In 2012, members of the NCAA’s Division I approved legislation to allow schools to award multiyear scholarships, thus reversing a policy that had been in place for 39 years. The purpose of this study was to develop and to test hypotheses based on institution-level variables for why NCAA FBS (Formerly Division IA) schools voted as they did on this historic piece of NCAA legislation. The study also discusses the implications of this change in financial aid policy for the future of college sport. By reviewing the evolution of NCAA athletic scholarship policies, current literature on athletic recruiting, and the NCAA’s reaction to recent lawsuits related to athletic scholarships, three hypotheses were developed and tested using a multivariate analysis. The hypothesis that a school’s recruiting power would be an important factor was not supported by the data. However, the academic rank of a college or university did influence the vote as did the institution’s level of involvement in the FBS governance hierarchy.
In 2012, members of the NCAA’s Division I approved legislation to allow schools to award multiyear scholarships, thus reversing a policy that had been in place for 39 years. The purpose of this study was to develop and to test hypotheses based on institution-level variables for why NCAA FBS (Formerly Division IA) schools voted as they did on this historic piece of NCAA legislation and to discuss the implications of this change in financial aid policy for the future of collegiate sport. This study relies on both historical and quantitative methods.

**Historical Context**

The awarding of athletic scholarships in American Education has been a contentious issue since the founding of the National Collegiate Athletic Association (NCAA) in 1905.1 The NCAA’s first Bylaws which were developed in 1906 viewed “the offering of inducements to players to enter colleges and universities because of their athletic abilities or maintaining players while students on account of their athletic abilities, either by athletic organizations, individual alumni, or otherwise directly or indirectly” as violations of amateurism (NCAA, 1906, p. 4). Athletic scholarships violated amateur rules while need-based financial aid unrelated to sports did not.

As the Twentieth Century progressed, rampant commercialism in college sports and the NCAA’s lack of enforcement power made “under-the-table” payments to athletes a national scandal (Falla, 1981). One of the most rigorous studies of college sports ever undertaken was sponsored by the Carnegie Foundation for the Advancement of Teaching and was published in 1929. According to this study, subsidization took place at 81 of 112 colleges and universities studied. These subsidies included athletic scholarships, under-the-table payments, jobs, loans, money and other tangible considerations (Savage, 1929).

In an effort to discourage such practices, the NCAA in 1956 adopted athletic scholarships to cover commonly accepted educational expenses (Byers, 1995). A 1957 “Official Interpretation” defined expenses as room, board, tuition, books, fees, and $15 for laundry (NCAA, 1957). The amount of compensation universities offer the athletes for their services (after controlling for inflation) has remained pretty much the same into the 21st Century. It is beyond dispute that this new athletic scholarship system violated the British model of amateurism upon which the NCAA was founded in 1905, but fell far short of legal definitions of employment (Zimbalist & Sack, 2012).

The 1957 legislation contained provisions to counter the argument that athletic scholarships constitute “pay for play,” which might expose its members to worker’s compensation claims. This was accomplished by mandating that financial aid be awarded for four years and not be “reduced (gradated) or canceled on the basis of an athlete’s contribution to team success, injury, or decision not to participate” (Byers, 1995, p. 75). NCAA attorneys were very concerned that a scholarship be perceived as a gift to further an athlete’s education rather than as a contractual quid pro quo (Barnes, 1964).

In 1967, NCAA members began to complain that athletes were accepting four-year scholarships but deciding not to continue playing. One athletic director wrote to NCAA Executive Director Walter Byers saying this was “morally wrong” and that “regardless of what anyone says, this is a contract and it is a two way street” (Smith, 1966). To address this problem the NCAA passed rules in 1967 that allow the immediate cancelation of a scholarship of an

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athlete who voluntarily withdraws from sports or does not follow a coach’s directives. These rules are still embedded in the NCAA Manual and would apply in the case of an athlete who is awarded a multiyear scholarship under rules passed in 2012.

The NCAA made a total break from its original amateur model in 1973 by requiring that athletic scholarships be renewable on an annual basis (Byers, 1995; Sack & Staurowsky, 1998; Yasser, 2012). This rule allows the cancelation of an athlete’s scholarship at the end of one year for virtually any reason, including injury, contribution to team success, the need to make room for a more talented recruit, or failure to fit into a coaches’ style of play. The contractual nature of this relationship and the control it gives coaches over the player’s behavior has many of the trappings of an employment contract (McCormack & McCormack, 2006).

