

October 21, 2014



BIG 12 FORUM

JIMMY ROBERTS: Good afternoon, everybody. This is the second in a series of forums on college athletics organized by the Big 12 Conference. I'm Jimmy Roberts of the NBC Sports Group. Thank you for joining us today here in Washington, D.C., online, and on C-SPAN, as well.

The numbers in college sports are staggering. That could easily be something we're talking in terms of points scored or yards gained or any one of a number of things that are measured quantitatively. Attendance, participation, and money.

According to filings with the Department of Education in 2011, the most recent year for which the numbers are available, college sports combined to generate more than \$12.6 billion. Last year the University of Texas alone took in more than \$165 million. ESPN is paying in excess of \$600 million a year to televise the new College Football Playoff system over the next 10 years. The price tag for the NCAA basketball tournament, March Madness, Time-Warner and CBS paid \$10.8 billion for a 14-year deal.

All of that said, athletic departments at many schools, and in fact most schools, operate in the red, and the star player on the championship team that won the men's basketball tournament last year said that some nights he goes to bed hungry.

So where does the money go? There would seem to be more of it than there ever has been before, but not everyone agrees that its distribution has been wise or equitable. Here with us today to help parse the issues are a handful of men with significant knowledge and experience regarding the most visible sports in our culture and how they are run.

Steve Berkowitz is a sports project reporter for USA Today, specializing in enterprise stories and investigations. He has also dedicated a considerable amount of time to compiling the newspaper's college sports compensation and finance database.

Patrick Sandusky is the chief communications and public affairs officer for the United States Olympic committee. He is also a former college athlete, an offensive lineman, at Northern Illinois.

Chris Del Conte is the director of athletics at TCU. He has served in that position since October of 2009.

Steve Patterson is the men's athletic director at the University of Texas. He was previously in the same position at Arizona State and spent more than two decades in professional sports. Among other roles, he was general manager of both the Houston Rockets and Portland Trail Blazers of the NBA.

And Pete Thamel is a senior writer for Sports Illustrated where he covers college football and basketball. He previously worked for the New York Times, where his reporting was nominated for a Pulitzer Prize in a story about faulty academic credentials obtained by talented high school athletes.

Big 12 Commissioner Bob Bowlsby had planned to be here with us today, but he is home recuperating from surgery, so we want to wish him the best. All opinions expressed here today are strictly those of the panelists themselves and do not necessarily represent the organizations with which they are associated.

Clearly this is a time of tremendous upheaval in sports. A regional director of the National Labor Relations Board ruled this year that Northwestern's football players should be allowed to form a union. The NCAA was found in August to be in violation of antitrust law in a suit brought by the former UCLA basketball player Ed O'Bannon. That was only a day after the so-called big five athletic conferences in essence broke away from the rest of the NCAA.

The common theme in all of these items is money. So why don't we start right there. And why don't I start with the two men on the panel charged with the responsibility of overseeing programs at universities. How does the commerce

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of college sports now change? Why don't we start with you, Steve.

STEVE PATTERSON: I don't know that it's really changed all that much over the years. You know, for a long time, schools have competed. It's a part of the American culture. There have been movements afoot to regulate that, going back more than 100 years. I think what we see are greater student services, greater facilities, larger coaching contracts, bigger staffs than we had in the past.

The reality is we want to provide the best student services we can to have the best outcomes for our student athletes that we possibly can, and that takes a lot of resources, and so to generate those resources, you have to have media contracts and you've got to sell a lot of tickets and you have to philanthropically raise a lot of money and sell a lot of merchandise and all the other kind of things that provide those revenues to provide those services.

CHRIS DEL CONTE: I concur with what Steve is saying. I think you look at it from the evolution of college athletics. Up from the time of the NCAA being formed until 1972 it was men's athletics. Enactment of Title IX, which I think is the greatest thing that's ever happened in college athletics, not only providing an opportunity for women, but it's created parity in football. You think about the popularity of football today, you used to have unlimited scholarships in the day, then it went to 110, then 95, then today it's 85. The rise of Florida State, Oregon, TCU, Baylor non-traditional powers in the '30s, '40s and '50s have become now relevant in the landscape of college athletics today, and the popularity of college athletics and in football in particular is second to none. Yet we are running a business based on people's passion that says that I have two revenue streams that must produce or support 20 sports based on their student body population.

For us the evolution has changed, commerce has changed drastically, and how we fund college athletics has changed. And the idea that we're graduating -- the great thesis that he probably used my paper to do his investigating on, put in a position today with what are we providing for a student athlete. It's no longer the handshake. It's beyond the handshake. Kid comes to TCU and it's not a five-year decision, it's a 50-year decision.

Tremendous pressures are being put forth, yet the demands of winning, the demands of keeping a coach, the demands of providing

opportunities for young people are ever greater. It's always evolving.

JIMMY ROBERTS: I guess what I really meant, though, was given what's happened within the last years, and specifically within the last few months, the prospect of change, do you foresee business being done any differently given the O'Bannon decision, the possibility that your model may change?

CHRIS DEL CONTE: It's a different question. Yeah, without question. One thing you know about college athletics, it's ever changing. No doubt about it, if you look at what's happened today, do I believe that a student athlete should receive full cost of attendance? Absolutely, I do. When you start to think about the ramifications of the O'Bannon case and the stipend that's put forth, that's going to put tremendous pressure on college athletic departments because for us at TCU, getting into the Big 12 Conference has been great, but our largest donor has been the institution.

This opportunity, this newfound money everyone thinks about that we've received actually goes back to the University, and we lessen our burden on that institution, and programs are talked about becoming truly self-sufficient. I look at it and say we're part and parcel of an institution.

At TCU seven years ago we had 7,000 applicants for 1,600 spots. The success of our athletic program and the rise of TCU going to the Rose Bowl, we're now up to about 20,000 for those same 1,600 spots. So the pressure put forth, and we're only talking about men's basketball and football. How does that affect Title IX?

If now all of a sudden -- we haven't even talked about that. You can't say we're only going to provide opportunities for two sports. What is that, hell hath no fury like a woman scorned? Really? I have two daughters. They're going to come and say, dad, pay the piper, baby. We have to do that. So how do we do that? We have to be true to ourselves and realize that this is an opportunity for everybody, and we're prepared to do that.

JIMMY ROBERTS: Steve, you've spent a considerable amount of time covering college sports, and the numbers, how do you see the cost of attendance changing and affecting the way colleges and universities and their athletic departments do business?

STEVE BERKOWITZ: It's going to be an interesting thing for how schools manage to do

this, whether or not there's just going to be this continuing effort to try to raise more money and generate more money through commercial enterprises or whether or not this is going to be the kind of thing that perhaps better justifies institutional involvement in supporting college athletics programs.

I mean, the trend has been toward making athletics programs self-sufficient, and in a way it seems to me that this has almost sort of created a perpetual motion machine. It's resulted in increased pressure to increase revenue, which is in turn resulted in a situation that we have so much revenue being generated that the general public, people who are lawyers, judges, who are looking at this and going like wow, there's so much money being generated here that something more needs to be done for the athletes, whether the athletes are entitled to compensation for the way they are participating in the generation of that money.

It creates some interesting questions as to how colleges want to deal with this and whether or not the impact of that will be to, again, sort of further perpetuate this.

JIMMY ROBERTS: Patrick, Chris mentioned the impact on Title IX. Scott was in here earlier speaking about Olympic sports, and I guess you could ask the same question about what's going to become of the Olympic sports, non-revenue sports.

PATRICK SANDUSKY: Sure. You mentioned that Title IX was the greatest thing to happen in college athletics. Well, Title IX is the greatest thing to happen to the United States Olympic team. If you go back and look at the London Games, if the women of Team USA were their own country, they would have finished third in the medal count just as the women alone. So the U.S. Olympic team has benefitted immensely by our culture of inclusion of women in sport. There's 205 Olympic committees in the world, and I dare say if we're not the best culture of inclusion of women in sport, I don't think there's anybody that can say they're better than us.

So Title IX has been fantastic for us. However, there's also a harsh reality of the stresses that the finances of athletic programs could come under. Scott said earlier, and this was told to him and I at the same time, that nobody in these two gentlemen's situation has ever lost their job because the poor performance of their Olympic sport program. That's just a fact of reality. People pay attention to basketball and they pay attention to football, and the metrics of which they get their

donors and their fundraising done and their sponsorships and TV ratings and TV contracts, those are what drive it.

For us there are a lot of implications out there that could negatively impact it by not supporting programs. We've seen programs shrink way before we've even gotten to this position of increasing the cost for universities for their student athletes. When you look at how many wrestling programs around the country have shrunk over the number of years, the number of gymnastic programs that have shrunk to try to get that balance. Make no doubt about it that Olympic sport programs are certainly under threat more so than they ever have been, and that's certainly worrisome to us.

JIMMY ROBERTS: Pete, the topic of this panel is supposed to be about money. Where does the money go? It's certainly a big issue in terms of the number of things that have been in the news, Todd Gurley suspended by the University of Georgia for allegedly selling his autograph, allegations hanging over the head of Jameis Winston similarly. Should a player be allowed to sell his own likeness?

