in about one new dollar of revenue. That is, the return on investment of increased spending is zero.

Does it hold, therefore, that spending can be reduced without risk to athletics programs? No. What it does mean is that decisions to increase spending as a way to increase wins or revenue – or alumni and fan giving, for that matter – have been made more on assumption than empirical data.

In my view, the value of athletics to the institution is more in terms of the student-athlete experience, and pride and community building than in generating excess revenues. There is value in the character traits developed through athletics both in terms of the participant and students and other members of the campus community who follow athletics.

Now what is your role – the role of faculty – in helping the university conduct college sports – under the unique collegiate model of athletics?
Historically, faculty has taken one of several approaches. For those with little or only passing interest in college sports, the choice has been to either remain above the fray and say nothing or skirt below the radar and deliver jabs occasionally to the body athletics. For those who have trained their critical eye on the enterprise with research and writing, the result often is to paint with too broad and too dark a brush, portraying collegiate athletics as the bane of the academy. Most of these critics either want to eliminate college sports or capitulate and turn them into professional leagues.

I propose an alternative approach... based on personal experience.

As a university president and now as president of the NCAA, I have had the opportunity to observe intercollegiate athletics up close and personal. I have had the good fortune to follow a Division I basketball team to the pinnacle of success – the Final Four, in fact, to the championship game. I knew the players and understood their commitment both to athletics and to education as a university student. They worked hard and they achieved much.

As president of the NCAA, I have also had the opportunity to attend other championships, including the Division III track championship last spring. I paid particular attention to the high jump event and watched as two student-athletes battled to the final jump, urging each other to new heights and sharing both the joy of success and the disappointment of finishing second. In their competition and camaraderie, they represented all the values we associate with participation in sports.

I believe most student-athletes are like those I describe. They are students who have the skills and desire to compete athletically, understanding their good fortune to be able to do both. Their academic experience has been enriched by their athletics participation.

I believe most colleges and universities are committed to the education of students and also to providing athletics participation opportunities to those with the skills and desire. Most coaches, in my opinion, want their teams to achieve in the classroom, as well as the field or court.

Here is the approach I recommend to you. I challenge you to reconceptualize the value of intercollegiate athletics on the college campus. Educate yourself and your fellow faculty members to the role athletics can play in shaping the collegiate experience. Engage in the effort to move college sports toward its full potential as a contributing unit in the higher education mission.

In my view, faculty must take a leadership role on academic reform issues. The good news is that I see this happening. Faculty involvement through campus athletics committees, faculty athletics representatives and the Faculty Athletics Representatives Association has historically been the pressure point where institutional faculty could assert their influence. That has been an important contribution and has been especially effective over the last 20 years as academic reform progressed from the earliest efforts to the most recent set of standards.

But there are other signs of faculty involvement on a broader basis. The Coalition on Intercollegiate Athletics, which consists of Division I-A faculty governance leaders, recently organized itself to address these issues. In a seminal meeting this past spring in Chicago, the Coalition joined with the Association of Governing Boards and the NCAA to form an alliance dedicated to the support of ongoing reform. I sincerely hope that this alliance will become part of the foundation for addressing issues on a campus-by-campus basis.

Faculty members are also especially important in the effort to integrate intercollegiate athletics with the academic mission of universities. It will be critical to partner in this effort with athletics directors, who are both knowledgeable and have responsibility for the operations of college sports. Clearly, too, the presidents are key to accomplishing the goal. I expect that there will be resistance from both the athletics and academic community to these changes, but re-establishing an education-based nexus between athletics and the academics is crucial if we are to sustain the collegiate model of sports.

Intercollegiate athletics is a unique enterprise worthy of your attention and certainly worth preserving. I recommend that you become advocates for academic reform in college sports, certainly, but also become advocates for the role of intercollegiate athletics as a full contributing partner in the collegiate experience.
Thank you.