Walter Byers (1995), in his description of the 1973 NCAA vote to eliminate four-year scholarships, noted that from start to finish the proposal and vote took less than ninety seconds. According to Yasser (2012) “The banal brevity of the process did not jibe with the significance of the proposal. The customary ‘four-year deal’ was unceremoniously buried, replaced by a one-year renewable, radically altering the landscape of intercollegiate sports to this very day” (p. 989). The NCAA, by allowing universities to essentially “fire” athletes for poor performance and injury had crossed a line from a collegiate to a professional model.

At the same convention, the membership soundly defeated a proposal to adopt a partially need-based system of awarding financial aid to athletes.2 The need-based system, if adopted by all institutions, would have significantly reduced athletic expenses. The decade of the 1970s began with a large number of athletic departments operating at a deficit. Title IX added to the costs, and as the decade advanced, a national energy crisis and runaway inflation made the financial crisis in college sport even worse.3 Instead of significantly cutting expenses by supporting need based aid, the NCAA opted for one-year-renewable scholarships which gave coaches control of athletes’ behavior not unlike that which employers have over employees.4

Not long after the 1973 decision, a number of players claimed they were employees at the time they sustained serious injuries while playing college football. In one of those cases, Willie Coleman, a football player at Western Michigan University relied on the State of Michigan’s economic realities test for determining the existence of an employment relationship (Coleman v. Western Michigan University, 1983). According to this test, four factors must be present in a contract for hire. These factors include: the proposed employer’s right to control the activities of the proposed employee, the proposed employer’s right to discipline or fire the proposed employee, the payment of wages or other benefits for daily living expenses, and whether the task performed was an integral part of the employer’s business.

The court ruled in favor of Coleman on the payment of wages factor, but concluded that college sport is not an integral part of the college or university’s business. The Michigan Court ultimately ruled that the four economic factors taken together did not support the finding of an employment contract. One can only speculate as to whether a Michigan court applying this same economic realities test in 2014 to an injured University of Michigan football player would reach the same conclusion. In 2000, a Texas Christian football player who was paralyzed in a game against Alabama in 1974 was denied a chance to appeal a negative workers compensation decision he had received in a lower court. Although the judges denied the appeal, they noted that given the changes in college sport since 1974, they could not say what their ruling would be if a similar case were to arise today (Waldrep v. Texas Employees Insurance Association, 2000).

The explosive growth of big-time college sport as a commercial enterprise in the early Twentieth-first century has left the NCAA more exposed to legal attacks than ever. Among the
Plaintiffs who have sued the NCAA on antitrust grounds during this period are athletes seeking scholarships that cover the full cost of attendance (*White v. NCAA*, 2006), current and former players seeking a share of licensing and media rights fees from revenue sports (*O’Bannon v. National Collegiate Athletic Association*, 2010), and an athlete suing the NCAA for limiting his opportunity to bargain for a multiyear scholarship (*Agnew v. National Collegiate Athletic Association*, 2011).

Lawyers from the Antitrust Division of the United States Department of Justice met with the NCAA in 2010 to discuss one-year scholarship rule and its antitrust implications (Sander, 2010). In August of 2011, a list of policy proposals emerged from a summit of college presidents who comprise the NCAA’s Division I Board of Directors. The Board then acted quickly on several of these proposals at its fall meeting in Indianapolis. One of the items that was approved gave Division I colleges and universities the option to award multiyear scholarships for up to five years, as long as the athlete does not violate NCAA or team rules, does not voluntarily withdraw from sports, and maintains academic eligibility (Sander, 2011). According to legal scholars (Bright, 2011; O’Brien, 2013), this scholarship change was likely a response to the recent flurry of legal challenges.

Although the multiyear scholarship legislation was approved by the Division I Board of Directors, thus allowing schools to begin offering multiyear scholarships immediately, there was enough opposition to the legislation to force a Division-wide vote on overriding the decision (Wieberg, 2012). In an online referendum which took place in February 2012, only a few weeks after National Signing Day in football, 62.12% of the 330 members voted to override the legislation, falling just short of the 62.5% majority needed to kill the legislation. Two more votes for an override would have swept aside a major initiative taken by NCAA president Mark Emmert and the NCAA Division I Board of directors at the 2011 presidential summit. (Bright, 2014).