PETE THAMEL: It's a great question, and it's a very complicated question. The way I usually cover college sports is from the bottom up, and everything happens in recruiting. You get good through recruiting, and that's where a majority of the corruption happens. It happens in the high school recruitment, it happens on the academic side, it happens be it through boosters and whatnot, and there is a black market in college football and college basketball for players. It exists now. You occasionally get glimpses into it, and in basketball it's basically fueled by agents and in football it's fueled through booster clubs and in other ways, and it's sort of a thriving wink and a nod, just its own little beast that happens. You know, you have a billion-dollar business predicated essentially on free labor, and this exists to fuel the billion-dollar beast.

That said, I think everyone is kind of happy the way it's working out right now with that black market just existing kind of in the shadows as it does.

If you start to allow people to use their likeness to make money, which conceptually is very easy, oh, yeah, well, he should be able to make money on his autograph, I just think it opens up such a Pandora's box, knowing how middle

men work, knowing how agents work, knowing how this works, like, okay, well, if you can make money on off your autograph, how much, and where does it go. Okay, I'm going to sign with Alabama, well, there's going to be an autograph business ready to set up, so when you sign with them, you can automatically get this much.

I think when people talk about paying players, there's so many unintended consequences that people really who haven't sat on the baseline and watched how the world really works, I don't think they really understand how difficult and tricky that all becomes. I mean, Title IX just got brought up. Can you only pay football and basketball? Do swimming athletes get paid for their autographs. If so, what universities can afford to put -- I mean, everything is just going to become some kind of bottleneck competition just like 10 years ago football staffs had 17, 18 guys. Now they have 45.

Everyone is looking for an edge everywhere they can go, and whatever loophole opens in terms of the autograph type stuff and in terms of the likeness stuff, which conceptually it's hard to disagree with, but in the reality and application of it, it could get very tricky, and even we see just these autograph guys who just look like kind of your scum-of-the-earth trying to make money off kids and then telling on them on the back end, it would just open up a lot of pretty scary doors, I think.

It's something that I think -- once you get the full cost of attendance, once you go past that marker, it gets really complicated.

STEVE BERKOWITZ: I think what we saw with the way Judge Wilken sort of said, what she set up in this really complicated injunction behind the O'Bannon decision, I think there is some sensitivity about that, as to why it makes these next round of lawsuits, the grant-and-aid case and the case involving Martin Jenkins, the player who's represented by Jeff Kessler, these cases which potentially could cost the schools a lot of money in damages for retroactive differential between cost of attendance and grant and aid and what the future would be with the ability of athletes to potentially demand whatever they can get becomes -- it becomes like a really, really big deal, and I think that's why the judge was trying to create something that was somewhere in between, and as Pete said, it's a really difficult issue to balance, and the lawyers who litigate that case, even now, are trying to sort of decipher what the judge meant in certain

ways the way the ruling and the injunction were set up.

JIMMY ROBERTS: Steve Patterson, how do we figure out what cost of attendance is? Isn't that really at the heart of this?

STEVE PATTERSON: Well, cost of attendance, there is a model that the Federal Government prescribes I would say on every campus, having sat through a number of meetings. It's calculated differently everywhere. At our school, it looks like maybe full cost of attendance might be as much as 4,000 or 5,000 more a year.

Q. Per athlete?

STEVE PATTERSON: Per athlete. At some schools in our conference, even ones in the same state, they don't have the same numbers. So it's a calculation that's not easy to come to across all the campuses.

But I want to go back to something that was said earlier. At the end of the day there's this misperception that the labor is free in college athletics, and that's not accurate. If you're a full-ride football player at the University of Texas, the benefit you get for room, board, books, tuition, training, meals, fees and medical is \$69,000 a year. That's tax free. So yeah, the taxes on that, that puts you at the top third of the household incomes in the United States. If you're a basketball player at the University of Texas, it's \$77,000 a year, which you add the taxes to, puts you in the top quartile household incomes in the United States. So I don't think that student athletes are being taken advantage of when they're in the top third to the top quartile of household incomes in the United States, and that's really what we need to be talking about.

PATRICK SANDUSKY: If I can just add, one of the benefits I found as a student athlete was even some of the things you didn't mention: Tutoring, networking, alumni, things of that nature, things that have benefitted me in my career because frankly I wasn't very good at football. I was a backup on a really bad team, so I had to find something else to do, and I realized that quite quickly.

But the program itself was there for you to succeed, to have the tutors, to have the individualized coaching, specialization, to do the networking, and still networks that I rely on today nearly 20 years later. So I do think that it's hard to quantify some of those costs, I believe, as a former

athlete, by looking at me clearly who never went to bed hungry like you talked about at the beginning. I was well fed throughout my time there and still am.

But you really get an opportunity to really do more than just play football, do more than -- and get an enhanced student experience, I've found, beyond what the normal student gets, and I don't know how you put a dollar on that, but it's certainly something that was incredibly valuable.

STEVE BERKOWITZ: At the risk of sounding like completely on the wrong side of this as a cynical journalist, I'll back Steve's point on this. We did a survey, we did a study several years ago and tried to sort of empirically look at the value of a men's basketball scholarship, and actually we came out to a figure that's closer to \$120,000 a year when you fold in all of the other things, particularly some of the stuff that Patrick was talking about in trying to place a value on the academic support, and there are other things that do have actual real value that you can tally up, the free admissions to games and other types of things that people don't really think about.

PATRICK SANDUSKY: Did you subtract 6:00 a.m. practices during spring break? I would definitely take that out of the benefit equation.

STEVE BERKOWITZ: But you know this way better than I do, but in terms of the demands that are placed on the athletes, and that's sort of where I think some of this -- where the friction begins to come in on some of the stuff that came to light in the NLRB hearing and some of the stuff that we heard in the O'Bannon case and that testimony, what the athletes do, what they feel they have to do, what they are being forced to do or expected to do, and the nature of that trade-off and how all of that works and the nature of the pressures and the demands that are placed on the athletes in relation to the amount of money that's being generated based on what they're doing.

PETE THAMEL: I agree with Steve Patterson here, and I led him down the road to counter that by saying free labor. These guys have it really good. I spend 200 days a year on the road. I'm on different campuses. I see the Shabazz Napier go-to-bed-hungry narrative as one of the all-time false narratives that could ever be perpetuated in the history of college sports.

The week after the Final Four I had five different coaches' administrators call me and say, if he is going to bed hungry, he took his meal money and blew it on Jordans. He's like, if you really pare down the math of what these guys do, there is no

way -- if he's going to bed hungry, it's his own fault basically is what from coast to coast people told me.

I spent a week behind the scenes at Mississippi State doing an All Access story for Sports Illustrated two weeks ago, and let me tell you, I gained five pounds being in their building. These guys come off the field, they have like shakes specifically made to like their flavor taste, weight gain, weight loss, whatever. They go into the practice facility, there's a snack bar. Now, some of it is because that rule has changed, and the NCAA denied it. The rule changed in part because of Napier, and that headline just became a toxic thing, and I think it's good, by the way; these athletes should be fed. If there's one thing they should never limit, it's feeding athletes and taking care of the athletes. It's medical care, it's those basic rights.

JIMMY ROBERTS: And those things are changing.

PETE THAMEL: Yes, they are changing, and it's a great thing. It's a great thing for everybody. I don't think you'll get anyone in and around college sports to disagree that these athletes should not be taken care of to the fullest, but Napier going to bed hungry, and somebody else perpetuated it recently and it kind of made a headline, I just think that is completely and utterly false, and it's just a misuse of what they're given if they've gotten to that point.

JIMMY ROBERTS: I think this narrative, though, that said, probably what has something to do with it is the fact that the establishment is making millions and millions of dollars, and in essence, there are kids in many cases who come from nothing who have got their noses pressed up against the window saying, where is mine. Is that fair?

CHRIS DEL CONTE: Well, I think you look at outside of the GI Bill, college athletics provides the largest, largest need-based aid, merit aid in the United States. First generation, if you look at where I came from a children's home in Taos, New Mexico. My out was through sport. I got a scholarship to go to Oregon State. Second year they dropped the sport because they said we've got to enact Title IX. They dropped men's track and field. Luckily UC Santa Barbara picked up my opportunity. I got a 50-year decision because of sport. My life's dedication is giving back to sport, providing opportunities for young

people to get a degree and change the world.

Last year we had 85 kids graduate from Texas Christian University. Only one went pro. Only one went pro. Think about all those other kids that are going to go out and do phenomenal things, yet we focus on a Napier who didn't have enough munchies.

If you know what we give them, holy cow, there's no one that's starving. You're getting a full ride to go to school, to make a decision, and a lot of times those kids are first-generation kids, never had an opportunity to do something. I had two kids graduate from Maud, Texas last year. They came in, and it took them five and a half years to graduate. They got done playing in four. We continued on their education until they got their degree.

