

NCAA Dashboard Indicators: Are the Warning Lights Flashing?

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The NCAA's Dashboard Indicator project was unveiled in May, 2008 as a collaborative financial reporting effort of the NCAA Presidential Task Force, the Division I Board of Directors and the National Association of College and University Business Officers (NACUBO) ("Q&A: Dashboard, 2008). Piloted among members, as well as focus and advisory groups for more than a year, Jim Isch, Chief Financial Officer of the NCAA, indicated that the dashboard project supports "one of the pillars of the Presidential Task Force recommendations and the NCAA's strategic plan to provide information and data to assist campus decision-makers" (p. 2).

The previous standard for reporting financial data among colleges and universities were submissions through the Equity in Athletics Disclosure Act (EADA), which proved insufficient and incomplete in providing aggregate financial data to compare an individual athletic budget with peer cohorts (conferences, FBS, FCS, public- private, non-football, etc.). Brown (2008) indicated that collecting data in the aggregate for comparative purposes "would provide transparency without compromising confidentiality (p. 1). In addition to changing the collection and distribution vehicle for intercollegiate athletic financial reporting, the initial dashboard project also reported athletic revenue and expense trend data over a three-year period of time (2004-05, 2005-06, and 2006-07), utilizing 26 indicator variables, and reporting here-to-for under- and un-reported dimensions of financial conditions i.e., clarifying the definition of "self-sufficiency", "institutional subsidy" for athletics, and "indirect costs" ("Q&A: Dashboard, 2008, p. 3).

Though the process for collecting and reporting data has cleared some hurdles with the change from reliance on the EADA process to the dashboard indicators project, college and university CEO's (presidents and chancellors), CFO's (vice presidents/provosts for finance and administration), and athletic department administrators (athletic directors and athletic business managers) may not have fully anticipated the implications of opening Pandora's athletic financial box courtesy of the dashboard project.

While some benefits (cohort comparisons) have certainly accrued to NCAA members in standardizing financial reporting, something akin to Generally Accepted Accounting Principles (GAAP) employed by businesses and companies for many years, the naked truth of one's financial condition can no longer be disguised. The Knight Commission on Intercollegiate Athletics, recently celebrating its 20th year of athletic reform-minded initiatives, released its latest report in October, 2009 entitled *College Sports 101: A Primer on Money, Athletics, and Higher Education in the 21st Century*. Of their many concerns and cautions, first among them is the widening gap between "wealthy" and "struggling" institutions within the Football Bowl Subdivision (FBS), comprised of six (6) Bowl Championship Series (BCS) eligible and five (5) non-BCS eligible athletic conferences. The overarching issue for many institutions is how to deal with an ever-increasing inability to be "self-sufficient" and meet current and burgeoning expense and debt obligations with commensurate and existing revenue generating opportunities—real and perceived.

This financial study's findings will be presented to highlight some of the most troubling and least transparent of the 26 financial health indicators for the 120 FBS institutions by conference cohort (BCS & non-BCS eligible). These findings clearly signal growing financial

uncertainty for intercollegiate athletics, especially with the financial pressure of institutional subsidies to finance growing athletic deficits for all but a few FBS schools.