Since the override vote, the media have interviewed coaches, athletic directors, college presidents and other university representatives about the override vote and their views on multiyear scholarships. Although it is likely that legal considerations played a major role in the Division I Board of Directors decision to revive multiyear scholarships after a 39 year hiatus, there is been no systematic study to determine why some institutions supported this legislation while many others did not. The purpose of this study, as was stated at the outset, was to develop and test some hypotheses based on institution-level variables for why NCAA FBS schools voted as they did on this historic piece of NCAA legislation and to discuss the implications of this change in financial aid policy for the future of collegiate sport.

There are a number of reasons for focusing on FBS institutions and the sport of football in this study. First of all, the FBS stands a world apart from the other NCAA Division I subdivisions in terms of revenue generated. Median generated revenue for FBS athletic programs in 2012 was $40.6 million compared with $3.8 and $2.2 million for the FCS (Formerly Division IAA) and DI without football respectively (Fulks, 2012). In the sport of football, FBS schools have 85 head count scholarships compared with 65 equivalencies for football in the FCS. The market for the FBS football is national while the market for the FCS is largely regional. FBS is also over represented on the Division I Board of Directors giving it a greater influence over major policy issues than either the FCS or Division I schools without football.
Review of Literature

Recruiting Resources and Support for the Override

This study is not grounded in a formal theory but there are logical arguments derived from past research and historical analysis for expecting some colleges and universities to be more likely than others to support multiyear scholarships. For instance, it is reasonable to argue that schools who have the financial and other resources to recruit the best players would be less likely to have to “run off” players in order to remain competitive. Auburn, Florida, and Ohio State, for instance are very successful at recruiting blue-chip football players, thus giving them depth in just about every position.\(^5\) One would expect schools like these whose rosters are packed with talent to be much less likely than schools with less recruiting power to be worried about the negative competitive effects of having to live with their recruiting mistakes.

Statements in the media by leaders of schools that struggle in the recruiting wars lend support to this argument. A spokesperson for Boise State, for instance, argued that the NCAA multiyear scholarship legislation would “pit wealthy schools with large recruiting budgets against their less well-heeled brethren, while also obligating schools to long-term commitments that may not make competitive sense.” (Associated Press, 2011). It seems reasonable that multiyear scholarships would lock schools with limited recruiting resources into far more marginal athletes than would be the case in schools that are magnets for the nation’s finest athletes, thus leading recruiting bottom feeders to strongly oppose multiyear scholarships.

A review of the literature on college athletic recruiting reveals the kinds of resources that colleges and universities need to be successful in attracting blue chip athletes. According to a number of studies, (Langelett, 2003; Lloyd, 2011) a football team’s performance especially in the most recent season affects recruiting at the FBS level. Both studies found the relationship between team-performance and recruiting success to be bidirectional, meaning that winning teams attract talented players and talented players produce winning teams. Langelett says this reinforcing cycle may explain why some FBS teams are continually in the top 25 while others seem to never rise to a higher level of competitiveness.

Dumond, Lynch, & Platania (2008) found that recruits prefer schools with larger stadiums, especially those built more recently. Stadium size in their study predicted the college selections for 42% of the recruits which was a noticeable increase in predictive proficiency compared to a purely random model. Recruits also sought out schools that provided significant media attention, the opportunity for more playing time and state-of-the-art training facilities. Other research (Frizel & Bennett, 1996; Seifried, 2007) discovered a relationship between television exposure and recruiting success. One would expect all of these amenities to be more available at wealthy universities than at those with more limited budgets.

High profile coaches are often coveted for their recruiting ability. This is especially the case when there is salary collusion on players’ choice of a team (Farmer & Pecorino, 2010). In college sports where there is no bargaining over players’ salary, players are more likely than in professional leagues to choose a team based on the identity of the coach or the performance of the team. In Farmer and Pecorino’s model, the collusion in players’ salaries results in a higher salary for the coach as long as some players choose the team based on the identity of the coach. This model reinforces the argument that both team performance and highly paid coaches are important components in the college sport recruiting process.
Dumond, Lynch, & Platania (2008) found that athletes in their sample considered academic reputation of a university in making their decision about which school to attend. They suggest that recruits view attending an academically prestigious university as improvement of human capital needed for future employment. It should be noted that their sample was composed of all high school athletes recruited between 2002 and 2004, thus raising the question of whether a sample limited to “highly-rated” recruits, some of whom contemplate careers in professional sports, would have yielded similar results. Other studies (Doyle & Gaeth 1990; Judson, James, & Aurand 2004; Klenosky, Templin & Troutman 2001; Letowsky, Schneider, Pederson, & Palmer 2003) have also found academic reputation to be a factor in the school choices of recruited athletes.