We don't talk about those stories. A lot of what's happening today is we've lost our voice. We've lost our voice to say what do we provide in college athletics. Where are we headed? We look at all this money over here, and yet you look at the 523 athletes that we have on our campus and what they're going and doing throughout their lives, and that's part of the problem because the few that have got their nose pressed against the window are not talking for the masses. When you come on my campus and you come to our student athletes and you say are you getting a raw deal, they say no, sir. I can't believe I'm at TCU. I cannot believe I had this opportunity. I cannot thank you enough.

STEVE BERKOWITZ: Let's say the guys who have the greatest renown and the greatest -- who are doing things that create most of the revenue that support a lot of the other athletes are also in some cases are guys whose 50-year decision after they got done with school results in some tough circumstances for these guys, whether or not it's medical, whether or not for whatever reason they didn't get educations that enabled them to get jobs that are useful or gainful. I mean, we did a story, a couple, few years ago that talked about and addressed clustering in major programs where we had guys who talked to us about getting degrees that resulted in them not being qualified they felt like to do something meaningful in their lives.

I think there is a flipside to it, as well, and I understand that on a broader basis that there are lots and lots of people who are in sports outside of football and men's basketball and women's basketball who would tell you, man, this is the greatest thing.

CHRIS DEL CONTE: That's a cynical view, though, which is your job, right? My job is to tell you it's half full, and you're half empty. You wake up every morning half empty. I wake up every morning, my cup overfloweth with college athletics, in this regard.

JIMMY ROBERTS: I don't think that somebody who asks questions looks at the half full.

CHRIS DEL CONTE: No, but what I'm saying is just from a critique point of what a major might be, I'm a sociology major. You might think, what was he doing. Well, the way I group up, it's a phenomenal major for me; that's what I wanted to do. Now, someone could be a criminal justice major or whatever they may be in, or social sciences. I'm not as much, especially at TCU, there's not a major you can hide in. It's 8,000 students, 13:1 in the classroom, so we're a still bit different, but I still look at it's that opportunity for that one individual to leave their place and go to school and get whatever degree it may be, are they better off than where they were. That's a key question. Are they better off than where they were and can they go become a productive member of society.

I think I read a statistic the other day, if I'm not mistaken, 27 percent of the United States population has a college degree. 27 percent, 28 percent.

JIMMY ROBERTS: Is that so?

CHRIS DEL CONTE: Right in that area. Think about that.

JIMMY ROBERTS: Your average lifetime earnings are a million bucks more.

CHRIS DEL CONTE: So 72 percent of the United States population doesn't have a college degree. Is that individual, for whatever clustered degree he may get, is he better off than not having that college degree?

PATRICK SANDUSKY: I think there's somewhere between the two points of view, too. I go back and I remember being in a freshman offensive line meeting, the coach's name, I'm sure he's still probably coaching somewhere, Coach Dave Voth, and he asked us all what our majors were going to be, and I said that I was going to major in English, and he said, excuse me, son, and I said, English, and he said, are you sure you've got that right? And I said, yeah. He goes, all right then, you'd better not get any bad grades this semester, and I said, I think I'll be all right, Coach,

thanks for asking and caring. There were guys that had those -- that mailed it in academically without a doubt, and there were people that went on to get engineering degrees and guys that went on to get business degrees and guys that got 0.0 grade point averages and got kicked out of school. I saw the whole gamut of that.

You are given at least the opportunity, and I know there's a lot of reasons why or why not people choose or don't choose, and I'm not trying to say that everyone has the same situation, but I do think while that can happen, there's also opportunity for the athletes, as well.

PETE THAMEL: This is what I think is interesting from an academic piece here. So we're just seeing the competitiveness at American colleges and universities just spiking at an all-time high. I was told a statistic at like a major football college with high academics that the senior class that's graduating now, a third of them wouldn't get in as freshmen now, so you have the admissions competition being as tough as ever, but the football team is essentially on a plane here and here, and I think that's why you're seeing the stuff you're seeing at Notre Dame and you're seeing academic situations you're seeing at other places.

I do think it's incumbent on the university -- now, a lot of these places have million dollar centers and spend a lot of money on tutors, but I think that gap is not getting any smaller. It's going to be harder and harder to get into school, and if you want to be competitive in major college football, you're going to still need to get in kids who barely qualify, and I think that is going to create a lot more situations than we've seen now at the places who are actually educating the kids, who aren't just clustering them and putting them in independent studies and pushing them through.

The places that have a little bit of an academic soul, and you can debate how many do and how many don't, you're going to see kids failing out and you're going to see the pressure, kids cheat, kids do different things because I just think that's inherent to the situation when you have a bunch of kids who have 850s -- is that about a minimum? I know it's sliding scale, but when you have 850 SAT kids in a room with 1450 SAT kids, they don't fit, and so those inherent pressures are I think one of the problems that are arising and that we kind of see on the bottom line when wide receiver X gets suspended.

PATRICK SANDUSKY: But these gentlemen aren't proposing, which I give them a huge amount of credit for, you don't hear athletic

directors saying, well, then they should be allowed to major in football. You go to school for dance, you major in dance, you go to school for art, you major in art, you go to school for music, you major in music, you go to school for football, they want to know why you're being hidden in organizational studies. If anybody here is an organizational studies major, I apologize.

So that's not what they're advocating for. You don't hear that across campuses. They're actually advocating for them to be part of the student experience, and to your point of 85 graduates, one went pro, you're not saying, guys, this shouldn't be part of your routine. This shouldn't be part of you developing as a young woman or a young man. They are making in part -- I give them credit for that, if not just advocating for doing away with classes altogether or making all the classes specific to your sport.

STEVE PATTERSON: It's easy to have the discussion revolve around the less than 1 percent of student athletes that could go on to the pros, who even if they go on to the pros have an average career of less than four years, who then have to figure out how to live for 50 years on average after that. The reality is even at a place as successful as the University of Texas has been for a century of sports, one of the top three baseball programs in the country, we average less than one student athlete a year that goes on to play in the Major Leagues in baseball. In all the 70 years of the NBA, we average less than half a student athlete that goes on to play in the NBA. In all the years from Darrell Royal through Mack Brown through today, we average about three, maybe four that get a chance to be on an NFL roster at any particular point in time.

So out of the 500-plus kids that we've got on our campus every year, there might be a couple, three, four, five that go on to play in the pros. The reality is our job is to manage outcomes and positive outcomes for our student athletes. Folks come in with all kinds of GPAs and all kinds of SAT and ACT scores. We do have minimums now in the NCAA, we do have core courses that are required. That's a good thing. One of the things we don't talk about here is the problems in education leading up to college and where we rank in the world in terms of math skills and English skills and science skills where you compare us to the rest of the westernized countries on the planet, we're like in the 20s. So we're not doing a great

job there quite frankly.

So yeah, you're right. As the GPA and ACT and SAT scores go up -- I couldn't get into the University of Texas today. I went there twice, graduated twice. My son is there, my daughter is going to go there. I couldn't get in today.

That's what's going on at universities all over America.

JIMMY ROBERTS: And what I wanted to get to before was how do you manage that? What do you do as administrators now?

STEVE PATTERSON: We make sure that we hire the right kind of people that can provide the kind of services to our student athletes, whether it's academic support. We spend more money than any other university in the country on academic support out there. We make sure we've got one-on-one support. We make sure they get through and stay on track to graduate on time if they possibly can. We provide services for them to come back if they don't graduate in time, let's say they're a baseball player and they want to go try to make it after their third year, we pay for them to come back and finish their degrees. We had about a dozen football players who came back last year and finished their degrees, and we make sure we have career counseling for them when they leave the place. We make sure if they get injured we provide medical services for them up to two years after they leave the university to make sure they're healthy.

So we provide these kind of services to make sure we manage positive outcomes for our student athletes.

PATRICK SANDUSKY: I think you left out Matthew McConaughey pep talks you guys also have for your student athletes, which is a huge benefit for the University of Texas.

STEVE PATTERSON: But the reality is we laugh about it somebody like a Matthew McConaughey as an actor, it's often times much more important that somebody has a chance to meet somebody like Red McCombs who's a great entrepreneur and could help kids get a job and start their career and go on and foster their careers as they go forward, and that's the kind of things that you mentioned earlier that you get at universities. You get those kind of contacts, you get those kind of tools to meet those people and go on with your career.

JIMMY ROBERTS: Let me ask a question which may seem like blasphemy. Do we need the NCAA?

STEVE BERKOWITZ: We need something. It's always amused me that the idea of like, okay, well, these schools are going to break away from NCAA, to which I respond, okay, then what are they going to do. There's inevitably going to be some type of a structure, I think, that schools will want, and once you create a structure, then the whole thing is geared around the idea of everybody trying to keep everybody else from cheating or from doing something to get an advantage over somebody else, and you know, so whether it's under the NCAA auspices or some other entity that we haven't thought of the name of's auspices, it seems like there's going to be inevitably some sort of underlying governance, something to hold the enterprise together.