**Hypothesis 1.** In line with the above discussion, the first hypothesis of this study is that FBS schools with the greatest recruiting resources will be less likely than those with limited resources to have voted against the revival of multiyear scholarships. More specifically, NCAA FBS institutions whose football teams are successful on the playing field, have superior athletic facilities such as large stadiums, pay their coaches high salaries, and rank high in academic prestige will be less likely than other schools to have voted against the revival of multiyear scholarships.

**Academic Prestige and Support for the Override**

The academic prestige of a college or university is included as an independent variable in Hypothesis 1 because of its possible role as a recruiting resource. However, one could also argue that very high Federal Graduation Rates of prestigious universities would likely lead them to support legislation that helps to bring retention rates for athletes up to those of the general student body. To allow large Federal Graduation Rate (Fed Rate) gaps between athletes and other students would likely tarnish their academic reputations. Some scholars (Sack, 2008; Oriard, 2009) have argued that schools with track records for academic excellence tend to support multiyear scholarships because such scholarships represent a commitment to athletes as students first, regardless of their performance on the court or playing field.

Although the academic ranking of a university can be measured in a number of ways, the Fed Rate has been found to be one of the best measures of how well students are integrated into student life because of its focus on retention (Nora & Cabrera, 1993; Tinto1997; Titus, 2006). According to Sack, Park, and & Thiel (2011) “A student who remains at the same university until graduation has at least four years to become engaged in academic and campus culture and to progress through a curriculum designed to meet that school’s mission.” (p. 56). One would expect that a school with high academic standards would want its athletes to become an integral part of the student body and would therefore support multiyear scholarships that encourage student retention.

**Hypothesis 2.** The second hypothesis of this study is that the higher an institution’s Fed Rate for the general study body the more likely it voted for the revival of multiyear scholarships.

**NCAA Leadership and Support for the Override**

It is difficult to deny the impact of antitrust lawsuits such as Agnew v. NCAA on NCAA President Mark Emmert’s decision to hold a presidential retreat in August, 2011. These legal challenges plus the Department of Justice visit with the NCAA in 2010 to discuss one-year
scholarship rule and its antitrust implications undoubtedly convinced the NCAA leadership that the one-year-renewable scholarship issue had to be addressed. What is not clear is whether a general concern about these legal challenges was what motivated member institutions to cast enough votes to allow the multiyear scholarship proposal to narrowly escape an override.

The results of the override vote demonstrate that the majority of the members were out of touch with the NCAA Board of Directors on the scholarship issue. According to former University of Michigan president James Duderstadt (As cited in Dent, 2013) the legal stakes were very high. Not only would a shift to multiyear scholarships help the NCAA defend itself from antitrust attacks, but it might protect the NCAA should lawsuits emerge demanding wages or workers compensation for athletes. Viewed in this light, allowing multiyear commitments was a tactic to “make scholarships look more like an academically-rooted guarantee than an employment contract.”

The lack of support by the vast majority of NCAA member institutions may have been the result of their not realizing the gravity of the situation or of being left out of the debate altogether. Because this proposal was rushed through by NCAA President Mark Emmert and those at the top of the NCAA governance structure, it may not have been well vetted by the majority of DI institutions (Miller, 2011). One measure of how well informed an FBS institution may have been regarding the legal threats facing the NCAA is whether a representative from their school was invited to attend the presidential retreat where the multiyear scholarship legislation was first proposed and discussed in detail.

Hypothesis 3. NCAA membership institutions whose presidents or senior staff were invited to the 2011 presidential retreat initiated by NCAA President Mark Emmert would be more likely to vote for the multiyear scholarship legislation, i.e., reject the override, than those who were not invited.

**Method**

**The Dependent Variable**

The dependent variable in testing all three hypotheses is whether or not a FBS School supported the NCAA Board of Directors’ decision to allow multiyear scholarships as an option (SUPPORT). The “support” category was given a value of 1. The “not support” category was assigned category of 0. The total number of FBS schools in the study was 120. Three military academies who do not offer scholarships and two schools that had recently joined the FBS were excluded.

**Independent Variables**

Based on the review of literature, five variables were used to measure a school’s recruiting strength. The Sagarin Ratings of FBS football teams at the end of the 2009 through 2012 seasons were a measure of an institution’s football team performance (SAGAVE). The Sagarin rating system, created by statistician Jeff Sagarin, is based on computer analysis of factors such as a team’s strength of schedule, whether the game is home or away, and overall win/loss record. Averaging the Sagarin ratings of each team over a four-year period provided a better measure of football success through time than simply using the rating from the most recent year. Sagarin ratings for NCAA FBS teams were obtained from USA Today, which has been publishing these ratings since 1985 (USA Today, 2012).
Another measure of football team’s gridiron success was the profit/loss data for FBS football in 2011 (PROFIT). These data were available online (U.S. Department of Education, 2011). Although previous studies have found the quality of athletic facilities in general to be an important factor in athletic recruiting, stadium size was found to be especially important (Dumond, Lynch, & Platania, 2008). Stadium size of FBS institutions (STADIUM) was found online (Collegegridirons.com, 2013). The salary of each FBS football team’s head coach was used as a measure of a coach’s perceived status in the profession (COACHSAL). The coaches’ salaries were taken from the USA Today Sports college football coaches’ salary data base which included total pay, including bonuses. (USA Today, 2012).

Measures of an institution’s academic ranking were taken from the U.S. News and World Report’s special edition on America’s best colleges (U.S. News and World Report, 2012). One measure is the percentage of students who entered a school as freshmen who actually graduated from that school within six years. This measure of student retention is called the Federal Graduation Rate (FEDRATE). Other measures of a school’s academic rank were listed in U.S. News and World Report. Table 2 reveals a strong correlation between FEDRATE and the percentage of students who entered freshman (SAT25), and the percentage of students who ranked in the top ten percent of their high school graduating class (TOPTEN). Using just one measure, FEDRATE, helped avoid problems of multicollinearity.

The Federal Graduation Rate was also used to test the second hypothesis that the highest ranking academic institutions would be more likely than others to support legislation that would increase athletes’ retention rates. One final independent variable, i.e., whether an institution was closely involved with the NCAA FBS leadership (LEADER), was measured by whether an institutional representative was invited to attend the 2011 NCAA Division I presidential retreat from which the new scholarship legislation emerged. This list was published online in an NCAA news release (NCAA, 2011). This variable shed light on hypothesis 3.

Multivariate Analysis

The first hypothesis predicted that institutions with the most recruiting resources would be less likely than those without such resources to oppose the NCAA’s multiyear scholarship proposal. To test this hypothesis a binary choice model in which voting to support multiyear scholarships = 1 and not supporting multiyear scholarships = 0. A Probit

Table 1 - Summary statistics for dependent and independent variables

<table>
<thead>
<tr>
<th>Statistic</th>
<th>RECRUIT</th>
<th>SAGAVE</th>
<th>STADIUM (in thousands)</th>
<th>COACHSAL (in thousands)</th>
<th>FEDRATE</th>
<th>PROFIT (in millions)</th>
<th>TOPTEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>743.1</td>
<td>70.64</td>
<td>53.1</td>
<td>1631.5</td>
<td>64.2</td>
<td>10.7</td>
<td>38.3</td>
</tr>
<tr>
<td>St.Dev.</td>
<td>666.1</td>
<td>10.50</td>
<td>21.8</td>
<td>1180.7</td>
<td>16.6</td>
<td>15.5</td>
<td>25.0</td>
</tr>
<tr>
<td>Min.</td>
<td>25.0</td>
<td>47.00</td>
<td>16.0</td>
<td>196.0</td>
<td>28.0</td>
<td>-5.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Max.</td>
<td>2682.0</td>
<td>99.00</td>
<td>107.0</td>
<td>5477.0</td>
<td>96.0</td>
<td>78.0</td>
<td>98.0</td>
</tr>
</tbody>
</table>

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Table 2 - Correlation among the independent variables

<table>
<thead>
<tr>
<th></th>
<th>SAT25</th>
<th>PROFIT</th>
<th>COACHSAL</th>
<th>STADIUM</th>
<th>SAGAVE</th>
<th>FEDRATE</th>
<th>TOPTEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAT25</td>
<td>1</td>
<td>.275</td>
<td>.405**</td>
<td>.425**</td>
<td>.357**</td>
<td>.894**</td>
<td>0.871**</td>
</tr>
<tr>
<td>PROFIT</td>
<td>1</td>
<td>.672**</td>
<td>.603**</td>
<td>.545**</td>
<td>.360**</td>
<td>0.36**</td>
<td></td>
</tr>
<tr>
<td>COACHSAL</td>
<td>1</td>
<td>.684**</td>
<td>.520**</td>
<td>.520**</td>
<td>.356**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STADIUM</td>
<td></td>
<td></td>
<td>1</td>
<td>.433**</td>
<td>.34**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAGAVE</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>.82**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEDRATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

model was used to estimate the probability of schools voting to support the revival of multiyear scholarships based on the five independent variables previous research had found to be related to recruiting success. The second hypothesis which predicted the Federal Graduation Rate (FEDRATE) of an institution to be related to how it voted on the override was tested by the same Probit analysis used to examine hypothesis 1. Hypothesis 3 which predicted that member institutions outside the NCAA leadership circle were not as likely to support this measure as those more intimately involved in the legislative process was tested by including the variable (LEADER) in the Probit analysis.