JIMMY ROBERTS: Conferences seem to be taking more and more autonomy.

CHRIS DEL CONTE: Well, back to the NCAA, it's like the Federal Government --

STEVE BERKOWITZ: There are a lot of people who think the NCAA --

CHRIS DEL CONTE: I understand. Just go back to the day. But you think about it, we've done a poor job -- the NCAA is us. We are the NCAA. Institutions make up the NCAA. They're our governing body, and we've done a -- we need them. They've done a great job for us in terms of academic reform, compliance reform, the mission of what we're all about, and it really started out with safety at one point. You think about the NCAA was formed in 1906 I want to say with the idea of injuries that came up and the things that have happened, we've needed them and they've been great for us, but we've done a poor job of talking about why we need the NCAA and what they do for us, and we make them up.

Our leadership is on the board of directors, ADs serve, a lot of our membership serves within the NCAA, and they're a necessity. Whatever form you talk about, whether autonomy or not, the NCAA is a necessity. Conferences really took power, if you will, when the TV contracts broke up in '83 and presidents said, wait a minute, football. College football is not part of the NCAA. What's part of the NCAA is eligibility and compliance through college football. That's it. Football is outside here and conferences have taken over that realm. There was a void that was left through the antitrust of television way back when, and now we're put in a position, oh, you have two different entities. You have football college in the playoffs

over here and you have the NCAA on this side. Yeah, well, they're still governed by us as members.

And today we're looking at the economic model of it, which is big numbers, and if we would have been back -- I want to say Bob Bowsby talked about this in 1985. They talked about adding cost of attendance to the membership. We had to go to full cost of attendance, and our membership couldn't agree to it because at the time the NCAA embodied 400 institutions. When I was at Cal Poly San Luis Obispo, we were Division II and we were going Division I at the time. We have the same vote and the same legislative power that USC had. They're two different schools. They don't even make sense in terms of their economics, but you're asking them to vote on a bill that says we're going to go to cost of attendance.

They couldn't agree on it now, and today because of the economics we can do that.

JIMMY ROBERTS: That seems like the perfect opportunity to transition into a discussion about the big five and this new model that we're going to see. So the college football national championship, we mentioned it before, and I'm not sure if I've got the numbers exactly right, I thought they were estimated at somewhere over \$600 million a year from ESPN. How is going forward with this big five model, how is that going to affect the economics with big pieces like this television contract for the football player and for March Madness? What's the future world going to look like for your schools and perhaps for schools like the one that you used to work for, San Luis Obispo?

CHRIS DEL CONTE: Well, think about this: Texas Christian University, right, we've been in five conferences in 16 years. We're like nomads. When we started out, we were the Southwest Conference. They broke up, and at that time we did everything we could to get back in the Big 12. That was our goal, and we've been on this migration pattern, and we hit a perfect storm. We hired a chancellor in Chancellor Boschini that has a vision that's second to none, and we hired a football coach that we were 1-11 and we go to the Rose Bowl, and during that time period our campus has grown and we're back to a place where we are today where we wanted to be, and we're in, and that is fantastic.

Yet it is now daunting because I thought once we got in, boy, there would be a calm ocean. There's more turbulence now than there's ever

been because I look at my members in the Mountain West Conference and Conference USA, and they're outside saying, hey, what about us; I was just there a year ago. I was there five years ago, and I understood their plight and where they're going. And at our place our faculty want us to be Harvard Monday through Friday; our fan base, Alabama on Saturday; and Texas Christian U on Sunday. I suffer from adult ADD, so I cannot serve all three masters well, but think about that.

And then you have the pressures, right. You're running a business based on people's passion. It's crazy.

JIMMY ROBERTS: We talked about this a little bit last time, though. What do you say to a school like Fresno State who has highly competitive football program but now is on the outside looking in?

STEVE PATTERSON: But they're not. For the next tranche of schools -- our television revenues for the college playoff went up a little less than double. For those schools, it went up five times.

JIMMY ROBERTS: You're talking about big five.

STEVE PATTERSON: Yeah. For those more resourced conferences, it went up a little less than double. For that next tranche of five conferences, their TV revenues went up five times what they were before, so they've actually caught up in terms of the amount of revenue they're getting from where they were before, and when you look at it --

STEVE BERKOWITZ: Those are in terms of the relative dollar because it takes a lot less money --

STEVE PATTERSON: They're five times as much as they had before.

STEVE BERKOWITZ: It takes a lot less money to get five times of \$10,000 than it does if you already have \$200 million. I mean, that may or may not be a valid way of looking at it. I'm not disputing that there's more money there for everybody, but the impact of that and how much more there is for outside of those institutions and how those schools then make up that gap I think is going to be an interesting question and what does that result in and what college athletics looks like as a result of that, whether schools like Fresno State and how those schools tailor their programs or will they be allowed to tailor their programs in order to be able to do certain things or how -- I

think this is sort of what was touched on earlier by Scott Blackman with the USOC and how will the money be allocated and what will be the impact of that on athletics programs.

STEVE PATTERSON: Those dollars are more important for those schools than they are for us. For us all the distributions from the Big 12 and the NCAA are about 20, 22 percent of our revenue, so the rest we generate ourselves on campus.

What I'm saying is if you look at the relative allocations, the total dollars, it's, like I said, about twice as much for the top five conferences, about five times as much for the rest of them. The reality is if you look at where the eyeballs are generated, it's out of the top five conferences. It's not out of the next five or the ones thereafter, so I think those schools cut a good deal, and they're better off today than they were before.

PETE THAMEL: I think the gap has always been there, and this power five, non-power five branding, has just sort of perpetuated the perception a little bit more. The financial gap has always been huge, and while I do have some empathy because those power five recruiting-wise and perception-wise are going to have to fight that they're a have-not. They were have-nots two years ago, they just weren't quite defined as have-nots.

They also have, if you go back and extrapolate out the playoff scenarios from the last ten years, a couple of those have-nots would have got in, and again, it's a committee, it's a little different, but you would have got in one year, right, at TCU? You finished in the top four?

CHRIS DEL CONTE: Maybe three or four times.

PETE THAMEL: But what I'm saying is I think they've actually done a poor job in the football playoff of letting people know that if a Boise is 13-0 like the year they beat Georgia, Virginia Tech, whatever, and they are that good, they can still get in, and again, I'm not going to say they doubled the access because I'd sound like Bill Hancock, but the whole point is their shot is pretty much -- their lot in life is pretty similar now. What they're fighting more is perception, and I agree with Steve about Steve that you can kind of parse the numbers and say five times as much and all that, and it's easy to be cynical about that kind of stuff, but at the end of the day, they're about where they were before.

STEVE BERKOWITZ: But it's going to get more difficult over time for that gap to be overcome. I mean, the gap that's occurring now between Texas's budgeting and other schools in

the FBS or within Division I, I mean, every year that gap goes wider and wider and wider. Now, does that mean it's impossible for Savannah State to be able to compete on any level? Maybe yes, maybe no. There have been teams in baseball and other sports that have risen up and done some pretty cool things, and how those -- and for sure all those opportunities will be there, but I happen to think, and there are a lot of people who have bet a lot of money who are really smart businessmen, that the schools like Texas and Texas Christian and schools that are in those conferences, at the moment believe it or not are actually still underleveraged as business propositions, companies like IMG are wagering a lot of money that those businesses are underleveraged.

UConn just reupped with IMG through a deal that hadn't gone there. People running IMG are not in the business to lose money. They are paying these schools a lot of money thinking that then they will be able to commercially recoup that and get even more money, and where does that -- how does that cycle continue to go and what is going to be the impact of that cycle I think is a really interesting question as to where all this goes.

CHRIS DEL CONTE: But if you look at us and I have a unique perspective in terms of where we were in the Mountain West Conference in terms of economics.

STEVE BERKOWITZ: Where would you rather be? Steve just told you how great life is at Fresno State. Would you rather be in the Mountain West or would you rather be in the Big 12.

CHRIS DEL CONTE: Proud member of the Big 12, thank you very much. That's why we're here. However, what you look at from this perspective, though, is economics when I was at the Mountain West Conference and the things that were happening, and to place where we're at today, one, it's perception; two, the big boys. But I was the New York Yankees of the Mountain West Conference. I had the biggest budget, we won, we were it. Today I'm in the Big 12. I have the lowest budget. There's a huge, huge gap. They have 100,000-seat stadium. We're rolling in at 45,000.

The economics within the 65 or the 64 are still great, but we're in a position now where we wanted to be for our particular institution in the Big 12. That was the biggest and best conference in our region. It made sense. We were brethren. We've been playing Texas since 1900.

Our record against Baylor is 51-51-7 --

actually we lost last week, 51-52-7. But the idea we have been playing these schools for a long time, and when the conference shifts, we're now playing San Diego State, Fresno State, they had no regional draw to us. Yet the television, the American eyeball has determined that these five conferences drive all the traffic. Think about that. They drive all the traffic. We are a little bit David and Goliath in terms of us beating Wisconsin in the Rose Bowl. That was a one off. But in terms of every given Saturday, just look at the ratings of television, who's driving that traffic.