**Results**

In order to statistically validate the independent variables defined above as predictors of recruiting strength, a multiple regression model was employed to examine the relationship between all five independent variables and a widely used ranking system of high school recruits developed by Rivals.com. Every year, each FBS school is ranked and given a composite score for the number and quality of star players it has signed on National signing day (Rivals.com, 2012). The Rivals.com score for schools in this study (RECRUIT) is the average of their scores over a four-year period (2009-2012). The variable, RECRUIT, could have been used as the independent variable in this study, but would have revealed nothing about specific resources schools need to get a recruiting advantage.

Table 3 supports our prediction that institutions with the following characteristics would be the most successful at recruiting highly sought after high school athletes: high Sagarin Ratings which are based on athletic success against winning teams with challenging schedules; the profits that are generated by football; the size of the football stadium; and the success of the head coach as measured by his salary. The academic prestige of the schools (FEDRATE) was not
found to be related to recruiting success—a finding that contradicts other research in this area. Even though Fed Rate was not statistically significant this model has an \(R^2 = 0.75\).

The first hypothesis of the study was that the recruiting power of FBS schools would be strongly related to how they voted on the NCAA Division I Board of Director’s decision to revive multiyear scholarships. Table 4, which reports the probit model estimation results for this hypothesis, reveals that none of the four variables that are significantly related to recruiting success in Table 3 were related to how schools voted on the override issue. Thus this hypothesis was not supported.

**Table 4 - Probit Analysis, dependent variable is SUPPORT multi-year scholarship**

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>z-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.98</td>
<td>1.1500</td>
<td>-1.78</td>
<td>0.076</td>
</tr>
<tr>
<td>SAGAVE</td>
<td>-0.002</td>
<td>0.0180</td>
<td>-0.09</td>
<td>0.928</td>
</tr>
<tr>
<td>STADIUM</td>
<td>-0.006</td>
<td>0.0080</td>
<td>-0.73</td>
<td>0.463</td>
</tr>
<tr>
<td>COACHSAL</td>
<td>0.00014</td>
<td>0.0002</td>
<td>0.85</td>
<td>0.393</td>
</tr>
<tr>
<td>PROFIT</td>
<td>0.000015</td>
<td>0.0100</td>
<td>-0.005</td>
<td>0.998</td>
</tr>
<tr>
<td>FEDRATE</td>
<td>0.025</td>
<td>0.0100</td>
<td>2.57</td>
<td>0.010</td>
</tr>
<tr>
<td>LEADER</td>
<td>0.860</td>
<td>0.2800</td>
<td>3.04</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The second hypothesis predicted that schools with high retention rates would be more likely than others to support multiyear scholarships. The findings in Table 4 support this hypothesis. It should be noted that FEDRATE was the only variable in Table 3 that was not related to a school’s recruiting strength as measured by Rivals.com, thus suggesting that the academic prestige of a college or university influenced the outcome of the override vote for reasons having nothing to do with gaining an athletic recruiting advantage. The findings support Hypothesis 2.

The third hypothesis that member institutions that were represented at the 2010 presidential retreat would be more likely than others to vote for multiyear scholarships was supported by findings reported in Table 4. Of the six variables in this model, being close to the
FBS inner circle (LEADER) was one of two that were positively related to support for multiyear scholarships. Of the 29 FBS presidents who attended the summit, 21 or 73% represented colleges or universities that voted not to override the multiyear scholarship legislation passed by the Division I Board of directors. By contrast only 26% of the 91 presidents who were not invited to attend the summit voted against the override. These findings were reflected in the Probit Analysis in Table 4.

Summary and Conclusions

In 2012, members of the NCAA’s Division I approved legislation to allow schools to award multiyear scholarships, thus reversing a policy that had been in place for 39 years. The purpose of this study was to discover institution-level variables to explain why NCAA FBS schools voted as they did on this historic piece of NCAA legislation. To accomplish this, it was first necessary to review the history of the rise and fall of one-year-renewable scholarships and to correct errors in contemporary accounts of why the NCAA adopted one-year-renewable scholarships in the first place. The findings of this study were based on both quantitative and historical analysis.

A major hypothesis of this study was as follows: FBS schools with the resources needed to recruit “blue chip” football players would be less likely than those lacking such resources to oppose the NCAA’s proposal to give schools an option to return to multiyear scholarships. Schools with fewer recruiting resources, we hypothesized, would be less likely to support the NCAA’s multiyear scholarship legislation than those that have an abundance of talent. One coach from a resource-challenged university opined that “we don’t get the ‘can’t miss players’ so it is hard for us to offer someone a four-year opportunity because there is no guarantee that they’re going to perform up to what we expect”. (Hill as cited in Barron, 2012)

The findings do not support this hypothesis. Schools such as the University of Southern California, the University of Oklahoma, and the University of Texas have large stadiums, high Sagarin Ratings, celebrity coaches, and millions in net revenue from football, but voted against multiyear scholarships. On the other hand, FBS recruiting bottom feeders like Ohio University, Miami University (Ohio), and Middle Tennessee State University voted for them. This study found significant differences between college football’s financial haves and have-nots in terms of their ability to attract talent, but these differences made no difference in how they voted on the scholarship question.

One plausible explanation for why this hypothesis was not supported by the data is that even coaches that are so flooded with talent that they seldom have to cut players want their players to know they have the power to do so. The issue is power. In 1973, the NCAA replaced four-year scholarships with one-year-renewable ones not as a cost containment strategy, but to give coaches the same control over their players that employers have over employees. When athletes know their performance on the athletic field in one year is a “try out” for the renewal of financial aid the next, coaches can control their lives.

Since 1957, opponents of multiyear scholarships, as noted earlier in this study, have insisted that athletic scholarships are a contractual agreement. Many coaches today likely share this sentiment. For instance, Derek Dooley, Tennessee’s then football coach, stated in the Pittsburgh Post-Gazette, coaches should be able to take away a scholarship if an athlete fails to meet performance expectations. “You have these contracts,” he said at a press conference. “It’s called a quid pro quo.” (Dooley as cited in Dent, 2013). In Dooley’s view, which is likely shared...
by coaches regardless of their access to recruiting resources, athletic scholarships should be renewed yearly on the basis of performance.

This study contributed to the research on athletic recruiting by replicating earlier research efforts on this topic and reinforcing their findings. One finding that was not consistent with prior research on recruiting was the lack of a relationship between the academic prestige of a college or university and the number of highly talented football players it signed. This might be explained by this study’s focus on big-time college football where many athletes may place a greater priority on finding a school that is a pipeline to a career as a professional athlete than on the school’s ranking in U.S. News and World Report. Athletes in non-revenue producing sports may have responded differently.

Although a school’s academic rating in U.S. News and World Report did not help it to recruit blue-chip football players, it had a significant effect on how the school voted on multiyear scholarships, thus providing significant support for Hypothesis 2 which predicted that the higher an institution’s academic ranking the more likely it would vote for the revival of multiyear scholarships. This finding is perhaps not surprising given the fact that schools with the highest academic rankings also have the highest retention rates. Table 2 shows the very high correlation between FEDRATE, SAT25, and TOPTEN.

A strong academic argument in favor of the revival of multiyear scholarships is their potential for increasing retention rates, especially if such scholarships are extended to graduation. Equally important is the message these scholarships send out regarding a school’s commitment to athletes as students rather than as commodities to be discarded when they do not fit a coach’s game plan. For those who feel strongly that college athletes should be treated as students, rather than professional entertainers, the NCAA’s vote to make multiyear scholarships optional was a small but important step toward restoring sanity in college sports.

Nonetheless, the way this legislation emerged raises doubts about whether the NCAA’s primary motive was to enhance an athlete’s education or to provide a quick fix for some antitrust challenges. The presidential retreat called by NCAA President Emmett suggested a level of urgency one usually associates with crisis management, not with a deliberative attempt to craft legislation which would have a dramatic impact on how athletes are educated. If this observation is correct, it would help to explain why this legislation was expedited through by a relatively small group of institutions many of whose leaders were in closest contact with the NCAA’s core leadership. This was more likely a political maneuver than a show of support for athletes’ academic welfare.

It speaks volumes that over 60% of Division I institutions voted to override this legislation in part because some coaches fear they will lose control over athletes if they cannot threaten to run them off. The majority of college presidents voted against a rule that merely gives schools an option to guarantee athletes a scholarship for more than one year. Meanwhile coaches are raking in multimillion dollar salaries, conferences are realigning to penetrate new market segments, and the NCAA is contemplating a new “super division” composed of the five conferences this study found to have the greatest recruiting power. The unprecedented commercialism of college athletic programs, one can argue, poses a threat to academic integrity and the academic success of the players in revenue sports.