And if you're a school, like if you're running a school, an athletic program based on people's passion and wanting to do what's right for your institution, for us to get in the Big 12 was the right move what we wanted and for our president, for our chancellor, for our student body, everyone that wanted -- this is where we wanted to be, yet I can look back over there and say, wait a minute, because media will say here's a have and have-not, and that's been going on even when the BCS -- TCU, the little guy. There's only two schools that made it into the power 64, if you will, us and Utah. That is it. It's an interesting dynamic when you think about our brethren in a room going, where would you rather be? Every one of them would rather be in the Big 12 today.

STEVE PATTERSON: And it really comes down to at those institutions deciding what kind of an investment from the various constituent groups, the constituent groups of that university, how much they want to invest. It could be from the school, it could be from the alums, it could be from other donors, it could be from the student body, it could be from businesses. Northwestern is not a big school, TCU is not a big school. We're going to have a heck of a battle on Thanksgiving. I don't know who's going to win. But if the schools want to create an environment over who's going to invest in athletics because they foresee that there's a value for the university, then they can decide to make that investment. What they can't do is not make that investment and sit on the outside and criticize the system because there's plenty of schools out there that have made the conscious decision we're not going to invest. And some of the most successful universities in the country, I mean, the Ivy League is not going to dry up and blow away; Chicago hasn't disappeared. They're great universities. So it's a matter of where you want to make your investment and what your priorities are.

JIMMY ROBERTS: What does the future look like for the schools that choose not to make the investment that the 64 are making? What do you think?

STEVE PATTERSON: I don't think they're going to be in a position to take advantage of the eyeballs that Chris is talking about, to drive the interest in their university the same way the schools are that decide to make that investment.

STEVE BERKOWITZ: That's an investment that's being driven. That's like a chicken-or-egg kind of argument. It's like, okay, great, I'm prepared to make the investment if you let me into the Big 12 and I get a whole bunch more TV money. I'll invest that in the athletic program, but in the meantime how am I supposed to make that happen? Do I run up student fees?

STEVE PATTERSON: Could be.

STEVE BERKOWITZ: Do we take institutional money and drive more of that into the athletics program?

STEVE PATTERSON: Could be.

STEVE BERKOWITZ: I mean, those are the kinds of questions that these kind of schools are starting to have to grapple with. Are you going to ask the government of the state to do this? You look at the athletics program, for example, at Hawai'i, and I realize that is an outlier program on a variety of levels, but that program is facing some unbelievably difficult choices, and there are state legislators in that state who have felt that the solution is that the state government ought to help support the athletics program there.

I mean, you can debate that on a public policy level and whether or not that's a good investment by the state of Hawai'i or whether it isn't. But there are a lot of these kinds of decisions that get made that create financial situations for people who don't have a say in it, and for example, like on a student fee basis, whether or not the fee structure for a university or for students ought to be driven by those kinds of considerations, and I think that raises some really legitimate questions for --

PATRICK SANDUSKY: But I think your point is getting a little too either-or. Just as an independent here, of course TCU wanted to get back into the Big 12; that's where your roots are from. We beat Northwestern earlier this year, Northern Illinois, so we can trade notes later for Thanksgiving. The fact of the matter is if you look at my school, they left the MAC in the mid-80s and they went on thinking they were going to go bigger

and better things, and at that point they went independent, and years later they are traveled through the Big West and some other places, and they came back to the reality that the MAC was the perfect fit for the school, for the school branding, and they wanted to focus on being a part of a strong mid-tier conference because it fit that university's model, it fit the students, it fit the student athletes, it fit the fans of the university and the graduates, and they've been focusing on that as a school, and one of the downsides is as a school that size, they don't have the robust programming if I'm looking at it with my Olympic hat on, of sports beyond to the number of levels I'd say Texas does or Texas Christian does. But they did feel comfortable that that was where they wanted to be as a school, and they've been pretty successful at it in terms of winning football games and being in the MAC and being part of what felt right for their brand and for their university. They don't have ambitions to try to be the next Big 12 expansion school or be part of the Big Ten or something like that.

So I don't know if every school is trying to be in or out.

CHRIS DEL CONTE: But to Steve's point a little bit, in terms of an investment, when I was at Rice University, I was an athletic director from 2006 to 2009, and I remember being interviewed, this is my fifth year anniversary today at TCU. Five years ago today I'm in a boardroom and they asked me two questions: Can you raise money for a football stadium and can you get us into a BCS conference. That's coming from a board of trustees and a chancellor. Now, I'm 0-6 at Rice. I'll agree to anything. Whatever you say, we'll do it. Why do you want to do that? Because you in this room are going to build that football stadium. That football stadium is \$164 million raised. No debt. Donors decided this is what we are going to do.

STEVE BERKOWITZ: If you have the donor base and you can do that, great.

CHRIS DEL CONTE: But this is just my story. This is our story. We had six people that gave us \$15 million each, and then I refer to as we nickel and dined, \$1, \$2 and \$5 million to get to the number we wanted to get to.

STEVE BERKOWITZ: That's a lot of nickels and dimes.

CHRIS DEL CONTE: Yes, sir, a lot of nickels and dimes. You've got to love oil. But the idea was this was way before the Big 12; we were in the Mountain West Conference. We were heading in to play Boise that year in the Fiesta

Bowl. This is the ambition of what we needed to do. And that was so awe inspiring to have a chancellor and a board with this audacious goal that working there was fantastic, but to have donors to say this is what we wanted to do, not knowing what light at the end of the tunnel.

We went and we joined the Big East. We dipped our toe for like a month, and then that whole thing went out, and the landscape changed, and we were lucky and fortunate to get in the Big 12. But the same thing with we're building a brand new basketball arena, donor funded. One of the things our chancellors that challenged our donors and challenged Texas Christian University is that the athletic program will not be an encumbrance on the institutional debt. We will go raise that money. That's a choice. Our donors have really inspired and grappled with and said that's what we're going to do, and it's been fantastic, and the raise level is now the university has got a \$30 million gift for a brand new business college. Donors say, guess what; we're more than an athletic program, we're a great institution. But they've made that investment. That was their audacious goal. I can't speak for Fresno State or wherever else I've been, but that was our university and our culture that decided that was important to us.

STEVE BERKOWITZ: And that's great, and that speaks well to the donors, to the university. It speaks well to your ability to convince those people to donate. But you look at a school, for example, like University of California, which just has dumped hundreds of millions of dollars into their facilities, and some of that was simply they had to seismically retrofit a football stadium that's built over a major earthquake fault, so there's a certain amount of that you've got to deal with, but the way that kind of financing works is a different setup than what you're talking about, and where that money comes from, and the California athletics department has a model that works for it great now, but if it doesn't and something craters, where is that money coming from? Is that money coming from the state? Is that money coming from the students? What kind of impact is that going to have on the bond rating for that university?

And the downstream impact of that on students and the bills that they're having to pay to do all of that stuff. And I think to me -- again, as you look down the road, those are the kinds of questions that I think you guys are having to deal with and the administrators are having to deal with

and that students to some extent have a voice in and to some extent as customers of the universities are having foisted upon them in order to do that.

STEVE PATTERSON: That's not true, no. Wait a minute. The Department of Education said you can't do that any longer, so for instance at the University of Texas, we had to go out and market to our students, what's now the big ticket at the University of Texas that replaced what used to be called the bed tax when I went to school there that everybody had to pay, and we actually wound up with better revenues, more students buying them and a better product for the students because we had to ask them what they wanted and go out and sell to them. So it's not fair to say that you're imposing something on the student body.

The reason Cal had to replace their football stadium is because their board of regents said you've got a very short time frame and you've got to go fix it right now, and it was a very difficult financial decision for them to make and a very difficult construction project, because you're right, out of the \$300 million that they spent, they spent about \$175 million of it doing seismic, which got them no revenues and no improvement in the customer experience there.

They could have potentially made a different decision. They could have said, maybe we'll go play with the 49ers, they could have said, maybe we'll go play where the Raiders play. They could have said, we're not going to have football anymore. They made a decision to keep it and fix that building up where it was. That's their decision.

STEVE BERKOWITZ: I'm not disagreeing with that it's their decision, but there are implications of that and there are situations where students have a very, very small voice in whether or not, for example, a student fee increases imposed, where those decisions are made at the governing board level of a university.

STEVE PATTERSON: I think you're misinformed on that.

CHRIS DEL CONTE: They have to go to a vote. The student body votes on that.

STEVE BERKOWITZ: That's not true. There are state institutions where the fee structures at schools are decided on by governing boards. There may be student representatives on those governing boards, but that's going to be one vote or perhaps there are different vehicles for students to do things, but I think there have been plenty of instances where these kinds of fee increases have occurred where -- and there is no

perfect way. You can't canvass 70,000 students or 35,000 students and then make a decision about what you're going to do.