Perhaps the only route to reform at this point is to convince the U.S. Congress to condition federal aid eligibility for NCAA institutions under Title IV of the Higher Education Act of 1965 on a radical restructuring of the NCAA’s governing board and other educational reforms. Explaining exactly how to do this goes well beyond the scope of this study, but such
action is not out of the question. Several proposals that would have to be built into the legislation are: multiyear scholarships that extend to graduation and cannot be canceled for performance or injury; scholarships that cover the full cost of attendance for all Division I athletes; NCAA ownership of the Football National Championship with proceeds to pay for all athlete health, insurance, scholarship and other benefits.

There are of course more modest approaches for bringing the NCAA’s financial aid policies in line with academic integrity. One of the uplifting findings of this study was the positive relationship between a school’s academic standing and support for multiyear scholarships. If every academically prestigious institution that voted for multiyear scholarships decided to implement athletic scholarships that extend to graduation, it is hard to believe others would not be forced to follow. In other words, the recruiting war for top athletic prospects that many coaches want to avoid should be encouraged. Schools should advertise their commitment to these scholarships just as they presently advertize various forms of academic accreditation.

Academic advocacy groups should contact high school counseling associations and other groups that advise athletes about their college choices to make sure students are aware of which schools offer multiyear scholarships and which ones do not. State legislatures should pass Athlete’s Rights to Know Laws that require schools to disclose on their websites the number of multiyear scholarships they award each year and if they extend to graduation. Regardless of the NCAA Division I Board of Director’s motives for reviving multiyear scholarships, they have opened a small crack in the door for more meaningful reform in the future.

As far as suggestions for further research are concerned, qualitative studies which compare the educational experiences of athletes who remain at one university until graduation with those who transfer out either voluntarily or because coaches push them out, would be an important contribution. A case study of a school like the University of California, Berkeley where the Fed Rate for the general student body is 90 percent compared with 47 percent for the football team would also provide important insights concerning the educations, career mobility, and attitudes of athletes who leave the schools that recruited them. It would be important to know if they would have stayed at the school that recruited them had they received multiyear scholarships that extend to graduation. Research such as this would contribute to our understanding of how athletic skills can best be leveraged into a meaningful education.
References

Agnew et al. v. NCAA, 1:11-cv-0293-JMS-MJD (S. D. Ind. 2011)


Coleman v. Western Michigan University, 336 N. W. 2d 224 (1983).


O’Bannon v. NCAA, No. CV 09-3329 (N.D. Cal. July 21, 2009)


White et al. v. NCAA, No. CV 06-0999 RGK (2006)


Footnotes

1 The National Collegiate Athletic Association (NCAA) was originally called the Intercollegiate Athletic Association of the United States (IAAUS). The name was changed in 1912.
2 For a summary of these legislative initiatives, see David P. Seifert, memo to Walter Byers, 25 September 1980, Walter Byers Papers, Box Financial Aid, Special Committee to Review Financial Aid Legislation Folder, 1980, NCAA Headquarters, Overland Park, Kansas.
4 Although scholarship costs would be the same under both systems, one could argue that being stuck with less talented athletes for four years would lower a teams’ productivity, thus raising cost per unit of output (Crowley, 2006; Gibson, 2012).
5 According to Rivals.com, an online source for how college teams rate in terms of their ability to recruit blue chip athletes, the University of Alabama rates the highest of any school in the country with a yield of 3, 4, and 5 star recruits which gives it a score of 2682. Auburn, Florida, and Ohio State are also above 2000. The University of Idaho by comparison has a score of 82. The maximum Rivals score in this study was 2682. The lowest was 25.
6 Multicollinearity, or high correlations between independent variables, can be problematic for regression solutions. Newton & Rudestam (1999) suggest eliminating one of the variables or forming a composite. We chose the former in this study.
7 One of these bills, introduced by California Congressman Tony Cardenas, is called the Collegiate Student Athlete Protection Act. Another is the National Collegiate Athletes Accountability Act introduced by Congressman Charles Dent of Pennsylvania. Another bill which is still seeking a Congressional sponsor is the College Athletes Protection Act (CAP Act) sponsored by The Drake Group. All of these bills contain proposals for multiyear scholarships that extend to graduation.