CHRIS DEL CONTE: I think every case is different, and I think just from our perspective because we're only talking about where we're at today, and I can't speak for every institution, we have chosen to be great in all endeavors, and if you look at recruiting the faculty, and I use this all the time, if we're going to recruit the great chemists and the great chemistry students, we can't use 1950 Bunsen burners. You have to evolve. You have to build. You have to recruit the finest students. At TCU we're trying to compete with Texas, with Harvard, Yale, Princeton for the finest students in the country to come. It's big businesses, college athletics. Colleges and universities are big business. U.S. News and World Report will rank them; where is my little Johnny going to go to school. We had a chancellor before we got -- before Chancellor Boschini got to TCU, we were not ranked academically. Yeah, 100, 120. Today in his 10-year reign we're 72nd in the country. We're recruiting against some of the finest kids to come to our campus and do great things, but guess what, you have to invest in chemistry, you have to invest in physics, and we don't talk about that part of the business.

We focus on athletics because, you know what, we're probably between most universities between 3 and 10 percent of the entire university budget, right, between 3 and 10 percent. We make up 90 percent of the media, but we're only 3 percent of the entire budget, and in some cases maybe 10.

But the focus is such a small, narrow focus when you start to look at the totality of what a university budget is. We're so small, yet because media is such a big deal, we focus on that little piece.

JIMMY ROBERTS: Chris, let me ask you something. We've established the fact that you're on one side of the fence or the other. What's the ante if you want to be on the side of the fence with the haves and not the have-nots? You've been on the other side.

CHRIS DEL CONTE: I don't know what -- I couldn't tell you that because you start to look at one of the things for us when this whole entity was is geography. We were in the right spot. We were in the right media market. When you think about a

Boise --

JIMMY ROBERTS: What are the investments that you would have to make or that were part of programs that you were associated with that you had to make? Give us some kind of an idea.

PETE THAMEL: Let me just say this, Jimmy. What Chris hasn't said is the dumb luck of the SEC poaching two Big 12 schools that allowed them to come in. They could have built all the fancy stadiums they want, but if the Big 12 had stayed solid and there wasn't that latest reverberation of realignment, they'd still be the Yankees of the Mountain West.

CHRIS DEL CONTE: And you think about, or we'd be in the Big East because if nothing had left and the ACC hasn't expanded, we would have joined the Big East. We had Syracuse, Pitt, we had sold our donors we're like the Dallas Cowboys and the NFC East. Traveling east, my friend.

JIMMY ROBERTS: But we're here to talk about money, so give us some kind of an idea, what does it cost?

CHRIS DEL CONTE: You mean in terms of the investment we made?

JIMMY ROBERTS: Yeah.

CHRIS DEL CONTE: Well, you think about it, we didn't know -- we made the investments we made with an unknown future. We didn't know that the Big East was going to -- when we decided to do the football stadium and we were in the Mountain West Conference, that was our choice with the idea that would a new football stadium sustain our growth. Would it continue to move forward. We didn't know that all of a sudden the Big East opportunity was going to be there in the Big 12. We did not. It's hard to sit there and say you've got to do this in order to do that.

When we were in a position, and I tell this funny story, never underestimate a college keg party, and I say that -- amen, and here's the deal. I'm in a college with a guy named Jamie Dixon. He's the basketball coach at Pitt. I thought he went to UC Santa Barbara. I get the job at TCU, he calls me up, and goes, hey. What? I thought you went to Santa Barbara. He goes, no, I'm coming in. We concocted getting into the Big East in the back of our game against Baylor in 2009, 2010, going, this is who you need to talk to, yadda, yadda, because that was our audacious goal.

At the time the Big East needed, what, they were in danger of losing their BCS hold. If they had got TCU, they maintained their points, so they wouldn't drop.

We came in, it was a perfect marriage. Who would have known that A & M and Missouri were going to leave? We were content with that. But all the moves we made had happened without the knowledge of what was going to take place in the landscape. We'd have been perfectly content in the Big East knowing what we knew then, but once the landscape changes, because of our geography and dumb luck, we were able to get into the Big 12.

But there is no magical number because Boise has done wonderful things with their investments. BYU has done wonderful things at their facilities. You start to look around San Diego State, Cincinnati, Connecticut, these are teams that were -- you can start to look and start putting cases. Part of it was our geography and our investment --

JIMMY ROBERTS: Right place, right time, right keg party.

CHRIS DEL CONTE: And our success. We were successful. That's right, right keg party.

STEVE BERKOWITZ: But right now, you used Cincinnati as an example. The Cincinnati athletics department has an accumulated operating debt that's in the tens of millions of dollars, and they're paying money every year, or the school is paying money every year, or in some form of fashion, somebody is paying interest on that debt. That accumulating debt is sitting there. That was a decision that was made by the university to make that investment.

It's going back to the question that you were asking about what's the answer. I mean, and they have done things, facilities-wise and so forth. You look at some of what's happened around the Pac-12 since the new television contract that occurred there, and these are schools that are -- that were established schools, and you look at what's gone on within the facilities boom and the pay to football coaches particularly within the conference, it's been a huge, huge increase.

And these were places that were already in. They didn't have to ante up to get in. They were already there.

JIMMY ROBERTS: They had to see the bet, though.

STEVE BERKOWITZ: Yeah, you're still playing the game. I mean, there's not -- it's an amazing -- you look around the -- you know this really well from what's now going on at Arizona State in terms of the facilities and in terms of the

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14

quest for the -- with the sport village. I mean, yeah, that went on there. And all of that was being seeded by that television money. You know, so that's where the ante is. It's in the facilities, it's in the coaching salaries and it's in doing all those kinds of things.

PATRICK SANDUSKY: But are you looking at it a little too black and white, and I know that's what you're supposed to do, and you said earlier that you were a cynical journalist in that I think if there's an Oscar Wilde quote that said, "a cynic is somebody that knows the price of everything and the value of nothing," and we see this a lot in the world of the Olympics and you hear about the Olympic Games and cost overrun, things like that, but if you go to -- people think about the University of Texas and what's the brand value of the University of Texas and what does the football team add to that brand and what does that do in terms of recruiting professors and recruiting top students and recruiting donors and having Matthew McConaughey do his True Detective thing on the sidelines for your student athletes. I think that there's a little bit of cynicism involved in just saying either they made a profit or they didn't and there wasn't other ancillary benefits that happened, whether that's the 50-year plan that you referenced for the student athlete or whether that's the building of the brand that is the university.

The first thing we've said to cities when we've been looking at a potential Olympic bid for 2024 is if you're going into this with a dollars-and-cents approach, if you're trying to make money as a first line, then you're not going at it for the right reasons. That's not to say we want a bid for the Olympic Games and have them be cost overruns and be burdens on their cities, it's just that you have to sort of see a bigger picture than just the black-and-white numbers to some degree.

I totally understand that that's your job is to get to those black-and-white numbers, but I think there is some inherent value beyond just whether or not the profit and loss categories for those schools and the investments that they're making.

STEVE BERKOWITZ: Well, I'll go beyond that value that you're talking about. I mean, you look at what the economic engines that these athletics departments are for their communities on a weekend in Athens, Georgia, in Oxford, Mississippi, in Tuscaloosa, Alabama, in Auburn, Alabama, and you look at the amount of money that gets generated as a result of that. I mean, to me if that's -- you talk about sort of the public policy piece of it and how that's going, it's just a

question -- there was a lot of questions about is that appropriate, is that what college -- is that what the college enterprise is all about. And I'm not saying it is or it isn't. I'm just saying if you look at the value of these things, I mean, the value of the Texas football program every Saturday in Austin in terms of the numbers of hotel rooms that are occupied, the number of people who are sitting in restaurants after the ballgame, I mean, you drive up and down an interstate in Florida after a game in Gainesville and the Cracker Barrel is full every Saturday night.

I mean, that's what's going on.

PATRICK SANDUSKY: Sounds like they need some better restaurant choices.

CHRIS DEL CONTE: You look at this real quick and you talked about the academic improvement of where we're going. The thing about TCU, seven or eight years ago, our SAT was where it was, 4,000 applicants for 1,600 spots. All of a sudden the rise of the chancellor and our football coach, perfect storm, hit it together, and now 10 years later, we have 20,000 for those 1,600 spots. We are the media. We are the brand of our institution.

The competition, our SAT and ACT have gone through the roof. The quality of student has gone through the roof because the exposure of intercollegiate athletics has brought -- there's a president that dropped sports from the Big Ten years ago, a longtime member, and 25 years after the fact, 30 years after the fact, he goes, the greatest mistake I ever made was leaving the Big Ten because we've become so irrelevant to mainstream society. Mainstream kids love college athletics. The alums love it. You come to a game, we're packed every game. It's a wonderful experience. We win, lose or draw, it has become the fiber of our institution, and it's become the marketing brand, good, bad or indifferent. For good, it's great, for bad, it's bad, but we make up 90 percent of the media, and that brand -- we were a good regional university. Because of the vision of our institution, our chancellor, who wanted to become global, and through the rise of sport, we have changed the face of TCU. I firmly believe that.

STEVE PATTERSON: You can say that about every university in the country.

CHRIS DEL CONTE: But there's value to that. But when you only make up between 3 and 5 percent of an institutional budget and you think of

the engine that is university academic achievement and greatness and you're a small portion of it, we focus so much on that small portion and not really the totality of what we bring to the table.

JIMMY ROBERTS: Let's talk for a moment about basketball because we're approaching basketball season and we've been spending most of our time kind of talking about football. Is there any difference in the calculus between the two sports in terms of the way it needs to be managed going forward given the different, I guess, amounts of it being on one side of the fence versus the other? What do you think?

PETE THAMEL: I think college basketball right now has a giant problem. I mean, the regular season is completely irrelevant. I'll bring both institutions in here. I went to a Texas-TCU game at Texas last year. I almost fell asleep. The atmosphere -- Texas was good; TCU wasn't.

You've named dropped your chancellor so many times today, she must be watching.

CHRIS DEL CONTE: It's a he. Contract is up.

PETE THAMEL: But I really think that college basketball, if you look at the ratings, are completely flat-lined right now --

JIMMY ROBERTS: The regular season ratings.

PETE THAMEL: Yeah, the regular season is completely irrelevant. I had an Atlantic 10 coach tell me this summer at a recruiting event that they had their league meetings and the ESPN person came in and there's obviously data to back this up, and he said basically the MAC football Wednesday Night Game of the Week, Toledo-Bowling Green throwing the ball around and winning 52-47 basically outrates Carolina-Duke.

So we're an event-driven culture. Every Saturday there's an event on campus at TCU, at Texas, et cetera. There's so much oversaturation, and it's one of the negative reverberations of all these media contracts is that everyone is on TV, so it's not special anymore. I have like the second cable tier. I can probably most nights in January, I can watch nine or ten games. I actually find myself watching less because if you can watch VCU 26 times during the regular season --

STEVE BERKOWITZ: You are missing out on some serious West Coast hoops if you're watching less.

PETE THAMEL: And I like college basketball. I grew up in this business covering college basketball. I think it's a compelling sport in a lot of different ways, but there is just no juice left

in the regular season, and I think it's somewhat oversaturation. It's somewhat the prism through which the sport is covered now where somebody loses a game in December, and oh, they're not going to be a 3 seed they're going to be a 5 seed, and it's like the tournament is three months away.

Now, the tournament is great. There's nothing better in sports, I think, than the NCAA tournament. It's just this awesome beast. It rates well. It's compelling on all sorts of levels. You have great story lines. The have-nots have a chance, which is something I'm sure that will be perpetuated even more as we go on.

But I think right now regular season college basketball is an abysmal place. I don't see the genie going back in the bottle there.

JIMMY ROBERTS: Well, I would totally agree with you there, which is about our discussion earlier about expanding the size of the football tournament, which I think would be moving in that direction would be a bad move, but that's a totally different discussion. In terms of the money, UConn, defending national champion, UConn, which has won, what, five titles in the last 15 years, 20 years, they're not part of the big five, are they?

PETE THAMEL: You can get away with it more in basketball than you can in football. Basically what realignment is that basketball doesn't matter, and it's all finances. Follow the money, right? We're in Washington. The money is in football, the money follows football. Even the ACC, the most storied basketball conference, they make way more money in football than they do in basketball.

When is the last time you really sat down, and I'm going to offend Heather here, and say when is the last time you really sat down and said, I'm going to watch a football game today. There might be one or two a season.

JIMMY ROBERTS: I went to Maryland.

PATRICK SANDUSKY: Notre Dame-Florida State game on Saturday was pretty good.

PETE THAMEL: Yeah, I guess that is kind of an ACC game now. I keep looking for Maryland in the ACC standings.

STEVE PATTERSON: There's a few reasons for that, though, because people want an emotional attachment to their institution or their team or their game, so there are a few institutional problems. One I think quite frankly, having sat both in the NBA and in college athletics, is the

one-and-done rule. I think it's bad for college athletics. I think it's bad for NBA general managers quite frankly. The only people it's good for is the agents that are driving the top few guys that come out that can make it into the pros after playing one year.

But it makes it more difficult to establish an emotional attachment with the fan at the university because as soon as they get attached to somebody, oh, God, they're gone. The second issue is the number of transfers. I think it was 40 percent of college basketball players transfer after their second year, so we should have fewer opportunities to transfer, and quite frankly we should have a model that's more like baseball where if you want to go to the pros out of high school, go, God bless you, knock yourself out. There may be a couple, three guys a year that can do it. The other 200 guys that make the mistake of going early are making a mistake, and they're limiting their lifetime earnings. They should stay in college and get a degree, so if you're like baseball, they'd stay three years and they'd be close to getting a degree, and that would be better for the product. And then the last thing we have to do is do a better job of marketing.

You're right, our game presentation was terrible last year, and we're fixing that. When we roll out our basketball season this year, it's going to be dramatically different looking because you've got to go out and work hard to get people to spend the time and their entertainment dollar to come to one of your events.

JIMMY ROBERTS: You're not going to probably have -- going forward in football, you're not going to have one of the have-nots win a National Championship but it's entirely possible that could happen in basketball. Why is that? Does it cost less?

STEVE PATTERSON: We need one player.

JIMMY ROBERTS: So you're saying the game itself. But what about the economics of it, because we're here to talk about money. Is it easier to be a have-not in college basketball?

PETE THAMEL: Some of the perceived have-nots are really haves. They're in have-not conferences, but like Marquette has a bigger budget than -- they're in the Big East. That's the thing, you don't even know what they are. We look at have and have-nots through a football paradigm exclusively, but even if you look at a place like Marquette that's in the Big East, Villanova, et cetera, it's just where are traditions. Basketball

traditionally because of ESPN and because of the Big East is more market driven. So those schools that have built up a good reputation in those northeastern cities, especially in the Midwest, and stretch down, and basketball just costs a lot less. You've got 12, 13 guys, you're obviously going to have to pay a coach, the staff is one eighth of the size probably when you do it.

So you can do a lot more with less in basketball, which is why Butler was able to do what it did. In the basketball league FOX put a dump truck of money on the Big East's plate. They couldn't say no.

So I think that even though the ratings were just minuscule, by the way, they barely registered a little blip, so I just think how completely different the sports are financially, and Steve is right, you do need one player. He returns all his players from last year in basketball. They have a freshman recruit who's probably going to be a one-and-done, and that transforms them from a very good team in the Big 12 to a potential Final Four team. Everything can turn on one player, and it's been that case since Larry Bird, and you go all the way back through history. I don't think that's changed.

JIMMY ROBERTS: Do you think the expansion of the tournament to the point we're at now with 66 teams including the two play-ins --

PETE THAMEL: I think it's 69.

JIMMY ROBERTS: Do you think that has contributed to this?

PETE THAMEL: I mean, it was 64 for 25 years, so the expansion was just basically to protect some of the haves. Isn't that why they did it? Was it the Mountain West and the WAC split and then they didn't want to give another at-large, and -- I don't know, I should know this probably, but I don't think that small tournament expansion has had a big factor.

STEVE PATTERSON: I think it's the number of TV games, as you were saying. There's just so many games to watch. And if you're going to compete -- it's really two different markets, right, the viewing audience and who's in arena, and we need to do a better job of marketing and selling and creating an interesting, entertaining environment because the pros have gotten so good, be they the major leagues or the minor leagues, college really hasn't done as good a job across the board at creating a fun environment for basketball. You go to this guy's place, it's

rock-and-roll crazy for tennis. It's the kind of thing you've got to do for all the sports; you've got to make it a fun, entertaining, engaging environment, and when you can't get the emotional attachment because people are transferring every year or people are going to the pros every year, it's a tough sell.

STEVE BERKOWITZ: I think, again, this is part and parcel of the conference realignment thing, being able to keep track of who's going where, and again, some of that was driven by financial considerations and obviously a lot of it was driven by football, but the trickle-down effect on that has been interesting, as well, because you've seen this kind of shuffle continue its way down into various different leagues, so you're seeing alignments and games between teams that just don't feel familiar in a way, and what conference is Butler in this year. These are -- I think that's had an impact on it, as well, and that's been -- that's certainly been driven by financial considerations, I think.

PETE THAMEL: If I was a Missouri basketball fan and I was used to seeing Kansas, Texas, et cetera, all these years, and now all of a sudden you see Auburn, you see Kentucky, and you see Florida, which is great, you see a good game, but all those other teams, then Mississippi State rolls in, like there's no -- I call it the cubicle factor, like if you -- I live in Boston so I use it like this: If you work in an office in Boston, the people in your office went to BC, they went to Providence, they went to UConn, et cetera. Since BC has gone to the ACC, they've had dreadful home attendance in basketball, and I think part of it is there's no connection to Clemson, to NC State. Now, when Duke comes in, it's an event, and that's great, so you have two great nights a year if Duke and Carolina come in. But when Florida State comes in, it's kind of like there's no -- there's no reason to care, especially in a competitive market.

JIMMY ROBERTS: But that's a separate issue from what you were talking about before, which is the national ratings which really drives the discussion. You as athletic directors, you want to fill your buildings, you want to create an exciting event on your campus, but really the national discussion is driven by how popular are these things in people's homes, and right now college basketball is having a big problem. Can you put the genie back in the bottle?

STEVE PATTERSON: Well, I think it would help if you didn't have the one-and-done structure that we've got today.

JIMMY ROBERTS: Really? What would you like to see?

STEVE PATTERSON: I'd like to see the baseball setup. If somebody wants to come out of high school, just let them go, but if they come to the university, they should be coming to the university because they want to be a part of the university. They shouldn't be using it as a one-semester training ground to jump to the NBA and sort of make a joke of the university environment.

JIMMY ROBERTS: And I think that hurts the overall perception of college athletics when you do have these kind of tourist students.

CHRIS DEL CONTE: When I was at University of Arizona, they had a great basketball brand, right, and you could say basketball was our bell cow and football was not in terms of the economic budget on an annual basis.

But the one-and-done doesn't hurt in Arizona, it doesn't hurt a Kentucky, because their fan base has been loyal to that athletic program competing at the highest, highest level. When I came to TCU, we've been to four tournaments in 60 years, four. You try and look at your success, and say -- and when we were in the Mountain West Conference, arguably the Mountain West Conference was better than the Big 12 in terms of basketball depth at one time. They had five or six teams going into the tournament, but they didn't resonate. Vegas, New Mexico, Utah, BYU, San Diego State did not resonate in the metroplex. They're good teams. They didn't resonate.

PATRICK SANDUSKY: But I would suggest as a fan that you're right about the brand, that at Arizona you could follow those players for four years.

CHRIS DEL CONTE: They were still one-and-done. They had players come and go, but their brand was always -- Lute Olson for the 20 years, every four years he was in the Final Four. Every five years. He had an amazing record of getting in the tournament. 26 straight years of going to the tournament. For us we were in the Mountain West Conference and all of a sudden -- I mean the Big 12, we had to invest. We're building a brand new basketball arena. Why, because our brand as basketball was nonexistent.

If we're going to make any dent outside of exposure, we're going to have to have a facility to recruit the finest student athletes that donors paid for to come in and try to compete at the highest

level because we don't have a long history of basketball tradition, but if you have the shiny new penny and you have the right coach and you bring it in and said, you know what, they do care. It's like bringing in a student that says, wait, they just built a brand new physics building; they're going to be great in physics because they've got a Nobel Peace Prize winner from Pennsylvania; I'm going to go there. Same concept in basketball. We're going to make that investment until hopefully you see a return down the road.

But basketball, the saturation -- remember when I was running the business out at Arizona, we played a CBS game against Kansas. At a time they weren't revenue sharing. I go, God, we must be big money. It was \$25,000 for a Sunday CBS game, but an ABC game of Washington State against Arizona paid \$500,000. The saturation of college basketball has gotten from Big West Monday to Big East Tuesday, every night of the week, and all of a sudden now we focus so much on the tournament that in college football for a moment, every game is critical.

JIMMY ROBERTS: It's a cautionary tale.

CHRIS DEL CONTE: It's cautionary. You've got 12 games, and you are now watching the media going crazy from okay, who's in, who's out, who's moving. It's a six-month juggernaut of your stomach being tight. I bought a case of Pepto-Bismol because you're just drinking it constantly going, what's going to happen this week, because every game means something. In college basketball you can run through the league and win your tournament and get in.

JIMMY ROBERTS: Or lose your tournament and get in.

CHRIS DEL CONTE: And have a magical run in the tournament, and the next thing you know, you've got a coach you've got to pay because he was -- everything is great.

PATRICK SANDUSKY: I'm just going to say from a fan's perspective, I have interest as a fan in random teams because I learn about them, I hear their story lines; Pete writes about them over two, three seasons. It's not one-and-done Johnny Football. So many people around America probably never knew Kevin Durant played basketball at Texas. Right? People learned about Kevin Durant when he got into the NBA. What if Kevin Durant had been there for three or four years? Then that product would have been interesting, I think, to watch as a casual fan versus just watching the tournament, which I'm as guilty as anything else.

JIMMY ROBERTS: The quality of basketball certainly would have been better.

PATRICK SANDUSKY: Right, but the quality of the product that you're watching, otherwise, no offense, why would I watch Texas basketball. I don't know anything about them if I didn't go to Texas, I don't know their players, and they're not playing -- so as a casual fan you do tune into the tournament, and then Duke-North Carolina.

CHRIS DEL CONTE: But the one-and-done, Magic Johnson left after his sophomore year at Michigan State, you look at Michael Jordan after his junior year. This has not been a phenomenon that's recent. Andre Iguodala left early.

JIMMY ROBERTS: And it's getting worse and getting more pronounced, and certainly at certain schools.

PETE THAMEL: Following what Steve mentioned, I'll admit this, I'm going to Pac-12 basketball media day tomorrow, and I have to -- I'm going to have to biathlon at the airport. Now, I can name four or five players in the Pac-12, but if you go through the whole league, I can't tell you who's coming back at Washington State, probably can't at Washington, now at Arizona, UCLA, maybe USC, but this is my job, and I don't know -- the casual fan who likes sports and has nine games to watch sure as heck isn't going to go, and by the time he does know, the guy is gone.

JIMMY ROBERTS: How many players have worn a Kentucky jersey last four years?

CHRIS DEL CONTE: But it hasn't affected their local fan base and their attendance. It hasn't affected that.

JIMMY ROBERTS: Again, it's a different model for Kentucky basketball just like it is for I'd imagine Texas football.

We're going to have to wrap this up. I want to close with a question to each of you. If you had to fix one thing regarding the money aspect of where we are heading or one thing that concerns you the most of the road we're heading down, what is it? Pete?

PETE THAMEL: I think one of the places where we're headed right now that's scary to me is that as -- especially at the lower tier schools in the big five, as they struggle to build buildings to compete, as they struggle to catch up, I think we could see a purge of non-revenue sports in order to focus more money on the sports that matter

financially most. I think that's a trend we're going to see in the next five years, and I just don't think that's good for anybody.

STEVE PATTERSON: I think if we go down the road of paying football and men's basketball players, as the agents and their agents, the trial lawyers, would like us to do, and I've got plenty of friends that are trial lawyers, including my little brother, we're going to be put in a situation as a series of enterprises that we're going to be forced to make that exact decision, that the non-revenue sports are going to get eliminated. You're going to see schools ask to go from 16 sports, which is the minimum to compete, down to 12. I've already sat in meetings where those kind of conversations have happened, and that's bad for the country. That's bad for Olympic sports. That's bad for opportunities for people to get out of lesser environments, get to a university and have a better outcome in life.

CHRIS DEL CONTE: We just can't lose our voice. We've lost the opportunity for young people, and focusing on finance today of two, and if you think of college athletics, it's a failed business model in the way that it's being interpreted in the courts. We have two revenue streams, and we are the largest feeder of athletes for the Olympics, not only in our own country but around the world. Opportunities for students across the spectrum have been phenomenal, but because America has a vivacious appetite for college football, it's viewed -- and a vivacious appetite for basketball, that all of a sudden we are running that program to fund our entire athletic program, and thank God that we have that ability to provide that opportunity for a lot of people. Yet our voice is being lost by trial lawyers. Our voice is being lost in the media that says, guess what, everyone deserves a piece of the pie when the reality is we're providing unbelievable opportunities for young people.

I hope at some point in time the train hasn't left the station where we can at least regain some sanity in the amateur as a model.

PATRICK SANDUSKY: As someone who played the sport, I hate to say it, but football has become too big in America. It's become too overbearing, and it has dominated so much that I fear that we're losing sight of some of the things that make our universities great, the broader sports program, the opportunities for women in sport, and I don't just say that because I work at the United States Olympic Committee, and we obviously benefit from having robust programs that bring

athletes to us, but we also have athletes that come from sports that aren't part of the university. I think it's an essential part of the university life to have that robust sports program, and what I hope to see is that as more revenue comes into collegiate sports through say football and basketball that hopefully some of that money will continue to filter into the world of Olympic sport and women's sport to help promote that on campus.

STEVE BERKOWITZ: I agree with Pete. The notion of a broad-based athletics program, it's becoming -- in some places it's already an endangered species, and I think you're seeing some of that kind of -- just the whole disconnect of who the programs are for and what's the purpose. These events are going on on college campuses and the students are turning away from going to football games. Is it just sort of about entertainment and kind of bread and circuses, and is it really a part of what college is and whether or not that's going to happen or whether it's just going to -- if it's just going to become really, really heavily professionalized and the impact of that across what college athletics programs look like.

JIMMY ROBERTS: Thanks for taking the time to join us today. I want to remind everybody we've got another forum coming up shortly, and we hope you'll join us for that. Thanks for coming.

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